

MINUTES OF DIRECTORS MEETING
LANE TRANSIT DISTRICT
REGULAR BOARD MEETING/WORK SESSION

Wednesday, January 21, 2009

Pursuant to notice given to *The Register-Guard* for publication on January 15, 2009, 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, January 21, 2009, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, President
 Michael Dubick
 Greg Evans
 Gerry Gaydos
 Ed Necker
 Doris Towery
 Mark Pangborn, General Manager
 Jeanne Schapper, Clerk of the Board
 Lynn Taylor, Minutes Recorder

Absent: Dean Kortge

CALL TO ORDER/ROLL CALL – Mr. Eyster called the meeting to order and Mr. Pangborn called the roll. Mr. Eyster noted that Mr. Gaydos would arrive shortly.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Director of Service Planning, Accessibility, and Marketing Andy Vobora introduced Liesl McLean from Lamar Advertising. He said Lamar handled all of the advertising on LTD's buses and Ms. McLean was the local market manager.

Ms. McLean remarked that 2008 was a good advertising year (in part because of the Olympic Trials), and she was pleased to present LTD with an overage check of \$89,795.56.

Mr. Eyster thanked Greg Evans and Angie Sifuentez for their efforts on behalf of the Rosa Parks Plaza dedication ceremony on January 19. He noted that fundraising efforts had entirely covered the expenses.

Mr. Eyster said that LTD had received recognition for its involvement in the 2008 Olympic Trials from Mayor Kitty Piercy on behalf of the City of Eugene.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA – Mr. Pangborn asked Mr. Vobora to address the issue of Wi-Fi on LTD buses.

Mr. Vobora explained that a recent article in *The Register Guard* had erroneously stated that LTD was installing Wi-Fi on buses. He said a vendor had approached the District about the possibility and had provided a demonstration of the technology to staff. Because the capital improvements

program was exhausted and staff resources dedicated to other activities, there were no plans to install the technology on buses at the present time.

BOARD CALENDARS – Mr. Pangborn reviewed activities on the new Board calendars and noted that February was a busy month.

WORK SESSION

2009 Legislative Session Preview – Assistant General Manager Stefano Viggiano introduced Chris Shultz, who represents LTD's interests at the State Legislature. He highlighted some of the LTD 2009 legislative agenda items described in the agenda packet. He said that the District was requesting state money to match federal funds for the West Eugene EmX Extension. Ideally, when combined with federal funds, those funds would pay for the entire project without the need for local funds. He said additional state funding for elderly and disabled transit was also being requested. Funding from the state had been level at \$600,000 per year for some time; nevertheless, the cost of providing those services had risen to \$2.4 million. He said that funding for paratransit services had been moved from transportation to human services and that the District was advocating for paratransit being included as a transportation funding need.

Mr. Viggiano said that an increase in the payroll tax maximum rate was part of the governor's proposal for transportation funding. He added that the legislature only established the maximum payroll tax rate; it was up to the Board to decide how much would be charged locally.

In response to a question from Mr. Necker, Mr. Shultz indicated that he was tracking several proposed increases in the cigarette tax that would pay for various health programs. He said that there would need to be consensus on the level of cigarette tax increase that would avoid having tobacco companies refer the matter to the voters. He observed that lower consumption and restrictions on smoking in public places were also factors in the equation.

Mr. Viggiano agreed that the cigarette tax was not a good long-term solution to funding paratransit. He added that there also was legislation to allow a refund of \$89,000 in property taxes that had been paid as a result of a paperwork oversight. He said the Board's discussion of a potential property tax had resulted in legislation to provide a payroll tax credit to businesses if a property tax was enacted in the future. He indicated that there was some controversy surrounding the bill and that TriMet had expressed concern that it could create confusion. He pointed out that the passage of the bill would simply put the mechanism in place without obligating the District to take any action.

Mr. Dubick and Mr. Necker agreed that pursuing property tax credit legislation was a good idea. Ms. Towery asked if there had been any discussions with the County and cities about the legislation. Mr. Viggiano said that there had been discussions with jurisdictions and that there was some concern about the District enacting a property tax.

Mr. Pangborn stressed that there would be significant opposition to a property tax from the business community without the mechanism in place for tax credits. Mr. Shultz pointed out that state law already provided a payroll tax credit against income taxes but not property taxes.

