MINUTES OF THE DIRECTORS' MEETING

LANE TRANSIT DISTRICT
REGULAR BOARD MEETING

Wednesday, November 19, 1997
7:00 p.m.

Pursuant to notice given to *The Register-Guard* for publication on November 14, 1997, and distributed to persons on the mailing list of the District, the regular monthly meeting of the Board of Directors of the Lane Transit District was held on Wednesday, November 19, 1997, at 7:00 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Kirk Bailey, Vice President
Rob Bennett
Patricia Hocken, President, presiding
Dave Kleger, Treasurer
Mary Murphy, Secretary
Roger Saydack
Hillary Wylie
Phyllis Loobey, General Manager
Susan Hekimoglu, Recording Secretary

Absent: None

CALL TO ORDER: Board President Pat Hocken called the meeting to order at 7:02 p.m. Mr. Bennett was not yet present when Ms. Hocken called the meeting to order.

EMPLOYEE OF THE MONTH: Ms. Hocken introduced bus operator R. L. Montgomery as the December 1997 Employee of the Month. Mr. Montgomery has been employed at Lane Transit District since September 1978, and has received awards for 13 years of Safe Driving and 11 years of Correct Schedule Operation. In addition, Mr. Montgomery has been an operator instructor during his employment with the District. He was selected previously as the Employee of the Month in April 1987 and November 1991. Mr. Montgomery was nominated by a co-worker and a customer, who both complimented him for his outgoing personality and his attention to keeping the schedule, which had helped make the new #98 Cottage Grove route a success.

Ms. Hocken presented Mr. Montgomery with his award and thanked him for his service. Mr. Montgomery said that he enjoyed the people who rode his bus every day, and he tried to make the ride more interesting and fun for the riders by making his destination announcements more interesting. In addition, he stated that working for Ms. Loobey all those years was a joy. He complimented his co-workers and the Board of Directors for the excellent job they did.

AUDIENCE PARTICIPATION: Ms. Hocken asked if anyone in the audience wished to speak before the Board.

(1) LTD Transit Planner Will Mueller read a letter, which was signed by 31 employees, requesting that the Board not approve a Board Compensation Committee Recommendation regarding a Moss-Adams Compensation Report. The letter stated four concerns regarding implementation of the compensation plan and recommended several alternatives to that implementation. Mr. Mueller distributed copies of the letter to all Board members.

(2) LTD Computer Systems Analyst Michael Northup discussed the feeling among the employees in regard to the salary study implementation. Mr. Northup stated that this was the third salary study at the District since he began work there. Each one had been a difficult and painful process. He felt that this study had been the most difficult and painful. Most of the employees did not disagree in principle with the proposed salary schedule, but were not comfortable with the proposed implementation plan. He realized that the Board would not be voting on the implementation of the study, but staff were not clear on where and how the implementation decision was to be made.

Mr. Northup stated that in the last several weeks, there were many ideas presented about the implementation, and the 30/70 figure that Mr. Mueller had mentioned (as the dollar distribution between non-management and management positions) was one of those. Employees were not clear whether those figures represented direction from the Board or if the management staff believed those figures to be ones that the Board would be comfortable with. Mr. Northup explained that the hard feelings among the employees were due in part to the uncertainty about exactly what was going on. Employees were pretty confident about the $30,000 figure, because when the increases were added up for those who were below the new midpoint scale and for those who still were eligible for merit increases in 1998-99, they totaled that amount. Mr. Northup asked the Board to think about the process, how process was proposed to be implemented, and to consider equity.

(3) LTD Transit Planner Paul Zvonkovic read a letter that he had written to the Board in consideration of the compensation study. In the letter, he summed up the feelings of the administrative employees, the kinds of jobs they performed, and why employees were asking for the Board's consideration. Mr. Zvonkovic stated that it was very difficult for the employees to make these presentations to the Board. After reading the letter, he distributed copies to the Board members.

ITEMS FOR ACTION AT THIS MEETING: **CONSENT CALENDAR**: The consent calendar consisted of the minutes of the September 29, 1997, Special Meeting / Work Session; the minutes of the October 13, 1997, Joint Meeting with the Eugene City Council; the minutes of the October 15, 1997, regular Board meeting; and the nomination of Gino C. Grimaldi of Springfield to the LTD Budget Committee.

MOTION

VOTE

Mr. Bailey moved that the Board adopt the following resolution: It is hereby resolved that the Consent Calendar for November 19, 1997, is approved as presented. Mr. Kleger seconded the motion, which carried by unanimous vote, 6-0, with Bailey, Hocken, Kleger, Murphy, Saydack, and Wylie voting in favor, none opposed. Mr. Bennett was not yet present.

GRANT APPLICATION FOR FEDERAL SECTION 5309 FUNDING: Transit Planner Lisa Gardner presented information about the grant application to the Board. She explained that at its meeting on Monday, November 17, 1997, the Board had discussed the BRT work program, and within that work program was a discussion of a detailed scope of work and project budget. Included in the November 19 packet was the breakdown of funding for the BRT program, as well as specific project elements. The project budget came from four different funding sources: the Transportation Growth Management (TGM) grant, Surface Transportation Program (STP), the Oregon Transportation Infrastructure Bank (OTIB), and the Federal Section 5309 grant, formally referred to as Section 3 funds.

The grant application that was included in the agenda packet was to secure the funds for the BRT project as discussed at the previous meeting. Staff were asking for Board approval to submit the grant application.

Ms. Hocken asked if this was the funding that recently was obtained in the House of Representatives by Representative DeFazio. Ms. Gardner stated it was. Ms. Hocken asked if it had been approved by the Senate and signed by the President. Ms. Gardner stated that it had, and it was part of the reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA), which had yet to be authorized, although Ms. Gardner learned from the Federal Transit Administration (FTA) that LTD would receive pre-award authority to spend the funds. It was expected that staff would be given permission to begin charging the grant as early as next week, and staff would submit the application for the grant pending the Board's approval of that application.

PUBLIC HEARING ON SECTION 5309 GRANT APPLICATION: Ms. Hocken opened the public hearing on the grant application. No one in the audience wished to speak, and Ms. Hocken then closed the public hearing.

BOARD DISCUSSION AND DECISION: Mr. Kleger asked how the pre-authorization expenditure process worked. Ms. Gardner explained that it was referred to as pre-award authority, and it would be part of a Federal Register notice that was to be published in the next week. It gave LTD the authority to spend the money as part of a funding package that had yet to be authorized by Congress. If LTD had not received pre-award authority; staff would have submitted a Letter of No Prejudice, which requests permission to spend the funds with no guarantee of funding. This funding already was approved, and it just needed to be packaged within the transportation funding act. It was different from Section 9 funding, in that it already was earmarked and was not dependent upon a percentage of funding to be allocated for transportation.

