



**Item #06-6-17
Action**

SACOG Board of Directors

June 8, 2006

Amendments to Directors' Employment Agreements

Issue: Amendment of Directors' employment agreements.

Recommendation: The Administration Committee recommends approval to the Board of the Executive Director's recommended changes to the salary and performance provisions of the employment contracts for the four Directors.

Committee Action/Discussion: All four Directors, Karen Wilcox, Ken Hough, Pete Hathaway and Gordon Garry have at will employment agreements with the Board. The recently completed Compensation Survey accepted by the Board in April, 2006 indicates that overall compensation for the Directors is about 15% below average market conditions. A Compensation Survey completed two years ago reached a similar conclusion.

I do not believe the Agency can sustain performance at its current high level without compensating its Directors at market rate. However, it is also important that we conservatively manage the budget and continue to move the organization in the direction of performance-based compensation. I am recommending a performance-based component be added to these four contracts and increase the range of allowed salaries for these positions that would make it possible to eliminate this 15% gap over approximately the next two and one-half years.

Proposed performance measures for each contract for this calendar year are part of the attached four contract revisions. I propose to establish a relatively broad salary range for all four positions of \$104,176 to \$146,597. The bottom of this range is 15% above the current bottom step of the lowest salary range for a Director and the top of the range is 15% above the current top step of the highest salary range. I am asking the Board to approve 6% raises for three of the Directors and a 3% raise for the fourth Director, effective June 1, and to give me the discretion to increase each of their salaries again in January, 2007 and January, 2008 to a maximum 15% increase from today. The maximum increase for any year would be 6% (see table attached). I would report back to the Board annually on past performance, new performance measures, and raises granted. At the end of that 3-year period the Board would need to approve any further contract changes.

This approach will provide fair compensation for exemplary performance, reasonably manage agency labor costs and move the organization further in the direction of performance-based pay. I also believe it is essential to creating the two- to three-year window that is going to be required to get a succession plan written, in place and ready for implementation. I am grateful that all four Directors have expressed a willingness to support this phased and performance based approach to addressing their compensation situation.

Approved by:

Mike McKeever
Executive Director

MM:rt
Attachment

Salary Plan for Directors

Director of:	Current Base Salary*	% raise 1-Jun-06	Base Salary* 1-Jun	Max. % raise 1-Jan-07	Max. % raise by Jan 1, 2008 from current	Max. Base Salary Jan. 1, 2008*
Research and Analysis (Garry)	\$110,112	3%	\$113,415	6%	15%	\$126,629
Finance (Wilcox)	\$110,112	6%	\$116,719	6%	15%	\$126,629
Community Planning and Operations (Hough)	\$121,404	6%	\$128,688	6%	15%	\$139,615
Transportation Planning (Hathaway)	\$127,476	6%	\$135,125	6%	15%	\$146,597

* Figures do not include adjustments included in employment agreements including Cost of Living and longevity pay.

**EMPLOYMENT AGREEMENT
DIRECTOR OF RESEARCH AND ANALYSIS
SACRAMENTO AREA COUNCIL OF GOVERNMENTS**

THIS AGREEMENT is between Gordon Garry ("GARRY") and the Sacramento Area Council of Governments ("SACOG"), a joint powers agency organized and existing under the laws of the State of California. GARRY has been employed by SACOG since July 1, 2004 under the terms of a prior agreement. It is understood and agreed that such prior employment agreement shall expire effective May 31, 2006 and that this agreement shall become effective July 1, 2004. June 1, 2006, with GARRY's employment with SACOG remaining continuous under both agreements.

GARRY agrees to accept employment with SACOG and SACOG agrees to employ GARRY, on the following terms and conditions:

1. GARRY is hereby employed as the Director of Research and Analysis. His monthly base compensation is equivalent to Range 38, Step E of the SACOG Salary Schedule, \$9,451, payable on the last working day of each month. The Salary Schedule includes GARRY is entitled to annual cost of living increases approved by the SACOG board for the majority of SACOG employees, and is also subject to any merit increases approved by the SACOG Board. His duties are those set forth in Exhibit "A" (a position description for the Director of Research and Analysis), attached hereto and incorporated by reference. GARRY states that he has read the position description and is qualified to perform the duties set forth in the description and will do so in a satisfactory manner. On January 1, 2007 and again on January 1, 2008, GARRY is eligible for merit increases of up to six percent (6%) at the discretion of the Executive Director. The amount of such increases shall be based upon the degree to which GARRY achieves performance objectives set in his annual performance evaluation and shall not cause his base compensation to exceed 115% of his base compensation as of May 2006, excluding any cost of living increases. GARRY'S performance objectives for 2006 are attached at Exhibit "B."
2. GARRY is entitled to the same fringe benefits, including retirement, health insurance, dental insurance, vision insurance, ~~vacation pay~~, longevity pay, ~~sick leave~~, paid time off and any other benefits to the extent that they are provided from time to time to a majority of all SACOG employees. As of the date of this agreement, these benefits are listed on Exhibit "C," attached hereto and incorporated herein.
 - a. ~~Notwithstanding changes to the benefits provided to other SACOG employees, SACOG shall at all times during the term of this agreement pay both the employer and the employee share of contributions to the California Public Employees' Retirement System (PERS).~~
 - b. ~~In addition to the employment benefits described above, GARRY will be allowed forty (40) hours per calendar year of Management Leave Time, accrued at the rate of 3.34 hours per month, and added to his ~~vacation~~ paid time off leave balance.~~
3. GARRY shall commence employment under the terms of this agreement on July 1, 2004,

