

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, April 18, 2018

Pursuant to notice given to *The Register-Guard* for publication on April 11, 2018, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District (LTD) held a Special board meeting on Wednesday, April 18, 2018, beginning at 5:30 p.m., at the LTD Board Room, 3500 E. 17th Avenue, Eugene, Oregon.

Present: Gary Wildish, President
Carl Yeh, Vice President
Kate Reid, Secretary
April Wick
Steven Yett
A.J. Jackson, General Manager
Dwight Purdy, General Counsel
Camille Gandolfi, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: Ed Necker, Secretary
Don Nordin, Treasurer

CALL TO ORDER/ROLL CALL — Mr. Wildish convened the meeting and called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT — There were no remarks.

COMMENTS FROM THE GENERAL MANAGER — Ms. Jackson invited Accessible and Customer Services Manager Cosette Rees to speak. Ms. Rees announced that long-time community activist and member of the Accessible Transportation Committee Eleanor Mulder had passed away on March 10, 2018. She said Ms. Mulder was a fierce advocate for many causes, including public transportation. She had left a great legacy in the community and lived a life worth celebrating.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA — There were no announcements or agenda changes.

BOARD CALENDARS — Ms. Jackson pointed out some changes in the electronic calendar and said a consultant was working to address some of the technical issues. She highlighted several events, including the May 31 dedication of the Sam Reynolds EmX Station on W. 11th Avenue.

EMPLOYEE OF THE MONTH – MAY — The Board recognized Bus Operator Che Robinson as the May 2018 Employee of the Month. Mr. Wildish presented Mr. Robinson with his award and thanked him for his outstanding service and dedication to LTD's mission. Mr. Robinson thanked the Board and said his dream job was driving a bus and he had wanted to work for LTD for a long time.

AUDIENCE PARTICIPATION — There was no one wishing to speak.

PUBLIC HEARING: FISCAL YEAR 2018-2019 PROPOSED BUDGET — Director of Finance, Christina Shew, highlighted LTD's vision, mission, and goals, and the budget development process, including adoption of a Capital Improvement Program (CIP) in November 2017. She said the proposed budget also reflected the recently ratified contract with Amalgamated Transit Union (ATU). The public comment period on the budget began on April 6, 2018. The budget was presented to the Budget Committee on April 11. The committee reviewed and approved the budget with some specific recommendations. Board would be asked to adopt the budget at its May 2018 meeting, but if more time was necessary that decision could occur at the June 2018 meeting. The law required the budget to be adopted by June 30, 2018.

Ms. Shew said the Budget Committee make the following recommendations:

- A footnote on the Point2point page clarifying that the Point2point personnel were previously included in the General Fund and were now in the Point2point Fund.
- Presentation of the line of credit in the budget - it would now be presented under Other Financing Sources and the associated debt service would be shown under expenditures.
- Explain why there was an increase in personnel costs in Human Resources, but the number of positions remained the same - factors were timing of the departure of one person and hiring of a replacement, increased medical insurance costs, and pay equity in effect during the coming fiscal year, which would now be shown in the contingency line until approved.
- Instead of a \$1M line of credit, modify the reserve policy to require a lower amount.
- Corrected typographical error on Page 57.
- Explain why pension plan administrative expenses fluctuated - factors were cost of actuarial evaluations done every other year, attorney fees, training, and conferences.
- Provide a graph of fleet age over a 10-year period with the cost of maintenance overlaid (provided in presentation).

Ms. Shew said four major factors impact the proposed budget:

- Structural imbalance in spending compared to revenues.
- Overpayment by local taxpayers.
- Escalating healthcare costs.
- ATU contract ratified.

Ms. Shew said there were \$3.3M in overpayments in FY2016 and FY2017, adversely impacting FY 2017 revenue because that amount was taken back by the Oregon Department of Revenue in the last quarter of FY2017. She used a chart to illustrate the impact on the FY2017 actual revenue and forecasts used to develop the FY2018 budget.

Ms. Shew said healthcare cost had grown more than \$4M over the last 10 years, reflecting an 87 percent increase. An aging fleet would also require major expenditures for maintenance and replacement, with 68 percent of buses having met or exceeded their useful life. She explained how the \$39.6M in working capital in FY2016-2017 was used. She said \$24M was restricted to capital projects and service had been increased prior to fully implementing the payroll tax increase. No longer using federal formula funds for operations in FY2017 was another factor in the structural imbalance.

