





Welcome & Introductions

Caitlin Vargas, Board Chair

Agenda

12:00pm Welcome and Introductions | Caitlin Vargas, Board Chair

12:10pm Board Training | SDAO

1:10pm Exploring the Role of the Board: Mock Scenarios

1:40pm BREAK

1:50pm Role of Board - Oversight

2:10pm Preparing for 2022

3:05pm Looking Ahead: FY2023

3:20pm BREAK

3:30pm Executive Search – General Manager

4:35pm 2022 Calendar Year: Key Items

4:50pm BREAK

Board Conversation 5:00pm





Board Training

SDAO

Exploring the Role of the Board Mock Scenarios



Exploring the Role of the Board *Mock Scenarios*

1

The General Manager presents a general solution to improve service that does not align with the strategic plan and has not been identified as a high priority for most LTD customers.

2

The General Manager presents a study that aligns with the Strategic Business Plan and the Board is focused on details that will not impact the outcome of the project.



BREAK 10 mins



Role of the Board Oversight versus Management



Role of Board

Hire General Manager

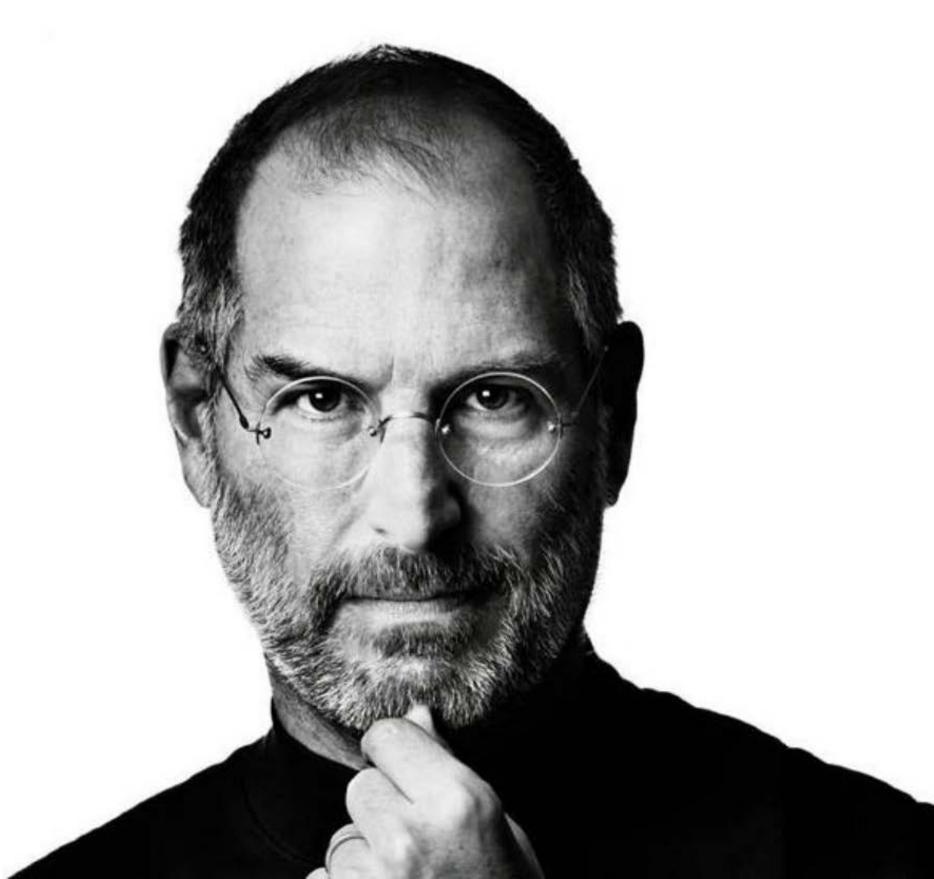
Root for General Manager's Success

Review General Manager's Performance



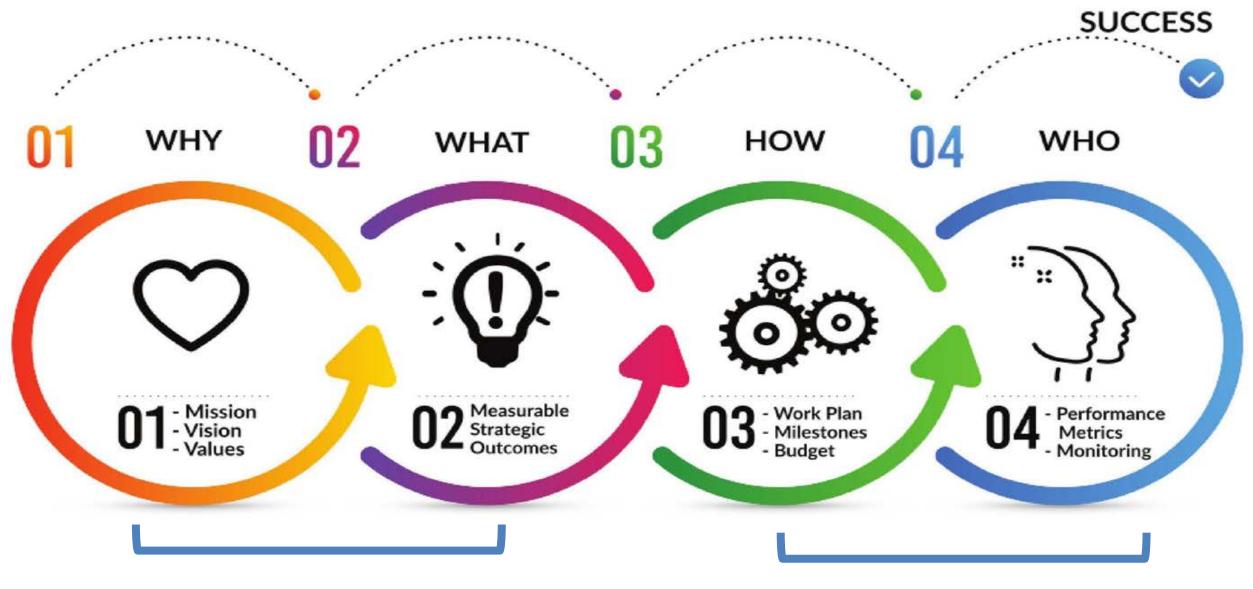
"Deciding what *not* to do is as important as deciding what to do."

