

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, February 18, 2015

Pursuant to notice given to *The Register-Guard* for publication on February 12, 2014, 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, February 18, 2015, 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
Julie Grossman, Secretary
Ed Necker, Treasurer
Gary Gillespie
Angelynn Pierce

Ron Kilcoyne, General Manager
Jeanne Schapper, Clerk of the Board
Lynn Taylor, Minutes Recorder

Vacant: Position 3

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

PRELIMINARY REMARKS BY BOARD PRESIDENT: Mr. Wildish said that he felt the trip to Washington, D.C. last week had been productive.

COMMENTS FROM THE GENERAL MANAGER: Mr. Kilcoyne remarked that the vacant Board position was not likely to be filled until March 2015. He said that the Federal Transit Administration (FTA) had recently issued apportionments for Fiscal Year (FY) 2015, and it included the remaining \$51 million for the West Eugene EmX Extension project.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: Mr. Wildish announced that a third executive session would be added to the agenda.

BOARD CALENDARS: Mr. Kilcoyne reviewed upcoming events for the months of March, April, and May. He noted that former LTD Board member Greg Evans would be the emcee for the Freedom Fund Dinner on February 27. He asked Board members to contact Ms. Schapper if they wished to attend. He added that the March 18 Board meeting would be held at the Eugene Library.

EMPLOYEE OF THE MONTH — MARCH 2015: The Board recognized Operations Supervisor Rick Thompson as the March 2015 Employee of the Month.

Mr. Wildish thanked Mr. Thompson for his service and commitment to LTD's mission and presented him with a certificate of appreciation, a check, and a pin commemorating his award. Mr. Thompson thanked the Board for his award and said that he enjoyed the opportunity to help people and that he appreciated having the support and flexibility to meet customers' needs.

AUDIENCE PARTICIPATION: Mr. Wildish explained the procedures for offering comments to the Board.

Josef Siekiel-Zdzienicki, Eugene, expressed disappointment that trees were being cut down along sections of the West Eugene EmX Extension corridor before full funding was received for the project. He said that it appeared in the current financial report that LTD had gone below the mandated budget reserve. He said that even though the federal government had appropriated the funds, LTD should not proceed until it actually received the funds. He said that he had participated in the Jefferson-Westside Neighborhood tree inventory and found that the landscape was now very naked in sections of the corridor.

Bob Macherione, Eugene, representing Our Money, Our Transit (OMOT), apologized for irritating an LTD employee at a previous meeting. He expressed concern about the composition of the City of Springfield's stakeholder advisory committee for the Main Street-McVay Highway study. He said that he did not feel that the committee consisted of the general public because it included Mike Eyster, former LTD Board president, and a representative of the Wildish Land and Development Company, which he felt was a conflict of interest. He said he felt that OMOT was not acknowledged for bringing true, honest facts to the table. He said that even though revenues had gone up, no service had been restored.

EXECUTIVE (NON-PUBLIC SESSION): Mr. Wildish announced that the Board would now meet in executive session pursuant to ORS 192.660(2)(h), to consult with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed; ORS 192.660(2)(e), to conduct deliberations with persons designated by the governing body to negotiate real property transactions; and ORS 192.660(2)(f), to consider information or records that are exempt by law from public inspection.

MOTION Mr. Yeh moved that the LTD Board of Directors meet in Executive Session pursuant to ORS 192.660(2)(e), to conduct deliberations with persons designated by the governing body to negotiate real property transactions. Ms. Pierce provided the second. Discussion: It was clarified by Mr. Wildish that the Board would meet in executive session pursuant to the three ORS stated earlier.

VOTE The motion was approved as follows:

AYES: Gillespie, Grossman, Necker, Pierce, Wildish, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

The Board entered Executive Session at 5:46 p.m. LTD staff present during executive session included Service Planning Manager Tom Schwetz, Director of Customer Services and Planning Andy Vobora, Controller Tom Schamber, Director of Administrative Services Roland Hoskins, and Finance Manager/CFO Todd Lipkin. Also present was Attorney Dwight Purdy, Thorp Purdy Jewett, Urness & Wilkinson. Attorney Rafe Peterson, Holland & Knight, joined the meeting by conference call at 5:47 p.m. and left the meeting at 6:00 p.m. Mr. John Brown, Evans, Elder, and Brown, joined the meeting at 6:01 p.m. and left the meeting at 6:30 p.m.

RETURN TO REGULAR (OPEN) SESSION: The Board returned to regular session at 6:35 p.m.

ITEMS FOR ACTION AT THIS MEETING:

MOTION Consent Calendar: Mr. Necker moved adoption of LTD Resolution No. 2015-004: It is hereby resolved that the Consent Calendar for February 18, 2015, is approved as presented. Mr. Yeh provided the second. The Consent Calendar consisted of the Minutes of the January 21, 2015, Regular Board Meeting and the January 28, 2015, Special Board Meeting.

VOTE The resolution was adopted as follows:
AYES: Gillespie, Grossman, Necker, Pierce, Wildish, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

Pension Funding Policy and Objectives: Finance Manager Todd Lipkin explained that the Statement No. 67 related to the pension plans themselves and to new accounting and auditing standards. Statement No. 68 related to LTD's financial reporting for pensions; the major change was that the unfunded liabilities for the plan would now be recorded on LTD's books. He said that the statements would put current practices into policies and that they had been discussed with the Board Finance Committee.

MOTION Mr. Necker moved that the Board adopt the following resolution: LTD Resolution 2015-005: It is hereby resolved that the Pension Funding Policy and Objectives for the Lane Transit District Salaried Employees' Retirement Plan and the Pension Funding Policy and Objectives for the Lane Transit District Pension Plan for Bargaining Unit Employees are approved as presented. Mr. Yeh provided the second.

Ms. Grossman asked if the Finance Committee had expressed any concerns about the new policies. Mr. Lipkin said that no concerns were raised and that the Committee had discussed strategies for funding pension plans to 100 percent. He said that under the new policies, there were differences in methodologies for funding plans, rates for funding, and reporting. He said that he would provide to the rest of the Board copies of the materials given to the Finance Committee.

Mr. Necker said that the Finance Committee was comfortable with the new policies and that they were consistent with Board direction for the last several years for funding pension plans and reducing unfunded liabilities.

Mr. Lipkin explained the impacts of valuations and assumptions on both plans.

VOTE

The motion was approved as follows:

AYES: Gillespie, Grossman, Necker, Pierce, Wildish, Yeh (6)

NAYS: None

ABSTENTIONS: None

EXCUSED: None

ITEMS FOR INFORMATION AT THIS MEETING:

Board Member Reports: Mr. Wildish reported that at the last Metropolitan Policy Committee meeting, Gary Gillespie has been appointed to be the Central Lane Metropolitan Planning Organization's representative to the Oregon Metropolitan Planning Organization Consortium (OMPOC).

2015 Fare Recommendation: Director of Customer Services and Planning Andy Vobora stated that although under the District's Fare Policy fares were scheduled to be increased in 2015, staff had recommended to the Finance Committee maintaining the current fare pricing for another year. He said that a summary of the Committee's discussion was included in the agenda packet. The Finance Committee concurred with the staff recommendation and was recommending to the Board maintaining LTD's current fare pricing for FY 2015-2016. He asked for affirmation of the Finance Committee's recommendation.

Mr. Gillespie asked if the 10-ride tickets were popular. Mr. Vobora replied that they had filled the gap created when the District ceased using tokens and were being used at the same level.

Mr. Wildish determined that there was Board consensus to accept the Finance Committee's recommendation.

American Bus Benchmarking Group (ABBG) Update: Mr. Kilcoyne stated that LTD is a member of the ABBG, which is composed of 17 transit districts, and is a model for collecting data and comparing performance to that of other transit agencies to identify areas of strength and areas where improvement is needed. He said that the ABBG focuses on creating a process for continuously collecting standardized data and measuring, comparing, and understanding the performance of organizations. It also facilitates the sharing of knowledge and best practices among ABBG members.

