


M E M O

Alameda Corridor Transportation Authority

To: Governing Board

Meeting Date: July 13, 2023

From: Kevin L. Scott, Chief Financial Officer 

Subject: DISCUSS AND APPROVE proposed adjustments to the ACTA Chief Executive Officer Salary and Benefits Package (JPA Resolution No. 23-4) and approve an amendment to the FY2023-2024 ACTA Annual Budget to account for any approved adjustments

Recommendation:

The Governing Board conducted a performance evaluation for the Chief Executive Officer in Closed Session at its meeting held on July 13, 2023. The Governing Board will discuss and vote in Open Session on any adjustments to the CEO salary and benefits package, and the effective dates for any approved adjustments.

Discussion:

The Governing Board appointed Michael Leue as Chief Executive Officer (CEO) at its meeting held on March 12, 2020. The Governing Board conducted its first performance evaluation for Mr. Leue in closed session during its July 21, 2022 meeting, and at that same meeting approved in open session the CEO's compensation package including a 4% merit increase and 3.5% cost-of-living adjustment. The Board also requested that the CEO receive annual performance evaluations.

The Governing Board conducted an annual performance evaluation for Mr. Leue in closed session during the July 13, 2023 meeting. The CEO's current compensation includes an annual salary of \$311,750 and an annual automobile allowance of \$5,400. ACTA's Publicly Available Pay Schedule for the CEO salary is a minimum of \$231,344 and maximum \$344,568 per annum. The ACTA budget for FY 2023-2024 did not assume an adjustment in the CEO salary, pending evaluation of the Governing Board. Should the Governing Board approve a salary increase, the ACTA Budget will need to be adjusted by the corresponding amount. For reference, the Governing Board approved staff salary budget increases of 3% merit and 4.5% cost-of-living for fiscal year 2024, which was included in the ACTA Budget. The CEO salary has been adjusted by 7.5% since March 2020, while the CPI has increased by 15.8% to date.

The Governing Board may discuss in open session modifications to the CEO's annual salary through merit increase and/or a cost-of-living adjustment, and vote on any motions made by Board Members resulting from such discussions. The effective dates for any adjustments should be included in the proposed motions for approval. A draft resolution for adjustments to the CEO's salary is set forth in Transmittal 1, and any increases approved by the Governing Board will be inserted into the resolution.

Budget Impact:

ACTA's approved FY24 annual budget did not assume an increase in CEO salary. The Governing Board may approve an increase for the CEO's current salary for merit and/or cost-of-living adjustments, but such increase will need to be added to the Governing Board approved FY24 annual budget. If the Governing Board approves a salary adjustment through merit and/or cost-of-living increases, then the Governing Board shall be required to approve an amendment to the FY24 budget as part of this item.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed the draft Resolution, and upon Governing Board approval of adjustments to the CEO salary or benefits package and completion of the Resolution, will approve it as to form.

Transmittals:

Transmittal 1 – Resolution No. JPA 23-4