

Public notice was given to *The Register-Guard* for publication on March 17, 2008.

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

**March 19, 2008
4:30 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) _____ Dubick _____ Eyster _____
- IV. APPROVAL OF MINUTES (December 11, 2007)
- V. HEALTH REIMBURSEMENT ACCOUNTS
- VI. NEXT MEETING
- VII. ADJOURNMENT

BOARD HUMAN RESOURCES COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: April 8, 2008

Deleted: March 19

ITEM TITLE: ADMINISTRATIVE SALARY COMPENSATION PLAN

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

Deleted: **ITEM TITLE:** HEALTH REIMBURSEMENT ACCOUNTS¶

ACTION REQUESTED: The intent of this discussion is for staff to receive guidance regarding whether to proceed with a salary compensation study for administrative employees

BACKGROUND: In 1997, Lane Transit District hired Moss Adams to design a salary compensation plan for all non-represented employees. A market based study was done from which a salary structure using 20 salary ranges was developed. All LTD administrative positions other than general manager and assistant general manager were placed in this structure. This structure was modified in 2000 and 2001 to accommodate a change in compensation philosophy by the incoming general manager.

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Deleted: 2004

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This salary structure, as modified, has remained in place since 1997. Since then the District has adjusted positions within the salary structure annually based on specific criteria mostly related to job redesign. As time progresses, these small adjustments can create imbalance. At some point it becomes prudent to do a full review of all positions to "reset" the salary structure to reflect both current job duties and the current labor market. This process is often done every ten years, but can also be done based on other factors such as major shifts in specific job markets.

There are advantages and disadvantages to conducting a full compensation study. Advantages include:

1. Assures the District is paying at the desired level compared to the job market.
2. Allows the District to recruit and hire the skills needed for all positions.
3. Insures that the relative salaries of all staff are consistent with their job skills and current market trends.

Deleted: For administrative employees, an individual Health Reimbursement Account (HRA) was set up. An HRA allows an employer to make tax-deferred contributions toward an individual's health savings account. The employee may draw money out of the account for reimbursement of health-related costs based on a list of expenses approved by the IRS. The most significant benefits to these plans are that they are tax deferred, and that the balances "roll over" into future years. Because an employee can take the balance into retirement, there is an incentive to accumulate money in the balance rather than spend it, ultimately reducing the total cost of health care. ¶

Disadvantages to conducting a full compensation study include:

1. The cost of conducting the study.
2. The cost of implementing the results of the study.
3. The disruption and potential moral impacts of the study.

4. Public perception that as a public entity, LTD is not subject to market constraints on salaries, particularly if we are in a period of service reductions due to loss of revenues.

Other factors need to be considered, such as the timing of the study and the impact of the economy on the job market being used in the comparison. For instance, if the local job market is currently depressed due to the economy, local job market analysis may reflect lower salaries at that moment in time.

Compensation studies may be conducted in several ways. A comprehensive study of internal and external comparisons for all positions is an option employers often choose when developing the initial salary structure. Employers may also choose to conduct a limited review of certain key positions, known as benchmark positions. This is often done when an employer just wants to validate the accuracy of the current structure, or when certain types of positions are believed to have changed.

(Following is a list of options for recommendations to the Committee.)

Option 1: LTD staff recommends a comprehensive compensation study be conducted, to be completed by November 2008. The impact of any compensation changes would then be considered during the 2009-10 budget development. The cost of this study would be in the range of \$30,000 to \$40,000.

Option 2: LTD staff recommends a limited review of key benchmark positions be conducted, to be completed by November 2008. The impact of any compensation changes would then be considered during the 2009-10 budget development. The cost of this study would be in the range of \$5,000 - \$15,000.

Option 3: LTD staff recommends a full compensation study be conducted in 2011, following the conclusion of the 2010 labor contract negotiations.

Option 4: LTD staff recommends that other local compensation studies currently underway be monitored to determine whether the outcomes support LTD's need to proceed with a study. If the need for a study is determined, this approach would delay the study at least until 2009.

Option 5: LTD staff recommends we contact other local employers to determine whether LTD could join their study by adding a small number of benchmark positions. The timeline would be driven by the timeline of the agency who agrees to this approach and the results will likely be available in 2009.

~~Deleted: . There are different design features an employer can choose from when setting up an HRA model. One option is whether to place a cap on the total individual account balance. The committee has been asked to consider this design feature. . To aid your discussion at the March 19, 2008, Human Resource Committee meeting, you will be provided with a list of advantages and disadvantages concerning placing caps on individual HRA accounts. .~~

Agenda Item Summary—HRA Accounts

Page 3

ATTACHMENT: None

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LTD Board HR Committee Meeting
03/19/08 Page 4

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Deleted: in an effort to reduce the escalating increases in health care premiums. In both groups, a higher-deductible health care plan was matched with a form of health savings account. The health savings plans were intended to create a financial cushion for unexpected health-related expenses not covered under the new health care plans.

This salary structure has remained in place since 1997. Since then the District has adjusted positions within the salary structure annually based on specific criteria mostly related to job redesign. As time progresses, these small adjustments can create imbalance. At some point it becomes prudent to do a full review of all positions to "reset" the salary structure to reflect both current job duties and the current labor market. This process is often done every ten years, but can also be done based on other factors such as major shifts in specific job markets.

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Compensation studies may be conducted in several ways. A comprehensive study of internal and external comparisons for all positions is an option employers often choose when developing the initial salary structure. Employers may also choose to conduct a limited review of certain key positions, known as benchmark positions. This is often done when an employer just wants to validate the accuracy of the current structure, or when certain types of positions are believed to have changed.

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03/19/08 Page 4

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ATTACHMENT: None

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

December 11, 2007

Pursuant to notice given to *The Register-Guard* for publication on December 6, 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, December 11, 2007, in the District's conference room at 3500 E. 17th Avenue, Eugene.

Present:

Michael Dubick
Mike Eyster
Gerry Gaydos, Chair
Mark Pangborn, General Manager
Mary Adams, Director of Human Resources and Risk Management
Jo Sullivan, Clerk of the Board/Recording Secretary

CALL TO ORDER: Mr. Gaydos called the meeting to order at 4:01 p.m.

MOTION **APPROVAL OF MINUTES:** Mr. Dubick moved that the minutes of the November 27, 2007, HR Committee meeting be approved as amended. The motion was seconded by Mr. Eyster and approved 3 to 0.

EXECUTIVE SESSION: Mr. Eyster moved that the Board meet in Executive Session pursuant to ORS 192.660(2)(i), to evaluate the work-related performance of the general manager. Mr. Dubick seconded, and the motion carried by unanimous vote. General Manager Mark Pangborn and Director of Human Resources Mary Adams were present for this discussion with the Committee, which began at 4:02 p.m.

RETURN TO OPEN SESSION: The executive session ended at 4:10 p.m.

COMMITTEE RECOMMENDATION FOR GENERAL MANAGER'S COMPENSATION: The Committee noted that there would be an opportunity to make a public statement about the general manager's performance following the executive session at the December 19 Board meeting.

MOTION It was moved that the Board HR Committee recommend to the full Board of Directors that the Board approve a one-time contribution of \$10,000 to the general manager's retirement plan, in recognition for his outstanding performance during the past year.

VOTE Mr. Eyster seconded, and the motion carried by unanimous vote (3:0).

COMMITTEE RECOMMENDATION FOR GENERAL MANAGER'S GOALS AND OBJECTIVES: The Committee discussed draft goals for the General Manager, with three main categories: 2008 One-year Goals; Manage the District's Strategic Work Plan—External; and LTD Organizational Performance—Internal. Some wording changes were made, and one goal was added regarding Mr. Pangborn playing a larger role in becoming “the face of LTD.”

MOTION Mr. Eyster moved that the Committee approved the goals of the general manager as amended, for recommendation to the full Board of Directors. Mr. Dubick seconded the motion.

VOTE There was no further discussion, and the motion carried by unanimous vote.

NEXT MEETING: The next meeting will be scheduled as the need arises.

ADJOURNMENT: There was no further discussion, and the meeting was adjourned at 4:18 p.m.

Recording Secretary

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Approved 3/19/08

Looking to the Future Plan
Progress Report
April 8, 2008

Category:

1. Develop supportive relationships among all LTD employees, LTD administration and ATU leadership.

- Established regular communication processes with ATU leadership.
- Conduct annual budget review sessions with ATU leadership.
- Conduct employee surveys: Communication Survey, Diversity Survey, Employee Survey.

2. Provide a workplace at LTD that attracts and retains committed individuals.

- Significantly broadened job outreach through local and military job fairs.
- Created Diversity Council, developed Diversity Plan.
-

3. Provide a rewarding, safe, healthy and welcoming workplace for all.

- Developed injury prevention strategy that includes district Risk Oversight Committee, enhanced safety committee and future safety manager position.
- Launched a district Health for Life committee to address health and wellness needs based of all employees.
- Conducted two annual health benefits fairs with focus on health assessment and improvement. Included bio-metric screening and flu shots.
-

4. Become a “learning organization” that fosters and funds career development through meaningful educational programs, skills training, job cross training, mentoring and other methods.

- Developed “10 Valued Competencies” and integrated into many programs.
- Hired training manager to implement district-wide training and employee development program.
- Designed internal maintenance skills program run by internal instructors.
- Designed the LEAP program, focused on identifying and preparing candidates for expected job vacancies.
- Designed technical training programs in skill areas such as Excel and time management.
- Worked with LCC and Springfield School District toward a diesel mechanic training program that is integrated from high school through LTD employment.
-

5. Reward, recognize and reinforce both improved and exceptional performance.

- Assembled a Rewards and Recognition task force to design a comprehensive program that has now begun. Program increases options for recognition across the district and across work groups.
 - Reinstated annual Employee Celebration dinner.
 -
6. Create an atmosphere of inclusiveness that encourages everyone to be involved with decision making, internal and external committees, and community events.
- Initiated Event Committee to include employees from all departments in conducting all employee events.
 - Initiated Health for Life Committee to include employees from all departments in employee health improvement and wellness activities.
 -
7. Provide opportunities for everyone to learn more about LTD.
- Held employee meetings on budget development.
 - Held employee informational meeting on new Call Center.
 - Enhanced Inside Lane to cover more information.
 -
8. Invite all individuals to participate in supporting the mission and goals of LTD, and to live LTD's values.