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LANE TRANSIT DISTRICT SPECIAL BOARD MEETING

**Friday, December 2, 2005
11 a.m.**

**LTD Board Room
3500 E. 17th Avenue, Eugene
(off Glenwood Blvd.)**

A G E N D A

Public testimony will not be heard at this meeting.

Page No.

I. CALL TO ORDER

II. ROLL CALL

Ban _____ Davis _____ Eyster _____ Gant _____
Gaydos _____ Kleger _____ Kortge _____

III. PRELIMINARY REMARKS BY BOARD PRESIDENT

IV. ANNOUNCEMENTS AND ADDITIONS TO AGENDA

V. LTD STAFFING

VI. ADJOURNMENT

Alternative formats of printed material and/or a sign language interpreter will be made available with 48 hours' notice. The facility used for this meeting is wheelchair accessible. For more information, please call 682-6100 (voice) or 1-800-735-2900 (TTY, through Oregon Relay, for persons with hearing impairments).

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL BOARD MEETING

Friday, December 2, 2005

The Board of Directors of the Lane Transit District held a special meeting on Friday, December 2, 2005, beginning at 11 a.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Gerry Gaydos, President, presiding
Susan Ban, Vice President
Debbie Davis
Mike Eyster
David Gant, Secretary
Dave Kleger, Treasurer
Ken Hamm, General Manager
Jo Sullivan, Clerk of the Board
Roger Saydack, Counsel

Absent: Dean Kortge

CALL TO ORDER – Mr. Gaydos called the meeting to order.

ROLL CALL – Jo Sullivan called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Mr. Gaydos stated that there was a Board HR Committee meeting just prior to the Board meeting and General Manager Ken Hamm had submitted a letter of resignation, which the Board members had before them. He asked the Board to take some time to review that letter and then discuss it.

(Quiet while letter is read by each.)

Mr. Gaydos stated that it was the Board HR Committee's recommendation that the Board accept the resignation subject to the conditions described in Mr. Hamm's letter, and that they authorize the Board president to sign a severance agreement consistent with the terms in the letter. He asked District Counsel Roger Saydack to discuss with the Board what those conditions might mean and what acceptance subject to that would mean.

Mr. Saydack explained that at Mr. Gaydos' direction his firm had had some negotiations and discussions with Mr. Hamm's legal counsel during the past week or ten days, around the conditions of a possible resignation, and the list in Mr. Hamm's letter had evolved from those discussions. He said that if the Board chose to accept the resignation on those terms, the attorneys then would begin the preparation of a severance agreement that would incorporate the terms, and the Board's resolution would authorize Mr. Gaydos as Board president to execute a severance agreement that was consistent with those terms. Mr. Saydack offered to answer any questions that the Board might have. He then stated that the terms in Mr. Hamm's letter closely

paralleled the terms in his employment agreement for a termination of his employment contract without cause on the District's initiative.

Mr. Kleger asked Mr. Saydack if there was anything about the proposed agreement, or in the framework of the agreement, that would be outside the range of executive severance agreements. Mr. Saydack replied that there was not, given the employment contract and the provision regarding severance pay within it, and the fact that this was an offer of resignation that would include an appropriate mutual release and would resolve the termination of Mr. Hamm's employment in a cooperative manner. He said that he thought they were reasonable and realistic terms for a severance package.

Mr. Gaydos again stated the terms of the motion. He explained that the Board would need to accept the letter of resignation subject to the conditions described in the letter of December 2, 2005, from Ken Hamm, and then authorize the Board president to sign a severance agreement consistent with the terms and conditions of that letter. He asked if there was a motion to that effect.

MOTION Mr. Eyster moved approval of the above, as stated by Mr. Gaydos (that the Board accept the letter of resignation subject to the conditions described in the letter of December 2, 2005, from Ken Hamm, and then authorize the Board president to sign a severance agreement consistent with the terms and conditions of that letter). Ms. Ban seconded the motion.

