



MEMORANDUM

DATE: May 18, 2022

TO: LTD Board of Directors

FROM: Mark Johnson, Interim General Manager

SUBJECT: **INTERIM GENERAL MANAGER QUARTERLY EVALUATION**

Fiscal Year (FY) 2022 is the first year for tracking the Strategic Business Plan (SBP) goals and the Interim General Manager's performance-based review and compensation. As a reminder, for FY 2022, only three quarters of performance will be reported due to the timing of the adoption of the SBP and the appointment of the Interim General Manager (IGM). This report is for the third quarter (Q3) of FY22.

Under the IGM's leadership, significant progress was achieved in meeting the goals set out in the SBP. The District started seeing some light at the end of the tunnel for COVID, although there have been continued infections in the workforce and the community. Mask mandates remained in effect throughout the quarter and there are concerns that as long as they are in place, customer perception, are that the buses are unsafe. However, ridership is inching up and we have had the highest ridership in March that we have had in two years. That is promising for future ridership growth.

The District is still struggling to hire and retain some positions. We have filled the Director of HR position as of March 21 but still have the Director of IT and Strategic Innovation unfilled. We continue to recruit for that key leadership position. While the lack of key leaders have hindered some departments from achieving all of their strategic goals, staff are making good progress.

There has been significant effort this quarter working with public partners to ensure that there is adequate transportation to accommodate the World Games in July. Planning and operations staff have been working to develop a package of services to ensure that people can get around the community easily. While this has been a slight distraction, it is consistent with the District's strategic focus areas, particularly community value and customer satisfaction.

AREAS OF FOCUS

COMMUNICATIONS

I continue to take advantage of opportunities to meet with staff by having monthly virtual all staff meetings that we have named "Inside the Bus". There are typically more than 50 employees present and it is a great opportunity to catch them up on projects, and other District activity. It also gives them a chance to ask questions about things they may have heard about or policy changes.

We continue to distribute meeting notes from the Director's meeting to all staff. I want to be as transparent as possible to employees about policy discussions or other important discussions that Directors are having.

The marketing staff is taking advantage of all of our social media platforms to do a better job of getting the LTD messages out. There are daily and weekly updates to better communicate with the public. I also put out a quarterly video that is posted on the LTD social media sites to update the community on LTD activities and special events.



INDUSTRY AND COMMUNITY ACTIVITY

The Directors and I have refocused our attention to build relationships with our public partners as well as community members in general. We have monthly meetings with city of Eugene senior staff, Cottage Grove senior staff and are scheduling them with the city of Springfield. I also meet monthly with the public executives.

I have standing Friday lunch meetings with board members and they have been helpful in offering an opportunity to get to know each other better and also to ask questions about LTD that may not be on a public meeting agenda. I find value in these lunch meetings and I hope the Board members do as well.

Industry meetings have returned to in person meetings with vaccination or negative COVID test requirements. I have attended The APTA legislative Conference, The OTA virtual conference, the State of Good Repair Conference, and have been planning for the United Front trip and, The APTA Mobility Conference. The value of these meetings are to keep up with changes and new initiatives in the industry and also to continue to build industry and governmental connections for LTD.

There has been extensive outreach and planning for the GM recruitment during Q3. I have been working with the executive recruiters to ensure that there is a process that is thoughtful and inclusive. There were more than 80 community members that participated in sessions to establish key characteristics for the new LTD general manager.

STRATEGIC BUSINESS PLAN (SBP)

The SBP has been our guide for determining success. Staff have been working on the tactics that will help us achieve the goals in the five areas of focus, customer satisfaction, employee engagement, community value, financial health, and sustainability.

Good progress is being made in the overall scorecard where we are at 47.7 points out of 100. The score of 100 is a three year goal so we made a lot of progress very quickly to achieve that, even though we are only 22% of the way through the tactics.

Since there are quarterly performance bonuses built into the IGM evaluation process based on the five areas of focus. I will go through each of them for a brief evaluation. Staff will be presenting the quarterly SBP update in greater detail at the Board meeting.

CUSTOMER SATISFACTION

Goal: 55% net promoter score

Annual Measure: Measured by the ABBG customer satisfaction survey.