Mr. Eyster asked if any of the revenue measures would impact service cuts. Mr. Viggiano answered that the earliest the District would realize any additional funding would be 2010 and that would not be in time to affect the Fall 2009 cuts.

Mr. Schulz commented that the legislative revenue picture was bad and continued to worsen. He said that there were many new legislators who had not experienced a declining economy, but because LTD was primarily asking for the authority to help itself, the District's proposal could receive support. He said that there was likely to be a stimulus bill to fund some state capital construction projects and that there had been some discussion of a second round of stimulus benefits for other governments. If that were the case, the District would need to have projects that were construction-ready in order to be competitive for those funds.

Gateway EmX Extension Update – Mr. Viggiano used a slide presentation to illustrate elements of the project. Regarding property acquisition, he said there were 44 different acquisitions and in no case was business, building, or parking being displaced. He reported that most offers had been made and 16 purchases completed. The goal was to have all parcels available by April 15, 2009, so that the contractor could move forward. He specified that the project budget was \$41.3 million, with \$38.4 million coming from State ConnectOregon and federal Small Starts funding. The project represented an opportunity for economic stimulus because construction was beginning at a time when an influx of money and jobs was needed in the community. He indicated that there were three separate contracts for the project: one for the Gateway station, one for International Way, and one for the Pioneer Parkway corridor and stations.

Joe McCormack stated that construction drawings had been submitted to the City of Springfield for the issuance of permits, although there were some outstanding items not yet included in the drawings, including the Springfield Station modifications, public art, Q Street intersection improvements, and the link between RiverBend and International Way.

Mr. Dubick asked if the City of Springfield still had concerns with the Pioneer Parkway/Harlow Road intersection. Mr. McCormack said that LTD had originally proposed a pedestrian-activated crosswalk at the Hayden Bridge station, but that the Springfield City Council did not want a signal at the roundabout. Mr. Viggiano added that the disabled community was raising safety issues concerning the roundabout.

Mr. Viggiano reviewed the project budget and said that the International Way component was the only uncertainty. It was a favorable bidding climate and he expected bids to be at or below estimates, resulting in an overall project budget that was in good shape and included over \$2 million for contingencies. He said the goal was to begin service in late 2010.

Mr. McCormack reported that the Gateway Station project was on schedule, even though construction was suspended over the holiday season at Gateway Mall's request. He expected the station would be ready for service in mid-May 2009.

EmX Fare Machine Presentation – Information Technology Manager Steve Parrott demonstrated a fare management machine manufactured by Parkeon that was being considered for EmX service. He said Seattle was using the machines as a payment system for parking and LTD was researching the possibility of leveraging a piggyback option in a City of Seattle contract to purchase the Parkeon system. He said that the machines fit the needs of LTD's EmX stations very well. He said that the machines were typically solar-powered, but AC power would be used at EmX stations because of the much higher volume of transactions expected. He said that customers would be able to use coins, bills, and credit or debit cards for transactions. There

would be two machines at each station and a single machine on each platform. The cost of acquiring and installing 38 machines will be approximately \$850,000.

In response to a question from Mr. Evans, Mr. Parrott said that the machines would issue customers a credit in lieu of change, and the credit could be taken to the Customer Service Center for reimbursement.

Mr. Parrott noted that the financial figures were still preliminary, but serving nine percent of ridership with the machines would realize about \$500,000 of income in the first year of operation on the Franklin Boulevard segment alone. He said that the system could pay for its operational costs, and the investment would require a 20 percent match of about \$170,000 which would be returned to the District in about 13 months.

Mr. Gaydos asked about screen glare and how drivers would deal with a passenger who, for some reason, was unable to obtain a fare instrument and tried to board the bus with money instead. Mr. Parrott responded that the intent was not to be heavy-handed about implementation. He pointed out that there would be ambassadors on platforms and in stations to inform customers that fares were now being charged on EmX and to explain how the machines worked. He added that screen glare was a problem that all manufacturers confronted.

Mr. Parrott said that he expected the machines to be installed in mid-May to June and operational by July, with the official opening in Fall 2009 on the Franklin Boulevard EmX corridor.

EMPLOYEES OF THE MONTHS – The Board recognized Bus Operator Art Kennedy as the January 2008 Employee of the Month and Transit Operations Supervisor Van Snyder as the February 2008 Employee of the Month.

