

**SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 03-63a**

WHEREAS, the Texas Transportation Code authorizes the creation of a regional mobility authority for the purposes of constructing, maintaining, and operating one or more transportation projects in a region of this state; and

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 46 Tex. Admin. Code § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the CTRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, the Board of Directors desires to hire an Executive Director to serve as the chief administrative officer for the CTRMA; and

WHEREAS, after a thorough process the CTRMA Board of Directors selected Mike Heiligenstein to serve as the CTRMA's Executive Director; and

WHEREAS, whereas, in Resolution No. 03-61 the CTRMA Board of Directors authorized its staff and general counsel to negotiate the terms of an employment agreement with Mike Heiligenstein and to present the contract and a summary of the material terms thereof to the full board for approval; and

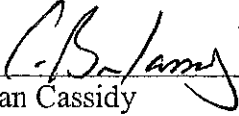
WHEREAS, a contract has been negotiated and it, along with a summary of the material terms and conditions, are attached hereto as Attachment "A" and are now presented to the full board for approval.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the CTRMA hereby approves the entry into an employment contract in the form attached hereto as Attachment "A" with Mike Heiligenstein to serve as the CTRMA's Executive Director; and

BE IT FURTHER RESOLVED, that the Chairman is authorized to execute such agreement on behalf of the CTRMA.

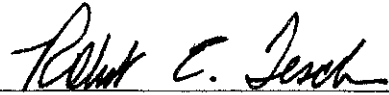
Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 5th day of December, 2003.

Submitted and reviewed by:



\_\_\_\_\_  
C. Brian Cassidy  
General Counsel for the Central  
Texas Regional Mobility Authority

Approved:



\_\_\_\_\_  
Robert E. Tesch  
Chairman, Board of Directors  
Resolution Number 03-63a  
Date Passed 12/05/03

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## MEMORANDUM

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TO: CTRMA Board of Directors  
FROM: C. Brian Cassidy  
DATE: December 4, 2003  
RE: Material Terms of Executive Director Contract

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Pursuant to CTRMA Board Resolution 03-61, the Board directed that a contract be negotiated with Mike Heiligenstein and that a summary of the terms (along with a copy of the contract) be presented to the Board for approval. Set forth below is a summary of the material terms of the contract:

- Base salary: \$130,000 per year
- Term: two years
- Performance reviews: to be held at 6 months, 12 months, and 24 months (salary adjustments possible)
- Termination/severance: termination for "cause" – no severance; termination without "cause" – 90 days severance
- Vacation: three weeks (no more than two to be taken consecutively without Board approval)
- Car allowance: \$650 per month
- Other benefits:
  - Health insurance (\$450 per month)
  - FICA and Medicare (\$382.50 per pay period for 17.4 periods; \$72.50 per pay period for 8.6 periods)
  - Retirement: Participation in Texas County and District Retirement System expected to commence April 1, 2004. Assuming same employer match percentage as Williamson County, cost will be \$519 per pay period.
- Total cost of compensation package: Assuming TCDRS participation is as described above, the annual cost of the compensation package to the CTRMA will be approximately \$163,986 per year.

Please call if you have any questions.

CBC/tmr

**EMPLOYMENT AGREEMENT  
BETWEEN  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY  
AND  
MIKE HEILIGENSTEIN**

THIS EMPLOYMENT AGREEMENT (this "Agreement") is effective as of the \_\_\_ day of December, 2003 (the "Effective Date"), by and among Central Texas Regional Mobility Authority ("CTRMA") and Mike Heiligenstein ("Employee"). This Agreement hereby supersedes any other employment agreements or understandings, written or oral, between CTRMA and Employee.

**RECITALS**

WHEREAS, CTRMA is desirous of employing Employee in an executive capacity on the terms and conditions, and for the consideration, hereinafter set forth for the period provided herein commencing on the Effective Date, and Employee is desirous of employment with CTRMA on such terms and conditions and for such consideration;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, CTRMA and Employee agree as follows:

**AGREEMENT**

1. Employment. CTRMA agrees to employ Employee and Employee agrees to be employed by CTRMA, subject to the terms and conditions of this Agreement, beginning as of the Effective Date and continuing for the term hereof.

2. Duties. CTRMA hereby employs Employee in the position of Executive Director of CTRMA. Employee agrees to serve in such position and to perform diligently and to the best of his abilities the duties and services pertaining to such office as set forth in the Bylaws of CTRMA in effect on the Effective Date, as well as such additional duties and services appropriate to such office as the Board of Directors of CTRMA (the "Board of Directors") may reasonably assign to Employee from time to time. Employee hereby accepts this employment upon the terms and conditions herein contained, and agrees to devote his full working time, attention and efforts to promote and further the business of CTRMA.

