ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

ABAG

Date: August 29, 2016

To: ABAG Executive Board

From: Ezra Rapport
Executive Director

Subject: **Executive Director Compensation**

Background

I have served as ABAG's Executive Director since September 1, 2010. My compensation in this position is governed by an Employment Agreement dated July 30, 2010. Annual salary was set at $198,500 and has not changed for over five years. I have no severance agreement. Health and welfare benefits, most notably pension and medical coverage, are the same as other employees.

The provisions of the Employment Agreement allow for adjustment of compensation based on annual reviews of performance. The Committee provided such a review in closed session, based on a detailed performance plan, in January 2015 and in January 2016.

The compensation was not awarded in January 2015 due to the news of the FAN embezzlement, the scope of which was unknown at the time. The Committee was not prepared at that time to make any adjustments to compensation, pending the outcome of the investigation. The investigation was concluded in December 2015.

The Committee, through the President, informed me that compensation could be adjusted to match the compensation package that was applied to all ABAG employees, including management, as of January 1, 2015 and January 1, 2016. This compensation package included employee contributions to pension and health benefits. Such contributions are currently being made by me, as the Executive Director. Applying the organizational increase to the Executive Director would increase net compensation by 4%, which would change the net compensation of the Executive Director from $198,500 to $206,440. This compensation is well below the MTC Deputy Director's net compensation which has been used as a comparable in the past. The MTC Deputy Director net compensation is $218,449.

Suggested Action

The Committee can recommend an adjustment to the Executive Director's compensation package for approval by the Executive Board. As a point of reference for salary, ABAG's management, professional and support staff received a 3% salary increase effective January 1,

2015 and another 3% salary increase effective January 1, 2016 as part of ABAG's negotiated MOU with SEIU Local 1021. The increase in total compensation is mitigated by an annual 1% increase in pension contribution for 2015 and again in 2016, in addition to cost controls in medical benefit coverage.

My request is to match my compensation to the same percentage increase received by all other managers and employees in 2015 and 2016, less the negotiated pension contributions and cap on medical benefits. This will avoid salary compaction at the management level.