

SOUND TRANSIT

MOTION NO. M98-34

1997 Performance Evaluation for Sound Transit BACKGROUND AND COMMENTS

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Executive Committee Board of Directors	5/1/98 6/11/98	Discussion Action	Lilly Aguilar, Human Resources Manager	(206) 684-1657

ACTION:

To provide an agency performance rating for 1997 in order to implement and carry out the lump sum performance compensation program adopted for Sound Transit.

BACKGROUND:

Consistent with the lump sum performance compensation program approved by the Board, the agency has obtained an annual independent financial audit and a year-end annual review from the Citizen's Oversight Panel for 1997. A complete copy of the Citizen Oversight Panel's year-end report has been provided to and reviewed by the full Board. A copy of the executive summary of this report is attached to this motion.

In addition, the RTA has received its 1997 independent financial audit from Deloitte and Touche LLP, first presented to the Finance Committee on March 19. Deloitte and Touche's report is attached to this motion.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

In August 1997 the Board considered and approved a new human resources (HR) system, including the implementation of a lump sum performance compensation program. The purpose of this program is to encourage and reward teamwork and to focus on the achievement of both Agency goals and individual objectives in order to link employees' pay to performance. To emphasize pay-for-performance, the Board-adopted HR system does not have a COLA feature. In addition, the performance compensation must be re-earned every year.

The Lump Sum Performance Compensation Program (LSC) is a part of the total compensation package used to recruit and retain highly qualified employees. The LSC compensates eligible Agency employees based on how successful the Agency is in attaining its established objectives and on how successful an employee is in achieving his/her individual objectives. The Executive Committee conducts the Agency's performance rating each year based on the independent financial audit and the annual Citizens Oversight Panel (COP) review. The attainment of individual objectives is evaluated through the Performance Review and Development Plan (PRDP) and through performance management meetings throughout the year between the manager and employee.

The weighting for the Agency and Individual lump-sum compensation was determined with the rationale that higher-level employees have more authority and therefore can affect the attainment of Agency goals to a greater extent than lower level employees. This is also consistent with the responsibilities and accountabilities outlined in the Classification Matrix included in the ST Human Resource Guidelines for Salary Administration. The weight of individual and organizational performance by band was established as follows:

Band 1	Band 2		Band 3		Band 4		Band 5		Band 6		Band 7	
Board	ST	Indiv	ST	Indiv	ST	Indiv	ST	Indiv	ST	Indiv	ST	Indiv
Directed	75%	25%	75%	25%	50%	50%	50%	50%	25%	75%	25%	75%

KEY FEATURES:

PERFORMANCE STANDARDS AND PERCENTAGE RANGES FOR 1997:

The agency, for the individual performance reviews portion of the annual lump sum compensation, has applied the following performance standards and percentage ranges for 1997:

Agency Performance Standards	Summary of Definition of Performance Standards	Percentage Ranges for Performance Compensation		
		Low	Med.	High
Outstanding	Rare stellar performance	10-11%	12-13%	14-15%
Exceeds Expectation	Consistently exceeds expectations or requirements.	7-8%	9%	10%
Meets Expectation	Fully consistent, competent, and dependable	3-4%	5-6%	7%
Unsatisfactory	Serious correction required	0%		

FUNDING:

The agency has included the 1997 annual lump sum compensation in its 1998 budget.

ALTERNATIVES:

The Executive Committee could chose not to evaluate the agency's performance and therefore not implement the agency review or performance pay. Employees would therefore not receive the agency portion of their annual lump sum compensation for 1997. This alternative would be a departure from Board policy and would have serious employee morale consequences.

SOUND TRANSIT

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A motion of the Board of the Central Puget Sound Regional Transit Authority to provide an agency performance rating for 1997.

Background:

Consistent with the lump sum performance compensation program approved by the board, the agency has obtained an annual independent financial audit and a year-end annual review from the Citizen's Oversight Panel for 1997. A complete copy of the Citizen Oversight Panel's year-end report has been provided to and reviewed by the full board. A copy of the executive summary of this report is attached to this motion.

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Motion:

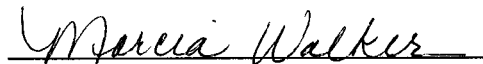
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that based on the Citizen Oversight Panel report and the financial audit, the Board determines that the agency's performance for 1997 shall be rated as: expected efforts are exceeded with few significant or critical issues.

Approved by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof on the 11th day of June, 1998.



Bob Drewel
Board Chair

ATTEST:



Marcia Walker
Board Administrator