3. Term and Termination.

3.1. Term. Employee's employment under this Agreement is effective as of the Effective Date and will continue in effect until the second anniversary of the Effective Date, unless Employee's services are terminated in accordance with Section 3.2 ("Initial Term"). At the end of the Initial Term, the parties may agree to renew, extend, or modify the Agreement, execute a new agreement, or terminate their relationship. Notwithstanding the foregoing, the parties may agree to conduct an Optional Review (as defined in Section 4.1(b)) at any time prior to the expiration of the Initial Term.

3.2. Termination of Employment. Employee's services under this Agreement may be terminated prior to the second anniversary of the Effective Date as follows:

(a) Termination by Mutual Consent. This Agreement may be terminated at any time by the written mutual consent of CTRMA and Employee.

(b) Termination by CTRMA for Cause. CTRMA shall be entitled to terminate Employee's employment at any time for Cause (as defined below) by the delivery to Employee of a written notice of termination stating the effective date of termination and the basis upon which this Agreement is being terminated. In the event of a termination for Cause, Employee will be entitled to such Base Salary (as hereinafter defined), benefits and other payments, if any, as have accrued under this Agreement through the effective date of termination, but will not be entitled to any other salary or benefits or other compensation after such date other than such benefits as are required to be extended by law.

As used in this Agreement, the term "Cause" means: (i) Employee's breach of any material obligations under this Agreement; (ii) Employee's gross negligence or willful misconduct in performance of the duties and services required of him pursuant to this Agreement; (iii) an act by Employee of dishonesty or breach of fiduciary duty involving personal profit; (iv) Employee's willful violation of any criminal law involving moral turpitude, (v) substance or alcohol abuse by Employee that materially impairs his ability to perform his duties as determined by a physician retained by CTRMA, or the refusal of Employee to submit to an examination by such physician, (vi) material act or acts of dishonesty or disloyalty by Employee adversely affecting CTRMA; or (vii) Employee's conviction of a felony.

(c) Termination by CTRMA without Cause. Employee's employment hereunder may be terminated by CTRMA at any time without Cause by the delivery to Employee by CTRMA of a written notice of termination. Upon such termination, Employee will be paid such Base Salary, benefits and any other payments, if any, as have accrued under this Agreement through the effective date of termination. In addition, if Employee's employment is terminated without Cause as provided in this Section 3.2(c), Employee shall be entitled to receive as severance compensation the Base Salary for a period of ninety (90) days after the effective date of termination.

(d) Termination Upon Death or Disability of Employee. Upon a termination of Employee's employment hereunder due to his death or disability, Employee or his beneficiary as designated in writing to CTRMA (or his estate, if no such beneficiary has been designated) will be entitled to such Base Salary, benefits and other payments, if any, as have accrued under this Agreement for a period of sixty (60) days after such death or disability. The term "disability" shall mean any physical or mental impairment or condition resulting from an accident, sickness or other circumstance which impairment (despite reasonable accommodation) renders Employee mentally or physically incapable of performing the duties and services required of him hereunder for 90 days out of any 120 day period.

4. Compensation. During the term of this Agreement, CTRMA shall compensate Employee for all services rendered by Employee as follows:

4.1. Base Salary.

(a) Effective as of the Effective Date, the base salary payable to Employee shall be \$10,833.33 per month (or \$130,000.00 per year) (the "Base Salary"), which

shall be payable, less applicable withholding for federal and other required taxes, in bi-weekly installments or otherwise in such manner as the salaries of other employees of CTRMA are paid in accordance with CTRMA's standard payroll procedures, but not less frequently than monthly.

(b) Employee's performance and Base Salary shall be subject to review by the Board of Directors: (i) on or about six (6) months from the Effective Date; (ii) on or about twelve (12) months from the Effective Date; and on or about the second anniversary from the Effective Date. In addition, both parties may mutually agree in writing to conduct a performance and Base Salary review at any point in time other than those specifically contemplated by this Section 4.1(b) ("Optional Review"). At such time as either a scheduled review or an Optional Review is performed, this Agreement may be amended, renewed or modified as a result of such review. The review period scheduled for the second anniversary from the Effective Date of this Agreement marks the end of the Initial Term as defined in Section 3.1.

4.2. Other Benefits. During the term of this Agreement, Employee shall be afforded the following benefits as incidences of his employment:

(a) Business Expenses and Education. Subject to Executive Committee approval, the CTRMA will reimburse Employee for, or pay on behalf of Employee, reasonable and appropriate expenses incurred by Employee for business related purposes, including expenses incurred in Employee's attendance at conferences/seminars deemed beneficial for both his professional growth and development and that of CTRMA, and dues and fees to approved professional associations and organizations, provided that any expenditures in excess of Five Hundred Dollars (\$500) for any one occurrence or event must be approved in advance by the Executive Committee.