June 1, 2006, and shall continue to be employed until such time as he, or SACOG, or both, determines to end the employment relationship. GARRY understands that his employment with SACOG is at will and at the pleasure of SACOG's Executive Director, and that he may be terminated at any time for any reason, or no reason. GARRY understands that he acquires no property interest in his job, nor any contractual interest for any specified term. If terminated, GARRY understands that he will not be given a due process hearing, either before or after termination, and that he has no right to seek reinstatement either administratively or through any court process based upon his claim of a property interest in his job. The parties acknowledge, however, that GARRY does not waive his legal rights as they exist for protection from termination for illegal purposes, e.g., discrimination based on race, ethnicity, sex or age.

4. Both GARRY and SACOG agree that, if circumstances allow, each will give the other 30 days written notice of his/its intent to end the employment relationship. However, failure to give such notice shall not invalidate any termination of employment or give rise on the part of either party to damages from the other.

5. If SACOG elects to terminate GARRY's employment at any time or for any reason, SACOG shall pay to GARRY a sum equivalent to six (6) months compensation, at his then-current rate of pay.

6. All provisions of the Personnel Rules of SACOG, and any applicable policies and procedures pertaining to personnel administration, shall be applicable to GARRY to the extent they are not inconsistent with the terms of this agreement. To the extent of any conflict, this agreement, and not the Personnel Rules, policies or procedures, shall prevail.

7. GARRY understands that he is a management employee and, as such, is exempt from federal and state laws as they may pertain to overtime compensation. Normally, GARRY will work 40 hours per week, from 8:00 a.m. to 5:00 p.m., with an hour for lunch. GARRY understands, however, and agrees that he will give such effort and time to the job as is necessary to satisfactorily complete his assignments.

8. This agreement embodies the entire agreement of the parties on the subject of the employment of GARRY by SACOG and supersedes all prior written or oral agreements or representations. Changes to this agreement shall be in writing, signed by both parties.

9. Any action concerning this agreement shall be brought in the Superior Court of Sacramento, California, and shall be interpreted according to the laws of the State of California.

10. The parties have freely entered into this agreement without any extraneous inducement or coercion and after having had the opportunity to receive counsel as to the legal consequences of the matters set forth herein.

11. Each party represents that he/it has the legal authority to enter into this agreement.

Dated: ~~July 1, 2004~~ June 15, 2006

GORDON GARRY

SACRAMENTO AREA COUNCIL
OF GOVERNMENTS

By: _____
~~MARTIN TUTTLE~~ MIKE McKEEVER
Executive Director

Approved as to form:

~~JOAN M. MEDEIROS, Attorney at Law~~
~~Deputy Executive Director~~

MILLER, OWEN & TROST
A Professional Corporation

By: _____
KIRK E. TROST

GORDON GARRY
WORK PROGRAM OBJECTIVES FOR 2006/07

1. Provide the Executive Director and the rest of the management staff with as-needed emails and memos as issues, data requests, policy issues arise, including: providing the Executive Director with weekly status reports; maintaining schedules of OWP projects for 1 month, 6 months, and 1 year time periods; and separating as much as possible, management and technical work into distinct tasks and schedules. (on-going)
2. Produce the travel and emissions forecasts needed to complete the restoration MTP and Rate-of-Progress SIP by March 2006.
3. In cooperation with the other members of the management staff, produce the FY2006-07 OWP and budget for Board approval by May, 2006.
4. Assist the Blueprint Implementation team with the 2032 land use map and necessary interim years throughout 2006.
5. For the I-PLACE3S-travel model program, a) produce an initial version of the program for the MTP workshops by March 2006 and b) complete the program development and evaluate its use in the MTP workshops by July 2006.
6. For the activity based travel demand model (ABTM), a) complete the model validation by July 2006, b) apply the model in the development of the MTP's regional alternatives by October 2006, and c) evaluate the model in this first set of applications by December 2006.
7. Develop a plan by December 2006 for dissemination of the new travel model to SACOG's planning partners, including technical, hands-on users and non-technical users.
8. Produce a plan to disseminate the travel and land use modeling program's accomplishments to the state and national planning community. (December 2006)
9. Develop a plan to transition SACOG's role in the GIS cooperatives. SACOG should move out of current caretaker role to and end user role and partner with the other members. (December 2006)
10. In order to move the Goods and Freight planning process forward, produce a plan for model development using the Phase 1 study results and a review of state of practice models by December 2006.
11. In order to further the integration of SACOG's land use and transportation planning with the region's air quality planning (specifically the 2007 ozone SIP development) work with the staffs of the air districts and the Air Resources Board to incorporate the capabilities of SACOG models into the SIP planning program.

12. Continue to direct and assist staff in the delivery of the following sections of the Overall Work Program:

Monitoring and Forecasting

Ensure that the transition of the data programs into a comprehensive GIS platform that is compatible with the I-PLACE3S program continues.

Ensure that the transition of the data programs to a parcel and street level of detail continues.

MTP Development

Ensure that the forecasts, analysis, and performance measures in the MTP process reflect the best available information and the needs of decision makers and the public.

13. Develop a staff development plan that focuses on improving staff competence in report writing, presentations, and technical skills (December, 2006).
14. Work with Ken Hough to develop a succession plan and pro-actively participate in the career development program and other training programs that will assist staff I supervise in their career advancement (December 2006).

EMPLOYMENT AGREEMENT
DEPUTY EXECUTIVE DIRECTOR OF TRANSPORTATION PLANNING
SACRAMENTO AREA COUNCIL OF GOVERNMENTS

THIS AGREEMENT is between Peter L. Hathaway ("HATHAWAY") and the Sacramento Area Council of Governments ("SACOG"), a joint powers agency organized and existing under the laws of the State of California. HATHAWAY has been employed by SACOG since July 1, 2001 under the terms of a prior agreement and an amendment that was effective October 1, 2002. It is understood and agreed that such prior employment agreement as amended shall expire effective May 31, 2006 and that this agreement shall become effective July 1, 2004. June 1, 2006, with HATHAWAY's employment with SACOG remaining continuous under both agreements.

HATHAWAY agrees to accept employment with SACOG and SACOG agrees to employ HATHAWAY, on the following terms and conditions:

1. ~~Effective December 1, 2001~~ HATHAWAY is hereby employed as the ~~Deputy~~ Director ~~for of Transportation Planning and Project Delivery.~~ His monthly compensation is \$11,260, ~~payable on the last working day of the month, based on Salary Range 41 of the SACOG Salary Schedule. The Salary Schedule includes~~ Hathaway is entitled to annual cost of living increases approved by the SACOG Board for the majority of SACOG employees, ~~and also subject to any merit increases approved by the SACOG Board.~~ His duties are those set forth in Exhibit "A," as amended, attached hereto to this Amendment, and incorporated by reference. HATHAWAY states that he has read the position description and is qualified to perform the duties set forth in the description and will do so in a satisfactory manner. On January 1, 2007 and again on January 1, 2008, HATHAWAY is eligible for merit increases of up to six percent (6%) at the discretion of the Executive Director. The amount of such increases shall be based upon the degree to which HATHAWAY achieves performance objectives set in his annual performance evaluation and shall not cause his base compensation to exceed 115% of his base compensation as of May 2006, excluding any cost of living increases. HATHAWAY'S performance objectives for 2006 are attached at Exhibit "B."

2 HATHAWAY is entitled to the same fringe benefits, including retirement, health insurance, dental insurance, vision, ~~vacation pay, sick leave, paid time off,~~ cost of living increases, and any other benefits to the extent they may be provided from time to time to a majority of all SACOG employees. As of the date of this Amendment, these benefits are listed on Exhibit "C," attached hereto to this Amendment, and incorporated by reference.

a. ~~Notwithstanding changes to the benefits provided to other SACOG employees, SACOG shall at all times during the term of this agreement pay both the employer and the employee share of contributions to the California Public Employees' Retirement System (PERS).~~

b. In addition to the employment benefits described above, HATHAWAY will be allowed forty (40) hours per calendar year of Management Leave Time, accrued at the rate of 3.34 hours per month, and added to his ~~vacation~~ paid time off balance.

~~b. In addition, HATHAWAY will begin work with a beginning sick leave balance of 160 hours and a beginning vacation leave balance of 80 hours.~~

3. HATHAWAY shall commence employment under the terms of this agreement on ~~July 1, 2001,~~ June 1, 2006, and shall continue to be employed until such time as he, or SACOG, or both, determines to end the employment relationship. HATHAWAY understands that his employment with SACOG is at will and at the pleasure of SACOG's Executive Director, and that he may be terminated at any time for any reason, or no reason. HATHAWAY understands that he acquires no property interest from his job, nor any contractual interest for any specified term. If terminated, HATHAWAY understands that he will not be given a due process hearing, either before or after termination, and that he has no right to seek reinstatement either administratively or through any court process based upon his claim of a property interest in his job. The parties acknowledge, however, that HATHAWAY does not waive his legal rights as they exist for protection from termination for illegal purposes, e.g., discrimination based on race, ethnicity, sex or age.

4. Both HATHAWAY and SACOG agree that, if circumstances allow, each will give the other 30 days written notice of his/its intent to end the employment relationship. However, failure to give such notice shall not invalidate any termination of employment or give rise on the part of either party to damages from the other.

5. ~~After the first six months of employment, if~~ If SACOG elects to terminate HATHAWAY's employment at any time for any reason or for no reason, SACOG shall pay to HATHAWAY (a) as severance pay, a sum equivalent to three (3) months his then base monthly salary; (b) for all accrued, but unused vacation leave; and (c) for accrued, but unused sick leave, as provided for in Exhibit B. All normal deductions shall be made from the amounts so paid. Notwithstanding the preceding, if the termination of HATHAWAY is the result of gross mismanagement and/or an act or acts of moral turpitude, he shall be paid only for items (b) and (c) above. In such instance, HATHAWAY's sole remedy shall be a judicial action in declaratory relief to determine whether there was substantial evidence of gross mismanagement and/or an act or acts of moral turpitude. If the court determines that there was not substantial evidence, HATHAWAY shall receive the pay provided for in (a) above, but no other damages.

