

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, December 19, 2012

Pursuant to notice given to *The Register-Guard* for publication on December 13, 2012, 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, December 19, 2012, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Greg Evans, President
Doris Towery, Vice President
Gary Gillespie, Secretary
Dean Kortge
Michael Dubick
Mike Eyster
Andy Vobora, Acting General Manager
Jeanne Schapper, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: Ed Necker, Treasurer

CALL TO ORDER/ROLL CALL: Mr. Evans convened the meeting and called the roll at 5:34 p.m.

PRELIMINARY REMARKS BY BOARD PRESIDENT: Mr. Evans noted that the January 2013 Board meeting will be held at the same time as the Springfield State of the City Address, and asked if members wished to move the Board meeting date. It was decided that the LTD Board meeting would remain on January 16; however, Ms. Towery would attend the State of the City as a representative of the LTD Board and miss the LTD Board meeting. Mr. Eyster indicated that he also would miss the January 16 Board meeting.

Mr. Evans announced that should he be appointed to the Eugene City Council, he would continue to chair the LTD Board until such time as he is sworn in on the City Council. If elected, Ms. Towery has agreed to serve as Board president. If appointed by the City, Mr. Evans will notify the governor's office in order to give them the opportunity to recruit for his subdistrict.

COMMENTS FROM THE GENERAL MANAGER: Mr. Kilcoyne relayed that the governor's office has not interviewed any candidate for the two open LTD Board positions. The office did indicate that it was expected that the appointments would go before the Senate in February for confirmation; however, the date has not been scheduled. According to Bobby Lee in the governor's office, the appointees are officially Board members at the time they are confirmed by the Senate. If the Senate hearings are before the February Board meeting, they would be seated members of the Board at that meeting. At this point, it is unknown if January or February will be the last meeting for Mr. Eyster and Mr. Kortge. Mr. Kilcoyne indicated that he would keep the Board informed of any developments.

Mr. Kilcoyne then referred the Board to an article in *Wired* Magazine about audio surveillance on buses, which then was relayed by other national and local news sources. No one at LTD was

interviewed by the original author. The information in the article was text taken from the Request for Proposal for a video surveillance system. None of the bidders could meet LTD's requirements, so the District's system is not capable of doing what the article indicated. LTD's system does not have the capability of live streaming. Staff review audio only if triggered by an incident. The system in the new buses does have the capability of live streaming, but it is not used because of white noise. If staff need to hear what is going on the bus at a given time, the driver turns on the radio system so that Dispatch can listen. Ninety-nine percent of transit systems in the country have radio systems and have this capability. In summary, the system is used for security purposes and to address customer complaints, and it is not misused in any way. LTD has had audio capability on buses for the past 10 years, so this is not new nor is it unusual in the transit industry.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: Because Mr. Enrique Washington with the Generator Group is delayed in his trip from Portland, Mr. Evans would reverse items VII. Executive Session, and VIII. Work Session.

Mr. Gillespie mentioned that he had met that day with CDM Smith regarding bus rapid transit expansion.

BOARD CALENDARS: Mr. Kilcoyne mentioned that former Accessible Services Manager Terry Parker's retirement party would be held on Thursday, January 24, at the Next Stop Center. Also, the annual Employee Celebration would be held on Sunday, January 20. Mr. Evans added that the January work session was canceled.

WORK SESSION

Board Meetings Format Discussion: Mr. Kilcoyne referred to a discussion at the October Board meeting; there did not appear to be consensus among Board members as to where public input would be during the meeting. The recommendation was to have audience participation at the beginning of the meeting after remarks and Employee of the Month. This recommendation was standard with the practice of other public bodies in the area. With public participation at the beginning of the meeting, the Board is informed of public thoughts as agenda items are discussed and action taken.

Ms. Towery said that having public comment at the beginning of the meeting made sense. It could bring up questions and further discussion. If public comment were at the end and there is a lot of public comment, there is the potential for an extended meeting; and everyone needs an opportunity to speak. She advised not to put public comment at the end of the meeting, but rather at the beginning.

