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LANE TRANSIT DISTRICT
BOARD OF DIRECTORS
HUMAN RESOURCES COMMITTEE

Tuesday, April 24, 2012
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.	Dubick (Chair) ______ Gillespie ______ Kortge ______	
IV.	APPROVAL OF MINUTES	2
	• Minutes of the February 7, 2011, LTD Board Human Resources Committee meeting (pg. 2)	
	• Minutes of the March 4, 2011, LTD Board Human Resources Committee meeting (pg. 6)	
	• Minutes of the March 9, 2012, LTD Board Human Resources Committee meeting (pg. 13)	
V.	GENERAL MANAGER EVALUATION PROCESS	17
VI.	NEXT MEETING	
VII.	ADJOURNMENT	

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

February 7, 2011

Pursuant to notice given to *The Register-Guard* for publication on February 4, 2011, 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 on Monday, February 7, 2011, in the District's Board Room at 3500 E 17th Avenue, Eugene.

Present: Michael Dubick, Chair
Dean Kortge
Mark Pangborn, General Manager
Mary Adams, Director of Human Resources and Risk Management
Diane Hellekson, Director of Finance and Information Technology
Mark Johnson, Director of Transit Operations
David Collier, Senior Analyst, Human Resources and Risk Management
Jeanne Schapper, Clerk of the Board/Recording Secretary

Absent: Gary Gillespie

CALL TO ORDER: Mr. Dubick called the meeting to order at 10:01 a.m. and called the roll.

FUTURE DESIGN OF LTD PENSIONS TRUSTS: Ms. Adams said that at a recent pension work group meeting, Mr. Kortge had suggested a more in-depth discussion would be in order. The discussion today will focus on a timeline and approach for the Board and the HR Committee to discuss proposed changes to the salaried pension plan. Ms. Adams reminded the Committee that pension plan reform was on the labor negotiations table last spring, and it was taken off the table as part of the agreement to settle on the one-year contract with no wage increase and a new health care plan. Bargaining will begin again in April.

Mr. Pangborn clarified that moving toward a 100 percent defined contribution plan had been discussed in labor negotiations, along with changes to the health care plan. A cash balance model was not part of the negotiations.

Ms. Adams said that Pete Sturdivan, actuary for the plans, was asked to assist in the process of reviewing changes to the salaried plan. As there is no bargaining cycle in the salaried plan, changes may be made whenever it is deemed prudent. Mr. Sturdivan was asked to prepare actuarial analysis of different models and different funding streams for the salaried plan, initially with the thought that changes could be made as early as July 1, 2011. However, in further discussion related to the transition process, it was decided that perhaps January 1, 2012, may be more appropriate.

At the workgroup meeting held three weeks ago, with Dean's participation as a plan trustee, expanding the participation in the workgroup to the full Board was discussed.

Mr. Kortge stated his appreciation for Mr. Sturdivan's professionalism and directness in his presentation to the group. The crux of the matter is who takes the risk. With the defined benefit plan, LTD takes the risk; with the defined contribution plan, employees take the risk. The two concepts can be modified and blended. At the meeting, Mr. Kortge had stated that if LTD were to go to a defined contribution plan of some sort, a policy statement would be required—not just from the trustees, but from the Board. This policy would be essential in today's climate with considerable scrutiny of public employees' benefits. The Board should make the policy decision, and the trustees can work out the details.

Ms. Adams added that the question may be presented to the Board through a values questionnaire that Mr. Sturdivan provided. Ms. Adams focused the Committee's attention to the Timeline, which includes a policy discussion by the Board. The workgroup will continue to meet, with the next meeting scheduled for March 4. The questionnaire would then be introduced to the Board at its March 16 regular meeting. A more in-depth discussion of the Board would follow at an April work session. The discussion also can include key differences between LTD's plan and PERS that affect both the cost and benefit of the plan. This also could assist in terms of labor negotiations strategy. An executive session related to labor negotiations also is planned for the April 11 special Board meeting.

In response to a question from Mr. Kortge, Mr. Johnson related that it is realistic to believe that pension plan changes will be on the table for discussion at the next labor negotiations. Mr. Pangborn added that it is critical that the proposal be on the table. It is hoped that this topic and wages be the primary focus of negotiations, with health care benefits taking a secondary role. To emphasize a point Mr. Kortge made earlier, Mr. Pangborn added that this discussion also is critical in terms of the public point of view.

