MINUTES OF
INTERURBAN TRANSIT PARTNERSHIP BOARD
June 27, 2018

ATTENDANCE

Board Members Present: Charis Austin, David Bilardello, Rosalynn Bliss, Gary Carey, Andy Guy, Jack Hoffman, Mark Huizenga, Stephen Kepley, Robert Postema, Terry Schweitzer, Amna Seibold, Paul Troost, Mike Verhulst

Board Members Absent: Tracie Coffman, Randy Gelderloos

Rapid Employees Present: Kathy Anderson, Darlene Brewer, Ali Brown, Michael Bulthuis, Steve Clapp, Debra Cooper, Robin Crothers, Terry DeHart, Sarah Green, Nancy Groendal, Steve Haner, Derron Hughes, Richard Jackson, Meegan Joyce, Deron Kippen, Asher Lockwood (intern), Patrick Lynch, Larry McDonald, Jeremy Mlaker, Linda Medina, Brian Pouget, Dina Reed, Liz Schelling, Steve Schipper, Brittany Schlacter, Nancy Slater, Mike Wieringa

Others Present: Curtis Bolt, Kimberly Dunham (CEO candidate), Andrew Johnson (CEO candidate), Jennifer Kalczik, Al Klepadlo (MV Transportation), Deb Lynch (Rapid employee spouse), Watchdog Miller, Gregg Moser (Krauthamer & Associations), Zoe Pentaleri, Steve Redmond (MDOT)

Board Chair Mayor Stephen Kepley called the meeting to order at 4:08 p.m.

1. PUBLIC COMMENT

Watchdog Miller stated that he wanted to correct some misconceptions. The Rapid needs to use smaller buses. The biggest problem is the driver package. He commented on the CEO candidate qualifications. One of the final candidates was one of the least qualified because she had no fixed route experience. He noted that for ten years he has been kept back because Varga’s contract says you need a Master’s Degree in Public Administration to replace him. He inquired if we need another 20 years of east coast elitism. This is beer city USA and which candidate would you rather grab a beer with. Spectrum employees have used The Rapid for free for years. The new Route 19 proposal allows them to ride the entire system for free and none of them ride the entire system now. Routes 1, 2, 3 and 4 are racist. The Rapid brings the bus to Central Station instead of the real downtown. This is an extra 100,000 miles on each bus and a waste of 183 hours of passengers’ time every year.

2. MINUTES – May 23, 2018 Board Meeting

Mayor Kepley asked for corrections to the minutes. None were offered. The minutes of the May 23, 2018 Board meeting stand approved as written.
3. CEO CANDIDATE INTERVIEWS

CEO candidates Kimberly Dunham and Andrew Johnson were interviewed separately. An opportunity for Q&A was offered to Board members and the candidates at the conclusion of each interview.

Following the two candidate interviews, Mr. Moser was asked to comment on the discussions that he had with each candidate in advance of today’s meeting regarding basic contract terms. He explained that salary will be determined based on the recent compensation study that was conducted at The Rapid which included salary for the CEO. Mr. Varga’s salary is higher due to longevity. Mr. Moser indicated that the candidates understood the need to prove themselves.

Mr. Moser reported that both candidates agreed with the base salary between $170,000 and $175,000. They concurred with the vacation and health care benefits that the executive leadership receives. They discussed a five-year contract and six months’ severance not for cause. Relocation would require quotes from moving companies and using the lowest price company. They discussed a possible 1-3 month temporary housing allowance.

In response to a question from Mayor Bliss, Mr. Moser stated that 3-5 year contracts are typical for transit CEOs. They are usually not open-ended.

Mayor Bliss asked about contract language for CEO performance reviews. Mr. Moser responded that this can be written into the contract once it is developed.

Mayor Kepley informed the Board that there will be a Board CEO evaluation committee to develop evaluation procedures for the CEO which will be part of the contract. He stated that this committee needs to be formed as soon as possible and asked that anyone who is interested to let him know.

Mr. Carey felt that 6 months’ severance was excessive in the public sector. Mr. Moser stated that 6 months is typical in the transit industry. Mr. Carey inquired if The Rapid will recover the moving costs if the candidate leaves within a predetermined period of time. Mr. Moser said this can be incorporated into the contract. Mr. Carey indicated that a 5-year contract seems long. Mr. Moser stated that the Board can determine the appropriate contract term.

Mayor Seibold mentioned that The Rapid should only reimburse relocation expenses for household contents.

A motion was made by Hoffman, supported by Seibold, to hire Andrew Johnson as The Rapid’s CEO.

Mr. Hoffman’s motion included the following statement: Andrew has proven leadership and experience in operating full service transit agencies. His references are glowing. He has a wide network of industry contacts. Experience and a broad network are important to me because while the Board makes policy I as a Board member am also looking for expert policy advice. At the end of the day, I accept or reject that advice but I’m looking for the best available advice and that’s where experience and a broad network count heavily. On the other side of the coin, I’m confident that Andrew is open to new ideas and new ways of doing things. Everyone with experience in the transit industry who is aware of what’s going on has to be open to new ideas and I’m confident that Andrew knows what’s going on. So we get two for one – experience and openness to new ways of doing things. I guess I would like to address the counterpoint. That would be we would want someone outside the full service industry because we need to shake things up. My thought is that things are pretty shaken up already and we need an experienced
captain to guide the ship through some stormy seas. Andrew has the set of skills, experience and education that I have confidence in making him The Rapid's next CEO.

Discussion was held, with Board members giving their reasons for supporting either of the two candidates.

Motion passed, with nine in favor and four opposed.

Yes: Bilardello, Bliss, Carey, Guy, Hoffman, Huizenga, Postema, Seibold, Troost
No: Austin, Kepley, Schweitzer, Verhulst

Mayor Kepley thanked Gregg Moser for his work on the CEO recruitment.

Mayor Bliss stated that the Board needs to have a strong, robust onboarding for Mr. Johnson and provide assistance in making connections for his family.

Board members commented that this has been a good process and thanked Mayor Kepley for leading the effort.

4. ADJOURNMENT

The meeting was adjourned at 6:23 p.m.

Respectfully submitted,

Robin Crothers, Board Secretary