Mr. Dubick remarked that the agenda is published ahead of the meeting and the public has an opportunity to review items and decide if they wish to comment with any concerns. Input to the Board makes sense before Board deliberation and action. Public comment does not serve a purpose at the end of the meeting, nor does it make sense to interject comment periods throughout the meeting (after each agenda item) because it becomes less of a Board meeting and more of a debate. He voiced his preference for having public comment at the beginning of the meeting.

Mr. Gillespie mentioned the previous EmX Steering Committee meeting where this subject came up. No one at that particular meeting was present to give public comment on the subject. He declared his support for public comment at the beginning of the meeting; however, he also indicated that it is equally important to answer questions as they arise during the meeting. One of the discussions that

the Committee had at the meeting was to allow questions at the end of the meeting if time allowed. He indicated that he favored that format until it is proven not to work.

Mr. Kortge indicated his desire to welcome public input. He did not support an interactive debate scenario; however, hearing comments from the community is valuable. He stated his belief that it is not worthwhile to have public comment placed on the agenda after the Board's discussion and vote. It's better served if placed after the Board discussion and before the vote so that a member of the public could speak directly to the subject before the vote, such as: "I see you're going to talk about this; here is what I think." He stated that he did not believe that it would be appropriate to place public comment at the end of the meeting and make people wait; it needs to be placed at a functional time. It also depends on what is to be discussed. In summary, have the public comment toward the front of the discussion.

Mr. Evans said that he has chaired various committee meetings with public comment at the front of the meeting, which is more traditional. The cities and County observe that format. LTD's format has had housekeeping issues taken care of before public comment and employee of the month. Mr. Evans stated his belief that he felt it appropriate to move public comment to the beginning of the meeting so that people may give comment on items heard at a previous meeting and give feedback and be able to sit in the current session and gather information to voice concerns or ask questions at the following Board meeting.

Mr. Kortge emphasized that it's important that the Board is paying attention to public input. The LTD Board is different than the cities and functions differently. People who attend LTD Board meetings are engaged, and the Board should listen. Public comment for the sake of public comment is a farce.

Mr. Gillespie added that at a recent West Eugene EmX Board Committee meeting, one of the staff interacted with a person who had made public comment that they were treated badly. After the staff person interacted with that person, the person had a completely different understanding of the process; and that was at that meeting and during that time. He stated his belief that it is better to answer a question when it is asked than having the question left unanswered.

Mr. Dubick judged that this issue needs to come to a vote of the Board. He stated that there is a difference between input and questions. Input is someone stating that an issue is on the agenda for Board discussion and here is what the person thinks about the subject, as opposed to, in the course of deliberation, someone asking a question or asking for clarification. A separate time on the agenda for questions from the audience is another point for the Board to discuss.

Mr. Kilcoyne clarified the Board discussion. He believed that the Board members agree that audience participation should occur at the beginning of the meeting. However, two Board members believe that there should be an additional opportunity for comment at some other point during the meeting.

Mr. Gillespie confirmed Mr. Kilcoyne's understanding. He added that most people that make public comment at LTD Board meetings tend to stay until the end of the meeting. At city council meetings there is more public comment, and he has observed that most people speak and then leave after their agenda item. The agendas at city council meetings are more segregated, whereas LTD's Board agenda is more uniform.

Mr. Kilcoyne asked for further clarification. He said that most items on the LTD Board agenda are information, rather than action items. There would be opportunities for the public to comment on what is heard during the discussions either at the next Board meeting or through e-mails to the Board or other ways of communicating with the Board. Even under the current format, comments

would occur before the Board took action. The reason for public comment at the beginning of the meeting is to inform the Board's discussion, deliberations, and action.

Mr. Evans instructed staff to come back to the Board with more than one draft proposal regarding the meeting structure for the Board's review and action at the January or February Board meeting.

MOTION EXECUTIVE SESSION: Mr. Kortge moved that the LTD Board of Directors meet in Executive Session pursuant to ORS 192.660(2)(i), to review and evaluate the employment-related performance of the LTD general manager. Mr. Eyster provided the second.

