

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

WORK SESSION/RETREAT

Tuesday, February 20, 2018

Pursuant to notice given to *The Register-Guard* for publication on February 14, 2018, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a work session/retreat on Tuesday, February 20, beginning at 12:30 p.m., at the Oregon Trail Council – Boy Scouts of America Conference Room, 2525 Martin Luther King, Jr. Boulevard, Eugene, Oregon.

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

Absent: Ed Necker

CALL TO ORDER/ROLL CALL — Mr. Wildish called the meeting of the Lane Transit District (LTD) Board of Directors to order on Tuesday, February 20, 2018, at 12:30 p.m. and called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT — Mr. Wildish discussed some housekeeping items related to use of the facility.

COMMENTS FROM THE GENERAL MANAGER — Ms. Jackson thanked Board members for committing time to retreat. Staff members introduced themselves and described their length of LTD service and area of responsibility.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA — None.

RETREAT OVERVIEW — Ms. Jackson reviewed agendas for the retreat and special Board meeting.

LONG-RANGE TRANSIT PLAN (LRTP), ROADMAP, AND MISSION STATEMENT — The Director of Planning and Development, Tom Schwetz, referred to three handouts distributed to Board members; a booklet entitled *Why*, a copy of the Long-Range Transit Plan – March 2014, and a sheet entitled *Defining Mission, Vision Values and Goals*. He said the LRTP reflected LTD's vision, mission, and values. He described the structure of the plan, including four sections related to; a mission statement and guiding principles, strategic challenges and uncertainties, a strategic framework, and performance measures. He noted that the section related to the strategic framework contained six goals that spanned a range of issues. He suggested key questions the Board could consider as it reviews the LRTP:

- Do the goals prepare LTD to effectively adapt to future conditions;
- Do specific goals reflect the broader goals in LTD's vision and values, and the community; and
- Are the goals clearly articulated

Ms. Jackson emphasized that the LRTP was adopted by the Board and became the guiding principles for making decisions about LTD operations. She said that staff would continue to follow the LRTP until it was modified by the Board. This was an opportunity for the Board and the staff leadership committee to examine the plan and determine if it was being adhered to and whether it still represented the Board's direction for the agency.

Mr. Wildish observed that only two members of the current Board had been involved in the adoption of the current plan and appreciated the opportunity to revisit the document and determine what modifications might be necessary.

Mr. Schwetz said that each goal in the LRTP included a statement of the goal, a definition of the goal's intent, and policies meant to guide action to help accomplish the goal. He said LTD's Roadmap served as a short-range transit plan connecting the LRTP mission and vision by evaluating and prioritizing capital and operational improvements. He said the Roadmap also tied what LTD did with specified performance measures and why, consistent with the LRTP. He said the Comprehensive Operational Analysis (COA) now in progress would provide the basis for updating LTD's strategic documents and a planning framework that was flexible and adaptive.

Ms. Reid said that she thought a comprehensive examination of the LRTP and related documents should occur after completion of the COA. Ms. Jackson concurred. She said an overview of the LRTP and the COA process were being presented at the retreat so the Board could determine the point at which an update of the LRTP should be considered. She said there had been many changes since the plan was adopted and the Board would need to determine, as the COA process unfolded, whether the LRTP still reflected the District's vision. Mr. Schwetz added that the LRTP was developed at the same time local partners were updating their plans and allowed LTD an opportunity to collaborate with them. He pointed out some of the policies that were consistent among local plans. He noted that the Board could be surgical in its changes to the LRTP, such as identifying policies that were no longer relevant or that needed to be updated. Those changes did not need to involve lengthy processes.

Ms. Jackson will periodically check with the Board on timing of a more comprehensive LRTP review. She said the presentation related to the COA would help clarify timelines.