— Steve Jobs





Role of the Board



Ensure that LTD has clear direction and is delivering on its mission, vision, and outcomes

Empower staff to manage how and who is responsible for getting the work done that produces the overall outcomes

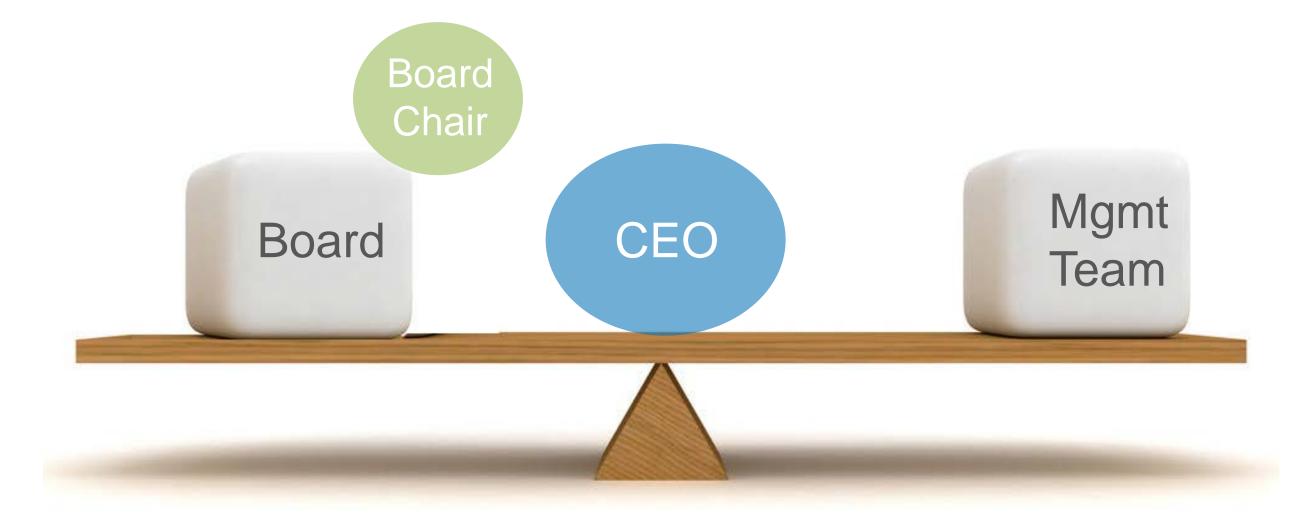


4 Key Questions

- 1. How does the Board define success?
- 2. Has the Board Chair shared the adopted definition of success with the General Manager?
- 3. What metrics will the Board monitor to ensure that management is on track to be successful at the end of the year?
- 4. Has the Board tied the General Manager's performance evaluation to the adopted definition of success?



Role of the Board Chair and General Manager





Roles of the GM and Board

	General Manager	Board of Directors			
Annually	Prepare and Present Outcomes	Adopt Outcomes			
Quarterly	Use Metrics (KPIs) to Manage Activities to Achieve Outcomes	Monitor Metrics (KPIs)			
	Present Self-Evaluation compared to Outcomes and share perspective related to Values	Provide feedback related to Outcomes and share perspective related to Values			







Fiscal 2022 — 24

Strategic Business Plan

- Defines Success (Mission, Vision, Outcomes)
- Identifies the metrics that the Board will monitor
- Outlines how the management team will prioritize key activities to deliver the outcomes

Activity vs Outcomes

Activity



Purchase of electric buses

Interaction with Customers

Outcome



Reduced Greenhouse Gas Emissions

Improved levels of Customer Satisfaction

Success Outcome



A Reduction in Greenhouse Gases of 70%

Achieve a Net
Promoter Score of 55%
by the end of the year

CUSTOMER SATISFACTION

Our goal is to deliver outstanding customer service that increases the willingness of our customers to recommend our services to others.



A Net Promoter Score of 55%.

EMPLOYEE ENGAGEMENT

Our goal is to attract and retain a high quality workforce through high levels of employee engagement.



An Employee Engagement Score of 65%*.

COMMUNITY VALUE

Our goal is to provide strong value to the community through the services we offer, whether or not they use our services directly.



Establishment of a baseline for the percentage of the community that believes we provide value and improve 5%.

FINANCIAL HEALTH

Our goal is to maintain LTD's strong financial position to sustain our operations for the future.



Achievement of 3-year rolling financial plan targets.

SUSTAINABILITY

Our goal is to do our part to preserve and protect the environment through a reduction in greenhouse gas emissions.



A reduction in Greenhouse Gas Emissions of 70%.

Clear Definition of Success for FY2022

Oversight of Outcomes

Personal Life



Achieve a Body Mass Index of less than 20



Achieve a Customer Net Promoter Score of 55%









regimen



Implement operator training program







Monitor calorie intake



Metrics

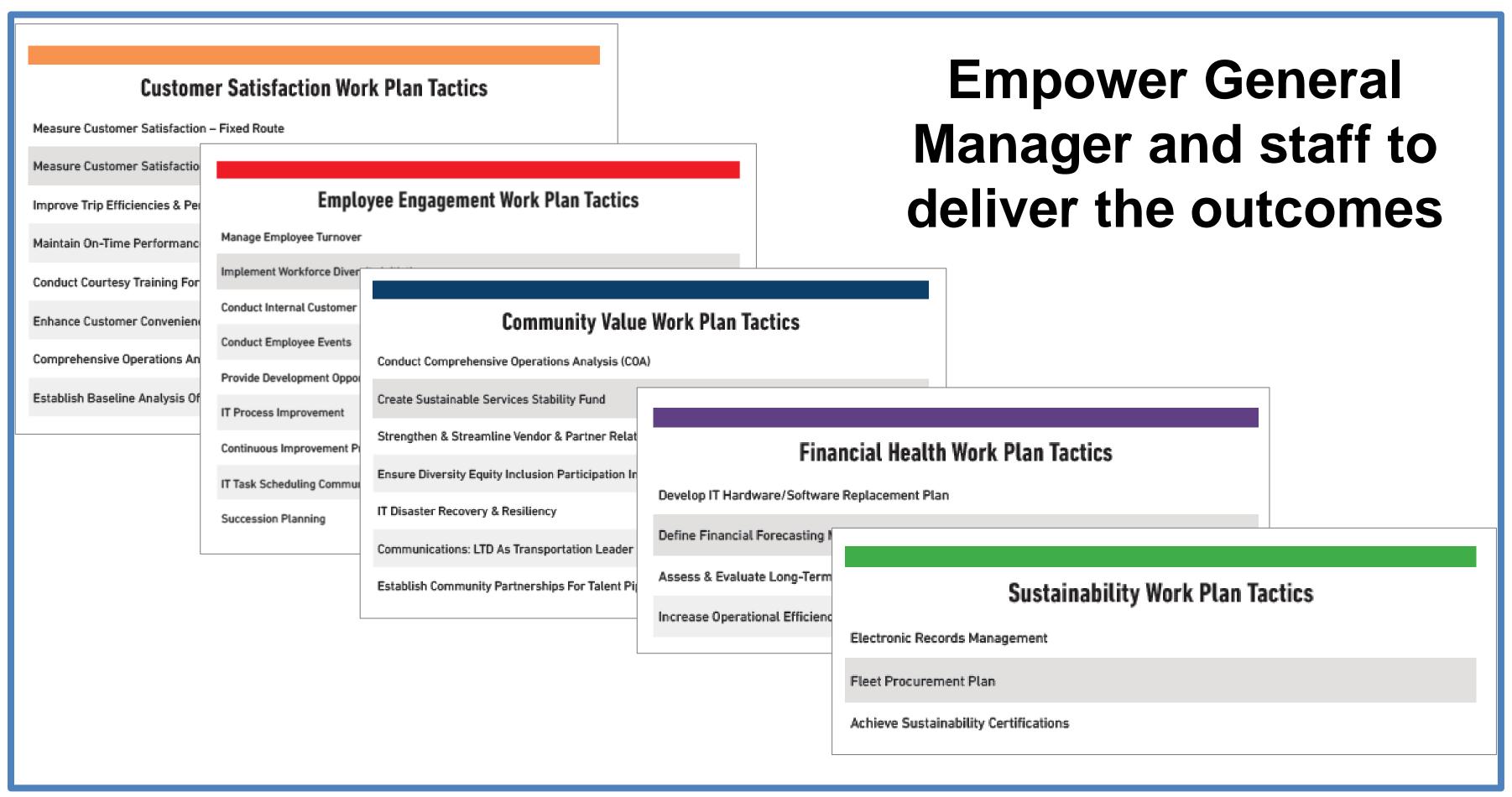


Monitor number of preventable accidents



POINTS DEFINITION INFORMATION SYSTEM Overall Customer Satisfaction Establish baseline % of customers who are satisfied or very satisfied with LTD services **Customer Satisfaction Survey** Overall Net Promoter Score Establish baseling % Promoters minus % Detractors. On a 0-10 scale of how likely to recommend LTD, Promoters are 9-10 and Detractors are 0-6. **Customer Satisfaction Survey** Customer Impression of On-Time Performance **Customer Satisfaction Survey** Establish baseline % of customers who agree or strongly agree that buses usually arrive on-time Actual On-Time Performance ≥ 90% % of trips completed within the scheduled on-time window (no more than four minutes past the scheduled time for arrival and departure). SATISFACTION Customer Impression of Safety & Security Establish baseline % of customers who agree or strongly agree that they feel safe and secure when riding LTD **Customer Satisfaction Survey** Accidents Per 100,000 Miles Monthly Report KPIs % of customers who agree or strongly agree that bus operators are courteous. Customer Impression of Bus Operator Courtesy Establish baseline Bus Operator Complaints Per 100,000 Boardings Establish baseline Number of complaints directly related to bus operator performance per 100,000 boardings. TOTAL 30 % Promotors minus % Detractors. On a 0-10 scale of how likely to recommend LTD as a place to work, Promotors are 9-10 and Detractors are Employee Net Promoter Score Establish baseline **Employee Survey** Employees Understand How Their Performance is % of employees agree or strongly agree that their work is important for LTD to reach its goals. **Employee Survey** Linked to LTD's Success Employees Agree Leadership is Invested in Their % of employees agree or strongly agree that Managers/Leadership are invested in their growth and success. **Employee Survey** Employees Agree They are Provided with the Tools % of employees agree or strongly agree that they are provided with the tools needed to work successfully **Employee Survey Needed to Work Successfully** Internal Distance Satisfaction % of employees who are satisfied or very satisfied with internal support functions. Internal Distance Satisfaction Establish baseline Survey TOTAL 25 Community Perception of LTD Value Establish baseline % of community members who agree or strongly agree that LTD provides value to the community. Community Survey Community Partner Perception of LTD as Trusted Establish baselin % of partner agencies such as the City of Eugene and LCOG that agree or strongly agree that LTD is a trusted leader in the community. Community Survey % people and jobs within the urban growth boundary that are within %-mile of an active bus stop or station with 15 minute frequency or less. Access to Frequent Transit (Total Population) Access to Frequent Transit (Mineritized % low-income, communities of color, seniors, and people with disabilities within the urban growth boundary that are within 14-mile of an active Establish baseline policy bus stop or station with 15 minute frequency or less. (Performance goal policy to be established through the COA) TOTAL 20 Operating Cost per Boarding Total operating cost divided by total boardings, percentile in comparison to peer agencies. ABBG Reporting FINANCIAL Maintenance Cost Per Mile \$.98/mile Total preventative and repair costs exclusive of fuel costs, divided by total miles. **Monthly Board report** HEALTH e .86 Vehicle Hours per Labor Hour Total vehicle hours divided by total operator labor hours. ABBG Reporting TOTAL 15 Greenhouse Gas Emission Reduction 70% % reduction in greenhouse gas emissions from owned vehicles in comparison to the 2018 baseline. **GHG Inventory** Fleet Transitioned to Electric 25% % of fleet that is transitioned to electric vehicles. Fleet Replacement Plan SUSTAINABILITY 70% Renewable Fuel Consumption % of non-feedil fuel consumption (fuel from renewable sources such as waste, plants, animal products, etc) as a percent of total fuel consumed. 9,865,000 Number of unlinked trips (recover to 2019 levels). Overall Ridership Increase TOTAL 10 OVERALL PERFORMANCE SCORE

Metrics to monitor progress to delivering the outcomes



How can the Board perform differently to empower agency professionals to focus on rigorously prioritizing pre-determined outcomes?



Preparing for 2022: Monitoring Delivery of the Outcomes

Performance Management

Key Steps

Define Success Outcomes **Board** Develop Work Plan (Tactics) 3 Create Organizational Scorecard **GM** and Staff Populate Information Systems 5 Performance Management Dashboard 6 **Board** Establish Quarterly Reporting Cadence Cultivate a Culture of Improvement

Agency Review: How One Community Cultivates a Culture of Improvement

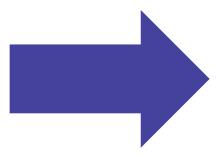
"You don't spend 2.5 billion on a rail line to move 15,000 people per day."

