

## STAFF REPORT

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**DATE:** November 18, 2024  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Shelly Valenton, Deputy General Manager/CEO  
**SUBJ:** APPROVAL OF THE SIXTH AMENDMENT TO THE EMPLOYMENT CONTRACT OF THE GENERAL MANAGER/CEO, HENRY LI

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

Approve the sixth Amendment to the General Manager/CEO's (GM/CEO) Employment Contract.

### FISCAL IMPACT

No immediate fiscal impact. The cost to sellback available vacation accruals will be determined when the GM/CEO ends employment with SacRT.

### DISCUSSION

Sacramento Regional Transit District's (SacRT) GM/CEO is currently provided vacation hours consistent with the provisions of SacRT's Personnel Policy Manual (PPM) adopted by the SacRT Board of Directors on June 10, 2019, and was last amended on July 1, 2019. Section 10.02.A.2 of the PPM outlines the vacation accrual schedule for executive management level positions, starting at 5 weeks (200 hours a year) for the first 1-2 years of employment; 6 weeks (240 hours a year) for 4-6 years of employment; and 7 weeks (280 hours a year) for 7 years of employment and beyond. Section 10.02.C.3 PPM also sets a maximum accrual cap as follows: "for employees hired prior to January 1, 2015, the maximum accrual of vacation will not exceed that which can be earned by the employee in 3 years; and for employees hired on or after January 1, 2015, an employees' maximum vacation accrual may not exceed the maximum vacation accrual, which can be earned by the employee in 2 years. Furthermore, Section 10.02.D of the PPM provides an option for eligible employees to sellback to either cash or a deferred compensation account the equivalent of up to 80 hours unused vacation hours for the year.

Given the work demands placed on the GM/CEO, he has been unable to schedule and take sufficient vacation time off to consistently remain below the vacation accrual cap as set forth in the PPM. Moreover, the GM/CEO continues to be available to staff even during his vacation days. The Board wants to ensure that the GM/CEO received the benefit

provided as a vacation accrual and maintain a healthy work/life balance by taking adequate vacation hours.

Considering the foregoing, the following actions are recommended for the Board's consideration.

1. Increase the GM/CEO's annual vacation accrual by 160 hours.
2. Exclude the GM/CEO from Section 10.02.C.3 of the PPM, thereby allowing him to continue accruing vacation hours without an annual cap.
3. Continue to allow the GM/CEO to sellback only up to 80 hours of unused vacation as set forth in Section 10.02.D of the PPM. The GM/CEO's contract will also be cleaned up to delete obsolete language in Article 5.4 of his contract related to vacation sellback.

RESOLUTION NO. 2024-11-125

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

November 18, 2024

**APPROVAL OF THE SIXTH AMENDMENT TO THE EMPLOYMENT CONTRACT OF THE GENERAL MANAGER/CEO, HENRY LI**

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

THAT, the Sixth Amendment to the Employment Contract between Sacramento Regional Transit District and Henry Li, General Manager/CEO wherein the Board increases Li's annual vacation accrual from seven weeks (280 hours) to 11 weeks (440 hours), eliminates the vacation accrual cap by excluding Li's contract from Section 10.02.C.3 of the Personnel Policy Manual (PPM) and reaffirms the applicability of Section 10.02.D of the PPM to Li's Contract, authorizing the annual sellback of up to 80 hours of accrued vacation, is hereby approved; and

THAT, the Board Chair is hereby authorized and directed to execute the Sixth Amendment to the Employment Contract Between Sacramento Regional Transit District and Henry Li, General Manager/CEO.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Tabetha Smith, Assistant Secretary