6. All provisions of the Personnel Rules of SACOG, and any applicable policies and procedures pertaining to personnel administration, shall be applicable to HATHAWAY to the extent they are not inconsistent with the terms of this agreement. To the extent of any conflict, this agreement, and not the Personnel Rules, policies and/or procedures, shall prevail.

7. HATHAWAY understands that he is a management employee and, as such, is exempt from federal and/or state laws as they may pertain to overtime compensation. HATHAWAY will generally work from 7:30 a.m. to 5:30 p.m., with an hour for lunch. HATHAWAY understands, however, and agrees that he will give such effort and time to the job as is necessary to satisfactorily complete his assignments.

8. This agreement embodies the entire agreement of the parties on the subject of the

employment of HATHAWAY by SACOG and supersedes all prior written and/or oral agreements or representations. Changes to this agreement shall be in writing, signed by both parties.

9. Any action concerning this agreement shall be brought in the Superior Court of Sacramento, California, and shall be interpreted according to the laws of the State of California.

10. The parties have freely entered into this agreement without any extraneous inducement or coercion and after having had the opportunity to receive counsel as to the legal consequences of the matters set forth herein.

11. Each party represents that he/it has the legal authority to enter into this agreement.

Dated: ~~June _____, 2001~~ June 15, 2006

PETER L. HATHAWAY

SACRAMENTO AREA COUNCIL
OF GOVERNMENTS

By: _____

MARTIN TUTTLE
MIKE McKEEVER
Executive Director

Approved as to form:

MILLER, OWEN & TROST
A Professional Corporation

By: _____

KIRK E. TROST

PETER HATHAWAY
WORK PROGRAM OBJECTIVES FOR 2006-07

1. Programming and Project Delivery

- Oversee preparation and adoption of the MTIP 2007/09 (by July 2006)
- Oversee preparation and implementation of an aggressive 2006 Delivery Plan to make maximum use of federal funds available to this region (by August 2006)
- Reassess performance and redesign team structure in these functions (by August 2006)
- Participate in improvement of SacTrak program management (by October 2006)
- Work strategically with Caltrans and other regional partners to maximize funding from the state transportation bonds that benefits this region (by November 2006)
- Manage fund advances to augment SACOG's local-funded-program capability, in preparation for 2007 Community Design programming (by November 2006)

2. Transportation Planning

- Design model runs to assess land use and transportation system performance in preparation for new 2007 MTP (by July 2006)
- Oversee and complete 5-6 more MTP issue papers (by September 2006)
- Engage regional planning partners in development of MTP alternatives for Board and public review (by September 2006)
- Assist in developing a realistic but aggressive funding projections for the new 2007 MTP (by September 2006)
- Prepare MTP alternatives for Board and public review, including effective transit, traffic operations, bicycle and pedestrian strategies (by October 2006)
- Oversee preparation of materials for regionwide public MTP workshops (by October 2006)
- Assist in development of Blueprint-based land use alternatives to maximize transportation benefits and underlay the new 2007 MTP (by November 2006)
- Oversee scoping and preparatory work for EIR for new 2007 MTP (by November 2006)
- Prepare initial working draft 2007 MTP with preferred alternative(s) for final public review and electronic town hall (by December 2006)
- Take steps to secure adequate staffing as work on 2007 MTP proceeds (through December 2006)

3. Air Quality Planning

- Obtain funding to complete the current SECAT program (by late 2006)
- Work with air districts to examine effective strategies to attain clean air, for consideration in 2007 MTP (ongoing)
- Coordinate progress on State Implementation Plan and air quality conformity for new 2007 MTP (ongoing)
- Work to ensure federal air quality rules and procedures can work for SACOG's needs, and Board members understand constraints and opportunities (ongoing)

4. Freight Planning

- Oversee completion of phase 1 freight study and ensure clear communication of findings to Board (by September 2006)
- Undertake phases 2 and 3 freight study to prepare recommendations to go into statewide freight planning and 2007 MTP (by October 2006 and December 2006)

5. Transit Planning

- Improve SACOG packaging of federal transit programs to make federal program delivery run more smoothly (by November 2006)
- Oversee completion of phase 1 regional long range transit plan to provide base for preparation of MTP alternatives (by August 2006 ?)
- Undertake and complete phase 2 regional long range transit plan to inform draft 2007 MTP (by December 2006)
- Assist in moving forward South Line 2 rail project to ensure best use of funding opportunities (by December 2006)
- Oversee progress and seek adequate assignment of staff to extent feasible toward completing ongoing specific transit studies from Overall Work Program during FY 2006/07 (by December 2006)

6. Highway Planning

- Complete Connector Study so that it is ready for next phase, including introduction of new information for consideration, and coordination with East County US50 Mobility Study (by September 2006)
- Develop staff capability for highway performance and project analysis to serve new 2007 MTP (by December 2006)
- Make progress toward a regional traffic operations strategy for new 2007 MTP (by December 2006)
- Assist in moving forward US50 HOV lanes project to ensure best use of funding opportunities (by December 2006)

