

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	07/25/16	Open	Action	07/14/16

Subject: Amend the Chief Counsel's Employment Agreement

ISSUE

Whether or not to amend the Sacramento Regional Transit District's Chief Counsel's Employment Agreement.

RECOMMENDED ACTION

Adopt Resolution No. 16-07-____, Approving the First Amendment to the Employment Agreement with Timothy S. Spangler as RT's Chief Counsel.

FISCAL IMPACT

There is no cost to RT arising from this amendment.

Rather, the savings to RT's operating budget is potentially significant. For example, assuming his current salary trajectory, and making reasonable assumptions regarding retirement date, life expectancy, and the increase in the IRC 415(b)(1)(A) defined benefit limit, absent this amendment Mr. Spangler would be entitled to approximately \$650,000 from the RT operating budget during his post-retirement lifetime.

With this amendment, Mr. Spangler will be entitled to \$0 from the RT operating budget under the same assumptions.

DISCUSSION

On June 23, 2014, the Board adopted Resolution No. 14-06-0070 approving the Employment Agreement with Timothy S. Spangler as Chief Counsel. The Employment Agreement contains a "supplemental retirement benefit" clause designed to allow Mr. Spangler to receive his full entitlement through RT's pension, regardless of the IRC 415(b)(1)(A) defined benefit limit on Mr. Spangler's annual pension benefit entitlement. This clause would obligate RT to fund the shortfall between Mr. Spangler's pension entitlement and the 415(b)(1)(A) limit.

Though Mr. Spangler would not be eligible for retirement during his current contract term (which expires in July of 2019), in light of recent concerns expressed by the public regarding supplemental retirement benefits, RT and Mr. Spangler have agreed that the subject clause contained in Mr. Spangler's contract should be removed at this time.

RT staff recommends that the Board adopt a First Amendment to Mr. Spangler's contract to delete the supplemental retirement benefit from Mr. Spangler's employment contract.

Approved and Presented:

Final 07/20/16

General Manager/CEO

RESOLUTION NO. 16-07-_____

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

July 25, 2016

**APPROVING THE FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT WITH
TIMOTHY S. SPANGLER AS RT'S CHIEF COUNSEL**

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

THAT, the First Amendment to the Employment Agreement with Timothy S.
Spangler is hereby approved.

THAT, the Chair is hereby authorized and directed to execute said First Amendment
to the Employment Agreement.

JAY SCHENIRER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary