

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, April 17, 2013

Pursuant to notice given to *The Register-Guard* for publication on April 8, 2013, 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, April 17, 2013, beginning at 5:30 p.m., at the LTD Board Room, 3500 East 17th Avenue, Eugene, Oregon.

Present: Doris Towery, President
Gary Gillespie, Vice President
Michael Dubick, Secretary
Ed Necker, Treasurer
Martha Reilly
Carl Yeh
Ron Kilcoyne, General Manager
Jeanne Schapper, Clerk of the Board
Lynn Taylor, Minutes Recorder

CALL TO ORDER/ROLL CALL: Ms. Towery convened the meeting and called the roll at 5:32 p.m. All Board members were present with the exception of Martha Reilly, who arrived at 5:45 p.m.

PRELIMINARY REMARKS BY BOARD PRESIDENT: Ms. Towery reported that the United Front trip to Washington, D.C., in conjunction with several local jurisdictions, was very productive. She said that the President's budget includes funding for the West Eugene EmX Extension corridor.

COMMENTS FROM THE GENERAL MANAGER: Mr. Kilcoyne said that LTD staff met with congressional staff to discuss changes to the bus facilities capital program in the Moving Ahead for Progress in the 21st Century (MAP-21) legislation, which is scheduled for reauthorization next year.

Mr. Vobora introduced two new LTD employees: Graphic Designer Tara Ortiz, and Development Planner Sasha Luftig. Ms. Ortiz and Ms. Luftig spoke briefly about their backgrounds.

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

BOARD CALENDARS: Mr. Kilcoyne briefly reviewed the scheduled activities for April, May, and June. He announced that the Board's Strategic Planning Work Session on April 22 would begin at 8 a.m. He added that the May Board meeting would begin at 4:30 p.m., followed by a Budget Committee meeting at 6 p.m.

Mr. Kilcoyne said that LTD would be receiving a BRONZE award from the Institute for Transportation and Development Policy. LTD was one of only five transit districts in the nation to be recognized under the Institute's high standards for bus rapid transit. The press event will be held on April 23 at the Eugene Station. Awards will be presented to Doris Towery on behalf of LTD and to the Mayors of Eugene and Springfield.

EMPLOYEES OF THE MONTHS: The Board recognized Bus Operator Randy Dresser as the April 2013 Employee of the Month, and Journeyman Mechanics Perry Crawford and Riley Kelley as the May Employees of the Month.

Ms. Towery thanked Mr. Dresser, Mr. Crawford, and Mr. Kelley for their service and dedication to LTD's mission, and presented them with certificates of appreciation, checks, and pins to commemorate their awards. Mr. Dresser, Mr. Crawford and Mr. Kelley expressed appreciation for the awards and recognition of their work.

AUDIENCE PARTICIPATION: Ms. Towery explained the procedures for providing public testimony.

Bob Macherione, Eugene, representing Our Money, Our Transit (OMOT), expressed ongoing concern that LTD was not responsive to public input. He stated that the Firwood Village Apartments, a low-income housing project on Brewer Lane, no longer has a bus stop after the last round of service cuts. He said that the LTD Board had not responded to his questions about restoring service to that bus stop. He stated that LTD should serve the Firwood Village residents first, and luxury items like EmX should come last. He said that a public transit system should cover as much area as possible, and that during the most recent service cuts, the Ferry Street Bridge neighborhood lost its transit service. He disagreed with LTD's analysis of productivity, which indicated that boardings per hour increased after the service cuts.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar:** Mr. Gillespie moved adoption of LTD Resolution No. 2013-012: It is hereby resolved that the Consent Calendar for April 17, 2013, is approved as presented. Mr. Dubick provided the second. The Consent Calendar consisted of the minutes of the March 20, 2013, Regular Board Meeting.

VOTE The motion approved as follows:
AYES: Dubick, Gillespie, Necker, Reilly, Towery, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

FY 2014-2023 Capital Improvement Program (CIP): Finance Manager Todd Lipkin said that no substantive changes were made since the CIP was presented at the March 20, 2013, Board meeting. He highlighted minor changes that consisted of changing the designation from 2013-2023 to 2014-2023 in order to be consistent with the Long-Range Financial Plan, and the addition of a map of project locations. He said that the CIP will continue to evolve with an expanded public participation process, more detailed project descriptions, connections to other CIPs in the region, more clarity regarding projects, and more connections in future years.

MOTION Mr. Necker moved approval of LTD Resolution No. 2013-013: It is hereby resolved that the FY 2014-2023 Capital Improvements Program is approved as presented. Ms. Reilly provided the second.

