

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

December 8, 2005

Pursuant to notice given to *The Register-Guard* for publication on December 7, 2005, 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 3:30 p.m. on Thursday, December 8, 2005, in the Board Room at 3500 E. 17th Avenue, Eugene.

Present:

Gerry Gaydos, Chair
Susan Ban
Mike Eyster
Ken Hamm, General Manager
Mary Neidig, Director of Human Resources and Risk Management
Jo Sullivan, Administrative Services Manager/Clerk of the Board

CALL TO ORDER: The meeting was called to order at 3:35 p.m. by Committee Chair Gerry Gaydos.

INITIAL DISCUSSION OF EXECUTIVE SEARCH PLANNING: Mr. Gaydos said that the purpose of this meeting was to begin thinking about a timeline to develop an executive search process to report to the full Board the following day at the Board's annual strategic planning work session.

Mr. Gaydos noted that he had just received, at his office, a petition titled, "Vote of full confidence in Phyllis Loobey as interim general manager." He said that the cover letter claimed that there were 163 signatures; that Barton and Dreier gathered them in 72 hours outside their regular eight-hour workday; and that employees on sick leave, on vacation, or in training as new employees were not contacted. The cover letter also said that the petition represented 84 percent of LTD bus drivers and 71 percent of all LTD union-represented employees. Mr. Gaydos then read the petition: "We, the undersigned employees of the Lane Transit District and members of Amalgamated Transit Union 75, believe that clearly the best possible choice as Interim General Manager is Phyllis Loobey. She alone has the knowledge, experience, and solid base of community support to lead the District through the challenging transition ahead. Therefore, we strongly urge the Board of Directors to immediately offer Phyllis the position of Interim General Manager and let the healing begin." He gave the petition to Ms. Sullivan for the District's records.

Mr. Gaydos said he was hoping that Mr. Barton and Mr. Dreier would be at the meeting. He said that one of the difficult things about sitting as a member of the Board of Directors is that they never could have the sense of day-to-day operations that anyone working at LTD could have; they did not know as much about the nature of the business as all those in the room knew. He said that their job was to make sure that the policies were there, that LTD was a steward of the public dollar and the human resources. The Board did have the authority to make decisions and took that very seriously. Mr. Gaydos said that petitions historically had been a way of getting a viewpoint brought forth, and

that the First Amendment of the U.S. Constitution and the Oregon Constitution allowed the freedom of free speech. He said that the Board encouraged free speech; they had public meetings and encouraged people to participate. However, he said, it came down to the Board having the responsibility of making the decisions. Therefore, he said, however input came to the Board, it would be considered as input. A petition with whatever number of signatures was not going to be persuasive evidence in his mind, and he said he thought it actually was unhealthy for the District to continue in that way. He also stated that he thought it was healthy for positions to continue to be placed in the newspapers in the community. He said he was hoping that people learned that LTD actually had an open organization; the Board of Directors had public meetings and was willing to listen to people, and there was no need to communicate through petition and the newspapers. Rather, people could communicate directly with the Board. He said that the Board's goal was to heal and do the best it could do. He said he would do his best to persuade people to stop petitions, to stop fighting in the newspaper; and to talk to the Board directly, which was more effective and probably more persuasive, in his opinion.

Mr. Eyster said he agreed with everything Mr. Gaydos had said, and also wanted to thank the people who had written to him. He said he could understand that for some people, because there was a petition last time and then some time after that Mr. Hamm made the decision to resign and the Board accepted that request from him, it could seem that those were cause and effect, but that was not the case. Mr. Eyster said that for people who were fearful because they saw a petition take place last summer and then saw an action that seemed to follow that, those were not cause and effect, and that the Board had to make its decisions based on what they thought was in the best interest of the District. They had to do this by weighing information. People's opinions were part of that, he said, but because a certain number of people signed a document was not the basis on which he made decisions. Mr. Eyster said that there obviously was uncertainty for employees, but for those who might feel uncertainty based on the fact that there had been another petition, he wanted to put their minds at ease that this was not the basis on which he thought any of them were going to make a decision.

Mr. Gaydos said also that the HR Committee was not a place for public input. The goal was to try to assemble some information and assure that the Board could move forward appropriately and transparently with an interim process and then a selection process for a new general manager. To do that, he said, the HR Committee had to gather information. They had received a packet of information that they had asked Ms. Sullivan for, from the last executive search at LTD. Ms. Neidig had prepared a proposed schedule so that the Board could begin looking toward future meetings and work that needed to be done to keep the process moving.

