



Public notice was given to *The Register-Guard*
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**LANE TRANSIT DISTRICT
BOARD HUMAN RESOURCES COMMITTEE MEETING**

Tuesday, August 14, 2018

5:30 p.m.

LTD Board Room

3500 E. 17th Avenue, Eugene (in Glenwood)

Public testimony will not be heard at this meeting.

A G E N D A

- | <u>Time</u> | |
|-------------|---|
| 5:30 p.m. | I. CALL TO ORDER |
| | II. ROLL CALL |
| | <input type="checkbox"/> Vacant <input type="checkbox"/> Wildish <input type="checkbox"/> Yeh (chair) |
| 5:35 p.m. | III. APPROVAL OF MINUTES |
| | • Minutes of the July 10, 2018, Board Human Resources Committee Meeting |
| 5:40 p.m. | IV. GENERAL MANAGER 2018 CONTRACT RENEWAL DISCUSSION |
| 6:30 p.m. | V. ADJOURNMENT |

The facility used for this meeting is wheelchair accessible. If you require any special physical or language accommodations, including alternative formats of printed materials, please contact LTD's Administration office as far in advance of the meeting as possible and no later than 48 hours prior to the meeting. To request these arrangements, please call 682-5555 (voice) or 7-1-1 (TTY, through Oregon Relay, for persons with hearing impairments).

MINUTES OF HUMAN RESOURCES COMMITTEE MEETING

LANE TRANSIT DISTRICT

Tuesday, July 10, 2018

Pursuant to notice given to *The Register-Guard* for publication on July 3, 2018, and distributed to persons on the mailing list of the District, the Human Resources Committee of the Lane Transit District held a meeting on Tuesday, July 10, 2018, beginning at 5:30 p.m., at the LTD Board Room, 3500 E. 17th Avenue, Eugene, Oregon.

Present: Carl Yeh, Chair
Gary Wildish
Aurora Jackson, General Manager
Camille Gandolfi, Clerk of the Board
Dwight Purdy, General Counsel
Director of Human Resources David Collier
Lynn Taylor, Minutes Recorder

CALL TO ORDER/ROLL CALL — Mr. Yeh convened the meeting of the Human Resources (HR) Committee and called the roll.

MOTION APPROVAL OF MEETING MINUTES — Mr. Wildish moved to approve the minutes of the Human Resources Committee meeting on May 8, 2018. Mr. Yeh provided the second.

VOTE The motion passed as follows:
AYES: Wildish, Yeh (2)
NAYS: None
ABSTENTIONS: None
EXCUSED: Wick (1)

GENERAL MANAGER 2018 CONTRACT RENEWAL DISCUSSION — Mr. Collier distributed and reviewed materials comparing salaries for the general managers of Salem-Keizer Transit and Lane Transit District (LTD) over the previous three years, along with salary projections in future years. He also provided a comparison of retirement benefits under the new and old LTD plans. He said the salary projection scenarios were based on various percentage increases such as merit based and COLA (cost of living allowance), assuming current practices would continue in the future.

In response to a question from Mr. Wildish, Mr. Collier confirmed that Ms. Jackson had been given additional vacation days in FY17-18 in lieu of a salary increase. The Salem-Keizer and LTD salary comparisons represented only the base salaries.

Regarding retirement, Mr. Collier said LTD contributed an average of 14.8 percent based on salary for employees in the old defined benefit plan, which was now closed, and additionally contributed six percent into a defined contribution plan. This totaled 20.8 percent. For employees in the new defined contribution plan LTD contributed an average of 5.7 percent. The contribution rate was graduated and Ms. Jackson's rate was currently 4.5 percent. Additionally, a three percent matching contribution was available for a total of 8.7 percent. He said the difference

between contributions to the old and new plans was about 12 percent. He said actual retirement income was dependent on several factors, such as stock market performance.

Mr. Purdy noted that the three percent LTD match in the defined contribution plan required the employee to contribute six percent.