Mr. Kilcoyne said that data was collected on a wide range of performance categories, including:

- Organizational growth and improvement
- Customer focus

- Internal processes
- Financial performance
- Safety
- Environmental sustainability

Mr. Kilcoyne used a series of slides to illustrate how LTD compares to other transit districts in several areas under each of the performance categories. He noted that LTD has high performance in ridership, but also high costs as compared with other districts. He said that data was collected annually, and the process was managed by the Imperial College in London, which had established benchmarking groups around the world. The ABBG is the first to target transit systems in the United States. He added that ABBG data is used in LTD's strategic planning activities to target areas for improvement.

Ms. Grossman said that it would be interesting to see comparisons from year-to-year.

Mr. Gillespie commented that it appeared that LTD's maintenance per mile and maintenance training costs were higher, but passenger injuries were much lower than most of the other districts. He said that he felt that was a reasonable trade-off.

Mr. Kilcoyne said that higher costs were not necessarily a negative; it indicated what the District was focused on. He said that the question was if the investment added value to the District. He said that LTD tended to be ranked toward the top in areas such as safety, on-time performance, and other customer-related factors.

Mr. Wildish asked if ABBG provided cross-agency technical assistance. Mr. Kilcoyne said that was the primary purpose of the organization.

Monthly Financial Report: Mr. Lipkin clarified that LTD invests in areas relating to quality of service and value to the public, which is reflected in performance. He said that ABBG provides a forum for peer assistance that is very helpful for staff.

Responding to questions posed to staff during the January Board meeting, Mr. Lipkin reported that the District had 3,204 vendors in its system, with 810 of those active within the last two years. He said that of 100 new vendors, only one was a disadvantaged business enterprise (DBE). He said that there were very few DBE vendors in the community and that it was a stringent process to become DBE certified.

In response to a question from Mr. Gillespie, Mr. Lipkin said he believed that the District had an overall goal of 3 to 4 percent DBE vendors.

Mr. Lipkin reported that the Accessible Transportation Committee had approved the Grant Committee's recommendations for allocation of \$4.7 million in Special Transportation Fund and 5310 Elderly and Disabled Fund money over the next two fiscal years. Those dollars would fund a variety of accessible transportation programs.

Mr. Lipkin said that the current trend was for increasing payroll tax receipts; and while the take-backs for overpayment would continue to have an impact throughout the fiscal year, receipts were still ahead of projections.

In response to a question from Ms. Grossman, Mr. Lipkin said that the discrepancy in state-in-lieu funds appeared to be a timing issue related to the University of Oregon's payments.

Board Committee Assignments: Mr. Wildish stated that this was an addition to the evening's agenda. Assignments were reviewed and finalized.

2015 Annual Route Review Update: Mr. Gillespie commented that he had participated in one of the sessions and found it to be very productive. He added that he was interested in taking a survey in front of the library and asked how many online surveys had been completed.

Marketing Manager Russ Arnold said that more than 300 online surveys had been completed to date, and staff was contacting the library about conducting surveys in the foyer. He said that staff also would conduct surveys at the Springfield Station. He said that the response was somewhat lower this year, likely due to the fact that there were no service reductions being proposed.

Mr. Wildish observed that survey responses in previous years had a significant impact on decisions related to route adjustments.

Mr. Vobora said that a full summary would be provided to the Board during the March 18 meeting and public hearing.

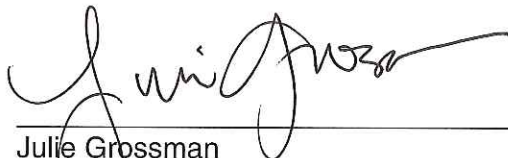
Performance Reports: There were no questions or comments.

Monthly Grants Report: There were no questions or comments.

Monthly Department Reports: There were no questions or comments.

ADJOURNMENT: Mr. Wildish adjourned the meeting at 7:33 p.m.

LANE TRANSIT DISTRICT:



Julie Grossman
Board Secretary

ATTEST:



Jeanne Schapper
Clerk of the Board

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Approved: March 18, 2015