



CEO Compensation Market Study

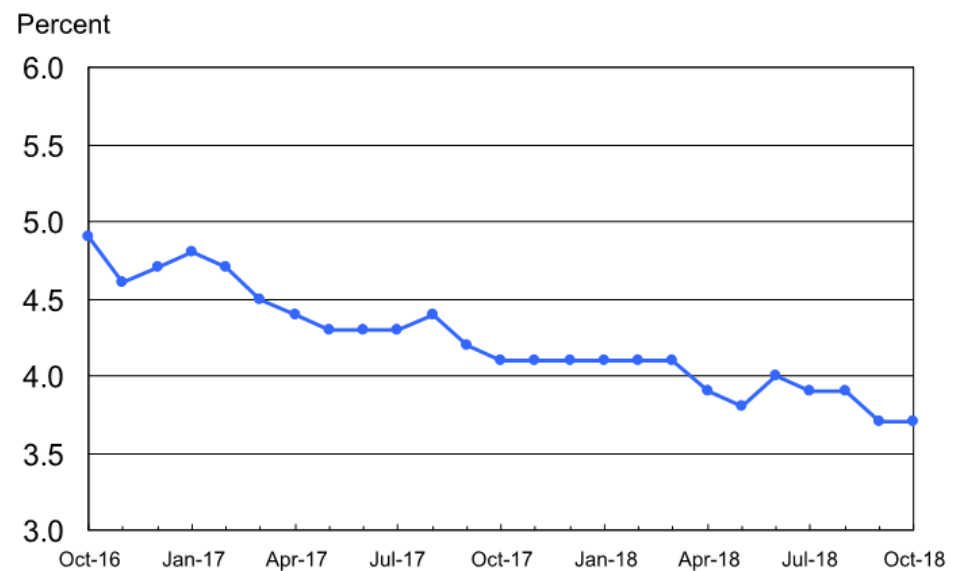
November 2018

SOUNDTRANSIT

Unprecedented Labor Market Strength

- Unemployment at a 49 year low
- Increased competition for qualified talent
- Increased upward pressure on wages

Chart 1. Unemployment rate, seasonally adjusted, October 2016 – October 2018



Bureau of Labor Statistics 11/2/18

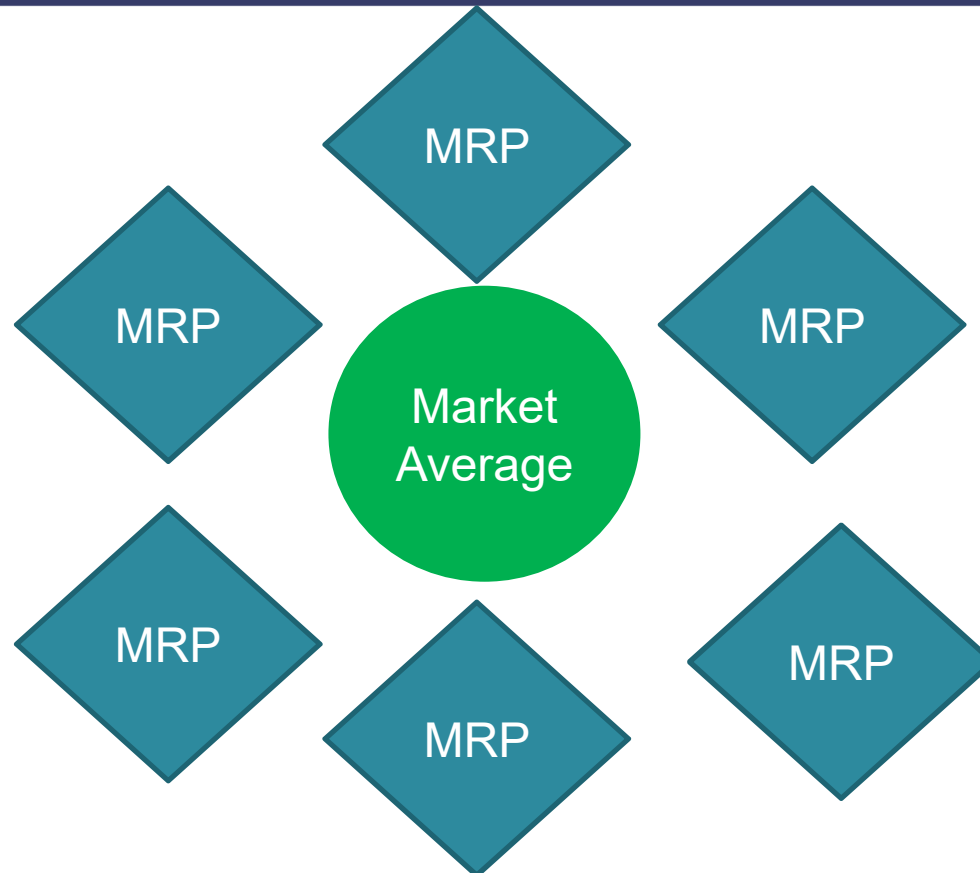
Compensation Philosophy

Sound Transit's compensation methodology works to ensure a market competitive compensation package at market midpoint, neither lagging nor leading the market.