Ms. Adams added that pension reform is one of the items TriMet is negotiating as they move into arbitration. Salem-Keizer Transit (SKT) does not have pension on the table.

In response to a question from Mr. Kortge, Mr. Pangborn clarified that neither TriMet nor SKT are part of PERS. This is due to legislation passed in 1979, specifically excluding transit agencies. It wasn't until much later that transit agencies qualified. In addition, ATU, which has been around since the late 1800s, had its own pension plan and were reluctant to give that up. Ms. Adams added they each have their own pension trustees.

Mr. Dubick remarked that perhaps the deeper the pool, the less risk. Mr. Kortge expressed his belief that assumption is not accurate. Mr. Pangborn added that a larger pool(such as Oregon PERS) could be more accurate in terms of actuarial projections. An employer could be a part of PERS and receive the benefit of using the PERS investment ability. The PERS actuary rates the client based on the age of the employees, the average retirement age, etc. Each employer pays according these factors. For example, the 4J School District is talking about having a big increase in its contribution next year. Each agency has a different percentage.

Mr. Kortge said that the larger the pool, the more unique investment opportunities would be sought. However, with that comes risk.

Ms. Adams continued with the proposed Timeline, adding that recommendations can be adopted by the Board by May, June, or July. If a decision is not made by July, it would be doubtful that the January 1 deadline could be met.

The pension workgroup is currently composed of Dean and LTD staff. Dean expressed his desire to continue with the workgroup and putting plan details together; however, he said he strongly believed that the Board needs to set policy guidance. He expressed that other Board members could certainly serve on the workgroup so long as it didn't slow down the process. Other persons would need to be schooled in pension jargon and understand the plan.

Mr. Pangborn added that more Board members who have an intimate sense of the plan details give more confidence to the other Board members who are not participating in the process. It would also make the process less staff driven.

In response to questions from Mr. Dubick, Ms. Adams said that its been discussed that changes to the salaried plan be limited to new employees. There is a defined benefit piece in the salaried plan, and a defined contribution piece was added in 1999. Ms. Hellekson added that it worked like PERS in that there was a 3 percent employer contribution and a 3 percent employee contribution. However, LTD added pick up language, and employees agreed to give up certain benefits to fund the entire 6 percent.

Ms. Adams said that she did not believe that LTD could change the existing defined benefit model for existing employees; however, LTD is allowed to change the defined contribution piece. Ms. Hellekson clarified that there is a legal opinion stating that no changes may be made for current employees on the defined benefit plan. Mr. Pangborn clarified that the discussions are more focused on perspective employees.

Mr. Pangborn added that this is the opportune time to have these discussions since LTD will not be hiring many employees. Current employees will be grandfathered in to the existing plans, will continue to accrue benefits, and the unfunded liability will still remain. Two-thirds of the payment into the ATU plan is to fund the unfunded liability; for the salaried plan, it's about half. If the new plan is structured appropriately, it could start off being fully funded. It seems likely that there will be a two-tiered plan.

Mr. Kortge said that the larger issue will be the separation of plans between employees. Even though there are definite benefits that can be expressed to employees, there will still be discussions around the water cooler comparing plan benefits.

In response to a question from Mr. Pangborn, Mr. Kortge suggested that Mr. Gillespie would be a welcome addition to the workgroup as he brings a different perspective that would be valuable to the discussion.

Ms. Adams reiterated her understanding that all three HR Committee members are interested in participating in the workgroup. She proposed that the group meet during the regularly scheduled HR Committee meeting times, with Mr. Sturdivan attending.

The Committee members agreed with Ms. Adams' recommendation and the proposed timeline.

In reviewing the questionnaire, Mr. Kortge suggested that some questions would be better directed toward staff rather than Board members. The Board's issue is more the values of a type of a plan. In response to Mr. Kortge's suggestion, some questions would be rephrased for the Board's consideration.

NEXT MEETING: March 4, 2011.

ADJOURNMENT: There was no further discussion, and the meeting was adjourned at 10:33 a.m.

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Recording Secretary

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

March 4, 2011

Pursuant to notice given to *The Register-Guard* for publication on February 27, 2011, 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 on Friday, March 4, 2011, in the District's Board Room at 3500 E 17th Avenue, Eugene.

