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**LANE TRANSIT DISTRICT
BOARD OF DIRECTORS
HUMAN RESOURCES COMMITTEE**

**November 8, 2005
4:30 p.m.**

**LTD BOARD ROOM
3500 E. 17th Avenue, Eugene
(off Glenwood Blvd.)**

Public testimony will not be heard at this meeting

AGENDA

Page

- I. CALL TO ORDER
- II. ROLL CALL
- III. Gaydos (Chair) _____ Ban _____ Eyster _____
- IV. SELECTION OF LEGAL COUNSEL
- V. EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(i), to review and evaluate the employment-related performance of the general manager
- VI. ADJOURNMENT

BOARD HR COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: November 8, 2005

ITEM TITLE: EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(i)

PREPARED BY: Gerry Gaydos, President, Board of Directors, and Chair, Board HR Committee

ACTION REQUESTED: That the Board HR Committee meet in Executive (non-public) Session pursuant to ORS 192.660(2)(i), to review and evaluate, pursuant to standards, criteria, and policy directives adopted by the governing body, the employment-related performance of the chief executive officer (general manager) of LTD

ATTACHMENT: None (Combined performance evaluation comments will be distributed to Committee members under separate cover.)

PROPOSED MOTION: I move that the HR Committee meet in Executive Session pursuant to ORS 192.660(2)(i), to review and evaluate the employment-related performance of the LTD general manager.

BOARD HR COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

ITEM TITLE: SELECTION OF BOARD LEGAL COUNSEL

PREPARED BY: Mark Pangborn, Assistant General Manager

ACTION REQUESTED: Approval of motion to extend the legal services contract with Arnold Gallagher Saydack Percell Roberts and Potter, PC for two more years.

BACKGROUND: As part of its delegation of authority to the LTD general manager, the LTD Board authorizes the general manager to contract for the necessary professional services needed to conduct the day-to-day business of the District. There are a few exceptions to this delegation of authority. One is the hiring of professional legal counsel for the District. This is a responsibility retained by the Board. The contract for the District's current legal counsel, Arnold Gallagher Saydack Percell Roberts and Potter, PC, (Arnold Gallagher) is due to expire in February 2006. Consequently, the Board must make a decision on renewing the contract or initiating an open selection process for District legal counsel.

Since its inception in 1970, LTD has used outside counsel for legal advice. As a relatively small public agency, LTD does not have enough legal needs to warrant a full- or even part-time staff legal counsel. Moreover, the legal needs of LTD have become so diverse that it only makes sense to retain legal counsel from a law firm that has a broad range of expertise in the area of public law.

In the past 35 years, LTD has retained the services of only three legal firms, all local: Bryson & Bryson; Luvaas Cobb; and now Arnold Gallagher. It has been the District's experience that the legal needs of a public transit agency are complex and to some degree unique. Consequently, there is a learning curve about public transit legal issues that any legal counsel must go through, and the longer legal counsel works with LTD, the more effective and efficient that firm becomes in providing counsel.

Arnold Gallagher has been LTD's legal counsel for seven years. During this time, the firm has provided a broad range of legal counsel to the District. On an annual basis, those staff who regularly interact with the firm are asked to rate the quality of the service and advice received. Staff also

meet with the principal legal counsel to the District, Roger Saydack, to discuss their assessment of the prior year of service.

The legal fees paid to Arnold Gallagher for the last 5 years are listed below:

FY 04-05	\$47,420
FY 03-04	29,263
FY 02-03	99,405
FY 01-02	45,054
FY 00-01	36,409

Staff have spent some time discussing what is in the best interests of the District and believe that there are some good reasons to extend the contract with Arnold Gallagher for a period of two years. In making this recommendation, staff considered four decision categories concerning professional services contracts:

1. Is LTD satisfied or dissatisfied with the level of service provided by the contractor? Staff have been very pleased with the level and quality of service provided by our current legal counsel. They are timely, they have provided excellent advice, they are appropriately proactive, they have a wide range of expertise, and, where they lack expertise, they have referred LTD to other quality professional counsel.
2. Is the service appropriately priced? One may receive great service, but if you are paying too much for it, it may not meet your needs. A brief review of legal fees of the largest law firms in the community indicates that the fee structure of Arnold Gallagher is competitive with those firms. LTD considered only the largest firms because the complexity and range of legal issues that LTD must address require a firm with a broad range of expertise. Moreover, Arnold Gallagher often uses associate staff at a lower cost to perform the more routine legal work for the District. Staff believe that fees charged by legal counsel are consistent with those charged by the other large law firms in the community.
3. Continuity of service. With any professional service contract, there is always the question of specialization of expertise. Transit legal issues are complex and often unique. Over the seven years that Arnold Gallagher has been serving the District, it is the experience of staff that the firm has become very conversant with the legal issues that the District must address. Two current examples are Ordinance #36 and advertising on buses. If a new firm were selected, there would be some delay for a new firm to acquire the same level of expertise. There is a significant efficiency in building on existing expertise.
4. Policy/political considerations. Some public organizations, as a matter of policy, require open competition of contracts on a specified schedule, regardless of the performance of the current contract holder. In doing so, they avoid any appearance of favoritism in the awarding of contracts. As a recipient of taxes from local businesses, LTD always

has worked hard to ensure that local businesses have every opportunity to compete for LTD work, but LTD does not have a specific policy on the length of a professional services contract with the District. It has been the experience of staff that addressing the issue on a case-by-case basis allows for the best decisions.

As a result of this analysis, staff believe that it is in the best interest of the District to extend the contract with Arnold Gallagher for another two-year period, after which time staff would revisit the issue with the Board.

The Board HR Committee reviewed the issue of selection of the general legal counsel to the District at their November 8, 2005 meeting and recommended to the full Board that the contract with Arnold Gallagher be renewed for two years. The committee cited excellent and prompt service as well as the wealth of transit specific information that Arnold Gallagher has acquired in serving LTD.

RESULTS OF RECOMMENDED ACTION:

Staff will proceed with renewing the contract for two years.

ATTACHMENT:

None

PROPOSED MOTION: