

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, September 19, 2007

Pursuant to notice given to *The Register-Guard* for publication on September 13, 2007, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held its regular monthly meeting on Wednesday, September 19, 2007, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Gerry Gaydos, President, presiding
Susan Ban, Vice President
Debbie Davis, Treasurer
Michael Dubick
Mike Eyster
Dean Kortge, Secretary
Mark Pangborn, General Manager
Jo Sullivan, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: Greg Evans

CALL TO ORDER/ROLL CALL – Mr. Gaydos called the meeting to order. Mr. Pangborn called the roll.

SEPTEMBER EMPLOYEE OF THE MONTH – Transit Operations Director Mark Johnson introduced Bus Operator Jerry Ambrose as the September 2007 Employee of the Month, who was nominated by a rider for his consistent courtesy and pleasant treatment of passengers. Mr. Gaydos presented Mr. Ambrose's awards and expressed the Board's appreciation for his exceptional customer service.

BOARD CALENDARS – Because the regular Board meeting in November would fall on the day before Thanksgiving, Mr. Pangborn proposed canceling the regular Board meeting and instead holding the meeting on Monday, November 12, 2007, and combining it with the work session. There were no objections. He said the joint meeting with the Springfield City Council had been tentatively rescheduled from October 22 to January 14, 2008. Based on a poll of Board members, a Board strategic planning session was tentatively scheduled for November 30, with December 14 as a backup date.

WORK SESSION

Legislative Debriefing – Assistant General Manager Stefano Viggiano introduced Kelly Brooks and Doug Barber of the Ulum Group to provide a status report on the 2007 legislative session, preview the 2008 and 2009 sessions, and discuss Senate Bill 10 relating to rules of conduct for public officials.

Regarding the 2008 session, Ms. Brooks stated that ConnectOregon legislation had passed with language more favorable to transit projects, but elderly and disabled transit funding (HB 2422) did not pass and would be taken up again in the next session. She said the elected board bill died in committee and bus replacement funding was approved, with LTD receiving funds for one or two vehicles. She said lottery funds for the next EmX line had not been secured, but she thought that had potential in the next session. She said that proposals for a comprehensive transportation funding package for highways did not move forward but she expected that would happen during the 2009 session. She identified the top two issues for the 2009 session as funding for elderly and disabled transit and EmX.

Mr. Kortge stated that he preferred to see the focus be on elderly and disabled transit instead of EmX because he was concerned about emphasizing funding for the West Eugene EmX without a formal coordinated effort with the City of Eugene. Mr. Viggiano replied that there had been discussions of a state-level coordinated effort similar to the federal United Front initiative.

Mr. Gaydos agreed with Mr. Kortge that senior and disabled transit funding should be the first priority. He said the next priority should be local match. Ms. Brooks replied that LTD was participating with other transit districts in the state and the Oregon Department of Human Services to develop a funding proposal to fill the gap between demand and capacity.

Mr. Kortge observed that paratransit services were a federal mandate that states were being asked to fund. Mr. Viggiano said that even though the federal government historically had not wanted to fund operational needs, that issue would be raised during reauthorization of the federal transportation bill.

Ms. Brooks distributed an information sheet on Senate Bill 10 relating to new guidelines for public officials. She said that the provisions of the bill would go into effect in January 2008 and reviewed the new requirements regarding gifts and entertainment. She said that rules were being developed to implement the legislation.

Mr. Barber remarked that it was likely that a lawsuit would be filed to challenge the constitutionality of the legislation. Mr. Viggiano added that the law would apply to all LTD employees in addition to the Board.

West Eugene EmX Extension – Director of Development Services Tom Schwetz introduced Mary Archer, a new development planner. He reported that the first step in development of an environmental impact statement (EIS) had been taken with posting of a Notice of Intent in the *Federal Register*. He said next steps included a scoping phase and coordination with all federal, state and local agencies having some regulatory authority over an environmental or historic resource. He said that public workshops at which alternatives would be explored were scheduled on October 8-9, 2007. He said the Board would then adopt a range of alternatives to proceed with development of an EIS. This action would be requested at the Board's December 19, 2007, meeting.