Present: Michael Dubick, Chair
Gary Gillespie
Dean Kortge
Mark Pangborn, General Manager
Mary Adams, Director of Human Resources and Risk Management
David Collier, Senior Analyst, Human Resources and Risk Management
Diane Hellekson, Director of Finance and Information Technology
Mark Johnson, Director of Operations
Susan Oldland, Administrative Secretary, Human Resources, Recording Secretary
Pete Sturdivan, Milliman

CALL TO ORDER: Mr. Dubick called the meeting to order at 1:26 p.m. and called the roll.

FUTURE DESIGN OF LTD PENSION TRUSTS: Ms. Adams explained that an LTD pension plan workgroup, composed of staff and pension trustees, had convened to discuss options for future plan designs. She introduced Mr. Sturdivan of Milliman, who discussed plan design options with the work group, and asked him to update the Committee on progress made to date. She explained that his role has been to help LTD create a more stable cost structure that can be managed over time. She added that he compared LTD's plan with other types of plans in researching alternate designs. She also briefly reviewed the Values Questionnaire on Retirement Benefits that the Board will use to assess the design options during its work session on April 11, 2011.

Mr. Sturdivan relayed that the work group had reviewed risk levels that the District could reasonably shoulder, how much benefit should be provided to the employee, and how to balance these two elements of the plan. He briefly reviewed the types of plans available and the types of plans LTD currently has in place for ATU and salaried employees. He explained the difference between defined benefit and defined contribution plans, and the District's risk associated with each. He also prepared a comparison between the LTD salaried plan and the third tier Oregon PERS plan, known as OPSRP (Oregon Public Service Retirement Plan). He pointed out the similarities and significant differences between the two, including employer costs and employee benefits and eligibility. He pointed out that one of the big differences is that OPSRP provides a COLA of 2 percent per year. Different cost methods are also used, as are discount rates, or the assumed investment rate of return. LTD's assumed rate of return is 7.5 percent, compared to OPSRP at 8.0 percent. Many public employers are reducing or proposing to reduce their assumed rates of return. He also described how mortality tables (or rate of death) are affecting plans. OPSRP uses a slightly higher mortality rate than LTD. Mr. Sturdivan emphasized that the assumed rate of return and mortality table are the two largest considerations for future funding of pension plans.

Mr. Collier asked for clarification on why LTD's benefit option adjustment factor is larger than those for OPSRP and other public employers.

Mr. Sturdivan explained that the adjustment factors are generally lower with higher rates of investment return. This factor can also change according to the health of the individual involved.

Mr. Sturdivan summarized a funding policy goal that the group developed and is likely to be stable over time, as directed by the Board. Under the current program, he calculated a recommended annual contribution, which is composed of the annual cost of benefits accrued by an active member plus an amortization of the unfunded actuarial liability over 20 years. Aside from this recommended amount, other assumptions are not likely to be funded.

Mr. Pangborn clarified that if LTD develops a new pension plan, new employees would not be allowed to participate in the old plan, effectively “closing” it and determining how it will be funded over a 20-year amortization period.

Mr. Sturdivan explained that a closed plan will become dominated by retirees and beneficiaries in paid status and that LTD needs to be sure it provides contributions for this scenario. He continued with an explanation of the valuation process and reviewed the history of LTD’s plan funding, which has fluctuated from being funded at over 100 percent in 2009 to the current funding level of 67.9 percent. According to a National Association of State Retirement Administrators (NASRA) survey, this percentage of funding is less than median compared to other plans in the survey. He noted that data over time is smoothed, or averaged out, over a three- to five-year trend. He stated his belief that the current plan is solvent, even with the 2008 downturn; but he stated his concern about how the unfunded liability will “hit the books” and affect LTD’s borrowing capability and operating budget, among other concerns.

Mr. Pangborn added that smoothing allows for a trend line that indicates overall direction of the investment. He said that LTD has used all tools available to manage the pension assets and has done so in a conservative fashion. For example, LTD plans to pay off the unfunded liability in 20 years, has reduced assumed interest earnings to 7.5 percent, has made additional contributions to the fund, and is using the three-year smoothing method to reduce the impact of swings in the investment earnings. He also pointed out that of the current 18 percent contribution rate for the salaried plan about 9 percent goes to pay for the underfunded portion of the plan.

Mr. Kortge stated that the numbers Mr. Sturdivan had presented drive home the point that the employee will need to assume some of the investment risk in the future in order to fully fund the plans. Consequently, the Board needs to choose a new plan option accordingly.