Mr. Gaydos said that there was no doubt that the direction that Mr. Hamm had established would be the direction in which the District would continue to move. There was no doubt that the Board strategic plan would stay, generally with modifications each year. He said that LTD was a stable organization with great leadership at all levels. He said that the Board was proud to serve as the Board of directors, and now it was just an issue of figuring out how to manage the change.

Ms. Neidig then discussed the proposed schedule to help organize the tasks, and meetings at which they could be done. The HR Committee was scheduled to report to the full Board the following day. The most immediate decision on which to obtain Board

feedback concerned an interim general manager. Another question for the full Board concerned timeline and how fast they believed the process should move. In addition to the packet prepared by Ms. Sullivan, Ms. Neidig had prepared some information about local services and processes, and asked the Committee for direction to begin formatting a proposed process for LTD's executive search.

Ms. Ban said that she appreciated that the timeline showed the decision about an interim general manager being made sooner rather than later. She thought that making this decision as soon as possible would be healthy for the organization.

Mr. Gaydos said that the Committee had asked the Leadership Council for some thoughts about advantages and disadvantages of an internal versus an external interim manager. He noted that the Committee had received those earlier. He said that input was very helpful, and he believed that there was not a very strong reason to look externally.

Mr. Eyster said one potential negative that was not listed was regarding person power—the person who moved up internally would have a much fuller “plate,” and he wondered if there might be a way to backfill for that person. Mr. Gaydos recalled that this was recognized in the input from the Leadership Council, and there was a sense that some of the workload would be spread among the other members. He said that another reason he would argue against looking externally was that LTD was not broken. He said that Mr. Hamm was leaving a stronger organization than he came to, and LTD was moving in an appropriate direction. Ms. Ban said that this would be the direction she was leaning, as well, and the only reason to wait would be to have a chance to talk with other Board members and to have some other consultation. She said she did not think there should be a problem having a decision made by the next Committee meeting, tentatively scheduled for the following week.

Mr. Gaydos asked if there were any criteria developed the last time for the selection of the general manager. He thought that would not be totally different from the interim manager. Ms. Neidig called the Committee's attention to the recruitment brochure and comment cards included in the packet from the previous process, but those were not an exclusive list. Mr. Gaydos thought that duties listed on page 3 of the brochure were reasonable for the interim and permanent positions. Ms. Ban noted a scope of work and minimum requirements sheet in the packet, as well.

Mr. Gaydos agreed with Ms. Ban that sooner was better than later. The Committee was scheduled to meet on December 15 and asked if the full Board could meet that evening or the following day. He noted that the Board had received some input on the interim selection by e-mail and telephone.

Mr. Hamm mentioned some other local selection processes that had occurred regarding interim managers in local public agencies. He suggested soliciting some input from the local public and business community regarding their vision for the short term and input for permanent selection.

Ms. Ban wanted to send a clear message that LTD would be moving forward. Mr. Gaydos suggested that the Board could say that there was no urgency in selecting the next general manager. The Board could name an interim general manager now and then everyone would know that that person would take over for an interim period.

Naming an interim manager soon would help alleviate employee anxiety about whether there would be an internal or external interim manager.

Mr. Gaydos recommended that having an internal general manager was the best way to go. He suggested considering the District's current projects and priorities in order to determine how long the interim period should be. Then the start of the executive search process would depend on when the Board wanted a new general manager to begin.

Mr. Gaydos said that from his perspective, Mr. Hamm had done a good job and there was a good staff in place.

Mr. Eyster asked if the HR Committee should recommend to the full Board that LTD use an executive search firm. Ms. Neidig said that there were good reasons to have help from an external group, including workload issues and a neutral screening process. She said that there were a few firms that specialized in transit executive hiring processes. She said that the City of Springfield spent about \$27,000 to contract with the firm for city manager recruitment. The cost for LTD would depend on what the firm was asked to do. There also were costs for flying candidates to Eugene for interviews, placing advertisements, etc., which might double the cost of the firm. She added that having staff handle a recruitment process did not come without costs, as well.

Mr. Hamm described the process used when he was hired by LTD. The Committee asked for copies of the previous recruitment materials to be given to the other Board members at the annual strategic planning work session the following day. They would discuss the interim general manager selection and external versus internal recruitment with the full Board at that time.

ADJOURNMENT: The meeting was adjourned at 4:25 p.m.

Recording Secretary