

Public notice was given to *The Register-Guard* for publication on September 10, 2007.

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

**September 11, 2007
4 p.m.**

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

Public testimony will not be heard at this meeting

AGENDA

Page No.

- I. CALL TO ORDER
- II. ROLL CALL
- III. Gaydos (Chair) _____ Ban _____ Eyster _____
- IV. APPROVAL OF MINUTES (August 28, 2007)
- V. GENERAL MANAGER COST-OF-LIVING ADJUSTMENTS
- VI. GENERAL MANAGER ANNUAL SALARY REVIEW
- VII. NEXT MEETING
- VIII. ADJOURNMENT

GENERAL MANAGER SALARY SURVEY - 2007

Source: Lane Transit District

Agency	No. of EE's	Title	Salary	Effective Date	Auto Allowance	Operating Budget	Capital Budget
EWEB Eugene, OR	518.6	General Manager	\$198,343	3/25/2007	\$400	\$106,500,000	\$50,000,000
SUB Springfield, OR	136	General Manager	\$164,800	5/1/2007	\$350	TBD	TBD
City of Springfield Springfield, OR	429	City Manager	\$142,961	5/1/2006	\$400	\$71,846,766	\$118,810,252
Lane ESD Eugene, OR	350	Superintendent	\$113,025	7/1/2007	vehicle provided	\$36,705,000	
Bethel School Dist. Eugene, OR	850	Superintendent	\$119,000	7/1/2007	\$250	\$55,000,000	
City of Eugene Eugene, OR	1547.38	City Manager	\$149,323		\$350	\$442,300,000	
Average	638.50		\$147,909				
LTD Eugene, OR	328	General Manager	\$125,358		\$400	\$33,322,480	\$18,172,700
LTD's % of Average	51.37%		84.75%				

Agency	No. of EE's	Title	Salary	Effective Date	Auto Allowance	Operating Budget	Capital Budget
C-Tran Vancouver, WA	383	Executive Director/CEO	\$114,000	1/1/2007	none	\$35,310,750	\$23,378,448
Intercity Transit Olympia, WA	258	General Manager	\$115,390	1/1/2007	\$0	\$24,204,100	\$14,211,900
Ben Franklin Transit Richland, WA	275	General Manager	\$108,706	1/1/2006	\$300	\$23,705,000	\$6,687,000
Kitsap Transit Bremerton, WA	421	Executive Director	\$124,166	1/1/2007	\$0	\$32,570,000	\$12,433,000
Salem Transit Salem, OR	191	General Manager	\$122,000	6/6/2007	none	\$21,180,000	\$8,500,000
Spokane Transit Spokane, WA	515	CEO	\$117,076	6/1/2007	\$200	\$49,800,000	\$21,200,000
Average	340.5		\$116,890				
LTD Eugene, OR	328	General Manager	\$125,358		\$400		
LTD's % of Average	96.33%		107.24%				

Salary History:

<u>Date</u>	<u>Increase</u>	<u>Salary</u>
2/27/2000	Hire Salary	\$110,000
3/27/2001	4%	\$114,400
3/1/2002	3%	\$117,832
7/1/2002	0.75%	\$118,716
6/22/2003	2%	\$121,090
1/1/2005	1%	\$122,301
7/1/2005	2.50%	\$125,358
2/1/2006	Hire Salary	\$125,358

BOARD HUMAN RESOURCES COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: September 11, 2007

ITEM TITLE: GENERAL MANAGER ANNUAL SALARY REVIEW

PREPARED BY: Mary Adams, Director of Human Resources and Risk Management

ACTION REQUESTED: Approval of Recommendation for Annual Merit Increase

BACKGROUND: The Board's Human Resources Committee has been responsible for approving recommendations for changes to the general manager's compensation package. On February 1, 2006, the Board of Directors entered into an employment agreement with newly appointed General Manager Mark Pangborn. In reference to salary, the agreement says "Such compensation shall be subject to modification from year to year by Board action following its annual evaluation of Mr. Pangborn's performance as General Manager."

