MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, December 21, 2005

Pursuant to notice given to *The Register-Guard* for publication on December 16, 2005, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held its regular monthly meeting on Wednesday, December 21, 2005, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present:	Gerry Gaydos, President, presiding Debbie Davis Dean Kortge Mike Eyster David Gant, Secretary Dave Kleger, Treasurer Ken Hamm, General Manager Jo Sullivan, Clerk of the Board Lynn Taylor, Minutes Recorder
Absent:	Susan Ban, Vice President

CALL TO ORDER – Mr. Gaydos called the meeting to order.

ROLL CALL – General Manager Ken Hamm called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Mr. Gaydos related that he recently attended a celebration of the Smart Ways to School Program and was impressed by the student speakers and program staff. He said the event was a good recognition of transit's role in the community.

EMPLOYEE OF THE MONTH – Transit Operations Manager Mark Johnson introduced January 2006 Employee of the Month Bus Operator Richard Shrope. He described Mr. Shrope's contributions to the agency as an operator and instructor. He said Mr. Shrope was nominated by an out-of-town passenger who appreciated the extra service he provided.

Mr. Gaydos presented Mr. Shrope with his awards and thanked him for his service. Mr. Shrope expressed his appreciation for the award and for passengers that took the time to give positive feedback.

Mr. Hamm introduced Gaylene Shrope, also an LTD employee, and recognized the Shropes as exceptional employees.

RECOGNITION AND THANK YOU TO DAVE KLEGER – Mr. Gaydos thanked outgoing Board member Dave Kleger for his outstanding commitment to the District and 20 years of work on transit accessibility issues. He said that Mr. Kleger's years of experience and knowledge of transit had made him a valuable resource for the Board and his presence would be missed. He said that Mr. Kleger would continue to serve on LTD committees and hoped he would also occasionally attend Board meetings.

Mr. Kleger remarked that he had never served on a better Board and commended LTD staff as second to none in its organization and responsiveness to Board direction. He said that LTD was the most practically-minded and mission-driven organization he had ever experienced. He appreciated the opportunity to serve on the Board and looked forward to a continuing relationship with the District.

Mr. Gant remarked that the Board would miss Mr. Kleger's participation and expressed his personal appreciation for Mr. Kleger's kindness.

Mr. Hamm, on behalf of himself and the LTD staff, recognized Mr. Kleger's commitment to those who rode the bus, District employees, and the disabled community, and his passion for doing things right. He thanked Mr. Kleger for his many contributions to the District.

Mr. Kleger indicated his willingness to be available for consultation with Board members when needed.

ANNOUNCEMENTS AND ADDITIONS TO AGENDA – There were no announcements or agenda additions.

BOARD CALENDARS – Mr. Gaydos recommended that the Board not hold its December 2006 meeting so close to the Christmas holidays.

WORK SESSION

Review of LTD Pension Plan Benefits – Director of Human Resources and Risk Management Mary Neidig, attorney Everett Moreland, and actuary Pete Sturdivan presented a review of pension plan benefits.

Ms. Neidig reminded the Board that it had received an overview of LTD's pension benefits at its October 2005 meeting and discussed a 2 percent cost-of-living adjustment (COLA) for retirees in the administrative plan at its November 2005 meeting and December 2005 work session. She said the presentation would provide a broader context for decisions the Board might make over the next several months as the District moved toward final budget decisions. She said the presentation would address the following areas:

- Current pension issues and trends in general
- Key policy issues for the budget process
- Pension funding strategies at the policy level

Ms. Neidig stated that the work session was for discussion purposes and no Board decision was required, but she hoped the Board would provide direction to staff on how to proceed in order to assist the Board with its decision-making.

Mr. Moreland said that Congress had changed funding rules for private pension plans because the Pension Benefit Guarantee Corporation (PBGC) insured those plans and Congress was concerned that corporations were dumping underfunded plans on PBGC. He said that public plans such as LTD's could not be dumped on the PBGC and public entities could not eliminate public plans or reduce benefits for current employees, which necessitated different funding strategies for public and private plans; public plans could be funded over a period of years so the burden to taxpayers was spread over a long time, while Congress required private plans to be funded now.

