

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, October 19, 2016

Pursuant to notice given to *The Register-Guard* for publication on October 13, 2016, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a regular Board meeting on Wednesday, October 19, 2016, 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
Ed Necker, Secretary
Don Nordin, Treasurer
Julie Grossman
Angelynn Pierce
Carl Yeh

A.J. Jackson, General Manager
Jeanne Schapper, Clerk of the Board
Lynn Taylor, Minutes Recorder

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

PRELIMINARY REMARKS BY BOARD PRESIDENT: Mr. Wildish remarked that the Board's work session on October 10, 2016, had been very informative and productive, and he thanked Board members for their participation.

COMMENTS FROM THE GENERAL MANAGER: Ms. Jackson announced that an LTD marketing video produced in partnership with Bell+Funk and Attic Media had received a bronze-level Telly award. Marketing Manager Meg Kester showed the video to the Board.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: Board members agreed to Mr. Nordin's request to address the topic of solar energy at the end of the meeting.

BOARD CALENDARS: Ms. Jackson briefly reviewed upcoming events and activities. At the November regular meeting, the Board members will be asked to decide on what day to have the December meeting as the regular meeting date is quite close to the Christmas holiday.

EMPLOYEE OF THE MONTH: The Board recognized Bus Operator Cesar Saavedra as the November 2016 Employee of the Month. Mr. Wildish presented Mr. Saavedra with his award and thanked him for his outstanding service and dedication to LTD's mission. Mr. Saavedra thanked the Board for the honor and expressed his appreciation for his LTD co-workers.

AUDIENCE PARTICIPATION: Mr. Wildish reviewed the procedures for providing testimony to the Board.

Carl Faddis, representing the Amalgamated Transit Union (ATU), spoke to the positive impact and value to LTD of G4S transit officers. He listed the specific characteristics of transit system security officers and said that over time, G4S officers had acquired those characteristics and gained the respect of LTD bus operators. He said the G4S officers understood the security needs of a transit system and its employees and worked tirelessly to assure the safety of both operators and customers in a compassionate and respectful manner.

ITEM FOR ACTION AT THIS MEETING

MOTION Consent Calendar — Mr. Necker moved that the Board adopt the following resolution: LTD Resolution No. 2016-10-19-035: It is hereby resolved that the Consent Calendar for October 19, 2016, is approved as presented. The Consent Calendar consisted of the Minutes of the September 21, 2016, Regular Board Meeting. Mr. Gillespie provided the second.

VOTE The resolution was adopted as follows:

AYES: Gillespie, Grossman, Necker, Nordin, Pierce, Wildish, Yeh (7)

NAYS: None

ABSTENTIONS: None

EXCUSED: None

Public Safety Program: Finance Manager/CFO Christina Shew reviewed the organizational structure and budget details for Public Safety Services. She noted that key assumptions upon which the structure and budget were based also were included. She indicated that all Public Safety personnel would be hired by December 31, 2016, and an extension of the G4S contract would not be necessary. Public Safety employees would be hired at the lowest base LTD pay for their pay grade. She said all projected expenditures were within the approved budget for Fiscal Year 2017. She reviewed the detailed Public Safety Budget, which included contractual payments to G4S through December 31, 2016, and the cost of in-house services from January 1 through June 30, 2017, providing a clear picture of FY 2016-2017 Public Safety costs. She anticipated an approximate 20 percent increase in costs during the next fiscal year. The increase was due to assumed merit increases, a full 12 months of fringe benefits, and some increases in training and travel expenses.

Ms. Pierce asked about potential risk if G4S challenged non-renewal of the contract. Ms. Shew said that the contract language was unclear about the required length of time for notifications if LTD did not intend to renew. Public Safety Manager Frank Wilson offered that a 30-day notice was required for early termination--with or without cause. The contract also allowed LTD to increase or reduce the staffing level at will. He said the contract actually expired on June 30, 2016, and G4S was issued a 180-day extension, which would expire on December 31, 2016. He was scheduled to meet with G4S next week following Board action. He noted that there was no risk to LTD.

