

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING/WORK SESSION

Wednesday, June 16, 2010

Pursuant to notice given to *The Register-Guard* for publication on June 10, 2010, 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/work session on Wednesday, June 16, 2010, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, President
Greg Evans, Vice President
Dean Kortge, Secretary
Ed Necker, Treasurer
Michael Dubick
Doris Towery
Gary Gillespie
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board
Wade Hicks, Minutes Recorder

CALL TO ORDER/ROLL CALL: Mr. Eyster convened the meeting and called roll at 5:31 p.m.

PRELIMINARY REMARKS BY BOARD PRESIDENT: Mr. Eyster noted that he had received a letter from the Government Finance Officers Association (GFOA) notifying LTD that its Comprehensive Annual Financial Report for FY 2009-10 had qualified for a Certificate of Achievement for Excellence in Financial Reporting. Mr. Eyster went on to say that the Certificate was the highest form of recognition in governmental accounting and financial reporting and that its attainment represented a significant accomplishment by a government agency and its management. Mr. Eyster further reported that an award of Financial Reporting Achievement also had been awarded to LTD's Chief Accountant/Internal Auditor Carol James by the GFAO.

Mr. Pangborn added that LTD and its Planning Department had received the University of Oregon's (UO) Bill Wilkinson Award for transportation planning. He added that the District had received the award for its efforts to provide various transportation planning internships to UO students.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: Mr. Eyster noted an addition to the meeting agenda: the Board would be reconvened into open session after its executive session meeting in order to discuss the general manager search process.

BOARD CALENDARS: Mr. Pangborn pointed out that on Wednesday, June 23, the Board would hold a special meeting to approve the elimination of several alignment options regarding the West Eugene EmX Extension (WEEE) project. Mr. Pangborn added that the WEEE Advisory Committee had met on June 15 and would present its recommendations at the June 23 meeting.

Mr. Pangborn reported that the WEEE Advisory Committee also planned to present its recommendations to the Eugene City Council.

Mr. Pangborn stated that services would be discontinued on certain holidays during FY 2010-11, and discontinuing service on July 4th had been considered. However, Director of Service Planning, Accessibility, and Marketing Andy Vobora had negotiated with representatives of an international basketball tournament being held in Springfield during the Fourth of July weekend to provide transit services on July 4, 2010. Transit services will not be provided on July 4, 2011.

Mr. Evans stated that the American Public Transit Association (APTA) Transit Board Members Seminar and Board Support Employee Development Workshop would take place at the Eugene Hilton on July 17-20. He noted that staff have been trying to organize a meeting of transit board members from throughout Oregon for July 16, the day preceding the APTA conference. LTD staff soon would be distributing invitations to the event.

Mr. Eyster noted that he had attended the APTA meeting in which Eugene had been selected as the site for the Transit Board Members Seminar and Board Support Employee Development Workshop, and he was pleased that Eugene had been selected over other cities. He thanked Mr. Evans for his efforts in bringing the Conference to the Eugene area.

Mr. Pangborn stated that LTD's annual employee picnic would be held on August 8 at Armitage Park and encouraged the Board members to come and bring their families to the event.

Mr. Eyster stated that July 15 was the deadline for Board member's to return their financial disclosure forms to Ms. Schapper.

BUS OPERATOR JOHN PERRY 40TH ANNIVERSARY: The Board recognized Bus Operator John Perry for his 40 years of service to the District. Mr. Eyster presented a commemorative award to Mr. Perry and thanked him for his contributions. Mr. Perry thanked the Board and staff for their comments.

EMPLOYEE OF THE MONTH: Bus Operator Tim Jacobson was introduced as the Employee of the Month for July 2010 by Director of Transit Operations Mark Johnson who said that Mr. Jacobson is very reliable and always there for the team. Mr. Eyster presented Mr. Jacobson with a check, a pin, and a letter recognizing the accomplishment. Mr. Jacobson thanked Mr. Eyster, the Board, and staff and expressed that it had been a privilege to serve the community as an employee of LTD.

AUDIENCE PARTICIPATION: No members of the community expressed an interest in offering public comment.

ITEMS FOR ACTION AT THIS MEETING

MOTION Consent Calendar: Mr. Kortge moved adoption of LTD Resolution 2010-019: It is hereby resolved that the Consent Calendar for June 16, 2010, is approved as presented. Mr. Dubick provided the second. The Consent Calendar consisted of the minutes of the October 23, 2009, Board Strategic Planning Work Session; the minutes of the February 17, 2010, Regular Board Meeting, the minutes of the March 8, 2010, Special Board Meeting/Public Hearing; the minutes of the March 17, 2010, Regular Board Meeting, and LTD Resolution No. 2010-020, Reaffirming LTD's District Boundaries.