Mr. Gillespie asked that if LTD were to go to a defined contribution plan, would the employee be able to contribute an amount in addition to that of LTD’s to their account. He stated that if all new employees were required to move into a third plan, there should be some give and take.

Mr. Kortge stated that the Board should only decide the policy of adopting the type of plan, not the particulars of the employee contribution or other details.

Mr. Pangborn added that the Board also should decide how much money LTD should pay in and if it requires a match. Because of the legal constraints, LTD can only look prospectively for a new plan. It seemed that the ATU plan will have to be bargained.

Mr. Dubick stated that LTD needs to really consider the defined contribution plan. The question becomes whether the employees' accounts stop growing when they separate and what options they are given upon separation, or would the money stay in an account and earn interest. He added that he did not believe that a defined benefit plan is sustainable, and that the employee needs to assume risk. Additionally, LTD's obligation to guarantee a preset return ceases.

Mr. Kortge asked where the decision rests to change the nature of the retirement plans. He also recommended strongly that one of the Board committees monitor the new plan. This committee would provide a connection between the trustees and the Board.

Mr. Pangborn responded that authority to change plans is in two places: the trustees have the authority over the ATU plan; the Board has authority over the Salaried plan. The trustees decide the benefit amount for the ATU, and at one point the plan was overfunded. The benefit payout amount was later moved to the District as part of the contract.

Mr. Sturdivan added that trustees operate as fiduciaries to the Salaried plan participants, and settler functions will be outside the trustees' purview. The ATU plan is less clear about who provides the settler functions, because bargaining has a strong role in determining particulars of the plan.

Mr. Sturdivan compared the difference between a defined benefit plan and a defined contribution plan. In a defined contribution plan, the District's obligation is to contribute a set amount, such as a percentage of pay. A defined benefit plan guarantees a stated amount per month upon retirement and is the most efficient way to provide a benefit to employees. The advantages of the defined benefit plan are: 1) the employer can theoretically control the contribution amount; 2) the cost goes down if investment return is higher than expected; and 3) traditionally, a defined benefit plan provides a higher benefit to longer service employees. A disadvantage is that the employer assumes all the risk. This benefit can be annuitized, but there are complications and fiduciary risk associated with this option. For the defined contribution plan, the employee receives a lump sum and is allowed to deal with it as they see fit; the employer assumes far less risk. These plans are more attractive to younger, more migrant employees.

Mr. Kortge stated that it is important to protect the employees from themselves, and include a requirement that the funds be annuitized to provide for certain long-term retirement income. He said that employees should be provided some education in their choices.

Mr. Sturdivan reviewed a few types of defined contribution plans explored by the work group: 1) profit-sharing plans (the classic defined contribution plan), in which no annuities are provided, account balances are generated for individuals, and funds go with the employee when they sever employment; 2) deferral and target benefit plans;

and 3) money purchase plans, which have a stated percentage of pay, are deposited into members' accounts annually, and are paid out as a lump sum or an annuity.

Mr. Sturdivan explained more about the types of defined benefit plans, including a career average plan and a cash balance plan. A career average plan, which is based on a percentage of pay earned during a career, provides a smaller amount and is less volatile. A cash balance plan has the look and feel of a defined contribution plan but is a defined benefit plan in which the plan sponsor bears investment risk. For example, if the employer provides a 5 percent of pay contribution into an individual's account and they are guaranteed a 4 percent return on pay credits until they retire, an asset allocation must insure a 4 percent investment to stabilize contribution levels. Depending on the asset allocation, the volatility of the investment is less.

Mr. Sturdivan explained that both plan structures are currently in place at LTD, which may be what the District will choose to do. In this case, the scarce benefit dollars will go to the defined contribution side of the plan. This change may result in a smaller defined benefit plan but would still provide a floor monthly income to employees on the new plan. He detailed plan type performance levels and reviewed projections of long-term cost and stability.

Ms. Hellekson stated that when the work group talked with the ATU, the cash balance plan was more attractive because members can easily understand the benefit; and the amount of earnings is guaranteed.

Mr. Gillespie asked if employees receive an annual statement with their benefit. Staff explained that ATU and Salaried employees receive different annual statements from third party administrators of each plan.

Mr. Sturdivan introduced another type of defined benefit plan, informally known as "The Wisconsin Plan," in which the individual's investment upon retirement is adjusted annually and shifts the risk among membership.