Mr. Eyster thanked Mr. Kennedy and Mr. Snyder for their dedication to LTD's mission and presented certificates of appreciation, checks, and pins commemorating the awards. Mr. Kennedy characterized his 36 years with LTD as a blessing. Mr. Snyder expressed his enjoyment of working for LTD.

UNITED WAY LOANED EXECUTIVE AND TEAM RECOGNITION – Director of Human Resources and Risk Management Mary Adams said that LTD had been a long-time supporter of United Way, with active employee campaigns. She introduced Bus Operator Tom Benfatti who acted as the loaned executive in 2008.

Mr. Benfatti reported that in 2007 there were 117 LTD employees who pledged a total of \$32,908, which represented a 32 percent increase over the previous year; for 2009, even with the difficult economic times, there were 167 employees who pledged a total of \$43,458, representing a 43 percent increase over 2008 pledges. He commended District employees for their support.

Ms. Towery praised Mr. Benfatti's work as a loaned executive; he had represented LTD well in the community and she added that LTD's contributions would help ensure that thousands of people receive the services they need.

AUDIENCE PARTICIPATION – Mr. Eyster explained the guidelines for providing public comment.

Carol Seaton, 1150 West 15th Street, Eugene, expressed concern that the public was unable to effect change at LTD through the Board of Directors chair. She asked how long LTD had contracted with Wackenhut Corporation for security services, how many complaints had been received during that time, and how they were processed. She wanted Wackenhut abuses, such as obtaining information from police files, investigated. She said that no one should be denied bus service simply because they walked away from a bus stop. She had been told that the head of security should not be the same person that conducted hearings because that was prejudiced. She reported that her granddaughter had been denied bus service unless she admitted having done something wrong and promised not to do it again. The granddaughter's only action had been to change her mind about riding the bus and walk away from the station. Ms. Seaton also submitted her remarks in writing.

John Williamson, 188 Pioneer Parkway #4, Springfield, listed things that he felt were "contra-survival" to LTD. He recited definitions for the following words: survive, moral, and ethical. He said a survival action was a moral action and those things that were considered contra-survival were considered immoral. He complained that employees were not complying with LTD's regulations, operating manuals, driver handbooks, and job descriptions and that meant the District's survival was in question. He cited a number of poor driving techniques that were "contra-survival" actions and observed that LTD was in chaos from top to bottom.

Charles Ruff, Oregon Country Fair, expressed concern with the 40 percent increase in charter rates. He said that the Country Fair valued its 25-year partnership with LTD and that they understood that the District had changed its special service policy to a charter service policy. He appealed to the Board to make some accommodations to the Country Fair in light of the dramatic increase in rates. He said that the Fair had not had an opportunity to budget for that expense and that charging riders meant significant changes in operations and culture. He indicated that the Fair did not charge riders because organizers wanted to keep the event affordable for low-income patrons. He understood that there had been a change in federal regulations relating to charter services, but hoped that the Board would agree to work with the Country Fair to manage the cost transition so that the increase could be implemented incrementally. He distributed a letter of support for the Country Fair's request from Congressman Peter DeFazio.

Mr. Evans explained that the Board was sympathetic to the Fair's situation, but it had little discretion under the new regulations, which were intended to "level the playing field" for private operators and allow them more access to the market by preventing public agencies from cutting them out of the business. He said LTD's mounting operational costs were also a factor.

Mr. Pangborn said charter rate pricing options could be added to the agenda as an action item. He noted that an Agenda Item Summary (AIS) with options for consideration had been distributed. Regarding Mr. Williamson's remarks, he said that there was an agenda item related to a system audit that addressed some of the issues he had raised. He said that the District's exclusionary policies were being reviewed with legal counsel as a result of Ms. Seaton's concerns.

Mr. Evans asked if private operators had expressed an interest in providing services to the Country Fair. Mr. Pangborn said that Mr. Vobora had published information on the District's website about potential charter services in 2009, based on the interest that organizations had

expressed regarding LTD's services. He stated that there had been no response from private providers within the time provided and that LTD could move forward with those services.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar** – The Consent Calendar consisted of the minutes of the July 30, 2008, Special Board Meeting; October 13, 2008, Special Board Meeting; December 9, 2008, Canceled Board Meeting; and Budget Committee Nominations of Kay Metzger and Donald Nordin. Mr. Dubick moved adoption of LTD Resolution 2009-001: It is hereby resolved that the Consent Calendar for January 21, 2009, is approved as presented. Mr. Gaydos provided the second.

