

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

September 15, 2003

Pursuant to notice given to *The Register-Guard* for publication on September 12, 2003, and distributed to persons on the mailing list of the District, a meeting of the Lane Transit District Board of Directors Human Resources Committee was held at 12 p.m. on September 15, 2003, in the District's conference room at 3500 E. 17th Avenue, Eugene.

Present:

Gerry Gaydos, Chair
Susan Ban
David Gant
Ken Hamm, General Manager
Mary Neidig, Director of Human Resources and Risk Management
Diane Hellekson, Director of Finance and Information Technology
Jo Sullivan, Administrative Services Manager/Clerk of the Board

CALL TO ORDER: The meeting was called to order at 12:10 p.m. by Committee Chair Gerry Gaydos. Mr. Hamm handed out a slightly revised agenda.

INTRODUCTION OF HR DIRECTOR: Mr. Hamm introduced LTD's new Director of Human Resources and Risk Management Mary Neidig, who provided a brief overview of her work history. Mr. Hamm said that Ms. Neidig would help staff the committee.

DISCUSSION AND RECOMMENDATIONS: The Committee discussed the following topics:

1. Committee Involvement in Labor Relations
2. Arbitrator's Decision
3. General Manager Evaluation Process and Tools
 - a. General Manager Evaluation Tool and Participants for Fall 2003
 - b. Review General Manager's 2002-03 Goals and Objectives
 - c. Review General Manager's Employment Agreement

Committee Involvement in Labor Relations: Mr. Hamm noted that the Board Finance Committee would be meeting the following day to discuss the parameters and financial implications of LTD's three-year financial plan. He suggested that the HR Committee could suggest priorities for strategies and policies for labor negotiations. Staff would research how to accomplish those priorities and would review what worked and did not work within the current contract in order to recommend priorities to the Board. He said that if the Committee agreed with that general direction, staff would proceed that way.

Ms. Ban asked about the negotiations timeline. Mr. Hamm said that the law allowed LTD to begin negotiations 150 days before the contract expiration date on June 30, 2004. Staff wanted to begin discussing the financial framework in the near future. He recommended that LTD hire its labor attorney as the lead negotiator, and have Ms. Neidig and Transit Operations Manager Mark Johnson at the table, and possibly

Ms. Hellekson as well, although her role could be handled through discussions with Ms. Neidig and Mr. Johnson.

Ms. Neidig handed out a work experience summary for labor attorney Jackie Damm. Mr. Hamm said that it was staff's desire that the Board be comfortable with the team working on negotiations. Mr. Gaydos said that the Board was relying on the HR Committee to act as a liaison to the Board on negotiations issues, but not become too involved in labor negotiations. Mr. Gant clarified that the Committee would provide the "pre-game strategy" and then receive regular updates of what was going on in negotiations. It was agreed that the Committee would meet again in October, and then likely more often after that.

Mr. Gaydos thought it might be helpful to talk with some community leaders ahead of time. Ms. Ban suggested obtaining data from the community external to LTD, such as health care costs to employers and employees, or trends in industry contracts. She said she would be willing to meet more often to understand the issues in small pieces. Ms. Neidig said that there was a lot of insurance data available that could be requested.

Mr. Hamm said that staff would need to understand how far the Board was willing to go on certain issues, and then the Board would need to be committed to that decision. Ms. Ban said it would be helpful to have a conversation about threats and opportunities at some point in the future, to help her better understand the issues. Ms. Neidig said that the strategic agreements would need to be in place before December.

There was some discussion about whether the director of Finance and Information Technology should sit at the table, in order to provide better financial information about different pieces in a timely manner. The legal team also would have input on the best number of people to be at the table, and who should participate at certain times. Mr. Gaydos commented that it was important for the Committee not to get involved too much in the details of the negotiations.

Mr. Gaydos suggested that both the Committee and the full Board should meet Jackie Damm. Staff agreed to have her attend the next HR Committee meeting and the October 15 Board meeting.

Arbitrator's Decision: Ms. Neidig referred to an article in the newspaper regarding an arbitrator's decision on LTD's ability to require employees to pay part of their health care premium costs. The arbitrator ruled that, based on a verbal commitment LTD made during the last negotiations process, LTD had committed to not charge employees for health care benefits, and his decision held LTD to that commitment. This was the overriding issue for his decision. He did not rule that LTD violated the labor contract. Secondly, he ruled that people had the opportunity and choice to move out of the plan and the employer was not responsible for making them whole for that choice. Ms. Neidig said that LTD would reimburse people for the out-of-pocket premiums they had to pay, and would inform them that LTD was not responsible for their other out-of-pocket costs resulting from changing to a lower plan.

Ms. Hellekson said that the cost to reimburse employees to July 1, 2002, would be \$125,000, plus \$87,000 for the end of the current fiscal year. She said that if LTD held an open enrollment and everyone moved to the most expensive plan, this would cost the District significantly more.

Ms. Neidig explained that the unfair labor practice complaint had not been resolved or withdrawn. The union will have to decide whether to reactivate that case. Committee consensus was that both parties should try to reach an agreement.

General Manager Evaluation: Mr. Hamm said that Ms. Neidig had been out meeting employees and building confidence in the change in HR directors. He said he was comfortable with her being the steward of the process. He said he was comfortable with the current process, and also offered to write his perspective on his achievement of his goals and objectives for the Committee's review. He said he was happy with his employment agreement and thought the development process for that had worked well, so there was no need to change it. He stated that it was important for him to receive feedback on an annual basis.

1. **Evaluation Tool and Participants:** Mr. Gaydos explained for Ms. Neidig that the Committee had not had the assistance of the HR director in developing the process. The Committee had reviewed a tool provided by the American Public Transportation Association (APTA) and thought it was a good tool and easy to use. He explained that the Committee had moved to a fiscal year evaluation process for the general manager at the same time that the administrative staff had moved to a hire anniversary date process. The important part was to institutionalize a process that would work automatically. The Committee also had decided to circulate the evaluation tool more broadly, including external contacts, the management team, and the union. He said he had been impressed with the quality and honesty of the input, and that he thought the process had worked well, although the Committee may not necessarily have determined what to do with the information once it was received. The last evaluation, during the spring of 2003, had been considered an abbreviated process in order to move toward the fall evaluation timeline. However, one option would be to skip the fall process. Or, Ms. Ban suggested, the Committee could suggest target areas of concern and ask about only those. She also thought it was important to evaluate the effectiveness of the Board and the District in terms of community, consistency of message, effectiveness, and advocacy. That could be one option for an off-year evaluation. Mr. Gant was not sure that the current tool was appropriate for community leaders. Mr. Gaydos said that the important thing would be to look at the tool and determine what was appropriate.

Ms. Neidig said that from an internal perspective, the tool made sense, and that if the Committee was comfortable using it in the past, she would not recommend a lot of changes. However, she said she would be happy to look at it to see what was sent to outside entities, noting that there were some things that LTD would not want to give the public the perception that it had control over. One strategic discussion for the Committee would be what was important to evaluate internally and what was important to the community. Mr. Gant had some suggestions about who else might be included, such as the McKenzie-Willamette administrator. Mr. Gaydos said the Committee also struggled with how to obtain the union's input. Ms. Neidig said she would have a recommendation at the next meeting regarding whom to ask for input. Mr. Hamm suggested obtaining input from a broader segment of the organization, and reiterated that annual feedback was important to him.

Ms. Ban suggested that it might be valuable to spend a half-hour in conversation with community leaders to see how they believed LTD's mission, vision, etc., were aligned with the County's, Cities', etc., to know where LTD was effective and where there might

be gaps. Mr. Gaydos said it would be important to have standard questions if doing this. Ms. Neidig suggested that, as a new member of the LTD staff, she could gather this type of information as an opportunity to get up to speed with LTD issues and introduce herself to those community leaders.

It was suggested that several names be added to the external list, including Roy Orr of McKenzie-Willamette Hospital, Labor Commissioner Jack Roberts, and Cottage Grove Mayor Dan Williams. Ms. Neidig agreed to provide an overall recommendation for the Committee's review at the next meeting. She also agreed to e-mail a list of questions to the Committee so Ms. Neidig could get started before the next Committee meeting.

Mr. Gant left the meeting at 1:15 p.m.

Committee Work Plan: Ms. Neidig said that she would benefit from the opportunity to talk with each Board member on the HR Committee individually to learn their perspectives about HR issues.

Mr. Gaydos said that he understood the Board's role versus staff's, but it would be nice to know the training expectations/programs at LTD. This would be informational rather than something the Committee would try to control. Ms. Neidig said that the District had a fairly short version of new operator orientation, in relation to other transit systems, and did not have a strategic plan for training, such as what level of sophistication supervisors should have about certain federal laws. She saw the need for a longer-term schedule and training process. Mr. Hamm and Ms. Neidig currently were discussing issues of training and professional development throughout the organization. There also were discussions of finding a program, such as FISH! or Give Them the Pickle, which LTD could use to motivate employees, train around, and model, in coordination with LTD's vision, mission, etc.

Ms. Neidig envisioned pooling money District-wide for training and having a strategy for a bigger picture for the use of training money. Mr. Hamm noted that during budget cuts two years before, the training and travel budget had been cut quite a bit, and there now was a need for a strategic view of training. Ms. Neidig's vision of how training fit into an organization was a succession from hiring to orientation to training to promotion to executive management to retirement, including succession planning, with the Board and Leadership Council setting the values. Mr. Gaydos thought that the HR Committee should be supporting this vision. Ms. Ban stated that the value should be expressed in all aspects of the organization, such as marketing, lobbying, service development, etc. Then the employees became more aware of why all these were occurring, because they all were related to the values of the organization and tied together for employees. Mr. Gaydos referred to the average age of LTD's workforce and the importance of a succession plan for all positions.

NEXT MEETING: Mr. Gaydos and Ms. Ban liked the same time for future meetings (noon on the Monday before the third Wednesday). However, in order to have Jackie Damm attend both the Committee meeting and the Board meeting, the Committee's next meeting was scheduled for Wednesday, October 15, at 4 p.m. Ms. Neidig agreed to ask Jackie Damm to attend. Mr. Gaydos suggested that Ms. Neidig review the District's Strategic Plan before the September Board meeting, since it would start laying out the vision for the District.

ADJOURNMENT: The Committee members again welcomed Ms. Neidig to LTD. The meeting was adjourned at 1:30 p.m.

Recording Secretary

Approved by Committee: _____