— John Lewis CEO, Charlotte Area Transit System



Becoming an Outcomes-Focused Organization

From Measuring Activities



...to Managing
Outcomes



Customer Satisfaction



Community Impact





Financial Stability



Employee Success



Components of CATS Success

Focus on Measurable Outcomes

Commit to
Getting Better
Each Quarter

CATS TRAX FY20 Aggregate Scorecard								
Strategy	Metric	Performance Goal	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Goal Points	Q3 Earned Points
Customer Satisfaction	Overall Customer Satisfaction	90%	82%	82%	83%		10.0	9.3
	Overall Net Promoter Score	58%	59%	59%	57%		10.0	10.0
	Overall On-Time Performance	89%	89%	86%	89%		7.0	6.9
	Overall Ridership**	23,500,000	5,743,451	11,212,316	16,041,210		3.0	2.5
	Overall Ridership**	100%	24%	48%	68%			
							30.0	28.7
Financial Stability	Taxpayer Subsidy Percentage, (CATS Policy <80%)**	<80%	78.8%	79.2%	79.0%		8.0	8.0
	Net Debt Service Coverage Threshold (CATS Policy >1.15)**	>1.15	2.85	3.82	2.26		7.0	7.0
	Overall Operating Cost/Revenue Hour**	\$142.21	\$133.50	\$141.02	\$140.66		6.0	6.1
	Overall Customers/Revenue Hour	21.0	21.5	20.8	18.5		6.0	5.3
	Directly Generated Revenue**	3.0%	2.3%	2.3%	3.4%		3.0	3.4
							30.0	29.8
Employee Success	Employee Engagement	80%	63%	63%	63%		8.0	6.3
	Employee Satisfaction	85%	61%	61%	61%		8.0	5.7
	Customer Satisfaction with CATS Employees	86%	88%	88%	88%		5.0	5.1
	Customer Satisfaction with Call Center Interactions	87%	80%	80%	82%		4.0	3.8
							25.0	20.9
Community Impact	Economic Impact**	1.13	1.14	1.51	1.51		5.0	5.9
	Community Perception of Community Value	85%	82%	82%	82%		4.0	3.9
	Access to Key Destinations*	24%	23%	23.0%	43.8%		3.0	3.9
	Jobs Created from Transit & Transit Infrastructure**	21,400	4,590	28,931	30,289		3.0	3.9
	Jobs Created from Transit & Transit Infrastructure**	100%	21%	135%	142%			
							15.0	17.6
	Overall Performance Score						100.0	97.0

Inspire
Workforce with
Purposeful
Work

Communicate about Outcomes

Case Study: Vehicle Cleanliness

- 2nd most important element of service to customers
- Satisfaction with bus cleanliness declined 3 survey waves in a row



Screenshot from "Transit Never Sleeps" video

What CATS Did...

Learned More

- Added drill down questions to next surveys
- Engaged Operations in understanding issues

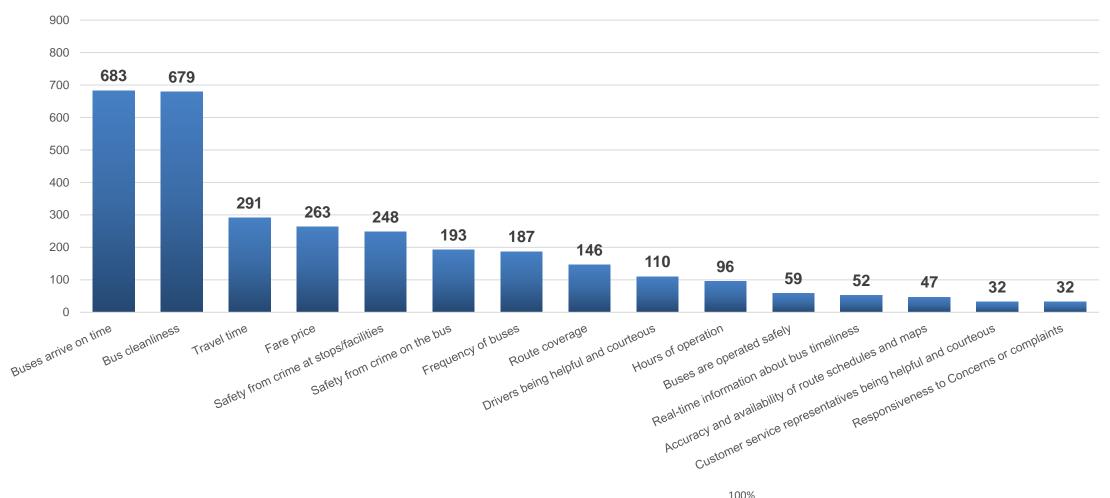
Focused Resources

- Enhanced training
- Process improvements
- Leveraged Field Supervisors

Communicated

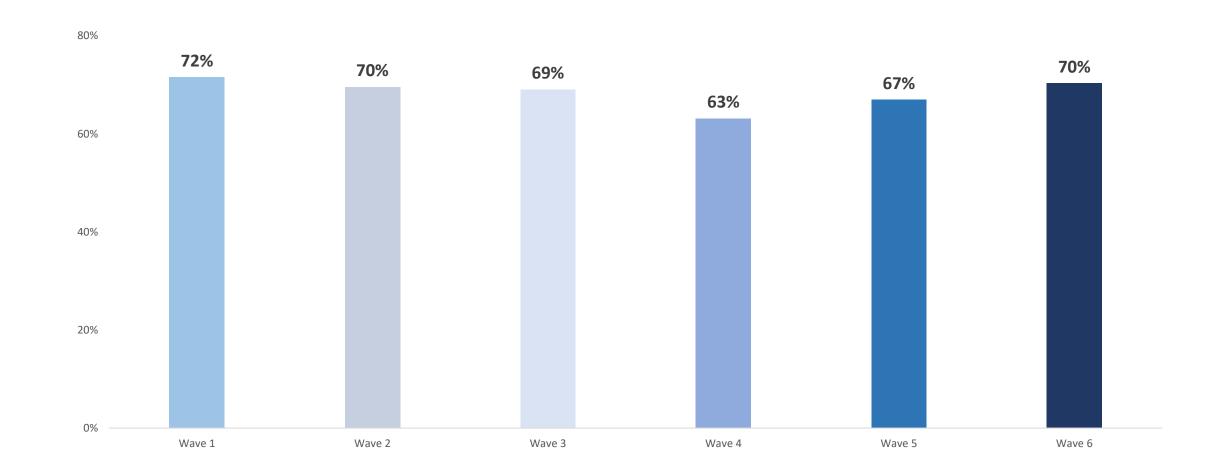
 Started communicating to our customers about our cleaning efforts through video and social media





