STAFF REPORT

MEETING DATE:	**April 28, 2022**
SUBJECT:	**Amend Executive Director Employment Agreement**
AGENDA ITEM:	**5-11**
STAFF CONTACT:	**Sean Tiedgen, AICP, Executive Director**

STAFF RECOMMENDATION:

It is recommended that the SRTA Board of Directors adopt the revised Executive Director Employment Agreement as attached.

DISCUSSION:

At its special meeting on April 13, 2022, the board approved an employment agreement for the new executive director. There were some errors and omissions in the agreement that were not consistent with the stated intent of the board. A corrected agreement is attached and includes:

- The correct start date of April 25, 2022.
- Elimination of the 10-day administrative leave management benefit now in SRTA policy and replaced with 25 days vacation annually. This is eight additional days vacation from what the employee currently receives.
- Elimination of the expense allowance provision (i.e., stipend) now in SRTA policy of $100 annually plus $50 biweekly.

Administrative leave is a provision commonly used to attract and retain management employees. Because they are exempt from the Fair Labor Standards Act and overtime pay, administrative leave partially offsets the added hours typically required of a manager beyond the standard 40-hour work week. Administrative leave is less expensive to the agency because it carries no entitlement or cash value and will expire if the 10 days provided annually are not used in the calendar year. In contrast, vacation time can continue to accrue year-over-year and unused vacation is owed to the employee upon separation. Cash outs are typically at a higher rate than when accrued due to wage increases.

The expense allowance benefit is intended to minimize paperwork and authorizations needed for small purchases or other expenses unique to managers. Examples might include an office holiday or administrative professionals' day work gathering, a meeting over coffee with a board member or partner agency, or a meal purchase for guest participants on an all-day interview panel.

If the board takes action to remove these management benefits, the underlying Human Resources policies will be considered for permanent removal or modification at a future board meeting.

ALTERNATIVES:

The board could let the management benefits in the SRTA policy remain applicable by removing sections 4(B) and 4(C) from the attached agreement. The policy can then be considered for revision or removal at a future board meeting.

FISCAL IMPACT:

The fiscal impact associated with removal of the management benefits is nominal. The 8 extra days of vacation accrual annually is comparable in value to 10 days of administrative leave for the reasons stated above. There will be an agency savings associated with elimination of the expense reimbursement but a corresponding administrative cost to process and approve individual reimbursements.

Baron Browning, Chair
Shasta Regional Transportation Agency

Attachment: Executive Director Employment Agreement

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~~Daniel S. Little, Executive Director~~

SHASTA REGIONAL TRANSPORTATION AGENCY

EMPLOYMENT AGREEMENT
EXECUTIVE DIRECTOR

This Agreement is between the SHASTA REGIONAL TRANSPORTATION AGENCY ("SRTA") and Sean Tiedgen ("Executive Director") originally approved and dated for convenience ~~this~~ the13th day of April 2022, and hereby revised April 28, 2022.

RECITALS

1. The SRTA requires the services of an individual to serve as Executive Director and to perform the duties and obligations assigned to that position as set forth in the Human Resource Polices ("Policies") of SRTA.

2. The Executive Director has the background and expertise necessary to perform the role of Executive Director of SRTA.

~~3. The SRTA desires to retain the services of Executive Director~~.

AGREEMENT

1. Duties – The SRTA agrees to employ the Executive Director and the Executive Director agrees to perform the duties, obligations and the functions assigned to the position of Executive Director as set forth in the Policies adopted by the agency and such other related duties as the SRTA Board of Directors may direct.

2. Term – This Agreement shall commence on ~~the date of last signing below~~ April 25, 2022, and shall continue until July 1, 2025, unless amended or sooner terminated as provided in this Agreement.

3. Compensation – The Executive Director compensation shall be at a rate of $160,000 annually. The Executive Director will remain eligible for cost-of-living increases applicable to all staff if specifically authorized by the board for the Executive Director. The Executive Director shall receive his paycheck at the same time and in the same manner as regular SRTA employees.

4. Benefits – The Executive Director shall receive all benefits and leave as set forth in the Policies as they apply to the Executive Director except for the following:

A. In-lieu of payment of the standard SRTA portion of PERS medical benefits, the Executive Director may decline enrollment and receive a $300 per month in-lieu payment when suitable evidence of alternative insurance coverage is provided.

B. The provision for Administrative Leave (5.10.020(E)) shall not apply. The policy will be revisited by the Board at a future meeting. The Executive Director shall accrue vacation at a total rate of 25 days per year in lieu of normal vacation accrual rates beginning April 25, 2022. All other rules regarding the accrual and use of vacation time shall remain applicable.

C. The provision for Expense Allowance (5.10.020(F)) shall not apply. The policy will be revisited by the Board at a future meeting.

5. Annual Evaluation and Compensation Review – The SRTA Board of Directors will annually evaluate the performance of the Executive Director each December and consider total compensation consistent with Section 45.05.040 of the SRTA Human Resources Policies, including consideration of competitive pay for comparable agencies.

6. Travel Expenses/Professional Development – The Executive Director shall be entitled to reimbursement for travel and business and expenses and fees for professional development as set forth in the Policies as they relate to the Executive Director.

7. Termination and Severance – It is hereby agreed and understood by the parties to this Agreement that the Executive Director's position is an "at-will" position. The Executive Director may be terminated by a vote of the majority members of the SRTA Board of Directors with or without cause at any time. In the event of termination, for other than reasons of moral turpitude or gross incompetence, the Executive Director shall be entitled to severance equal to salary and benefits equal to four months.

8. Indemnification – The Executive Director shall be entitled to the protections of Government Code ~~§~~§ 995, 995.2 and 825 and related sections relating to the defense and indemnification of public employees.

9. General Provisions – This Agreement shall constitute the entire Agreement between the parties and supersedes all previous agreements.

It is agreed and understood by the parties that this Agreement was arrived at through negotiations and that neither party is deemed the party which created any uncertainty within the meaning of Civil Code § 1654.

If any provision, or any portion of this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable and shall remain in full force and effect.

IN WITNESS THEREOF, the Chairman of the Board of Directors of SRTA has caused this Agreement to be signed and executed in its behalf by the Chairman, approved as to form by Legal Counsel and executed by the employee.

Sean Tiedgen, Executive Director
April 28, 2022

Baron Browning, Chairman of the Board
April 28, 2022

John S. Kenny, Legal Counsel

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