The Board of Directors conducted an annual performance evaluation in October 2006. At that time no action was taken on the general manager's salary. Comparison compensation data on CEO/general manager positions in other local public entities and at comparable transit districts will be available at the Committee meeting. If approved, this salary action would compensate for merit increases based on performance from the period of February 1, 2006, through July 1, 2007.

RESULTS OF RECOMMENDED ACTION: General Manager Mark Pangborn will receive a merit increase commensurate with the Board of Directors' view of his performance.

ATTACHMENT: Comparison compensation data

PROPOSED MOTION: I move that the LTD Board Human Resources Committee recommend approval by the full Board of Directors of a ___ percent increase to the base pay for LTD General Manager Mark Pangborn, effective July 1, 2007.

BOARD HUMAN RESOURCES COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: September 19, 2007

ITEM TITLE: GENERAL MANAGER COST-OF-LIVING ADJUSTMENTS

PREPARED BY: Mary Adams, Director of Human Resources and Risk Management

ACTION REQUESTED: Approval of Amended Language to General Manager Employment Agreement

BACKGROUND: The Board's Human Resources Committee has been responsible for approving recommendations for changes to the general manager's compensation package. On February 1, 2006, the Board of Directors entered into an employment agreement with newly appointed General Manager Mark Pangborn. The agreement did not include language for an automatic cost-of-living adjustment. Hence, Mr. Pangborn has not had a cost-of-living adjustment since July 1, 2005.

The following language has been reviewed by District counsel and is proposed for Committee approval. The changes are intended to provide for an annual cost-of-living increase equal to the increase granted all other administrative employees at LTD.

Section 3: Compensation and Evaluation.

(a) As compensation for the services rendered to the District during the fiscal year 2007-08, and commencing as of July 1, 2007, Mr. Pangborn shall be paid a salary of \$_____, and a monthly automobile allowance of \$400, in accordance with the District's regular payroll procedures. Such compensation shall be subject to modification from year to year by Board action following its annual evaluation of Mr. Pangborn's performance as General Manager. Compensation modifications shall be made by addendum to this Agreement. Any modification shall be exclusive of cost of living adjustments, ~~if any, as the Board determines is appropriate for Mr. Pangborn,~~ but include such other factors as the Board may deem pertinent, ~~including, but not limited to, industry peer analyses, employee performance evaluations, and changes in the Consumer Price Index.~~ In addition, Mr. Pangborn shall be entitled to the fringe benefits that are generally available

to other administrative employees of the District, which presently include: cost-of-living adjustments, hospital; surgical, medical, dental, or other group health insurance; life insurance and disability benefits; holidays; sick leave; vacation; and participation in the Lane Transit District pension or retirement program.

RESULTS OF RECOMMENDED ACTION:

General Manager Mark Pangborn will receive the same cost-of-living adjustments granted to all other LTD administrative employees.

ATTACHMENT:

None

PROPOSED MOTION:

I move that the LTD Board Human Resources Committee recommend to the full Board of Directors that the general manager receive an annual cost-of-living increase equal to the increase granted all other LTD administrative employees, and that this provision become an amendment to the LTD General Manager Employment Agreement, as provided in this agenda summary. The amended language would be effective as of July 1, 2006.

MINUTES OF HUMAN RESOURCES COMMITTEE MEETING
LANE TRANSIT DISTRICT BOARD OF DIRECTORS

August 28, 2007

Pursuant to notice given to *The Register-Guard* for publication on August 23, 2007, and distributed to persons on the mailing list of the District, a meeting of the Lane Transit District Board of Directors Human Resources Committee was held at 4 p.m. on Tuesday, August 28, 2007, in the District's conference room at 3500 E. 17th Avenue, Eugene.