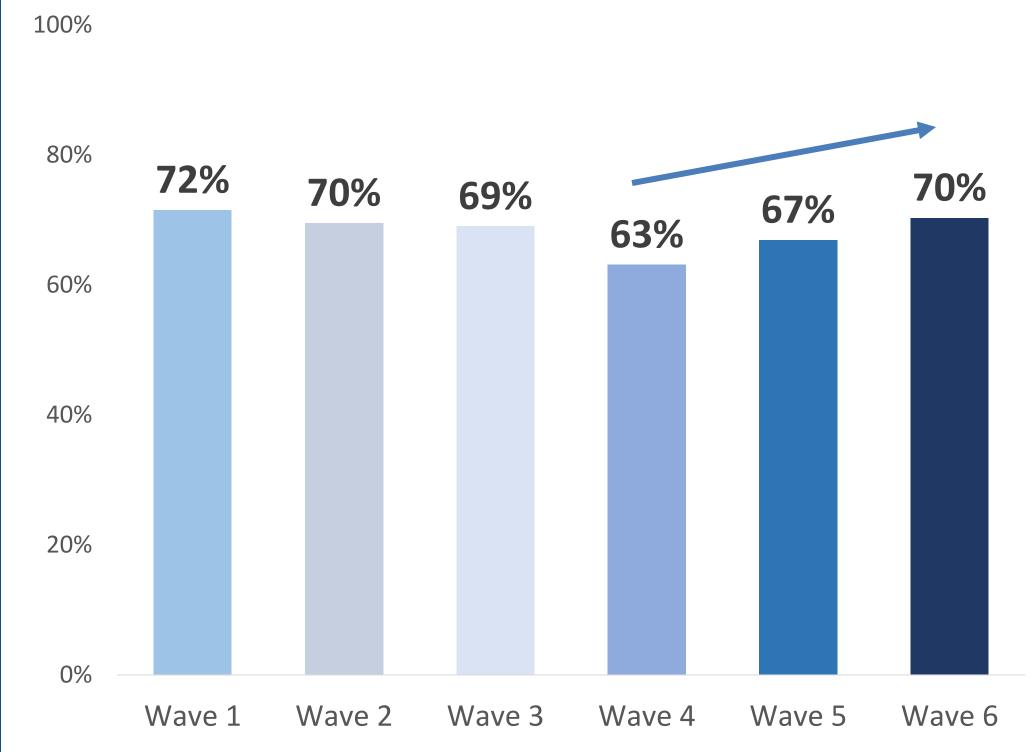
Prior to the study, customers ranked bus cleanliness as their second-highest priority.

Post-study, satisfaction with bus cleanliness had increased by 11% over the previous year with focused efforts of CATS staff. It also declined 5 spots in customer importance, likely indicating the improved performance.



As a result of their organizational focus, customer satisfaction with cleanliness improved 11% from Wave 4 to 6

Customer Satisfaction with Vehicle Cleanliness

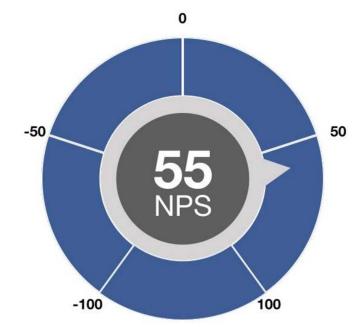


Ultimate Impact on Customer Satisfaction Outcomes

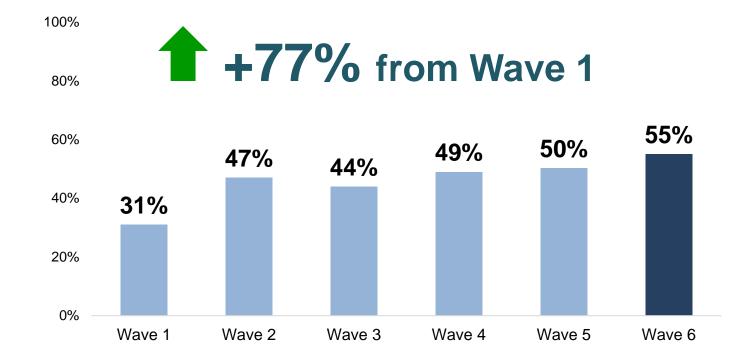
100%

80%

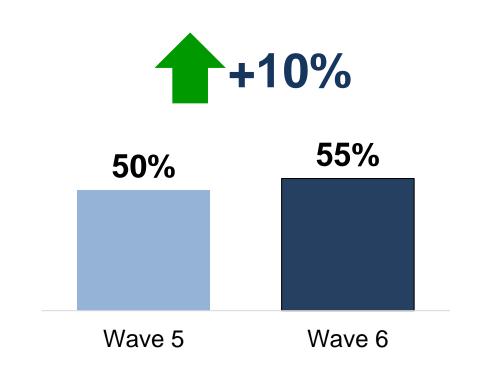
Wave 6
Fixed Route NPS



NPS Trend Over Time

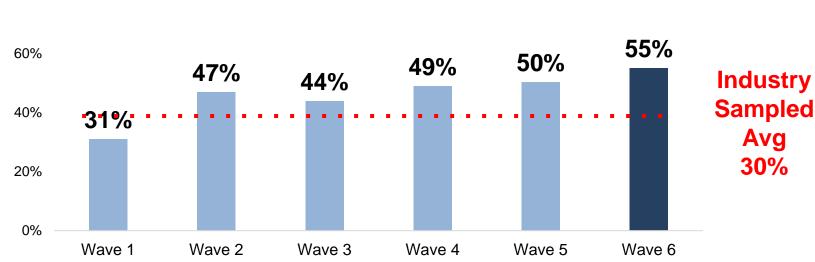


Comparison to Wave 5



Comparison to Industry





LTD Quarterly Reporting Cadence

Sample

	Quarter Begins	Quarter Ends	Management to Populate Metrics	Management Reports Performance Results to Board*	
Q1 FY22	Jul 1	Sep 30	Oct 15	Nov 17	- /
Q2 FY22	Oct 1	Dec 31	Jan 15	Feb 16	
Q3 FY22	Jan 1	Mar 31	Apr 15	May 18	
Q4 FY22	Apr 1	Jun 30	Jul 15	Aug 17	

^{*}These are proposed dates based on current Wednesday Board Meeting cadence.

Performance Management Oversight

Example* Discussion Questions

FY Success Outcome



Customer Satisfaction: Increase Customer NPS by 5%

Q1 Result



Customer Satisfaction: NPS increased by 10%



I see that we over-performed to the Goal that we established in Q1. Can you talk about the most important factors that drive this Outcome?

How will the management team approach the improvement of customer satisfaction even further beyond the achievement we have already delivered?

Performance Management Oversight Example Discussion Questions





In order to produce improved results, it requires us to both react and then act. How is the management team thinking about accelerating the time to calculate and report results at the end of each quarter so we can adjust and have impact on our desired Outcomes more quickly in the following quarter?

Performance Management Oversight

Example Discussion Questions

Survey Result:
#1 Importance Factor to
Customers

On-Time Performance

LTD's On-Time Performance Goal



90%

LTD's Actual On-Time Performance



82%



On-Time Performance was rated by our customers as the #1 metric of importance in driving their Net Promoter Score - the outcome that we adopted as a Board. Since our actual On-Time Performance is below our goal, how does the management team plan to address this metric for performance, that today, we aren't living up to?

How might the Board think about adjusting to provide oversight of quarterly organizational results to deliver annual Success Outcomes?