Mr. Sturdivan emphasized the difference between private and public funding strategies and said his remarks were specific to defined benefit plans that provided a promised benefit monthly for life when an individual retired. He said that the Government Accounting Standards Board (GASB) governed disclosure requirements for public plans such as LTD's, and pointed out that plan sponsors generally had taxing/rate authority to generate revenue to pay for the plans.

Mr. Gant noted Congressional concern about placing the burden for underfunded private plans on the taxpayers through the PBGC and said that the same situation could occur with underfunded public pension plans, such as the Public Employees Retirement System (PERS), when a legislature was forced to commit larger amounts of the State's budget to funding that plan. Mr. Sturdivan agreed that any improperly funded plan could become a burden to taxpayers and the question was what was improper funding. Mr. Moreland commented that underfunding was a matter of perspective. He pointed out that the City of Portland's plan was funded in a way that raised funds as needed through taxes while the LTD plan was funded years ahead with millions of dollars available to pay future benefits.

Mr. Sturdivan said that federal legislation was anticipated that would bring about substantial changes to retiree medical disclosures in public sector plans. He said that funding goals for LTD plans were: (1) level contribution rate as a percent of payroll over generations of taxpayers for the salaried plan; and (2) ultimate level hourly contribution rate per hour, graded over three years, for the ATU plan. He said the annual recommended contribution was determined by taking the annual cost of benefits earned by the active members for the year plus administrative expenses and amortizing the unfunded actuarial liability over 20 years. He said the plans used a rolling amortization that basically refinanced the unfunded liability every other year and that was one of the policies the Board could consider in its decision-making process.

Mr. Kortge commented that it would be more difficult to estimate projected benefits for salaried employees because benefits were based on a percentage of salary and asked how that was factored in. Mr. Sturdivan said that estimates were based on the assumption that an individual would have a 5 percent annual increase over his or her career.

Continuing, Mr. Sturdivan described the smoothed value assets methodology used to determine the unfunded actuarial liability and annual payment. He said that LTD used a three-year asset smoothing approach, plus 20-year funding for both plans. He reviewed investment performance over a ten-year period and said while there were double digit returns in the 1990s, returns were either negative or very low from 2000 to 2003. He said a new investment consultant for both plans recently was hired.

Mr. Gant asked if the plans had a mechanism that would alert administrators when the relationship of the market value of assets to the benefits to be paid reached a critical point that could not be exceeded. Mr. Sturdivan replied that there was no mechanism in public sector plans but one did exist in the private sector for multi-employer plans and the concept was that action had to be taken if the plan was less than 65 percent funded.

Mr. Gant felt that it was even more important to have an alarm mechanism for public pensions so that remedies were not postponed on the assumption that tax revenue could be generated without considering the future budget impacts. Mr. Moreland replied that public entities had few remedies over the short term because future benefits could not be reduced for current employees and past benefits could not be reduced; immediate significant action involved either raising taxes or cutting operating budgets. He said the best options for public entities were long-term remedies.

Mr. Gant reiterated his concern that the Board carefully evaluate the assumptions and assure that the funds did not reach a "tipping point" and get into serious trouble. Mr. Hamm said that trustees for both plans over the last two years were concerned with trends and had been looking at the impacts of the market, investment management performance comparisons to industry standards, and other strategies. He said that the new investment strategy as a result of the change in investment consultants was somewhat riskier but trustees were confident that over a reasonable period of time the unfunded liability would be reduced.

Mr. Gant cautioned that jumping from a fund that was not performing to one that was did not guarantee better results and actively managed funds statistically did not do better than funds that were not actively managed. He urged the Board to closely review assumptions related to constant rate of return over a long period of time. Mr. Hamm said that trustees had examined performance over a ten-year period and difficult economic times, and LTD's previous investment management firm's performance was below that of the new management firm's by several percentage points.

Mr. Gant remarked that past performance was no guarantee of future performance. Mr. Gaydos replied that the previous management firm had lost some key personnel, which, in addition to poorer performance, caused the trustees concern. He said that the trustees appreciated Mr. Gant's comments. Mr. Sturdivan said that the new consultant would provide discipline in terms of asset allocation and search out the best funds.