Maximum annual performance-based compensation: \$7500

During the Q3 review period, staff have focused on the opportunity to learn and adapt to changes in management processes focused on performance outcomes. Under this section, the goal was set at a 55% net promoter score but after reviewing the results a more accurate measurement would be in the range of a 20% net promoter score. Staff will be reevaluating this goal after the results of the ABBG, Customer Satisfaction survey are complete. While we are not sure about the net promoter score we have made good progress in other areas to improve customer satisfaction. The accident record has improved as has the number of customer complaints. In addition, we conducted the ABBG Customer Satisfaction survey in Q3. We had the highest number of responses that we have ever had. LTD also had the highest number of responses of all of the agencies that participated. What makes that particularly impressive is that we were one of the smallest agency to participate. The results will be reported next quarter.



Despite the challenging net promoter goal, progress was made in the area of customer satisfaction that would lead to a higher net promoter score.

Overall customer satisfaction score: 21.4 out of 30

The measures and that go into calculation and scores are:

- Customer impression of safety and security: **Score: 2, Goal: 2**
- Customer impression of Operator courtesy: **Score: 2, Goal: 2**
- Customer impression of on time performance: **Score: 3, Goal: 3**
- Net promoter score: **Score: 0, Goal: 8**
- Actual on time performance: **Score: 3.2, Goal: 3**
(We exceed customer's impression in on time performance)
- Accident rate per 100,000 miles: **Score: 1.4, Goal: 2**,
The LTD goal for accidents rates /100,000 miles is 2.5 and our accident rate for Q3 is 2.61. So while we did not quite make goal for the quarter, there were significant improvements.
- Bus operators complaints/100,000 boardings: **Score: 2.1, Goal: 2**,
The reduction in complaints from Q2 to Q3 was significant and was below the goal.
- Overall customer satisfaction from survey: **Score: 7.7 Goal: 8**

Requested performance compensation for customer satisfaction: \$2000.00

The IGM agreement states that performance compensation is based on the net promoter score of 55%. Although we will have to adjust that goal there are several steps that staff take to ensure that we are serving our customers well. Some of those are listed above. The progress we have made to improve customer satisfaction that ultimately will improve our net promoter score has been impressive.

EMPLOYEE ENGAGEMENT

Goal: An employee engagement score of 65%

Annual measure: Develop a tool to provide accurate data to determine employee engagement and achieve a 65% score.

Maximum performance based compensation: \$6250.00

Employee engagement had no points scored for this quarter. An employee-survey instrument is in the process of being developed to create a baseline for an employee engagement score. Part of the measure is to develop the tool and the other part is to achieve a score of 65%. This is largely an HR function and because of the staffing shortage in HR, most of this was paused but is being worked on now.

The goal for this section was also very ambitious and depending on how employee engagement is measured, there may be some variation for an employee-engagement score. None of them are 65% typically, 32% is considered a good score. This is another one that will be chalked up to the learning environment that we are trying to create. While we will have a baseline in quarter four for the employee engagement score, I would be pleasantly surprised if it were anywhere near 65%.

The employee engagement survey was conducted in March and there was good participation at nearly 70%. Cascade Employers Association, an HR firm that LTD has a contract with, conducted the survey and is currently developing a report that can be used to put a plan in place to improve employee relations at the



District. In the past we have conducted the employee surveys internally. Bus operators are the hardest group to reach in any survey and they had the lowest percentage of participants at around 50% participation.

I am excited to see the results of the survey, I am sure different work groups feel differently about their job and how we can better communicate and engage them but this will help us understand that and make efforts to improve. The engagement survey was a challenge to administer and Cascade Employers and LTD staff worked hard to generate the participation rate, so while we still have a zero score we are making progress to set a baseline and plan for the future.