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

Independent Audit Report for Fiscal Year Ending June 30, 2008 – Director of Finance & Information Technology Diane Hellekson explained that LTD was required to obtain an annual independent audit due to both state and federal requirements. She explained that the auditor worked directly for the Board and then introduced Charles Swank of Grove, Mueller & Swank, P.C. to provide the annual report.

Mr. Swank commended LTD for its strong accounting function and financial management staff. He highlighted the report contents and reviewed the Letter of Governance which provided the Board with a description of the auditor's tasks and provided the results of the audit procedures. He reported that there were no significant accounting adjustments and that management had cooperated fully and provided all requested documentation. He said that there were no findings with reference to federal or internal control deficiencies; and recommendations from last year's audit report, which were not considered internal control deficiencies, had been addressed. He commended LTD's financial operations for a job well done.

MOTION Mr. Evans moved approval of LTD Resolution No. 2009-002: Be it resolved that the LTD Board of Directors received the Independent Audit for Fiscal Year 2007-08 in December 2008, and accepts the Independent Audit Report for the fiscal year ending June 30, 2008. Mr. Gaydos provided the second.

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

2009 Federal Funding Requests – Mr. Viggiano reported that LTD had participated with other local jurisdictions to develop a consolidated list of federal priorities to present to the congressional delegation. He said that this year was unique in that the list included not only the annual federal funding requests, but also requests for the reauthorization of the six-year federal surface transportation bill, which will expire on September 30, 2009. He briefly reviewed the projects that staff recommended for inclusion in the annual requests:

- Bus Replacement - \$11 million from FTA Section 5309 Bus and Bus Related funds
- Maintenance Facility Expansion - \$5.5 million from FTA Section 5309 Bus and Bus Related funds
- West Eugene EmX Extension Preliminary Engineering - \$2.5 million from FTA Section 5309 Bus and Bus related funds
- Gateway EmX Extension Construction Funding - \$4.295 million from FTA Small Starts Program

Mr. Viggiano said that the federal surface transportation bill requests were for larger projects and that funding could occur over the six-year life of the legislation. He reviewed the eight projects that staff recommended for inclusion in the funding request:

- Design and Construction of West Eugene EmX Extension - \$75 million from FTA Small Starts Program
- Renovation and Expansion of the Maintenance and Operations Facility - \$12 million from FTA Section 5309 Bus and Bus Related funds
- Environmental Analysis and Alternatives Analysis for EmX Corridor #4 - \$6.5 million from FTA Alternatives Analysis funds
- Franklin Boulevard Corridor - \$7.5 million from FTA Small Starts Program to fund LTD's portion
- Bus Replacement and Expansion - \$30 million from FTA Section 5309 Bus and Bus Related funds
- Vehicle Guidance Implementation - \$3 million from FTA Section 5309 Bus and Bus Related funds
- Park & Ride System Expansion - \$6 million from FTA Section 5309 Bus and Bus Related funds
- Elderly and Disabled Transportation Operational Funding - \$2.8 million in federal funds per year (source unspecified)

Mr. Eyster asked if there was a process in place for determining the amount of funding each jurisdiction involved in the Franklin Boulevard Corridor project would provide. Mr. Viggiano said that the corridor had been done piecemeal to this point and that there was discussion about submitting a single combined funding request. Staff were waiting for advice from congressional staff before proceeding, and it was yet to be determined which jurisdiction would take the lead in that initiative because the project spanned multiple jurisdictions.

Regarding funding for elderly and disabled transportation, Mr. Evans asked if the District had considered partnering with Lane County to join in the request for federal funds for human services. Mr. Viggiano said that it had been discussed with the congressional delegation and could be explored further.

MOTION Mr. Necker moved approval of LTD Resolution 2009-003: It is hereby resolved that the LTD Board of Directors approves the projects as recommended by staff for inclusion in the 2009 Federal Priorities book. Mr. Gaydos provided the second.

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

Charter Pricing Options – Mr. Vobora explained the Oregon Country Fair’s concerns about the recent change from a two-tier charter pricing structure to a single-tier fully allocated pricing structure. He referred to a chart in the meeting packet that provided the direct and fully allocated costs of service and two options for phasing in the fully allocated cost. He suggested that if the Board adopted a phased-in option, all of the events that were part of the Tier 2 pricing structure before the change should be included in the phased approach.