Mr. Gaydos asked for discussion on the motion. Mr. Kleger said that he was not thrilled about this development. He said that he was not going to try to chain Mr. Hamm to his desk, but, on the other hand, he did not think LTD was going to gain a great deal from the change, certainly not for much more than a few months. He said that the issues that had been sources of distress were not, in most part, under the control of anybody at LTD; they were coming in from outside sources, and they were not going to stop impacting upon LTD. On the other hand, he said, there had been enough personality identification with the issues that even beginning to look at them in a more sensible way was proving to be difficult, if not impossible, and Mr. Hamm's offer opened a door for a limited period of time. Mr. Kleger cautioned his colleagues that since he was not going to be around much longer, they all were going to have the job of dealing with that opening as quickly as possible in an environment that did not respond well to 'quick.' The whole industry did not respond well to 'quick,' he said, and, as they knew, this had been one of his issues in operational terms and organizational ones, as well. Mr. Kleger said that he would support the motion, but he wanted to be on record that he did not really think this was going to be any magic fix of very much of anything.

VOTE Mr. Gaydos asked for any other discussion on the motion. Hearing none, he asked Ms. Sullivan for a roll call vote. The motion was approved as follows:

AYES: Ban, Davis, Eyster, Gant, Gaydos, Kleger (6)

NAYS: None

ABSTENTIONS: None

EXCUSED: Kortge (1)

Mr. Gaydos asked once again if anyone else had any comments. Hearing none, he said that he would make a brief statement.

Mr. Gaydos said that he agreed with Mr. Kleger, that it certainly was not a silver bullet and it was a sad time for the District and the community. He stated that Mr. Hamm's tenure at LTD was marked by substantial accomplishments, listed in his letter, and some that were not listed. Most notable among them, he said, were the new transit station in Springfield, the launch of the EmX bus rapid transit system, and progressive corridor enhancements that would enhance LTD's ability to serve the growing communities well into the future. Less obvious than those bricks and mortar, but of equal importance, he said, was Mr. Hamm's success in building and strengthening partnerships with key groups, organizations, and individuals in the local community, the state, and the region. Specifically, he said, Mr. Hamm's work with the City of Springfield, the Oregon Department of Transportation, Lane County, and Peace Health, had led to an agreement to expand Phase Two of the EmX along Pioneer Parkway; he had substantial relationships and a very strong reputation with people in the Federal Transit Administration and the American Public Transportation Association, and that had put LTD in good stead and had helped LTD be a true leader in the transit industry. Mr. Gaydos said that Mr. Hamm was a change agent within LTD, and in that role he won both praise and criticism. Mr. Hamm had encouraged staff to take risks and become more involved in decision-making. In the past few months, he took steps to improve employee relations and to mend a strained relationship with the Union. Mr. Gaydos said he had no doubt that Mr. Hamm's decision was a difficult one, but Mr. Hamm's honest assessment and the action he was taking that day were truly indicative of his strong character and his appreciation for interests greater than his own. On behalf of the Board, Mr. Gaydos said, he would like to thank Mr. Hamm sincerely for his service to LTD and the community.

Mr. Gaydos also said that with Mr. Hamm's announcement, the Board needed to pause and reflect on its next steps. He stated that no decision had been made about a replacement or an interim manager. He said that the Board did know that it wanted to build on the foundation established by Mr. Hamm and the fine staff and employees of LTD, to, among other things, continue the phase-in of EmX; continue to improve fixed-route service; and implement strategies designed to enhance the work environment at LTD. Mr. Gaydos stated that LTD served the community extremely well, with dedicated, loyal staff; people who had worked at LTD for many years; and new employees who called LTD "the best place to work." He said that LTD had wonderful bus operators, great office and administration leadership staff, and talented people in every field, and that the Board was fully confident that LTD would continue its excellent service to the people of Lane County.

ADJOURNMENT: There were no additional comments. The meeting was adjourned at 11:17 a.m.

Board Secretary

Transcribed by Linda Wood

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