Present:

Susan Ban
Mike Eyster
Gerry Gaydos, Chair
Mary Adams, Director of Human Resources and Risk Management
Mark Pangborn, General Manager
Stefano Viggiano, Assistant General Manager
Andy Vobora, Director of Service Planning, Accessibility, and Marketing
Jo Sullivan, Clerk of the Board/Recording Secretary

CALL TO ORDER: Mr. Gaydos called the meeting to order at 4 p.m. All were present.

MOTION **APPROVAL OF MINUTES:** Mr. Gaydos noted that two names were misspelled in the minutes of the June 12, 2007, committee meeting. He corrected the spellings from Nogales to Rosales and from Novajo to Navarro. Mr. Eyster moved that the minutes of the June 12, 2007, HR Committee meeting be approved as amended. The motion was seconded by
VOTE Ms. Ban and approved by unanimous vote.

EXECUTIVE SESSION ON LABOR NEGOTIATIONS: Mr. Eyster moved that the Board meet in executive session pursuant to ORS 192.660(2)(d), to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Ms. Ban seconded, and the vote carried unanimously. Members of the District's negotiating team also were present for this discussion with the Board: Director of Human Resources and Risk Management Mary Adams, Director of Finance and Information Technology Diane Hellekson, Director of Transit Operations Mark Johnson, and Director of Maintenance George Trauger. The executive session began at 4:02 p.m.

RETURN TO REGULAR SESSION: The committee returned to open session at 4:45 p.m.

INTERNATIONAL TRANSIT STUDIES PROGRAM: Mr. Pangborn explained his interest in leading the Fall 2008 Mission of the Transit Cooperative Research Program's International Transit Studies Program. This particular mission, "Balancing Infrastructure Reinvestment with System Expansion," was directly related to LTD's efforts in developing bus rapid transit while maintaining fixed-route system service in recent years. Mr. Pangborn believed that he could teach as well as learn from the other participants in this program. He said he would need approval from the Board in order to apply for the team leader position. Mr. Pangborn said he would place this item on the September 19 Board meeting agenda.

NEXT MEETING: Topics for the next committee meeting included the general manager's compensation and cost of living adjustments. The committee members asked for a summary of compensation for comparable positions in the community and transit for the next meeting. Mr. Eyster said he was not available to meet on September 11. Mr. Gaydos and Ms. Ban decided to meet and then seek Mr. Eyster's ratification of any direction taken at the September 11 meeting before taking a recommendation to the full Board on September 19.

ADJOURNMENT: There was no further discussion, and the meeting was adjourned at 4:55 p.m.

Recording Secretary

GENERAL MANAGER EMPLOYMENT AGREEMENT

BETWEEN: Mark Pangborn (“Mr. Pangborn”)

AND: Lane Transit District (the “District”)

EFFECTIVE

DATE: (This version to be used at next signing of employment agreement.
Includes COLA language adopted by Board on 9/19/07.)

RECITALS:

A. The Board of Directors of the District (the “Board”) is authorized pursuant to ORS 267.200(5) to enter into contracts on behalf of Lane Transit District and to appoint and fix the salary of the General Manager.

B. Mr. Pangborn assumed the duties of General Manager on January 27, 2006, and has been employed as General Manager of the District pursuant to Board resolution made on February 15, 2006.

C. The parties wish to amend and restate the terms of Mr. Pangborn’s employment pursuant to the terms of this agreement.

AGREEMENT:

Therefore, in consideration of the foregoing recitals and terms and conditions of this agreement, the parties agree as follows:

Section 1: Duties and Responsibilities.

(a) The District agrees to continue Mr. Pangborn’s employment as General Manager, and Mr. Pangborn hereby accepts such employment upon the terms and conditions set forth in this agreement.