COMPREHENSIVE OPERATIONAL ANALYSIS (COA) — The Director of Public Affairs, Edward McGlone, briefly described the COA process and expected outcomes. He stated that the COA process, which began February 1, 2018, was expected to be completed within 12 months in accordance with Board direction. He said two contracts had been executed for implementation of the process; Jarrett Walker and Associates for the technical analysis and Jean Lawson and Associates for communication and public engagement. He said this would allow LTD to have maximum control over both critical aspects of the project. Questions to be answered by the COA were:

- What the community wanted, and
- What was affordable

Mr. McGlone used a graphic to illustrate respective timelines for the COA process and *MovingAhead* project. He said the projects were not connected, but each would inform the other and it was important that the intense public involvement processes not create confusion for the public. The public engagement messages would make it very clear what issues were being addressed and what feedback was being sought. He said that currently the technical consultants were collecting and analyzing vast amounts of LTD's operational data in order to prepare a choices report that would discuss big picture options for how the community could move forward, as well as community values. That would provide a lens for filtering the information being received. He gave several examples of tradeoffs that might be factored into consideration of the choices.

Mr. McGlone noted that very specific tasks were associated with each week in the timeline, with some overlap for efficiency in order to meet the aggressive timeline of the COA. He said the public engagement consultants were also involved in developing materials and outreach strategies, with the goal of engaging the most people in the most effective manner. One innovative strategy was development of an online town hall forum that had been very successful in other agencies. He said the timeline was also designed to coordinate with *MovingAhead* in order to avoid over-engaging the public. Consultants would examine the choices report and public feedback to identify what the community wanted. He stressed that the Board and Strategic Planning Committee (SPC) would be regularly updated throughout the process. He said a key element of the process would involve a 4-day core design retreat, which transportation planners from throughout the area would be invited to participate in and discuss their communities' transportation visions.

Mr. Yett asked how staff would ensure the online engagement strategy did not exclude certain populations that might not use or have access to the internet. Mr. McGlone said outreach would not be confined to online technology, but rather would combine new and existing outreach approaches such open houses, town halls, surveys, presentations to community groups, etc.

Mr. McGlone said the COA process would result in an alternatives report that would lay out a series of potential options and decisions the community could make to alter transit. He said the report would be released in January 2019 and kick-off the final round of public engagement. He said the timing would also align well with budget and service planning timelines, allowing the Board an opportunity to adopt changes effective in the fall of 2019, which is when revenue from HB 2017 would be available.

In response to a request from Ms. Wick, Mr. McGlone said that once details of the COA schedule had been finalized, key points would be added to the Board monthly calendar. He commended Kelly Hoell for her work on the COA.

HB 2017 - STATE TRANSPORTATION BILL — Mr. McGlone distributed a timeline for formula fund initial implementation and a spreadsheet of one- and five-year low income indicators in Oregon counties. He said the bill included a new payroll tax of one-tenth of one percent on wages paid to employees. Proceeds from the payroll tax will be deposited into the Statewide Transportation Improvement Fund (STIF). The Department of Revenue will begin collecting revenues on or after July 1, 2018; the Oregon Department of Transportation (ODOT) would then remit funds to local areas. He said revenue was projected to generate \$100-120 million annually and funds would be divided among four categories:

- Ninety percent to counties without a mass transit district or transportation district, mass transit districts, transportation districts, and federally-recognized tribes;

- Five percent to “public transportation service providers” based on a competitive grant program adopted by the Oregon Transportation Commission (OTC);
- Four percent to public transportation service providers on a competitive grant basis to improve public transportation between two or more communities; and
- One percent to ODOT to establish a statewide public transportation technical resource center to assist public transportation providers in rural areas with training, planning, and information technology

Mr. McGlone said to be eligible to receive a portion of the 90 percent distribution under this program, a “qualified entity” must prepare and submit a public transportation improvement plan to the OTC for approval. A qualified entity was defined as a tribal government, mass transit districts, transportation districts, and counties. He said LTD would be the recipient in Lane County and would be responsible for distributing funds to other entities in the county that provided public transportation services. Ms. Jackson said that meant LTD Board of Directors would be the decision-makers for that distribution, including to entities outside the District's boundaries but within the county. A local advisory body established by LTD would make recommendations to the Board on distributions to other entities. He said guidelines would be established for distributing an appropriate amount of funds to requesting entities.