Mr. Kortge said that he did not view this plan favorably because it would incentivize the trustees to gear down investment returns, especially for a small plan.

Mr. Sturdivan gave a more detailed example of how this type of plan works--specifically that any liability would move in step with assets, which would keep the plan close to 100 percent funded.

Mr. Dubick expressed that thinks the education component of this type of plan would be difficult and that employees would have a problem with not having a certainty as to their benefit amount.

Mr. Sturdivan responded that the plan would have to have a floor of which the benefit would not drop below.

Mr. Gillespie expressed concern that the education component would be inadequate, and that given a choice of risk versus flat line, people choose a flat line. With investment strategies, trustees never let money be invested in high-yield options. He explained that PERS had issues because they invested in low- to mid-level risk and had to pay out at mid- to high-level yields.

Mr. Sturdivan emphasized the need to develop an investment policy that incorporates risk, whereas an individual does not think in terms of risk on their returns. If a defined benefit component is kept, the post-retirement risk needs to be balanced. He reiterated that if LTD chooses a cash balance plan, the risk can be allayed by purchasing an annuity from a vendor.

Mr. Pangborn expressed apprehension that this scenario does not pass the certainty test, because the annuity cannot be guaranteed until retirement.

Mr. Sturdivan replied that it is not possible to relay the benefit amount to employees at any given point due to the volatility of the market; the member takes up the risk. He added the caveat that with the loss of a guaranteed income amount, individuals may make undesirable employment decisions.

Mr. Dubick asked if a fixed annuity is an option, and if that would avoid the risk to the plan sponsor.

Ms. Hellekson pointed out that with the annuity option LTD is out of the retirement management business at the point of employment separation.

Mr. Gillespie asked if employees are staying at LTD because of the benefits and retirement plan.

Ms. Adams responded that the ATU has told management that all of their new members feel the same as existing members about retirement: they say that they came to work at LTD because of the good retirement package and want theirs to be just like the 20-year employees. This may be an overstatement, however, because she has talked with newer employees also. Some of these employees ask if there is a retirement plan they can take with them if they move on. She added that many ATU employees are likely to stay for a long time, but this may not be the case with administrative employees. Our society has created a culture that encourages job and career changes, particularly among younger employees.

Mr. Pangborn agreed and pointed out that ATU members tend to stay in their positions since the job opportunities that pay as well are not available.

Ms. Adams said that it could be preferable to create the option for employees to retire at a younger age, as many of them work beyond a point where they can maintain good health.

Mr. Collier pointed out that the cost of insurance premiums for younger spouses contributes to delayed retirement for some employees.

Ms. Adams brought up the topic of next steps on the Values Questionnaire, which will be handed out before and discussed during the next full Board meeting. She added that the educational piece of the questionnaire, combined with a discussion on pensions and bargaining, will be addressed at the meeting.

Ms. Hellekson asked if the citizen members of the Budget Committee will be allowed to participate in the Board meeting.

Ms. Adams replied that it would be beneficial for the citizen members to be present. Committee members and staff agreed with Ms. Adams to include these members in the meeting.

Mr. Pangborn suggested that next steps for plan development would be for staff to draft two or three plan options that incorporate dialogue that the Committee has had on changes to the plan, and then get employee feedback. He stated that something should be in place by January 1, 2012, or sooner. A few positions will be filled in the meantime; but the sooner, the better.

Mr. Kortge stated that it is critical to move forward on this issue. the options should be well grounded and thought out, and done in a way to benefit future retirees.

Mr. Dubick added that the trust is doing better now, but still has a big hole to fill over a 20-year period. Until then, LTD runs the risk of getting deeper in the hole. He agreed that the sooner a transition takes place, the better.

Mr. Gillespie mentioned one issue that may have been overlooked in the whole scenario, which is that public employee pensions are not really that great, but private sector pensions have disappeared. So there are few to no examples to compare our pension plan to besides public pension plans. He feels the Committee needs to look toward the long term.

Mr. Dubick expressed hope of creating a model that also could be introduced to the ATU and how it may translate.

Mr. Johnson stated that ideally all new employees, administrative and represented, would be under the plan.

Ms. Adams replied that there is some disconnect in perception. It appears that many ATU members believe administrative employees have a better plan, yet do not want a similar plan. ATU has clearly stated that it wants a defined benefit plan.