Mr. Schwetz said that cost estimates for alternatives would be developed for the federal transportation bill reauthorization process by Fall 2008. He said that adoption of a locally preferred alternative would lead into design and construction. He said the EIS process was intended to promote full disclosure of all potential impacts (both benefits and costs) on resources, people, and the community.

RECOGNITION OF SUSAN BAN – The final work session items were postponed to later in the meeting. Board members and staff paid tribute to Ms. Ban for her years of service as an LTD Board member and her contributions to the community. Ms. Ban resigned from the LTD Board in order to devote more time to other community initiatives on behalf of her constituents.

Ms. Ban told the Board and staff that it had been an honor to be a part of the LTD team. She said she had learned a great deal during her time on the Board and admired the competence and dedication of the employees. She joined the Board because she cared about the vulnerable members of the community for whom transit was essential to their quality of life and believed that the District would continue to be attentive to those needs.

EMPLOYEES OF THE MONTH – Mr. Johnson introduced Bus Operator Cindy Phillips as the August 2007 Employee of the Month and Bus Operator Mel Morgan as the October 2007 Employee of the Month. Mr. Gaydos presented awards to Ms. Phillips and Mr. Morgan and expressed the Board's appreciation for their exceptional service.

AUDIENCE PARTICIPATION – Mr. Gaydos determined that there was no one wishing to speak.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar** – Mr. Eyster moved adoption of LTD Resolution 2007-029: "It is hereby resolved that the Consent Calendar for September 19, 2007, is approved as presented." Ms. Ban provided the second. The Consent Calendar consisted of the minutes of the May 16, 2007, regular Board meeting; the June 11, 2007, special Board meeting; the June 20, 2007, regular Board meeting; the July 18, 2007, canceled regular Board meeting; the August 15, 2007, canceled regular Board meeting; and the FY 2007-08 Disadvantaged Business Enterprise Policy and Program.

VOTE The Consent Calendar was approved as follows:
AYES: Ban, Davis, Dubick, Eyster, Gaydos, Kortge (6)
NAYS: None
ABSENTIONS: None
EXCUSED: Evans (1)

Debt Resolution – Director of Finance & Information Technology Diane Hellekson stated that in order to assure timely purchase of the property on which LTD's River Road Station and Park & Ride were currently located, it might be necessary to borrow up to \$3 million on a short-term basis until future formula funds became available. She said that the Board's authorization did not guarantee that the debt would be incurred and the Finance Committee and the Board would be notified in advance if it became necessary to borrow funds to complete the property purchase.

MOTION Mr. Kortge moved approval of LTD Resolution No. 2007-031 authorizing debt financing of the purchase of designated River Road Property. Ms. Davis provided the second.

VOTE Mr. Kortge stated that the Finance Committee had reviewed the request.
The resolution was approved as follows:
AYES: Ban, Davis, Dubick, Eyster, Gaydos, Kortge (6)
NAYS: None
ABSENTIONS: None

EXCUSED: Evans (1)

Setting Rate for Florence Pilot Project – Director of Marketing and Communications Andy Vobora related that the potential expansion of LTD service boundaries to include Florence continued to generate interest. He said the City of Florence needed a cost estimate in order to prepare a proposal for ConnectOregon funds. Staff had developed a preliminary service package consisting of five weekday trips, three trips on Saturday, and three trips on Sunday. He said the annualized cost for that package was approximately \$350,000 at direct costs. He said it appeared that there would be ample revenue from the Florence area to cover that service package at a fully allocated rate. He said staff recommended using the direct cost rate for the pilot project.

Mr. Kortge asked why a fully allocated cost was not being used at the beginning. Mr. Vobora replied that once service boundaries were expanded, the tax would cover service costs but no tax would be levied during the pilot phase of the project.

Mr. Pangborn said that a similar approach was used when service was extended to Creswell and Cottage Grove and a direct cost rate would cover the full cost of the service and most of the overhead. He thought that the rate was reasonable and said it would avoid having LTD subsidize the service.

Mr. Dubick asked when the pilot project would begin. Mr. Vobora replied that it could begin with the September 2008 or February 2009 service changes.