VOTE The Consent Calendar was approved as follows:
 AYES: Gillespie, Eyster, Evans, Kortge, Necker, Towery, Dubick (7)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: None

Public Hearing and Approval of Fiscal Year 2009-10 Supplemental Budget: Financial Services Manager Todd Lipkin noted that the proposed resolution contained the approval of the supplemental budget for the current fiscal year. It also contained appropriation items for personnel services, a transfer to the Transportation Options fund, and a transfer to the Capital Projects fund as described in the agenda item summary materials.

Mr. Eyster opened the public hearing. There being no requests to speak, Mr. Eyster closed the public hearing.

MOTION Ms. Towery moved adoption of LTD Resolution 2010-021, which amends the LTD fiscal year 2009-2010 budget as represented in the resolution. Mr. Kortge provided the second.

VOTE The motion was approved as follows:
 AYES: Gillespie, Eyster, Towery, Dubick Necker, Evans, Kortge (7)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: None

Public Hearing and Approval of Fiscal Year 2010-11 Budget: Director of Finance and Information Technology Diane Hellekson noted the most recent changes to the FY 2010-11 budget. Ms. Hellekson stated that staff had not anticipated in its budget that it would be providing home football shuttles and that an additional \$415,000 appropriation from LTD's general fund would be necessary to cover the costs of that service. She reported that the appropriation was expected to be fully covered by anticipated revenues.

Ms. Hellekson noted that LTD's Mobility Management program had been inadvertently omitted from the previous budget and that a \$60,000 appropriation from LTD's Accessible Services Fund had been identified to correct the budget.

Ms. Hellekson said that the two budget corrections were relatively minor and did not require approval by the LTD Budget Committee.

Ms. Hellekson noted that the State had miscalculated its estimate for LTD's Accessible Services Fund allotment and that the District was currently anticipating \$90,000 less than had originally been estimated. Ms. Hellekson further noted that an additional transfer from LTD's operating fund, as part of a supplemental budget process, might be necessary before the end of the next fiscal year.

Mr. Eyster opened a public hearing regarding the LTD Fiscal Year 2010-11 Budget. There being no requests to speak, Mr. Eyster closed the public hearing.

Ms. Hellekson, responding to a question from Mr. Eyster, maintained that the increased appropriations of \$415,000 for the home football services would generally be more than covered by the revenue generated by those services.

MOTION Mr. Evans moved adoption of LTD Resolution 2010-022, adopting the LTD Fiscal Year 2010-2011 approved budget as amended and appropriating \$89,154,700 as represented in the resolution. Mr. Necker provided the second.

VOTE The motion was approved as follows:
 AYES: Gillespie, Eyster, Towery, Dubick Necker, Evans, Kortge (7)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: None

Mr. Kortge commented on the additional home football transit services referenced by Ms. Hellekson and asked if any feedback had been received by staff concerning LTD not providing service to University of Oregon track meets. Mr. Vobora said that the only feedback that he had received was that some of the transportation providers had failed to show up at the correct time and location.

Federal Fiscal Year 2011 Disadvantaged Business Enterprise (DBE) Goal: Purchasing Manager Jeanette Bailor reported that the District, as a recipient of federal funds, had been required to institute a Disadvantaged Business Enterprise (DBE) program for which the specific goals and strategies were required to be updated annually. Ms. Bailor briefly discussed how the DBE program had been instituted as well as the current goals of the program.

Ms. Bailor, responding to a question from Mr. Eyster, described in detail how the DBE program had been monitored and reported to the Federal Transit Administration.

Responding to a question from Mr. Necker, Ms. Bailor noted that the current DBE goal was lower for FY 2011 because the ratio of contractors in the community to the number of specific DBE contractors in the community had calculated out differently than in previous years.

Ms. Bailor noted that 2007 census information had been used to represent the most recent county business information data that was used to calculate the DBE goal.

MOTION Mr. Evans moved adoption of LTD Resolution 2010-023: Resolved, the LTD Board of Directors hereby adopts a new Disadvantaged Business Enterprise Goal of 3.49 percent, effective August 1, 2010. Mr. Dubick provided the second.

Mr. Gillespie asked if the goal could be raised if it appeared that the District might enter a period of increased construction and/or development. Ms. Bailor responded in the affirmative and briefly noted how such a raised goal would need to be calculated and presented to the Federal Transit Administration (FTA). She further noted that a disparity study for the District would need to be conducted in order to present such calculations to the FTA.