VOTE

The resolution was approved as follows:

AYES: Dubick, Gillespie, Necker, Reilly, Towery, Yeh (6)

NAYS: None

ABSTENTIONS: None

EXCUSED: None

FY 2014-2023 Long-Range Financial Plan (LRFP): Director of Finance and Information Technology Diane Hellekson explained that the LRFP was an annual and ongoing part of the strategic planning process. The Plan initially covered a five-year period, but was expanded to ten years because of the increasing complexity of LTD projects and the length of time required for planning and implementation. She said that basic assumptions were developed once first quarter data was available and presented to the Finance Committee for approval. When second quarter data became available, the assumptions were finalized and presented again to the Finance Committee. She said that the Finance Committee met on April 11 to review the assumptions contained in the Plan.

Ms. Hellekson said that the LRFP viability test was to have at least \$2.5 million ending working capital each year, and that had been achieved. She said that a critical part of the Plan was payroll tax receipt assumptions; those were based on historical growth patterns of an average of 5 to 6 percent per year, although that varied from year to year. The Plan was based on a conservative assumption of 5 percent maximum growth in out years. She said that the Plan did not assume any additional service, with the exception of service enhancements associated with implementation of the West Eugene EmX corridor.

She said that the Plan was flexible, with respect to when those service enhancements occurred. She pointed out that the next major fleet acquisition would be debt-financed, and fuel was assumed at \$3.75/gallon in the current fiscal year, while the actual average was \$3.24/gallon. Fuel in storage would allow that assumption to be applied in the next year.

Mr. Necker asked about the life expectancy of stored fuel and how quickly it needed to be used. Director of Maintenance George Trauger said that a fuel preservative additive extended storage life to 18-24 months, and that he had recently placed a purchase order at \$2.90/gallon to replenish stored fuel.

Ms. Hellekson noted that the Plan assumed an increase to the payroll tax rate effective January 1, 2014. She said that the District would need to commission a study upon which the Board could base a determination of economic recovery. She said that should be accompanied by a community outreach campaign to explain the need to increase the rate to preserve services. Without the increase, a drastic reduction in services would be necessary in the fourth, fifth, and sixth years of the Plan.

Mr. Dubick commented that the assumptions were reasonable and that he appreciated the conservative approach to revenues and higher estimates of expenditures. He stated that the District would continue to manage its finances well and that it should consider taking the necessary steps to make a finding of economic recovery.

Ms. Hellekson emphasized that the LRFP was a rolling Plan. The immediate value was the first year, which provided a template for the proposed budget. If assumptions were inaccurate in out years, the Plan could be modified as needed in the future.

MOTION Ms. Reilly moved the following resolution: LTD Resolution 2013-014: Resolved that the LTD Board of Directors approves the FY 2014-2023 Long-Range Financial Plan as presented. Mr. Yeh provided the second.

VOTE The resolution was approved as follows:
AYES: Dubick, Gillespie, Necker, Reilly, Towery, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

FY 2013-2014 Fare Pricing Plan and First Reading Amended Fare Ordinance No. 48: Director of Customer Services and Planning Andy Vobora said that the ordinance had been updated to reflect the Board's decision to increase group pass rates, and to forestall increases to ten-ride tickets or bus passes. He said that the ordinance number would change from No. 44 to No. 48 under the new process for organizing and updating District ordinances. He noted that the topic was presented by Mr. Kilcoyne at the March 20, 2013, Board meeting. Background materials and a copy of the updated ordinance with highlighted changes were included in the current agenda packet. The second reading and adoption is scheduled for the May 15 Board meeting. If adopted, the ordinance would become effective January 1, 2014.

MOTION Mr. Necker moved that Lane Transit District Ordinance No. 48 be read by title only. Mr. Dubick provided the second.

VOTE The motion was approved as follows:
AYES: Dubick, Gillespie, Necker, Reilly, Towery, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

Ms. Towery read the ordinance by title only: "ORDINANCE NO. 48, AN ORDINANCE SETTING FARES FOR THE USE OF DISTRICT SERVICES, AND AMENDING AND RESTATING ORDINANCE NO. 44."

Second Reading and Adoption, Ordinance No. 46, An Ordinance Regarding the Excise Tax on Self-Employed Persons: Chief Accountant/Internal Auditor Carol James explained that LTD was working with its attorneys to reorganize ordinances so that they would be more accessible to the public on the LTD website. She said that ordinances would now be organized within eight categories, with one all-encompassing ordinance in each category. Ordinance No. 46 and Ordinance No. 47 related to the self-employment tax and employers' payroll tax, respectively. She said that the new ordinances contained updated references to Oregon Revised Statutes, clarified Internal Revenue code references and renumbered paragraphs for consistency. There were no substantive changes from previous ordinances.

MOTION Mr. Gillespie moved that Lane Transit District Ordinance No. 46 be read by title only. Mr. Dubick provided the second.

