

## MINUTES COMPENSATION COMMITTEE

Date of the Meeting: April 2, 2010

Location: 1372 East Main Street, Rochester, N.Y.

Compensation Committee Members Present:

Frank Vitagliano, Commissioner

Jim Redmond, Commissioner

Tom Argust, Commissioner

John Doyle, Chairman

Also Present:

Debbie Griffith, CAO

Steve DePerrior, Benefits Consultant First Niagara

The meeting was called to order at 12:15 by Chairman Doyle.

Steve DePerrior, First Niagara Benefits Consultant presented the revised Executive Compensation Analysis (attached) requested at the March 15, 2010 meeting. Commissioner Argust asked what was the budget range of the not for profits/tax exempts that were used. Mr. DePerrior stated they ranged from 30-million to 100-million, excluding capital budget.

Upon a motion to receive the Executive Compensation Analysis report from First Niagara by Commissioner Redmond, duly seconded by Commissioner Argust, the motion was unanimously approved and the report was received.

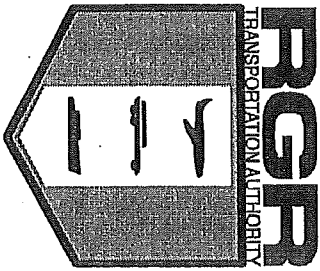
Upon a motion by Commissioner Argust, the Resolution to adopt an amended Chief Executive Officer Compensation Process and Philosophy which was tabled at the March 15, 2010 Compensation Committee was duly seconded by Commissioner Vitagliano, and the Resolution was unanimously approved by the Committee. A copy of the Resolution and adopted policy are attached.

The Committee then moved into Executive Session for the purposes of discussing the CEO's compensation for 2010-11. After much discussion the Committee did not make a determination or take any action related to CEO compensation. The Committee will meet on May 6, 2010 at 11:15 AM at MCC prior to the Board meeting to discuss this matter further.

Being no further business, the meeting was adjourned at 1:30 pm.

Respectfully Submitted,

*Deborah Griffith*



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# RGR Transportation Authority

**Executive Compensation Analysis**  
**March 30, 2010**

# Overview

- Background and Objectives
- Best Practices – Governance/Executive Compensation
- Benchmark Analysis
  - Previous Peer Group
  - Revised Peer Group
  - Local Tax Exempt Group
  - Watson Wyatt Survey

# Background and Objectives

First Niagara has been asked to review Senior Executive salary levels within RGRTA relative to market data.

Specifically, the objectives at this time are as follows:

- Review RGRTA's Executive compensation philosophy statement regarding market definition;
- Access appropriate survey sources for market data; and
- Summarize the market analysis and present findings to the RGRTA Compensation Committee.

# Best Practices

## Governance/Executive Compensation

- Compensation Committee Review of all components of CEO Compensation
- CEO advises Compensation Committee on Senior Executive compensation actions in order to maintain consistency with the Executive compensation philosophy
- Increased disclosure on compensation strategies and risk assessment
- Sound strategy for peer group analysis
- Clear alignment of pay programs with strategic plan

# Benchmark Analysis

In order to provide the Authority with the best assessment of the market, we have accessed the following data sources:

- Previous Peer Group
- Proposed Peer Group
- Local Tax-Exempt organizations
- Watson Wyatt Surveys
  - Top Management Report

## Scope data

- Employees: 825
- Passenger Vehicles: 445
- Budget: \$83M



# RGRTA Peer Group 2010 Statistics

In order to maintain a peer group which is comparable in size and complexity, we recommend slight modifications to the peer group moving forward.

