

# TriMet

## Executive Compensation Study – General Manager Final Report

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## Milliman Client Report

Following are the organizations that participated in the custom survey along with a list of published surveys used in this analysis. The custom survey participants were selected based on three criteria: TriMet's West Coast 11 Peer Group (identified with asterisks), other national transit agencies of similar size and local northwest public organizations.

The custom survey group was developed by Milliman and reviewed by TriMet. It is Milliman's opinion that all of the organizations included in the custom survey are reasonably appropriate comparisons. See page 15 for the full list of survey invitees.

### Custom Survey Participants (28)

Alameda-Contra Costa Transit (AC Transit)*	Chicago Transit Authority	Chelan County PUD
Dallas Area Rapid Transit*	Greater Cleveland Regional Transit Authority	City of Portland
King County (Metro Transit)*	Maryland Dept. of Transportation- Transit Administration	City of Seattle
Orange County Transportation Authority*	Metro Transit (St. Paul, Minnesota)	Metro (Portland)
Regional Transportation District - Denver*	Metropolitan Atlanta Rapid Transit Authority	Multnomah County
Sacramento Regional Transit District*	Metropolitan Transit Authority of Harris County	Port of Portland
San Diego Metropolitan Transit System*	Regional Transportation Commission of Southern Nevada	Port of Seattle
San Francisco Municipal Transportation Agency*	San Francisco Bay Area Rapid Transit District	Snohomish County PUD
Santa Clara Valley Transportation Authority*	Sound Transit	
Utah Transit Authority*	VIA Metropolitan Transit	

\* Represents West Coast 11 companies

### Published Survey Sources

### Survey Effective Date

CompData Executive Management Survey	1/1/2016
Economic Research Institute Compensation Database	11/14/2017
Towers Watson Top Management Report	3/1/2017
Mercer MBD Executive Report	3/1/2016

## Comparison of Market Data to TriMet’s Existing Salary Range and Tier 3 Benefits

	Weighting of Survey Data		TriMet
	90% Custom 10% Market	50% Custom 50% Market	
Base Salary (Market Ave v. TriMet Midpoint)	\$289.9	\$342.9	\$319.1
Bonus (Other Cash Compensation)	\$16.9	\$43.9	\$0.0
Active Healthcare Benefits	\$11.6	\$11.6	\$14.5
Retiree Benefits	\$33.9	\$40.1	\$25.5
<b>Total Remuneration</b>	<b>\$352.3</b>	<b>\$438.5</b>	<b>\$359.1</b>
<b>TriMet v Market</b>	<b>102%</b>	<b>82%</b>	
Vacation (Milliman Vacation Survey)	\$27.9	\$33.0	\$36.8
<b>Total Remuneration + Vacation Values</b>	<b>\$380.2</b>	<b>\$471.5</b>	<b>\$395.9</b>
	<b>104%</b>	<b>84%</b>	

**Note:** The current TriMet salary range is: \$223,401 (Minimum) - \$319,145 (Midpoint) - \$414,888 (Maximum)

**Tier 3 Benefits** means the incumbent is not eligible for a defined benefit retiree pension plan or retiree medical benefits, but is eligible for a 401(a) plan – 8% employer contribution.

## OBSERVATIONS AND RECOMMENDATIONS

TriMet's executive pay philosophy for the General Managers is to provide a total compensation package that is competitive with the market where the competitive positioning has been defined as at the market average. Salary grade range midpoint is set accordingly.

### Base Salary

□ The General Manager's current grade range midpoint is 7% below the market average when using Method 1 (survey data weighted 50% custom and 50% published) and 10% above the market average when using Method 2 (survey data weighted 90% custom and 10% published)

### Total Cash Compensation

□ TriMet does not have an annual incentive program in place for executive positions  
28% of organizations in the custom survey have CEO/GM bonus eligibility

### Benefits and Total Remuneration

□ Health and dental benefits for the General Manager are positioned at 26% above the market average  
□ Tier 3 retiree benefits are significantly below the market average, ranging from 36% to 25% below the market average, depending upon the data set used. Total remuneration with Tier 3 retirement benefits varies between 2% above (90%/10% weighting) to 18% below the market average (50%/50% weighting).

Staff Note: Including vacation benefits, Total remuneration with Tier 3 benefits varies between 4% above (90%/10% weighting) to 16% below (50%/50% weighting) the market average

APPENDIX A: JOB DATA SUMMARY

Method 1

Job Data Summary

General Manager	
Base Salary/Grade Midpoint:	\$319.1
Total Cash:	\$319.1

Consolidated Survey Results	Average
Market Base Salary	\$342.9
TriMet as a percent of market	93%
Market Total Cash Compensation	\$386.8
TriMet as a percent of market	83%

Survey Sources

Published Survey Name	Job Title	Scope	Wgt	Mkt Base 25th	Mkt Base Avg	Mkt Base Median	Mkt Base 75th	Mkt TCC 25th	Mkt TCC Avg	Mkt TCC Median	Mkt TCC 75th
Mercer: MBD-Executive Report	Head of Organization	Govt/Public Admin & Other Civic, Social Political or Religious Orgs		\$220.0	\$278.9	\$269.7	\$322.4	\$221.4	\$279.1	\$269.7	\$322.4
Towers Watson: Top Management	Chief Executive Officer	NFP: 500-4,999 EEs All Orgs		\$392.8	\$628.4	\$584.5	\$811.0	\$392.8	\$757.3	\$663.2	\$1,010.7
Economic Research Institute: Executive	Chief Executive Officer	NFP: 3,000 EEs		\$276.9	\$389.1	\$384.8	\$525.8	\$384.8	\$540.5	\$534.8	\$730.6
Compdata Surveys: Executive Survey	Chief Executive Officer	Not-For-Profit: All Orgs/National		\$217.8	\$340.7	\$306.1	\$413.1	\$217.8	\$370.5	\$314.5	\$428.1
Published Survey Average:			50%	\$276.9	\$409.3	\$386.3	\$518.1	\$304.2	\$486.9	\$445.6	\$623.0
Custom Survey Average:			50%	\$242.7	\$276.6	\$283.0	\$312.7	\$248.7	\$286.8	\$287.6	\$324.7
Total Combined Weighted Average:			100%	\$259.8	\$342.9	\$334.6	\$415.4	\$276.5	\$386.8	\$366.6	\$473.8

Method 2

Job Data Summary

General Manager

Base Salary/Grade Midpoint:	\$319.1
Total Cash:	\$319.1

Consolidated Survey Results

Average

Market Base Salary	\$289.9
TriMet as a percent of market	110%
Market Total Cash Compensation	\$306.8
TriMet as a percent of market	104%

Survey Sources

Published Survey Name	Job Title	Scope	Wgt	Mkt Base 25th	Mkt Base Avg	Mkt Base Median	Mkt Base 75th	Mkt TCC 25th	Mkt TCC Avg	Mkt TCC Median	Mkt TCC 75th
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Published Survey Average:			10%	\$276.9	\$409.3	\$386.3	\$518.1	\$304.2	\$486.9	\$445.6	\$623.0
Custom Survey Average:			90%	\$242.7	\$276.6	\$283.0	\$312.7	\$248.7	\$286.8	\$287.6	\$324.7
Total Combined Weighted Average:			100%	\$246.1	\$289.9	\$293.3	\$333.2	\$254.3	\$306.8	\$303.4	\$354.5