Mr. Evans agreed by stating that the Oregon Department of Transportation had encountered difficulties in adjusting its DBE goals because staff had neglected to file a disparity study.

Mr. Eyster called for a vote on Mr. Evans' previously stated motion.

VOTE The motion was approved as follows:
 AYES: Gillespie, Eyster, Towery, Dubick Necker, Evans, Kortge (7)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: None

LTD Salaried Employees' Retirement Plan Change: Director of Human Resources and Risk Management Mary Adams presented information regarding the proposed amendment to the Salaried Employee Retirement Plan. She noted that the amendment had been proposed in order to help reduce administrative personnel costs for the District. She further noted that the amendment called for mandatory unpaid furlough days for salaried employees.

Ms. Adams said that in order to avoid adverse impacts to the salaried employees' long-term retirement benefits, LTD's pension attorney Everett Moreland of Hershner Hunter LLP had drafted language to the amendment specific to FY 2010-11 that would provide a retirement plan credit for the furloughed employees.

Mr. Pangborn described how the plan amendment had been drafted with the intent of preserving the retirement plan benefits of furloughed employees.

Mr. Kortge stated his concern that the proposed retirement plan change might set a precedent for future adjustments to LTD salaried employees' retirement plans and stated his belief that the change might not ultimately benefit those employees.

Mr. Pangborn, responding to a question from Mr. Gillespie, explained that under the proposed amendment the furloughed employees' retirement plans would be credited as though their full salaries had been paid.

Mr. Pangborn confirmed that the Board would likely revisit the retirement plan issue next year in order to determine if the provisions of the resolution under current discussion might need to be extended.

Mr. Gillespie indicated that he would be willing to support the resolution as it was specifically stated to only affect the salaried employees' retirement plan benefits for one year.

Mr. Kortge indicated that the proposed resolution was unsettling to him, and he stated that he would not support any motion regarding it.

Mr. Pangborn stated that the provisions of the proposed resolution might not be sustainable as a long-term retirement plan strategy for LTD.

Ms. Towery expressed her concerns regarding the potential long-term ethical impacts of the proposed resolution.

Mr. Evans stated his concerns that the proposed resolution would create an expectation that the revised retirement plan would become an entitlement and that such expectations might significantly affect the integrity of the Board.

Mr. Necker agreed with Mr. Kortge's comments and stated his belief that the proposed resolution might set a dangerous precedent.

Mr. Gillespie viewed the proposed resolution as a short-term solution to current economic problems and said that he hoped that the Board would carefully re-evaluate the provisions of the motion and any circumstances surrounding the potential renewal of the motion within the next year.

Mr. Dubick noted his support for the proposed resolution but added that the calculations with respect to the salaried employees' might have been made sooner. He maintained that furlough days were

not a comprehensive solution to long-term budget problems and that the intended and unintended consequences of such a strategy were often difficult to ascertain.

MOTION Mr. Dubick moved adoption of LTD Resolution 2010-024: It is hereby resolved that the LTD Board of Directors hereby approves the Ninth Amendment to the Restatement of the Lane Transit District Salaried Employees' Retirement Plan dated June 19, 2002, as stated in the attached document and directs the General Manager to sign the Ninth Amendment on behalf of LTD. Mr. Gillespie provided the second.

VOTE The motion was approved as follows:
 AYES: Gillespie, Eyster, Towery, Dubick (4)
 NAYS: Necker, Evans, Kortge (3)
 ABSTENTIONS: None
 EXCUSED: None

Designation of LTD Labor Negotiations Team: Ms. Adams noted that it had historically been the Board's practice to appoint a labor negotiations team and noted the State's public meeting laws regarding the Board's executive session privilege with respect to labor negotiations.

Ms. Adams noted that she had been appointed by the Board as its ongoing labor negotiations appointee during the previous bargaining session in 2007. She added that the negotiations team that she had recommended was the same group that had been involved during the last two bargaining sessions.

MOTION Mr. Kortge moved adoption of LTD Resolution 2010-025: It is hereby resolved that the LTD Board of Directors approve the 2013-13 Labor Negotiations team of Mary Adams, Diane Hellekson, Mark Johnson, and George Trauger, with assistance from labor attorney Jacqueline Damm. Consistent with LTD Resolution No. 2007-001, Ms. Adams has the authority to adjust the composition of the Negotiations Team as bargaining progresses, provided that the Board approve all Negotiations Team members selected prior to the Negotiations Team conducting any deliberations in executive session. Ms. Towery provided the second.

