

Public notice was given to *The Register-Guard* for publication on October 22, 2007.

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

**October 23, 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

	<u>Page No.</u>
I. CALL TO ORDER	
II. ROLL CALL	
III. Gaydos (Chair) _____ Dubick _____ Eyster _____	
IV. APPROVAL OF MINUTES (September 11, 2007)	02
V. EVALUATION OF LEGAL SERVICES CONTRACT	04
VI. PROCESS FOR EVALUATING THE GENERAL MANAGER'S PERFORMANCE	07
VII. NEXT MEETING	
VIII. ADJOURNMENT	

BOARD HUMAN RESOURCES COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: October 23, 2007

ITEM TITLE: GENERAL MANAGER EVALUATION PROCESS

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

ACTION REQUESTED: Approval of Evaluation Tools

BACKGROUND: The Board's Human Resources Committee has been responsible for approving and administering the survey tools used in the annual evaluation of the general manager. Each fall, the Committee approves a process to be used for that year's evaluation. Once approved, staff will proceed with distributing the evaluation tools.

Attached for Committee approval is the evaluation tool used for the 2006 general manager evaluation. This tool was updated in 2006 to reduce duplication and make the tool easier for the respondent to read. The survey would include a cover sheet explaining how to fill out the tool.

Staff are recommending using the same tool as last year. This will provide consistency and allow for trends to begin being established.

RESULTS OF RECOMMENDED ACTION:

Using this tool will provide consistency with past evaluations, and give data that can be compared with prior years. Upon approval by the Committee, staff will distribute the evaluation tool as directed. Individual responses will be combined for discussion with the general manager during an executive session.

ATTACHMENTS: Evaluation Tool Titled "Assessment of the General Manager"

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

September 11, 2007

Pursuant to notice given to *The Register-Guard* for publication on September 10, 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, September 11, 2007, in the District's conference room at 3500 E. 17th Avenue, Eugene.

Present:

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

Absent:

Mike Eyster

CALL TO ORDER: Mr. Gaydos called the meeting to order at 4:04 p.m.

MOTION **APPROVAL OF MINUTES:** Ms. Ban moved that the minutes of the August 28, 2007, HR Committee meeting be approved as amended. The motion was seconded by Mr. Gaydos and approved 2 to 0.

VOTE

GENERAL MANAGER COST-OF-LIVING INCREASE: Mr. Gaydos said he thought the Board should set a policy that the general manager would receive the same increases that administrative staff received.

MOTION Mrs. Ban made the following 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, 2005." Mr. Gaydos seconded, and the motion carried 2 to 0.

VOTE

The amended language from the agenda summary follows:

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.

GENERAL MANAGER ANNUAL SALARY REVIEW: The question before the committee was whether to consider a merit increase for the general manager. Ms. Adams explained that when the Board evaluated his performance a year ago, Mr. Pangborn had been in the position for only a few months, so the Board did not provide a salary increase. Ms. Adams discussed comparison salaries of local public CEOs and comparable transit system CEOs. She explained that administrative employees received cost-of-living adjustments and if they were not at the top of the scale for their positions, they could be eligible for up to a 5 percent merit increase, with 3 percent merit increases being the most common.

Mr. Gaydos and Ms. Ban stated that they were very pleased with the accomplishments of the general manager toward meeting his goals and objectives, but decided against recommending a salary increase at that time, believing that the retroactive cost-of-living adjustment was an appropriate increase for the current situation. The general manager's next performance evaluation process would begin in the next month, and the question of a merit increase could be raised again at that time.

ADJOURNMENT: There was no further discussion, and the meeting was adjourned at 4:25 p.m.

Recording Secretary

Board Human Resources Committee Member Briefing
Mike Dubick
Agenda for October 2007

Agenda Item:

1. History of the Board of Director's Human Resource Committee
2. Current Committee
 - Members
 - Length of appointments
 - Routine meeting schedules
3. Committee Charges
 - GM annual evaluation
 - Labor negotiations
 - Looking to the Future Plan
4. Other Duties as Assigned
 - Approving attorney contracts
 - Organization Assessment
5. Preparation for October 23, 2007 Meeting
 - GM evaluation history

ASSESSMENT OF THE GENERAL MANAGER

October 2006

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How To Complete the Questionnaire

This questionnaire is designed to help the LTD Board of Directors, your colleagues, and the general manager assess the general manager's performance. It should take you 30 to 60 minutes to complete. *To encourage candor, the questionnaire does not ask for your name.* Your confidential responses, along with the responses of your colleagues, will be summarized and shared with the general manager at a meeting with a small committee of the Board. Each section begins with a brief description of an important area of responsibility. Please read it and then answer the questions that follow. The questions measure your level of satisfaction with how well the general manager is carrying out various aspects of each responsibility. Check off the number representing the degree to which you are satisfied or not satisfied with the general manager's performance in each responsibility mentioned. The answer you mark can range on a scale of 1 to 4, with 1 representing "Very Dissatisfied" and 4 representing "Very Satisfied."

1. Very Dissatisfied
2. Dissatisfied
3. Satisfied
4. Very Satisfied

You also have the option of answering "Not Sure" if you are not certain about a specific answer. If you think a particular question does not apply to LTD, please mark "Not App." (Not Applicable).

At the end of each section and at the conclusion of the assessment are a number of open-ended questions. Please take the time to answer these questions, since your responses will be especially helpful when the Board and general manager look for ways to strengthen the manager's performance and that of the transit system as a whole. After the Board and the general manager have completed the assessments, a meeting will be scheduled to review the results of this assessment. During this meeting, the assessment results will be used to identify areas for personal growth and draft action plans for the general manager's professional development. This meeting will also be a good opportunity to discuss ways in which the Board can better support or complement the general manager's work and to discuss mutual hopes for the future of the transit system.

Sample Question

		Not Satisfied		Satisfied		Not Sure	Not App.
How satisfied are you that the general manager		1	2	3	4	NS	NA
2-1	has worked with the <u>Board</u> to develop a clear vision for the transit system and understands his or her own leadership role?						

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Deleted: Because the responses of the general manager will be evaluated separately from those of the entire board, those results will not remain anonymous.¶

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Section I. Vision, Mission, and Strategies

The general manager's role has both strategic and operational components. Working with the Board, the general manager must develop a shared vision for the future of the transit system, build understanding around the current mission, and develop appropriate goals and strategies to advance that mission.

		Not Satisfied		Satisfied		Not Sure	No Answer
How satisfied are you that the general manager		1	2	3	4	NS	NA
1-1	has worked with the <u>Board</u> to develop a clear vision for <u>LTD</u> and understands his or her own leadership role?						
1-2	has worked with the <u>Board</u> to translate <u>LTD's</u> mission into realistic goals and objectives?						
1-3	has worked with the <u>Board</u> and staff to create an effective process for long-range or strategic planning <u>at LTD</u> ?						

What are the major strengths of the general manager in this area?

How can the general manager do better in this area?

Deleted: Section I. Annual Goals¶

Directions¶

A numbered list of the general manager's annual goals is attached to the questionnaire. Please use this list in completing this section of the assessment instrument. ¶

If your organization has not set specific performance goals for the general manager in the past, skip directly to Section II. Consider using this assessment process as an opportunity for setting performance goals for the upcoming year.¶

The attached list of organizational goals was identified for the general manager by the board. Please rate your level of satisfaction with the general manager's progress in pursuing or achieving each goal area.¶

If you are not satisfied that the general manager has made sufficient progress in any specific goal area, please explain your response below.¶

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Section II. The General Manager/Board Partnership

The general manager and the Board must work together as partners. Each arm of leadership draws upon its own unique strengths and abilities. The general manager and the Board have joint responsibility for developing and maintaining a strong working relationship and a system for sharing information. The Board is responsible for creating a written job description for the general manager that is clear and agreed to by all parties.

		<u>Not Satisfied</u>				<u>Not Sure</u>	<u>Not App.</u>
<u>How satisfied are you that the general manager</u>		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>NS</u>	<u>NA</u>
<u>2-1</u>	<u>is clear about the differences between his or her role and that of the Board?</u>						
<u>2-2</u>	<u>is an effective partner with the Board in leading LTD?</u>						
<u>2-3</u>	<u>raises issues and questions and provides adequate information to inform Board discussions?</u>						

What are the major strengths of the general manager in this area?

How can the general manager do better in this area?

Section III. The Board/Staff Relationship

Because many transit system issues require a partnership of Board and staff to be addressed effectively, it is important that the Board, general manager, and staff members assigned to assist the Board in carrying out its work have a good and strong working relationship.

		<u>Not Satisfied</u>		<u>Satisfied</u>		<u>Not Sure</u>	<u>Not App.</u>
<u>How satisfied are you that the general manager</u>		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>NS</u>	<u>NA</u>
<u>3-1</u>	<u>has established appropriate systems for dialogue and communication between the Board and staff to ensure that the Board maintains a good knowledge of LTD?</u>						
<u>3-2</u>	<u>and appropriate staff members have built effective working relationships with the members of the Board who are responsible for specific aspects of transit system governance?</u>						
<u>3-3</u>	<u>has a collegial working relationship with the staff and the Board?</u>						

What are the major strengths of the general manager in this area?

How can the general manager do better in this area?

Section IV. External Liaison and Public Image

The general manager and Board members are key players in establishing and maintaining positive relationships with the many groups who support the work of the transit system.

		Not Satisfied		Satisfied		Not Sure	Not App.
<u>How satisfied are you that the general manager</u>		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>NS</u>	<u>NA</u>
4-1	<u>maintains a positive, professional reputation in the local community and is an articulate and knowledgeable spokesperson and ambassador for LTD?</u>						
4-2	<u>cultivates effective relationships with</u>						
	<u>a. community and business leaders?</u>						
	<u>b. bus riders?</u>						
	<u>c. public officials?</u>						
	<u>d. relevant professional organizations?</u>						
	<u>e. members of the press?</u>						
4-3	<u>is knowledgeable about the public policy dimension of LTD's work?</u>						
4-4	<u>is well regarded by his or her professional peers in the public transportation field?</u>						

What are the major strengths of the general manager in this area?

How can the general manager do better in this area?

Section V. Effectiveness in Resource Development

The general manager, in partnership with the Board and appropriate staff, is responsible for developing and implementing appropriate financial development strategies. The general manager and Board use their combined strengths, knowledge, and relationships to help the transit system achieve its objectives.

How satisfied are you that the general manager		Not Satisfied		Satisfied		Not Sure	No App.
		1	2	3	4	NS	NA
5-1	has a clear understanding of the current and future financial resources needed to realize <u>LTD's</u> mission?						
5-2	is innovative in the creation of partnerships with local government or other institutions that contribute to <u>LTD's</u> resources?						

What are the major strengths of the general manager in this area?

How can the general manager do better in this area?

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Working with the board, the general manager establishes operational objectives that support the strategic plan. The general manager is responsible for leading the staff in the implementation of the strategic plan and any annual plans.¶

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Section VI. Fiscal Management

Ensuring that income is managed wisely is especially important for a public transit system. It is the role of the general manager to see that solid planning and budgeting systems are in place and that the transit system's goals and strategic plan serve as the basis for sound financial planning. In addition, it is the general manager's responsibility to ensure that qualified staff are hired to monitor, assess, and manage the financial health of the transit system accurately.

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		Not Satisfied		Satisfied		Not Sure	No App.
How satisfied are you that the general manager		1	2	3	4	NS	NA
6-1	is knowledgeable regarding financial planning, budgeting, and management of LTD's finances, and understands the place of each in the system's overall financial picture?						
6-2	has established a system linking strategic and operational planning with LTD's budgeting process?						

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What are the major strengths of the general manager in this area?

How can the general manager do better in this area?

Section VII. Operations Management

The general manager is responsible for day-to-day management. The general manager works with staff to develop, maintain, and use the systems and resources that facilitate the effective operation of the transit system.

		Not Satisfied		Satisfied		Not Sure	No App.
How satisfied are you that the general manager		1	2	3	4	NS	NA
7-1	holds District staff accountable for effective management of LTD's resources as measured against the mission and strategic plan?						
7-2	acts as a role model and mentor for the professional development of LTD's leaders?						
7-3	ensures District compliance with all legal and regulatory requirements?						

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a. sound risk-management policies, including adequate insurance coverage?

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b. appropriate personnel policies and systems for staffing?

What are the major strengths of the general manager in this area?

How can the general manager do better in this area?

Open-Ended Questions

1. What are the three major strengths of the general manager?
2. What are some limitations in the general manager's performance?
3. What have been the most significant achievements of the general manager during the past year?
4. What external factors have influenced the general manager's performance?
5. In the past year, what difficult issues have faced the transit system, and how did the general manger bring them to resolution?

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Section II.VIII. The General Manager/Board Partnership¶
The general manager and the board must work together as partners. Each arm of leadership draws upon its own unique strengths and abilities. The general manager and the board have joint responsibility for developing and maintaining a strong working relationship and a system for sharing information. The board is responsible for creating a written job description for the general manager that is clear and agreed to by all parties. ¶
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6. Have any legal or ethical issues arisen with regard to the operations of the transit system? How were these brought to successful resolution?

7. What are areas in which the Board could provide better support to the general manager?

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8. What should be the organizational goals for the general manager for the coming year?

9. What should be the personal development goals for the general manager for the coming year?

10. Additional comments:

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October 23, 2007

TO: LTD Board Human Resources Committee
FROM: Stefano Viggiano, Assistant General Manager
RE: Evaluation of Legal Services Contract

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 of which 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 2008. Consequently, the Board must make a decision on renewing the contract or initiating an open selection process for District legal counsel. The HR Committee is asked to review and discuss this issue and make a recommendation for consideration by the Board.

Background

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 its 37 years of existence, LTD has retained the services of only three legal firms: 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 experience, and the longer legal counsel works with LTD, the more effective and efficient that firm becomes in providing counsel.

Legal fees paid by the District can fluctuate significantly from year to year, depending on the particular issues that arise. The legal fees paid to Arnold Gallagher for the last 5 years are listed below:

FY 06-07	\$ 22,983
FY 05-06	\$ 45,471
FY 04-05	\$ 47,420
FY 03-04	\$ 29,263
FY 02-03	\$ 99,405

Evaluation of Firm

Arnold Gallagher has been LTD's legal counsel for nine years. During this time, the firm has provided a broad range of legal advice to the District. On a periodic basis, those staff who regularly interact with the firm are asked to rate the quality of the service and advice received. Staff also meet periodically with the principal legal counsel to the District, John Arnold, to discuss the assessment of the firm's service.

The question of whether to renew the contract with Arnold Gallagher considered four decisions categories.

1. *Quality of service provided by the firm*

Staff have been pleased with the level and quality of service provided by our current legal counsel. The attorneys respond promptly to requests for services; 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. *Cost of the service*

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 other 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*

It is important to consider acquired specialized expertise in considering a change in a legal services contract. Transit legal issues are complex and often unique. During the nine years that Arnold Gallagher has been serving the District, the firm has become conversant with the legal issues that the District must address. The only concern has been a turnover of two key attorneys with the firm. Roger Saydack, who had been the primary counsel for LTD, is no longer an active member of the firm. His role has been transferred to John Arnold. Staff have found the transition to be very smooth, and Mr. Arnold has provided excellent service to LTD. There was also the loss of a staff attorney who had worked closely with LTD in purchasing and procurement issues and federal rules governing those processes. That lost expertise and experience will need to be replaced, whether we continue with Arnold Gallagher or not. With that one exception, 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.

LTD routinely holds open competition for many ongoing contracts, such as engineering, advertising, and architectural services. For legal services, staff believe that continuity is very important and that consideration of a new firm should be pursued only if the current firm is not providing sound legal advice or if the breadth of the District's legal issues has exceeded the capability of the firm. That is not currently the case. Staff believe that Arnold Gallagher has provided the District with excellent service and that the firm has the breadth of expertise and experience to meet the District's needs.

Staff Recommendation

Staff recommend that the legal services contract with Arnold Gallagher be extended for three years, after which time staff would revisit the issue with the Board.