Mr. Evans said that private operators had convinced the previous federal administration that public agencies had a built-in advantage that was unfair and the rules should be changed.

Mr. Vobora said that there were few private carriers in the local area and that the largest had not indicated any interest in providing the charter services that LTD currently provided. He explained that the first option phased in the increase in an equalized way over the four-year period while the second option had a more dramatic increase in the first year, making subsequent increases less dramatic. He cautioned that the out years were only estimates of actual costs and the intent was to reach the fully allocated cost by 2012, whether that was \$147 or \$164. The phased increases represented percentages for reaching the fully allocated costs.

Mr. Evans asked if the Country Fair intended to eventually charge fares for people to ride the bus. Mr. Ruff said the Fair would work to get to the fully allocated rate, but would need time to do that. He indicated that the Fair had tried to keep the service free for social equity reasons and it would take some time to successfully make that transition.

Ms. Towery understood the social equity issue, but pointed out that the Board was faced with serious budget problems; and social equity for the District meant people getting to jobs so that they could support their families. That had to be weighed against making cultural events available to the community. She was concerned about providing basic services to people who needed them to get to and from daily life activities as opposed to services related to community events for which the District could realistically charge. She was willing to consider a phased in approach.

In response to comments from Mr. Evans, Mr. Ruff said the Country Fair Board was discussing options for charging riders, but needed time to transition to that practice. He said there was no objection to going to a fully allocated cost in a phased approach.

Mr. Dubick suggested that the cost of service could perhaps be absorbed into the price of admission to the Fair. He felt that Option 2 was a good compromise so that LTD could continue to provide the service without losing money. He said LTD could not justify subsidizing or giving away service, but the phased approach would allow the Fair to make whatever adjustments were necessary.

Mr. Gaydos, Mr. Necker, and Mr. Evans indicated they could support Option 2.

MOTION Mr. Evans moved approval of LTD Resolution No. 2009-004: Be it resolved that the Lane Transit District adopts phased Option 2 to apply to current local event charters. Mr. Dubick provided the second.

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

ITEMS FOR INFORMATION AT THIS MEETING

Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2007-2008 – Ms. Hellekson recognized the contributions of Accounting Manager Carol James and Financial Services Manager Todd Lipkin in preparation of the CAFR. She encouraged Board members to review the document and highlighted the section that provided a statistical picture of the community. She focused attention to items from the Executive Summary, including continued growth of payroll tax receipts, Accessible Services' operation of a brokerage, adequate control of expenses, farebox recovery, a record for system productivity, and an unprecedented growth in ridership and revenue from fares.

Board Member Reports - Mr. Eyster reported that at its last meeting, the Metropolitan Policy Committee (MPC) had discussed transit service reductions and possible ways to avoid them. Mr. Pangborn added that Eugene, Springfield, and Lane County were willing to consider the possibility of allocating some of the federal Surface Transportation Program-Urban (STP-U) funds to LTD for capital costs during the next fiscal year.

Board Committee Assignments – There were no questions.

System Audit – Director of Transit Operations Mark Johnson reviewed the results of a system audit conducted by First Transit in September 2008. He reported that First Transit, a national firm, evaluated things including driver safety, condition of buses, cleanliness, and fare collection. The results were included in the agenda packet. He indicated that fare collection was one of the areas identified as needing improvement. He noted that in areas of safety and driving skills, the District received very high scores.

Mr. Pangborn said that the audit would be used for educational purposes at this time, but that future audits also may focus on other critical areas.

West Eugene EmX Extension Project Update – Mr. Viggiano referred Board members to the report in the agenda packet. There were no questions.

Federal Economic Stimulus Recovery Package – Mr. Viggiano related that the House of Representatives had developed an \$825 billion economic stimulus recovery package, of which \$10.1 billion was for transit. He said that \$5.4 billion would be distributed by 5307 formula, and LTD was estimated to receive about \$6 million in additional 5307 funds if the package was approved by congress. He said it appeared that the same rules would apply to the additional 5307 funds, except that no local match was required, at least half of the funds had to be contractually obligated 120 days after it was approved, and all funds had to be spent within two years. Staff had identified two potential uses for the funds: fleet maintenance and the remodeling and slight expansion of the maintenance building. He illustrated with slides some of the potential modifications to the maintenance facility. He said that when the building was originally constructed 19 years ago, it was assumed that the District fleet would only consist of 40-foot buses. The purchase of articulated buses several years ago had necessitated some modifications to the building to accommodate the longer buses. The structure was reaching capacity and would not be able to handle the planned fleet of 45 articulated buses. He described a possible phased approach to remodeling the facility that could be started with stimulus funds.