(b) Insurance Coverage. Employee and, to the extent applicable, Employee's family, dependents and beneficiaries, shall be allowed to participate in all benefits, plans and programs, including improvements or modifications of the same, which are now, or may hereafter be, available to employees of CTRMA generally. Such benefits, plan and programs may include, without limitation: (i) health and dental insurance, or healthcare and dental care plans (including a flexible benefits plan that allows pre-tax medical and dental deductions); and (ii) group life insurance and accidental death and disability ("AD&D") coverage, voluntary supplemental life and AD&D insurance, and long term disability coverage.

(c) Retirement Benefits; Workers' Compensation. Employee shall be entitled to coverage under the retirement and pension plans of the Texas County and District Retirement System ("TCDRS"). Employee shall have workers' compensation benefits as administered by the Texas Municipal League Intergovernmental Risk Pool. The CTRMA may establish an additional executive retirement benefits program for Employee and other qualifying employees. If established the program will permit both CTRMA and employee contributions. This program will be in addition to the TCDRS pension plan, as well as any voluntary programs (such as a 457 or 410A plan) that may be established in the future.

(d) Reimbursements and Car Allowance. Subject to Executive Committee approval, the CTRMA will reimburse Employee for all permissible business travel and other out-of-pocket expenses reasonably incurred by Employee in the performance of his services pursuant to this Agreement, provided that any travel expenses exceeding Five Hundred Dollars

(\$500) for any one event must be approved in advance by the Executive Committee. All reimbursable expenses shall be appropriately documented in reasonable detail by Employee upon submission of any request for reimbursement, and in a format and manner consistent with CTRMA's expense reporting policy. CTRMA shall provide Employee with a monthly car allowance in the amount of \$650.00.

(e) Vacation. Employee shall be entitled to three (3) weeks annual paid vacation; *provided, however*, that Employee shall not take more than two (2) consecutive weeks of vacation without prior approval of the Board of Directors, and vacation must be taken at a time and in a manner consistent with Employee's duties hereunder.

(f) Personal Leave. Employee shall be entitled to five (5) days annual paid personal leave (which includes sick leave).

(g) Holidays. Employee shall be entitled to eight (8) paid days for holidays which shall include the following holidays: New Year's Day, Martin Luther King, Jr. Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day following and Christmas Day.

(h) Physical/Substance Screening Examination. Employee, from time to time, may be required to complete a physical examination that will include controlled substance (drug) and alcohol screening tests. Such examinations/tests will be paid for and conducted by a physician(s) or organization of the Board of Director's selection/designation.

## 5. Miscellaneous.

5.1. Termination Right. As a salaried employee, Employee's employment is "at-will." CTRMA retains sole discretion to terminate Employee's employment, with or without Cause, subject to the provisions herein.

5.2. Governing Law. This Agreement shall be construed, interpreted and the rights of the parties determined in accordance with the laws of the State of Texas, as applied to contracts made and performed within the State of Texas, without regard to principles of conflicts of law.

5.3. Arbitration. Disagreement or questions of interpretation or conflict regarding this Agreement shall be resolved first through use of a mutually agreed upon Mediator between Employee and CTRMA. Should mediation fail to produce satisfactory results, then the parties agree to settlement of differences of interpretation through use of a registered Arbitrator, designated by the American Arbitration Association and its standard practices. Efforts of the mediation and arbitration processes will be fully utilized prior to any civil redress of issues.

5.4. Entirety; Amendments; Waivers. This Agreement embodies the entire agreement between the parties and supercedes all prior agreements and understandings relating to the subject matter hereof. Employee hereby represents and warrants to CTRMA that there are no other oral or written understandings or agreements between Employee and CTRMA. This Agreement may be amended or modified only in writing executed by Employee and CTRMA. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a continuing waiver unless otherwise expressly provided.

5.5. Attorney's Fees. In the event that either party is required to obtain the services of an attorney in order to enforce any right or obligation hereunder, the prevailing party shall be entitled to recover reasonable attorney's fees and court costs from the other party.

5.6. Assignability; Binding Nature. Neither this Agreement nor any right, duty, obligation, or interest hereunder may be assigned or delegated by one party hereto without the prior written consent of the other party hereto. This Agreement is binding upon, and shall inure to the benefit of CTRMA and Employee and their respective successors, permitted assigns, and representatives.

5.7. Headings. The headings of paragraphs contained in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.

5.8. Severability. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, paragraphs, or subparagraphs of this Agreement shall not affect the remaining portions of this Agreement.

5.9. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together shall constitute one and the same instrument.

*[Remainder of page intentionally left blank. Signature page follows.]*



IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date set forth opposite their respective signatures.

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

By: \_\_\_\_\_  
Robert E. Tesch  
Chairman

Date: \_\_\_\_\_

**EMPLOYEE**

\_\_\_\_\_  
Mike Heiligenstein

Date: \_\_\_\_\_