Ms. Shew said to address the imbalance, payroll tax revenues would be closely monitored to quickly identify any anomalies, \$4.2M in federal formula funds would be used for operating costs and advertising revenues would be increased through advertising on the EmX lines. She said in addition to increasing revenues, addressing the structural imbalance also included efforts to

decrease expenditures by making service changes to improve efficiencies, replacing the aging fleet, headcount reductions through attrition, and reducing controllable expenditures such as training, travel, professional services, and vendor contracts.

Ms. Reid asked if the projected \$1M increase in payroll tax revenue was due to anticipated economic growth. Ms. Shew said the increase was based on the 3 percent business growth assumption and the annual increase in the payroll tax rate through 2027.

Ms. Shew said LTD budget consisted of five self-balancing funds:

- General Fund (operating and non-operating budgets)
- Capital Projects Fund
- Accessible Services Fund
- Medicaid Fund
- Point2point Fund.

Ms. Shew said creation of the funds provided greater transparency and accountability to have all of the resources and expenditures for a particular service in one fund. She reviewed the details of each fund, including resources and requirements, sources of assistance, revenue, categories of expenditures, and the increase or decrease in a fund budget and associated General Fund transfer.

Ms. Shew said next steps included a public hearing at the Board's May 16, 2018, action on the Budget Committee's recommendation regarding the reserve policy, and adoption of the budget at the May or June Board meeting.

Mr. Wildish opened the public hearing. There being no one wishing to speak, the hearing was closed.

Ms. Jackson said staff would provide the Board with information and recommendations on the line of credit and reserve policy.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar** — Mr. Yeh moved that the Board approve the Consent Calendar for April 18, 2018, as presented. Ms. Wick provided the second. The Consent Calendar consisted of the Minutes of the March 21, 2018, regular Board meeting; the Delegated Authority Report - February; Contract Amendment-Elms Landscaping; and Contract-WHA Insurance.

VOTE The motion was approved as follows:
 AYES: Reid, Wick, Wildish, Yeh, Yett (5)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: Necker, Nordin (2)

MOTION **LTD Ordinance: Rules for Board Meetings - Second Reading and Adoption** — Mr. Yeh moved that Lane Transit District Ordinance No. 52 be read by title only. Ms. Wick provided the second.

VOTE The motion was approved as follows:
 AYES: Reid, Wick, Wildish, Yeh, Yett (5)
 NAYS: None

ABSTENTIONS: None
EXCUSED: Necker, Nordin (2)

Mr. Wildish read the ordinance title: ORDINANCE NO. 52, AN ORDINANCE PROVIDING RULES FOR MEETINGS OF THE LANE TRANSIT DISTRICT BOARD OF DIRECTORS, AND AMENDING AND RESTATING ORDINANCE NO. 45.

MOTION Mr. Yeh moved that the LTD Board of Directors hereby adopts LTD Ordinance No. 52, an ordinance providing rules for meetings of the LTD Board of Directors, and amending and restating Ordinance No. 45. Mr. Yett provided the second.

VOTE The ordinance was adopted as follows:
AYES: Reid, Wick, Wildish, Yeh, Yett (5)
NAYS: None
ABSTENTIONS: None
EXCUSED: Necker, Nordin (2)

Pension Trustee — Ms. Jackson distributed a summary of Ms. Shew's qualifications for appointment as a pension trustee.

MOTION Mr. Yeh moved approval of Resolution No. 2018-04-18-01, a Resolution appointing Christina Shew as Trustee of the LTD and Amalgamated Transit Union, Local No. 757 Pension Trust and to LTD's Salaried Employees' Retirement Plan, to succeed Roland Hoskins as Trustee, and reappointing the other Trustees appointed by LTD (Steven Yett and Aurora Jackson for the LTD-ATU Pension Trust and for the Salaried Retirement Plan), as stated in the attach Resolution. Mr. Yett provided the second.

VOTE The resolution was approved as follows:
AYES: Reid, Wick, Wildish, Yeh, Yett (5)
NAYS: None
ABSTENTIONS: None
EXCUSED: Necker, Nordin (2)

Mr. Nordin arrived at 6:07 p.m.

ITEMS FOR INFORMATION AT THIS MEETING

MovingAhead Project Update — Senior Project Manager, Sasha Luftig, introduced Zack Galloway and Chris Henry with the City of Eugene to assist with presenting information on the joint Eugene/LTD MovingAhead project.

