

Date: September 27, 2023

To: Board of Directors

From: Ozzie Gonzalez, Board President

Subject: RESOLUTION NO. 23-09-44 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE BOARD PRESIDENT TO NEGOTIATE A NEW EMPLOYMENT CONTRACT WITH THE GENERAL MANAGER

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the Board President to negotiate a new employment contract with TriMet’s General Manager, Sam Desue, Jr.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other: Authorize the Board President to negotiate a new General Manager contract

3. Reason for Board Action

This action authorizes the Board President to negotiate compensation and other terms and conditions of a new employment contract with the General Manager.

4. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. Background

At a June 16, 2021 special public meeting, the Board selected Sam Desue, Jr. as its new General Manager. The Board then authorized Board President Bruce Warner, via Resolution No. 21-06-23, to negotiate an employment agreement with Mr. Desue consistent with the salary and benefits ranges authorized by Resolution No. 21-06-22 (adopting the Milliman Market Study), and in accordance with TriMet’s compensation practices and policies.

At its June 22, 2021 regular meeting, the Board approved President Warner’s and Mr. Desue’s negotiated employment agreement, which provided for annual compensation of \$344,000 over a three-year term beginning June 16, 2021 and ending June 16, 2024 (Resolution No. 21-06-33).

We are now well into the final year of the General Manager’s current contract term, during which he has performed extremely well. This conclusion is supported by Mr. Desue meeting

or exceeding all of the performance objectives the Board has set out for him, as well as by the many positive comments from current and former board members during board meetings and performance evaluations. At our September 27, 2023 board meeting, I will publicly review the FY23 performance objectives we set for the General Manager last year, as well as the results. Once again, these results support the conclusion that we are fortunate to have someone with Mr. Desue's experience, abilities, and commitment leading this Agency.

Nationally, the market for transit Chief Executive Officers has changed noticeably since June 2021, which Mercer will highlight when presenting its Market Study to the Board at our September 27, 2023 board meeting. With the "silver tsunami" of retirements in the last few years, the market for seasoned and talented General Managers has constricted. Competition to recruit experienced transit leaders away from their current transit agencies is increasingly stiff, and transit properties around the country are negotiating contracts with significant pay increases and longer employment terms than in the past.

For these reasons, I am requesting authorization to begin negotiating now with Mr. Desue for a new employment contract, one that is within the salary and benefits range authorized by Resolution No. 23-09-44 and in accordance with TriMet's compensation practices and policies. Once we have reached an agreement on the specific terms, I will seek Board authority to execute the contract on those terms.

6. Financial/Budget Impact

Any negotiated agreement will have a minimal effect on TriMet's overall budget for salaries and benefits, and will ensure that the position remains attractive to the incumbent General Manager.

RESOLUTION NO. 23-09-44

**RESOLUTION NO. 23-09-44 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING
THE BOARD PRESIDENT TO NEGOTIATE A NEW EMPLOYMENT
CONTRACT WITH THE GENERAL MANAGER**

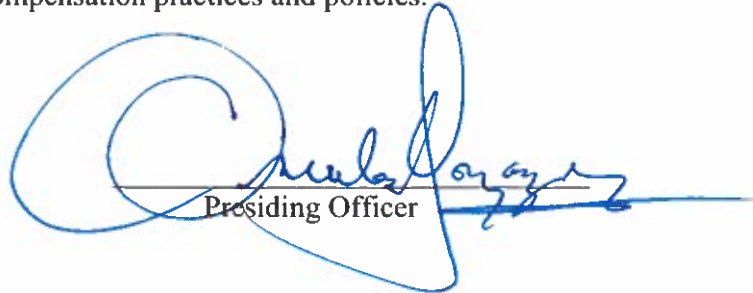
WHEREAS, the TriMet Board of Directors (Board) has authority under ORS 267.135 to appoint a General Manager; and

WHEREAS, TriMet has authority under ORS 267.200 to enter into an employment agreement with the General Manager setting the appropriate compensation and other terms and conditions of employment.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board hereby authorizes Board President Ozzie Gonzalez to negotiate a new employment contract with General Manager Sam Desue, Jr. that is consistent with the annual salary and benefits range adopted by the Board in Resolution No. 23-09-44 and in accordance with TriMet's compensation practices and policies.

Dated: September 27, 2023


Presiding Officer

Attest:


Recording Secretary

Approved as to Legal Sufficiency:


General Counsel