



Lane Transit District

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for publication on May 15, 2015.

**LANE TRANSIT DISTRICT
BOARD HUMAN RELATIONS COMMITTEE MEETING**

Monday, May 18, 2015

8:00 a.m.

**Conference Room A
3500 E. 17th Avenue, Eugene
(Off Glenwood Boulevard in Glenwood)**

Public testimony will not be heard at this meeting.

A G E N D A

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| I. | CALL TO ORDER | |
| II. | ROLL CALL | |
| | Gillespie (Chair) _____ Wildish _____ Grossman _____ | |
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MINUTES OF HUMAN RELATIONS COMMITTEE MEETING
LANE TRANSIT DISTRICT BOARD OF DIRECTORS

April 9, 2015

Pursuant to notice given to *The Register-Guard* for publication on April 08, 2015, and distributed to persons on the mailing list of the District, a meeting of the Lane Transit District Board of Directors Human Relations Committee was held at 8:00 a.m. on Thursday, April 9, 2015, in the Next Stop Center at 1099 Olive Street, Eugene.

Present:

Committee: Gary Gillespie, Chair
Julie Grossman
Gary Wildish

Staff: Ron Kilcoyne, General Manager
Roland Hoskins, Director of Administrative Services
David Collier, Human Relations Manager
Jeanne Schapper, Clerk of the Board
Mackenzie Cowan, Human Relations Secretary

Guest: Dwight Purdy, Attorney at Law, Thorp Purdy Jewett Urness & Wilkinson, P.C.

CALL TO ORDER: Mr. Gillespie called the meeting to order at 8:02 a.m. and called the roll.

APPROVAL OF MINUTES: Mr. Wildish moved approval of the January 9, 2015, minutes; Ms. Grossman provided the second.

VOTE The motion was approved as follows:

AYES: Gillespie, Wildish, Grossman (3)
NAYS: None

Ms. Grossman moved approval of the January 26, 2015, minutes. Mr. Wildish provided the second.

VOTE The motion was approved as follows:

AYES: Gillespie, Wildish, Grossman (3)
NAYS: None

GENERAL MANAGER SELECTION PROCESS: Mr. Hoskins reviewed the options for the Board regarding the selection process. He asked that the Committee discuss Mr. Kilcoyne's date of retirement and extended benefits and whether or not the HR Committee wants to develop an executive recruitment committee similar to the one that was formed during the previous executive recruitment process. During the previous process, the HR Committee was responsible for outreach, and the executive recruitment committee was more involved in the Request for Proposal (RFP) selection and finalizing the general manager selection process. Mr. Gillespie added that during the previous process, the executive recruitment committee also did site visits for the individual candidates.

Ms. Grossman asked what the scope of outreach was for the HR Committee during the previous recruitment process. Mr. Hoskins responded that there was a list of potential people with whom the Committee wanted to engage, which included other administrators in the area, businesses, representatives of the Chambers, and various others such as past Board members. Mr. Gillespie added that it was similar to the General Manager 360 evaluation that was recently conducted. Mr. Hoskins said that he believed that previously, members of the executive recruitment committee conducted personal calls and individual interviews as part of the process.

Mr. Hoskins said that he wanted to provide additional information for the Committee to think about. He said that it would be a good idea to review advantages and disadvantages of different interim strategies. He also stated his intent to go over the goals of the selection process; he said that he felt that one of the areas of the process that could be improved upon was for the Board to be specific about exactly what they are looking for in a candidate.

Mr. Wildish stated that he felt it was important for Board members to be engaged in the process and to be able to participate as much as they wished to participate. Mr. Gillespie expressed his agreement with Mr. Wildish.

Mr. Gillespie asked Mr. Kilcoyne his preference for his date of retirement. Mr. Kilcoyne responded that he would prefer to remain at Lane Transit District until a new general manager is hired. Mr. Gillespie remarked that Mr. Kilcoyne's preference is similar to the route that was taken when the previous general manager, Mark Pangborn, retired. Mr. Hoskins responded that Mr. Pangborn provided the Board with a retirement date long before he retired. As the date approached, the Committee met; and at that time, decided to retain Mr. Pangborn as the general manager through the selection process.

