

Greater Boston Chamber of Commerce Public Transport Compensation Discussion

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Background

- Executive Rewards Advisory was retained by the Greater Boston Chamber of Commerce to assess the competitive market for the CEO/GM of a major public transportation system.
- To conduct the analysis we selected 10 major systems that were similarly situated when compared to MBTA. We found information on the CEO/GM role for 8 systems. We could not find information on the CEO/GM pay for Janno Lieber of MTA (NYC) or Clarelle DeGraffe of PATH (NJ).
- Data is all from public reporting (each source is cited on the data sheet).
- The following report provides our findings and our suggestions on how to use the data.

Market Data

- Data was collected from public reports (mostly in the press) for MBTA comparable public transport systems.
- How to read the data: P25 – 25th percentile means 75% of the sample has values greater and 25% of the sample has values lower; P50 – 50th percentile means that half the sample is below the value and half the sample is above; P75 – 75th percentile means 75% of the sample is below that value and 25% is above.

Large Public Transit Systems CEO/GM Compensation

System	Executive	Comp	Year Reported	2019	2020	2021	2022	Aged to 2023*	Source
CTA	Dorval Carter	\$ 250,000	2021				\$ 350,000	\$ 363,125	Chicago Sun Times 12/21/21 - article noted salary represented a 33% increase over prior year
SEPTA	Leslie Richards	\$ 329,732	2019	\$ 329,732	\$ 342,097	\$ 354,926	\$ 368,235	\$ 382,044	Inquirer 11/21/19 - article disclosed salary upon announcement of selection for CEO/GM
WMATA	Randy Clarke	\$ 485,000	2022				\$ 485,000	\$ 503,188	WMATA.com 5/10/22 - article announced appointment and disclosed several contract provisions
NJ Transit	Kevin Corbett	\$ 281,000	2019	\$ 281,000	\$ 291,538	\$ 302,470	\$ 313,813	\$ 325,581	NJ Globe 9/16/19 - article discussing tax breaks for CEO/GM for "farm" classification of residence
LACMTA	Stephanie Wiggins	\$ 400,004	2021			\$ 400,004	\$ 415,004	\$ 430,567	LA Daily News 4/8/21 - article disclosed salary upon announcement of selection for CEO/GM
BART	Robert Powers	\$ 385,000	2019	\$ 385,000	\$ 399,438	\$ 414,416	\$ 429,957	\$ 446,080	Mercury News 7/25/19 - article disclosed salary upon announcement of selection for CEO/GM
MARTA	Collie Greenwood	\$ 400,000	2022				\$ 400,000	\$ 415,000	Atlanta Business Chronical 10/07/22 - appointed as interim, per Marta spokes person "too early to see if that will be boosted"
TTC	Rick Leary	\$ 438,496	2021			\$ 438,496	\$ 454,940	\$ 472,000	CTV article 3/31/22 - article disclosed 2021 pay and noted re represented a 21% increase over prior year
Percentile	75th							\$ 452,560	
	50th							\$ 422,783	
	25th							\$ 377,314	

*Data is aged to 2023 where appropriate using an aging factor of 3.5%

How to Use This Information

- Consider the size and scope of MBTA relative to the data sample.
- Size can be measured in various ways. By almost any metric, MBTA would be one of the larger systems of those reviewed.
- As such, when recruiting for the role, stakeholders should expect that a qualified candidate will expect/demand compensation that represents at or above the 75th percentile.
- Consider the most recent data points when considering the competitive market. WMATA is the most recent large system to hire a new CEO. In June of 2022 they offered Mr. Clarke a \$485k salary with a 10% bonus including relocation expenses (even though he was already a resident of the DC Metro area). His contract was a 5 year deal.
- Considering the current market and the relative size and complexity of systems, MBTA may need to be prepared to consider a salary in the range of \$450k and possibly close to \$500k.

Other Forms of Compensation

- All the data in this report, except that for WMATA, has been gathered from press reporting and not from a direct reporting by the entity or a contract review.
- Because of the nature of reporting, it is unclear what other forms of compensation such a bonus and relocation were awarded at time of appointment.
- The most common additional forms of compensation are annual bonus; contributions to benefits and supplemental benefits (ie non-qualified retirement where there is no pension).
- WMATA is the most recent hire and the key provisions of the contract for the new GM/CEO were disclosed by WMATA. Key provisions include:
 - 5 year contract
 - \$485,000 base salary
 - 10% annual target bonus
 - \$4,000 per month relocation benefits for 6 months (it should be noted that the appointee was already a resident of the DC Metro area yet still received relocation benefits).



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