Mr. Galloway said that 2017 was spent conducting a technical analysis on the five key corridors and the results were being shared with the Eugene City Council and LTD Board prior to releasing them to the public. He gave a brief overview of the project's purpose and history and the integration of land use and transportation planning that it represented. He said the project was based on Eugene and LTD's long-range planning efforts and recognition of the need for transit to support future development and land use. He said MovingAhead was considered an implementation project to prepare for appropriate investments along the five key corridors being studies.

Mr. Galloway said Eugene's population growth over the next 20 years was projected to be 40,000 and transit would play an important role in moving people around the community. He said the

corridors were being considered for a range of investment options to accommodate pedestrians and cyclists as well as transit depending on corridor characteristics and community interests. Part of the innovative character of the project was scalability, being able to "right size" investments for each corridor. He said much of the analysis of corridors was part of the National Environmental Protection Act (NEPA) process. The collaboration of jurisdictions - LTD and the City of Eugene - was also a unique aspect of the project.

Mr. Henry described the robust engagement of the public throughout phases of the project and how it directly affected the design concepts being considered. He said the public would also provide feedback on the technical analysis. The project was also overseen by a sounding board composed of members from various city, Lane County, and LTD committees and commissions; a Project Management Team and a Project Oversight Committee. He explained the functions of each body and provided a list of members.

Mr. Henry described the workshops during which people could use design elements to help build design concepts for corridors based on what was important to the neighborhoods along corridors. People also provided feedback on those design concepts that then became the basis of the technical analysis. He described the variety of outreach and engagement strategies that would be used throughout the project. He emphasized that the technical analysis not only included the NEPA process, but also a triple bottom line that considered equity for people, environmental impacts, and economic prosperity. The analysis would help inform a suite of investment packages.

Ms. Luftig said the technical analysis was about 90 percent complete and shared finding to date. She said there were generally small differences among the corridors, meaning that more than one alternative could meet the project's objectives and serve to meet the community's vision. She said the initial decision-making process was to select one locally preferred alternative by corridor, then prioritizing those alternatives. Now staff was recommending examining a range of different combinations of packages to determine if there were additional synergies to be gained at the system level, particularly ridership. That information would be presented to the community. She said public involvement was essential, as was a feedback loop to assure the feedback was heard. There would be two public comment periods: the first would solicit input on the technical analysis report and that input would be used to refine investment packages; a second would solicit input on the refined investment packages to inform selection of a preferred package. The information gained from public involvement would be presented to the Eugene City Council and LTD Board, which were scheduled to make their decisions by the end of the year. She asked if the project pace was appropriate.

Mr. Yeh asked if the community had expressed concern that the process was too slow. She said people were eager to see the results of the technical analysis and engage in the public process.

Mr. Nordin asked how LTD's comprehensive operations analysis (COA) would be integrated into the process. Ms. Luftig said the project would produce a plan of infrastructure investments along the most popular and productive corridors and the COA would look at how the frequency of the system worked.

Mr. Yett asked how participants were selected for the public engagement activities. Ms. Luftig said open houses were held along each corridor and the events were well publicized. There was an online open house for those who were unable to attend in person. Outreach was also conducted to historically under-represented groups and groups with particular interests in transit. She said participation at events ranged from 15 to 60 participants, depending on the corridor and level of interest from neighborhoods.

Mr. Yett asked if there had been any opposition, similar to the opposition to EmX West. Ms. Luftig said a few stakeholders had indicated they were not interested in transit transportation investments. She said letters would be sent to property owners potentially affected by one of the alternatives that might be advanced in order to meet with them prior to releasing the alternatives report.

Ms. Reid appreciated having interconnected options and being able to consider the impact of investment alternatives on other corridors and the system as a whole.

Mr. Nordin hoped that the entire community would be engaged in the process to avoid having people be concerned about how they would be affected because they were not well informed about the project. Public Information Officer Therese Lang agreed with the need to reach out to the entire community, particularly those who would be directly affected. Mr. Galloway said in order to assure connection with the broader community, there would need to be a multi-phased approach that used a variety of outreach methods. Mr. Henry said staff was using a process called systematic development of informed consent to help people in the community and decision-makers understand what the tradeoffs were when selecting investments.

Mr. Wildish urged staff to assure that outreach and education materials for the MovingAhead project emphasize that it was a community project that was a joint effort of the City of Eugene and LTD. He said he had heard positive feedback from people in his neighborhood.