Accessible and Customer Services Manager, Cosette Rees, responded to questions regarding the current arrangements for Diamond Express service to Oakridge. She said LTD used Special Transportation Fund monies and Federal 5311 funds, along with some matching funds from Oakridge, to contract with Pacific Crest Bus Lines to provide the service, making LTD the service provider for Oakridge.

Mr. McGlone said a qualified entity, such as LTD, must develop a STIF plan to be submitted every 2 years, although the plan could cover a 2- or 4-year period. If an entity did not request funding during the 2-year period, LTD could reapportion the funds in any way the advisory committee recommended and the Board approved.

Mr. McGlone responded to a question from Mr. Nordin about providing service across county lines, such as between Florence and Reedsport, or to Drain. Mr. McGlone explained that such services would likely be established through an intergovernmental agreement between LTD and Douglas County that determined each party's share of the cost. LTD and Douglas County would each include a funding request in their STIF plan. Funding options could include either formula or 4 percent funds. He stressed the value of the COA process in helping to inform those types of decisions.

Mr. McGlone reviewed the implementation timelines, including rulemaking, planning, submission of applications, review of applications, and recommendation to the OTC for final decisions and disbursement of funds. The Board would not make decisions based on COA results until April or May of 2019, which was outside the first application window. This could constrict the ability to make service investments in the first 2-year STIF plan. The goal of the OTC was to adopt rules by August 2018 in order for local STIF planning processes to move forward. Key points and deadlines for both STIF and COA processes would be included on the Board's calendar.

Mr. McGlone said there were no statutory limits on what funds could be spent on, as long as it was related to transit. However, at a minimum, each STIF plan must specify the amount of money from the proposed distribution that would be allocated to fund the following legislative priorities:

- Increased service frequency and expansion of bus routes in communities with a high percentage of low-income households;

- Expansion of bus routes and services to reach communities with a high percentage of low-income households;
- Fund implementation of programs to reduce fares for public transportation in communities with a high percentage of low-income households;
- Procurement of buses powered by natural gas, electricity, or other low- or no-emission propulsion for use in areas with populations of 200,000 or more;
- Improved frequency and reliability of service connections between communities inside and outside of the qualified entity's service area; and
- Coordination between public transportation service providers to reduce fragmentation of services

Ms. Reid asked if funds could be used for bike and pedestrian projects. Mr. McGlone said they could, but those were not on the list of legislative priorities. Ms. Jackson said there could be opportunities for LTD to partner with a local jurisdiction on a bike/pedestrian project and leverage other District funds.

Ms. Reid asked about the status of a proposed amendment to the funding categories. Mr. McGlone said the amendment, which would create a new category to fund student transit passes that were paid for by school districts, was currently under discussion and he would provide updates as they became available.

Mr. Yeh asked if the legislation required LTD to propose projects in all of the legislative priority categories. Mr. McGlone said that was not required; the District could choose to spend its funds on just one of the categories. He said the categories were written broadly enough to allow communities to address those that met their needs and values. Ms. Jackson noted that wherever LTD chose to spend its funds, it would still need to report on all of the categories.

Mr. McGlone said the funds could also be used to develop operating reserves, pay for administrative expenses, and purchase other vehicles that were not low- or no-emissions. He also said the new funds could be used to match grants, which could improve the competitiveness of LTD's applications.

Mr. McGlone said LTD was well connected with urban partners in Eugene and Springfield, but would need to decide how it wished to work with other local, non-urban partners. He said one option was to partner with Lane Council of Governments (LCOG) to work with those communities. He said LCOG could function as the point of contact for non-urban entities interested in receiving STIF funds and provide technical assistance in the development of applications.

Mr. Nordin expressed concern about how to work with rural communities that had no local governance structure, such as Lorane, Marcola, and Deadwood, which are not members of LCOG.

Ms. Jackson said LTD did have an existing process for engaging small outlying communities in the county. She asked the Board for its feedback on using LCOG, its relationships with many rural communities, and ability to reach out to others instead of developing the District's own process.