Mr. Sturdivan said there had been a decrease in the funded status of plans, with the salaried plan at 78 percent as of June 30, 2005, and the ATU plan at 59.5 percent as of December 31, 2003. He said the funded status was affected by negative investment returns and improved benefits through collective bargaining in 2000; both plans were in the lower third of public plans funding status. He reviewed the recommended contribution rates for both plans. He summarized the presentation points as follows:

- Fundamental differences existed between public and private sector pension plans
- The funded status for both of LTD's plans are in the bottom one-third of a survey of state systems
- Current funding policy focused on maintaining level contribution rates over time
- Investment return assumption reflected long-term expectations based on the plan's asset allocation

Mr. Sturdivan said that retirement program policy considerations included funding policy: level contributions over generations of taxpayers v. paying off the unfunded balance over a period of time.

In response to a question from Mr. Kortge, Mr. Sturdivan said that the goal was to reach 100 percent funding when benefits came due, but in the context of a public sector employer and taxpayers the time period was much longer.

Mr. Gant asked if there was a point at which the funded status of a plan became a problem and whether any plans established a level that the funding percentage could not drop below. Mr. Sturdivan said that had not been an issue in the public sector.

Mr. Gant stated his concern that not establishing an "alarm" point made it easy to postpone difficult decisions by assuming that the organization would always be able to pay the benefits, although that could have a negative impact on services. Mr. Sturdivan said that if the assumptions were set appropriately and the organization was disciplined in making the annual required contribution, then the organization should be able to pay off the funded balance and pay benefits.

Mr. Gant asked how much LTD would be required to pay in the future and what the budget impact would be.

Mr. Gaydos reminded Mr. Gant of the early discussion about the difficulty of precisely predicting future liabilities which was why it was necessary to make assumptions and be disciplined about contributions and fund oversight.

Mr. Kortge pointed out that LTD had always made the required contributions and organizations encountered problems when contributions were not made because the funds were used for other purposes.

Mr. Gaydos commented that the funded status of plans was based on assumptions, making it very difficult to establish a funding threshold.

Mr. Sturdivan said that the funded status figure was a tool to measure the health of the fund and its ability to pay benefits, but that was only one factor. He said there were two revenue sources: the assets on hand and the ability of the employer to pay future contribution requirements. He said a part of the funding question was whether the assets plus anticipated revenues from the employer would be able to pay all of the benefits promised. He added that a period of time during which investments did poorly might require an increased contribution from the employer.

Mr. Gaydos stated that there were many factors to be considered in plan management and trustees needed to rely on the advice of professionals.

Mr. Kleger suggested that LTD should increase its current contributions as a way to protect against or mitigate future poor investment performance and fulfill obligations without having to drastically cut services.

Mr. Gaydos said that 100 percent funding would never be achieved regardless of the amount of LTD's contribution, because full funding at any point was based on a snapshot of benefits and assumptions.

Mr. Moreland stated that there were two separate questions to be addressed by the Board:

- Under current assumptions, funding was behind – how should that be addressed?
- What should be done to avoid increasing the funding gap in the future?

Mr. Gant emphasized the importance of requiring advisers to tell the Board if budget cuts would be required to address either question.

Mr. Hamm said that staff preferred that the Board examine all budgetary issues before deciding where to make cuts.

Mr. Sturdivan confirmed the Board's interest in stabilizing and paying off the unfunded balance as one of the primary components of its funding strategy.

AUDIENCE PARTICIPATION – There was no one wishing to speak.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar** – Mr. Kleger moved adoption of LTD Board Resolution No. 2005-035: "It is hereby resolved that the Consent Calendar for December 21, 2005, is approved as presented." Mr. Eyster provided the second. The Consent Calendar consisted of the minutes of the November 2, 2005, special Board meeting and November 16, 2005, regular Board meeting.

VOTE The Consent Calendar was approved as follows:
AYES: Davis, Eyster, Gant, Gaydos, Kleger, Kortge (6)
NAYS: None
ABSENTIONS: None
EXCUSED: Ban

Appointment of LTD ATU Pension Trust and LTD Salaried Employees' Retirement Plan Trustees to Succeed Ken Hamm – Mr. Gaydos explained that Mr. Hamm had submitted his resignation and Mark Pangborn and Mary Neidig were recommended to be appointed as trustees.

