

MOTION NO. M2018-155

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing an employment agreement to retain Peter M. Rogoff as Sound Transit's chief executive officer.

BACKGROUND:

In November 2015, the Board adopted Motion No. M2015-109 to appoint Peter M. Rogoff as Sound Transit's chief executive officer and directed the Board Chair to negotiate an employment agreement consistent with the terms and conditions adopted by the Board. In December 2015, the Board adopted Motion No. M2015-125 to approve an agreement to employ Mr. Rogoff as Sound Transit chief executive officer for a period of three years and one month, beginning January 1, 2016 and ending January 31, 2019.

In October 2018, through Motion No. M2018-141, the Board directed the Board Chair to appoint members to a subcommittee to discuss renewal and amendment of the employment agreement with Peter M. Rogoff to continue to serve as Sound Transit chief executive officer. The motion directed that the subcommittee complete discussions and present a proposal for Mr. Rogoff's continued employment to the Board by December 31, 2018.

Consistent with subcommittee discussions, the negotiated employment agreement contains standard employment terms and contains the following terms and conditions:

- The term of the employment agreement is three years, beginning December 1, 2018 and ending December 31, 2021, and renewing for three one-year periods (ending December 31, 2024) upon agreement of the parties and approval of the Board 90 days in advance.
- The annual base salary is \$365,000, effective on December 1, 2019. The base salary will be evaluated annually and adjusted at the Board's discretion in accordance with Sound Transit's compensation, salary and performance management guidelines currently in effect for agency employees. For calendar year 2018, the CEO's performance award will be determined in accordance with the 2015 agreement including base salary through November 30, 2018. Mr. Rogoff will be paid an additional \$416.33 per month (\$5,000 annualized) for miscellaneous routine business expenses he may incur. The Board may authorize an additional annual performance award, in accordance with the agency's contribution and performance award policy and guidelines currently in effect.
- Mr. Rogoff will participate in the retirement and deferred compensation plans available to all employees. Sound Transit is required by law to contribute an amount equal to 12% of his annual base salary to his 401(a) retirement account. Sound Transit also will contribute the maximum allowable amount, not to exceed \$24,000, to his 457(b) deferred compensation retirement account.
- Sound Transit will provide the standard benefits (e.g., medical, dental, vision and ORCA pass) and flexible spending arrangement available to all employees.
- Mr. Rogoff will receive \$2,500 as an annual allowance to facilitate the CEO's continued eligibility for federal retiree benefits.

- Mr. Rogoff will accrue 30 days paid vacation and 12 days paid sick leave annually in accordance with Sound Transit's policies and procedures.
- Sound Transit will provide equipment and supplies necessary for a home office and reimbursement for a personal mobile phone consistent with agency's policies.
- The Board may terminate the employment with or without cause. If terminated without cause, or if Mr. Rogoff voluntarily resigns for good reason, he will receive a severance package of salary and benefits equivalent to one year's compensation if within the first three years of the contract or the first renewal year, or six months' compensation if within the second or third renewal year.
- If the Board elects not to renew the agreement for the first renewal year, Mr. Rogoff will receive a severance package of salary and benefits equivalent to one year's compensation. If the Board elects not to renew the agreement for the second or third renewal year, Mr. Rogoff will receive a severance package of salary and benefits equivalent to six months' compensation.
- The agreement does not provide for mandatory arbitration, but instead requires that all legal proceedings be commenced in state and federal court.
- The agreement includes a one-year prohibition against CEO soliciting or recruiting Sound Transit employees to work elsewhere.
- The agreement includes an expanded description of CEO's duties which extends to CEO's role as internal and external ambassador and responsibility for facilitating a collegial and collaborative work culture.

MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority as follows:

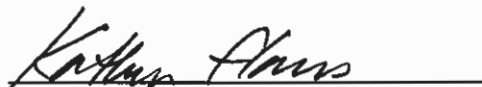
An employment agreement with Peter M. Rogoff to serve as Sound Transit's chief executive officer is approved with the following terms: (1) a three-year and one month term of employment (December 1, 2019 - December 31, 2021) and three one-year options upon agreement of the parties and approval of the Board (January 1, 2022 – December 31, 2024); (2) a first year salary of \$365,000, with an annual increase consistent with agency compensation, salary and performance guidelines effective January 1 of each succeeding year; (3) a discretionary annual performance award, based on the agency contribution and performance award policy; (4) a \$416.33 monthly payment to defray miscellaneous routine business expenses; (5) equipment and supplies necessary for a home office and reimbursement for a personal mobile phone (6) a contribution of 12% of his annual base salary to his 401(a) retirement account; (7) the maximum contribution amount, not to exceed \$24,000 annually, to his 457(b) deferred compensation retirement account; (8) standard employee medical, dental, vision and ORCA pass benefits; (9) an annual allowance of \$2,500 to facilitate the CEO's continued edibility for federal retiree benefits (10) 30 days paid vacation and 12 days paid sick leave accrued annually; (11) an amount equivalent to one year's salary and benefits if terminated without cause, or upon voluntary resignation with cause if within the first three years of the contract or the first renewal year, or six months' compensation if within the second or third renewal year; (12) an amount equivalent to one-year's salary and benefits if the Board does not renew the agreement for the first renewal year, or an amount equivalent to six-months' salary and benefits if the Board does not renew the agreement for the second or third renewal year; and (13) other standard terms commonly found in employment contracts and substantially consistent with provisions approved by the Board in other employment agreements.

APPROVED by no less than a 2/3 affirmative vote of the entire membership of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 15, 2018.



Dave Somers
Board Chair

ATTEST:



Kathryn Flores
Board Administrator