(b) Mr. Pangborn shall have, and agrees to perform in good faith, the duties and responsibilities of General Manager as directed by the Board. The Board reserves the right to change the responsibilities at its discretion. As such, Mr. Pangborn shall maintain his office at the headquarters of the District, and shall:

1) Have full charge of the acquisition, construction, main tenancy, and operation of the transit system of the District.

2) Have full charge of the administration of the business affairs of the District.

3) Enforce all ordinances adopted by the Board.

4) Administer the personnel system adopted by the Board, and, except for officers appointed by the Board, appoint, discipline, or remove all officers and employees, subject to ORS 267.010 to 267.390 and the rules of the Board.

5) Prepare and submit to the Board within 90 days after the end of each fiscal year a complete report of the finances and administrative activities of the District for that preceding fiscal year.

6) Keep the Board advised as to the needs of the District.

7) Prepare all plans and specifications for acquisition of equipment or construction of improvements or facilities for the District.

8) Cause to be installed and maintained a system of auditing and accounting that shows completely and at all times the financial condition of the District.

9) Devote his entire working time to the business of the District. Mr. Pangborn's participation in civic and charitable affairs is deemed to be business of the District within the meaning of this provision and he shall keep the Board informed as to such activities.

10) Perform such other duties as the Board requires by resolution.

11) Attend the meetings of the Board and may participate in its deliberations, but has no vote.

Section 2: Term of Employment.

Mr. Pangborn is an "at will" employee. His employment shall continue only so long as is mutually agreed by both parties. Mr. Pangborn may be removed by the Board only by an affirmative vote of a majority of its members.

Section 3: Compensation and Evaluation.

(a) As compensation for the services rendered to the District during the fiscal year 2006-07, and commencing as of February 1, 2006, Mr. Pangborn shall be paid a salary of \$125,358.47, and a monthly automobile allowance of \$400, in accordance with the District's regular payroll procedures. Such compensation shall be subject to modification from year to year by Board action following its annual evaluation of Mr. Pangborn's performance as General Manager. Compensation modifications shall be made by addendum to this Agreement. Any modification shall be exclusive of cost-of-living adjustments, but include

such other factors as the Board may deem pertinent. In addition, Mr. Pangborn shall be entitled to the fringe benefits that are generally available to other administrative employees of the District, which presently include: cost-of-living adjustments, hospital; surgical, medical, dental, or other group health insurance; life insurance and disability benefits; holidays; sick leave; vacation; and participation in the Lane Transit District pension or retirement program.

(b) Mr. Pangborn shall be entitled to full compensation and benefits during periods of suspension.

(c) Compensation and benefits received by Mr. Pangborn from other parties after notice of termination or suspension, for services performed for other parties during the period of 90 days after notice of termination or during periods of suspension, shall reduce the compensation and benefits to which Mr. Pangborn shall be entitled under this agreement.

(d) The Board shall, in consultation with Mr. Pangborn, set annual performance goals and objectives. The Board shall review and evaluate Mr. Pangborn's performance at least annually, including his attainment of such performance goals and objectives, and share such evaluation with him.

Section 4: Severance Benefit.

In the event the Board terminates Mr. Pangborn's employment without cause, he shall receive a six-month severance payment of salary and benefits, which severance payment shall not include retirement and leave accrual benefits. Such severance payment shall be due and payable at the District's standard pay periods during the six-month period following the date of termination and shall be in lieu of all other payments, or in a lump sum at the Board's discretion.

If Mr. Pangborn is terminated for cause, he shall not be entitled to receive any severance benefit and shall be paid only the salary and benefits accrued through the date of such termination.

Section 5: Termination/Suspension.

(a) Before Mr. Pangborn's employment is terminated, if specifically requested by Mr. Pangborn after receiving notice of termination, he shall be given a written statement of the reasons for his termination. If requested, he shall be given an open hearing at a meeting of the Board before the final vote for his termination where he may be represented by counsel and present witnesses and other evidence on his behalf; such hearing shall be not less than thirty (30) days after the Board serves written notice of termination; however, the Board may by resolution suspend him from office pending a hearing. The action of the Board in suspending or terminating Mr. Pangborn, if approved by a majority of the members of the Board, may be reconsidered by the Board, but is otherwise final and not subject to appeal.