Ms. Grossman asked for a reasonable timeline for the complete selection process. Mr. Hoskins said that the previous selection process was completed in ten months, though this time it could take at least six to nine months. He said that a potential issue with the process is that if the process extends into November or December, very little movement typically occurs during those months, which could impede progress.

Ms. Grossman asked if there is anything that gives the executive search a sense of urgency. Mr. Hoskins said that there are a couple of cautions to consider. He said that he would not go into the process with a strong sense of urgency; and that, typically, if a person feels that he or she must make a quick decision, it may not be the best decision for the organization. He said that if the Board reaches the end of the selection process and does not feel comfortable with any of the candidates, he would suggest that the process be halted and reevaluated. He said that it is important that the Board understand that they should select the candidate that they feel is best for the organization.

Mr. Wildish said that a date would be beneficial to the organization, though flexibility may be needed for Mr. Kilcoyne depending on any opportunities that arise for him in the future.

Mr. Kilcoyne said that a possible retirement date could be in October due to two critical projects that will conclude in September or October: the payroll tax decision and the *MovingAhead* project.

Ms. Grossman said that she believes it would work best with the timeline to have a date known, although October 1 seems as though it would be a best case scenario situation. She said that it sounded like a July date would be more applicable if the Board were to consider an interim situation, but it seemed there were some ongoing projects that would not lend themselves well to the entrance of an interim general manager.

Mr. Wildish said that the October date could be moved to a later date if needed. He said that if the need for an interim arises in the future, then the Board can consider it at that time.

Mr. Hoskins presented the pros and cons for the Committee's consideration. He said that there are three choices to consider when facing a potential interim situation. First, the Board could choose an external interim candidate. Usually, when a Board chooses an external interim candidate, the organization is broken; if there is a lot of chaos in an organization, an external candidate can enter the organization and settle the issues. He said that an external candidate could, however, cause difficulties in an organization that is not broken; it could cause increased competition for internal leaders, which could eventually lead to an organization fracturing. Mr. Hoskins said that an external candidate also may not be advantageous if there is a good working structure in an organization, as the external candidate would not know the structure and process and may inadvertently damage a successful structure. He said that it also could give a sense to personnel in the organization that the Board does not believe in the people within the organization, which increases stress. The more change in the organization, the more stress that will be put on its staff.

The second option the Board could consider is an internal employee for the interim position; however, there are disadvantages. He said that an internal employee would be a familiar face, which would be good for staff, and that it is important for the directors to work well together. He said that it is important that staff be provided clear feedback and clear instruction on the process in the future; boundaries, roles, and responsibilities should be clearly communicated. He said that the biggest aspect of appointing an internal employee to interim would be whether or not he or she would be considered as a candidate for the general manager position. He said that an internal employee as interim would not be healthy for the organization if he or she did not understand the process and did not know whether or not he or she would be considered for the permanent position. In that case, that would create internal competition and fracture successful working relationships. There also are informal leaders in organizations that may not have positional power but may have a tremendous amount of influence in an organization. If there is some sort of fracturing, the informal leaders will typically align themselves with a person, which may cause the organization to fracture to an even greater extent due to differences in alignment and loyalty. Mr. Hoskins said that many aspects of an internal employee becoming the interim general manager could be clarified with good, up-front communication. Mr. Hoskins added that it may not be healthy if the Board appointed an internal interim general manager who would not be part of the selection process but performed well as the interim. He said that such a situation may be disadvantageous because there would be change when the permanent candidate was selected, which would disrupt an organization that had seen some settling.

