RTD CEO Compensation Philosophy Model

Operating Strategy	The mission of RTD is to meet our constituents' present and future public transit needs by offering safe, clean, reliable, courteous, accessible and cost effective service throughout the district. The targets of success are: • RTD receives continuous recognition as "Number 1 transit in America" • RTD is established as national model for innovative, and successful implementation of programs, operations and services
Executive Compensation Strategy	In order to achieve our mission and be recognized as the number 1 agency, our executive compensation strategy needs to attract, retain and motivate a highly qualified and competent executive leadership team (the best and the brightest). Our strategy is to: • Use Benchmarking as a reference point to ensure competitiveness with other comparable transit agencies in size, scope and capital project complexity. Also perform 3 year reviews of external competitive market space which could be another source for obtaining excellent leadership talent. • Strive for employee parity by negotiating General Manager agreement where benefits and procedures are directly tied to the benefits and procedures offered to all RTD salaried employees. • Implement formal performance goal setting and evaluation processes that are tied into the task goals/initiatives from the annual joint advance planning session and the annual core goals. These goals will drive the budget.
Guiding Principles for Compensation	To attract and retain the best and the brightest: • **Seek the right total compensation**—Total compensation should be attractive to the caliber of executives we seek, competitive based on transit industry market conditions or external market space where these executives may be drawn , and flexible based on the experience, performance success record, and value-add that the executive brings to this agency. • **Provide Credible General Manager Board Oversight and Performance Management**—Oversight committee develops credible and measurable goals and comprehensive evaluation processes that are inclusive of full Board input and provide early feedback mechanisms on performance. • **Maintain Public Transparency and Communications**—Processes involving the selection, hiring, and compensation practices for the General Manager are fair,

approval required

	transparent, and communicated to the public through open forums and annual reviews.
Authoritative Responsibility	• Section 32-9-114(1) (d) of the RTD Act provides the Board with the power to establish compensation of all District officers, agents and employees. • GM Oversight and Performance Management Committee provide the oversight for this compensation model. The full RTD Board of Directors votes to approve the actions taken on the GM compensation or performance review. • Chief Financial Officer (CFO) is responsible for financial audit and validation of financial information.
Pay components and Key Objectives	• **Base Salary**—Base salary will fall within the top 25th percentile of comparably-sized agencies or similar markets based on benchmarking study. • **Merits**—Eligibility based on performance and terms of the contract

Benefits Components and Key Objectives	• **Retirement**—Participation in RTD Salaried Defined Contribution Plan at a level equivalent to other salaried employees
	• Contribution to a 457 plan (or equivalent) up to the maximum amount permitted by law
	• **Health/Life Insurance**—Participation in RTD Health/Life insurance plan with premiums paid at a level equivalent to other salaried employees
	• **Expense Reimbursements**-Follow RTD policy for reimbursements per IRS allowance for accountable plans.
	• **Vacations**—Maximum accrual based on years of service.
	  ○ Accrual capped at a level equivalent to other salaried employees based on Employee Benefits Handbook or as amended.
	  ○ Payoff of accrual based on number of service at a level equivalent to other salaried employees.
	• **Sick Leave**—Accrues at same level as other salaried employee based on Employee Benefits Handbook or as amended.
	  ○ Accrual capped at a level equivalent to other salaried employees based on Employee Benefits Handbook or as amended.
	  ○ Payoff of accrual based on number of service at a level equivalent to other salaried employees.

Other potential Benefits	• **Vehicle Allowance**—Access to use of RTD pool vehicles similar to other RTD employees. • **Lifetime Pass**—Eligibility defined in accordance with the Employee Benefits Handbook or as amended. • Other competitive benefits as identified by and approved by the RTD transit agency

approval required

Compensation Review Cycle	• Annually or as necessary to make appropriate changes.

Signed: **Date:**

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General Manager Oversight and Performance Management Committee Chair

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Chair of RTD Board of Directors

board approval required