Business Commute Challenge Update — Transportation Options Manager, Theresa Brand, provided an overview of the Point2point regional transportation options program and the evolution of the Business Commute Challenge (BCC) program. She said funding for BCC staffing and activities were provided from local road funds, the Oregon Department of Transportation, and the cities of Springfield and Eugene. She said a full report on the 2017 BCC was included in the agenda packet and highlighted some of the statistics. She said the 2018 BCC is on track to exceed 2017 participation rates. She described some of the new activities planned for 2018, including use of social media, media outreach, website improvements, and a real time leader board to spur competition. She encouraged Board members to challenge their colleagues to participate. A number of LTD staff teams had challenged each other.

Ms. Brand said the BCC encouraged people to try new modes of transportation and surveys of participants conducted over the years did show changes in habits that supported sustainability efforts in the region. She said a kick off party would be held on April 27 and a wrap-up party was scheduled for May 25.

Ms. Jackson said BCC events would be added to the Board calendar.

Mr. Yeh thanked Ms. Brand and her staff for promoting the BCC program and challenged his fellow Board members to participate.

Board Member Reports — Ms. Reid reported that Mr. Yett had attended the April meeting of the Metropolitan Policy Committee (MPC) in Mr. Wildish's place and would attend the May meeting in her place. She said the MPC received a report on the Safe Routes to School program. She planned to attend the April 27 Oregon MPO Consortium (OMPOC) Board meeting in Grants Pass, Oregon. Topics for discussion included HB 2017 and the 2019 legislative priorities.

Monthly Financial Reports - February — Ms. Shew reviewed the February 2018 Year-to-Date financial report provided in the agenda packet, noting key drivers for revenues and expenditures

in the General Fund, Medicaid Fund, Accessible Services Fund and Capital Projects Fund. She said inconsistencies and an overpayment of payroll tax receipts from the Oregon Department of Revenue continued to have an impact but were being monitored closely by staff. She expected that all payments associated with the EmX West project would be completed by December 2018 and on target for a project of that size.

Monthly Cash Disbursements - March — In response to a question from Mr. Yett, Ms. Shew said the payment to Cascade Title and Escrow was for property acquisition associated with the EmX West project.

Mr. Nordin asked if legal issues related to West 7th Avenue property had been resolved. Mr. Purdy replied that litigation issues had been resolved; there were some minor matters still outstanding.

Mr. Wildish noted there were two large checks issued to PacificSource Health Plans: one on March 2 and the other on March 22. Ms. Shew said the March 2 check was the March payment for ATU and administrative health plans and the March 22 check was the April payment.

Monthly Grants Report - March — Mr. Wildish noted that a drawdown of ConnectOregon funds paid to the City of Eugene was for payment of a pedestrian bridge associated with the EmX West project.

Monthly Performance Reports - March — Mr. Wildish said he was looking forward to the Board's May work session on performance.

Mr. Nordin asked when the electric bus would be deployed. Ms. Jackson said staff had been working closely with the manufacturer to resolve some technical issues related to vehicle performance.

Mr. Yeh said deployment of the electric buses should be well publicized.

Monthly Department Reports - April — Mr. Yeh appreciated the safety report and recommendations for more and improved signage. He asked for an update on how the in house public safety officers were performing. He had received positive feedback from the Eugene 4J School District on LTD's efforts to help riders who had been excluded to ride the bus again.

Mr. Wildish also appreciated the safety report.

Ms. Jackson said a handout on Statewide Transportation Improvement Fund (STIF) draft rules was part of the department reports.

Ms. Reid commented that the electronic calendar on the website did not include meeting details.

ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING - REQUESTED BY THE BOARD — Mr. Nordin asked if the concerns expressed by South Lane Wheels about Medical Transportation Management (MTM) sending other vendors to South Lane County had been addressed. He said it was adversely affecting South Lane Wheels' budget. Ms. Rees said staff had met with private providers who contracted with MTM to hear concerns. She said the situation in South Lane County was unique. The trips were bid trips because of the distance and another vendor was getting those trips through the least cost/most appropriate model used by the NOVUS system. She said the problem had been corrected and more riders were being directed to South

Lane Wheels. She said staff was available to speak with the South Lane Wheels Board and explain the situation.

ADJOURNMENT


Mr. Wildish adjourned the meeting at 7:15 p.m.

LANE TRANSIT DISTRICT:

ATTEST:



Kate Reid
Board Secretary



Camille Gandolfi
Clerk of the Board

Date Approved: 5/16/18