Mr. Gillespie asked if the base rate of grade pay for new hires would apply to all, including any G4S employees who might apply for the LTD positions, and was the base rate of pay higher than G4S personnel were currently making. Ms. Shew said the rate would apply to everyone. Mr. Wilson confirmed that the LTD base pay was higher than G4S pay.

Mr. Gillespie asked what was included in the fringe benefit rate. Ms. Shew said that a large part was the pension but also included were payroll taxes, insurance, workers compensation, unemployment insurance, and vacation. She said that medical insurance comprised about 42 percent of the total.

Mr. Wildish observed that the fringe rate was very high and asked for a future Board discussion of the matter.

Mr. Wilson stated that the proposed resolution, if approved, would allow LTD to have a public safety force that was stable, cost controlled, and efficient going forward. He said that existing resources needed to be better used and turnover and training time reduced. It would be an incremental transition, with contract staffing adjusted, as LTD brought people on board. Hiring would begin with supervisory and support staff, and the testing process would be conducted in one day.

In response to questions from Board members, Ms. Jackson said that recruitment for the Public Safety positions would be open and competitive, encourage workforce diversity, and offer job opportunities for community members. The recruitment process would be managed by Human Resources staff.

In response to questions from Ms. Pierce, Mr. Wilson said that the positions would be administrative, not represented. He did not feel there would be a shortage of applicants as retired or retiring law enforcement staff had expressed an interest in transit security work.

Ms. Grossman asked if there were any concerns with having an in-house security force. Ms. Jackson said that because it was a new program, it was important to assure that the community was supportive. She said that LTD would continue to obtain community input and refine the program through continuous feedback. She felt confident in Mr. Wilson's leadership of the program and the cohesive training that would be provided under Assistant General Manager Mark Johnson's leadership. She emphasized the importance of providing the best return on investment to the community. Mr. Wilson added that he was less concerned with unknown factors going forward under the new system than he was remaining with the current system.

Mr. Gillespie expressed concern with starting all employees at the lowest pay step; although if the pay was higher than what G4S employees currently made, he could accept that. He supported the transition because the quality of work of in-house employees was typically higher than contracted services. He said that it was a positive step for LTD. He expressed some concern that the public would perceive the change as increasing the budget--even though the Board and staff had determined that it would be budget neutral.

Mr. Wilson said that all parts of the LTD organization worked to make the program succeed, and he appreciated employees' support. He realized there were concerns about public perception of the program; but he had shared the information widely with different groups of community stakeholders, and the transition was viewed as a very positive change.

Mr. Yeh stated his support for the proposal, which would provide better control for LTD and access to better training for employees, as well as give employees more ownership of their job duties.

Director of Public Affairs Edward McGlone described the Public Affairs plan for the Public Safety proposal. He said that some segments of the community wanted public safety provided to them, and others wanted the public to be safe but had discomfort with the process of law enforcement and public safety enforcement. He said that LTD needed to focus its attention on groups with concerns about enforcement, and most of them were regular transit users. He said that staff had conducted outreach with a number of those groups most impacted by law enforcement to establish relationships and introduce the subject of transit safety. The challenge was determining the extent to which the transition to in-house public safety should be publicized. It was important to stress that the change from contracting out to in-house services would not alter the level or type of services or increase the power or authority of transit officers. He said that staff recommended taking a minimalist approach but be prepared for a larger effort, if required. A draft communication had been prepared explaining the reasons for the change and the value it could bring to the community. If the Board approved the proposal, Ms. Jackson would distribute it to key community stakeholders. He noted that the communication would also include the offer to have an LTD representative meet with the community member to further discuss the matter.

Ms. Grossman asked what the biggest concerns with public perception were. Mr. McGlone replied that lack of trust in law enforcement and LTD would present the greatest challenge. He said that he was not concerned about the fiscal aspect of the proposal.

Mr. Gillespie said that recruitment of personnel who better reflected the diversity of people who rode the bus was important.

Mr. Yeh said that he liked the communications plan, and he agreed that recruitment was an important aspect of the proposal.

Ms. Grossman urged that "jobs to careers" and "revenue neutrality" should be part of the message to the community.

Ms. Pierce said she supported the proposal and implementation and communications plans, but she was still uncomfortable with the speed at which the transition was happening.

MOTION Mr. Gillespie moved LTD Resolution No. 2016-10-19-036: Be it resolved that the Lane Transit District Board of Directors approves the expiration of the current Security Services contract with G4S on December 31, 2016, and that those contracted personnel be replaced with persons employed by the Lane Transit District. Mr. Nordin provided the second.

VOTE The motion to amend was approved as follows:

AYES: Gillespie, Grossman, Necker, Nordin, Pierce, Wildish, Yeh (7)

NAYS: None

ABSTENTIONS: None

EXCUSED: None

General Counsel's Attendance at Board Meetings: Ms. Jackson explained that staff worked closely with general counsel during the process of updating and improving policies, procedures, and other internal structures such as contract templates. She said it took considerable time for staff to inform general counsel about the changes being made, reasons for the changes, internal discussions, and Board direction. She said having general counsel in attendance at Board meetings was the practice of many public sector agencies and was a more efficient approach to keeping counsel informed. She said General Counsel Dwight Purdy reported directly to the Board, and therefore, it was the Board's decision on whether or not to request his presence at Board meetings.

Mr. Yeh asked about any monetary impact to having Mr. Purdy attend Board meetings. Mr. Purdy estimated the cost at \$1,000 per month, but having insight into the Board's thinking on various issues would help legal counsel more efficiently handle projects referred by staff. In addition, it was useful for the Board to be able to consult legal counsel during meetings when questions arose.

Mr. Gillespie agreed that it would be beneficial to have legal counsel available to answer questions during Board meetings so that everyone received information at the same time.

Mr. Wildish commented that the presence of general counsel at meetings, while not budget neutral, was a good value for the District and would reduce the amount of time senior staff spent providing background information when legal advice was sought.

In response to a question from Mr. Yeh, Mr. Purdy listed the jurisdictions and agencies in Lane County that routinely had legal counsel present at meetings of their governing bodies.

MOTION Mr. Yeh moved Resolution No. 2016-10-19-037: Be it resolved that the Lane Transit District Board of Directors requests the presence of general counsel at regular, special, and emergency Board meetings, and any other public meetings of which the Board deems necessary. Ms. Pierce provided the second.

Mr. Purdy clarified that the standard practice was to attend regular Board meetings and be present at other Board meetings as requested.

VOTE The resolution was approved as follows:
AYES: Gillespie, Grossman, Necker, Pierce, Wildish, Yeh (7)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports: Ms. Grossman reported that the Board Human Resources (HR) Committee had discussed the coming annual evaluation of the general manager. She said that Ms. Jackson was preparing a report for the Board on meeting the expectations the Board set forth for her. To compliment Ms. Jackson's report, the Committee discussed the importance of obtaining feedback from community leaders and stakeholders on how well LTD was doing and their perceptions of the District to help inform the Board's evaluation of Ms. Jackson's performance. She distributed four handouts:

- A list of community leaders previously contacted by Board members that could be used for follow-up discussions about LTD's progress
- Community Survey containing six questions
- LTD Survey containing 12 questions
- A second list of key contacts

Mr. Gillespie explained that the lengthier LTD survey that also would be completed by employees was based on the expectations and goals set forth for Ms. Jackson and some of the personnel issues she faced at the beginning of her tenure. Ms. Grossman said the shorter only addressed broader community issues because the Board had only one employee, and its expectations of results included an implicit understanding that those would only be achieved if the general manager had a solid team working well with her. She noted that in Mr. Gillespie's absence from the recent HR Committee meeting, she and Mr. Wildish had agreed that including other issues and obtaining feedback directly from staff would blur the issues. She said that the Board was responsible to the community, Ms. Jackson was responsible to the Board, and employees were responsible to Ms. Jackson.

Mr. Gillespie said that not seeking employee feedback blocked an avenue of communication; it was up to the Board to interpret the feedback. He said that he felt it was a mistake to exclude employee feedback.

Ms. Pierce agreed that employee feedback was very important, but she said that she did not feel it was appropriate to include that feedback in an official review of Ms. Jackson.

