

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, June 15, 2016

Pursuant to notice given to *The Register-Guard* for publication on June 9, 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, June 15, 2016, 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
Ed Necker, Treasurer
Gary Gillespie
Donald Nordin

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

Absent: Julie Grossman, Secretary
Angelynn Pierce

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

PRELIMINARY REMARKS BY BOARD PRESIDENT: Mr. Wildish announced that LTD had received a letter from the Governor's Office expressing thanks for the recent EmX tour.

COMMENTS FROM THE GENERAL MANAGER: Ms. Jackson had no comments.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: Mr. Wildish said that Item IX. E., Election of Board Officers, would be deferred until all Board members were present.

BOARD CALENDARS: Ms. Jackson briefly reviewed coming events and activities. She said that the July 20 regular Board meeting may be rescheduled because of the Joint Transportation Committee meeting to be held in Eugene on the same day and time.

EMPLOYEE OF THE MONTH: The Board recognized Bus Operator Karen Burns as the July 2016 Employee of the Month. Mr. Wildish presented Ms. Burns with her award and thanked her for her outstanding service and dedication to LTD's mission. Ms. Burns thanked the Board for the honor and stated how much she enjoyed her job.

The Board also recognized Emilio Garcia on the occasion of his retirement after 40 years of employment with LTD. Mr. Garcia thanked the Board and said that it had been a great pleasure working for the District.

AUDIENCE PARTICIPATION: Mr. Wildish explained the procedure for providing comments to the Board.

Rob Zako, Eugene, representing Better Eugene-Springfield Transit (BEST), stated that BEST was undertaking a research project to determine the point-to-point travel times among 10 LTD stations using various transportation modes. He said that a report on the project would be presented at the Board's July meeting.

ITEMS FOR ACTION AT THIS MEETING:

MOTION **Consent Calendar:** Mr. Yeh moved adoption of the following resolution: LTD Resolution No. 2016-05-15-020: It is hereby resolved that the Consent Calendar for June 15, 2016, is approved as presented. Mr. Nordin provided the second. The Consent Calendar consisted of the Minutes of the May 18, 2016, Regular Board Meeting and the appointment of Kim Thompson to the LTD Board Budget Committee.

VOTE The resolution was adopted as follows:
AYES: Gillespie, Necker, Nordin, Wildish, Yeh (5)
NAYS: None
ABSTENTIONS: None
EXCUSED: Grossman, Pierce (2)

Public Hearing and Approval: FY 2015-16 Supplemental Budget: Consultant Cindi Hamm stated that the supplemental budget was necessary to address the issues associated with the Medicaid Fund, including unanticipated increases in utilization that resulted in a deficit and the additional revenue from a temporary rate increase under the Trillium/Centene contract. She explained the transfers that would result from the supplemental budget and noted that the revenue from the rate increase would reduce the current deficit. She said that the budget modification was required in order to prevent expenditures from exceeding appropriations.

Mr. Wildish expressed the Board's appreciation for the significant reduction in the Medicaid Fund deficit. He opened the public hearing and, noting that there was no one wishing to speak, he closed the public hearing.

MOTION Mr. Necker moved Resolution 2016-06-15-021: I move approval of LTD Resolution 2016-06-15-021, which amends the LTD Fiscal Year 2015-16 budget as represented in the resolution. Mr. Gillespie provided the second.

VOTE The resolution was approved as follows:
AYES: Gillespie, Necker, Nordin, Wildish, Yeh (5)
NAYS: None
ABSTENTIONS: None
EXCUSED: Grossman, Pierce (2)

Public Hearing and Adoption: FY 2016-17 Budget: Ms. Hamm presented the FY 2016-17 Budget. She highlighted certain aspects, including the beginning working capital of slightly more than \$32 million, operating and non-operating revenues of \$51.7 million, expenses of \$1.2 million to fund service enhancement investments, a \$150,000 increase in public safety mobile patrol, an additional \$1 million contribution split between the two pension plans to reduce the unfunded liability, the addition of 20 bus operator positions to support service

enhancements, a 3.4 percent cost of living adjustment (COLA) for Amalgamated Transit Union employees, and a three percent COLA for non-represented employees. She summarized the budget as follows:

General Fund	\$83,845,607
Accessible Services Fund	6,984,095
Medicaid Fund	12,086,047
Capital Projects Fund	<u>84,602,408</u>
TOTAL BUDGET	\$187,518,157

Mr. Gillespie commended the Budget Committee, including its citizen members, for their work and said that he was pleased with the increased funding for pension plans.

Mr. Wildish opened the public hearing. He determined that there was no one wishing to speak, and he closed the hearing.

MOTION Mr. Necker moved approval of Resolution No. 2016-06-15-022, adopting the LTD Fiscal Year 2016-17 approved budget as presented and appropriating \$187,518,157 as represented in the resolution. Mr. Gillespie provided the second.