Mr. Gillespie added that TriMet and Salem Keiser Transit contracts could have an effect on the outcome of the LTD bargaining agreement.

Mr. Dubick asked if questionnaires are handed out to the Board and returned to the Committee, which could then determine the Board's position regarding the risk level for the new pension plans' and could they develop some scenarios from that.

Mr. Kortge replied that the options should be developed in Committee, and then two or three plan scenarios should be presented to the full Board. Mr. Dubick agreed, and added that the Board's responses in the Values Questionnaire would be useful to navigate the process.

Ms. Adams explained that the focus of the April 11 Board meeting presentation would be to educate the members on how the current plans work, then to have a policy discussion on values. These values would then go back to the Committee, which would work with Mr. Sturdivan to develop plan options.

ADJOURNMENT: There was no further business, and the meeting was adjourned at 3:21 p.m.

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Recording Secretary

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

March 9, 2012

Pursuant to notice given to *The Register-Guard* for publication on March 5, 2012, 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 on Friday, March 9, 2012, in the District's Board Room at 3500 E 17th Avenue, Eugene.

Present: Michael Dubick, Chair
Gary Gillespie
Dean Kortge
Ron Kilcoyne, General Manager
Mary Adams, Director of Human Resources and Risk Management
Susan Oldland, Administrative Secretary, Human Resources
Renee Jones, Administrative Secretary/Recording Secretary

CALL TO ORDER: Mr. Dubick called the meeting to order at 4:07 p.m. and called the roll.

APPROVAL OF MINUTES: Mr. Kortge moved approval of the following meeting minutes as written: September, 28, 2010, HR Committee meeting; October 12, 2010, HR Committee meeting; April 26, 2011, Joint Finance and HR Committee meeting; and January 24, 2012, Joint Finance and HR Committee meeting. Mr. Gillespie provided the second.

VOTE The motion was approved as follows:
AYES: Dubick, Gillespie, Kortge (3)
NAYS: None

GENERAL MANAGER EVALUATION PROCESS: Ms. Adams began the discussion by reminding the Committee members of the meeting that took place on February 28 where a two-step process was developed for evaluating the general manager. The first step was complete, which consisted of feedback directly to Mr. Kilcoyne from LTD's Leadership Council members. That feedback was based on Mr. Kilcoyne's first four months with the District.

The second step is a more comprehensive outreach to employees, the LTD Board, and leaders of the community. Ms. Adams presented documents that were pieces of past general manager evaluations. She proposed utilizing the previously used *Assessment of the General Manager* questionnaire that the American Public Transportation Association (APTA) had created. Through the past several years, this questionnaire has been modified to fit LTD's needs.

Mr. Dubick asked the Committee members their opinions of the questionnaire. Mr. Gillespie responded that the questionnaire looked acceptable to him. Mr. Kortge responded that the questionnaire itself was satisfactory, but he wanted clarification about who would be filling it out. Ms. Adams clarified that the first questionnaire that was being analyzed was only for Board members to fill out.

Mr. Kortge expressed concern that some of the subjects to be analyzed were perhaps too focused, such as the general manager's relationship with bus riders. He said he wasn't sure that Board members knew Mr. Kilcoyne well enough to analyze to such a degree. Mr. Kilcoyne pointed out the “Not Applicable” check box that was on the questionnaire, and Mr. Dubick said that adding a “Not Observed” column may make sense due to the fact that Mr. Kilcoyne was still so new to the District.

Mr. Kortge asked Mr. Kilcoyne what he would like to see on the questionnaire.

Mr. Kilcoyne responded that “Section II – The General Manager/Board Partnership” section was very important to him because he would really like to know how the Board feels he’s doing. He said that he appreciated the one-on-one meetings that he had with Board members in the beginning of his tenure, and would like to continue hearing the Board’s concerns or issues as he moves from a learning stage into an accountability stage.

Mr. Kilcoyne said that he also would like Board members to be able to provide direction and express in this assessment what they feel should be the general direction of the District and how he can help get it there.

Mr. Dubick said that his focus on this whole process is to not go through it simply because it’s time to go through the process, but instead to compile useful data that will help the general manager and the District. Mr. Kortge agreed and added that the format of this questionnaire would indeed assist the Board with this outcome.

Each Committee member gave a brief description of how they felt Mr. Kilcoyne could best interact with them as members of the Board.

