

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

January 24, 2006

Pursuant to notice given to *The Register-Guard* for publication on January 21, 2006, 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 4 p.m. on January 24, 2006, in the District's conference room at 3500 E. 17th Avenue, Eugene.

Present:

Gerry Gaydos, Chair
Susan Ban
Mike Eyster
Ken Hamm, General Manager
Mark Pangborn, Assistant General Manager
Mary Neidig, Director of Human Resources and Risk Management
Andy Vobora, Director of Marketing and Communications
Jo Sullivan, Clerk of the Board/Minutes Recorder

CALL TO ORDER: The meeting was called to order at 4:08 p.m. by Committee Chair Gerry Gaydos. All were present.

APPROVAL OF MINUTES: Ms. Ban moved approval of the minutes of the December 2, 2005, and January 17, 2006, Board HR Committee meetings. Mr. Eyster seconded, and the minutes were approved by unanimous vote.

GENERAL MANAGER TRANSITION: Mr. Hamm said that he had thought it would take longer to transition some projects, but that process was going well and Mr. Pangborn was ready to take over. He said he would be out of town from January 27 through February 3, and then would clean out his office the following week. He thought it made sense to say that Mr. Pangborn was in charge beginning Friday, January 27, and let employees know. The Committee members agreed that this was a reasonable course of action.

LTD PENSION PLANS: Ms. Neidig outlined the issues for the Committee and said that the Board Finance Committee also was reviewing the financial issues related to LTD's pension plans. Mr. Gaydos said that one issue was the funding ratio and what the Board would be comfortable with, between 0 and 100 percent. Many assumptions were involved, but the object was to set a policy, which the HR Committee should recommend to the full Board for approval. The Committee would need to make recommendations regarding the funding ratio, unfunded liability, and interest rate. The pension trusts were scheduled to meet on January 27 and hear proposals from the new investment manager. Ms. Ban thought that making interest rate assumptions was more of a Finance Committee issue. Mr. Gaydos thought it was all tied together and that at some point the Board had to trust the people who do the work rather than individual intuitions. He suggested that the Finance Committee also discuss the reserve policy, and whether the reserves should be reduced from \$3 million to \$2 million. He thought that if the

Board felt that the District had enough reserves, maybe then it could be more aggressive in its assumptions.

The HR Committee would be meeting again in two weeks, after the pension trust meetings. Mr. Gaydos suggested that the Committee could make a recommendation to the full Board at the February 15 Board meeting.

EXECUTIVE SEARCH: There was some discussion about the length of the interim period before a new general manager would be hired. Mr. Gaydos said that Mr. Pangborn's retirement date would make a difference to him. He said that the Board could decide to eliminate the interim title and not spend money on a national search. The Committee had some concerns about the number of tasks already on LTD's agenda and trying to bring in a new general manager before more progress was made.

Mr. Gaydos suggested that an organizational communication assessment would be the best place to test criteria for a new general manager. There was some discussion about hiring a consultant named Tom Boyle, who was recommended by Margaret Hallock, to perform an organizational assessment regarding the roles of the organization, including both LTD and the ATU as organizations interacting with each other.

The Committee discussed an extended interim period in order to accomplish certain goals and projects, such as EmX funding, the payroll tax increase, the HR Plan, and Maintenance director selection, with a commitment to working on the criteria for the next general manager. The Committee thought that the interim period might be closer to 3 years than 18 months. The Committee liked the idea of evaluating communication at LTD, telling people about the District's priorities and timeline, preparing the organization for the future, and understanding the needs of the organization, so those would be known when the search for the new general manager began. Mr. Gaydos suggested that the Board did not have to begin working on the criteria yet; rather, they should build the foundation and develop criteria in the future. He thought that the criteria from the previous selection process were valuable currently. The Committee asked Mr. Pangborn to let them know what he thought was important for the interim period.

Ms. Ban suggested an interim period until January 2008, with a target hire date after that point. The full Board would need to make a decision on February 15, and then the HR Committee could work with Mr. Pangborn on developing an annual employment contract.

NEXT MEETING: The suggested agenda for February 14 was to discuss pension issues and review the criteria for the general manager.

ADJOURNMENT: The meeting was adjourned at 5:30 p.m.

Recording Secretary