Mr. Evans asked about the maximum age of a bus. Mr. Viggiano responded that LTD typically kept buses until they were 15-16 years old (past the buses normal life expectancy). He added that the District would not make a major investment, such as an engine replacement, in a bus that old.

Mr. Lipkin indicated that the funds could be used for any costs associated with fleet maintenance, including wages for fleet staff. He said that use of the funds for fleet maintenance could meet the requirements to obligate 50 percent of the funds quickly and support job creation and retention. Mr. Pangborn said that would free up General Fund money for allocation to service.

Meeting with TriMet – Mr. Evans reported on a meeting that he and Mr. Pangborn had with TriMet's general manager and a Board member. Items included:

- Alignment of legislative priorities at the state level
- Partnership on the 2010 American Public Transit Association conference in Eugene
- Strategies for working with the local business community on transit revenue needs and increasing the payroll tax rate
- Forging enhanced board-to-board communications
- Broadening relationships with labor organizations

Mr. Pangborn felt that the first meeting had been very productive, and he looked forward to building on it and meeting in the future.

Mr. Eyster thanked Mr. Evans for initiating the collaboration with TriMet.

MOTION EXECUTIVE SESSION – Mr. Gaydos 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. Ms. Towery provided the second.

VOTE The motion was approved as follows:

AYES: Dubick, Eyster, Evans, Gaydos, Necker, Towery (6)

NAYS: None

ABSTENTIONS: None

EXCUSED: Kortge (1)

The Board entered executive (non-public) session at 8:05 p.m.

RETURN TO REGULAR (OPEN) SESSION – The Board returned to regular session at 8:34 p.m.

ADJOURNMENT - The meeting adjourned at 8:34 p.m.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, February 18, 2009

Pursuant to notice given to *The Register-Guard* for publication on February 12, 2009, 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, 2009, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, President
Michael Dubick
Greg Evans
Gerry Gaydos
Dean Kortge
Ed Necker
Doris Towery
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board
Kim Young, Minutes Recorder

CALL TO ORDER/ROLL CALL – Mr. Eyster convened the meeting of the Lane Transit District (LTD) Board of Directors and called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Mr. Eyster spoke of the cultural competency training provided to Board members. He commended the trainers, staff, and the Diversity Council for making the training possible.

BOARD CALENDARS – Mr. Pangborn noted the special Board meeting scheduled for March 2. He announced that citizen members of the Budget Committee had been invited to the meeting. He stated that the purpose of the meeting was to provide direction to staff on budget development.

Mr. Pangborn reminded the Board that the March meeting would be one week later than the usual scheduled date because two Board members would be on the United Front trip in Washington, D.C.

Mr. Pangborn called the Board's attention to the upcoming Legislative Forum. Local Legislators will discuss transportation for seniors and disabled persons on Saturday, March 7. The Legislative Forum Day for Transit is planned for April 21. Mr. Necker added that there would also be a town hall meeting of legislators at Willamalane Park and Recreation District on March 21.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA – There were none.

WORK SESSION

West Eugene EmX Extension—Transit Development Planner Mary Archer provided an update to Board members. She reported on Director of Planning and Development Tom Schwetz's recent visit to Washington, D.C. to discuss the West Eugene EmX Extension project with the Federal Transit Administration (FTA). She said that the FTA was very supportive of the project and offered the agency's assistance in a variety of areas.

Ms. Archer distributed copies of a document titled *Draft Environmental Impact Statement (DEIS) Range of Alternative Draft Design* options. She reported on the recent public open house, saying that it was well attended and that there were many questions and comments received. There were more positive comments than were heard in past workshops. Ms. Archer reported that LTD was negotiating with the Church of the Nazarene on Ed Cone Road for a Park & Ride facility and that those plans were included in one of the draft options. The information would be shared with stakeholders via newsletter.

Ms. Archer reported on LTD's meeting with staff of the U.S. Army Corps of Engineers (USACE), one of the agencies that are required to sign the final EIS. LTD was negotiating with both the USACE and the FTA concerning the wording to broaden the range of alternatives in the Purpose and Need Statement.

Ms. Archer added that Mr. Schwetz provided an update on the project to the Metropolitan Policy Committee (MPC) at its last meeting.