Preparing for 2022: Interim General Manager Performance Evaluation

Recap: Characteristics of a Good GM Evaluation



Clearly Defined Success Outcomes - Connected to Strategic Business Plan



Clarity of General Manager Outcomes Communicated at Beginning of Year



Regular Feedback Between Board Chair and General Manager



Balance Between Objective and Subjective Measures of Success



Compensation Tied to Results



Achieving a Balance: Objective vs Subjective

Objective Outcomes-Based Results



Increased Overall
Customer Net Promoter
Score



Quantifiable

Subjective Values-Based Results



General Manager/CEO
Provides Data to the Board
with Transparency



Spirit of Engagement

General Feedback & Open- Ended Questions



Are there any questions that you would invite the GM/CEO to reflect on in the coming year?



Reflective

Objective Measurable Outcomes

Tied to Organizational Success Outcomes

CUSTOMER SATISFACTION

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A Net Promoter Score of 55%.

EMPLOYEE ENGAGEMENT

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Establishment of a baseline for the percentage of the community that believes we provide value and improve 5%.

FINANCIAL HEALTH

Our goal is to maintain LTD's strong financial position to sustain our operations for the future.



Achievement of 3-year rolling financial plan targets.

SUSTAINABILITY

Our goal is to do our part to preserve and protect the environment through a reduction in greenhouse gas emissions.



A reduction in Greenhouse Gas Emissions of 70%.

Subjective Evaluation Criteria

Tied to Organizational Core Values

Respect

We honor and dignify all individuals by listening intently to their unique contributions and needs — treating others with trust, care, kindness, and courtesy.

Integrity

We hold all that we say and do to a high standard of honesty, stewardship, ethics, fairness, and compassion.

Innovation

We persist in applying resourcefulness, creativity, and new technology alongside known best practices to best serve our community.

Equity

We commit to listening, learning, and including voices from the diverse identities and abilities of our employees and our community — and we take care to consider how our decision-making processes address historic inequities in transportation.

Safety

We create a safe environment for our employees, customers, and community – and are always willing to reach out to help, support, and assist others in ways that are safe to all involved.

Collaboration

We demonstrate cooperation and excellent team behaviors when working with others — both internally and with our partners in the District — by focusing on common purpose and win-win outcomes.

Methodology

COMBINED APPRAISAL SCORE:



50% Success Outcomes & Metrics



50% Agency Core Values



General Feedback/Reflection

Step 1: General Manager Self Evaluation

Objective Outcomes-Based Results



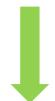
Third party verifies the delivery of Outcomes.

Subjective Values-Based Results



General Manager/CEO provides thoughts on values adherence.

General Feedback & Open-Ended Questions



General Manager/CEO reflects on feedback questions.

Step 2: Board Evaluation of General Manager

GM/CEO Self Evaluation report shared with Board

Objective Outcomes-Based Results



Board shares feedback on Outcomes.

Subjective Values-Based Results



Board shares feedback on Values.

General Feedback & Open-Ended Questions



Board shares feedback on reflective questions.



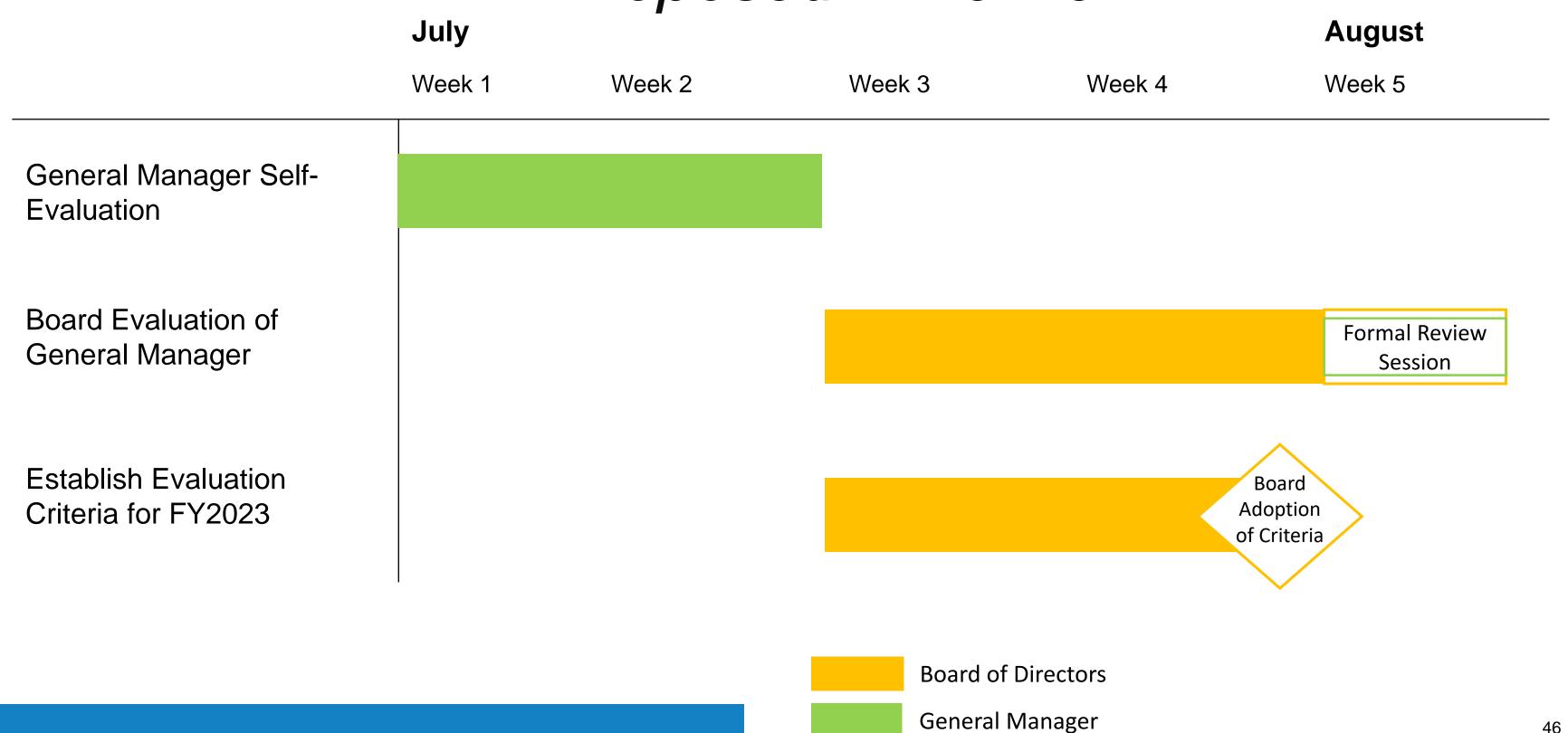
Step 3: Formal Evaluation Session

- Board responses aggregated into themes in a comprehensive report.
- Formal Evaluation presented by Board Chair to General Manger for conversation.

