



Motion No. M2022-51

A motion of the Board of the Central Puget Sound Regional Transit approving an agreement to employ Ms. Julie Timm as Sound Transit's chief executive officer from September 26, 2022 through December 31, 2025, with a one-year renewal option from January 1, 2026 through December 31, 2026 at the Board's discretion.

Background

On October 28, 2021, through Resolution No. R2021-18, the Board established a CEO Selection Committee to develop a recommendation to the Board on a candidate to serve as the next Sound Transit CEO.

During a four-month recruitment and selection process, the Committee considered the 48 candidates meeting the minimum qualifications, 24 of whom identified as diverse candidates.

On May 31, 2022, the 3 finalists participated in the final interview process with the Committee and stakeholders representing agency partners, community leaders, board members and staff.

On June 2, 2022, the CEO Selection Committee held a public meeting to consider the three candidates. The Committee acted to recommend that Candidate A (Julie Timm) be appointed as Sound Transit Chief Executive Officer and authorized the Chair and Vice Chairs to negotiate an employment agreement with Candidate A for Board consideration.

The negotiated employment agreement contains the standard employment terms, including:

- The initial term is three years and three months, from September 26, 2022, until December 31, 2025. The Board may, at its discretion, renew the agreement for one-year from January 1, 2026 until December 31, 2026. If the Board does not renew the contract, the severance clause will take effect, and Ms. Timm will be paid severance equal to one-year's base salary and retirement benefits, the cash value of any unused accrued PTO, plus COBRA benefits for one year.
- The annual base salary is \$375,000 with a minimum 3.5% annual increase contingent on a successful performance rating. The Board may elect to give more than 3.5% performance consistent with ST's compensation guidelines applicable to all employees.
- For the performance period beginning January 1, 2023, the Board may authorize a Contribution Performance Award. The Board will establish goals and a compensation range for the Contribution Performance Award by March 31 of the annual performance period.
- Sound Transit will provide the standard benefits (e.g., medical, dental, vision and ORCA pass) available to all employees. Sound Transit will also provide a fully funded Health Care FSA up to the IRS limit starting in 2022 (the 2022 IRS limit is \$2,850). Ms. Timm will accrue 35 PTO days a year.
- Ms. Timm 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 her annual base salary to her 401(a) retirement account. Sound Transit will also contribute the maximum allowable amount to her 457(b) deferred compensation retirement account each year including the catch-up contribution allowed by the IRS, however for 2022 the contribution will be \$10,400 to comply with IRS annual contribution limits.
- Ms. Timm will receive a taxable expense allowance of \$8,500 a year, prorated in 2022, to defray miscellaneous routine business expenses incurred consistent with Sound Transit policies.

- Sound Transit will reimburse Ms. Timm for approved travel, food and lodging associated with professional conferences consistent with Sound Transit policy, including APTA conferences and the Washington State Transportation Conference.
- Ms. Timm will receive \$64,000 for relocation expenses. Ms. Timm will be required to repay this amount on a prorated basis if she voluntarily resigns without good cause or is terminated for cause within the first year of employment.
- The Board may terminate the employment with or without cause. If the contract is terminated without cause during the initial three-year period, or if the one-year extension is not approved, Ms. Timm will receive a severance package of salary and benefits equivalent to one year's base salary and retirement benefits, the cash value of any unused accrued PTO, plus COBRA benefits for one year. If the contract is terminated without cause during the one-year renewal period, the severance package will be prorated from the date of termination through December 31.

Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that (1) Julie Timm is appointed as the Sound Transit Chief Executive Officer and (2) the agreement to employ Ms. Timm as Sound Transit's chief executive officer is approved as set forth above, and including the following terms: (a) a three-year and three month term of employment (September 26, 2022-December 31, 2025) and a one year optional renewal period (January 1, 2026-December 31, 2026), (b) an annual base salary of \$375,000 with a minimum 3.5% annual increase on January 1 of each succeeding year of the term contingent on a successful performance rating, (c) a discretionary Contribution Performance Award, based on the goals and compensation range established by the Board each year, (d) standard employee medical, dental, vision and ORCA pass benefits plus a fully funded Health Care FSA up to the IRS limit and 35 Paid Time Off days a year, (e) a contribution of 12% of her annual base salary to her 401(a) retirement account and the maximum contribution amount to her 457(b) deferred compensation retirement account including catch-up contributions, not to exceed IRS limits annually, and limiting the contribution for the period of September 26, 2022 and December 31, 2022 to \$10,400, (f) a taxable expense allowance equivalent to \$8,500 a year to defray miscellaneous routine business expenses, (g) reimbursement for allowed expenses for professional conferences, (h) relocation payments not to exceed \$64,000, (i) an amount equivalent to one year's base salary and retirement benefits, the cash value of any unused accrued PTO, plus COBRA benefits for one year if terminated without cause or if the one-year renewal is not approved, and (j) other standard terms 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 June 23, 2022.



 Kent Keel
 Board Chair

Attest:



 Kathryn Flores
 Board Administrator