

MINUTES OF DIRECTORS MEETING
LANE TRANSIT DISTRICT
SPECIAL BOARD MEETING/WEBINAR

Wednesday, September 22, 2010

Pursuant to notice given to *The Register-Guard* for publication on September 13, 2010, a quorum of the Board of Directors of the Lane Transit District was present to view and discuss a webinar on Wednesday, September 22, 2010, beginning at 11:00 a.m., in the LTD conference room at 3500 East 17th Avenue, Eugene.

Present:

Board

Mike Eyster, President
Dean Kortge, Secretary
Ed Necker, Treasurer
Gary Gillespie

Staff

Mark Pangborn, General Manager
Jeanne Schapper, Administrative Services Manager/Clerk
of the Board (Recording Secretary)
David Collier, Senior Human Resources Analyst

Absent:

Greg Evans, Vice President
Doris Towery
Mike Dubick

WEBINAR

Mr. Eyster welcomed the Board members present. The webinar, "Selecting a Transit CEO: Capital Metro's Case Study, Austin, TX," began at 11:00 a.m.

Moderator, Gloria Leonard, Chair, APTA Transit Board Members Committee; Speaker Norm Chafetz, Board Member, Capital Metropolitan Transportation Authority, Austin, Texas; Speaker Donna Simmons, SPHR, CCP, Director, Human Resources, Capital Metropolitan Transportation Authority, Austin, Texas; Speaker Stephanie Pinson, President, Gilbert Tweed Associates, Inc., New York, New York; and Speaker Linda Watson, President/CEO, Capital Metropolitan Transportation Authority, Austin, Texas presented information on the CEO search and selection process, including:

- Background
 - Four-member search committee established
 - Search firm hired late January 2010
 - 100 resumes received
 - Very tightly controlled schedule and logistics
- Public Involvement

- Board committed to public process
- Transparency promoted
- Community had sense of ownership in the next CEO
- CEO Search Criteria
 - Strong executive skills
 - Turnaround experience
 - Leadership skills
 - Effective communicator
 - Good fit for cultures of organization and community
 - Good sense of humor
 - Transit experience not necessary

Ms. Pinson, Gilbert Tweed, presented details on the recruitment process. The firm met with the Board a number of times to develop a candidate profile and make sure that they understood the goals of the Board, which included a good portion of stakeholder involvement. The firm spoke with approximately 100 people to get a feel for what the community wanted in the next CEO and how Capital Metro fit into the community. Employees also were surveyed.

Resumes received were reviewed by the firm, whittled down to 14 resumes, and the resumes were presented to the Board. These “scrubbed” resumes included the firms’ background details, but did not include the names of the firms. At this point, the primary focus was on qualifications and fit.

Then the Open Public Records law came into play in the process. In addition to an open public involvement process, it became clear that the candidates’ identities would need to be revealed. Through this new process element, it became apparent who was truly committed to the position. Two candidates withdrew their applications due to the risk of being exposed by media.

Interviews completed in early May, two candidates were selected to move forward in the process, and their names were publicly announced. No offers were made to either candidate at this point.

A stakeholder panel, representing a broad cross-section of the community (based on earlier community outreach), was developed. The panel consisted of eight people representing the local union, business community, Capital Metro advisory committees, local government, neighborhood alliances, and transit advocacy groups.

On interview day, May 17, the two candidates first met individually with the Board for in-depth interviews. Then each candidate met individually with the stakeholder panel. Each stakeholder was allowed to ask one question that had been pre-screened by the Search Committee. The

stakeholders submitted feedback forms on each candidate. Later that afternoon, the candidates individually attended community forums. The forum was open to the public and press, members of the public could question and interact with the candidates, and there was no pre-screening of questions. Videos of the forum were on local television and were posted on the City of Austin's Website. The public also was asked to submit feedback on each candidate.

Ms. Simmons, Capital Metro, continued with a perspective from the transit organization's process. She emphasized the importance of the public process, including stakeholders, and especially the employees of the organization. Employees were asked to submit input as to their main concerns about the selection of the next CEO, including characteristics of the next CEO. Employees submitted applications, and one employee was selected to sit on the initial interview panel. When the selection process was down to the two final candidates, another panel was formed of 10-15 Capital Metro employees who represented various levels, departments, and interests in the organization. They were afforded the opportunity to interview the candidates separately and provide input.

Ms. Simmons emphasized the importance of establishing a reasonable timeline with goals, tasks, and as much detail as possible early in the process to allow staff sufficient time to identify locations, times, etc., for interviews, and to get information out to stakeholders.

Ms. Pinson added that it was an iterative process: each meeting creating groundwork for the meeting that followed. Participants in each meeting approached the discussion and topics with the objective of the following meeting in mind.

Mr. Chafetz, Capital Metro Board of Directors, joined the discussion. He added that on May 28, each candidate met in open public meetings with a panel of business, community, and government leaders, followed by meetings with separate panels of customer and employee stakeholders. Those meetings also were televised and posted to the City's Website, and stakeholders were asked to submit feedback forms.

Mr. Chafetz reiterated the benefit of the community forums that allowed an opportunity to view the candidates' interaction with the public, which is very important

Ms. Pinson reiterated the importance of the public process and including the community, considering the open meetings and public records laws. These rules apply to every Board in the industry. She also encouraged discussion with legal counsel about communication through the process—what needs to be revealed and when it should be revealed.

