

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	02/11/13	Open	Action	02/05/13

Subject: Approving Employment Agreement for General Manager/CEO

ISSUE

Whether to approve the Employment Agreement with Michael R. Wiley as Regional Transit's (RT) General Manager/Chief Executive Officer.

RECOMMENDED ACTION

Adopt Resolution No. 13-02-____, Approving the Employment Agreement with Michael R. Wiley as RT's General Manager/Chief Executive Officer.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	10,022
Budget Source:	Operating Budget	Next FY:	\$	297,770*
Funding Source:	State/Local/Federal Funding	Annualized:	\$	297,770*
Cost Cntr/GL Acct(s) or Capital Project #:	11/510010/various benefit acct. #'s	Total Amount:	\$	1,488,850**
Total Budget:	\$ 297,770			

* This amount includes Salary and Benefits. **Minimum expected five-year total.

DISCUSSION

In 2008, the RT Board entered a 5-year Employment Agreement with Michael R. Wiley to serve as RT's General Manager/Chief Executive Officer; the term of this Agreement expires on February 25, 2013. During the term of this Agreement, the Board has regularly evaluated Mr. Wiley's performance, which included successfully guiding RT through an unprecedented economic downturn and fiscal emergency, preserving RT's financial health, initiating restoration of service, initiating construction and operation of the first portion of the Green Line to the Airport project, and obtaining federal approval of a Full Funding Grant Agreement for construction of the Blue Line extension project to Cosumnes River College. Based on his performance, the Board wishes to retain Mr. Wiley as RT's General Manager/CEO for the next five years.

A summary of the key terms of the proposed Employment Agreement follows:

1. Term: 5 years.
2. Duties: As set out in RT's enabling legislation (Public Utilities Code section 102180) and as set out in RT's adopted job description of the General Manager/CEO.
3. Salary: \$189,000 per year. The annual salary is subject to adjustment based upon the results of periodic RT salary surveys, management-wide adjustments by the Board, or performance incentive reviews by the Board.

Presented:

Final 02/05/13

Chief Counsel

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- 45. Performance Goals: Draft goals are due when the draft operating budget is authorized for circulation (April) and final goals are to be approved when the operating budget is adopted (June). Mr. Wiley is to report on RT's performance goals against the key goals within 30 days after the close of each fiscal year, beginning July 2014.
- 56. Deferred Compensation: RT will contribute \$23,000 annually into a 457 deferred compensation plan for the benefit of Mr. Wiley.
- 67. Pension: Mr. Wiley will earn a pension in accordance with the terms and conditions of the Salaried Employees Pension Plan; however, any limitation on the amount of the pension allowance that would otherwise be payable to Mr. Wiley under the Plan due to the application of the limitations set out in IRC Section 415 are to be treated as a separate payment obligation of RT, which are to be paid to Mr. Wiley on a grossed up tax basis upon his retirement.
- 78. Health and Welfare: Other health and welfare benefits (medical, dental, vision, life insurance, sick leave, and vacation accruals) will be provided to Mr. Wiley as provided to the EMT and MCEG groups.
- 89. Termination: The Agreement expires after the 5th year, upon termination for cause by RT, upon termination without cause by either party, or if Mr. Wiley is incapacitated or unable to perform the essential functions of the job for 90 consecutive days due to impaired physical or mental health. Mr. Wiley must give 90 days advance notice before terminating the Agreement for his convenience.
- 94. Severance: Mr. Wiley is entitled to a severance payment in an amount not to exceed twelve (12) months of his then current salary if the agreement is terminated without cause before the end of the term.
- 104. Dispute Resolution: Unresolved disputes, if any, may be mediated.
- 114. Statutory Provisions for Abuse of Office: Mandatory provisions required by 2011 legislation related to the reimbursement of certain costs related to abuse of office are included.

It is recommended that the accompanying resolution approving the Employment Agreement with Michael R. Wiley be approved.

RESOLUTION NO. 13-02-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

February 11, 2013

**APPROVING THE EMPLOYMENT AGREEMENT WITH MICHAEL R. WILEY AS RT'S
GENERAL MANGER/CHIEF EXECUTIVE OFFICER.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Employment Agreement between the Sacramento Regional Transit District (RT) and Michael R. Wiley (Wiley), whereby Wiley agrees to serve as RT's General Manger/Chief Executive Officer for a term of 5 years in accordance with the terms and conditions set forth in said Agreement, is hereby approved.

THAT, the Chair is hereby authorized and directed to sign said Agreement.

PATRICK HUME, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary