

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL MEETING

Monday, June 13, 2005

Pursuant to notice given to *The Register-Guard* for publication on May 10, 2005, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a special board meeting on Monday, June 13, 2005, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17<sup>th</sup> Avenue, Eugene.

Present: Gerry Gaydos, President, presiding  
Debbie Davis  
Mike Eyster  
Dave Kleger, Treasurer  
Dean Kortge  
Mark Pangborn, Assistant General Manager  
Jo Sullivan, Clerk of the Board  
Kimberly Young, Minutes Recorder

Absent: Susan Ban, Vice President  
David Gant, Secretary  
Ken Hamm, General Manager

**CALL TO ORDER** – Mr. Gaydos called the meeting to order at 5:33 p.m.

**ROLL CALL** – Assistant General Manager Mark Pangborn called the roll.

**PRELIMINARY REMARKS BY BOARD PRESIDENT** – Mr. Gaydos had no remarks.

**ANNOUNCEMENTS AND ADDITIONS TO AGENDA** – Mr. Kleger announced he had recently been hospitalized briefly but indicated that he was responding to treatment.

There were no other announcements or additions to the agenda.

**LTD PURCHASING POLICY OVERVIEW** – Purchasing Manager Jeanette Bailor was present to provide an overview of the District's purchasing policy. She reminded the Board that it also functioned on occasion as the LTD Contract Review Board (CRB), the governing body that adopted all purchasing policies. CRB meetings generally were held at the same time as regular Board meetings, although a special meeting of the CRB could be called at any time needed. Ms. Bailor said the CRB had delegated purchasing authority to the general manager and staff. Staff were authorized to enter into public contracts for designated amounts. All major purchases were referred to the Board for review. Mr. Pangborn noted that the Board, by motion or resolution, delegated authority to the general manager to sign contracts for major purchases.

Ms. Bailor reviewed LTD's centralized purchasing system, reporting that all purchases came through the Purchasing Department. Purchasing staff worked with staff from other departments

to develop bid documents and sit in on all bidding for major contracts. She said that LTD used both the invitation for bid and request for proposals processes, depending on the item or service to be purchased.

Ms. Bailor noted that in regard to federally funded purchases, additional rules apply to bid documents that LTD must follow to remain in compliance with federal regulations. Mr. Pangborn noted that LTD no longer used any federal funds for operations but federal regulations governed LTD's federally funded capital projects.

Mr. Kleger asked if there were any instances in which the federal and State of Oregon rules were in conflict. Ms. Bailor cited the State's vendor preference for Oregon vendors, which was precluded by federal regulations, but said the State was aware of the conflict and indicated that LTD should follow federal law where it was more stringent. Mr. Pangborn pointed out the State had to follow many of the same federal regulations.

Ms. Bailor reviewed the process for daily purchases and small purchases under \$2,500, which were handled through requisitions reviewed by the Purchasing Department. Purchases costing between \$2,500 and \$75,000 could be addressed through a formal or modified bid process. LTD had petty cash and purchasing cards for very small purchases (\$50-\$250). Those purchases must be approved by the department manager.

Mr. Kleger asked how often LTD encountered vendors who wanted to do business with the District but did not want to do the needed paperwork and go through the necessary procedures. Ms. Bailor indicated that this did not happen often. In the past, that situation had come up on occasion, and LTD always offered to meet with those individuals to explain the process. In recent years, that had not occurred.

Mr. Pangborn pointed out that, generally, LTD's federal projects tended to be large projects, which did not attract small or inexperienced contractors. He said LTD was subject to rules such as the federal Disadvantaged Business Enterprise (DBE) requirements, which required a certain percentage of subcontractors to be such businesses. A contractor must show that he or she made a good-faith effort to comply with the requirements, and there was paperwork involved in that. Many contractors did not want to bother with the requirement. Ms. Bailor noted that the State had recently moved to a unified certification process for such businesses. LTD is a part of the State's unified certification program and has a federal requirement to use only state-certified DBE contractors.

Ms. Bailor invited questions.

Mr. Kortge asked who reviewed the credit card purchases of the general manager. Ms. Bailor indicated that would be a task for Mr. Pangborn. However, neither the general manager nor Mr. Pangborn had such cards. No staff members were allowed to sign off on their own expenses.

Responding to a question from Ms. Kortge, Ms. Bailor acknowledged that meetings of the GRB did not happen often. Generally this happened when the District considered a change in its purchasing policy or contemplated a major emergency purchase exceeding \$75,000. She said the latter situation had rarely occurred. For example, it occurred once because of the need to

clean up hazardous waste at the former LTD facility at 8<sup>th</sup> Avenue and Garfield Street. Otherwise, LTD had few emergency purchases.