Ms. Wick said that she felt that LTD should work with LCOG to reach non-urban communities as that was consistent with its mission. LTD could build on LCOG's relationships with communities instead of replicating efforts.

Mr. McGlone said that about \$7 million would be available in Lane County from the formula funds; approximately \$5 million would be available statewide in the 5 percent competitive grant category and \$4 million would be available statewide in the 4 percent competitive grant category. He emphasized that the formula funds were calculated based on where payroll was generated, not population. He estimated that between 80 and 90 percent of the formula funds would be generated within LTD's district boundary, but said that he felt there would be an expectation that LTD would provide more funding to communities than what their "fair share" might be; the advisory committee might need some guidance on that issue.

Assistant General Manager of Administrative Services, Roland Hoskins, observed that it would be more expensive for LTD to create and maintain administrative positions and structure to manage rural outreach and coordination, than to contract with LCOG for those services.

Mr. Nordin said many small communities were not members of LCOG, which was defined by those who paid dues. He said that he was concerned that small communities would not have an opportunity to access funds.

Mr. Schwetz said there was broad representation throughout Lane County by the 34 members of the LCOG Board of Directors, including rural fire districts, library districts, utility boards, and the Port of Siuslaw.

Mr. Yett suggested that the most efficient approach was for LTD to work with LCOG to communicate to entities within the county that are not currently represented. They would be considered LCOG members for purpose of accessing STIF funds.

Ms. Reid noted that LCOG had programs, such as small business loans, which engaged non-LCOG members.

Mr. Yeh said that he agreed that rural outreach and coordination was a good fit with LCOG. He encouraged LTD to consider becoming a dues-paying, voting member of LCOG.

Mr. McGlone said in order to apply for STIF funding, a qualified entity must appoint an advisory committee that met the following criteria:

- At least seven members,
- Each member must represent at least one of 16 different categories,
- The committee must include representation from three mandatory categories:
 - Low-income individuals,
 - Individuals aged 65 or over or individuals with disabilities, and
 - Public transportation service providers or non-profit entities that provide public transportation services

Ms. Wick said that she was surprised that representation was an either/or situation for seniors and people with disabilities, because where those communities' interest in transit intersected, each had unique needs and perspectives. She stated that she hoped the advisory committee could have representation from both.

Mr. McGlone said the advisory committee also needed to include a representative who lived in Lane County, but not within LTD's service boundary. LTD's SPC had indicated an interest in being the advisory committee and, if the Board approved, it would also need to modify the SPC's current membership to align with statutory criteria. The statute required the advisory committee to meet twice annually; the SPC already meet monthly. Advisory Committee options could include:

1. Amending SPC bylaws to be compliant with state law and designating the SPC as the advisory committee,
2. Create a hybrid of the SPC by expanding membership to include the necessary representation for an advisory committee, but only require those members to participate in the two meetings each year when the SPC functioned as the advisory committee, or
3. Create a new and unique advisory body for the purpose of reviewing and recommending STIF proposals to the Board.

Ms. Reid said it would be helpful to determine which of the advisory committee categories current SPC members represented and also whether people who were not on the SPC had any interest in participating in its activities.

Mr. Nordin said the current SPC seemed primarily focused on Eugene and Springfield issues and would need representation from outside of the metro area.

Mr. Wildish said it would be more efficient to use an existing committee and include advisory committee topics at scheduled meetings than to create a new set of meetings, which would increase administrative costs and require additional staff resources. He said expanding SPC membership to represent additional categories, such as areas outside District boundaries, could bring new perspectives to the group.

Ms. Reid said that she felt the SPC should discuss in more detail the functions of the advisory committee to understand the ramifications of various options. Ms. Wick agreed.

Mr. Wildish determined there was a consensus to schedule a discussion of the topic at the March 6 SPC meeting.

Mr. McGlone briefly explained the decision-making process an advisory committee would use to develop recommendations for the Board and some of the issues that might be considered when evaluating applications. Recommendations would be forwarded to the LTD Board, who would make the final decision. He said the Board could make changes to the recommendations, but would need to explain its rationale for those changes in LTD's application to ODOT.