Mr. Hoskins said that the third option that the Board could consider is an interim situation where Mr. Kilcoyne remains until a new candidate is selected. He said that the most important aspect of this

option is for the department directors to have clear instruction with regard to their roles in the process; the directors' support will enable a smooth transition from Mr. Kilcoyne to the next general manager. Mr. Hoskins said that the third option would not be positive if the directors did not receive clear instruction, were not supportive of the process, and competition within the organization increased. Another possibility to consider is that Mr. Kilcoyne may want to exit the organization sometime during the selection process.

Mr. Wildish thanked Mr. Hoskins for detailing the options and expressed his feeling that he would like to do whatever he can to prevent the organization from fracturing. He said that he would like to look at keeping Mr. Kilcoyne in the organization until a new candidate is selected. Mr. Gillespie and Ms. Grossman agreed that they wanted to discuss having Mr. Kilcoyne remain.

Mr. Gillespie said that it was his understanding that during the last executive recruitment process, a decision was made to not consider any internal candidates. He said that perhaps having Mr. Kilcoyne remain would work better if the Board decided whether or not they would accept internal candidates; otherwise, it may lead to a competitive situation.

Mr. Hoskins said that he believes a downfall of the last recruitment process was the lack of communication with the internal candidates. He said that the lack of communication caused strain in the organization. He said that the Board should be very clear about the recruitment process as it moves forward.

Ms. Grossman said that she believes that as long as the Board is extremely clear about what they are looking for in a candidate and clearly and effectively communicates that expectation, she does not see why an internal or external candidate would be an issue. She said that she is more interested in finding the right person for the position, regardless of the person being an internal or external candidate.

Mr. Gillespie expressed his concern over potentially encountering the same hurtful situation that internal candidates faced during the previous executive recruitment. Mr. Hoskins said that the most important thing is for the Board to have very clear communication and give effective feedback to the candidates.

Mr. Kilcoyne said that during the previous recruitment process, there were no preliminary interviews with a committee before interviewing with the full Board. He said that it was the first time in his experience that his first meeting with a Board member was with the entire Board. He said that typically a search committee consists of perhaps three Board members interviewing five to nine semi-finalists and then will invite two or three candidates back for a final interview.

Mr. Gillespie asked Mr. Hoskins about the process of negotiating extended benefits for Mr. Kilcoyne. Mr. Hoskins said that the negotiation would take place between the Board and Mr. Kilcoyne, and Mr. Purdy would broker the conversation. Mr. Hoskins said that there are already some extended health benefits in place that a retiree receives, such as a monthly stipend for a retiree to apply towards health care benefits.

Mr. Hoskins presented an overview of what happens during a recruitment. He said that there are two things that can cause issues on the executive side: first, having an internal candidate that everybody knows is going to receive the position. He said that other candidates won't apply if they know there is a strong internal candidate because it seems too risky to their current positions. He said that if the Board wants to look at an internal candidate, they should create a process to accompany such a decision and do a trial run with the internal candidate.

Mr. Hoskins said that the scenarios that he has described are things for the Committee to consider, but they don't have to make any decisions right at this moment. He said that a retirement date will be helpful for a couple of reasons: it will calm the organization down, and it will give the Committee options with which to work in the future. Mr. Gillespie noted that the date could be extended for Mr. Kilcoyne to remain in the organization if needed.

Mr. Hoskins said that a deterrent for candidates applying for positions in Oregon is that the process is extremely open, which increases the risk to candidates. He said that the Board can strategize exactly how and when to open the process to the public.

Mr. Hoskins said that another possible source of information for the recruiting process is to form a group of community members that can provide feedback on the recruitment process. He said that the group would be composed of members selected by the Board. Ms. Grossman asked what kind of community members could make up the group. Mr. Hoskins suggested that they look for transit advocates, community leaders, community members at-large, and riders.

Mr. Kilcoyne asked when the names of applicants must be made public. Mr. Purdy responded that there does seem to be a procedure where information may be kept confidential for a period of time, but the firm is still researching when names must be made public.

Mr. Hoskins said that he anticipates that the Request for Proposal (RFP) will be ready to send out quickly. Mr. Collier concurred, saying that the RFP could be ready the following week. He said that the RFP would most likely require only minor changes from the previous recruitment process.

Mr. Hoskins said that the Committee needs to create a consensus that they will take to the full Board on how they would like to move forward with the retirement and recruitment process.

Mr. Purdy said that Mr. Kilcoyne has asked for health benefits through the end of the year. Mr. Purdy suggested that the Board determine Mr. Kilcoyne's retirement date before deciding on a date for extended benefits.

Mr. Kilcoyne reported that LTD is hosting the Oregon Transit Association in Eugene this year from October 18-21, 2015. Mr. Gillespie asked if October would be an acceptable retirement date, and Mr. Kilcoyne responded in the affirmative.

Mr. Collier said that when Mr. Kilcoyne began as the general manager, there was a two-week gap between Mr. Pangborn's departure and Mr. Kilcoyne's start date. He added that if Mr. Kilcoyne works until the end of a particular month, his benefits will continue through the next month.

Mr. Kilcoyne said that the intent with the previous executive search was for him to begin as the general manager the day after Mr. Pangborn departed, but Mr. Kilcoyne asked for his start date to be postponed two weeks.

Mr. Wildish said that he feels having a date is important so that staff can be certain of a timeline.

Mr. Purdy said that there are two options: 1) Have Mr. Kilcoyne's departure be open ended, with him departing when a new general manager is hired; or, 2) Select a date with the option of retaining Mr. Kilcoyne as general manager per month-to-month contracts until the executive recruitment process is finished.

Ms. Grossman proposed they elect either October 1 or November 1 as a date for Mr. Kilcoyne to become interim general manager and remain on with the organization on a month-to-month basis.

Mr. Purdy said that there is no difference between Mr. Kilcoyne being the general manager or the interim general manager. He said that now that Mr. Kilcoyne's retirement has been announced, he is, in essence, already the interim. Mr. Purdy said that the date the Committee elected would be a point where they would move to month-to-month contracts with Mr. Kilcoyne.

Mr. Gillespie moved the approval of presenting September 30, 2015, as Mr. Kilcoyne's date of retirement to the full Board:

VOTE The motion was approved as follows:

AYES: Gillespie, Grossman, Wildish (3)
NAYS: None

Mr. Purdy said that currently Mr. Kilcoyne has family health insurance, approximately \$1,900.00 per month. Mr. Hoskins said that it would cost \$670.00 for only Mr. Kilcoyne to be insured, approximately \$1,500.00 for Mr. Kilcoyne and his spouse, and approximately \$1,900.00 for Mr. Kilcoyne, his spouse, and a dependent child.

Mr. Purdy said that Mr. Kilcoyne requested that health insurance coverage be extended through the end of 2015. Mr. Purdy asked if Mr. Kilcoyne could stay on LTD's current plan from September 30, 2015, to December 31, 2015, not COBRA. Mr. Collier confirmed that Mr. Kilcoyne could stay on LTD's current plan.

Mr. Wildish asked if Mr. Kilcoyne would receive a \$275.00 stipend from September 30, 2015, to December 31, 2015, as other retirees do after their last day of work. Mr. Kilcoyne said that he thought he would not receive the stipend for the months he was still covered under LTD's plan. Mr. Purdy said that he believed that Mr. Kilcoyne is legally entitled to the stipend after September 30. Mr. Kilcoyne said that he would be willing to waive the stipend for those three months. He also said that if there is not a new general manager by September 30 and he continues as the general manager, then the conversation of continued benefits through December 31 would be irrelevant.

Mr. Gillespie asked if appointing September 30 as the retirement date meant Mr. Kilcoyne was committed to working for LTD until September 30. Mr. Purdy said that if Mr. Kilcoyne had another

employment opportunity, he would have the right to take that opportunity, even if it were prior to September 30. Mr. Kilcoyne said that if that situation arose, he would notify the Board 30 days prior to his departure.

Mr. Gillespie asked if the RFP from the previous executive search could be sent to the HR Committee for review. He said that he liked the stipulation in the RFP that said if the new GM left LTD within one year, the executive search firm would conduct another recruitment at no extra cost.

Mr. Hoskins asked if the HR Committee would like LTD staff to abstain from posting the RFP until April 15. Mr. Gillespie answered in the affirmative.

Ms. Grossman asked if there would be an opportunity for the full Board to have a conversation regarding the selection process. Mr. Hoskins responded that at the next Board meeting, the Board would need to decide on whether or not to form an executive recruitment team to make decisions during the recruitment. He said that he also will give the full Board an overview of the entire process, similar to the information he provided at the current meeting.

Ms. Grossman said that in addition to Mr. Hoskins providing information to the Board at its next meeting, she also would like the meeting to provide a forum where the Board can share their thoughts on characteristics and criteria desired in the next general manager.

Mr. Kilcoyne suggested that the Board wait for the appointment of the seventh Board member before creating criteria for what the Board desires in a new general manager. Mr. Wildish said that he thinks that the recruiting firm will request criteria from the Board; and at that point, he hopes that he seventh Board member will be officially on the Board.

Mr. Hoskins said that a strategy to consider for the recruitment process is to design an outreach process to gain input from community members. Mr. Wildish said that he would like to see a broader group weigh in on the selection process than merely the HR Committee.

Mr. Kilcoyne said that one possibility would be to form an additional committee of three Board members to have a total of six Board members involved in the selection process. Mr. Gillespie said that not all the Board members may necessarily be interested in serving on the committee.

Mr. Gillespie then asked when the RFP deadline might be. Mr. Collier said that it is typically open for two weeks, which would put the close date at May 1. Mr. Wildish offered that perhaps an executive recruitment firm could be selected during the May 20 Board meeting.

Ms. Schapper clarified that the executive search committee can include all Board members. She added that during the previous executive search, two Board members elected not to participate.

Mr. Collier said that after the RFP closes, the HR Committee will need to review the responses from the RFP and conduct phone interviews. He said that the selection process may take longer than the Board might expect. Ms. Grossman responded that she realizes such a deadline for selecting the executive recruitment firm may be ambitious, but that perhaps the HR Committee could aim for it anyway.

Mr. Gillespie said that he believes it is important to hear feedback from the Board and the community about what traits are desired in a general manager. Mr. Hoskins added that it also would be beneficial for community leaders to describe the behavior that is desired in a general manager.

Mr. Kilcoyne said that one of the themes he has heard today is clarity and being clear about the entire process. He said that clarity is important even after a general manager is hired. Mr. Kilcoyne added that the more that staff hear from the Board regarding the selection process, the more beneficial it will be to the organization.

NEXT MEETING: Mr. Gillespie asked if it would be necessary for the HR Committee to meet again in the month of April. Mr. Hoskins suggested that the Committee meet before the end of April. He asked that the Committee members come prepared with names of community members from whom the Board would like to hear feedback.

ADJOURNMENT: The meeting was adjourned at 10:00 a.m.

Recording Secretary

BOARD HUMAN RELATIONS COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: May 18, 2015

ITEM TITLE: EXECUTIVE SEARCH FIRM SELECTION PROCESS

PREPARED BY: Roland Hoskins, Director of Administrative Services, and
David Collier, Human Relations Manager

ACTION REQUESTED: The Committee will conduct interviews for the Executive Recruitment firm and choose a firm to recommend to the full Board for approval during the May 20, 2015, Board meeting.

BACKGROUND: With General Manager Ron Kilcoyne's intent to retire, the Board of Directors will conduct a search for a new general manager. The Board Human Relations Committee has been tasked with interviewing Executive Search firms and making a recommendation to the full Board on which firm to hire.

ATTACHMENTS: None

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