MOTION Mr. Dubick moved approval of LTD Resolution No. 2007-032: "It is hereby resolved that the Lane Transit District Board of Directors approves the application of the LTD direct cost rate for the development of costs associated with a Florence bus service pilot project." Mr. Kortge provided the second.

VOTE The resolution was approved as follows:
AYES: Ban, Davis, Dubick, Eyster, Gaydos, Kortge (6)
NAYS: None
ABSENCES: None
EXCUSED: Evans (1)

West Broadway (Eugene) Redevelopment – Mr. Viggiano referred to the recommendations from the West Broadway Advisory Committee (WBAC) and the committee's final report on redevelopment in downtown Eugene. He said the recommendations would support transit-oriented mixed-use development and asked that the Board consider taking a position in favor of transit-oriented and larger-scale development. He stressed that the Board would not be taking a position on the ballot measure to finance redevelopment.

MOTION Mr. Eyster moved approval of LTD Resolution No. 2007-033: "It is hereby resolved that the Lane Transit District Board of Directors supports the proposed redevelopment of West Broadway in downtown Eugene." Mr. Dubick provided the second.
Mr. Kortge commented that supporting redevelopment was essentially the same as supporting the ballot measure. However, Mr. Dubick pointed out that the ballot measure was the funding vehicle for whatever redevelopment project eventually moved forward; it was not tied to a specific proposal. Mr. Gaydos stated that the Board was supporting revitalization and increased density

in downtown, not a specific project or funding mechanism. He commended WBAC co-chairs for their dedication of time and energy to the effort.

VOTE The resolution was approved as follows:
AYES: Ban, Davis, Dubick, Eyster, Gaydos, Kortge (6)
NAYS: None
ABSESIONS: None
EXCUSED: Evans (1)

MOTION **Election of Board Vice President** – The Board vice president position would become vacant upon Ms. Ban’s resignation from the Board. Ms. Davis nominated Mike Eyster to fill the unexpired term of Board vice president, beginning October 1, 2007, and ending July 1, 2008.

There being no further nominations, Mr. Gaydos closed the nominations.

VOTE Mr. Eyster was elected Board vice president as follows:
AYES: Ban, Davis, Dubick, Eyster, Gaydos, Kortge (6)
NAYS: None
ABSESIONS: None
EXCUSED: Evans (1)

Board Committee Appointments – Mr. Gaydos reviewed the Board appointments and noted that Mr. Dubick would replace Ms. Ban as the Metropolitan Policy Committee alternate and as a Board Human Resources Committee member.

MOTION **International Transit Studies Program Fall 2008 Mission** – Mr. Kortge moved approval of LTD Resolution No. 2007-034: “Resolved, the LTD Board of Directors approves the application of General Manager Mark Pangborn to participate as team leader in the Fall 2008 International Transit Studies Program, and agrees to submit a letter of endorsement to be signed by the Board President.” Ms. Davis provided the second.

VOTE The resolution was approved as follows:
AYES: Ban, Davis, Dubick, Eyster, Gaydos, Kortge (6)
NAYS: None
ABSESIONS: None
EXCUSED: Evans (1)

General Manager Cost-of-Living Adjustment – Mr. Gaydos stated that the current contract with the general manager did not include provisions for cost-of-living adjustments. He said that Mr. Pangborn had not received any type of salary increase since his appointment in February 2006 and the Human Resources Committee was proposing an amendment to his employment agreement to include automatic cost-of-living adjustments the same as those of other administrative employees, retroactive to July 1, 2006. He said that merit increases could be considered in the future as appropriate. He indicated that Mr. Pangborn's salary was comparable to that of general managers in other districts. He noted that feedback from LTD employees, Board members, and the community on Mr. Pangborn's performance had been overwhelmingly positive.

Mr. Kortge indicated that he would vote against the proposal as he felt it was unsound to provide cost-of-living adjustments to general managers, as increases should be based on merit.

MOTION Mr. Dubick moved approval of LTD Resolution No. 2007-035: "It is hereby resolved by the LTD Board of Directors that the general manager will receive an annual cost-of-living increase equal to the increase granted all other LTD administrative employees and that this provision will become an amendment to the LTD General Manager Employment Agreement, as provided in this agenda summary. The amended language would be effective as of July 1, 2006. Mr. Eyster provided the second.