Mr. Yeh said the committee and Ms. Jackson had agreed there would be no salary increase in FY 18-19. He suggested trying to bring the current general manager's retirement contributions to parity with the previous general manager's. He also proposed a three percent salary increase and three percent merit increase in FY 19-20 and FY 20-21 to bring the general manager's salary closer to that of the Salem-Keizer general manager's salary.

Mr. Wildish observed that a merit increase was not guaranteed. He said the committee could consider something similar to the bridge payments to LTD employees. He asked if changes to the general manager's retirement contributions would have an impact on other staff. Mr. Purdy said there would be no impact as the Board could legally set the terms in its contract with the general manager, although the percentage LTD match an employee's contribution (50 percent) could not be changed.

Mr. Wildish said he hoped to see LTD's retirement contributions for the general manager be closer to 15 percent. He felt the current amount was too low.

Mr. Yeh commented that the goal was to have a current compensation package that was comparable to that provided to the previous general manager and for the long term, establish a package that would be competitive in future recruitments. Mr. Wildish agreed the current package was not competitive.

Mr. Collier said Ms. Jackson had emphasized the importance of working toward a competitive compensation package in the future.

Committee members discussed the fiscal impact of increasing retirement contributions. Mr. Purdy said the term of the new contract would be November 1, 2018 to June 30, 2019 in order to align with the budget cycle. Mr. Collier said retirement plan contributions were made each pay period and an increase under the new contract would have an impact on the current budget.

Mr. Wildish urged the committee to consider an increase to retirement contributions in the new contract and felt it should be possible to accommodate that within the current budget. He said if LTD's contribution was 12 percent, Ms. Jackson contributed six percent and LTD provided a three percent match, the total retirement contributions would be 21 percent.

Mr. Yeh pointed out that under Oregon PERS the employee contributed six percent and the state contributed the same percentage. He felt it was important to raise the percentage of retirement contributions for the general manager, but in a way that could be justified and defined, such as comparison with contributions under the old LTD retirement plan or the PERS model. He asked staff to determine the cost of immediately increasing the rate to 12 percent or using a step increase approach to reach the desired level.

Mr. Collier pointed out that the Salem-Keizer contribution was 29.6 percent. In terms of being competitive in future general manager recruitments, he noted that each general manager candidate would be looking for different things in the compensation package and suggested the committee might consider establishing a total compensation amount and negotiating with a candidate how the dollars were allocated with the package.

Ms. Jackson said trying to work out the details within the compensation package would be challenging as each general manager would have different needs. She said the Board could establish a total amount for general manager compensation that fit within the budget, was competitive and comparable to Salem-Keizer, and then negotiate how those dollars were distributed within the package with the assistance of LTD's general counsel and HR staff. She said establishing a total amount that was comparable to that of general managers in other districts and with the previous LTD general manager's total was justifiable to the rest of the Board.

Mr. Wildish agreed it was important to be able to explain and justify the compensation package to the other Board members. The committee needed to determine an amount that was competitive for the LTD general manager as the current amount was significantly below that level. He said salary comparisons should be made with other transit districts, not other public agencies. It would be up to the Board to decide if the proposed amount was acceptable.

Mr. Yeh felt it was important to raise the retirement contribution rate to 20.8 percent in the new contract and extend that rate through the three years of the contract. He suggested that the base salary remain flat during the first year, with a guaranteed increase of three percent in the second and third years and up to a five percent merit increase optional in the second and third years. He said that would provide the potential for an eight percent annual increase, which would be closer to the Salem-Keizer general manager's salary.

Mr. Wildish felt the Board would appreciate the option of providing a merit increase in future years, based on evaluation criteria.

The committee discussed options for reaching a 20.8 percent contribution rate under the current retirement plan. Mr. Yeh said LTD's contribution should be 20.8 percent regardless of whether the general manager made a contribution.

Mr. Purdy and Mr. Collier said they provide a draft contract and estimated dollars, based on the committee's discussion, for the next meeting.

ADJOURNMENT

Mr. Yeh adjourned the meeting at 6:20 p.m.