Ms. Watson, CEO, Capital Metro, commented that the process worked well from a candidates perspective because it demonstrated the collaborative culture of Austin. One lesson learned was

for the new CEO to take the time to move to the new city early before beginning work as CEO, to get a feel for the community and learn more about it. She also commended Capital Metro's staff for handling logistical details such as communication, airport pick-ups, scheduling meetings, and transportation to various interviews.

Mr. Chafetz continued with the remaining details of the process. The Board met in early June to deliberate, and consensus was reached on one candidate. Before an official decision was made, one Board member traveled to the candidate's city to meet with key officials and receive feedback. A special meeting/executive session was held to determine the offer to be made to Ms. Watson. The Board unanimously authorized the offer in open session and authorized legal counsel to negotiate the contract terms. The Board Finance Committee Chair took the lead on negotiations. Contract negotiations took place from late June through mid-July, and the Board approved the employment agreement at its July 26 meeting. The new CEO was in attendance at the meeting and available for press interviews.

- Observations and Lessons Learned
 - Candidates need to be willing to have names exposed at some point—confidentiality isn't guaranteed.
 - The public involvement process is very useful. It gives the community a sense of ownership in the new CEO and gave the Board an opportunity to see how the candidates interacted with the public.
 - Have sufficient staff resources to handle logistics, and make sure staff receive as much lead time as possible. The process can move quickly.

In response to a question from a caller, Mr. Chafetz said that there was one internal candidate that was considered; however, the external finalists better met the criteria that the Board and community were looking for.

To conclude, Ms. Leonard announced that this webinar was the first in the 2011 series for Board members. The next webinar related to this topic will be in February 2011.

The webinar ended at 11:43 a.m.

BOARD DISCUSSION

Mr. Pangborn indicated that Austin is much larger than LTD and was in a different position at the time it was seeking a new CEO. The agency was embroiled in controversy with the rail project that was going in, the agency had received a negative audit, and the agency had a new Board.

Consequently, the two CEO candidates sat through public forums with a furious community that wanted the candidates to know its priorities.

Mr. Gillespie indicated his interest in Austin's use of the public access channel so that the community could log in and view interviews. He also suggested that the Q&A could be filtered by emphasizing that there would be no duplicate questions: all questions would be received and considered; however, the outliers of the Bell Curve will be eliminated, including questions that could possibly be illegal.

Mr. Dubick referred to the process that Lane Community College (LCC) embarked on when President Mary Spilde was hired. Separate open meeting in the LCC auditorium were held for each of the finalists.

Mr. Pangborn recommended that the Board assume an open process in terms of transparency, reflecting that this is a community decision. This also will send a message to the community that transit is going to be a very important piece of future public policy as the community grows.

Mr. Eyster emphasized LTD's positive profile that needs to be maintained.

Mr. Pangborn recommended asking Attorney John Arnold what pieces of information that may remain confidential and where the boundaries exist for the Board.

He added that the Board consider the applicant's willingness to allow release of his/her name, which demonstrates how important he/she considers the job. He reiterated the importance of maintaining an open public process.

Mr. Kortge mentioned that consideration be given to the staff included when the interview groups are developed, and the influence that they have, —including whether administrative or union employees are included. He added that he supported the idea of staff filling out an application to serve on a search committee and that there is a question on the application that asks specifically why the staff person wants to be on the committee. Mr. Pangborn emphasized that the application process would inform the Board as to what staff are looking for in the next general manager.

Mr. Eyster recommended integrating the groups rather than keeping them separate. Mr. Pangborn added that including employees from various levels, interests, and departments provides a broader view.

Mr. Pangborn expressed his concern regarding staff resources needed in the process. He said that he would work with Mr. Collier so that the process wouldn't concern the Board.

Mr. Eyster referred to a conversation he had with Attorney John Arnold. In order to meet in executive session, there are three conditions that have to be met: 1) proper public notice; 2) opportunity for public comment; and 3) there needs to be set of hiring rules; the hiring process is in LTD's policies—not necessarily for the general manager, but what is LTD's general employee hiring process. Mr. Pangborn clarified that the Board only manages one hiring policy: hiring the general manager. There is an existing hiring policy for all other LTD employees. Staff will follow-up with the attorney to make sure staff and the Board are proceeding appropriately, which may involve the Board approving a resolution.

The members agreed that the Board would meet in executive session when the list is narrowed down to one or perhaps two finalists and an offer is imminent.

Mr. Collier indicated that he would contact Ms. Simmons concerning logistics, their process for selecting the firm, and the cost involved.

Mr. Gillespie commented that the Board Committee has discussed whether the candidate is chosen based on skill set or profession. It was interesting that Austin chose skill set as opposed to profession. And interestingly enough, they ended up with someone in the profession.

Mr. Eyster added that he had spoken with city managers Gino Grimaldi and Jon Ruiz, and Gino was of the opinion that LTD needed to recruit someone from within the industry because of the complexity and need for specific technical skills.

Mr. Pangborn agreed. He gave the example of being the general manager and being approached by someone in the public who asked, "Why did you cut this service?" The general manager needs to be able to answer that question directly, rather than having someone else at the District "call back."

The discussion ended at 12:03 p.m.

Board Secretary