

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL BOARD MEETING

Wednesday, December 6, 2017

Pursuant to notice given to *The Register-Guard* for publication on November 29, 2017, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a special board meeting on Wednesday, December 6, 2017, beginning at 5:30 p.m., at the LTD Board Room, 3500 E. 17th Avenue, Eugene, Oregon.

Present: Gary Wildish, President
Gary Gillespie, Vice President
Kate Reid
Carl Yeh
Steven Yett
A.J. Jackson, General Manager
Kristen Denmark, 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 — Mr. Wildish noted that the Board was meeting two weeks ahead of its normal schedule.

COMMENTS FROM THE GENERAL MANAGER — Ms. Jackson asked that some time be allowed at the end of the meeting to acknowledge Mr. Gillespie's years of service on the Board.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA — Mr. Wildish added to Action Items the appointment of April Wick to the Board Human Resources Committee.

Mr. Gillespie said there was an interesting video on the internet showing a MARTA bus blocking the view of an implosion.

BOARD CALENDARS — Ms. Jackson reviewed future events. She said the Board Human Resources Committee would meet on December 18 and the December Accessible Transportation Committee meeting had been canceled. She noted that Ms. Reid would be representing LTD in the United Front initiative in January 2018, and the annual Board retreat was scheduled for February 20-21, 2018.

EMPLOYEE OF THE MONTH – DECEMBER — The Board recognized Glenwood Receptionist Jonnie Myers as the January 2018 Employee of the Month. Mr. Wildish presented Ms. Myers with her award and thanked her for her outstanding service and dedication to LTD's mission. Ms. Myers thanked the Board for her award and said she appreciated her job with LTD.

AUDIENCE PARTICIPATION — Mr. Wildish explained the process for providing testimony to the Board.

Rob Zako, Eugene, representing Better Eugene-Springfield Transportation (BEST), urged the Board to approve the contract for the Comprehensive Operations Analysis (COA) consultant. He said BEST was pleased with the EmX West launch, although implementation of the project was challenging and there was opposition from some members of the public based on a lack of understanding about how EmX contributed to the larger system and was in investment in the community. He said the questions raised during the project's implementation were ones that needed to be asked and answered for future projects. The COA consultant would not tell LTD or the community what it needed, but make clear what choices were available through a series of scenarios. He said that was what the community needed so there was an understanding of the different directions transit could take moving forward, which choices matched the community's values and were good investments for LTD and the community. He said BEST looked forward to the community discussions that would occur during the COA process.

ITEMS FOR ACTION AT THIS MEETING

Consent Calendar — Ms. Reid announced that she had a conflict of interest on an item related to a Willamalane Park and Recreation District contract in the Delegated Authority Report-November and would abstain from voting on it. She asked that it be removed from the Consent Calendar.

MOTION Mr. Gillespie moved to remove the Delegated Authority Report-November, from the Consent Calendar. Mr. Yeh provided the second.

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

MOTION Mr. Yeh moved that the Board approved the Consent Calendar for December 6, 2017, as amended. Mr. Gillespie provided the second. The amended Consent Calendar consisted of the Minutes of the November 15, 2017, Regular Board Meeting.

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

MOTION Mr. Gillespie moved that the Board approve the Delegated Authority Report-November. Mr. Yeh provided the second.

Mr. Wildish remarked that a majority of the items on the Delegated Authority Report had been previously approved by the Board. He asked staff to denote that on future reports.

VOTE The motion was approved as follows:
AYES: Gillespie, Wildish, Yeh, Yett (4)
NAYS: None
ABSTENTIONS: Reid (1)
EXCUSED: Necker, Nordin (2)

Adoption: 2018 Winter Service Changes — Director of Planning and Development Tom Schwetz said the winter 2018 service adjustment had been presented to the Board at its November 15, 2017, meeting and a public hearing had been held. He said no comments had been received from the public and asked that the proposed changes be approved.