(b) The parties agree to give each other written notice of termination. Notice of termination given by Mr. Pangborn to the District shall be effective at the date specified

therein, which date shall be not less than 60 days after the date of service of the notice. Notice of termination given by the District to Mr. Pangborn shall be made effective at the date specified therein, which date shall be not less than 60 days after the date of service of the notice; provided, however, that notice of termination may be effective immediately if the Board terminates Mr. Pangborn for cause, subject to his right to request a hearing as provided in subsection (a) above.

(c) As used in this agreement, “cause” includes, but is not limited to, fraud, dishonesty, misappropriation of funds, embezzlement, similar serious acts of misconduct in the rendering of services to or on behalf of the District, or Mr. Pangborn’s willful failure or refusal to comply with the policies, standards, directions, or regulations of the District as they are established periodically.

Section 6: Expenses.

The District shall reimburse Mr. Pangborn for reasonable and necessary business expenses incurred by him in the performance of the duties and responsibilities set out in this agreement, upon presentation, in accordance with the District’s normal practice, of reasonably detailed statements of expense for which reimbursement is claimed. In addition, Mr. Pangborn shall receive a total monthly automobile expense allowance of \$400.

Section 7: Deferred Compensation.

Mr. Pangborn shall be eligible to participate in the District’s Section 457 deferred compensation plan in accordance with its terms.

Section 8: Illness or Death.

In the event Mr. Pangborn dies or becomes disabled during the term of this agreement or any extension thereof, this agreement shall terminate upon the date of such death or disability. Disability shall mean any health condition that prevents Mr. Pangborn from performing his duties for a period that exceeds 12 consecutive weeks.

Section 9: Indemnification.

To the maximum extent permitted by law, the District shall defend, indemnify, and hold Mr. Pangborn harmless from and against any and all claims, demands, suits, actions, or proceedings of any kind or nature arising out of his good faith performance of his duties and responsibilities as General Manager, provided that his performance is not contrary to established statutes or ordinances, or the resolutions, policies, and reasonable standards of conduct adopted by the Board.

Section 10: Arbitration.

The parties agree that any controversy or claim arising out of or relating to this agreement, or any dispute arising out of the interpretation or application of this agreement,

which the parties are unable to resolve, shall be finally resolved and settled exclusively by arbitration in Eugene, Oregon, by a single arbitrator under the Oregon Arbitration Rules. If the parties cannot agree upon an arbitrator, then each party shall choose its own independent representative and those independent representatives shall in turn choose the single arbitrator within 30 days of the date of the selection of the first independent representative.

Section 11: Assignment.

This agreement is personal to Mr. Pangborn and cannot be assigned by him to any other person.

Section 12: Entire Agreement.

This agreement represents the entire agreement between the parties and supersedes any prior agreements or understandings, whether oral or written between the parties, without limitation.

Section 13: Amendments.

This agreement cannot be changed or terminated orally and may be modified only by a written agreement executed by both parties that specifically refers to this agreement.

Section 14: Notices.

Any notice to the District under this agreement shall be given to the President of the Board of Directors at the President's latest address as shown by the records of the Clerk of the Board of the District. Any notice to Mr. Pangborn under this agreement shall be given to him at his latest address as shown on the records of the Clerk of the Board of the District. Notices shall be deemed given when delivered in person or within two business days after being mailed by certified mail at the United States Post Office in Eugene or Springfield, Oregon, with postage fully prepaid and addressed as hereinabove specified.

IN WITNESS WHEREOF, the undersigned have executed this agreement in duplicate on this ____ day of _____, 2007.

LANE TRANSIT DISTRICT

Mark Pangborn

By: _____
President, Board of Directors