Previous Peer Group				Proposed Peer Group			
Location	Employees	Passenger Vehicles	Employee/ Vehicle Ratio	Location	Employees	Passenger Vehicles	Employee/ Vehicle Ratio
Albany	650	306	2.12	Albany	650	306	2.12
Buffalo *	1166	392	2.97	Buffalo *	1166	392	2.97
Syracuse	675	262	2.58	Syracuse	675	262	2.58
Rhode Island	842	376	2.24	Rhode Island	842	376	2.24
Louisville	660	224	2.95	Orlando	945	415	2.28
Hampton Roads	937	538	1.74	Hampton Roads	937	538	1.74
Cleveland *	2477	760	3.26	Hartford	900	400	2.25
Nashville	497	204	2.44	Tampa	715	246	2.91
Dayton	629	275	2.29	Jacksonville	746	288	2.59
Peer Group Average	948	371	2.51	Sound Transit	720	300	2.40
RGRTA	825	445	1.85	Peer Group Average	830	352	2.41
				RGRTA	825	445	1.85

\* Rail & Bus Services



# RGRTA

## Base Salary Analysis

Position	Current Salary	Previous Peer Group Companies	Proposed Peer Group Companies	**Local Tax Exempt Organizations	Published Surveys
Chief Administrative Officer	\$103,000	\$119,257	\$125,700	-	\$149,200
General Counsel	\$151,500	\$128,816	\$165,501 *	-	\$145,850
Chief Operating Officer	-	\$130,074	\$130,745	\$155,533	\$158,700
Chief Financial Officer	\$135,600	\$131,193	\$142,000	\$147,213	\$156,550
Chief Information Officer	-	\$118,531	\$116,917	\$112,535	\$143,300
Chief Executive Officer	\$155,000	\$177,629	\$195,694	\$215,500	\$206,000

\* 2 datapoints

\*\* Local Tax-Exempt Organizations include Lifetime Assistance, CDS, Hillside Family of Agenices, Mary Carola Children's Center, Lutheran Social Services and Heritage Christian Services.

RESOLUTION OF THE  
COMPENSATION COMMITTEE

CHIEF EXECUTIVE OFFICER COMPENSATION PHILOSOPHY

WHEREAS, the Compensation Committee of the Rochester Genesee Regional Transportation Authority Board of Commissioner has been delegated the authority to review and approve goals and objectives relevant to Chief Executive Officer compensation and, with guidance from the Board of Directors, to conduct an annual performance evaluation of the Chief Executive Officer and determine and approve the Chief Executive Officer's compensation.

NOW THEREFORE BE IT RESOLVED, that the compensation committee hereby amends Resolution 64-07 to cause the RGRTA CEO Performance Review and Compensation Process and Philosophy to read in its entirety in the form annexed to this Resolution.

CERTIFICATION

The undersigned hereby certifies that the above is an excerpt from the Minutes of a Meeting of the Rochester Genesee Regional Transportation Authority Compensation Committee held on April 2, 2010, and the Resolution is still in full force and effect.



John G. Doyle, Chair  
April 2, 2010

## RGRTA CEO PERFORMANCE REVIEW AND COMPENSATION

### PROCESS AND PHILOSOPHY

Effective as of April 2, 2010 the RGRTA CEO Performance Review and Compensation Process and Philosophy shall read in its entirety as follows:

- A. CEO Performance Appraisal Process. The dates set forth below are target dates and failure to accomplish any task by a specified date shall not be deemed a violation of this policy. If any target date is not met, the remaining target dates will be appropriately adjusted as determined by the Chairman. However, completion of the CEO Performance Appraisal Process should occur no later than June 30 each year.
1. CEO Self Evaluation in the form determined by the Committee from time to time shall be given to the CEO by February 28 each year.
  2. CEO Self Evaluation form shall be completed by CEO and delivered to the Chairman by March 31 each year.
  3. Chairman shall distribute the completed CEO Self Evaluation form to all of the Commissioners by April 30 each year.
  4. Board CEO Evaluation in the form determined by the Committee from time to time shall be distributed to all the Commissioners and to the Chief Administrative Officer by February 28 each year.
  5. Completed Board CEO Evaluation form shall be completed by each Commissioner and the Chief Administrative Officer and returned to the Chairman by April 30 each year.
  6. The Chief Administrative Officer will summarize the information received from the CEO Self Evaluation form and the Board CEO Evaluation form and forward that summary to all Board members by May 15 each along with a notice of the date on which the Chairman plans to meet with the CEO to discuss the results of the CEO Performance Appraisal Process.
  7. Board members may provide further comments to the Chairman through and including the day before the Chairman plans to meet with the CEO to discuss the results of the CEO Performance Appraisal Process.
  8. Chairman shall meet with the CEO to discuss the results of the CEO Performance Appraisal Process no later than June 30 each year.
  9. The Compensation Committee should update the CEO's compensation arrangement, including without limitation incentive compensation opportunities, no later than May 31 of each year and shall report its determination to the full Board at the first meeting of the Board, meeting in executive session, occurring thereafter.
- B. CEO Compensation Philosophy. In determining CEO Compensation, the Compensation Committee shall be guided by the following philosophy;

1. Intention: The Rochester Genesee Regional Transportation Authority is committed to attracting and retaining a highly qualified CEO. In order to do so, the Authority maintains the following compensation philosophy.
2. Components: There are three (3) components to the Authority's compensation system for the CEO.
  - a. Base Salary, which will be targeted to the market, as described below taking into consideration individual performance, competitive conditions, and the Authority's financial condition.
  - b. Incentive Opportunities, which will be in the form of at-risk compensation tied to the Authority's and/or the CEO's performance compared to pre-established metrics and/or goals.
    - (1) Performance incentive compensation linked to objective results related to the achievement of goals and results that are linked to the Authority's strategic pillars and/or TOPS measurements will be favored.
    - (2) Market information related to percent of base compensation to performance incentive compensation, to the extent available, will be considered in determining the amount of at-risk performance incentive compensation potentially available to an employee.
  - c. Longer-Term Incentive/Retention Compensation using eligible and ineligible 457 programs, when appropriate. Eligible and Ineligible 457 plan contributions may be used for compensation and/or retention purposes; will be based on considerations of individual performance, competitive conditions/market analysis, as described below, and the Authority's financial condition; and will be considered a supplement to, rather than a part of, base salary and incentive compensation.
3. Analysis of Competitive Conditions/Market and Compensation Determination
  - a. The Authority will regularly (typically, but not limited to, every other year) gather and evaluate information concerning existing competitive conditions and compensation amounts being paid in the "market" in order to determine reasonable compensation to be paid to the CEO. The market will be considered to include the following.
    - (1) Peer Transit Group – Public Transportation Agencies that are comparable in size of revenue fleet vehicles and/or number of employees, using the national APTA Survey. In identifying comparable agencies, consideration shall be given to the agency's ratio of fleet size to number of employees.
    - (2) Tax Exempt organizations in the Greater Rochester area that have annual gross revenue similar to the Authority's.

- (3) Employers having similar gross annual revenue included in available survey sources for private sector employers across the nation.
  - b. In addition to the three sources previously mentioned, the Authority may consider compensation data from the three upstate transit authorities in Albany, Syracuse and Buffalo, taking into consideration that they may not be comparable in size of revenue fleet vehicles and/or number of employees.
  - c. In conducting the competitive condition/market analysis and determining compensation, the Authority will:
    - (1) Use the most comparable sectors in any compensation study utilized;
    - (2) When appropriate, consider differences in the cost of living in the geographic area of the other entities being used for comparison;
    - (3) Use its best, good-faith judgment based on its analysis of the data and information gathered to determine reasonable compensation for the CEO. The basis and analysis for the determination shall be documented in Authority records and reported to the Authority's Board of Commissioners.
4. Variations from the Above. The Authority recognizes that compensation may need to significantly exceed market in a particular situation in order to recruit or retain a CEO whose skills and abilities most closely align with the Authority's needs and strategic direction; provided, however, that the basis for establishing compensation significantly exceeding market will be documented in the Authority's records and reported to the Authority's Board of Commissioners.
- C. Support of the Chief Administrative Officer. The Compensation Committee shall be supported by the Chief Administrative Officer, who at the request of the Chairman will, among other things:
  1. Provide guidance on suggested CEO compensation and benefits to Compensation Committee in accordance with the above CEO Compensation Philosophy and updated market studies.
  2. Provide a report to the full Board at the meeting described above setting forth a full statement of the CEO compensation as determined by the Compensation Committee, including a complete list of all cash and non-cash compensation, all incentive compensation opportunities and the total potential amount of the CEO's compensation.