7. Environmental Planning

- Begin database preparation for environmental protection framework negotiations for use in 2007 MTP EIR (by October 2006)
- Coordinate with Caltrans as it implements NEPA delegation to advance regional interests (by December 2006)
- Make progress toward agreement on NEPA streamlining process, aimed at the new 2007 MTP (by March 2007)

8. State and Federal Legislation

- Keep the Board well-informed and build its ability to take positions on legislation of importance to the region (ongoing)
- Track and engage in development of trailer implementation legislation for the infrastructure bond package (by September 2006 and December 2006)
- Improve SACOG proactive capabilities and involvement for 2007 Legislative session (by November 2006)
- Assign staff to analyze and track subject areas of legislation and develop staff skills of legislative analysis (by November 2006)

9. Management

- Assist the Executive Director as necessary to advance agency interests and coordinate regional partnership activities (ongoing)
- Oversee and prepare materials for monthly Committee and Board meetings (ongoing)
- Manage budget, workload, staff assignments, delegated responsibilities, and organizational efficiency in SACOG transportation planning activities (ongoing)
- Provide staff training in financial plan development and programming, to build knowledge levels and staffing flexibility (by December 2006 if time allows)
- Complete evaluations of all staff under my management as part of staff development (by December 2006)
- Assist in developing staff succession strategy for implementation during 2007 (ongoing)

EMPLOYMENT AGREEMENT
DIRECTOR OF COMMUNITY PLANNING & OPERATIONS
SACRAMENTO AREA COUNCIL OF GOVERNMENTS

THIS AGREEMENT is between Kenneth Hough ("HOUGH") and the Sacramento Area Council of Governments ("SACOG"), a joint powers agency organized and existing under the laws of the State of California. HOUGH has been employed by SACOG since July 1, 2004 under the terms of a prior agreement. It is understood and agreed that such prior employment agreement shall expire effective May 31, 2006 and that this agreement shall become effective July 1, 2004. June 1, 2006, with HOUGH's employment with SACOG remaining continuous under both agreements.

HOUGH agrees to accept employment with SACOG and SACOG agrees to employ HOUGH, on the following terms and conditions:

1. HOUGH is hereby employed as the Director of Community Planning & Operations. His monthly base compensation is ~~equivalent to Range 40, Step # of the SACOG salary schedule \$10,724 payable on the first last working day of each month. The Salary Schedule includes~~ HOUGH is entitled to annual cost of living increases approved by the SACOG board for the majority of SACOG employees, and is also subject to any merit increases approved by the SACOG Board. His duties are those set forth in Exhibit "A" (a position description for the Director of Community Planning & Operations), attached hereto and incorporated by reference. HOUGH states that he has read the position description and is qualified to perform the duties set forth in the description and will do so in a satisfactory manner. On January 1, 2007 and again on January 1, 2008, HOUGH is eligible for merit increases of up to six percent (6%) at the discretion of the Executive Director. The amount of such increases shall be based upon the degree to which HOUGH achieves performance objectives set in his annual performance evaluation and shall not cause his base compensation to exceed 115% of his base compensation as of May 2006, excluding any cost of living increases. HOUGH'S performance objectives for 2006 are attached at Exhibit "B."

2. HOUGH is entitled to the same fringe benefits, including retirement, health insurance, dental insurance, vision insurance, ~~vacation pay~~, longevity pay, ~~sick leave~~ paid time off, and any other benefits to the extent that they are provided from time to time to a majority of all SACOG employees. As of the date of this agreement, these benefits are listed on Exhibit "C," attached hereto and incorporated herein.

a. ~~Notwithstanding changes to the benefits provided to other SACOG employees, SACOG shall at all times during the term of this agreement pay both the employer and the employee share of contributions to the California Public Employees' Retirement System (PERS).~~

b. ~~In addition to the employment benefits described above, HOUGH will be allowed forty (40) hours per calendar year of Management Leave Time, accrued at the rate of 3.34 hours per month, and added to his ~~vacation~~ paid time off leave balance.~~

3. HOUGH shall commence employment under the terms of this agreement on ~~July 1, 2004~~ June 1, 2006, and shall continue to be employed until such time as he, or SACOG, or both, determines to end the employment relationship. HOUGH understands that his employment with SACOG is at-will and at the pleasure of SACOG's Executive Director, and that he may be terminated at any time for any reason, or no reason. HOUGH understands that he acquires no property interest in his job, nor any contractual interest for any specified term. If terminated, HOUGH understands that he will not be given a due

process hearing, either before or after termination, and that he has no right to seek reinstatement either administratively or through any court process based upon his claim of a property interest in his job. The parties acknowledge, however, that HOUGH does not waive his legal rights as they exist for protection from termination for illegal purposes, e.g., discrimination based on race, ethnicity, sex or age.

4. Both HOUGH and SACOG agree that, if circumstances allow, each will give the other 30 days written notice of his/its intent to end the employment relationship. However, failure to give such notice shall not invalidate any termination of employment or give rise on the part of either party to damages from the other.

5. If SACOG elects to terminate HOUGH's employment at any time or for any reason, SACOG shall pay to HOUGH a sum equivalent to six (6) months compensation, at his then-current rate of pay.