Mr. Kortge asked if contracts were renewed automatically after five years. Ms. Bailor said no; contracts had a maximum life of five years and were reviewed and could be renewed annually by the contract administrator following an internal evaluation of the contract. At the end of five years, the contract was rebid. Federal law now gave LTD the ability to have contracts for longer than five years, and on occasion a contract might be extended for another year, but generally LTD staff believed that it was in the District's best interest to rebid the contract in the competitive market. Ms. Bailor confirmed that the contracts subject to that process included the contract for health insurance.

Mr. Pangborn suggested that there were many reasons to go out to bid again. For example, someone else may have entered the market who could provide the needed service. In addition, he pointed out that payroll taxes supported LTD and it was important to ensure that the local business community could compete successfully for LTD contracts.

Responding to a question from Mr. Eyster, Ms. Bailor said that she had never received a formal bid protest since she started the job in 1989. She had received a couple of letters from contractors requesting that LTD discard the low bid and accept their bid, but that correspondence had never gone beyond a response to the contractor explaining the reason the successful bidder was selected. She added that LTD invited unsuccessful bidders to meet with staff and debrief the bidding process. Mr. Kleger recalled some complaints regarding the paratransit service contracts, most of which focused on the needed paperwork.

Mr. Pangborn pointed out that except for some confidential information that could not be shared, most of the bid documents were public records and LTD staff would show the unsuccessful bidders that information and discuss how bids were scored.

Mr. Pangborn noted that LTD also participated in the State Pricing Agreement for operational purchases, which allowed it to take advantage of the lower prices negotiated by the State of Oregon. Ms. Bailor added that some smaller transit agencies had also been able to piggyback on some of LTD's purchases and take advantage of the lower prices LTD could negotiate.

**BOARD COMMITTEES** – Mr. Gaydos called the Board's attention to the packet materials, which included a description of each committee the Board discussed forming: Service Development and Marketing, Human Resources, and Finance.

Responding to a question from Mr. Kortge about the Human Resource Committee's role in the evaluation of the general manager, Mr. Gaydos anticipated a process wherein the committee shepherded the process approved by the full Board. The committee would assemble the input and bring it back to the board for the evaluation. Mr. Kortge accepted the outline with that explanation. Mr. Gaydos indicated the text would be modified to reflect the process to be followed.

Mr. Gaydos determined from the Board that it supported establishing the committees. Mr. Kleger noted the concerns expressed by Mr. Gant, who was not present at the meeting, and expressed the hope that Mr. Gaydos would discuss those concerns with him. Mr. Gaydos regretted that Mr. Gant was not present. Mr. Kleger felt the proposed structure was acceptable and suggested

it would both "spread the work load" and possibly serve to shorten Board meetings. Mr. Gaydos agreed that the process could potentially focus presentations at Board meetings.

Mr. Gaydos asked that the Board provide any suggestions for text changes for the Human Resources Committee to Director of Human Resources and Risk Management Mary Neidig.

Mr. Kortge determined from Ms. Neidig that the union would not have representation on the Human Resources Committee, which was a Board committee. Ms. Neidig believed that this committee and the Finance Committee could have a role in preparing for union negotiations. She indicated that the text could be revised to reflect those roles. Mr. Gaydos concurred as to those additions, and suggested that union representatives could be invited to committee meetings to provide input and comment as appropriate.

**MOTION** Mr. Kortge, seconded by Mr. Kleger, moved to approve Resolution 2005-015: "Resolved, that the LTD Board of Directors approves the formation of Board committees for Service Development and Marketing, Human Resources, and Finance, as presented on June 13, 2005."

**VOTE** The motion passed unanimously, as follows:

AYES: Davis, Eyster, Gaydos, Kleger, Kortge (5)

NAYS: None

ABSTENTIONS: None

EXCUSED: Ban, Gant

Mr. Gaydos noted his initial suggestions for committee assignments and invited board members' thoughts on the topic so that the committee appointments could be made at the board's meeting on June 15. He noted the likelihood board members would have to serve on more than one committee.

Human Resources Committee: Ms. Ban, Mr. Eyster, Mr. Gaydos

Finance Committee: Ms. Davis, Mr. Gant

Service Development and Marketing Committee: Mr. Kleger

**DIVERSITY MEMORANDUM OF UNDERSTANDING/BOARD COMMITMENT** – Mr. Gaydos introduced the item, noting that LTD was a two-time signer of a Memorandum of Understanding (MOU) affirming the commitment of the district and other local governments to diversity. He had asked staff for a brief overview and requested discussion of the board's role in the MOU.

Ms. Neidig introduced Human Resource Specialist David Collier, who also was present for the item. She noted the interest expressed by the Board about the possibility of creating a statement of position on the topic in the LTD Strategic Plan.

Ms. Neidig provided an overview of the MOU, first calling attention to the original MOU, included in the meeting packet. She said it was the result of a lengthy community discussion about how employers, including public employers, could collaborate constructively to provide a consistent "landscape for diversity" in Eugene-Springfield. General Manager Ken Hamm had been a strong supporter of the process. Ms. Neidig said the MOU created a consortium of employers that agreed to a common statement regarding diversity and articulated a set of agreements for all to

work toward. The MOU created a task force composed of chief executive officers (CEOs), which met monthly and had become a steering committee for the diversity effort. The MOU also created a support group known as the Interagency Diversity and Equity Coalition (IDEC), which was a group of staff responsible for diversity and equity issues. The CEOs and IDEC used the agreements outlined in the MOU as a basis for work plan creation.

Ms. Neidig noted that since its original signing, some turnover had occurred among local jurisdiction CEOs and the Lane Educational Service District had joined the consortium. Subsequently, on the three-year anniversary the CEOs were asked to come back together and resign and recommit to the MOU. She noted the distribution of that document to Board members.

Ms. Neidig called the Board's attention to a description of the work of the IDEC, outlined on page 23 of the meeting packet. She also noted the seven-member LTD Diversity Council, whose members were listed on page 25 of the packet. She also called the Board's attention to examples of how diversity fit into LTD's employment practices, listed on page 24, particularly calling out the harassment and accessible services training provided to new operators, and the sessions on cultural diversity scheduled for the fall operator training.

Ms. Neidig noted the information provided on LTD employee demographics on page 25 of the meeting packet.

Responding to a question from Mr. Kortge, Mr. Collier indicated that sexual orientation was "part of the equation" and discussed by IDEC members. Mr. Collier noted that the LTD diversity effort had lost some momentum in the last year or so, and he and Ms. Neidig were working with the council to reinvigorate that effort. He anticipated that the council would soon be identifying the issues it wished to address.

Mr. Kortge observed that the Springfield Utility Board was not a party to the MOU. Ms. Neidig concurred, adding she did not know why. Mr. Collier said that Willamalane Parks and Recreation District also was not a party to the MOU due to staffing limitations. Mr. Gaydos suggested that the MOU be footnoted to indicate Willamalane's issue.

Mr. Gaydos emphasized the importance of the gender orientation issue and recommended that the Board pay attention to what was occurring in the Springfield School District and how that played out. He said LTD should learn from that experience. He recalled that the impetus for the school district's effort had been to create a safe place, and he thought that LTD had the same issue because of its locations throughout the community.

Mr. Gaydos noted that the MOU mentioned language needs, and suggested that LTD begin to think about publishing more documents in Spanish and including more Spanish language on the Web site. He acknowledged that this could generate pressure for publications in other languages.

Mr. Gaydos said that LTD worked extensively with the disabled community and should build on that work and lead the way on disabled issues. He said that the issue went beyond accessibility and regarded respect as well. He encouraged leadership in those areas.

Mr. Gaydos believed the LTD Board of Directors should adopt policies calling for ways to keep the MOU at the forefront of LTD's operations. He said that employees might not like going to training sessions or being talked to about how they should honor other people, so LTD needed to attempt a true cultural shift. It was hard to get people to the point where they acknowledged the need for greater understanding of others. He thanked staff for the presentation.

Mr. Eyster determined from Ms. Neidig that LTD offered annual mandatory training sessions for all operators, and the next session was focused on the topic of diversity. Responding to a question from Mr. Gaydos, Ms. Neidig indicated that the administrative staff could attend those trainings, but LTD lacked a formal structure for the administrative staff and she anticipated that gap would be addressed by the Diversity Council. Mr. Gaydos asked if the Board could participate. Ms. Neidig said yes.

Mr. Kortge encouraged staff to invite the Board members to diversity trainings.

Mr. Gaydos requested an annual report on the action items associated with the diversity work plan so the Board could get a sense of what was occurring.

Mr. Gaydos reiterated his thanks to staff and General Manager Ken Hamm for their support of the diversity MOU.

#### ADJOURNMENT

Mr. Pangborn called the Board's attention to a message of congratulations in regard to the Springfield Station from Superintendent Nancy Golden of Springfield School District #19.

Mr. Gaydos adjourned the meeting at 6:34 p.m.

  
Board Secretary