Mr. Bennett arrived at 7:19 p.m.

Ms. Hocken asked for clarification that once the package was published in the Federal Register, the funding would be 100 percent certain. Ms. Gardner stated that once it was published, LTD would have FTA endorsement to spend the money. However, the funding was not 100 percent certain until ISTEA was reauthorized next session. Mr. Kleger asked how much time waiting could cost LTD. Ms. Gardner stated that it could take six months, which was a critical period for LTD.

MOTION

Mr. Kleger moved that the Board adopt the following resolution: It is hereby resolved that the Board approves the proposed 1998 Section 5309 federal grant application for $1,000,000 in federal funds and authorizes the General Manager to submit this application to the Federal Transit Administration for approval. Mr. Bailey seconded the motion, which carried by a vote of 7-0, with Bailey, Bennett, Hocken, Kleger, Murphy, Saydack, and Wylie voting in favor; none opposed.

OREGON TRANSPORTATION INFRASTRUCTURE BANK LOAN RESOLUTION: Ms. Hocken announced that the order of the agenda was changed to accommodate Mr. John Fink, who needed to leave the meeting and travel back to Salem. Finance Manager Diane Hellekson introduced Mr. Fink to the Board. Mr. Fink, the manager of the Oregon Transportation Infrastructure Bank (OTIB), was available to answer questions the Board might have.

Ms. Hellekson provided background information to the Board that was included in the agenda packet. She stated that the loan terms had been negotiated and agreed upon. She added that this loan agreement was very important in Oregon, both to the Department of Transportation (ODOT) and to other transit properties. It provided an additional source of funding that would be important both to transit properties and to transportation projects in the future. It may represent a very attractive alternative to general obligation bonds, and once the program was established, and the funds were accumulated, Ms. Hellekson thought that it would make a real difference in terms of expediting funding and providing alternate or creative funding for transportation and transit projects.

Ms. Hellekson further stated that the second reason that this project was very important to LTD was that it was a good business decision. She explained that LTD's current investments were earning in excess of 5.7 percent, and this particular loan was at 4.63 percent. As long as that spread was maintained, this was an excellent business decision for LTD.

Mr. Saydack stated that there was a one-percent loan fee that would impact that spread. Ms. Hellekson replied that was correct, but over the course of the loan, it was still a good business deal. She further explained that the program mechanics were different from the way grant programs had worked in the past. Once the loan agreement was executed, all of the funds would be deposited in a special interest-bearing account. At that point, LTD would be reimbursed for expenses on the signal prioritization project by submitting applications for reimbursement to the state.

There was a prepayment penalty on the loan for the first two years. At the end of the two-year period, if LTD found that the differential between its investment earnings and the loan interest rate had narrowed or reversed the current relationship, LTD could prepay with no penalty.

In terms of project timing and project funding, staff expected that this signal priority project would begin in January of 1998, and would take approximately 2.5 years to complete. LTD would not receive the funds until the loan agreement was executed, and staff were asking the Board to approve a resolution authorizing the District to obtain the loan. Ms. Hellekson stated that counsel had approved the entire package, so staff believed that the benefits and the potential risk to the District had been thoroughly researched.

Mr. Bailey said that he noticed that project work had to begin within 180 days of contract execution, and he asked what was included in that project work. Ms. Hellekson replied that project work included any engineering work that was needed. Staff originally thought that LTD would be in a position to move faster on that project, which was why the item was on the November agenda. Staff had since decided that since signal prioritization was part of the bigger BRT project, and that bigger piece of engineering work had just begun, it made sense to wait until January.

Ms. Gardner added that as soon as LTD began using any type of consultant, the project would be considered begun. There would not be a problem meeting the 180-day deadline, and it was expected that the project would begin within 30 days.

Mr. Saydack noted that the language of the agreement provided that LTD had to enter into binding agreements for the work within 180 days, and he asked if LTD already had those agreements. Ms. Gardner replied that those agreements would be in place within 30 days.

Ms. Hocken asked if LTD planned to contract for everything. Ms. Hellekson replied that LTD did not have to do that. Mr. Fink stated that some key dates in the loan agreement were set well into the future. Plans and specifications for the project were to be available in the year 2000, and completion of the project was scheduled for the year 2001.

Mr. Saydack stated that he was looking at the Events of Default section of the loan agreement. He noticed that an event of default would be the failure of the District not to have entered into binding agreements with all private parties necessary for the project within the 180 days. He wanted to have assurance that those were underway, and LTD would not inadvertently default.

Mr. Fink stated that if it was a matter of concern that there was not enough time, it could be renegotiated.

Mr. Kleger asked if, when the loan was repaid, the money could be recycled. Mr. Fink explained that this loan, even though it was for a transit project, would come from the highway account. As the money was repaid, it would be placed into a single repayment account and then would become available for either highway or transit project funding. However, he stated, that could change depending on which version of ISTEA was passed.

MOTION

Mr. Kleger moved that "the Lane Transit District Resolution Authorizing the District to Obtain a Loan from the Oregon Transportation Infrastructure Fund Pursuant to a Loan Agreement with the Oregon Department of Transportation" be approved as presented. Mr. Bailey seconded the motion.

Mr. Saydack asked about the requirement to give 14 days' notice in the local newspaper. Ms. Hellekson said that had been done.

VOTE

Ms. Hocken called for a vote on the motion, which carried by a vote of 7-0, with Bailey, Bennett, Hocken, Kleger, Murphy, Saydack, and Wylie voting in favor; none opposed.

AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 1997: Ms. Hellekson stated that the material for the audit began on page 40 of the agenda packet. She then introduced Mr. Mike Lewis and Mr. Forrest Arnold from Jones and Roth, who would present the audit to the Board. Ms. Helleksen explained that Jones and Roth had been LTD's independent audit firm for the previous five yearly audit periods, and because of purchasing law, LTD would prepare a Request for Proposals (RFP) for future auditing services. This was the final presentation on the current audit contract.

Mr. Lewis stated that he would give an overview of some of the reporting that Jones and Roth prepared. Then he would present some graphs that Mr. Arnold had prepared that showed trend information during the five-year period of time.

Mr. Lewis directed the Board's attention to page 12, where Ms. Hellekson and Assistant Finance Manager Roy Burling had an acknowledgement. Mr. Lewis stated that a lot of work went into the financial statement and the annual audit process, and he and his staff appreciated and thanked LTD staff for all their work on the project. On page 15 was the Certificate of Achievement for Excellence in Financial Reporting. It was an important award in the finance community and to anyone who looked at the financial statements. The award showed that LTD conformed to generally-accepted accounting principles and was consistent with other transit districts and governmental agencies.

Mr. Lewis explained that Jones and Roth had provided several reports in the Comprehensive Annual Financial Report (CAFR) that were different this year. The report on the financial statements was on page 17. Minimum standards reports were on page 63, and internal accounting control and compliance with laws and regulations reports were on pages 65 and 67. A new report summarizing audit results was on page 68.

Mr. Lewis then presented the trend graphs that were prepared by Mr. Arnold. The first graph addressed the District's liquidity, where cash and short-term investments were compared with current liabilities. Graph 2 addressed retained earnings, where actual dollars were compared with constant dollars. The June 1995 dip in retained earnings was a result of the sale of the Garfield property. Graph 3 showed the cumulative investment in property and equipment since July 1, 1991. This included both the cumulative contributed capital and the cumulative capital acquisitions. Graph 4 showed total revenues for fiscal years 1991-92 through 1996-97, for both non-operating revenues and operating revenues. Graph 5 addressed the payroll-tax revenue trends for both the self-employment tax and the payroll tax. Graph 6 showed total expenses, including operating expenses and the loss on property disposition. Graph 7 showed the revenue and expenses in constant dollars for fiscal years 1991-92 through 1996-97.

Mr. Saydack asked about the relationship between the operating revenue and operating expense. Mr. Arnold replied that he had not made that comparison. Mr. Saydack noted that operating revenues increased by about $300,000, while the operating expense increased by $1.4 million. He asked if there was a reason for that, and if it was a pattern that staff were seeing. Mr. Arnold replied that the distinction between operating and non-operating revenue was an artificial one when looking at how the business was run. Mr. Saydack stated that it was the difference between farebox revenue, which was the operating revenue and which could be controlled, and the payroll-tax revenue, which was a function of the economy and for which there was no control.

Ms. Hocken added that the relationship was close, because the farebox recovery was approximately 20 percent, and one would expect that if the operating revenue increased by $300,000, then the operating expenses would increase five times that much. Mr. Lewis stated that what LTD would want to track would be operating loss as a percent of the operating revenues during the last five years, to see if that percentage remained constant. Mr. Saydack asked for clarification that what Mr. Lewis was talking about was the ratio between operating revenue and operating loss as a percent.

Mr. Lewis encouraged the Board to read the notes to the financial statements because they explained LTD's accounting policies and procedures and provided more detailed explanation of the numbers on the statements. He also drew the Board's attention to the Management Letter on page 5. Jones and Roth did not find any problems in LTD's internal control system policies and procedures, but there were some points that might be of interest. Mr. Arnold reviewed the four recommendations contained in the Management Letter. Ms. Hellekson stated that the Management Letter actually was in the agenda packet on page 50 and did not appear in the CAFR.

Mr. Arnold stated that the District had good controls in nearly all areas and it was hard to write a management letter for Lane Transit District. The first comment was in regard to an accounting issue with respect to contributed capital. Ms. Hocken asked if the depreciation was shown as an expense. Mr. Arnold replied that it was.

The second recommendation had to do with the Parts Department and the issue of repair costs per mile of bus travel. The third and fourth recommendations were prospective and suggested an independent outside review of new procedures to ensure that they adequately safeguard District assets and that the District consider a complete review of its cash collection and information services systems to ensure proper integration and maintenance of LTD's goals for security and efficiency.

Mr. Bailey commented that this was the third or fourth year he had participated in the presentation of the CAFR. He stated that the review had been highly competent and very well organized and presented.

Mr. Bennett asked for clarification about the increased farebox revenue and increased expenses. He asked if farebox revenue was approximately 20 percent of operating revenue, and LTD expanded service that resulted in an additional $300,000 worth of fare revenue, then how much LTD would have invested. Ms. Hellekson replied that LTD would have invested the equivalent of an 80 percent match.

Ms. Hellekson stated that she had made notes of the questions that were asked by Board members during the Jones and Roth presentation, and she would frame a presentation around the productivity, economies of scale, and a comparison of earned income to operating loss issues that were brought up, for presentation to the Board in December.

Mr. Bennett asked about the statement in the Management Letter where the auditors commented on the upward trend in costs per mile of bus operation that exceeded general price increases for the same period. Ms. Hellekson stated that she would include information about that statement as part of her presentation in December. Ms. Hocken stated that she assumed Ms. Hellekson would make a formal response to the Management Letter at the December meeting as well.

MOTION

VOTE

There being no further discussion, Mr. Saydack moved the following resolution: "Resolved, that the Board accepts the independent Audit Report for the fiscal year ending June 30, 1997." Mr. Kleger seconded the motion, which carried by unanimous vote, 7-0, with Bailey, Bennett, Hocken, Kleger, Murphy, Saydack, and Wylie voting in favor; none opposed.

BOARD COMPENSATION COMMITTEE RECOMMENDATION: MOSS-ADAMS COMPENSATION REPORT: Ms. Hocken moved this item forward on the agenda as there were many employees present and who were waiting to hear the Board deliberations on this item. Mr. Bennett, Chair of the Compensation Committee, apologized for not having been present to hear the public testimony, and he appreciated the fact that a number of LTD's employees were present and interested in this particular agenda item. He stated that he had read the material that was distributed during the public testimony portion of the meeting, and he had been briefed that there was some genuine concern among administrative employees. He had hoped to begin the agenda item with a short staff presentation from Human Resources Manager Ed Ruttledge outlining the process of the compensation study and what the Board had attempted to accomplish. Mr. Bennett asked about the availability of the Compensation Study Report. Mr. Ruttledge replied that it had been distributed to the Board of Directors at the meeting and to the Compensation Committee prior to its meeting, and it had been available to staff for several weeks; however, the full Board had not seen the document prior to the meeting.

Mr. Saydack asked that Mr. Ruttledge review some of the highlights of the study for the Board. Staff were concerned about aspects of the study, and most Board members had not seen the report.

Mr. Ruttledge stated that Ross Ardrey, who worked under contract to Moss-Adams, had prepared the report. He explained that Moss-Adams was a large management consulting firm with offices throughout the Northwest. As background information, Mr. Ruttledge stated that as a result of a Compensation Committee request as early as February of 1996, staff had proceeded with the compensation study. The District also had just completed a staff reorganization at that time, so a classification analysis was performed on all the new positions. The actual Request for Proposals called for a combination classification/compensation study. Following the review of positions, which included the writing of new position descriptions, the compensation analysis was done. The compensation analysis was very comprehensive in terms of not just looking at salaries, but also at total benefits – a total compensation review. The Compensation Committee also asked that the market study include both public and private industry as well as local employers.

The District received a draft compensation study report in February 1997. Upon a review by the Human Resources staff it was evident that some of the numbers were conspicuously flawed. It was clear to all those involved in the project that informed decisions could not be made based on those figures. This was brought to the attention of Moss-Adams, and they agreed to start over on the compensation analysis using another consultant at no additional cost to LTD. Mr. Ruttledge worked very closely with Mr. Ardrey, who was able to gain information from some of the private employers in the area. LTD had not been successful in obtaining private-sector information in the past.

The report had compensation comparisons that were based on a combination of three sources: transit, other public and non-profit, and private sector. Mr. Ardrey gathered information and attempted to find matches for each position. If a match was found, he would then request total compensation information.

He acquired compensation information and worked from the salary midpoint, which reflected the market. When the midpoint was used, there could be a 30-percent spread between the bottom and the top, or there may be a 0-percent spread. Some employers did not have a system of steps and grades; they simply decided what they would pay on a person-by-person basis. Therefore, Mr. Ardrey's best comparison was to use the midpoint. Then there was a comparison between midpoints for LTD jobs and midpoints for the overall average of the market.

At the time Mr. Ardrey completed section one of the study, he had obtained a plus or minus 10 percent validity rate. He met with the Compensation Committee in September, who asked him to fill in the gaps for the key positions for which he had been unable to find more than one match, and thereby reduce the validity rate.

By the time Mr. Ardrey completed section two, he had arrived at a plus or minus 5 percent validity rate. Section two was an addendum to the first report, which became section one. He included both reports to show what had occurred as a result of that meeting with the Compensation Committee. In addition, the Compensation Committee had asked Mr. Ardrey to break out those employers that had 400 or fewer employers for review by the Committee.

Based on this report, Mr. Ardrey prepared a 22-grade salary scale as a suggestion for the Compensation Committee. He then applied those grades to the midpoint market salary scale.

The Compensation Committee then asked staff to prepare other options, particularly at the manager-level positions. The General Manager was directed to redesign the salary schedule. A new schedule was developed for review by the Compensation Committee. The Compensation Committee met again on November 13, 1997, and upon review of the final information, prepared a recommendation to the Board.

Mr. Bennett stated that this subject deserved a full discussion among the members of the Board. His feeling was that, essentially, the Board received more information than what was seen before. It was more comprehensive and more inclusive. He stated that it was not perfect, and by definition, it was not exact. However, it was a high-quality product. He stated that nobody prejudged the outcome. Information was looked at as it was received, and the Compensation Committee had asked for more data and had received it.

Mr. Bennett believed that the Board received the best information available. Getting the private-sector information was important for LTD to be accountable to the community. Mr. Bennett supported the M classification because he felt that there were certain personnel who had the highest degree of management responsibility. Some people treated that responsibility differently, there were changes from time to time, and there were different strengths and weaknesses. Mr. Bennett thought that some sort of approach that allowed for a much higher level of general manager participation in setting salaries made sense. It was his view that the people in those positions were critical in terms of the organization meeting its objectives and meeting the policies that the Board had set. He finished by saying that the Compensation Committee was recommending this study with its classifications and salary ranges. He stated that there was a procedure where certain adjustments could be made within the scope of the report, and there may be certain staff and/or levels where an objective case could be made to realign or readjust on a case-by-case basis.

Mr. Saydack stated that the Compensation Committee spent an extraordinary amount of time and energy trying to get the best information possible. The information was challenged several times, and the objective was to try to determine the market for LTD positions. He thought that the Board needed to understand that there would be salary adjustments in addition to the cost of living adjustment that was given earlier this year. This study was done in a government environment where other agencies that were supported by property taxes were cutting salaries and laying off long-time employees, and in spite of that, the Board atempted to do as fair a job as it could with the LTD positions.

Ms. Murphy stated that this was one of the hardest tasks she had faced as an LTD Board member. As the Compensation Committee was reviewing the compensation study, she did not see just the positions, but people in those positions, and the effort those people put forth was exceptional. She saw the dedication and the names and faces of people. For her it was very difficult to detach herself. She stated that she listened carefully to the employees who spoke during the public participation portion of the meeting. Ms. Murphy had added up the number of years of commitment of those employees who had signed the letter that was distributed, and she came up with a total of nearly 266 years. To her, that was a great deal of time that needed to be considered as the Board weighed its decision.

Ms. Murphy continued by saying that as the Compensation Committee met and reviewed the details of the study and discussed classifications, management, and the structure, there was never a finality to it. However, sooner or later, the Committee needed to reach a resolve where the Committee members felt that they had the best and most complete information available. She said that while taking into consideration the presentations by employees and the 266 years of dedication, talent, and motivation, she was struggling with her decision.

Ms. Hocken asked for clarity in her understanding that the Compensation Committee was recommending that the Board adopt the salary schedule. She thought that the earlier comments from the employees represented something different than what the Board was to take action on. She did not see the implementation issues as part of the Board action. She thought that the salary schedule and the implementation were two very different issues. She asked for further explanation.

Mr. Mueller stated that Ms. Hocken was correct in her assessment. The employees also believed that the compensation study was the best data available. The issues that the employees raised were separate, and it was hard to separate the two because along with the presentation of the salary schedule, the management staff had presented a plan for implementation to the employees, which was the midpoint plan. That plan resulted in the majority, or two-thirds, of the employees not realizing any adjustment in salary until July 1999. He stated that the employees also were confused about where the implementation plan fit into the whole process.

As further background, Mr. Mueller stated that in 1986, a salary study was conducted for LTD. In February of 1993, the Board authorized another salary study. Neither of those was any easier than this one had been. In 1993, Ralph Andersen and Associates was the consulting firm that conducted the study. The problem during the 1993 study was that LTD was struggling to settle a contract with the bargaining unit employees, which influenced the whole process of administrative compensation.

It was Mr. Mueller's recollection that the 1993 study concluded that LTD employees were between 9 and 14 percent off market. The management staff was prepared to implement that study at the time, but due to the precarious relationship with the bargaining employees, it was determined to scale back the implementation period. In January 1994, the employees received a 2.3 percent increase for a total of 4 percent for fiscal year 1993-94, and another 2.3 percent in July of 1994. The final result was approximately a 6 percent increase, when the study range averaged about 12 percent behind market. Because what needed to be done then did not happen, the LTD salaries continued to fall behind the market.

Mr. Mueller further stated that the core issue was the implementation time. There had been no adjustment to bring salaries to market levels in so many years, and as presented, this implementation would mean that a majority of the employees who were at the top of the scale and had many years with the District would not see an adjustment until 1999. The employees realized that the implementation plan was not addressed in the Board materials and appreciated the Board's efforts to get the compensation plan implemented. However, the process seemed to be rushed within that last few weeks and the employees wanted to be sure the Board was aware of their concerns regarding implementation.

Mr. Ruttledge was asked to respond to Mr. Mueller's comments. He stated that the compensation study was a market-based study. The study did not look at years of service that employees had invested. The study was designed to look at the market in terms of how LTD competed. When reviewing comparative positions, the main factor was what that position was compensated at, regardless of when a person was hired. He further explained that while this might be viewed as a cold-hearted business decision, the market was where LTD competed in terms of recruitment, selection, and retention. The compensation study's focus was on what the market paid, not on internal alignment or "equity" as to how long people had been employed with the District. He certainly did not want to diminish those concerns; they spoke to people's hearts in terms of the amount of time and energy they had invested. Nevertheless, this study was designed to address recruitment, selection, and retention of administrative employees.

Mr. Bennett asked for further clarification regarding the midpoint. Ms. Hocken stated that the theoretical design of the study put people at the midpoint. Mr. Ruttledge stated that the original idea was to conduct a market-based study and get salaries to the market level, and once that was accomplished, the question about recruitment, selection, and retention would be answered. By putting salaries at the midpoint, LTD was at market according to what the data showed market to be.

Mr. Ruttledge added that Mr. Ardrey could have devised a schedule that had no space between a low point and a high point, but he felt that doing so would not address the culture at LTD. Therefore, he had designed a salary schedule that had a low point, which was halfway behind midpoint as the market data showed, and a high point that was ahead of the market. By starting off at the midpoint, there would be satisfaction of the study's goals based on the data that salaries were at the market level.

Mr. Kleger stated that he did not like this particular subject because he knew everyone involved. Because it would be seen in this context, he needed to bring attention to comments he had received from business owners in town. Those business owners paid 80 percent of the cost of LTD's operation through the payroll and self-employment tax. If they paid their employees better, they paid more tax. If LTD offered above market prices, it would be competing with those business owners for good employees. As a political reality, LTD had to walk a tightrope between underpricing its positions and not getting quality people or overpricing them and ending up with deep offense among the people who paid the bill. Mr. Kleger did not want to jeopardize the long-term well-being of the District by going on either side of that tightrope. He asked how much it would cost the District to immediately implement the new salary schedule, and how much it would cost if the implementation were staged over the next two years. He also asked if there would be anyone who would experience a reduction in pay, and would implementation of the study impact future cost of living adjustments.

Mr. Ruttledge stated that with the design as presented, no employees would receive a reduction in pay. Human Resources was very concerned, given the due process rights attached to a public-sector position, that there be no position of reduction in pay. If a person's current pay was above the 100 percent factor of the new pay grade to which he or she was assigned, that person would remain at the same salary until the schedule caught up. In terms of the cost-of-living adjustments, which would be an issue for the Compensation Committee to address, the salary schedule, as presented, was based on Mr. Ardrey's understanding of where the market would have been as of July 1, 1997. The Compensation Committee reviewed cost-of-living increases on an annual basis.

Mr. Ruttledge further stated that in terms of the cost of phasing in the new schedule (for example, if all employees who were at 100 percent now were moved to 100 percent of the new scale), the cost would be approximately $200,000, not including the M-classification employees.

Ms. Hellekson added that an additional consideration was that the Compensation Committee indicated that it felt that windfall raises were inappropriate, and under the 100 percent scenario, 23 positions would receive raises of 10 percent, which the Compensation Committee had defined as a windfall.

Mr. Ruttledge continued by saying that those were based on this scale, and not a scale that was increased for cost of living adjustments.

Ms. Hocken asked if someone could address the M classification for the Board. Ms. Wylie stated that she noticed as she reviewed the report, that M classification positions also were below market. She asked if the Compensation Committee had made a recommendation for the M class salaries. Ms. Loobey stated that the M classification was left open and was flexible, but that there were some criteria attached to it. Ms. Wylie asked if the recommendations were based on a percentage. Mr. Ruttledge stated that it was not a true percentage increase. He asked the Board to look at Section 1, Page 16, which showed the private, public/non-profit, transit, LTD, and survey trendline comparisons, which was accurate for all but a few transit-oriented positions. The bottom showed the positions represented by three letters, and Mr. Ruttledge stated that if the Board wanted to know what those three-letter designations were, the list was on page 15. He noted that the bottom, blue line indicated what LTD salaries were. The green line with triangles indicated what the market survey average was. Mr. Ruttledge stated that this graphic representation gave a quick review as to where the disparities were between what LTD was to recruit and retain with and what the market showed. It also gave a representation of where those disparities occurred in terms of positions. There were clusters of positions there, and it was not so much a matter of assigning percentages to positions, but the idea was to get the positions that had large disparities closer to the market.

Ms. Wylie asked if the figures in the salary schedule represented the market level. Mr. Ruttledge replied that by placing people at a midpoint of a grade, they would be close to the midpoint of the market analysis data, based on the data that was contained within the report.

Ms. Murphy asked Mr. Ruttledge to address the issue of how several of the job classifications had changed since the past studies, and how he demonstrated that at the Compensation Committee meetings. Mr. Ruttledge explained that between the last study and this one, staff had conducted a reorganization that not only broke up the work assignments in terms of which department did what type of work, but also restructured a number of positions in terms of the work that each position was responsible for.

That reorganization had to be addressed before LTD could conduct a market analysis. It was important to have a good set of accurate position descriptions. In addition, the relationships between people had changed as to who reported to whom.

Ms. Murphy stated that Mr. Ruttledge also had said in a Compensation Committee meeting that in addition to the above, there were additional responsibilities with added rules and federal regulations on how money was managed, such as retirement. Mr. Ruttledge replied that there were a number of positions where the scope of the responsibilities had changed, resulting in new and increased responsibilities. As the system continued to grow, the workload continued to change and grow. Mr. Ruttledge stated that staff felt the transition of going from a little bus company to something that was no longer a little bus company.

Mr. Bailey asked about the total cost to implement the package as presented. Mr. Ruttledge replied that without the M classification, and just looking at grades 1-17, it would cost about $30,000 based on midpoint placement. Once the M classification was added, Mr. Ruttledge stated, he did not know what the cost would become, because M classifications were to be placed at the discretion of the general manager. Mr. Ruttledge said that the general manager would consider the direction that was given by the Compensation Committee in terms of ensuring that the ability to recruit and retain, and also to allow for flexibility in making that happen. It was very reflective of a private-sector approach. The Compensation Committee had set criteria in terms of what the general manager needed to consider, such as mobility of the incumbent.

Mr. Bailey asked why no minimum or maximum was listed on the salary schedule for the M classification. Mr. Ruttledge replied that the Compensation Committee had directed staff to prepare a plan for the management staff that allowed for some flexibility. However, at one point, there was a 22-grade schedule, and when the manager positions were plotted onto it, they went from grade 15 to grade 21. The low salary for grade 15 and the high salary for grade 21 represented an almost 100 percent difference. The Compensation Committee directed the general manager to retain who needed to be retained and make a good business decision. Mr. Bennett responded that he would respond to that question as well, if needed, as he had supported the M classification.

Mr. Bailey asked about the list of considerations on page 102 of the agenda packet. He asked if that list was reflective of the factors that the Board Compensation Committee had in its supplemental handout, which the full Board had not received. Ms. Loobey replied that it was a combination of the handout to the Committee and the Compensation Study that was given to the entire Board of Directors.

Ms. Hocken asked if the $30,000 was the cost to the District for fiscal year 1988-99 over and above what the District would pay without the compensation study. Mr. Ruttledge replied that it was. Ms. Hocken then asked what it would cost if the Board chose to implement on January 1, 1998, rather than July 1, 1998. She stated that she was having difficulty with the fact that the Board was seeing those numbers for the first time and had not been given enough time to consider the issues that were presented. Her other concern was about the M classification. She understood the concept, but stated that she would feel more comfortable, as a Board member, if an upper dollar limit were stated in the M classification. She stated that it could be a fairly high number, but she wanted it clear that there was a limit there. She thought market was good, but at some level, in a public agency, market was not an unlimited number.

Mr. Bennett stated that private business had to compete for management-level people, and they did not look at some arbitrary number that put them out of the competition. The Board had to trust that the general manager would make a good business decision. Mr. Bennett remembered the last compensation study by Ralph Andersen and Associations. There was argument at the time that it could not be sold in the community, and the bargaining unit also would not accept it. Mr. Bennett had wanted to implement the study, and would have had there been enough support from the Compensation Committee, because it was the best information available at the time. He believed in using that information, no matter how it came out, and he had voted for it at that time. It was his belief that if there was back-up data, the Board could convince anyone that the Board had made a fair decision. What was not reasonable was to go back and try to resurrect that. The Board had new information that could not be ignored. Ms. Loobey confirmed that was consistent with her memory of those events.

Mr. Mueller directed the Board's attention to page 4 of the letter that he had distributed earlier in the meeting. In addressing Mr. Kleger's question about the cost of the scaled-in implementation, the figure that had been stated was $200,000. There was a range of implementation costs that went from $0 to $182,464 for full implementation. Mr. Mueller reiterated that most employees were not concerned with the study, but that the core issue was the midpoint implementation plan, whereby most people were frozen at their current salaries until July of 1999. He did not feel that $200,000 was a reasonable answer to the question of a phased-in cost of implementation. There were numbers in between the 0 percent and the full implementation of 8.9 percent.

Mr. Saydack asked if by full implementation, Mr. Mueller was talking about salaries going to 100 percent of the new schedule. Mr. Mueller replied that was correct. Mr. Saydack asked about scenario C, where the employees were asking for a 5 percent increase above midpoint in July of 1998. Mr. Mueller replied that was correct. He further explained that in scenario D, the employees would be placed at the same percentage on the proposed schedule that they currently were at. Mr. Saydack stated that was whether or not that was the average market salary. Mr. Northup further explained that the employees were not suggesting an automatic 5 percent increase in July, but that employees be allowed to go back into the merit increase process from the midpoint in July 1998 rather than in July 1999.

Ms. Wylie stated her concerns about employee incentives, particularly when an employee had been at the top of the scale for a long period of time, while others continued to receive salary increases. Her concerns were for morale and the kind of organization she wanted to represent. She suggested that perhaps the Board could spend more time looking at the issues. She was uncomfortable with not having incentives for employees for such a long period of time.

Ms. Hocken stated that it was a complicated issue, and asked for the motion. Mr. Bennett stated he would make the motion, but felt that there was still room for

MOTION discussion. He moved the following resolution: "It is hereby resolved that the administrative salary schedule recommended by the Board Compensation Committee be adopted by the Board of Directors for implementation on July 1, 1998." Mr. Saydack seconded the motion.

Mr. Bennett stated that this was a fundamental change when the Board stated that, based on the best information, it had a midpoint approach, which meant that in the beginning, for a number of individuals, there was nowhere to go on the schedule. The decision that the Board needed to make was whether it wanted to make that fundamental change to reflect the actual best information it had, and in that one particular chronological point in time, try to implement that. The Board could make a decision not to follow the best information it had, or to implement it differently than what the suggested method had been. But, to him, it was a difference in the fundamental mode that would give LTD credibility in the community and, in most cases, keep LTD competitive. He hoped that the Board would consider it seriously to the extent that there were individual situations that warranted further review. Ms. Loobey stated that there was an appeals process to address individual situations.

Mr. Bennett asked how the appeals process would work. Ms. Loobey replied that if there was a case where there was not sufficient information, and an employee had more information that would be helpful, that employee could present his or her case before the appeals committee. If it were factual information and it could be demonstrated that it was what was going on in the market, then appeals could be made on that basis. Or, if an employee felt that he/she was classified incorrectly, he/she could make an appeal on that basis. The problem was that some people were at market, and if LTD were going to use a market-based study, then those people were at market. For those people, that was what it meant, and any increases would be off into the future. Ms. Loobey stated that was what would happen with the M classification managers. Any increases to M class salaries would be based on the market, on each person's managerial focus and efforts to understand that LTD was now in a different world. There could be fallout from a market-based study that may or may not be correctable.

Ms. Murphy asked to whom those appeals would be made. Ms. Loobey responded that appeals would go through the Human Resources Department and would include a review by the general manager, the assistant general manager, and the human resources manager, as well as the individual's supervisor. Ms. Murphy stated that she was comfortable with that.

Ms. Hocken stated that she would be comfortable adopting the proposed administrative salary schedule, but she wanted to address the implementation, timing, and other issues at the December Board meeting. She was satisfied that the administrative salary schedule had been put together with the best information available. The problem as she saw it was the length of time it had taken to get to this point. The midpoint on the new schedule reflected the market on July 1, 1997. She realized that there would be individual cases that would be redlined, but she was very interested in pursuing the other implementation issues. She said that if someone had been with the District for a very long time, would the Board expect that person to be placed at average market value. The compensation plan should be as objective as possible.

Ms. Wylie stated that she supported Ms. Hocken's statements, and she was interested in seeing the implementation plan.

Mr. Bailey stated that the Compensation Committee had reviewed the issue, and he did not think he had seen any compensation study information that was quite as comprehensive as what was presented. He stated that the Board had been talking for quite some time about the fact that LTD was not just a little bus company any longer, but was a transportation entity. He was struck by Mr. Ruttledge's comment about dealing with growing pains. Each one of us, including the Board, management, the bargaining unit, and everyone else would have a sacrifice and a contribution to make. Mr. Bailey stated his support for the Compensation Committee recommendation, but he was not unmindful of the impact of that. He thought it was important that the Board remember that it was a policy-making Board, and, though it should be mindful of the implementation plan, it should not get mired in it. He had faith that the people who should be involved in this process would be able to figure out what the next step should be in terms of implementation.

Mr. Kleger stated that he supported the salary schedule, and also he would be interested in seeing the process for implementation that management ultimately arrived at.

Mr. Bennett asked how many people currently were at 100 percent of the salary scale. Mr. Ruttledge replied that all the people in the M classification were at 100 percent of their grade; and in grades 3 through 17, there were 33 or 34 employees who were at 100 percent and 21 employees who were not.

Mr. Bennett asked if the Board could postpone its decision until the December meeting. Ms. Loobey replied that the motion stated July 1, 1998, so the motion was prospective. If no decision were made at this point, then there would be an additional 30 days of turmoil.

Ms. Hocken stated that the Board needed to decide this issue. Mr. Bennett was persuaded to some degree by the argument that there were 33 people who were at the top end of the scale, and the market study was not perfect. He asked why employees would not have an opportunity to get an adjustment other than a cost of living until 1999. Ms. Loobey replied that it was assumed that implementation would occur over time, about 3 years for full implementation. For those who currently were over the market salary, at 5 percent per year, it would take a while to get to the point where the market caught up.

Mr. Bennett asked if there was a way for him to argue for a one-time adjustment for those people, and only those people, without upsetting the whole premise of the study. Ms. Hocken responded that there were so many issues that were fairly complicated, and Ms. Hellekson had stated that some people would receive a windfall, which would not be done. There were some ways where this study would be tweaked, and the Board should not get into the person-by-person review. However, Ms. Hocken thought it would be helpful if staff would look at the implementation issue again and provide a report to the Board in December. She suggested that the Board adopt the salary schedule now and ask staff to review the implementation plan, taking into account the comments from the employees.

Mr. Bennett again asked if there was a way to make a one-time adjustment without defeating the market-based approach. Mr. Ruttledge replied that it could be done, but it would be a deviation from the "windfall" concern that the Compensation Committee had discussed. The other issue was the definition of market, to which the answer was that market was midpoint.

Mr. Bennett asked if approving the implementation strategy was in the Board's purview. Mr. Saydack asked for a staff response to that. Ms. Loobey stated that the Compensation Committee did review the implementation, and what was heard from staff, generally was the impact upon that implementation with some examples. It was not that the Committee did not know that there would be issues around the schedule implementation, but if the Board wanted staff to bring back more specific information with some timelines for review in December, the impact could be explained without necessarily having the Board either approve or disapprove of it, except from the standpoint that a deviation was desired. Staff could then explain what that would cost. Ms. Loobey further explained that the appeals process and other implementation issues were really issues for the general manager and management staff consideration. Mr. Bennett agreed with that.

Mr. Bennett stated that he would stick with the motion as he presented, but would add a provision that questions with respect to the implementation plan get a further and final review at the December 1997 Board meeting. Mr. Saydack asked if the Board disapproved of the implementation strategy, what would be the implication to the study. Mr. Bennett replied that he was getting confused about what the Board's authority was in this case. Ms. Loobey stated that it was not a policy decision. The Board may direct staff to take another course of action.

Mr. Bennett stated that he wanted to understand better, and perhaps influence on a one-time basis, some initial part of the implementation strategy. Ms. Loobey stated that staff would bring consequential information to the Board at the December meeting. Mr. Bennett then withdrew his amendment to the original motion because it was suggested to him that because it was not a policy issue, he did not need to amend the motion. Ms. Loobey stated that the Board could make a motion to direct staff to tell the Board what the consequences of implementation would be.

MOTION

VOTE

Mr. Saydack stated that what he thought Mr. Bennett wanted was to make a motion to adopt the salary schedule, direct staff to prepare an implementation and inform the Board of the consequences of the implementation that was prepared. Mr. Bennett confirmed that was correct. Mr. Saydack was asked to restate the motion: that the Board adopt the salary schedule as presented and direct staff to inform the Board of the consequences of implementation at the next meeting. The vote was taken on the motion, which carried by a vote of 7-0, with Bailey, Bennett, Hocken, Kleger, Murphy, Saydack, and Wylie voting in favor, none opposed.

FACILITIES DEVELOPMENT STANDARDS AND PROCEDURES: Mr. Pangborn stated that he was to present the issue on behalf of Planning and Development Manager Stefano Viggiano, but it was an issue that was not urgent, and due to the late hour, Mr. Pangborn suggested that item be discussed at a later date.

MOTION

COMMUNITY OUTREACH COMMITTEE: Mr. Bailey reminded the Board that this item was carried over from the work session on Monday, November 17. The Committee had an opportunity to confer, about the issue related to the public relations consultant and whether staff could do that work or if the Board should approve retention of the consultant. The question was the extent to which the consultant was contributing to LTD's longer-range community outreach efforts. Based on further discussions with staff and the Committee members, Mr. Bailey moved the following resolution: It is hereby resolved that the staff be authorized to retain the BRT communications consultant through the end of this fiscal year 1997-98. Mr. Saydack seconded the motion.

Mr. Bennett stated that he and Ms. Murphy had discussed the issue, and he felt that Ms. Murphy had some very important points to make and pretty strong feelings about making good decisions with respect to comparing staff time to consultant time. Mr. Bennett had given the matter further thought, and he said the Committee Chair had talked with Mr. Bergeron. In the Chair's view, the consultant relationship was working very well, and that persuaded Mr. Bennett to lend his support to the continuation of that contract.

Mr. Saydack stated that he appreciated the work that the Committee did on that, and from his experience on committees, he knew that when topics like this were brought up, the committee dug deeply into the issue and took ownership of the topic. He thought that the Board and staff should take a closer look at the bigger question of the use of consultant's as a policy matter. Were consultants being used inappropriately to do core work for the District that staff should be doing instead? Mr. Saydack further stated that when the staff began to consider the use of consultants for a particular task, and got beyond that policy-type consideration, those were operational matters that were beyond the purview of the Board under ordinary circumstances. He thought that the Board should discuss the use of consultant services as a policy issue.

