

**MINUTES OF SALARY COMMITTEE MEETING**  
**LANE TRANSIT DISTRICT BOARD OF DIRECTORS**

July 7, 1993

The Salary Committee of the Lane Transit District Board of Directors met on Wednesday, July 7, 1993, at 12:00 p.m. in the District conference room at 3500 E. 17th Avenue, Eugene.

**Present:** Tammy Fitch, Committee Chair  
Thom Montgomery  
Phyllis Loobey, General Manager  
Tim Dallas, Director of Operations  
Mark Pangborn, Director of Administrative Services  
Bill Nevell, Personnel Administrator  
Eileen Mugglewortz, Recording Secretary

**Absent:** Janet Calvert

**DISCUSSION OF BENEFITS AND SALARY SURVEY:** Phyllis told the group that there were decisions to be made regarding hiring a consultant to conduct a comprehensive salary and benefits survey. She added that it seemed appropriate that the Board Salary Committee also review the District's Salary Administration Policy. Phyllis added that the Board has talked about developing value statements for the District and that it seemed appropriate that some would address personnel, as a way of addressing compensation levels for all employees.

Bill told the committee that there has been \$10,000 approved by the Board to hire a consultant to conduct a comprehensive salary and benefits survey. The Compensation Survey Request for Proposal was mailed to approximately 15 consultant in early June. Six responses were received. Bill stated that he had supplied the subcommittee with a summary of responses and their ranking by the District's Staff Salary Committee. He also distributed copies of specific pages from the top three proposals, including information on the SCOPE and SELECTION CRITERIA of the RFP. The Staff Salary Committee reviewed the responses and developed preliminary rankings, taking into account their expertise, methodology, and fees. He stated that the final selection would include consideration of more criteria.

Bill stated that the responses had many similarities. He told the group that the work plans included the following components: 1) the initial meeting, ensuring the goals and objectives of the survey are clear and to confirm the work plan; 2) identifying benchmark positions, to determine which positions should be included in the survey; 3) identifying survey participants, to determine which public and private sector organizations should be surveyed; 4) preparation of the survey instrument (the consultant will develop the survey instrument); 5) conducting the survey, distributing the survey to participating organizations and ensuring that all surveys are completed in a timely manner; 6) data compilation (the consultant will compile and review the material); 7) preparation of a recommendation, based on survey data received (if asked, the consultant will also present the recommendation to the Board of Directors); and 8) reviewing the current classification grading system, making recommendations for revisions where appropriate. (Bill advised the group that there was a possibility that #8 may not occur.)

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The top three consultants at this time are Ernst & Young, Seattle; R. Andersen, Sacramento, CA; and Mercer, Seattle. Bill commented that the costs submitted in the Ernst & Young proposal could be reduced by as much as \$3,500 if the District's grade system was not evaluated by then. Bill commented that the top three consultants had clearly detailed outlines of their work plans and all had a great deal of public sector and transit experience. Tammy expressed interest in having a clear idea of travel cost that would be involved since all three top contenders are based out of state. Tammy asked if any local businesses had used any of the consultants. Bill stated that several local firms had used Mercer, but he had not yet started to do reference checks. The committee questioned information provided by William Mercer, Incorporated, who listed a \$1,000 charge per participant for the survey administration. Bill will check on this for clarification and will report back to the committee. Mark commented that the proposal submitted by Ernst & Young would have little travel expenses involved since they have a Eugene-based subcontractor. Bill will obtain more information about the local consultant used by Ernst & Young, and will do reference checks. Thom commented that he would want to be certain that the companies looked at for comparisons were Oregon firms.

Bill stated that the District would interview the top three consultants, allowing approximately 1 hour per interview. He added that it would be good to make a final selection by the end of July or early August, and that interviews would be scheduled within the next 2-3 weeks. Tammy asked if Cascade Employers had filled their vacant position for a compensation specialist. Bill stated that he was unsure if they had met their July 1 deadline for filling this position, and will check with them. Tammy commented that she would like to have every opportunity to consider a local firm if possible, and Cascade had done a great deal of work for the District in the past and knew the organization. The group agreed that if the proposal from Mercer came in high, after checking on the \$1,000 per participant charge, Cascade Employers should be considered. Tammy asked who had conducted the last salary survey; Bill stated that it had been done by Fred S. James & Company of Seattle.