VOTE The motion was approved as follows:
 AYES: Gillespie, Eyster, Evans, Kortge, Necker, Towery, Dubick (7)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: None

Election of Board Officers: Mr. Eyster said that the current Board officers had confirmed their wishes to remain in their positions for an additional two-year term beginning July 1, 2010, and ending June 30, 2012.

MOTION Ms. Towery moved to re-elect each of the current LTD Board officers to new two-year terms: Mike Eyster as President, Greg Evans as Vice President, Dean Kortge as Secretary, and Ed Necker as Treasurer. Mr. Kortge provided the second.

VOTE The motion was approved as follows:
 AYES: Gillespie, Eyster, Evans, Kortge, Necker, Towery, Dubick (7)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: None

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports: Mr. Eyster noted that at the West Eugene EmX Extension (WEEE) Corridor Committee on June 15, Director of Planning and Development Tom Schwetz had proposed to the committee that certain design element options of the proposed alignment alternatives be eliminated from further consideration. Mr. Necker added that the elimination of the more obvious options would help streamline the alignment selection process in order to streamline the development of the draft environmental impact statement.

Mr. Eyster commented that the Committee had expressed a desire to keep the West 7th Place alignment alternative under consideration. Mr. Eyster further noted that Committee Member Rob Zako had expressed that if the West 7th Place alternative were removed from consideration and West 11th Avenue were not selected as the alignment alternative, then only No-Build and Transportation System Management options would be available.

Mr. Kortge said that the WEEE Corridor Committee had voted to recommend to the Board that the Amazon alignment alternative be removed from consideration.

Mr. Kortge mentioned a June 16 *Register-Guard* article that had indicated that the selection of the West 11th Avenue alignment alternative was inevitable.

Mr. Pangborn noted that staff had discussed comments made by WEEE Committee members Rob Zako and Larry Reed, and he felt that they each had made the cogent argument for keeping the West 7th Place alignment alternative under consideration.

Mr. Kortge stated that there remained several public misconceptions regarding the necessity and the execution of the WEEE project.

Mr. Gillespie referenced recent WEEE Committee discussions and public comments provided therein and noted that many comments in that regard had been made out of a sense of fear regarding several divergent elements of the WEEE project.

Mr. Kortge noted comments made by Eugene City Councilor Chris Pryor at the WEEE Corridor Committee meeting and noted that Mr. Pryor clearly stated that the Eugene City Council had no interest in any design elements that would result in condemned properties.

Mr. Pangborn referenced the WEEE Corridor Committee discussions surrounding the Amazon alignment alternative and stated his belief that there was a fatal flaw with respect to that alignment involving an endangered species plan that the project might affect. Mr. Pangborn further noted that the decision to eliminate the Amazon alternative from consideration had become an emotional rather than a factual decision because of the many obstacles involved.

Mr. Schwetz commented on the WEEE Corridor Committee's discussions regarding the Amazon alignment alternative as well as the community's differences of opinion regarding that alternative in particular and the Amazon Creek area in general.

Mr. Evans referred to the WEEE Corridor Committee's discussions regarding the West 7th Place alignment alternative and recognized that there were low ridership projections for that area. Mr. Evans further noted that the execution of the WEEE project might significantly change the character of travel patterns in the West Eugene corridor in a manner that might significantly change ridership figures and future transit development.

Mr. Eyster suggested that, due to time constraints, the Board skip the remaining Board member reports.

East 11th Avenue EmX Outreach: Mr. Vobora reported on LTD's research into changing inbound EmX routing along East 11th Avenue by converting the northernmost lane along East 11th Avenue into a business access transit lane. He noted that Gateway EmX Communications Coordinator Lisa VanWinkle had done an excellent job of putting together a plan for the conversion and coordinating with Eugene City staff.

Mr. Vobora noted that the outreach plan regarding East 11th Avenue would be enacted by the end of June, and he briefed the Board members on the outreach strategy.

Board Meeting Procedure: Ms. Schapper noted the procedural items from the April 21, 2010, regular Board meeting, of which the Board had requested clarification. Ms. Schapper briefly noted the summaries of the Consent Calendar, Abstention, and Conflict of Interest procedures.

Ms. Schapper expressed that the State Attorney General's office encouraged Board members to refrain from abstaining during voting whenever possible. She then briefly described the circumstances under which Board members might choose to abstain.

The Board members and staff briefly discussed procedures for declaring conflicts of interest and the circumstances under which they would declare such a conflict during meetings.

Ms. Schapper stated that the Board members were generally encouraged to declare conflicts of interest in circumstances where the nature of any potential conflicts was in question.

