

MOTION NO. M2012-94

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the board chair to execute a seventh amendment to the employment agreement with Joan M. Earl, Sound Transit Chief Executive Officer.

BACKGROUND:

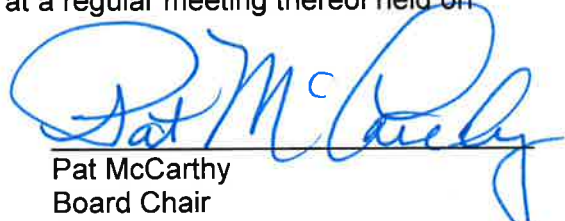
Ms. Joan M. Earl is employed by the Sound Transit Board as Sound Transit's chief executive officer under an employment agreement originally approved in June 2001. Since then there have been six amendments to the agreement. Among many other accomplishments, Ms. Earl has worked well with the Board in successfully navigating the many challenges associated with delivering major projects during times of significant financial difficulty. In recognition of her achievement of 2012 agency milestones and goals, and recognizing the importance of retaining Ms. Earl's continued leadership at Sound Transit, the seventh amendment to the employment agreement will contain the following terms:

- The term of the employment agreement is extended for three additional years through 2015.
- The annual base salary effective January 1, 2013 will be \$229,950. Annual base salary will be increased by 5% on January 1, 2014 and again on January 1, 2015.
- Sound Transit will award a \$5,000 contribution and performance award each year on January 1, 2013, January 1, 2014, and January 1, 2015.
- Sound Transit will provide equivalent medical/dental insurance at the agency's expense until Ms. Earl is eligible for Medicare, but in any event not later than age 67.
- In consideration for her three-year employment commitment, Sound Transit will establish and contribute to a 457(f) retirement account for her benefit. At the beginning of each year of this contract term (2013, 2014, and 2015), Sound Transit will contribute \$60,000 to the 457(f) account ("annual contribution") if Ms. Earl is employed by Sound Transit on January 1st of the respective contract year. Sound Transit must also make the annual contribution in each year if she is not employed by Sound Transit on January 1st of the respective contract year by reason of present or past disability, or if the Board terminates her employment for any reason other than misconduct. The annual contributions will vest as Ms. Earl's property and no longer be subject to forfeiture on January 2, 2016. The annual contributions, and earnings therefrom, will be forfeited and returned to Sound Transit only if Ms. Earl resigns or is terminated for misconduct before December 31, 2015, in which case the obligation to make annual contributions will end.
- Except as amended by this seventh amendment, the employment agreement remains in full force and effect.

MOTION:


It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the board chair is authorized to execute a seventh amendment to the employment agreement with Joan M. Earl consistent with and containing the following terms: (1) the term of the employment agreement is extended through December 31, 2015, (2) base compensation in 2013 will be \$229,950 and will increase 5% in 2014 and 2015, (3) provide for agency paid post-retirement medical/dental insurance benefits as provided above, (4) provide for an agency contribution of \$60,000 to a 457(f) retirement account as provided above, (5) based on job performance and achievement of the agency's goals and objectives, the Board approves an annual contribution and performance award of \$5,000 to be awarded on January 1, 2013. A contribution and performance award of \$5,000 will be paid again on January 1, 2014, and on January 1, 2015, and (6) except as amended by this seventh amendment, the employment agreement remains in full force and effect.

APPROVED by an affirmative vote of two-thirds of the entire membership of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 20, 2012.



Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator