

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	11/09/15	Open	Action	10/29/15

Subject: Amend the General Manager/CEO's Employment Agreement

ISSUE

Whether or not to Amend and Restate the Sacramento Regional Transit District's General Manager/CEO's Employment Agreement.

RECOMMENDED ACTION

Adopt Resolution No. 15-11-____, Approving the Amended and Restated Employment Agreement with Michael R. Wiley as RT's General Manager/CEO.

ESTIMATED FISCAL IMPACT

Pre-Retirement Labor Costs

Fiscal Year	Fixed Cost	Personal Service Contract	Contract Total
FY 2016 *	\$ -	\$ -	\$ -
FY 2017 **	\$ 175,283.00	\$ 13,254.00	\$ 188,537.00
FY 2018	\$ -	\$ 11,045.00	\$ 11,045.00
Total	\$ 175,283.00	\$ 24,299.00	\$ 199,582.00

* The new General Manager/CEO contract will be factored into the current budget upon being hired.

** The \$175,283 represents 6 months of the existing General Manager/CEO's fully burdened labor costs from July 1, 2016 through December 31, 2016. The Personal Service Contract amount assumes the existing General Manager/CEO will work 120 hours during FY 2017 and 100 hours during FY 2018 at an hourly rate of \$110.45

Post Retirement Costs

<u>Pre-tax calculation Summary:</u>			Note
Annual Retirement Expense Projection:		\$ 267,456	(a)
Current Annual IRS Cap on Retirement Payments Section 415		\$ 210,000	
<u>Post-tax calculation Summary:</u>			
Funding Source	Description	Annual Cost	Note
Retirement Funds - Salaried Plan	IRS rules limit	\$ 210,000	
RT - Operating Budget	Exec Supplemental Benefit	\$ 50,340	(b)
RT - Operating Budget	Add. 457b supplemental	\$ 25,272	(b)
Total Estimated Payment		<u>\$ 285,612</u>	
Notes			
(a) The actual payment will be based on the terms of the contractual agreements and the final options selected (retiree life alone or joint and survivor annuity for retiree's life and spouse's life).			
(b) These costs will continue into the future and will need to be included in future years' budgets.			

Presented:

Final 11/04/15

Chief Counsel

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6	11/09/15	Open	Action	10/29/15

Subject: Amend the General Manager/CEO's Employment Agreement

DISCUSSION

On February 25, 2013, the Board approved an Employment Agreement with Mr. Wiley to act as RT's General Manager/CEO through February 25, 2018. On October 2, 2015, Mr. Wiley announced his intent to retire from RT effective December 31, 2016. The Board intends to immediately begin a recruitment for Mr. Wiley's successor. Mr. Wiley will remain in his position as General Manager/CEO until an employment contract with his successor has been executed. Following the Board's hiring of a successor General Manager/CEO, and in order to ensure the continued success of the agency, Mr. Wiley has agreed to transition into the position of Special Assistant to the General Manager/CEO to assist RT on a variety of matters including RT's implementation of service to the Golden 1 Center and system-wide improvements.

Given his experience and expertise, RT desires to have the opportunity to utilize Mr. Wiley as a consultant following his retirement from RT. To further this goal, staff recommends that Mr. Wiley have the option of entering into a Personal Service Contract with RT, with a term of January 1, 2017 through November 30, 2017, to provide consulting services to RT and to represent RT's interests on the Executive Committee of the California Transit Association.

The material terms of the proposed amended and restated employment agreement are:

The termination date of Mr. Wiley's current contract would be changed from February 25, 2018 to December 31, 2016.

The benefits and compensation provisions would remain unchanged, with the exception that Mr. Wiley would receive a supplemental retirement benefit to effectuate the intent of the parties that contributions made by RT to Mr. Wiley's 457 plan be counted toward his pensionable compensation.

Mr. Wiley's duties would be changed to reflect his transition to Special Assistant to the General Manager/CEO after his General Manager/CEO successor has been hired. As Special Assistant to the General Manager, Mr. Wiley would serve at the pleasure of the General Manager/CEO.

After his December 2016 retirement, Mr. Wiley will have the option to enter into a Personal Services Contract with RT, with an 11 month term, at a consulting rate of \$110.45 per hour.

RESOLUTION NO. 15-11-_____

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

November 9, 2015

**APPROVING THE AMENDED AND RESTATED EMPLOYMENT AGREEMENT WITH
MICHAEL R. WILEY AS RT'S GENERAL MANAGER/CEO**

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

THAT, the Amended and Restated Employment Agreement between Sacramento Regional Transit District and Michael R. Wiley is hereby approved.

THAT, the Chair is hereby authorized and directed to execute said Amended and Restated Agreement.

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary