

**MINUTES OF THE
ROCHESTER GENESEE REGIONAL TRANSPORTATION AUTHORITY
COMPENSATION COMMITTEE**

May 3, 2012

Rochester, New York

Present: Chairman Redmond
Commissioner Adair
Commissioner Argust
Commissioner Vitagliano
Commissioner Jankowski
Hal Carter, General Counsel and Chief Administrative Officer
Daniele Coll-Gonzalez, Senior Vice President of People
Steve DePerrior – The Burke Group

I. The meeting was called to order and on motion of Commissioner Argust, seconded by Chairman Redmond, the Committee went into executive session to discuss the compensation of the Chief Executive Officer.

II. The Committee received the Executive Compensation Analysis dated May 2012 and prepared by The Burke Group. A copy of such Analysis is attached to these Minutes. Mr. DePerrior explained the results of the analysis and answered questions.

III. Following discussion, on motion of Commissioner Redmond seconded by Commissioner Argust, the Board unanimously voted to recommend to the full Board the following compensation for the Chief Executive Officer for fiscal year 2012-2013.

- Base Salary - \$181,125 (3.5% Increase)
- Car Allowance - \$4,800 per year
- Deferred Compensation (457b Plan) - \$11,000
- Incentive Opportunity as follows:

Annual Incentive to be Determined at the End of the Fiscal Year

- Precondition to payment of any annual incentive payment – If Net Income does not achieve plan, no annual incentive payment whatsoever shall be made.

Scorecard the Payment Levels

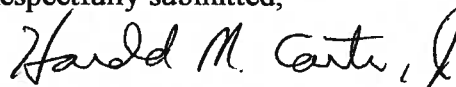
- Net Income (only one of the following can apply)
 - \$0 to \$999,999.99 – Incentive payment equal to 4% of base salary.
 - Equal to or greater than \$1 million and Ridership increase of 3% or more – Incentive payment equal to 5% of base salary.
- Ridership (only one of the following can apply)

- 3% growth to 3.99% growth – Incentive payment equal to 4% of base salary.
- 4% or more growth and Net Income at \$0.00 or more – Incentive payment equal to 5% of base salary.
- On-Time Performance (only one of the following can apply)
 - Average of all quarters during the fiscal year equals 88.1% to 91.4% – Incentive payment equal to 4% of base salary.
 - Average of all quarters during the fiscal year equals 91.5% or more – Incentive payment equal to 5% of base salary.
- Net Promoter Score (only one of the following can apply)
 - Average of all quarters during the fiscal year equals 16.5 to 18.14 – Incentive payment equal to 4% of base salary.
 - Average of all quarters during the fiscal year equals 18.15 or more – Incentive payment equal to 5% of base salary.
- TOPS for the fiscal year, calculated as follows, exceeds 100 points – Incentive payment equal to 5% of base salary. The TOPS calculation will be the sum of the number of points assigned under TOPS to the following:
 - End of Year Net Income
 - Average TOPS scores for the Customer Service Index for the four quarters
 - Average TOPS scores for the Service Performance Index for the four quarters
 - End of Year Employee Success Index

Maximum incentive payment = 25% of base salary

IV. There being no other matters on the Committee's agenda, the meeting was adjourned.

Respectfully submitted,



Harold M. Carter, Jr.
General Counsel and Chief Administrative
Officer



RGR

Transportation Authority

Executive Compensation Analysis

May 2012



BURKE GROUP

Overview

- Background and Objectives
- Best Practices – Governance / Executive Compensation
- Benchmark Analysis
 - Peer Group
 - Local Tax Exempt Group
 - Towers Watson Survey
 - ERI
- Recommendations for Discussion

Background and Objectives

Burke Group 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 reviews 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; and
- 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:

- Peer Group
- Local Tax-Exempt organizations
- Towers Watson Surveys
 - Top Management Report
- ERI Survey

Scope data

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

RGRTA Peer Group

2011 Statistics

Peer Group			
Location	Employees	Passenger Vehicles	Employee/ Vehicle Ratio
Albany	650	306	2.12
Buffalo *	1166	392	2.97
Syracuse	675	262	2.58
Rhode Island	842	376	2.24
Orlando	945	415	2.28
Hampton Roads	937	538	1.74
Hartford	900	400	2.25
Tampa	715	246	2.91
Jacksonville	746	288	2.59
Sound Transit	720	300	2.40
Peer Group Average	830	352	2.41
RGRTA	825	445	1.85

*Rail & Bus Service

RGRTA

Base Salary Analysis

Position	Current Salary	Peer Group Companies	**Local Tax	
			Exempt Organizations	Published Surveys
SVP People	\$127,500	\$125,220	-	\$132,543
General Counsel	\$175,203	\$173,776	-	\$153,529
Chief Operating Officer	\$149,500	\$137,282	\$178,984	\$169,462
Chief Financial Officer	\$157,065	\$149,100	\$158,466	\$162,388
Chief Information Officer	\$120,000	\$122,763	\$121,420	\$154,150
Chief Executive Officer	\$175,000	\$205,479	\$253,101	\$225,096

** Local Tax-Exempt Organizations include Lifetime Assistance, CDS, Hillside Family of Agencies, Mary Cariola Children's Center and Heritage Christian Services.

RGRTA

Annual Incentive Analysis

Position	Current Incentive	*Local Tax Exempt Organizations	Published Surveys	Percentage of Base - Published Survey	Most Recent RGRTA Incentive as a % of Base
SVP People	-	-	\$22,500	17%	-
General Counsel	\$36,325	-	\$28,800	19%	21%
Chief Operating Officer	\$10,250	\$20,700	\$22,600	16%	7%
Chief Financial Officer	\$35,530	\$19,655	\$33,050	20%	23%
Chief Information Officer	\$18,037	-	\$20,200	13%	16%
Chief Executive Officer	\$35,000 **	\$29,390	\$45,019	20%	20%

* Local Tax-Exempt Organizations include Lifetime Assistance, CDS, Hillside Family of Agencies, Mary Cariola Children's Center and Heritage Christian Services.

** 20% of current salary

Recommendations for 2012/2013 - CEO

	<u>Current</u>	<u>2012/2013</u>	
Base Salary	\$175,000	\$181,125	(3.5% inc.)
* Incentive Opportunity (At target - 20% of Base Salary)	\$35,000	\$36,225	
Total Cash Compensation Opportunity (Assumes Target Performance)	\$210,000	\$217,350	
Car Allowance	\$4,800/year	\$4,800/year	
Deferred Compensation (457b Plan)	\$10,000	\$11,000	

* No payment below target level performance, superior performance would result in an additional incentive of 5% of base salary