Ms. Neidig said that the resolution would appoint different trustees to both the ATU Pension Trust and the Salaried Employees' Retirement Plan. She said that earlier the trustees had received Mr. Hamm's resignation from the trustee position he held on each of the plans and the Board, in order to appoint new trustees, had to accept the resignation in conjunction with making the new appointments.

Mr. Hamm said he had asked Mr. Moreland for advice on how to make the smoothest transition for both plans and the resolution was based on that advice.

MOTION Mr. Eyster moved adoption of LTD Resolution 2005-039: "It is hereby resolved, effective immediately, that Mark Pangborn is appointed as a Trustee under the Trust Agreement updated December 18, 2979, for the Lane Transit District and Amalgamated Transit Union, Local 757 Restated Retirement Plan (which Plan is now known as the Lane Transit District and Amalgamated Transit Union, Local 757 Pension Trust), as successor Trustee of Ken Hamm, who has resigned as a Trustee. Gerry Gaydos is reappointed as a Trustee under the Trust Agreement for the Pension Trust. After these appointments the Trustees under the Trust Agreement for the Pension Trust appointed by Lane Transit District are Gerry Gaydos and Mark Pangborn. It is also resolved that Mary Neidig is appointed as a Trustee under the Trust Agreement dated August 18, 1999, for the Lane Transit District Salaried Employees' Retirement Plan, as successor Trustee of Ken Hamm, who has resigned as a Trustee. Gerry Gaydos and Mark Pangborn are reappointed as Trustees under the Trust Agreement for the Retirement Plan. After these appointments the Trustees under the Trust Agreement for the Retirement Plan are Gerry Gaydos, Mark Pangborn, and Mary Neidig." Mr. Gant provided the second.

VOTE The resolution was adopted as follows:

AYES: Davis, Eyster, Gant, Gaydos, Kleger, Kortge (6)
NAYS: None
ABSENTIONS: None
EXCUSED: Ban

Fleet Replacement – Director of Fleet Maintenance Sam Marra said that, consistent with discussions at the recent strategic workshop, the Board's approval of Resolution 2005-038 would authorize LTD staff to begin the procurement process for 25 replacement buses.

MOTION Mr. Kleger moved approval of LTD Resolution 2005-038: It is hereby resolved that the LTD Board directs staff to begin the procurement process for twenty-five (25) low-floor, diesel-powered buses to replace buses that have met or exceed their design life. Mr. Eyster provided the second.

VOTE The resolution was approved as follows:

AYES: Davis, Eyster, Gant, Gaydos, Kleger, Kortge (6)
NAYS: None
ABSENTIONS: None
EXCUSED: Ban

Grant Applications – Director of Finance & Information Technology Diane Hellekson explained that this and the following agenda item would address financing the purchase of replacement buses. She said the capital improvement program would be modified and there would be a supplemental budget in January 2006 to move those appropriations from next year to the current year. She said the grant applications required a public hearing and formal Board approval to proceed with the applications. She remarked that the grant application process leading to the point at which LTD could draw down the funds was a protracted one. She distributed a replacement Agenda Item Summary with corrected information.

Mr. Eyster said it appeared that LTD assumed it would receive the grant funds. Ms. Hellekson replied that LTD knew it would receive the funds as they were appropriated in the federal budget. Government Relations Manager Linda Lynch said that while the funds were authorized, they were appropriated over a four-year period and LTD would have to apply each year for the funds appropriated in that year.

Public Hearing: Mr. Gaydos opened the public hearing on the grant applications.

Closure of Public Hearing: There being no one wishing to speak, Mr. Gaydos closed the public hearing.

In response to a procedural question from Mr. Gant, Ms. Hellekson said that it was possible the replacement buses would arrive before LTD would be able to draw down the grant funds; LTD could not legally sign a contract to purchase the vehicles unless it could demonstrate the ability to pay for them. She said the next agenda item was a short-term borrowing resolution that would provide a contingency plan in the event LTD needed to pay for the buses before it could access the grant funds.

MOTION Mr. Kleger moved adoption of LTD Resolution 2005-036: It is hereby resolved that the LTD Board of Directors approves the proposed grant applications listed below which total $9,183,020 in federal funds and authorizes the general manager to submit these applications to the Federal Transit Administration for approval: FY 2005-2006 Bus Purchase Grant Application - $7,447,262, and FY2005-2006 CIP Grant Application - $1,735,758. Mr. Kortge provided the second.