The Committee members all agreed that the *Assessment of the General Manager* questionnaire was acceptable as it was, specifically for the Board members evaluations. Ms. Adams suggested, based on earlier input from Mr. Dubick, that a “Not Observed” column be added. This column could then create for Board members an opportunity for discussion with Mr. Kilcoyne regarding those particular points that they have not yet observed.

Mr. Dubick recommended using the open-ended questions on page 29 and 30 of the packet for both Board members and staff so that there was some crossover and so that there could be the ability to do some cross referencing and comparison.

Ms. Adams explained that the open-ended questions on pages 33 and 34 were specifically developed for Mark Pangborn’s first year as general manager. They were developed by the Board to address how effective he was in transitioning from an office operations-type leader to the general manager.

It was brought up that some staff members may not be able to answer all questions, and Ms. Adams suggested that as part of the instructions it might say, “If you can’t respond to a question, please leave it blank.”

To reiterate the Committee’s decision, Ms. Adams stated that the original *Assessment of the General Manager* questionnaire was to be used by Board members, and the open-ended questions at the end of that questionnaire was to be used by both Board members and staff. The Committee members agreed.

Ms. Adams next turned the Committee's attention to the community leader portion of the evaluation. She said that there have been a variety of approaches used to reach out to community leaders, including using the *Assessment of the General Manager* questionnaire.

For the past few years, the open-ended question format has been used with Board members reaching out to key community leaders and asking the questions. This approach generated beneficial feedback and a broad base of information; however, several Board members had a hard time getting a hold of and getting information from those community members who were on their list of people to contact.

The last time the community leader survey was performed, the questions on page 32 were used as Board members interviewed the community person.

Ms. Adams reviewed the list of community leaders and said that she had highlighted eight people with whom Mr. Kilcoyne has worked with in his tenure at the District. Mr. Kortge agreed with the highlighted list and said that he thought it was a good idea to use a more targeted approach in the number of people who were interviewed. The narrowed down list included the mayors of both Eugene and Springfield, both city managers, both chamber directors, the county administrator, and the executive director from Lane Council of Governments.

Mr. Dubick said that he preferred the list of questions on page 31 of the packet because they focus more on the general manager than on the District. Ms. Adams replied that she had put that list of questions together based on keeping it brief and focusing on Mr. Kilcoyne instead of the District.

Mr. Kilcoyne agreed that the list of eight people who were highlighted was a fitting list that covered representatives of both cities as well as the county.

Mr. Gillespie said that he would like to see a representative from Lane Community College on the list. It was also suggested to add 4J's Superintendent Sheldon Berman to the list. It was decided that, since Ron had not yet met with either of these individuals, it may be better suited to add these people to the list for next year.

Mr. Kortge suggested that it might be a sound idea to add to the list a representative from Our Money Our Transit. When asked who, the Committee members agreed that Jozef Siekiel-Zdzienicki would be a worthy addition due to his consistent involvement with LTD and his regular feedback on many issues.

After some discussion, the Committee members agreed with the list that Ms. Adams originally presented, with the addition of Jozef Siekiel-Zdzienicki.

The Committee members then signed up to speak to three community members each:

- Dean Kortge: 1) Dan Egan, 2) Gino Grimaldi, and 3) Jozef Siekiel-Zdzienicki
- Michael Dubick: 1) George Kloeppel, 2) Liane Richardson, and 3) Christine Lundberg
- Gary Gillespie: 1) Dave Hauser, 2) Jon Ruiz, and 3) Kitty Piercy

The timeline suggests that all evaluations be returned to staff by April 4 so that Mr. Kilcoyne can draft the general manager goals and objectives by the end of April. The evaluations and the general manager goals and objectives would then be reviewed for adoption by the Board at the regular Board meeting on May 16.

It was agreed that Mr. Kilcoyne would, within the next day or two, send an e-mail to the chosen community leaders letting them know that a Board member would be contacting them with a set of general manager evaluation questions.

ADJOURNMENT: There was no further discussion, and the meeting was adjourned at 5:21 p.m.

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Recording Secretary

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BOARD HUMAN RESOURCES COMMITTEE
AGENDA ITEM SUMMARY

DATE OF MEETING: April 24, 2012

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

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

ACTION REQUESTED: That the Board meet in Executive Session pursuant to ORS 192.660(2)(i), to review and evaluate the employment-related performance of the general manager.

ATTACHMENT: None

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

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