Step 4: Establish Outcomes for FY2023

Interim GM Evaluation Process:

Proposed Timeline



Looking Ahead: FY2023

FY2023 Proposed Timeline July/ **August** 2022 Conduct Adopt FY2023 FY2022 Align on FY2023 July Budget 2022 Interim GM Success **Outcomes Evaluation** Fiscal Year June May/June 2023 Begins 2022 2022 **February** /March 2022 March 2022 Align on FY2023 **GM** Performance **Evaluation Criteria** Align FY2023 Budget with

Success Outcomes

Discussion Questions:

What are you most optimistic about in this outcomes-focused model of oversight?

What do you believe the agency most needs to guard against in order to ensure success of this model?



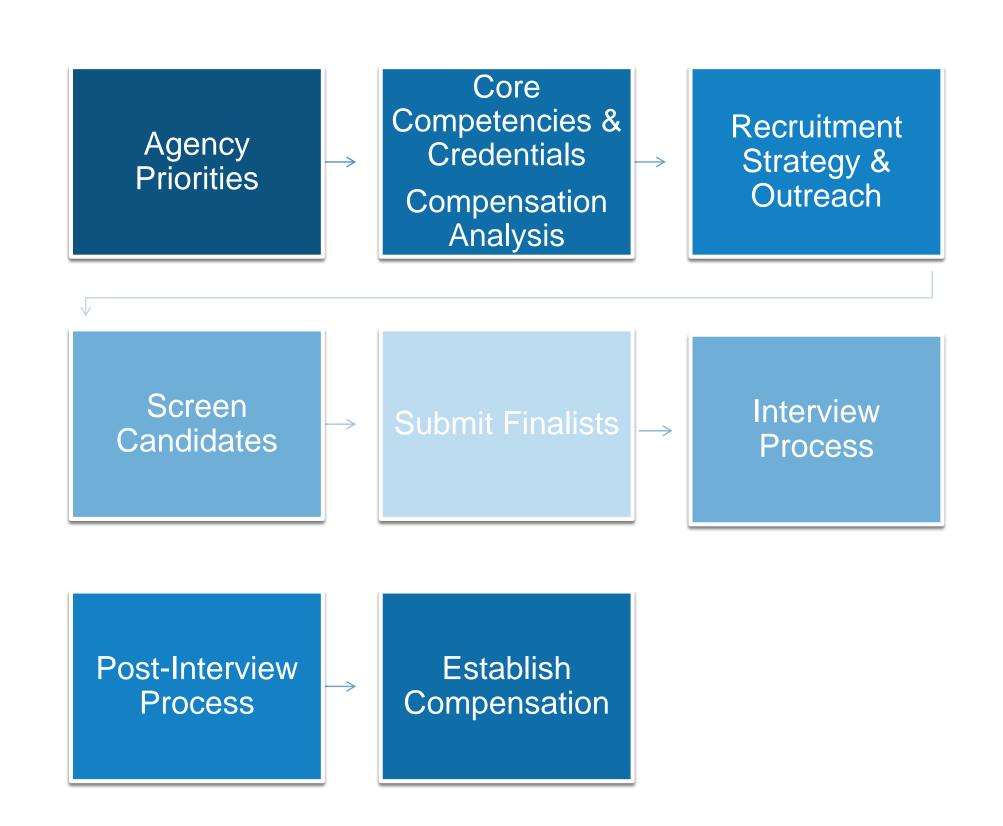
BREAK 10 mins



Executive Search: General Manger

Recap: Process Overview

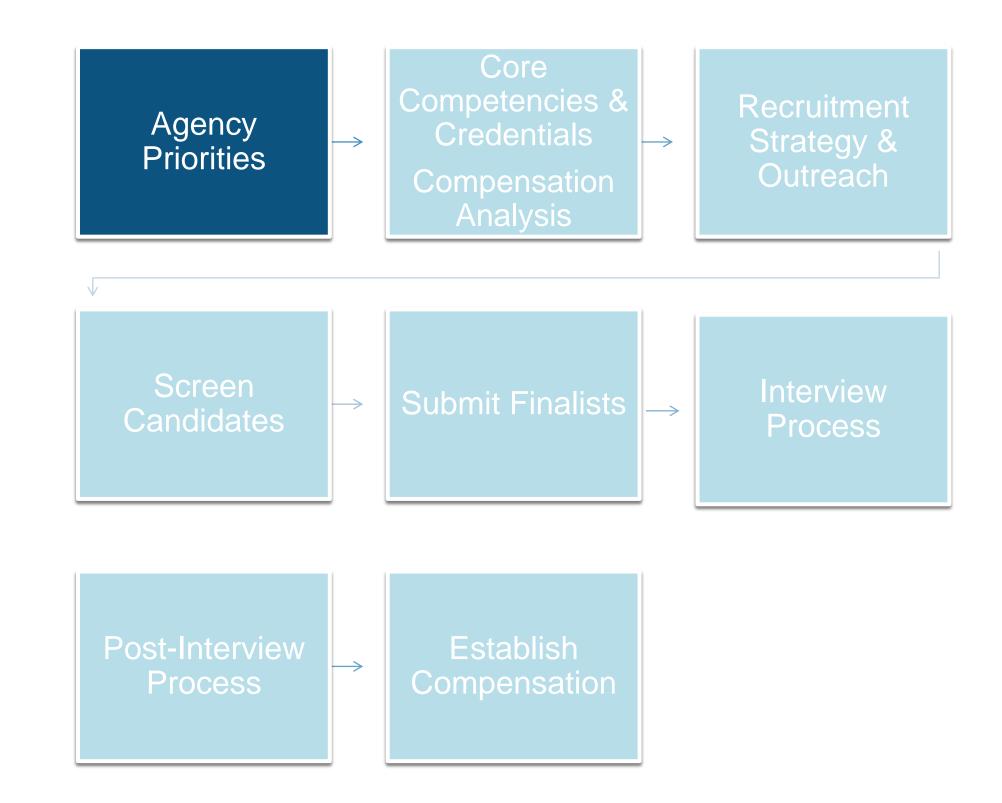
Our approach to recruitment of qualified candidates ensures that we achieve alignment with the Board and Executive Management in order to deliver the most suitable individuals with the right mix of experience and skills.





