MINUTES OF HUMAN RESOURCES COMMITTEE MEETING

LANE TRANSIT DISTRICT

Monday, December 18, 2017

Pursuant to notice given to *The Register-Guard* for publication on December 11, 2017, and distributed to persons on the mailing list of the District, the Human Resources Committee of the Lane Transit District held a meeting on Monday, December 18, 2017, beginning at 2:30 p.m., at the LTD Board Room, 3500 E. 17th Avenue, Eugene, Oregon.

Present: Gary Gillespie, Chair
Gary Wildish
Carl Yeh (via teleconference)
Camille Gandolfi, Clerk of the Board
Roland Hoskins, Assistant General Manager Administrative Services
Kristin Denmark, General Counsel
Lynn Taylor, Minutes Recorder

CALL TO ORDER/ROLL CALL — Mr. Gillespie convened the meeting of the Human Resources (HR) Committee and called the roll.

MOTION **APPROVAL OF MEETING MINUTES** — Mr. Wildish moved to approve the minutes of the November 20, 2017, Human Resources Committee meeting as presented. Mr. Yeh provided the second.

VOTE The motion passed as follows:
AYES: Gillespie, Wildish, Yeh (3)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

MOTION **EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(l),** to review and evaluate the employment-related performance of the LTD general manager — Mr. Wildish moved that the committee enter executive session pursuant to ORS 192.660(2)(l) to review and evaluate the employment-related performance of the LTD general manager.

VOTE The motion passed as follows:
AYES: Gillespie, Wildish, Yeh (3)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

The committee entered executive session at 2:40 p.m.

The committee returned to regular session at 3:35 p.m.

GENERAL MANAGER CONTRACT NEGOTIATION — Ms. Denmark said the term "compensation" was considered to include financial compensation and all other compensation such as benefits. She said the current contract stated that the general manager would receive the same cost of living increases as other employees, but Ms.

Jackson had requested that in lieu of receiving a cost of living increase she might receive another benefit of additional leave.

Mr. Hoskins said Ms. Jackson's intent was to separate her compensation package with the Board from the organization so there was no direct benefit to her as the result of labor negotiations or other Board action.

Ms. Denmark noted that if the language was stricken from the contract Ms. Jackson would not benefit from any increases to compensation received by non-union employees.

Mr. Hoskins said the reason Ms. Jackson wanted the separation was because the organization's compensation was based on the financial stability of the organization, while Ms. Jackson's compensation was between her and the Board.

Mr. Wildish asked if removing the language from the contract meant the Board would not be able to give Ms. Jackson an increase. Ms. Denmark said the Board would always have the discretion to increase salary, but that was not what Ms. Jackson preferred. The Board would be setting the general manager's compensation for the coming year and it was possible that staff could receive an increase during that time. While the Board might increase Ms. Jackson's benefits at this time, the revised language would not provide an increase in her salary.

Mr. Gillespie said increasing 2018 hours by five percent, which was the top of the range Ms. Jackson had suggested, would provide 104 hours of additional leave. He said another option might be to increase the car allowance. Mr. Hoskins said the car allowance was no longer in the contract. In Ms. Jackson's original contract the Board removed the car allowance, gave her the base of the prior general manager with a $2,000 adjustment in the second year that would become effective if the Board did not act to prevent it. That reflected the total compensation for Ms. Jackson during that contract period and these negotiations would make revisions to the third year of the contract, which Ms. Jackson hoped to separate from the organization to avoid automatic salary increases based on what occurred in the organization.

Mr. Wildish said 40 hours of additional leave represented $3,000, or an increase of 1.9 percent of the general manager's existing salary. He said 80 hours represented an increase of 3.8 percent and Mr. Gillespie's proposal of 104 hours represented a five percent increase. A cost of living increase was typically between two and three percent.

In response to a question from Mr. Wildish, Mr. Hoskins said Ms. Jackson's current leave accrual was three weeks per year.

Mr. Gillespie asked if employees had the ability to cash out leave. Mr. Hoskins said employees could cash out leave if they pre-elected to do so and actually took at least two weeks off during the year. He said Ms. Jackson did not flex time off between pay periods, any time off was deducted from her accrued leave bank.

Mr. Wildish commended Ms. Jackson's high standards. He said the HR Committee would need to make a recommendation to the Board and the options under consideration included removing language from the contract tying salary increases to those of LTD staff and increasing Ms. Jackson's leave by 40, 80, or 104 hours.

Ms. Denmark noted that the current contract would expire November 29, 2018, so at the conclusion of these negotiations the HR Committee should develop a schedule for negotiating a new contract. Mr. Hoskins said current negotiations were a response to the general manager's performance during the past year; significant changes to the contract terms and conditions would be appropriate to discuss during negotiations on a new contract. He said decisions being made now would not impact future negotiations.

Ms. Denmark said it was helpful to have a proposal from the general manager about what would be most personally beneficial. She said Ms. Jackson was also concerned that she could have a conflict of interest if she made a recommendation to the Board about staff compensation increases if that was tied to her compensation.

Mr. Wildish proposed an increase of 80 hours to Ms. Jackson's leave, which represented a 3.8 percent increase and would indicate the Board's appreciation for Ms. Jackson.

Mr. Yeh said that he supported the proposal.

Ms. Denmark said if the Board was concerned about accrual of a significant amount of leave it could request that the general manager notify the Board before taking more than a certain amount of leave.

Mr. Wildish said he had some concern about accruing a large amount of leave, such as eight weeks or more. In his experience, organizations often capped the amount of leave that could be accrued. Mr. Hoskins said LTD's policies required employees to pre-elect leave cash-out at the beginning of the year, an employee was required to use two weeks of leave before being able to cash out (although exceptions were possible), and there was a cap on the number of hours of leave that could be accrued.

Mr. Gillespie favored a five percent increase of 104 hours, which could allow the general manager to take leave in small increments.

Mr. Wildish thought it was unlikely that Ms. Jackson would take off small amounts of time based on her habits during the last two years. Mr. Hoskins agreed and said even when Ms. Jackson was on vacation she remained connected to the organization.

Mr. Wildish asked if other staff would be offended if the Board increased Ms. Jackson's leave. Mr. Hoskins replied that staff was unhappy with the decision to not provide a cost of living increase in the current year, but employees who were eligible for merit increases did receive them. He said the question was how to manage the general manager's contract with the Board and did not think there would be an issue within the organization over increasing leave instead of an increase to salary.

Mr. Wildish said he wanted to be sensitive to the rest of the organization, which is why he did not propose the maximum leave increase of five percent.

Ms. Denmark encouraged the HR Committee, when making its recommendation to the Board, to provide as much detail as possible. That information could include the fact that while staff did not receive a cost of living increase they did receive merit increases if eligible and this was a merit increase for the general manager. It should also include the calculations on which the recommendation was based: 40 hours = 1.9 percent increase, 80 hours = 3.8

percent increase, 104 hours = five percent increase. Mr. Hoskins said the calculations could also be expressed as days instead of hours.

Mr. Yeh supported an increase of 80 hours as it was consistent with the contract and the general manager's request.

MOTION Mr. Yeh moved to recommend a merit increase be given to the general manager in the form of 80 hours of vacation leave. Mr. Wildish provided the second.

VOTE The motion passed as follows:
AYES: Wildish, Yeh (2)
NAYS: Gillespie (1)
ABSTENTIONS: None
EXCUSED: None

Mr. Gillespie said his vote reflected his preference for a larger increase in leave.

Ms. Denmark said based on the committee's discussions and recommendation she would prepare a motion for the Board meeting recommending that the Board increase the general manager's consolidated annual leave by 80 hours in lieu of any other financial compensation, including a cost of living increase, and contract language be revised to eliminate cost of living increases for the remainder of the contract term. She said another motion should recommend the HR Committee's evaluation of the general manager to the Board.

Mr. Yeh concurred that Ms. Denmark had accurately reflected the intent of his motion.

Mr. Gillespie asked if language regarding notice to the Board of leave taking in excess of a certain number of days. Ms. Denmark said that would be most appropriately address during negotiations on a new contract. The HR Committee would also need to propose the general manager's goals and objectives for 2018.

MOTION Mr. Yeh moved to recommend to the Board that the general manager had met or exceeded her goals. Mr. Wildish provided the second.

VOTE The motion passed as follows:
AYES: Gillespie, Wildish, Yeh (3)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

NEXT MEETING — The next meeting of the Human Resources Committee was scheduled for January 15, 2018.

ADJOURNMENT — Mr. Wildish adjourned the meeting at 4:15 p.m.

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Board Secretary