VOTE The resolution was adopted as follows:
AYES: Davis, Eyster, Gant, Gaydos, Kleger, Kortge (6)
NAYS: None
ABSENTIONS: None
EXCUSED: Ban

Debt Resolution – Ms. Hellekson explained that the debt resolution allowed LTD to borrow money to pay for 25 replacement vehicles in the event that grant funds were not available at the time the buses were received and the borrowed funds were specific to that vehicle purchase. She emphasized there was no certainty that LTD would need to use its borrowing authority but it was necessary to have the resolution in place at the time the District contracted for purchase of the vehicles.

Mr. Gant asked about resolution language that specified the rate was not to exceed 6 percent. Ms. Hellekson said that LTD had chosen that rate and if it could not be obtained the Board would be asked to authorize a different rate.

MOTION Mr. Kortge moved adoption of LTD Resolution 2005-037, authorizing debt financing of up to 25 revenue vehicles in FY 2006-07 (on or before December 31, 2006). Mr. Kleger provided the second.

VOTE The resolution was adopted as follows:
AYES: Davis, Eyster, Gant, Gaydos, Kleger, Kortge (6)
NAYS: None
ABSENTIONS: None
EXCUSED: Ban

ITEMS FOR INFORMATION AT THIS MEETING

Board Rules and Procedures – Mr. Gaydos introduced District Counsel Roger Saydak to lead a discussion of lobbying protocols. He said Board was considering the issue of what its ability was to lobby on behalf of district interests.

Mr. Saydak noted that a member of the legislature had recently criticized LTD's activities during the past legislative session and that had raised the issue of what type of lobbying the District could and should be doing. He said that virtually every unit of government in the State lobbied the legislature and many lobbied Congress as well for issues of concern and that included transit districts. With respect to the District's legal authority to lobby, he said the enabling statute provided LTD the ability to expend any monies that were within purposes provided by law and the district had the power "...to do all acts or things as may be necessary or convenient for the proper exercise of the powers that are granted to the district." He said that looking for the authority to lobby involved examining the statute and determining what the courts and the attorney general had said about it over the years. He cited a 1973 case involving the Eugene Water & Electric Board (EWEB) in which the EWEB Board was challenged for support the agency provided to a bond campaign it was mounting. He said that the Supreme Court had determined that local governments in Oregon did not have the authority to expend public funds in an effort to influence voters. He said the difference between trying to convince people to vote a particular way in a general election with advertising and going to Salem and expending funds on lobbying efforts to try to convince the legislature to vote a particular way had been examined by a number of courts around the country, although not specifically Oregon in a way that created binding precedent. He said that many states had concluded that if the lobbying effort was an attempt to convince the legislature, that constituted part of the job of government to inform the legislature about the effect of the laws it was contemplating; other states interpreted statutes very strictly and unless statutes explicitly granted the power to lobby that power did not exist.

According to Mr. Saydak, in Oregon there had been a case in 1986 that addressed the question of lobbying by government. He cited the case in which the City of Portland expended funds to try to convince the voters to adopt fluoridation. The court stated that "...local officials may spend public resources to persuade Congress, the state legislature, or another level of government of a policy which many of the officials' own constituents oppose." He observed that many of LTD's constituents had strong feelings about an elected board but the LTD lobbyist made efforts to inform the legislature about the District's position. He said the court also determined that "...lobbying of policy-makers at another level of government differed from government propaganda directed to its own constituency in the respect that no matter how aggressive and effective such lobbying might be as a matter of political reality, in principal those to whom it was addressed were themselves public officials with an independent responsibility to decide on the public interest as they perceive it." He said the essence of the court's determination was that lobbying the legislature was part of citizen responsibility to inform the legislature on matters about which it was making decisions and the legislature could take that advice or not. He said the case was not definitive but many governmental entities naturally assumed the authority to lobby as matter of government free speech and the ability to advocate and inform. Mr. Saydack stated that ultimately the ways in which the District approached the legislature were the decision and responsibility of the Board.

Mr. Gaydos thanked Mr. Saydak for the information and advice. He said the Board was forming a Communication Committee that could address not only communication strategies but also the question of lobbying priorities and activities and make recommendation to the Board.

Mr. Gant agreed that it was important for the Board to define lobbying activities and provide direction to the District's lobbyist. Mr. Saydak said that the farther the lobbying efforts were from the operations and purpose of the District the more difficult they were to justify.

Mr. Gaydos said that he, Mr. Gant, Government Relations Manager Linda Lynch, and anyone else who was interested would develop protocols to propose to the Board for consideration.

Mr. Hamm suggested that the Board annually develop a strategic legislative and Congressional plan to help establish a legislative agenda for the District and direct lobbying efforts.

Mr. Gaydos agreed that the committee could return to the Board with a draft plan.

Mr. Kleger advised Board members that they should not assume that legislators understood District operations, and it was critical for the District to assure that legislators had that information available to them.

Mr. Gant commented that there was a perception that this Board had taken a position on the subject of an elected board. Mr. Gaydos said a discussion of that issue could be added to the list of future action items.

Monthly Financial Report – Ms. Hellekson referred to the written report included in the agenda packet and said it had been another month of only good news. She noted that on December 12, 2005, the price of fuel had dropped to $1.62 per gallon. She said that fuel costs were budgeted at $2.10 per gallon and staff continued to monitor costs closely.

Service Planning Issues – Director of Development Services Stefano Viggiano reported that the Service and Marketing Committee of the Board had agreed with the staff's position on four key issues, although one had been somewhat modified. He summarized the four issues and noted that explanatory information was provided in the agenda packet:

- implementation date of the first progressive corridor enhancement (PCE) changed from Fall 2006 to Fall 2007
- four operator bids scheduled in FY 2006-07, including implementation of annual services changes in September 2006 bid and implementation of changes associated with the Franklin EmX start and Thurston changes in December 2006 bid
- accelerated Pioneer Parkway EmX schedule to meet August 2006 New Starts application deadline
- the move of service increases to the RiverBend area from 2010 to 2008-09 to coincide with the opening of the hospital (amendment to the Long-Range Financial Plan)

Mr. Gaydos expressed concern about moving EmX to the end of 2006 as the District was already behind the projected schedule and an operator bid in December 2006 meant that service would not occur until 2007. He felt the District should be clear with the community about when the service would be available and suggested that announcements could indicate late 2006/early

2007 as the target. Mr. Viggiano replied that informational materials for the past year had identified late 2006 as the target for implementing service. He said that if services were implemented in December that could be a "soft" opening and a grand opening with major publicity could occur in January 2007.

Strategic Plan – Marketing and Communications Director Andy Vobora distributed updated drafts of the *LTD Strategic Plan – 2006* and *LTD Internal Communications Plan.* He said the strategic plan was revised with comments from the Board's strategic planning work session as highlighted in the document. He referred to a memorandum from Mr. Gaydos, included in the agenda packet, that was distributed to all employees and highlighted the District's major priorities as it entered the budget process. He said the communications plan was designed with short-, medium-, and long-term strategies to improve communications, facilitate employee feedback, and encourage employee involvement. He said that staff were compiling the results of the general manager's listening sessions with employees and identifying questions to be answered and areas in which more information should be provided to employees. He said that the same process would be used with issues that were raised during Board members' listening sessions. He asked for feedback from Board members on their listening sessions with employees.

Mr. Kortge stated that he had mixed feelings about the Board's involvement in listening sessions and questioned whether that was the Board's job. He did not want to see Board listening sessions established as a standard practice because he felt that it allowed any group of employees to circumvent the general manager and he was resistant to that happening.

Mr. Gaydos agreed with Mr. Kortge, but was open to suggestions on how that process could be more effective. He said part of the issue was the extent to which the Board was accessible. He noted that attendance at the listening sessions was low and if the Board wished to continue a more productive approach, it was necessary to assure that a wide range of opinions was heard.

Mr. Gant agreed with Mr. Kortge and Mr. Gaydos. He said the Board was accessible, Board members all had e-mail addresses, and meetings were open to the public. He said if the Board took too active a role with employees, the process was vulnerable to small groups with expectations of specific results. He said if employees were sufficiently interested in Board policy and actions, they could attend Board meetings, and that it was not only their right, but also their responsibility to make the Board aware of their concerns. He was not certain that the Board had a responsibility to make itself more available to any one group, including employee groups, than to the public.