6. All provisions of the Personnel Rules of SACOG, and any applicable policies and procedures pertaining to personnel administration, shall be applicable to HOUGH to the extent they are not inconsistent with the terms of this agreement. To the extent of any conflict, this agreement, and not the Personnel Rules, policies or procedures, shall prevail.

7. HOUGH understands that he is a management employee and, as such, is exempt from federal and state laws as they may pertain to overtime compensation. Normally, HOUGH will work 40 hours per week, from 9:00 a.m. to 6:00 p.m., with an hour for lunch. HOUGH understands, however, and agrees that he will give such effort and time to the job as is necessary to satisfactorily complete his assignments.

8. This agreement embodies the entire agreement of the parties on the subject of the employment of HOUGH by SACOG and supersedes all prior written or oral agreements or representations. Changes to this agreement shall be in writing, signed by both parties.

9. Any action concerning this agreement shall be brought in the Superior Court of Sacramento, California, and shall be interpreted according to the laws of the State of California.

10. The parties have freely entered into this agreement without any extraneous inducement or coercion and after having had the opportunity to receive counsel as to the legal consequences of the matters set forth herein.

11. Each party represents that he/it has the legal authority to enter into this agreement.

Dated: ~~July 15, 2004~~ June 15, 2006

KENNETH HOUGH

SACRAMENTO AREA COUNCIL
OF GOVERNMENTS

By: _____
~~MARTIN TUTTLE~~ MIKE McKEEVER
Executive Director

Approved as to form:

~~JOAN M. MEDEIROS, Attorney at Law~~
~~Deputy Executive Director~~

MILLER, OWEN & TROST
A Professional Corporation

By: _____
KIRK E. TROST

KENNETH HOUGH
WORK PROGRAM OBJECTIVES FOR 2006/07

1. Produce a work plan and budget for a succession plan. (November 2006)
2. Ensure that annual performance evaluations including work program and professional development objectives are completed for all employees. (June 30, 2006)
3. Assist in compiling the final MOU with the SEA in time for June 2006 Board approval:
 - Schedule and coordinate Meet-and-Confer sessions.
 - Detail the Combined Paid Time Off provision.
 - Work with EA on the specifics of the Career Development Program.
4. Complete a draft update of the Personnel Rules by September 30, 2006, work with the SEA and management to refine the draft and secure Board approval by December 2006.
5. Prepare a pay plan, classification plan amendments, and employment agreement amendments for June 2006 Board approval.
6. Form advisory committee and launch the enhanced Career Development Program (August 1, 2006)
7. Working with SEA representatives, complete a study of the feasibility of developing a new performance evaluation system. (October 31, 2006)
8. Lead recruitments for new positions contained in the draft 2006/07 OWP budget resulting in hiring well-qualified or superior employees. (September 2006)
9. Conduct preliminary research on performance-based pay and alternative compensation systems. (December 2006 as a starting point for a joint SACOG/EA study due in June 2008)
10. Assist Executive Director in developing a work plan to systematically integrate the team concept into the daily operation of the agency; refine procedures for evaluating team performance. (December 2006)
11. Assist the Director of Transportation Planning and Project Delivery Manager in strengthening the Project Delivery and Programming Teams.
12. Continue to direct staff in delivery of the following sections of the Overall Work Program:
 - Public Information and Outreach*
 - Ensure an inclusive MTP outreach process, especially addressing Title VI and EJ issues

Operational Programs including the Rideshare, Callbox, and 511 Traveler Information Programs

- Ensure that a competent and cost-effective contractor is retained for the biggest callbox contract in our history to replace our call boxes with digital function and TTYs (July 2006)
- Ensure that a plan for improving the 511 program is developed (December 2006)
- Ensure that the Rideshare Program operates effectively, making good use of partner organizations

ITS Planning

- Ensure steady progress toward high-level design specs for STARNET due in March 2007

Land Use and Housing Planning

- Ensure that the McClellan ALUP uses an inclusive process meeting members' needs and that draft plan is ready for review (December 2006)
- Help Greg get the Form -Based Code initial contract completed (July 2006) and a full FBC workbook project initiated (October 2006)
- Ensure Kacey has the resources needed to complete the 2032 map
- Ensure that a draft Regional Housing Needs Plan is developed using an inclusive process that meshes with the Blueprint (December 2006)

Bicycle and Pedestrian Planning

- Ensure integration of the Bike, Pedestrian and Trails Master Plan into the MTP (December 2006)

PROFESSIONAL DEVELOPMENT OBJECTIVES

1. Training on HR issues, especially succession planning, 360 evaluations, and team concepts.

**EMPLOYMENT AGREEMENT
DIRECTOR OF FINANCE
SACRAMENTO AREA COUNCIL OF GOVERNMENTS**

THIS AGREEMENT is between Karen L. Wilcox ("WILCOX") and the Sacramento Area Council of Governments ("SACOG"), a joint powers agency organized and existing under the laws of the State of California. WILCOX has been employed by SACOG since July 1, 2004 under the terms of a prior agreement. It is understood and agreed that such prior employment agreement shall expire effective May 31, 2006 and that this agreement shall become effective July 1, 2004. June 1, 2006, with WILCOX's employment with SACOG remaining continuous under both agreements.