VOTE The resolution was approved as follows:
AYES: Gillespie, Necker, Nordin, Wildish, Yeh (5)
NAYS: None
ABSTENTIONS: None
EXCUSED: Grossman, Pierce (2)

Trillium Contract: Ms. Jackson explained that the current contract with Trillium was nearing its expiration, and discussions had been held with Trillium representatives regarding interest in renewing the contract under terms that would assure that LTD would not need to subsidize services in the future. She said that Trillium was in the process of a merger among three companies: Trillium, Centene, and HealthNet. This included changes in management, with HealthNet taking the lead, and a willingness to consider different service and cost models. She said that LTD staff wish to continue the discussions and explore options for a cost model that would be mutually beneficial. If that cannot be achieved, both parties will seek other options. She recommended that the Board approve a one-month contract extension to July 31, 2016, to allow time for staff from both organizations to find a mutually beneficial model. She said that the budget just approved by the Board was sufficient to cover costs under the current contract for a month, without the need for LTD to subsidize costs. She said that she was optimistic that a resolution could be found.

In response to a question from Mr. Yeh, Ms. Jackson said that a longer extension would not be advantageous to LTD because of the delay in receiving data and conducting an analysis on the basis on the new per member per month (PMPM) rate.

In response to questions from Mr. Gillespie she said that it was somewhat unclear if the program would be managed locally or from HealthNet's Portland office. She said that LTD staff are in contact with the Federal Transit Administration (FTA) and other transit agencies to learn how the Medicaid Non-Emergency Medical Transport services are being handled elsewhere, such as working with federal and state governments to prevent the dumping of passengers into the system.

Mr. Wildish emphasized that LTD's interest is in recovering the costs of providing services only, no more or less than that.

MOTION Mr. Necker moved the following resolution: Resolution No. 2016-06-15-023: Be it resolved that the LTD Board of Directors approves an extension of the current Trillium contract for one month. Mr. Gillespie provided the second.

VOTE The resolution was approved as follows:
AYES: Gillespie, Necker, Nordin, Wildish, Yeh (5)
NAYS: None
ABSTENTIONS: None
EXCUSED: Grossman, Pierce (2)

Mr. Gillespie expressed concern that if another extension was required at the July 20 Board meeting, that would not give staff sufficient time to resolve issues. Ms. Jackson said that if negotiations were not close to resolution by then, it was unlikely that another extension would be helpful.

Election of Board Officers: Mr. Wildish postponed the item to the end of the meeting.

ITEMS FOR INFORMATION AT THIS MEETING:

Board Member Reports: Mr. Nordin reported that the LaneACT (Area Commission on Transportation) had discussed the importance of the July 20 meeting of the Legislature's Joint Transportation Committee and the need to present a strong local voice on transportation needs in preparation for the 2017 legislative session's focus on transportation. He said that the Main Street-McVay Governance Team was still struggling to address the concerns of businesses and property owners along the corridor, particularly regarding loss of frontage property. Planning and Development Manager Tom Schwetz said that the Governance Team had removed the 116-foot wide option from those being considered, and staff would continue to meet with businesses and owners to work through issues, determine potential impacts, and identify mitigation options.

Mr. Gillespie reported that the Santa Clara Community Transit Center application was currently on the list of projects recommended for funding by the *ConnectOregon VI* final review committee. He said that the final decision would be made by the Oregon Transportation Commission at its August meeting. He said that the project was ranked as the first priority by LaneACT and as the second priority by the Oregon Department of Transportation (ODOT) Region 2 regional review committee. He said that he had recently learned that Congestion Manager Air Quality (CMAQ) funds could be used for the purchase of electric vehicles and that a subcommittee representing Metropolitan Policy Committee member entities was developing a grant application.

Mr. Wildish and Mr. Gillespie commended Lane Council of Governments staff on fighting to reverse ODOT's decision regarding the eligibility of the Central Lane Metropolitan Planning Organization (MPO) to receive CMAQ funds. Mr. Schwetz added that although the Federal Highways Administration had declared that the MPO was eligible in 2007 for CMAQ funding,

ODOT was proposing the earliest it would be available was 2018 due to prior funding commitments. Staff are working on the issue.

Mr. Yeh said that the EmX Steering Committee had requested a report from Ms. Jackson regarding Vision Zero progress by the July Board meeting. Ms. Jackson said that a Vision Zero strategy would be presented.

Mr. Gillespie commented on proposed changes to bike racks on EmX vehicles. He announced that the Eugene Public Library was the Business Commute Challenge winner in its category.

Opportunity for Mobile Ticketing: Intelligent Transportation Systems Manager Steve Parrott presented information on Token Transit, Inc., a startup software development group that had invited LTD to participate in an initial launch of its mobile ticketing service for a one-year evaluation period. He said that there would be no cost to LTD or requirement for a long-term commitment. The opportunity would allow the District to assess the demand for a mobile ticketing application by the community while developing its plan for future fare management. Implementation would occur in the fall of 2016.