Bill stated that the District's goal was to have the information back from the consultant by November or December, to present to the Board in January. Meeting this timeline should not be a problem, even if the consultant is not selected until mid-August. He added that he will meet with Janet Calvert, since she was unable to attend the meeting, to let her know of the direction set by the committee. The group agreed to meeting in late afternoon/early evening, for approximately 3 hours, to interview the three finalists.

Bill asked the group about their feelings on how involved the Board Salary Committee felt they wanted to be in the process and their feelings of how involved the Board should be in this process. Tammy stated that this is an issue that should be discussed at the Board retreat, especially if addressing the issue of compensation and union/non-union issues. The group agreed it would be beneficial to have all the Board members aware of the issues under consideration. Bill added that the timing of this study could create an interesting situation, since labor negotiations are in progress. Phyllis added that staff are also aware that the process of a salary compensation study is occurring and that it is a very sensitive issue to them, as well. Phyllis stated that the last study caused a great deal of turmoil in the organization and hard feelings. Employees felt their positions

Board Salary Committee, Cont.

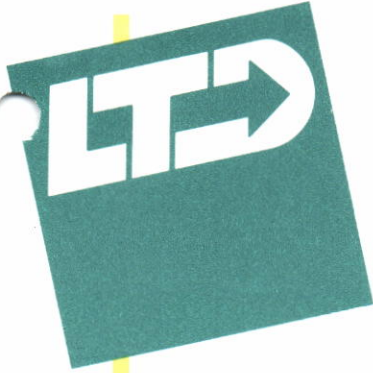
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were not reflective of their job skills, competency levels, etc. She suggested good communication lines to employees while the study is going on to keep them abreast of the process. She stressed that it will be important to stress that it is not a classification study, but simply a salary study. Bill stated that it had been suggested by some consultants to have a staff committee involved in the compensation study process. Bill added that he had distributed a copy of the Salary Administration Policy to committee members. He stated that the group would need to look at whether this policy still works for the District, or if it would need revisions. He suggested considering including value statements and told the group that this will need to be addressed in the future.

Committee members will be contacted about scheduling a meeting time with the top consultants. Phyllis stated that the process would likely be that the Board Salary Committee would make a recommendation to the full Board, with the Board Salary Committee keeping the Board abreast of the process and hallmarks of the study. The group agreed to interview the top two consultants if William Mercer's bid came in too high, and if Cascade Employers did not have a compensation specialist hired. The group also agreed that if costs exceeded those authorized by the Board, the new information and costs would be taken to the Board once again for their approval. Phyllis added that it may also be necessary to go through another budget process, as well.

The Committee thanked Bill for the information provided.



**Lane Transit District**

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**LANE TRANSIT DISTRICT  
BOARD OF DIRECTORS  
SALARY COMMITTEE MEETING**

July 7, 1993

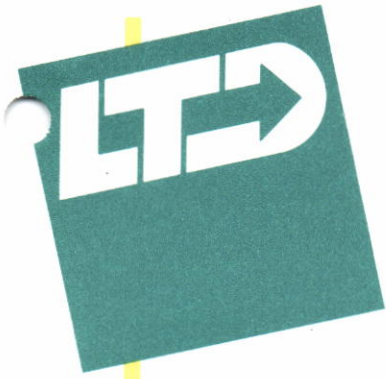
12:00 p.m.

