

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL BOARD MEETING

Wednesday, November 10, 2014

Pursuant to notice given to *The Register-Guard* for publication on November 6, 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 Monday, November 10, 2014, beginning at 5:30 p.m., at the LTD Board Room, 3500 E. 17<sup>th</sup> Avenue, Eugene, Oregon.

Present: Gary Wildish, President  
Carl Yeh, Vice President  
Ed Necker, Treasurer  
Gary Gillespie  
Michael Dubick  
Angelynn Pierce  
  
Ron Kilcoyne, General Manager  
Jeanne Schapper, Clerk of the Board  
Lynn Taylor, Minutes Recorder

Absent: Julie Grossman, Secretary

**CALL TO ORDER/ROLL CALL:** Mr. Wildish convened the meeting at 5:33 p.m. and called the roll.

**PRELIMINARY REMARKS BY BOARD PRESIDENT:** Mr. Wildish thanked everyone for attending. He said that his wife was recovering well from recent surgery and thanked Mr. Yeh for chairing the last meeting. He encouraged people to participate in the Transit Trail Map program.

**COMMENTS FROM THE GENERAL MANAGER:** Mr. Kilcoyne commented on the level of participation in the Transit Trail Map activities and also encouraged everyone to enter. He reported that overall ridership for October 2014 was down 5 percent with weekday ridership down 4.2 percent and Saturday ridership down 17 percent; however, Sunday ridership had increased. He said that the two factors that influenced those statistics were a decrease of 2,000 students in University of Oregon (UO) enrollments during the last year and a 12 to 15 percent decrease in Lane Community College (LCC) enrollments. He noted there had also been one less Saturday football game this year.

**ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA:** There were no announcements or changes to the agenda.

**BOARD CALENDARS:** Mr. Kilcoyne reviewed the Board activities scheduled for October, November, and December 2014. He noted that a day-long strategic planning session for the Board would be held on October 12, and the October 22 regular board meeting is canceled. He said that the tree planting along 6<sup>th</sup> and 7<sup>th</sup> avenues would be held on December 6, and volunteers are encouraged to participate.

Mr. Gillespie announced that the Oregon Rail Team would meet in Salem on December 15. Mr. Dubick announced that the LaneACT (Area Commission on Transportation) would not be meeting in December.

**EMPLOYEE OF THE MONTH — DECEMBER 2014:** The Board recognized Bus Operator Vivian Hernandez as the December 2014 Employee of the Month.

Mr. Wildish thanked Ms. Hernandez for her service and commitment to LTD's mission and presented her with a certificate of appreciation, a check, and a pin commemorating her award. Ms. Hernandez thanked the Board for her award.

**AUDIENCE PARTICIPATION:** Mr. Wildish explained the procedures for providing public testimony.

**Bob Macherione**, Eugene, representing Our Money, Our Transit ((OMOT), said that he was concerned at the last meeting with the Board's decision to substitute a policy for an ordinance, and he was disappointed that no one had contacted him to discuss the matter. He did not understand why his communication with the Board was limited to comments during Audience Participation. He said that OMOT's predictions were coming true: that ridership was decreasing because basic services were shrunk in order to expand bus rapid transit (BRT); there were no feeder lines; and service was too reliant on students. He said that there was no reason to operate a BRT line to LCC because enrollment varied, and scaled regular service would be more efficient. He urged more conversation between LTD and stakeholders.

**WORK SESSION: BEST PRACTICES: BOARD DUTIES AND RESPONSIBILITIES** – Director of Administrative Services Mary Adams introduced Tammy Fitch, with LTD's agent of record, Wilson-Heirgood Associates, which provides the District with both liability and health-related insurance brokerage. She said that Ms. Fitch would provide an overview of Oregon law and best practices regarding procedures and legal requirements for boards of directors.

Ms. Fitch noted that Board participation in a best practices workshop would result in a 2 percent reduction in the cost of coverage. She said that LTD was subject to the laws that govern public entities in the State of Oregon. She said that an area of concern for public entities relates to tort liability, which involves negligence, as set forth in ORS 30.260-30.300. She said that as long as a person is within the course and scope of his/her job, whether a Board member, officer, employee, volunteer, or agent of the District, the person is protected and the public entity is required to indemnify and defend him/her. Discretionary immunity is based on the premise that decisions are made based on the resources available and priority of needs. She said that LTD's current liability limit is \$1.33 million and the property damage limit is \$546,800; although LTD carries higher limits on its coverage because the District can be sued in federal court where state limits would not apply. Property damage claims had to be filed within 180 days; bodily injury claims had to be filed within one year.

Ms. Fitch said that driving was the largest risk faced by special districts, followed by civil rights complaints, then policy and practice. She provided examples of the types of claims that might be filed in those categories. She said complaints received by Board members, unless related to the general manager, should be directed to Mr. Kilcoyne for appropriate resolution. She reviewed contracting and purchasing requirements and noted that the Board functioned as the contract

review board and delegated to staff the responsibility for managing contracts, subject to certain limitations and restrictions that would require further action by the Board.

Regarding Board meetings, Ms. Fitch stated that a quorum of the Board needed to be present at a meeting in order for the Board to take action, and four members constituted a quorum for the LTD Board. She said that participation in a meeting via telecommunication is permissible according to state law and LTD's bylaws. Discussion during executive sessions was limited to the specific topic of discussion as stated in the agenda and announced before entry into the executive session, and decisions could not be made until the Board had returned to its open (public) meeting status.

Ms. Fitch stated that under ORS 244 Government Ethics Law, if a Board member was found personally guilty of an ethics violation, neither the District nor its insurance policy could pay for legal fees, even though the District's policy included coverage.

Continuing, Ms. Fitch reviewed the Board's responsibilities with respect to budgeting, audit and finance, and regulatory matters related to state and federal requirements. She emphasized that Board members had power only when acting as part of the Board at a Board meeting; power was limited to any power that was designated to a member by the entire Board. She said that the Board had only one employee, the general manager.

Ms. Fitch listed actions that Board members should take in order to learn their job and become effective in their role:

- Orientation
- Budget review
- Major issues review
- Facility tour
- Review statute for District, which sets the limits for the Board and District authority (ORS 267)
- Read Board policies and guidelines
- Assure agenda and accompanying materials are available prior to a meeting to allow adequate time for members' review
- Be prepared for meeting; get questions answered beforehand
- Understand the role of the general manager
- Learn the open meetings law; public contracting, budgeting, and employment laws; and the American with Disabilities Act (ADA)
- Be aware that materials and information received in executive session are confidential and should not be shared. By law, the press may attend most executive sessions, but may not report on the discussion. Board members should not comment to the press on matters that were discussed in executive session.

Ms. Fitch reminded Board members that they are part of a team; and once a decision is made, it should be supported by all members in all settings. Board members are policymakers, not administrators; that is the general manager's job. Members should insist that complaints follow the chain of command and should not make promises or statements as an individual on behalf of the District.

Ms. Fitch then presented on ethics. She said that a conflict of interest would arise when a Board member or his/her family member, could realize a personal gain by the decision made by the Board on a given subject. A Board member must announce the potential conflict prior to any discussion or action taken on an issue and refrain from taking part in the discussion or vote.

**Commented [JS1]:** As amended during December 17, 2014, LTD Regular Board Meeting.

**Deleted:** a Board member

Ms. Fitch reviewed the purposes of the Public Meetings Law and requirements for making meetings open and accessible to the public. She said that categories of meetings included regular, special, emergency, work sessions, and executive sessions. Executive sessions could only be held for specific reasons: employment of a public officer, discipline or discharge, employee performance evaluation, labor negotiation, real estate negotiation, public records exempt from disclosure, and legal counsel on pending or potential litigation. She summarized the public notice and minutes requirements of different types of meetings.

In response to questions from Mr. Gillespie and Mr. Necker, Ms. Fitch said an executive session could be held at a regular or special meeting, but a Board member had to be present at the meeting location. She recommended the Board reconvene in a public meeting immediately following the executive session if a decision was required on the topic discussed during the executive session. She said that if the executive session was for informational purposes only, it was only necessary for the Board to reconvene in a public meeting to close the meeting.

Ms. Adams announced that Ms. Fitch would be available at the November 12 Board strategic planning session to further discuss best practices and answer questions related to her presentation.

**ITEMS FOR ACTION:**

**Approval of Insurance Best Practices Checklist:** Claims Specialist Steve Rayack stated that best practices discounts available to special districts consisted of five elements, each worth a 2 percent discount. He said approval of the 2015 Best Practices Checklist would qualify the District for these discounts.

**MOTION** Mr. Yeh moved adoption of LTD Resolution No. 2014-029: It is hereby resolved that the 2015 Best Practices Checklist is approved as provided at this meeting. Ms. Pierce provided the second.

**VOTE** The motion was approved as follows:  
AYES: Dubick, Gillespie, Necker, Pierce, Wildish, Yeh (6)  
NAYS: None  
ABSTENTIONS: None  
EXCUSED: Grossman (1)

**ITEMS FOR INFORMATION:**

**Board Member Reports:** There were no questions regarding the reports contained in the meeting agenda packet.

**Monthly Financial Report:** Chief Financial Officer Todd Lipkin reviewed the September 2014 Financial Report. He said that the main issue remained the \$672,000 payroll tax take back that

resulted from a taxpayer mistakenly paying withholding taxes to the District. He said that the Long-Range Financial Plan (LRFP) had budgeted a 5 percent annual increase in payroll taxes based on that overpayment; and, consequently, the year would likely close under budget in that category. He said that payroll tax receipts in October and November were 7 percent higher than last year; and while that would not catch up to the budget, it did demonstrate that the economy was improving. He said that on the expenditure side of the budget, the Special Services transfer, personnel costs, fuel, and goods and services were all under budget projections. He said that the overall budget picture looked positive, and staff would continue to monitor the situation and report back to the Board.

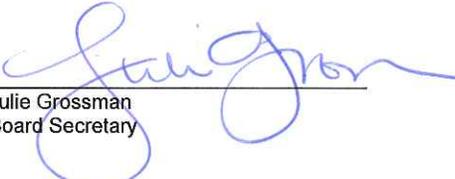
**Monthly Grant Report:** Mr. Wildish asked for clarification on the amount spent on consulting services in the Small Starts Gateway EmX grant, which was higher than budgeted. Mr. Lipkin explained that when the grant application was submitted, the budget contained estimates of the amount to be spent in each category plus a contingency. When the grant ended, LTD would be allowed to amend the budget and allocate that contingency to any expenditures that were higher than the estimates, so long as they did not exceed the amount of the contingency. He said that practice was consistent with FTA preferences.

Mr. Gillespie commented that the Stations and Stops categories appeared to be somewhat over budget. Mr. Lipkin said that the funds were allocated for design and engineering based on estimates, and he pointed out that the amount for guideways was significantly under budget. He said that staff were working to better connect billings received to FTA standard cost category codes.

**Performance Reports:** Mr. Yeh observed that the collection of fares had increased even though there had been a drop in ridership.

**ADJOURNMENT:** Mr. Wildish adjourned the meeting at 6:50 p.m.

LANE TRANSIT DISTRICT:

  
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Julie Grossman  
Board Secretary

ATTEST:

  
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Jeanne Schapper  
Clerk of the Board

Approved: December 17, 2014