- Confirm strategic priorities and expectations for the next General Manager.
- Identify gaps that may exist in LTD to deliver on its strategic priorities.
- Stakeholders and employee surveys and forums





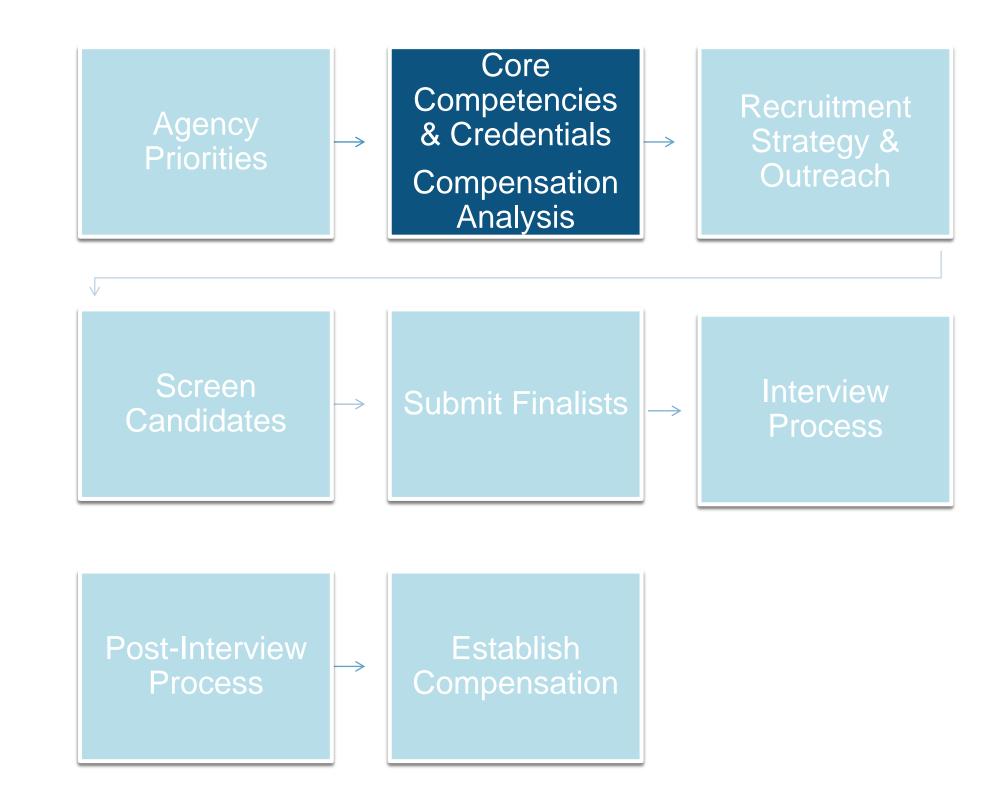


During this task we will use the information gathered from the first task in two ways:

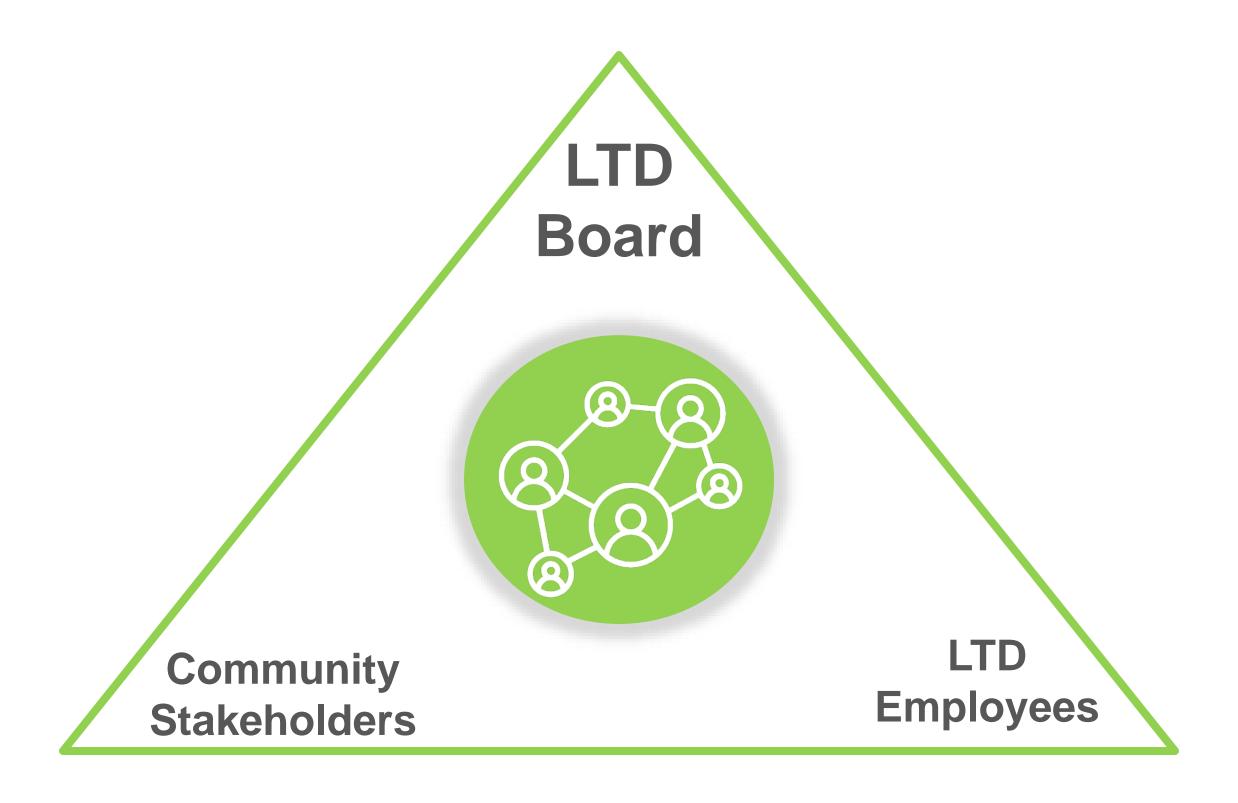
- Refining the job description that clearly describes the responsibilities and expectations for the role, as well as the qualities that LTD seeks.
- Evaluation criteria for both the initial screening and formal interviewing of candidates.

We will conduct an industry scan of transit General Manager salaries and provide an analysis of compensation and provide data driven guidance that aligns salary with Board and stakeholder expectations, the core competencies, and the market to help guide the recruitment process.





Informing the Job Description





Discussion: Job Description

What are the preferred values of the General Manager?

Externally or internally focused?

What are the key competencies?

What are desired experiences?

Key criteria for evaluation of candidates?

Great organization or great transit agency?



What are the preferred values of the General Manager?

Respect

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2

Externally or internally focused?

	Weighted Points
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EMPLOYEE ENGAGEMENT Our goal is to attract and retain a high quality workforce through high levels of employee engagement. An Employee Engagement Score of 65%*.	25
COMMUNITY VALUE Our goal is to provide strong value to the community through the services we offer, whether or not they use our services directly. Establishment of a baseline for the percentage of the community that believes we provide value and improve 5%.	20
FINANCIAL HEALTH Our goal is to maintain LTD's strong financial position to sustain our operations for the future. Achievement of 3-year rolling financial plan targets.	15
SUSTAINABILITY Our goal is to do our part to preserve and protect the environment through a reduction in greenhouse Emissions of 70%. gas emissions.	10

- What are the key competencies?
- What are desired experiences?
- Key criteria for evaluation of candidates?

Great organization or great transit agency?

2022 Calendar Year Key Items

LTD Board calendar will be shared at this time.

Board Discussion