Ms. Grossman said that circumventing the relationship between Ms. Jackson and her staff as part of the formal review was intrusive. Ms. Jackson should solicit that feedback and provide the information to the Board. It was critical to the health of the organization that staff felt supported and positive about working for LTD, but that had to occur through the relationship between Ms. Jackson and her staff.

Mr. Gillespie questioned how that relationship could be deemed critical if the Board did not ask for employee feedback. Ms. Grossman said that establishing good working relationships with staff was one of the goals the Board had identified for Ms. Jackson, but that information needed to come through Ms. Jackson.

Mr. Wildish said that guidelines published by the American Public Transportation Association (APTA) included comprehensive information on the recruitment, hiring, and evaluation of transit CEOs. He encouraged Board members to review the information. He said that it was important for the Board to support its sole employee.

Ms. Grossman added that finalizing the specifics of the review process could be addressed further by the HR Committee while Board members began discussions with community leaders and key contacts. Interviews would follow the questions on the six-question LTD Community Survey to assure there was consistent collection of information.

Mr. Nordin recommended adding all Lane County commissioners to the list.

Mr. Wildish asked Board members to let Ms. Schapper know which community leaders and key stakeholders they would contact, as well as suggest any additional names for those lists.

Mr. Nordin reported that even though the meeting lacked a quorum, the members present of the LaneACT (Area Commission on Transportation) received a presentation from the Freight Advisory Committee on October 12. During the group discussion, there also was a request from an ACT member regarding transit service to Florence.

Ridership, Marketing, and Awareness Campaign: Marketing and Communications Manager Meg Kester introduced Jen Bell with Bell+Funk, the firm that provided advertising placement and marketing support to LTD, and was a member of the team working on the ridership, marketing, and awareness campaign.

Ms. Kester said the new campaign addressed both ridership and service awareness. Primary objectives included:

- Increase ridership on LTD bus service
- Raising the visibility of LTD's innovative programs and services
- Improving the perception of LTD as an important community-oriented organization
- Developing ridership for the West Eugene EmX line

Mr. Necker left the meeting at 7:20 p.m.

Ms. Kester said the initiative was intended to reverse the negative ridership trend, attract new riders, encourage current riders to use the service more, increase LTD's relevance in the community, and demonstrate LTD's value to both riders and non-riders. She said the campaign would be implemented in five phases over an 18-month period and was launched last month with the fall bid. She said potential outcomes include reducing barriers, educating potential users, developing specific appeals to target groups such as students, turning occasional riders into regular users, and promoting existing pass programs. The campaign would take a layered approach with brand awareness and new creativity. Ms. Kester gave examples of various brand campaigns and marketing materials and explained how they would be used. She also described field outreach activities and reviewed the campaign schedule for the remainder of 2016 and 2017.

Mr. Yeh asked why it was difficult to attract younger riders to use the bus. Ms. Kester said there were more disincentives than incentives to using transit. Many young people did not grow up with the concept of riding the bus, and it was foreign to them. They were more likely to use transit if going with another person or in a group. The student campaign would emphasize that transit was the ticket to life off campus and suggest destinations, as well as make the connection between EmX and the bus clear.

Mr. Yeh asked if Uber and Lyft had an impact on ridership. Ms. Kester said that Uber and Lyft could actually be an enhancement to transit by emphasizing transportation modes besides the private automobile.

Mr. Yeh asked if advertising on streaming services such as Hulu had been considered. Ms. Bell replied that most videos were through local media and Google, using geotargeting. She said that many of the streaming services required a certain level of hits and LTD did not generate enough to use those services. Videos targeted to youth were available online through various sites and materials are made available around campus.

Mr. Nordin asked if the campaign would address how LTD could be used to travel outside of the metro area. Ms. Kester said that messaging related to outlying communities and transit services would occur in later phases of the campaign.

Mr. Wildish asked if destinations were paying to be identified on the system map and marketing campaign. Ms. Kester said that staff were not trying to make the campaign a direct revenue generator, but transit also was about economics; and if LTD could demonstrate it was helping to identify local business destinations and encouraging people to get to them, that had value to the businesses and to LTD in terms of being a good business partner.