LTD Conference Room  
3500 E. 17th Avenue, Eugene  
(in Glenwood)

**A G E N D A**

- I. CALL TO ORDER
- II. ROLL CALL  
Fitch (Chair) \_\_\_\_\_ Calvert \_\_\_\_\_ Montgomery \_\_\_\_\_
- III. DISCUSSION OF BENEFITS AND SALARY SURVEY
- IV. ADJOURNMENT

salcomag.jhs



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June 30, 1993

**MEMORANDUM**

TO: Board Salary Committee  
FROM: Bill Nevell, Personnel Administrator  
RE: Salary and Benefits Survey

On January 27, 1993, the Board Salary Committee approved a staff compensation package for FY 1993-94 which included \$10,000 to hire a consultant to conduct a comprehensive salary and benefits survey. The staff compensation package recommended by the Salary Committee was adopted by the full Board in February, and is included in the FY 1993-94 budget.

A Compensation Survey Request for Proposal (RFP) was mailed to approximately fifteen consultants in early June. Six consultants responded to the RFP. Attached is a summary of the responses and how they were ranked by the District Salary Committee. In reviewing the responses to the RFP, the District considered a number of factors, including the proposer's expertise and experience in the area of compensation, the recommended methodology for conducting the study, and the structure and competitiveness of the fees. At the July 7 meeting, you will be provided with more information regarding the details of the proposals and how they were ranked.

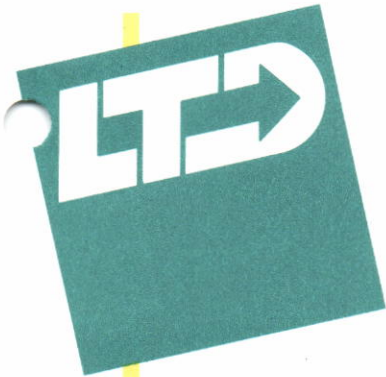
Prior to making a final selection decision, the District will meet with those consultants whose proposals were ranked highest by the District Salary Committee. Because of the importance of the selection decision, as well as the opportunity to gain an understanding of the approaches that are being recommended by the consultants for conducting the survey, the District recommends the Board Salary Committee participate in the consultant interview and selection process. Each interview will be approximately one hour, and the maximum number of consultants interviewed will be three.

Please do not hesitate to call me if you have any questions. I am looking forward to meeting with you on July 7.

Bill Nevell  
Personnel Administrator

BN/ms:ecm

attachment



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**RESPONSES TO COMPENSATION RFP -- SUMMARY REPORT**

<u>Rank</u>	<u>Consultant</u>	<u>Location</u>	<u>Cost</u>	<u>Notes</u>
1	Ernst	Seattle	\$14,500	<ol style="list-style-type: none"><li>1. Cost would be \$3,500 less if they don't include job evaluation and range-setting practices review.</li><li>2. Work plan well mapped out.</li><li>3. Much public sector and transit experience.</li><li>4. Would utilize Eugene-based subcontractor.</li></ol>
2	Andersen	Sac., CA	\$7,850	<ol style="list-style-type: none"><li>1. Cost includes three visits.</li><li>2. Work plan well mapped out.</li><li>3. Public sector and transit experience.</li><li>4. Information will be provided on a diskette.</li></ol>
3	Mercer	Seattle	\$11,500	<ol style="list-style-type: none"><li>1. Cost would be \$2,400 less if they don't include review of grade system.</li><li>2. Work plan could be more specific.</li><li>3. Public sector and transit experience.</li></ol>
4	Cascade	Salem	\$7-\$12K	<ol style="list-style-type: none"><li>1. Compensation specialist position vacant; expected to be filled by July 1.</li><li>2. Cascade is very familiar with LTD policies/issues.</li><li>3. Public sector and transit experience.</li></ol>
5	Willis	Seattle	\$17,950	<ol style="list-style-type: none"><li>1. Cost includes travel.</li><li>2. Work plan not very specific.</li><li>3. Much northwest/public sector experience.</li><li>4. Use an hourly cost method.</li></ol>
6	Towers	Seattle	\$28-\$35K	<ol style="list-style-type: none"><li>1. Work plan well mapped out.</li><li>2. Very expensive.</li></ol>

RFP Responses, Cont.  
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**Other Comments:**

1. The quotes for Cascade, Mercer, Ernst & Young, and Towers Perrin do not include travel.
2. R. Andersen, Mercer, and Ernst & Young included compensation/benefits questionnaires in their responses to the RFP.