VOTE The motion was approved as follows:
AYES: Dubick, Gillespie, Necker, Reilly, Towery, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

Ms. Towery read the ordinance by title only: "ORDINANCE NO. 46, AN ORDINANCE REGARDING THE EXCISE TAX ON SELF-EMPLOYED PERSONS, AND AMENDING AND RESTATING ORDINANCE NO. 38, ORDINANCE NO. 39, ORDINANCE NO. 40, AND ORDINANCE NO. 41."

MOTION Mr. Necker moved the following resolution: LTD Resolution No. 2013-015: Be it resolved that the LTD Board of Directors hereby adopts Lane Transit District Ordinance No. 46, an ordinance regarding the excise tax on self-employed persons, and amending and restating Ordinance No. 38, Ordinance No. 39, Ordinance No. 40, and Ordinance No. 41. Mr. Gillespie provided the second.

VOTE The resolution was approved as follows:
AYES: Dubick, Gillespie, Necker, Reilly, Towery, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

Second Reading and Adoption, Ordinance No. 47, An Ordinance Regarding the Excise Tax on Employers: Ms. James noted that background information was available in the agenda packet, and that the changes to the ordinance consisted of updating and clarifying references to Oregon Revised Statutes. There were no substantive changes from previous ordinances.

MOTION Mr. Yeh moved that Lane Transit District Ordinance No. 47 be read by title only. Mr. Gillespie provided the second.

VOTE The motion approved as follows:
AYES: Dubick, Gillespie, Necker, Reilly, Towery, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

Ms. Towery read the ordinance by title only: "ORDINANCE NO. 47, AN ORDINANCE REGARDING THE EXCISE TAX ON EMPLOYERS, AND AMENDING AND RESTATING ORDINANCE NO. 34, ORDINANCE NO. 39, AND ORDINANCE NO. 40."

MOTION Mr. Yeh moved the following resolution: LTD Resolution No. 2013-016: Be it resolved that the LTD Board of Directors hereby adopts Lane Transit District Ordinance No. 47, an ordinance regarding the excise tax on employers, and amending and restating Ordinance No. 34, Ordinance No. 39, and Ordinance No. 40. Ms. Reilly provided the second.

VOTE The resolution was approved as follows:
AYES: Dubick, Gillespie, Necker, Reilly, Towery, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports: Mr. Necker announced that the April 16 meeting of the Accessible Transportation Committee had been canceled.

Mr. Dubick reported that Manager Sonny Chickering, Oregon Department of Transportation Region 2, attended the Lane Area Commission on Transportation (ACT) meeting. Mr. Dubick announced that funds would be added to the 2012-15 State Transportation Improvement Program (STIP) for transit management, and that would provide some funding for LTD's Point2point program.

Mr. Gillespie reported that discussions with the Amalgamated Transit Union (ATU) during pension trust meetings earlier that day had been very productive, and that several options were raised that would be researched further. He stated that the bargaining unit and salaried employees' pension trust meetings went well, and that the consultants had responded to the trustees' interests in a more active process.

Mr. Gillespie announced that he would be resigning from the Metropolitan Planning Organization Citizen Advisory Committee now that he is the LTD Board alternate on the Metropolitan Policy Committee.

Ten-Ride Ticket Book Update: Mr. Vobora said that the ten-ride ticket book was created at the direction of the Board to provide a new single-ride fare option. He said that the book was marketed to customers, and it was well-received by agencies and riders. He said that there had been very few problems with fraud, as tickets were serial numbered, and that sales had exceeded expectations.

Mr. Gillespie commended staff for implementation of the ten-ride ticket book.

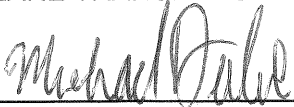
Ms. Towery also commended the graphics staff for their design of the United Front book, which was greatly appreciated by Oregon's congressional delegation and their staff.

Monthly Financial Report - February 2013: Ms. Hellekson reported that at nine months into the fiscal year, it appeared that the District would finish the year at or under budget with payroll taxes ahead of projections, personal services under control, and fuel at \$3.24/gallon. She said that the April state-in-lieu disbursement looked good, and it was 4 percent ahead for the year.

Strategic Themes: Planning and Development Manager Tom Schwetz distributed materials developed in conjunction with facilitator Randy Harrington to prepare the Board for its Strategic Planning Work Session that would be held on Monday, April 22, 2013. He directed the Board's attention to questions listed in the summary and asked that they think about their answers for Monday's discussion.

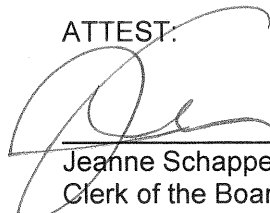
ADJOURNMENT: There was no further business; Ms. Towery adjourned the meeting at 6:25 p.m.

LANE TRANSIT DISTRICT



Michael Dubick
Board Secretary

ATTEST:



Jeanne Schapper
Clerk of the Board

Approved: May 15, 2013