The Board took a break from 2:55 p.m. to 3:10 p.m.

FARE POLICY - AD HOC COMMITTEE DISCUSSION — Mr. Yeh said that discussion regarding changing the fare medium had been ongoing for several years and that was likely to be a part of the conversation on fare policies. He said that he hoped the Board would examine whether the District was providing the best, most equitable, and accessible fares to the community. He commended programs like the honored rider pass and the earlier youth pass program, both of which opened LTD's system to many riders who might otherwise not have been able to afford to ride the bus. He said another issue was how to convince families to ride the bus rather than use cars by making transit convenient, affordable, and accessible.

Ms. Reid said there had been a discussion by the SPC about reinstating a youth pass program. Transit agencies were reviewing their fare systems with the possibility of the legislature establishing a set-aside for funding for specific purposes such as youth passes and services for low-income and rural connections. She proposed the formation of an ad hoc committee that included representatives from the Board, LTD staff, business, and non-profit communities representing stakeholders to examine LTD's fare policies and structure. She said that could be

separate from, but could coincide with, LTD's implementation of an electronic fare management system.

Mr. Wildish said timing was a consideration as there was enthusiasm for implementing a youth pass program in September 2018. He asked for Board's feedback on establishing an ad hoc committee to discuss the fare policies and structure. He noted that staff had already gathered a significant amount of information.

Mr. Nordin commented that he had talked to all of the fare management system vendors at the recent American Public Transportation Association conference and there was a wide range of options for LTD to consider. He said HB 2017 provided a great opportunity, now that both employers and employees were paying a tax to support transit, to develop a fare medium tailored to each customer's situation and need.

Mr. Yeh said that he agreed that LTD had an opportunity to look at very innovative strategies for fare management and recovery.

In response to a question from Ms. Wick, Ms. Jackson said the COA would not address fare management issues at that level.

Ms. Reid emphasized that the ad hoc committee was intended to look at LTD's fare structure, not electronic fare management systems or fare medium.

Ms. Rees said staff groups were already working on both issues and would be making presentations to the Board in March. She said staff needed to understand the Board's goals for a fare management system. Examples included making it easier for people to access the system, increasing fare recovery, and obtaining data to inform future decisions. She said those were not mutually exclusive, but prioritizing goals would help guide the discussions.

Ms. Reid said the SPC's discussion had been about a youth pass program. She advocated for establishing an ad hoc committee to review all revenue streams and the entire fare system currently in place.

Ms. Jackson pointed out that the agenda for the Board's February 21 meeting included items related to establishing an ad hoc committee, implementing a youth pass program, and designating the SPC as the advisory committee and would afford the opportunity for additional discussion and decisions.

Ms. Reid said the purpose of the ad hoc committee was to work with the existing staff committees to develop fare policy recommendations that had been fully vetted to present to the Board.

Mr. Yeh said the ad hoc committee could also include the discussion of a youth pass program, but if the Board was interested in implementing a youth pass program in September 2018, decisions would need to be made fairly soon in order to inform the budget process.

Ms. Jackson said staff would prepare information on the previous youth pass program, financial implications, and impact of an increase in youth riders. She agreed that development of a program should begin soon if the Board wanted to implement it in September 2018.

There was a general discussion by Board and staff members regarding many issues that would need to be addressed during the review of the District's fare policies and structure, including the timing of decisions and implementation of new programs.


MOTION **EXECUTIVE (NON-PUBLIC) SESSION PURSUANT TO ORS 192.660(2)(d):** to conduct deliberations with persons designated by the governing body to carry on labor negotiations.— Mr. Yeh moved that the Board meet in Executive (Non-Public) session pursuant to ORS 192.660(2), to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Mr. Yett provided the second.

The Board entered executive session at 3:50 p.m.

ADJOURNMENT

Mr. Wildish adjourned the meeting at 4:30 p.m.

LANE TRANSIT DISTRICT:



Kate Reid
Board Secretary

Date Approved: 3/21/17

ATTEST:



Camille Gandolfi
Clerk of the Board