In response to a question from Mr. Necker, Mr. Parrott said that Token Transit would receive an 8 percent commission on any fare instruments sold through its program. He said that the product was designed so that no instrumentation was required on transit vehicles; an animated ticket would be used when a fare was purchased, which would expire when the ticket was used. He said that the simple and straightforward security system would make it easy for LTD to try the product.

Mr. Gillespie asked if data collected on the product would be based on boardings. Mr. Parrott said that the data would be based on the number of tickets purchased. That data was collected separately through LTD's existing system.

Mr. Nordin asked if the product would work on other modalities such as the bike share system. Mr. Parrott said the bus driver would validate the fare; therefore, that would be difficult to accomplish on a bike share system without some type of instrumentation.

Mr. Yeh favored participating in the program launch.

Mr. Parrott explained various aspects of the mobile ticketing product and the one-year trial period, and stated that there did not appear to be any downside to the opportunity. He said that it currently cost \$1.1 million to manage LTD's current fare system; this product could help to reduce that cost.

Contract Approval Levels: Ms. Jackson said that a Finance Department staff team was working with consultants—Ms. Hamm, Richard Lopez and Ralph Lambert—to assess existing business models and best practices. She said that the consultants indicated that policies did not need to be in place in order to implement best practices in July (new fiscal year). She said that beginning in July, the Board would be provided with a variety of reports in order to determine what type of information and data would be most useful in monitoring District finances. Reports would include monthly disbursements and a quarterly summary of all existing contracts. She said that this would help the Board gauge the number of contracts and at what levels to place approval authority. She said that the Board also would be

presented with information and recommendations whenever surplus property was available for sale or donation, as well as any requests for donation of services. She said that the goal was to be transparent without inundating the Board with information. She introduced new Procurement Manager Collina Washington. She said that Ms. Washington had a strong background in transit and also would have best practices recommendations based on her experience.

Mr. Necker left the meeting at 6:55 p.m.

Mr. Wildish commented that the new reports would be very helpful to the Board in gaining a better understand of fiscal operations. He said that he was pleased that staff would provide information on the District's donations.

Mr. Yeh asked that the report on Vision Zero include a timeline, work plan, and budget.

Monthly Financial Report: Director of Administrative Services Roland Hoskins said that staff are interested in knowing which reports were most useful to the Board with data presented clearly and concisely.

Mr. Hoskins briefly reviewed the report and said that the Accessible Services Fund and Medicaid Fund deficits would be adjusted when data from the current quarter was collected and reconciled.

In response to questions from Board members, Ms. Hamm explained elements of the monthly financial report and which data would be most relevant to Board members.

Mr. Hoskins concluded by stating that fuel was being used from the storage facility in Coos Bay, and staff would report to the Board on that at a future meeting.

Monthly Performance Reports: Ms. Jackson observed that trends were slightly down from prior years. She said that the report on passengers per revenue hour compared current data with data from FY 2012 and indicated that ridership had not returned to that 2012 level. She said that the purpose of developing a long-range transportation plan was to avoid increasing and then reducing service, which cost the District riders' confidence. She said that it would take some time to rebuild that confidence through investments in enhanced service and a strong marketing campaign.

Monthly Grant Report: Mr. Hoskins said that the *ConnectOregon* VI grant likely to be received for the Santa Clara project would not be reflected in the Capital Improvement Program until the grant was awarded. He said that a grant request to the Federal Transit Administration for buses was in the report.

Monthly Department Reports: There were no questions or comments.

Election of Board Officers: Mr. Wildish suggested postponing the election of officers to the July Board meeting.

MOTION Mr. Gillespie moved to elect the current officers to a term of one additional month. Mr. Yeh provided the second.

VOTE The motion was approved as follows:

AYES: Gillespie, Nordin, Wildish, Yeh (4)
NAYS: None
ABSTENTIONS: None
EXCUSED: Grossman, Necker, Pierce (3)

Other Business: Ms. Jackson said that a work session would be scheduled to discuss a fareless system and request direction from the Board.

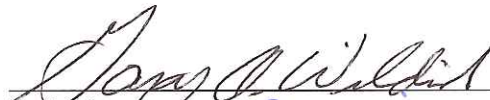
MOTION Mr. Gillespie moved to request, with as little staff time and as much accuracy as possible, an estimate of the cost to paint or vinyl one of the new electric buses in a tie dye color scheme. Mr. Yeh provided the second.

VOTE The resolution was approved as follows:
AYES: Gillespie, Nordin, Wildish, Yeh (4)
NAYS: None
ABSTENTIONS: None
EXCUSED: Grossman, Necker, Pierce (3)

ADJOURNMENT: Mr. Wildish adjourned the meeting at 7:31 p.m.

LANE TRANSIT DISTRICT:

ATTEST:



Julie Grossman
Board Secretary *President*



Jeanne Schapper
Clerk of the Board

Date Approved: 7/19/16