The compensation program works to:

- Attract, motivate and retain highly qualified employees
- Provide competitive salaries in recognition of changing labor market factors and job responsibility
- Promote internal equity throughout the agency
- Reward contributions and achievement by aligning pay with performance
- Steward responsible spending of tax-payer dollars

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**MRP = market
reference points**

**Market Average =
average of
market reference
points**

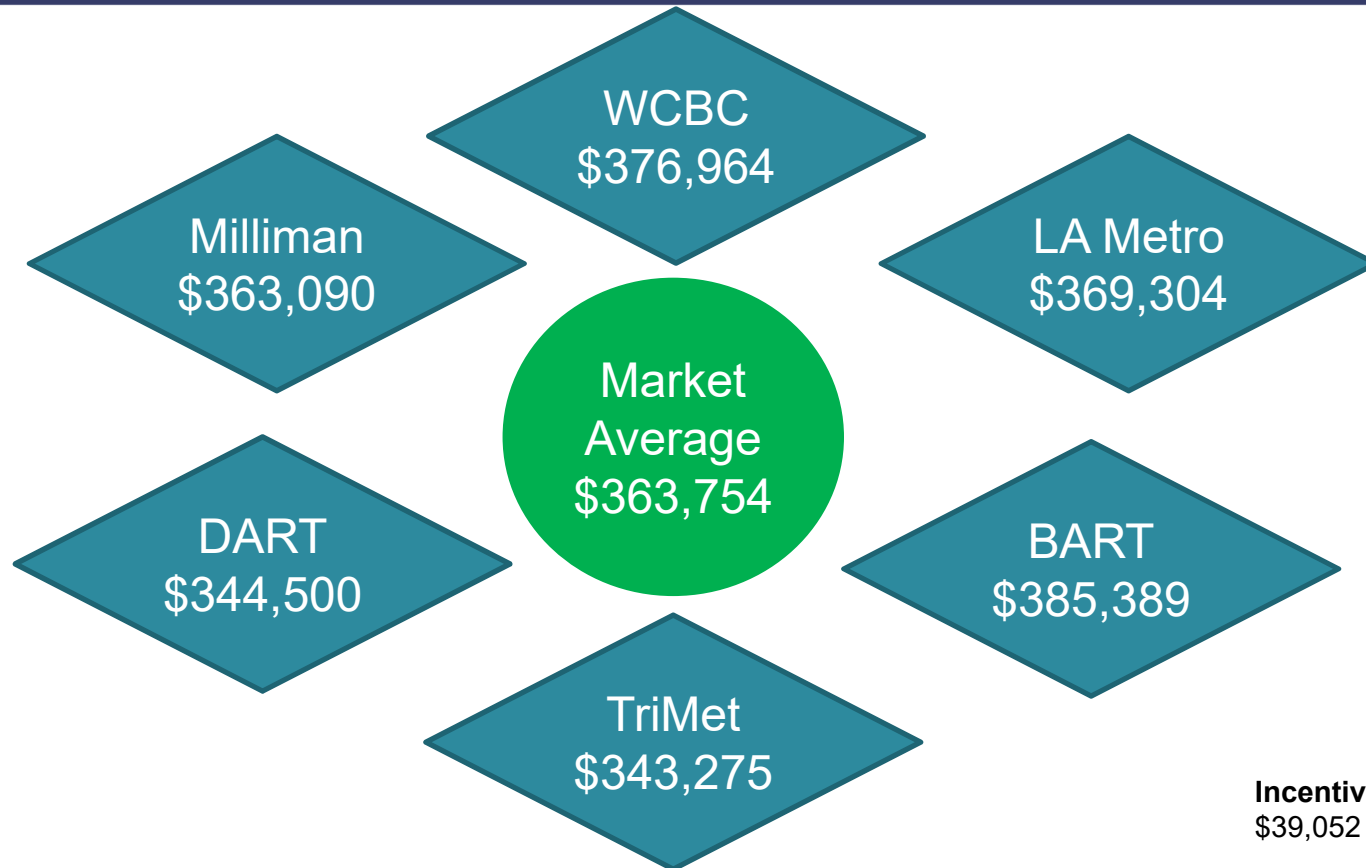
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Gathered Market Reference Points from variety of sources:

- Milliman Survey
- Western Compensation & Benefits Transportation Survey
- Other Transit Agencies: LA Metro, BART, DART, & TriMet

Applied Cost of Living Differentials to adjust upward or downward to ensure a valid comparison of compensation

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Incentive Pay Market Average:
\$39,052



Performance Management Process

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Performance Management Process



Pay for Performance

Performance Rating	Merit Increase
Outstanding	5%
Excellent	4%
Successful	3.5%
Needs Improvement	1.0%
Unsatisfactory	0.0%



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RIDE THE WAVE