VOTE The motion was approved as follows:
AYES: Dubick, Evans, Eyster, Gillespie, Kortge, Towery (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Necker (1)

The Board entered executive session at 6:12 p.m.

RETURN TO REGULAR (OPEN) SESSION: The Board returned to regular session at 7:05 p.m.

EMPLOYEE OF THE MONTH: The Board recognized Graphic Designer Craig Runyon as the January 2013 Employee of the Month.

Mr. Evans thanked Mr. Runyon for his service and dedication to LTD's mission and presented him with a certificate of appreciation, a check, and a pin commemorating his award. Mr. Runyon thanked the Board for its recognition and expressed appreciation for his position with LTD.

AUDIENCE PARTICIPATION: Mr. Evans explained the procedures for providing testimony.

Bob Macherione, 1994 Brewer, Eugene, wished the Board a Merry Christmas and Happy New Year spent with family and friends.

ITEMS FOR ACTION AT THIS MEETING

MOTION Consent Calendar: Mr. Kortge moved adoption of LTD Resolution No. 2012-027: It is hereby resolved that the Consent Calendar for December 19, 2012, is approved as presented. Ms. Towery provided the second. The Consent Calendar consisted of the minutes of the October 17, 2012, Regular Board Meeting; November 12, 2012, Special Board Meeting, and LTD Board Budget Committee Nominations of Dwight Collins and Edward Gerdes.

VOTE The Consent Calendar was approved as follows:
AYES: Dubick, Evans, Eyster, Gillespie, Kortge, Towery (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Necker (1)

Audit Report for Fiscal Year Ending June 30, 2012: Director of Finance and Information Technology Diane Hellekson introduced Charles Swank of Grove, Mueller & Swank, P.C. to present the independent audit and respond to questions.

Mr. Swank stated that Grove, Mueller & Swank performed the independent audit and financial statement for the fiscal year ending June 30, 2012. He said that the audit went smoothly and there was an unqualified opinion on the financial statement and federal awards. In addition, the Board received a governance letter and a Controlled Efficiency on Management letter, which communicated to the Board that there were no issues or impediments to completing the audit. He commended staff for their cooperation and professionalism. He said that District management had responded to all comments and recommendations contained in the communications and there were no outstanding issues from prior years. He invited questions from the Board.

Mr. Eyster asked if there were any comments or recommendations with respect to LTD's pension plans. Mr. Swank replied that the plans and levels of funding were disclosed in the financial statement. LTD's plans were configured similarly to some other transit agencies, but quite different from the Oregon Public Employee Retirement System (PERS) plan.

Mr. Eyster commented that the PERS Board had established the goal of achieving no unfunded liability, and he wondered if that was a reasonable business objective. He asked if the LTD Board goal for pension plans was responsible. Mr. Swank said that theoretically a defined benefit model should be 100 percent funded. He felt that an actuary could better offer an opinion on LTD's goal for its plans as those were influenced by changes in the market.

MOTION Mr. Kortge moved the following resolution: LTD Resolution No. 2012-028: Resolved, that the LTD Board of Directors received the Independent Audit for Fiscal Year 2011-12, and accepts the Independent Audit Report for the fiscal year ending June 30, 2012. Ms. Towery provided the second.

VOTE The resolution was approved as follows:
 AYES: Dubick, Evans, Eyster, Gillespie, Kortge, Towery (6)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: Necker (1)

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports: Mr. Gillespie reported on the Pension Plan Benefits Conference that he recently attended. He said that the conference was very informative, and the pension plan trustee training was very helpful. There were several opportunities to meet with LTD's actuary to discuss various strategies. He said that there also was discussion of transitioning his position as trustee-elect to trustee sooner than originally scheduled.

Director of Human Resources and Risk Management Mary Adams said that Mr. Gillespie had an opportunity to sit in on all of the discussions of the pension work group during the conference and was now well-informed on the LTD pension plans. She felt that he would be able to participate as an official trustee, and staff would prepare a presentation and action item for the February Board meeting.

Mr. Kortge indicated that he had no objections to an earlier transition.