WILCOX agrees to accept employment with SACOG and SACOG agrees to employ WILCOX, on the following terms and conditions:

1. WILCOX is hereby employed as the Director of Finance. Her monthly base compensation is equivalent to Range 38, Step E of the SACOG Salary Schedule \$9,727, payable on the first last working day of each month. The Salary Schedule includes WILCOX is entitled to annual cost of living increases approved by the SACOG board for the majority of SACOG employees, and is also subject to any merit increases approved by the SACOG Board. Her duties are those set forth in Exhibit "A" (a position description for the Director of Finance), attached hereto and incorporated by reference. WILCOX states that she has read the position description and is qualified to perform the duties set forth in the description and will do so in a satisfactory manner. On January 1, 2007 and again on January 1, 2008, WILCOX is eligible for merit increases of up to six percent (6%) at the discretion of the Executive Director. The amount of such increases shall be based upon the degree to which WILCOX achieves performance objectives set in her annual performance evaluation and shall not cause her base compensation to exceed 115% of her base compensation as of May 2006, excluding any cost of living increases. WILCOX'S performance objectives are attached as Exhibit "B."
2. WILCOX is entitled to the same fringe benefits, including retirement, health insurance, dental insurance, vision insurance, ~~vacation pay, sick leave, paid time off~~ and any other benefits to the extent that they are provided from time to time to a majority of all SACOG employees. As of the date of this agreement, these benefits are listed on Exhibit "C", attached hereto and incorporated herein. ~~Notwithstanding changes to the benefits provided to other SACOG employees, SACOG shall at all times during the term of this agreement pay both the employer and the employee share of contributions to the California Public Employees' Retirement System (PERS).~~
 - a. In addition to the employment benefits described above, WILCOX will be allowed forty (40) hours per calendar year of Management Leave Time, accrued at the rate of 3.34 hours per month, and added to her vacation leave balance.
 - b. ~~In addition to the benefits described above, WILCOX shall have 20 hours of sick leave and 88 hours of vacation leave allocated to her sick and vacation leave balances, effective July 1, 2004.~~

3. WILCOX shall commence employment under the terms of this agreement on ~~July 1, 2004,~~ June 1, 2006, and shall continue to be employed until such time as she, or SACOG, or both, determines to end the employment relationship. WILCOX understands that her employment with SACOG is "at will" and at the pleasure of SACOG's Executive Director, and that she may be terminated at any time for any reason, or no reason. WILCOX understands that she acquires no property interest in her job, nor any contractual interest for any specified term. If terminated, WILCOX understands that she will not be given a due process hearing, either before or after termination, and that she has no right to seek reinstatement either administratively or through any court process based upon her claim of a property interest in her job. The parties acknowledge, however, that WILCOX does not waive her legal rights as they exist for protection from termination for illegal purposes, e.g., discrimination based on race, ethnicity, sex or age.
4. Both WILCOX and SACOG agree that, if circumstances allow, each will give the other 30 days written notice of her/its intent to end the employment relationship. However, failure to give such notice shall not invalidate any termination of employment or give rise on the part of either party to damages from the other.
5. ~~After the first six months of employment, if~~ If SACOG elects to terminate WILCOX's employment at any time and/or for any reason, SACOG shall pay to WILCOX a sum equivalent to three (3) months compensation, at her then current rate of pay.
6. All provisions of the Personnel Rules of SACOG, and any applicable policies and procedures pertaining to personnel administration, shall be applicable to WILCOX to the extent they are not inconsistent with the terms of this agreement. To the extent of any conflict, this agreement, and not the Personnel Rules, policies and/or procedures, shall prevail.
7. WILCOX understands that she is a management employee and, as such, is exempt from federal and/or state laws as they may pertain to overtime compensation. Normally, WILCOX will work 40 hours per week, from 8:00 a.m. to 5:00 p.m., with an hour for lunch. WILCOX understands, however, and agrees that she will give such effort and time to the job as is necessary to satisfactorily complete her assignments.
8. This agreement embodies the entire agreement of the parties on the subject of the employment of WILCOX by SACOG and supersedes all prior written and/or oral agreements or representations. Changes to this agreement shall be in writing, signed by both parties.
9. Any action concerning this agreement shall be brought in the Superior Court of Sacramento, California, and shall be interpreted according to the laws of the State of California.
10. The parties have freely entered into this agreement without any extraneous inducement or coercion and after having had the opportunity to receive counsel as to the legal consequences of the matters set forth herein.

11. Each party represents that she/it has the legal authority to enter into this agreement.

Dated: ~~July 15, 2004~~ June 15, 2006

KAREN A. WILCOX

SACRAMENTO AREA COUNCIL
OF GOVERNMENTS

By: _____
~~MARTIN TUTTLE~~ MIKE McKEEVER
Executive Director

Approved as to form:

~~JOAN M. MEDEIROS, Attorney at Law~~
~~Deputy Executive Director~~

MILLER, OWEN & TROST
A Professional Corporation

By: _____
KIRK E. TROST

KAREN WILCOX
WORK PROGRAM OBJECTIVES FOR 2006/07

1. Successful adoption of the fiscal year 2006-07 OWP and Operating Budget. May 2006.
2. Begin work on the fiscal year 2007-08 OWP and Operating Budget to provide Board with more involvement the process.
 - Work with other Directors and staff to develop a list of projects that must be included in OWP as well as projects we would like to accomplish if resources were available. November - December 2006.
 - Work with the Administration Committee, the Board of Directors and other subcommittees to develop priorities for projects and funding. December 2006.
3. Prepare policies for Administration committee review and Board approval. Such policies include:
 - Establishing and funding reserves
 - Contract issuance and contract file maintenance
 - Setting aside funds for future large capital outlays
 - Travel
 - Use of e-mails by employees
 - Internet policies
 - DBE/WBE policy
 - Board of Director reimbursement policy
 - Retention of records