In response to a question from Mr. Wildish, Ms. Kester explained how data would be collected and analyzed to determine the success of the campaign.

Broadening EmX Steering Committee Roles and Responsibilities: This item was postponed to a future meeting.

Monthly Financial Report: Ms. Jackson introduced newly hired Controller Ralph Lambert. Mr. Lambert said that due to a number of changes in financial services personnel, he was unable to reach a level of confidence for three of the schedules usually presented at Board meetings; those were the Medicaid Fund, Accessible Services Fund, and Capital Projects Fund. Those reports would be presented at the December Board meeting. He had reached a level of confidence for the General Fund, but the one exception was with payroll tax revenue. He said the amount was about \$1 million less than budgeted, which caused expenditures to appear to be higher due to timing issues. He said that based on preliminary August figures, that would be rectified in the next report.

Monthly Report of Executed Contracts: Mr. Nordin noted that LTD was paying Valley River Center for station space, and he asked if some reduction in cost could be negotiated based on the new marketing campaign and bringing revenue to the mall.

Monthly Cash Disbursements: There were no questions.

Monthly Performance Reports: There were no questions.

Monthly Grant Report: Ms. Jackson announced that LTD was awarded a grant for \$450,000 from the Federal Transit Administration (FTA). Director of Planning and Development Tom Schwetz explained that the grant was from an FTA pilot program to assist in the planning of transit-oriented development. The project was oriented around work the City of Eugene would complete along River Road, a key corridor for Envision Eugene as well as a MovingAhead corridor. The project would bring land use and transportation together.

Monthly Department Reports: Ms. Jackson pointed out that there was now a general manager report included with the Department Reports.

Items for Action/Information at a Future Meeting: There were no questions.

Items for Action/Information at a Future Meeting-Requested by the Board: Mr. Nordin requested a discussion of LTD's use of solar energy, particularly for charging the new electric buses. He cited several successful large installations of solar panels at facilities around the state. He said LTD could help the solar energy industry, employ people in the community, and do the right thing by reducing dependence on fossil fuels. He said that Ms. Pierce and Ms. Grossman would be leaving the Board at the end of December and he hoped to see the Board express its intention to pursue solar energy before that time as it would take a while for new Board members to get up to speed.

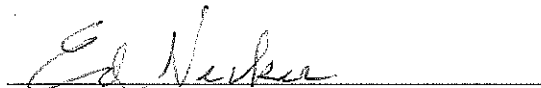
Mr. Yeh supported Mr. Nordin's request and suggested that staff obtain cost estimates for using solar energy for all possible uses.

Ms. Jackson said that the Environmental and Sustainability Management System (ESMS) Team had begun an analysis of the issue. She said that staff already had an estimate of the cost, but the District lacked the ability to fund a solar energy system because Oregon did not provide any financial assistance like is offered in California. She said it was cost prohibitive without that assistance because LTD would have to make that investment itself; and it was a 20-year return on the investment, at which point the solar panels would have reached the end of their useful life. She agreed that use of solar energy was a desirable goal, but there had to be a plan for making it financially feasible. She said it would cost \$5 million for the solar panels to charge 10 buses.

Mr. Gillespie thanked staff for the information on placing seats dedicated to Rosa Parks on buses. He asked if the new buses had been delivered. Ms. Jackson said that delivery had been delayed because Build Your Dream (BYD) was behind on its production schedule. LTD agreed to the delay to assure that bus construction was not rushed.

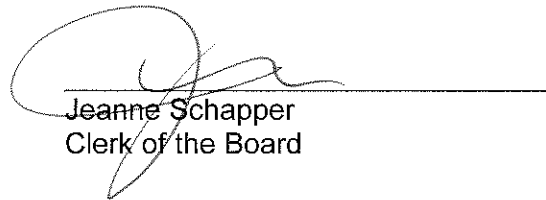
ADJOURNMENT: There was no further business, and Mr. Wildish adjourned the meeting at 8:05 p.m.

LANE TRANSIT DISTRICT:



Ed Necker
Board Secretary

ATTEST:



Jeanne Schapper
Clerk of the Board

Date Approved: 11-16-2016