Comprehensive Annual Financial Report (CAFR): Ms. Hellekson said that the CAFR contained the audit and financial statements presented by Mr. Swank and there was no bad news. She noted that the loss of the Business Energy Tax Credit funds impacted operating revenue on a one-time basis. She noted highlights in the executive summary, including the fact that the last fiscal year was LTD's most productive in terms of boardings per hour. She said that the fare box recovery ratio was being maintained at a percentage appropriate for the District's size. She urged Board members to review the statistical section of the CAFR, which provided a 10-year history of LTD's operations and

was useful for comparison and projection purposes. She commended Chief Accountant/Internal Auditor Carol James and Finance Manager Todd Lipkin for their work on the CAFR. Ms. Hellekson said that the document would be submitted for a Government Finance Officers award, and she hoped to report to the Board that LTD received the award for the 16th consecutive year.

Mr. Kortge commended the CAFR, particularly the excellent information contained in the executive summary.

Mr. Evans thanked financial staff for their exceptional work.

Lane Transit District Sustainability Program Update: Point2point Program Manager Theresa Brand introduced Sustainability Intern Allison Camp. She said that the Green Team included representation throughout LTD's organization. She said that the goal of the Sustainability Program was to meet the needs of the present without compromising the needs of future generations. She said that the program maximized efficiency at LTD in order to make the best use of resources entrusted to it. She highlighted program achievements:

- Created logo
- Reviewed current practices
- Consulted with BRING Recycling
- Participated in American Public Transportation Association Sustainability Conference
- Established a composting program - *Love Food, Not Waste*
- Conducted employee training
- Provided briefings to Leadership Council
- Developed baseline inventory
- Launched signage and education efforts

Ms. Camp described the methodology used to collect utilities information from 2009 through 2012 on water, electricity, natural gas, fuel usage, and waste. That information was used to establish a baseline for comparison to future years and measure improvements. She said that data told a story and would provide a foundation to determine LTD's future direction. Data also was used to calculate greenhouse gas emissions, savings, and levels of air pollutants. She said that calculations were performed on the regular fleet, not the paratransit fleet. She said that a dashboard was created to report key findings.

Ms. Brand said that next steps for the sustainability program included:

- Developing an overarching goal statement regarding sustainability efforts
- Fully engaging all leadership and line staff in sustainability efforts
- Expanding employee education efforts
- Creating targets and corresponding metrics
- Creating an annual reporting system

Mr. Gillespie asked if reductions were gauged in British Thermal Units (BTU) or overall costs. Ms. Brand said that measurement was done in BTUs as a more reliable reflection of consumption because of fluctuations in price. She said that targets would be established for utilities, but not for fuel use because that was tied to service.

Mr. Gillespie commended LTD's recycling and reuse practices.

West Eugene EmX Extension Update: Senior Project Manager John Evans reported that LTD staff were working with the Federal Transit Administration (FTA) on finalizing the Finding of No Significant

Impact document. He hoped that it would be completed by the end of 2012. He said that the FTA was being diligent and thorough in responding to all of the comments received to date. He said that the Eugene City Council and LTD Board had reaffirmed the Locally Preferred Alternative and approved moving into project development. This will be followed by the Metropolitan Policy Committee approval of amendments to the Metropolitan Transportation Improvement Program, which will program matching State funds for the project. He said that a Request For Qualifications would be issued for selection of a design team. He anticipated that a team would be on board in February 2013 and design work would continue through Fall 2013.

Monthly Financial Report - November 2012: Ms. Hellekson reported that payroll tax receipts were slightly ahead of budget projections and a request for investigation of the quarterly disbursement of state-in-lieu was pending. She said that expenditures were under control and fuel prices were still dropping, presenting the opportunity for a positive variance by the end of the year.

ADJOURNMENT: Mr. Evans adjourned the meeting at 7:45 p.m.

LANE TRANSIT DISTRICT



Gary Gillespie
Board Secretary

ATTEST:


Jeanne Schapper
Clerk of the Board

Date Approved: February 20, 2013

Q:\Reference\Board Packet\2013\2\Reg Mtg 2-20-13\BDMIN 12-19-2012.doc