MOTION Mr. Gillespie moved the following resolution: Resolution No. 2017-12-06-67: It is hereby resolved that the LTD Board of Directors approves the 2018 winter service adjustment recommendations as presented on December 6, 2017.

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

Comprehensive Operations Analysis (COA) Contract Award — Mr. Schwetz said the proposed contract award had been reviewed by the Board Finance Committee at its December 4, 2017, meeting and members had requested additional information on the scope of work and follow-up tasks that were included in the contract. He distributed a handout entitled *Scope Summary for 2018-2022 Comprehensive Analysis and Follow-up Tasks* that provided the requested information. He said the procurement process involved seeking proposals for the COA scope of work, interviewing several consulting teams and selecting Jarrett Walker and Associates as the preferred candidate. In accordance with the Finance Committee's recommendation, the Board was being asked to approve the contract award.

Mr. Yett asked where Jarrett Walker and Associates was located and if the contract included milestones or performance expectations that would allow LTD to make adjustments. Mr. Schwetz replied that Jarrett Walker was located in Portland, Oregon. Ms. Jackson said the contract identified specific outcomes and deliverable that were acceptable to LTD and met its standards of quality before payments could be made.

Mr. Yett asked if the outcomes and deliverables were discreet and observable, or subjective. Ms. Jackson said the quality was subjective, but the deliverables were concrete and must meet standards, rather than LTD just being billed for hours.

Mr. Yett asked if there were penalties in the contract for not meeting deadlines. Ms. Jackson said there were not penalties at this point, but if the award was approved staff would enter into development of a schedule of deliverables with Jarrett Walker and Associates. She said LTD was prohibited from including penalties in this type of contract. Ms. Denmark added that construction contracts were structured with penalties, but contracts for goods and services were not. She said the COA contract was for a five-year period, with \$300,000 payable in the first year for the initial scope of work and subsequent years with optional follow-on tasks were at LTD's discretion. She said a draft contract was included in the procurement process

and proposers could possibly make the case that pricing might have changed if penalties were included.

Ms. Jackson said staff would follow-up on the issue of penalties and report back to the Board.

Mr. Yett asked if Jarrett Walker and Associates was a large firm. Ms. Jackson said the firm had worked with transit agencies across the country and internationally. She said the firm had worked with many transit agencies much larger than LTD.

Mr. Yeh commended the procurement process and was pleased with the selection of Jarrett Walker.

In response to a question from Mr. Wildish, Mr. Schwetz said expenditures during the first year of the contract would be \$300,000; subsequent years would be approximately \$100,000 per year.

Ms. Reid noted that the initial amount of \$300,000 had already been approved as part of the Non-Capital Projects fund; additional years would be approved in future budget cycles if necessary.

MOTION Mr. Yeh moved Resolution No. 2017-12-06-68: Be it resolved that the Lane Transit District Board of Directors, acting as the LTD Contract Review Board, passes a Resolution as follows: 1) The contract shall be in compliance with all applicable laws and regulations, and 2) Once any protest period has passed and no protests being received and/or such protests being resolved in accordance with Oregon law and the LTD Procurement Policy, the general manager or her designee, is hereby authorized to: (a) negotiate and enter into a contract with Jarrett Walker and Associates for the purpose of conducting a Comprehensive Operations Analysis for an amount not to exceed \$692,819.85; and (b) as needed, execute amendments to the contract not to exceed a cumulative total of 10 percent of the contract price or \$150,00, whichever is less. Ms. Reid provided the second.

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

Elections of Board Officers — Mr. Wildish said that the positions of vice president and secretary would become vacant on January 1, 2018, with the expiration of Mr. Gillespie and Mr. Necker's terms. He said members elected to those positions would serve the remaining six months of those terms until June 30, 2018. He opened nominations for vice president and secretary.

MOTION Ms. Reid nominated Mr. Yeh to fill the six-month term as vice president, beginning January 1, 2018. There being no other nominations, Mr. Yeh was elected by acclamation.

MOTION Mr. Yeh nominated Ms. Reid to fill the six-month term as secretary. There being no other nominations, Ms. Reid was elected by acclamation.