Mr. Eyster remarked that Mr. Kortge's point was valid, but that he would vote for the motion, as Mr. Pangborn had not had a salary increase since he was hired as general manager in February 2006.

VOTE The resolution was approved as follows on a roll call vote:
AYES: Ban, Davis, Dubick, Eyster, Gaydos (5)
NAYS: Kortge (1)
ABSENTIONS: None
EXCUSED: Evans (1)

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports – There were no questions.

Annual Performance Report – Mr. Viggiano reviewed the report on performance goals, measures, and objectives. He reported that the performance objective was exceeded in 13 measures, data was not yet available in 4 measures and the objective was not met in 1 measure. He said the performance objective was not met in the measure related to the adjusted cost per mile and it was likely that measure was unrealistic because of factors that were out of the District's control.

In response to a comment from Mr. Kortge, Director of Human Resources and Risk Management Mary Adams said the significant decrease in time loss days was reflecting the fact that in the past year one employee was on continuous leave, which greatly affected statistics for a small work force such as LTD's.

Mr. Gaydos suggested including results of the United Way basic needs survey in the report. He asked if there were still problems with operators' breaks. Mr. Viggiano said that as on-time performance improved, more breaks were taken as scheduled.

Mr. Gaydos expressed interest in tracking the cost and performance of EmX separately.

Fare Ordinance Change – Mr. Vobora stated that in order to be consistent with new program requirements, the Oregon Department of Energy was requesting a Board-adopted student group pass rate of \$12 instead of the current \$19 rate. He said a \$12 rate would generate a tax credit reflecting a revenue-neutral program and staff would prepare an updated fare ordinance for public comment and Board adoption.

Monthly Financial Report – Director of Finance & Information Technology Diane Hellekson reported that the District was doing well during the first two months of the fiscal year. She said fuel prices were within budget and there had been a slight reduction in cost in August. She

commented that the District was experiencing problems with the automated passenger counting system but expected that those would be resolved in the near future.

United Front Update – Mr. Viggiano said that some changes in the United Front process were being considered and suggested that could be a subject for discussion at the Board's strategic planning workshop.

WORK SESSION (continued)

Pioneer Parkway EmX Design Issues – Mr. Schwetz reviewed the agenda materials and said a presentation would be made to the Springfield City Council on October 22. He indicated that the council had expressed an interest in having a role in the design process. He said the annual inflation rate for construction made it essential to move as quickly as possible on the project. He said there were a number of design issues remaining to be resolved and those were detailed in his memorandum and would be shared with the council. He said that addressing design objectives at the policy level would provide a foundation for resolving any future issues. He asked the Board to review the EmX design objectives.

Ms. Ban asked how the term "quality" as it related to the design was defined. Facilities Services Manager Charlie Simmons said there were a number of quality levels for both facilities and the system as a whole.

Mr. Gaydos and Ms. Ban encouraged staff to identify specific quality factors to avoid the appearance of subjectivity in making the determination of quality. Mr. Gaydos added that neighborhood circulators were discussed as part of the original bus rapid transit concept and that issue should be addressed in the report to the City Council.

ITEMS FOR INFORMATION AT THIS MEETING

River Road Station Site Purchase – Mr. Gaydos reported that he, Mr. Evans and Mr. Dubick had spoken to Lane County commissioners, who were supportive of the District's acquisition of most of the site.

MOTION EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(d), LABOR NEGOTIATIONS - Mr. Eyster moved that the Board meet in Executive Session pursuant to ORS 192.660(2)(d), to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Mr. Dubick provided the second.

VOTE The motion was approved as follows:
AYES: Ban, Davis, Dubick, Eyster, Gaydos, Kortge (6)
NAYS: None
ABSENTIONS: None
EXCUSED: Evans (1)

The Board entered Executive Session at 7:35 p.m. Ms. Adams and the other bargaining team members (Ms. Hellekson, Mr. Johnson, and Director of Maintenance George Trauger) were present for this discussion with the Board.

RETURN TO REGULAR SESSION – The Board returned to regular session at 8:15 p.m.

ADJOURNMENT – There was no further business, and the meeting was adjourned at 8:15 p.m.

Board Secretary