



California High-Speed Rail **BRIEFING: January 23, 2025 Agenda Item # 3**

TO: Board Members

FROM: Chairman Richards and Board member Anthony Williams

DATE: January 23, 2025

RE: CEO Performance Metrics Criteria

Summary

This Board has the authority to pay the Authority's executive director a recruitment differential that is in addition to the salary provided to the executive director. This pay differential is allowed for the purposes of attracting and retaining high level executives in the executive director position. This pay differential is a one-time payment equal to \$25,000 made at the end of the first year of service if certain performance metrics are achieved to the satisfaction of the Authority by the deadlines proposed in the metrics.

The Board also has the authority to pay the executive director a second \$25,000 recruitment differential at the end of the second year of service if performance metrics, later determined by the Authority, are achieved to the satisfaction of the Authority.

The California Exempt Salary Schedule, which provides the above authority, makes this payment a flat rate payment, and does not give permission to pay a pro-rata share of the recruitment differential to the executive director.

This action item is to allow the Board to adopt the criteria metrics for year one of the recruitment differential, which will then be applied to the executive director's performance after his first year in the position. Additional criteria and associated set of dates will be needed before the second year of performance can be measured.

Background

The Authority conducted an extensive search to fill the executive director position once the prior executive director announced his intention to retire. At the completion of the extensive search, at the August 8, 2024 Board meeting, the Authority named Mr. Ian Choudri as the executive director and agreed upon the amount of compensation the executive director would be paid. Ian Choudri assumed his position as executive director of the Authority on September 16, 2024, and will be eligible for the \$25,000 recruitment differential payments on September 16, 2025 and September 16, 2026.

To assist with determining the appropriate metrics to measure the executive director's success after his first year in the position, the Board Chair formed a subcommittee made up of himself and Board

Member Williams to determine a set of criteria. That subcommittee recommends the following performance metrics to determine whether the executive director's work is to the satisfaction of the Authority and completed by the deadlines proposed and therefore whether the executive director will be eligible to receive a one-time payment equal to \$25,000 at the end of his first year of service:

Management Plan

Date

Revise Organization Chart to identify Authority positions required to advance program development, construction, and train operation of phase 1 of California's HSR system.

2/15/2025

Audit and risk are direct reports to the Board of Directors with functional responsibility to the CEO.

2/25/2025

Successful recruitment and placement of qualified candidates to fill First Tier Positions, to include Risk Management. For those positions requiring Governor's appointments, successful recruitment and placement (as referenced above) shall be achieved upon sending the proposed appointees' names to the governor's office.

6/30/2025

Project and Construction Change Orders

Reduce costs of both pending and anticipated change orders relating to Construction Packages 1, 2-3, and 4 as of August 1, 2024, and before Ian Choudri's employment start date. The same as above applies to Track and Systems costs for the first 119 miles.

4/30/2025

Streamline and Vision

Both streamline and provide a new vision for connecting HSR to CA's north and south population centers; reducing costs and schedules in comparison to what has been depicted in the 2024 Business Plan.

6/1/2025

Financing Alternatives

The CEO will research additional sources of financing California's HSR project and report his findings to the Board of Directors.

6/1/2025

The Board is being asked to approve these performance criteria, to be used by the entire board in September 2025, to measure the CEO's performance at the end of year one.

Discussion

The above criteria will allow the Board to hold the executive director to a set of requirements and allow a transparent approach to the recruitment differential.

Legal Approval

The Legal Office has reviewed this item and it is in compliance with Authority policy.

Budget and Fiscal Impact

This request to adopt a recruitment differential metric does not in and of itself include an expenditure of Authority funds. If the metrics are adopted, then it is possible that in September 2025, there will be a payment of \$25,000 out of the Authority's budget to pay the differential. The funds that would be associated with that payment would be state funds. That request will be consistent with the budget for the executive director salary.

REVIEWER INFORMATION	SIGNATURE
Reviewer Name and Title: Jamey Matalka Chief Financial Officer	Signature verifying budget analysis: Original signed on 1/22/25
Reviewer Name and Title: Alicia Fowler Chief Legal Counsel	Signature verifying legal analysis: Original signed on 1/22/25

Recommendations

The recommendation is for the Board to approve the above criteria.

Attachments

State of California Exempt Salary Schedule July 2023, pages 73-74