



Motion No. M2024-55

A motion of the Board of the Central Puget Sound Regional Transit Authority extending the appointment of Goran Sparrman as Sound Transit's interim chief executive officer until May 15, 2025.

Background

In January 2024, the Board adopted Motion No. M2024-02 to appoint Goran Sparrman as Sound Transit's interim chief executive officer and approved an agreement for a period of one year, beginning January 13, 2024 and ending January 12, 2025.

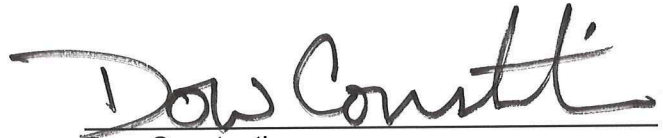
This motion extends Interim CEO Sparrman's appointment for an additional five months until May 15, 2025. The negotiated agreement to extend Mr. Sparrman's employment contains standard employment terms along with the terms and conditions outlined below. These terms and conditions will be in effect during the extended term of the appointment from January 13, 2025 through May 15, 2025:

- \$500,000 annual base salary and \$50,000 signing bonus, with partial repayment of the bonus if the contract is terminated early, and a retention bonus of \$17,500 if continuously employed through the last day of the contract term.
- Standard benefits (e.g., medical, dental, vision and ORCA pass) available to all employees.
- A fully funded Health Care flexible spending account (FSA) up to the IRS limit in 2025 (prorated amount for extended term will be \$1,107.70).
- Mr. Sparrman will receive 5 paid time off (PTO) days upon execution of the extension and accrue 14 additional PTO days during the extended term.
- Standard retirement and deferred compensation plans available to all employees. Sound Transit is required by law to contribute an amount equal to 12% of each employee's annual base salary to a 401(a) retirement account. Sound Transit will also contribute \$7,961.54 to his 457(b) deferred compensation retirement account.
- A taxable expense allowance of \$20,500 to defray miscellaneous routine business expenses incurred consistent with Sound Transit policies.
- Reimbursement for approved travel, food and lodging associated with professional conferences consistent with Sound Transit policy, including American Public Transportation Association conferences and the Washington State Transportation Conference.
- The Board will manage and monitor Mr. Sparrman's performance and will establish goals and objectives for the contract term no later than January 31, 2025.
- The Board may terminate the employment with or without cause. If the contract is involuntarily terminated without cause during the contract term, Mr. Sparrman will receive a severance package of salary and benefits equivalent to three months (or the amount remaining of the contract term, if less than three months) base salary, health insurance and retirement benefits, and the cash value of any unused accrued PTO. Furthermore, if the Board terminates Mr. Sparrman's employment prior to May 15, 2025 because Sound Transit hires a new chief executive officer, Mr. Sparrman will still receive the full compensation package as if he had worked until May 15, 2025 as outlined in the agreement.

Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that (1) Goran Sparrman's appointment as the interim chief executive officer is extended from January 13, 2025 through May 15, 2025 and (2) the agreement to employ Mr. Sparrman as Sound Transit's interim chief executive officer during the extended term is approved as set forth above, and including the following terms: (a) an extended contract term from January 13, 2025 through May 15, 2025, (b) an annual base salary of \$500,000 with a \$50,000 signing bonus and a retention bonus of \$17,500 if continuously employed through the last day of the contract term, (c) standard employee medical, dental, vision and ORCA pass benefits, a fully funded Health Care FSA up to the IRS annual limit (prorated amount for extended term will be \$1,107.70), and 19 PTO days, (d) 12 percent of his annual base salary earned during the term of this contract extension contributed to his 401(a) retirement account and \$7,961.54 contributed to his 457(b) deferred compensation retirement account, (e) a taxable expense allowance of \$20,500 to defray miscellaneous routine business expenses, (f) reimbursement for allowed expenses for professional conferences, (g) an amount equivalent to three months base salary and retirement benefits, the cash value of any unused accrued PTO, plus health insurance benefits if involuntarily terminated without cause, (h) an amount equivalent to the remaining compensation outlined in the agreement if terminated prior to May 15, 2025 because a new CEO is hired, and (i) other standard terms substantially consistent with provisions approved by the Board in other employment agreements.

APPROVED by a two-thirds affirmative vote of the entire membership of the Board of the Central Puget Sound Regional Transit Authority at a meeting thereof held on September 26, 2024.


Dow Constantine
Board Chair

Attest:


Kathryn Flores
Board Administrator