Mr. Gaydos noted that employees had indicated problems with accessibility because Board meetings occurred on the same night as union meetings and were always conducted at LTD administrative offices. He said felt the Board had an obligation to examine all of those issues to determine if accessibility could be improved.

Mr. Kortge did not want the Board to be placed in a position where the implication was that it became involved in negotiations. He agreed that perhaps meeting times could be changed to accommodate employees and suggested that employees could participate as members of some of the Board committees.

Mr. Gaydos said it was a question of balance and how accessible the Board wished to be. He reminded members that the original purpose of the Board's listening sessions was to look at the strategic plan.

Mr. Kleger commented that there was precedent for including non-supervisory or non-management employees on Board committees, but cautioned that care should be taken in selecting people who were respected within the particular constituency from whom the Board was seeking input.

Mr. Vobora said that staff supported the idea that communications must ultimately come back through the District's management team, but were open to any suggestions for improving the process.

Mr. Pangborn said that the management team was again meeting regularly with the ATU executive committee; those meetings were suspended during negotiations and had now been reinstituted.

Mr. Gaydos emphasized that meetings should not be limited to the union. Mr. Pangborn said the Board should hold the management team accountable for communications and the team was working on ways to improve communications both with employees and the Board.

Mr. Gant asked if employees, both union and non-union, had a perception that the Board was not sufficiently informed about District operations to make effective policy decisions. He observed that District operations were complex and it was a steep learning curve for new Board members and wondered if there were ways to improve the education of Board members about operations and let employees see that was happening. Mr. Vobora said that was consistent with the communications and outreach plan he was developing and there were a number of strategies that the Board could explore. He suggested that the District consult with outside resources to inventory current practices and recommend new approaches. He said in the plan included in the mid-range strategies hiring a consultant to conduct a fuller employee assessment. He said an earlier employee survey had raised concerns about the limited number of people interviewed and a fuller assessment involving more employees could provide better information and inform some longer-range strategies.

Mr. Gaydos encouraged the Board and staff to remain relentless in their pursuit of effective ongoing communications. He left the meeting at 8:10 p.m.

Mr. Vobora said that a continuing difficulty was communicating effectively with operators. Short-term strategies included involving direct supervisors in a new way through distribution of informational materials and response forms.

Mr. Gant said it was important to ask employees how the Board could listen effectively and enlist their help in achieving that.

Mr. Kortge cautioned about conducting another organizational survey as employee feedback had already been obtained.

Mr. Eyster said that timing of another survey was important. He asked how employees were responding to the appointment of Mr. Pangborn as the interim general manager. Ms. Neidig said that ATU had made a commitment to working with Mr. Pangborn as the general manager. She said that there had been mixed reviews and some employees felt that the Board should have appointed an interim general manager from outside of the organization.

Mr. Hamm remarked that there were other employees besides union members and that the administrative employees strongly supported Mr. Pangborn. He noted that union meetings were typically attended by 35 to 40 employees and the opinions expressed by that small group did not necessarily represent all employees. He said that union leadership should be separated in the eyes of the Board and management team from that small group.

Mr. Kleger reported that his feedback from operating personnel indicated that they were quite divided with some agreeing with the Board's appointment of Mr. Pangborn and a few who thought it was the wrong decision. He said most of the employees he spoke with were not supportive of the way in which the return of Phyllis Loobey was proposed.

In response to a question from Mr. Eyster, Mr. Vobora said that Mr. Gaydos had drafted a letter to employees who had signed a petition in support of Ms. Loobey that would address the process for appointing a general manager. Ms. Neidig added that it was her sense from discussions with employees that it was time to let issues settle down and employees were anxious to see the Board discuss issues that were new and fresh and moving in the right direction.

Mr. Pangborn said it was his experience that administrative staff were very supportive, as were most operators, and it was time for the Board to move on.

Mr. Viggiano commented that there was still uncertainty about the extent of employee opinion on certain issues and encouraged an organization-wide survey to more accurately assess the issues and concerns.

Mr. Hamm reported that during his listening sessions with operators his general sense was that most people agreed there were still some issues but they were interested in moving forward.

The meeting adjourned at 8:25 p.m.

Board Secretary