Ms. Murphy stated that she had talked with other Board members and staff, and her initial take on the issue was that she wanted LTD to be represented by LTD. Also, she wanted to know that the if money was being spent on a consultant, what was the message being left behind to the community. This particular consultant basically was performing organizational and background work, such as gathering data and information. Ms. Murphy asked if LTD were getting true value for the money. She looked at the other side of the issue, which was that printed materials were being left with the contacts as additional information to remember LTD by. In addition, when the video was shown, it was a visual representation of LTD. She also learned that the consultant was preparing summary reports, digesting questions and comments from the contacts, and was a part of the report that was put together to substantiate where LTD was going and how it hoped to get there. Ms. Murphy had since decided that the consultant was valuable, but she had concerns in the reorganization of staff that if Mr. Bergeron was in the community as the point person, consideration should be given to additional staff support for him.

Ms. Wylie stated that she thought the Board should support the general manager's position, and if she felt that the consultant was needed, it carried a lot of weight.

VOTE

Ms. Hocken restated the motion and called for a vote on the motion, which carried by a vote of 7-0, with Bailey, Bennett, Hocken, Kleger, Murphy, Saydack, and Wylie voting in favor, none opposed.

BOARD COMPENSATION COMMITTEE RECOMMENDATION: GENERAL MANAGER EVALUATION PROCESS: Mr. Bennett stated that the Compensation Committee met on this issue, and essentially what was done in the past was a written evaluation in the form of a fill-out form. There also was a process where the Board did an outreach and asked people in the community who did business with Ms. Loobey on a regular basis to provide feedback. Finally, the Board had asked for some response from service staff with respect to their relationship with the general manager. The Compensation Committee wanted to recognize that all of those approaches were valuable.

The Committee was recommending to the full Board that this year, a new approach be taken, where the Board would hold an executive session where a dialogue approach with the general manager could be used as a way of directly addressing the issues that occurred during the year. This would be done in such a way that the Board would not only be discussing the issues with the general manager, but also listening to each other as well. As a part of that, the general manager would prepare an outline form that contained a listing of the issues that she felt were particularly important and areas in which she believed she had contributed and the organization had moved forward. That outline would be provided prior to the executive session. In addition, if any Board member wished to provide additional written comments, then a more informal document would be prepared to use for that.

Ms. Murphy asked Mr. Bennett to share how the evaluation was done in the past. Mr. Bennett stated that he did not like the previous form that was used before as a stand-alone approach. It was difficult to write out what, to him, was a conversation that he wanted to have with the Board and the general manager.

Mr. Saydack stated that the Board had an obligation to the public to review the general manager's performance, which was part of the responsibility of the members of the Board. When looking at the general manager's performance, the Board also was reviewing the performance of the District in terms of what the results had been, what was achieved, and what were the successful and not so successful issues. He thought that the review process should be personalized, and he looked at characteristics of the job performance that were personal. He thought that the Board should pay attention to the way in which the District was run and managed.

Ms. Wylie asked if there would be a final written, formal document for the record if the informal process was followed. She wondered if some of the grants might require a written document for the file. Ms. Loobey stated that under ORS.267, there was no requirement for a written evaluation of the general manager's performance.

Ms. Murphy stated that Mr. Saydack had talked at the Compensation Committee about a review of the general manager's job description to articulate the Board's expectations in writing. Mr. Saydack stated that he had said that the process of reviewing the position also was a process of defining the position, and it would be important for the Board to understand what the job had become for Ms. Loobey.

Ms. Loobey recalled that it had been suggested by the Compensation Committee that there be a one-on-one meeting around the factors that Ms. Loobey would be distributing. Ms. Loobey would record those one-on-one meetings and prepare a summary of those discussions to be used at the round-table discussion.

Ms. Hocken reviewed the process. Ms. Loobey would provide information to the Board that could be used to guide the evaluation discussion in December, then an executive session would be held, followed by a brief discussion and statement for the record in public session.

Ms. Loobey stated that when the Compensation Committee asked her to think about how the process could be done differently, she had sent for materials from chief executive officers primarily in the transit arena. She found that those evaluation processes typically were traditional and standard and not unlike the system that had been used at LTD in prior years. There had never been a job description written for her position, and for the first 10 years that she held the position, there were no performance evaluations, nor was she given a job description. Ms. Loobey then distributed the information that she had prepared, which was her view of what the job was. She stated that the job could change over time. The next incumbent could begin with an entirely different mission, and what she had done over the years was to interpret the mission to address the issues that she listed on the document that she had prepared. What she saw were that the primary areas had a public component, which comprised approximately 40 percent of her time; an internal component, which addressed how well the organization was run, the quality of the work products, the success of the business; resource management; and the relationship with the Board and how it worked. All of those were performed under a leadership model, and Ms. Loobey referred to those as the four corners of the position. In addition, she provided what she thought were her accomplishments, non-accomplishments, and challenges. She viewed this document as a starting place to kick off the process, which she said she was very intrigued by. She thought this process might be more productive and healthy than the standard, traditional process.

Ms. Wylie asked if Ms. Loobey could talk about the percentage of time she spent on the other corners of her position. Ms. Loobey replied that it would be easy to say that she spent an equal amount of time on each of those, but it truly varied according to many factors, such as when the legislature was in session.

Ms. Hocken stated that she had found the written evaluation difficult to use as well, but as Mr. Saydack stated, anyone in the organization who did the tasks reflected upon Ms. Loobey as a leader. She thought it should be looked at as an evaluation of the organization and Ms. Loobey's leadership of the organization. Ms. Hocken asked the Board to come prepared in December to begin the discussions. She thought it might be best to conduct the evaluation during the Monday night work session.

MONTHLY STAFF REPORTS: Mr. Saydack asked about the progress on the radio system and how the football shuttles were going. Transit Operations Manager Patricia Hansen stated that there were ongoing problems with the radio system, mostly to do with transitioning from an old system to a new system and putting in a new repeater earlier than expected. Staff continued to work with the communications personnel. Mr. Pangborn responded to Mr. Saydack's question regarding the football shuttle. He stated that following the problems that had occurred with the first game service, the service had operated much better, but the ridership had dropped off. Staff would debrief with the University of Oregon. LTD used all of its equipment, and staff would work out the operational issues. In addition, it was thought that more marketing effort would be needed.

Ms. Murphy stated that she understood why the Springfield portion of the JoyRide tour was dropped, and that staff would attempt to seek sponsorship from the Springfield community in the future. She stated that she appreciated Ms. Loobey taking the time to meet with her to explain that situation further.

Ms. Hocken stated that she and Mr. Bailey had been meeting with LCC representatives to look at the group pass program. The Student Body President was very sold on the idea, so it was a good opportunity for LTD to get a program in place. In addition, LCC was talking about charging transportation or parking fees. She was very encouraged by the whole transportation issue at LCC.

ADJOURNMENT: There being no further discussion, Ms. Hocken adjourned the meeting at 10:16 p.m.

Mary A. Murphy

Board Secretary