December 2006 for all.
4. Assist in the final negotiation of the Employee MOU and successful review by the Administration committee and passage by the Board of Directors. June 2006.
5. Implementation of the benefits negotiated in the MOU. January 2007 for all.
 - Board approval of the PERS contract amendment to implement 2.5% @55. September 2006.
 - Paid time off. July 2006.
 - FICA reduction of medical cash-up. July 2006.
 - Modify the special pay plan documents for changed contribution conditions. September 2006.
6. Review charges for services and products with an eye toward revenue generation. December, 2006.

7. Review funding for Board and Advocacy budget, including potential allocation of costs to indirect services. This will require reviewing and challenging ICAP auditor restrictions if determined to be appropriate. December, 2006.
8. Complete first phase of research for a potential cafeteria plan of benefits for employees. This includes health benefits, long and short term care options, 401(a) plan, catastrophic health insurance, long-term care insurance. December, 2006.
9. Assist with the studies and policies associated with the performance evaluation process, performance-based pay, alternative pay systems, and sabbatical program, and the presentation to the Administration committee and Board of Directors. December 2006.
10. Manage the annual financial audit and oversee the report issuance. December 2006.
11. Prepare the fiscal year 2007-08 TDA allocations. January 2007.
12. Oversee the fiscal year 2005-06 TDA audits of all the claimants. January 2007.
13. Obtain the GFOA and CSMFO award for Excellence in Financial Reporting. December 2006.
14. Assist in the revision of the Personnel Rules and development of expanded documents that will identify the negotiated benefits for employees as well as the policies and guidelines for management of employees. December 2006.
15. Employee benefits and personnel records. On-going
 - Enroll new employees and establish their benefits. Explain benefits to new employees.
 - Update employee leave records monthly.
 - Answer benefit questions for existing employees.
13. Work with and manage the Finance Department staff to:
 - Provide accurate and timely monthly financial reports
 - Process monthly payroll timely and accurately
 - Process accounts payable checks
 - Prepare periodic invoices to ensure a continuous cash flow
 - Answer employee questions about budget, paychecks, invoices, and other financial information
 - Provide excellent customer service to the Board, Executive Director, employees and outside individuals
- On-going.
14. Work with the attorney on contract review, policy review and implementation, and legal issues as they arise. On-going.

Summary of SACOG Employee Benefits

Assumes Full Time Employment

Benefit/Personnel Rule, Section #	Years of Service		
Vacation (14.a)	8.67 hrs/month through 3 rd year	12 hrs/month through 15 th year	15.34 hrs/month thereafter
Sick Leave (14.b)	10 hrs/month	Termination = balance paid over 120 hours	After 5 yr. Termination = total balance paid if over 100 hours
Holidays (14.c)	11.5 days/year paid		After 1 year additional 2 floats
Cost of Living Increase	Current MOU provides for minimum 2%, maximum 5% increase on August 1, based on Federal Consumer Price Index for Urban Consumers for State of California. Current MOU expires 5/1/06.		
PERS Health Insurance (14.g)	SACOG pays the PERS Kaiser North family rate. Unused health insurance premiums are paid to the employee. 2005 rate is \$922.19 per month. 2006 rate is \$1,012.39 per month.		
Sacramento County Dental Insurance (14.i)	SACOG pays for employee only. Current premium also covers family members.		
MES Vision Insurance (14.s)	SACOG pays for employee only up to \$9.70/month.		
Sacramento County Life Insurance (14.h)	SACOG pays premium on 1 x annual salary up to \$50,000	Employee may buy 1, 2, or 3x annual salary up to \$500,000	
Standard Insurance, Long Term Disability Insurance (14.j)	SACOG pays premium, includes \$5,000 life insurance policy		
Longevity Pay (14.u)	2.5% after 13 years FTE	5% after 18 years FTE	
ICMA 457 deferred compensation plan (14.q)	IRS limits (currently \$14,000/year), employee pays. No employer contribution.		
PERS retirement 2% @ 55 (14.k)	SACOG pays employee and employer portions		
Career Development Program (13)	After 1 year, eligible for \$750/year (\$3,750 lifetime maximum)		
Professional Dues	Reimbursable, subject to budget and supervisor approval		
Dependent Care Reimbursement (14.t)	\$5,000/year maximum, employee pays		
Bereavement Leave (14.r)	40 hours maximum per death		
Unemployment, Worker's Compensation, Medicare, and Social Security	SACOG pays its required portion		
Car pool, transit pass, non-motorized (14.n.o.p)	SACOG pays stipend		
125 FSA Medical	Maximum \$3,500 per year after 1 year of employment		
EPMC	SACOG reports the 7% PERS employee contribution as reportable income for PERS retirement purposes.		

Updated 8/3/05

Exhibit "C"