Following a discussion of the beginning of July 1 for Board officers' terms, Ms. Jackson asked counsel to research the matter to see if the terms of officers could be changed to commence on January 1 in order to align with the calendar year terms of service for Board members.

Appointment of April Wick to the Board Human Resources Committee — Mr. Wildish said that Mr. Gillespie's position on the Human Resources Committee would become vacant on January 1, 2018, and recommended appointing incoming Board member April Wick to that vacancy. He said Ms. Wick had expressed an interesting in serving on the committee.

MOTION Mr. Wildish moved to appoint April Wick to the Board Human Resources Committee, effective January 1, 2018. Mr. Yett provided the second.

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

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports — Mr. Yeh reported that the Lane Council of Governments (LCOG) Board of Directors was discussing expanding voting memberships, which could include LTD. He said that expanding voting memberships would require an amendment to LCOG's charter, which limited voting memberships to elected officials. Ms. Jackson added that she had scheduled a meeting with Brenda Wilson, LCOG Executive Director, to discuss the matter further.

Mr. Wildish encouraged staff and Board members to provide their input to the Board Human Resources Committee for its evaluation of the general manager's performance prior to the committee's next meeting on December 18, 2017.

Monthly Financial Reports - September — Ms. Jackson said that year-to-date General Fund revenue was approximately \$1 million lower than expenditures, although up-to-date reports to be provided at the Board's January meeting would provide more accurate data. She said the year had been unusual because state payroll tax revenue was not being received as projected. During the previous year, the state had determined that an employer overpaid payroll taxes in the amount of \$2,789,754 and that money was then withheld from LTD's payments. She said the challenge in the current year was that prior years had been used as the basis for projection of payroll tax revenue. She was closely monitoring the situation and anticipated that it would be corrected as revenue affected by timing and seasonality was received. She said that staff was also working to improve the process for receiving federal grant payments and that would also improve cash flow.

Ms. Jackson said the \$300,000 deficit in fare revenues was partially due to a change in the payment structure of the University of Oregon group pass program. Director of Finance Christina Shew said the previous contract had specific quarterly payments; under the new contract there was some seasonality associated with the payments with the lowest payment being for the first quarter when school was not in session.

Ms. Jackson said staff was monitoring revenues closely, reviewing economic indicators and working with the Oregon Department of Revenue to assure that LTD's payroll tax revenue projections were aligned with the state's forecast.

Ms. Shew reviewed the Medicaid Fund, Accessible Services Fund, Capital Projects Fund, and Point2point Fund, noting key drivers for revenues and expenditures. Regarding the Medicaid Fund, she said the initial delay in processing claims with the new NOVUS software had been resolved and she anticipated that the backlog would be cleared by the end of January 2018. She said that payments for the claims were now being received and she expected expenditures and reimbursements to be consistent with the budget. She said performance in both the Accessible Services and Point2point funds was better than planned and drawdowns in the Capital Projects Funds were below budget, but drawdowns received during December would show improvement in the January reports.

Mr. Yett asked why ridership in the Accessible Services Fund programs had decreased as it was a valuable service for which there was much demand. Ms. Shew said that some riders previously served under the Accessible Service Fund were eligible for and now receiving services through the Medicaid Fund. That was preferable from LTD's perspective because it received a better reimbursement for providing those services.

Mr. Wildish commented that LTD was fully reimbursed for Medicaid services, but used General Fund dollars to supplement Accessible Services Fund programs. Staff determined which programs were most appropriate for senior and disabled riders.

Ms. Jackson said the ideal trend would be to see bus ridership increase and accessible services decrease, which meant the bus service was designed in such a way that someone with mobility challenges could use it. In most cases use of the bus provided greater freedom because it was not dependent on scheduling. That issue would be explored during the COA.

EmX West Ridership Report — Mr. Schwetz used a system map to illustrate how the redesign of service in West Eugene had helped to achieve several objectives:

- responding to growth
- evolving overall network design
- redesign to better connect with EmX

Mr. Schwetz said data from October 2016 and October 2017 also reflected that objectives were being met.

	<u>2016 Ridership</u>	<u>2017 Ridership</u>	<u>Increase</u>
West Eugene	314,573	358,103	14%
System wide	945,974	970,923	2.6%

Mr. Schwetz used a graph to illustrate the increase in ons and offs at various stations in the system. He said the activity at the Commerce Street Station had significantly increased from about 7,500 in October 2016 to 23,000 in October 2017. He said a brief survey of transfers during the morning peak in October determined that about 50 percent of those getting off buses were transferring to other parts of the system, providing evidence that the system was working well. He said the EmX system as a whole had an average of about 12,600 boardings each weekday, representing about one-third of system ridership. He cautioned that the two

months of data currently available was not definitive. He said Sunday ridership was up almost eight percent over the previous year during October and November, while overall ridership was up about one percent.

Mr. Gillespie observed that the easy connection with Walmart and Target in West Eugene appeared to be attracting University students to use EmX for shopping trips.

Mr. Yeh asked if EmX West was drawing passengers away from the Gateway EmX line. Mr. Schwetz said that was possible because service to West Eugene commercial area was now faster and easier. He said it also appeared there was more mid-day ridership on the West Eugene line than there typically was on the system. Staff would be examining that as well as how well the regional connectivity along the line was functioning.

Mr. Yeh asked if the shared turn lanes in the corridor had been an issue. Mr. Schwetz said drivers were still figuring out the new design. Staff was looking at ways to address some of the concerns.

Monthly Cash Disbursements - November — In response to a question from Mr. Yeh, Mr. Schwetz said the payment to Design, Inc. Transportation Manager was for coaching and work with service planners on Hastus software.

Monthly Grants Report - November — There were no questions.

Monthly Performance Reports - October/August 2017-Revised, September 2017-Revised — Mr. Wildish noted that there had been a significant drop in fare recovery. Ms. Jackson said staff had determined that a delay in posting of financial data and the restructuring of the University contract had both been factors. Director of Public Affairs Edward McGlone explained that under the previous contract with the University enrollment, which was the cost basis, was estimated based on the prior school year and cost then divided into four equal quarterly payments. The current contract called for quarterly payments based on the number of students enrolled in the prior term. The first quarter payment was based on enrollment during the summer term. LTD would receive approximately the same amount annually, but quarterly payments would fluctuate based on actual enrollments.

Monthly Department Reports - December — There were no questions.

ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING - REQUESTED BY THE BOARD — Mr. Wildish said that the Disadvantaged Business Enterprise Policy and Program would be reported on periodically as the program was refined.

Mr. Yeh asked for an update on electronic fare media. Assistant General Manager Service Delivery Mark Johnson said a presentation could be made at the Board's March 2018 meeting.

PROCLAMATION — Mr. Wildish read a proclamation recognizing outgoing Board member Gary Gillespie for his years of service on the LTD Board and contributions to the organization and expressed appreciation for his long career in public service.

MOTION Mr. Yeh moved to approve the proclamation. Ms. Reid provided the second.

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

Board members individually commended Mr. Gillespie and thanked him for his contributions to and support of transit.

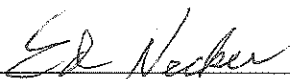
Mr. Wildish said he also had a proclamation recognizing outgoing Board member Ed Necker who was unable to attend the meeting.

Mr. Gillespie spoke about his service on the Board and evolution of the EmX system during his tenure. He said it had been a pleasure serving and thanked LTD staff for their support. He said that he had learned from other Board members and enjoyed working with them. He said it had been a wonderful experience and opportunity for personal growth, for which he was humbly appreciative.


ADJOURNMENT — Mr. Wildish adjourned the meeting at 7:05 p.m.

LANE TRANSIT DISTRICT:

ATTEST:



Ed Necker
Board Secretary



Camille Gandolfi
Clerk of the Board

Date Approved: 4-9-18