Ms. Schapper, responding to a request for clarification from Mr. Kortge, stated that any Board member who had declared a conflict of interest also would be discouraged from participating in any Board discussions related to the matter at hand.

Ms. Hellekson reminded the Board members that most routine Board matters only required a majority vote of those present rather than a majority of the membership.

Monthly Financial Report – May 2010: Ms. Hellekson directed the Board to the copy of the May Financial Report and noted that no significant changes had occurred to the Report since she had spoken to the Board in May.

Ms. Hellekson reported that, with respect to payroll tax revenues, LTD was still running approximately 8 percent less than the previous year; however, it appeared as though the current recession had finally bottomed out.

Ms. Hellekson reported that fare revenues were fairly strong and that LTD's group pass sales program had been doing particularly well.

Ms. Hellekson noted that the District faced a \$2.2 million payroll tax receipt deficit by the end of June 2010.

MOTION **EXECUTIVE (NON-PUBLIC) SESSION:** Mr. Eyster moved that the LTD Board meet in Executive Session pursuant to ORS 192.660(2)(d), to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Mr. Gillespie provided the second.

VOTE

The motion was approved as follows:

AYES: Gillespie, Eyster, Evans, Kortge, Necker, Towery, Dubick (7)

NAYS: None

ABSTENTIONS: None

EXCUSED: None

The Board entered executive (non-public) session at 6:59 p.m.

RETURN TO REGULAR (OPEN) SESSION: The Board returned to regular session at 7:40 p.m.

GENERAL MANAGER (GM) SEARCH PROCESS: Mr. Eyster stated that he had two things to discuss in regards to the GM search process: 1) internal search versus national search, and 2) the formation of a General Manager Search Committee.

Internal vs. External Search: Mr. Eyster stated that there are quite a few viable internal applicants who may be considering applying for the position.

Ms. Towery expressed her support for a national search while encouraging internal applicants to apply and compete with the rest of the candidates.

Mr. Gillespie concurred with Ms. Towery. He stated his belief that, due to LTD's high standards, there would be many highly-qualified and highly-competitive candidates who would apply from around the country.

Mr. Necker agreed. He felt that it could be a positive experience for internal candidates in that they would be competing against highly-qualified candidates from all around the country.

Mr. Kortge stated his belief that, due to the concurrent timing of Mr. Pangborn's retirement and the West Eugene EmX Extension project decisions being made, the internal candidates would be better able to keep current with the community and continue building on community relations. He felt that there was no need to go national considering the excellent group of internal candidates. He also stated the need for a GM selection process timeline.

Mr. Evans said that the District owes it to the community to search for the best possible candidate, near and far. There may very well be a suitable local candidate, but he would like to make sure that the District doesn't miss an opportunity to reach out nationally.

Mr. Dubick said that the right candidate would have to be someone who has some experience in dealing with a community with similar demographics. Whether that person is local or national doesn't matter as much as finding the right person with the desired qualities.

Ms. Towery suggested that if the Board does decide to go national, hiring a firm to do the search would be wise because they have experience in bringing the best candidates forward based on the desired skills and values that the Board is looking for. She added that doing a national search would be the best decision because the public will see that the Board cast a very wide net to find the best possible candidate.

Mr. Evans reiterated his desire to do a national search for the next general manager.

Mr. Eyster concluded that the Board is committed to performing a national search for the next General Manager.

General Manager Search Committee: Mr. Eyster asked for opinions on forming a general manager search committee made up of Board members. The tasks of the Committee would be to compile the desired qualities and characteristics of the next GM, search for and nominate a search firm for the national search, finalize a job description, and more.

Mr. Kortge suggested that the hiring of the firm be done before such a committee is formed because the search firm would need to be very involved in all aspects of the tasks that were mentioned by Mr. Eyster.

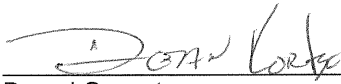
Mr. Kortge added that in addition to Board members compiling desired qualities and characteristics, it would be beneficial to have community leader's input. Mr. Pangborn added that the new general manager will be working closely with community partners, and receiving their input on what qualities are important to them would be very wise.

Mr. Eyster suggested that the District begin putting together an RFP for a national search firm since that firm should be involved in the process from the beginning.

Mr. Eyster concluded that the need for the General Manager Search Committee is not necessary at this time, but October/November would be a good time for the Committee to be formed and to begin meeting.

Mr. Gillespie suggested that a member from the ATU be involved in the process.

ADJOURNMENT: Mr. Eyster adjourned the meeting at 8:16 p.m.


Board Secretary

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