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JUN 03 2015

OFFICE OF THE STATE COMPTROLLER  
THOMAS P. DINAPOLI  
COMPTROLLER

May 27, 2015

**RGRTA**

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Honorable Thomas P. DiNapoli  
New York State Comptroller  
Office of the State Comptroller  
110 State Street, 11<sup>th</sup> Floor  
Albany, New York 12236

RE: 90 Day Response to Report 2014-S-2

Dear Comptroller DiNapoli,

After thorough review and in compliance with Section 170 of the Executive Law, I respectfully submit this response to Audit Report 2014-S-2 of the Rochester Genesee Regional Transportation Authority Performance Incentive Program for the period of April 1, 2011 through March 31, 2014.

While your office makes clear it does not like RGRTA's performance incentive program emphasizing collective performance over individual performance, it is clear that the program is not in violation of existing legislation nor legal opinions. As consistently demonstrated by a number of metrics, the Authority has continuously improved its performance operationally and financially through the collective performance of its employees.

The TOPS measurements, which serve as the platform for the program, reflect organization-wide goals focused on Financial Sustainability, Ridership Growth & Customer Satisfaction, Quality Service & Performance Improvement, and Employee Engagement. Most importantly, the incentive system insures that management concentrates on the areas that the Board has determined to be the Authority's key strategic priorities. The goals are developed annually, and based on the Authority's prior operating performance, extensive benchmarking with regional, state, and national transit agencies, and public conversations with the Board of Commissioners. The results are reviewed at every Board meeting and the Board holds management accountable for those results. The meetings are open to the public, videotaped, and available for anyone to view on our web site. The system is built on solid data and transparency. To say otherwise is not true.

The Authority's Management and Board of Commissioners have concluded that the Performance Incentive Program has been a cornerstone of our success in maintaining the lowest fare structure of any transit authority in New York State. We believe this is notable given rising operational costs, and that State and Federal revenues remained relatively flat over the same time period.

Your office has used the audit process to draw inaccurate, false, and misleading conclusions. Specifically and factually, management did not 'dictate' to the auditors of the Authority's incentive program. The Audit Committee of the Board of Commissioners authorized their hiring and dealt with them directly. I also find it curious that the audit references comments made by union leadership, but at no point did anyone from your office ask to speak with me as the Chairman of the Board or as Chairman of the Board's Compensation Committee.

The Authority, as always, will continue to be a responsible financial steward and drive forward to fulfill its mission and to achieve its vision of becoming the Preferred Transportation Choice.

Sincerely,



James H. Redmond  
Commissioner and Chairman

cc:

Honorable Andrew M. Cuomo, Governor  
Honorable Carl E. Heastie, Speaker of the New York State Assembly  
Honorable John J. Flanagan, Temporary President of the New York State Senate  
Honorable Jeffrey D. Klein, President Pro Tem of the New York State Senate  
Honorable Joseph Morelle, Majority Leader of the New York State Assembly  
Honorable Brian M. Kolb, Minority Leader of the New York State Assembly  
Honorable Andrea Stewart-Cousins, Democratic Conference Leader of the New York State Senate  
Honorable John A. DeFrancisco, Chair of the Senate Finance Committee  
Honorable Liz Krueger, Ranking Democratic Member of the Senate Finance Committee  
Honorable Herman Farrell, Chair of the Assembly Ways and Means Committee  
Honorable Bob Oaks, Ranking Republican Member of the Assembly Ways and Means Committee  
Michael Jankowski, Audit Committee Chairman, Rochester Genesee Regional Transportation Authority  
Bill Carpenter, Chief Executive Officer, Rochester Genesee Regional Transportation Authority  
Scott Adair, Chief Financial Officer, Rochester Genesee Regional Transportation Authority