Overall Employee Engagement Score: 0 out of 25

The tactics used for employee engagement are:

- Employee net promoter score: **Goal: 8**
- Employees understand how their performance is linked to LTD success: **Goal: 4**
- Employees agree that leadership is invested in their success: **Goal: 4**
- Employees agree that they are provided the tools needed to work successfully: **Goal: 4**
- Internal customer satisfaction score: **Goal: 5**

Requested performance based compensation for employee engagement: \$0

COMMUNITY VALUE

Goal: Establish a baseline for the percentage of the community that believes LTD provides value and improve 5%

Annual Measure: Develop the survey to establish baseline and improve 5%

Maximum performance based compensation: \$5000.00

Overall Employee Engagement Score: 0 out of 20

The tactics used for Community value are:

- Community Perception of LTD Value: **Goal: 8**
- Community Partner Perception of LTD as Community Leader: **Goal: 7**
- Access to Frequent Transit (total population): **Goal: 2**
- Access to Frequent Transit (minoritized population): **Goal: 3**

Requested performance based compensation for Community value: \$0

Community Value was planned as a third or fourth quarter goal to set a baseline and achieve desired results. We have procured a third party to help develop the survey tool and it should be out in Q4. This will ensure the collection of accurate information to understand the value that the community has for LTD and plan for future improvement.

FINANCIAL HEALTH

Goal: Achievement of three year rolling financial plan targets

Annual Measure: Develop policies, reporting, and analytics to ensure financial goals are met.

Maximum performance based compensation: \$3750.00



Overall Financial Health score: 18.4; out of 15. We were able to go above our goals in this area and the score reflects that.

Tactics for achieving the Financial Health goals and scores are:

- Operating cost per Boarding: **Score: 10.4, Goal: 8**
- Maintenance cost per Mile: **Score: 5.2, Goal: 4**
- Vehicle hours per labor hour: **Score: 2.8, Goal: 3**

Requested performance based compensation for Financial Health: \$1250.00

Overall, this year's financial targets have been achieved in the second and third quarter through controlling costs that drive the budget, primarily in operations and maintenance. Policies are being developed that will ensure that financial stability and that community needs are met. The Board has approved a revised reserve policy that will allocate funds to ensure that LTD can provide a sustainable level of service even in a down turn and meet the long range financial plan goals. Finance staff has been working diligently to get this set up and achieve the SBP financial health goals. The Budget is in place for the next FY awaiting Board approval and we are on solid financial ground.

The annual goal in Financial Health has been exceeded through the third quarter. I have requested the additional \$1250.00 which will put me at the maximum annual performance based compensation for Financial Health

SUSTAINABILITY

Goal: Reduce Greenhouse Gas Emissions by 70% by 2030.

Annual Measure: Reduce Greenhouse Gas Emissions by 10%

Maximum performance based compensation: \$2500.00

Overall Sustainability score 7.9: out of 10

Tactics for achieving Sustainability goal and scores are:

- Greenhouse gas emissions: **Score: 3.3, Goal: 3**
- Fleet transitioned to electric: **Score: 0.9, Goal: 2**
- Renewable fuel consumption: **Score: 2.7, Goal: 3**
- Overall ridership increase: **Score: 1, Goal: 2**
- **Requested performance based compensation for sustainability: \$0 maximum paid out for Q2**

The tactics for achieving sustainability goals are important to reduce greenhouse gas emissions. Ridership is a community measurement that does not directly reduce LTD's GHG emissions but does help reduce the community GHG emissions by reducing the number of vehicles on the road.

Last quarter eleven all electric buses were deployed to full service and 19 more are expected to be delivered in Q4 or Q1 of FY23. There are also plans to seek grants for at least five additional electric buses this year.

Renewable fuel consumption has provided the largest decrease in GHG emissions. LTD has been primarily using R-99 diesel which is 99% from renewable sources and not fossil fuel based.

Based on the goal of reducing GHG emissions by 70% by 2030 the measure is to reduce 10% a year to achieve that.



The reduction in GHG for this quarter in comparison to the same quarter last year is 77%. Converting to renewable diesel for the diesel fleet and the addition of 11 electric buses was a significant step to reducing GHG emissions. We were able to exceed the annual goal and in fact exceed our 2030 goal quickly because of those decisions and the availability of the new fuels.

Q3 performance based compensation:

\$1250.00- Financial Health

\$2000.00 Customer Satisfaction

Total: \$3250.00