Ms. Archer said that LTD was also working with the Oregon Department of Transportation (ODOT) and freight providers regarding the route design on West 6th and 7th Avenues to ensure that the final design would minimize the impact of freight movement. Responding to a question from Mr. Kortge, Ms. Archer clarified that LTD would have to receive an exemption from ODOT to be able to implement any route design that affected freight capacity. She thought that there were compromises that could be reached to satisfy all parties.

Ms. Archer also mentioned LTD's involvement in meetings of the West Eugene Collaborative.

Ms. Archer reported that LTD is also working with the City of Eugene's Parks and Open Space Division on the complications concerning the Amazon route and the potential need for property acquisition.

Ms. Archer anticipated that the draft EIS would be available in Fall 2009.

In response to a question from Greg Evans, Ms. Archer said that if LTD selected the Amazon route, those enhancements would be done collaboratively with the City of Eugene and private entities. She did not believe that the community would select the alignment if the benefits did not outweigh the disadvantages. The City of Eugene's Parks and Open Space Division's main objective is habitat restoration.

Mr. Evans asked if LTD would replicate light rail to enhance the overall ecological viability of the resource. Mr. Pangborn indicated that he intended to visit other jurisdictions to see what worked, what would be most effective in Eugene, and also what would be welcomed by the City.

LTD Proposal to Use Surface Transportation Urban (STP-U) Funds – Assistant General Manager Stefano Viggiano called attention to the funding proposal to allocate \$1 million in STP-U funds to transit over the next two fiscal years, noting that the proposal was developed in consult with the agency's metropolitan government partners. He indicated that Springfield, Eugene, and Lane County would consider the proposal to make transit a funding priority at upcoming meetings. The MPC was scheduled to take action on March 12. He emphasized the strong competition for the funds in question and acknowledged that Springfield had expressed some concern about the proposal. He said that the proposal represented about two-thirds of the money anticipated to be received in that time, and the expectation was that LTD would not apply for STP-U funds for some time after that.

Mr. Necker asked about past allocations to LTD. Mr. Viggiano related that LTD had received \$2 million in STP-U funds during the last seven years to spend on a variety of projects.

Mr. Eyster asked if there was a typical allocation amount. Mr. Viggiano said that the money could not be allocated geographically, and that its distribution must be based on an analysis of local priority needs. He was unsure of the exact amount each jurisdiction received in past years, but believed it was close to a 40/20/20/20 split between Eugene, Springfield, Lane County, and LTD, with Eugene getting the largest share due to its population. He added that historically, LTD's allocation was about 15 percent of the funding. Mr. Pangborn said that the allocation of funds through the MPC, and its voting structure, helped ensure that all of the agencies worked cooperatively and that the allocation was balanced.

Noting that LTD was still unsure of its shortfall, Mr. Dubick thought that LTD's partners should know that, even with the STP-U funding, the District may not be able to add back all of the things on the list of possible service reductions/impacts. Mr. Viggiano agreed. He said that the list was not part of the original proposal. LTD could say it would maintain a higher service level if it received the money. He added that Springfield had requested the list.

Responding to a request for clarification from Mr. Necker, Mr. Viggiano replied that the money would plug some of the budget gaps in the next two years; however, another funding source would have to be found for the out years.

Mr. Evans called for a broad community conversation about how transit was funded.

Update on American Recovery and Reinvestment Act – Mr. Viggiano noted that the stimulus act had been signed into law. He anticipated further discussion of the funds at the Board meeting on March 2 but said that LTD was being pressured to declare its intentions regarding the funding prior to that date. He referred the Board to the summary of the tentative recommendations being worked on by staff included in the meeting packet, and asked for confirmation that staff was on the right track.

Responding to a question from Mr. Necker, Mr. Viggiano confirmed that the stimulus package contained money for transit. Part of the stimulus funding was being distributed through the urban formula that is used by the federal government to distribute transit funds annually. He believed that LTD would receive about \$6 million as part of the urban formula, and it would come directly from the federal government.

Responding to a question from Mr. Kortge, Mr. Viggiano indicated that the money is governed by the same rules as 5307 funds in that it could be used for capital and fleet maintenance. Half of the funds must be obligated within 180 days and all of the funds must be spent within one year. There is no match requirement. He added that the FTA might have other criteria as the intent of the funding is to create jobs.

Mr. Kortge asked if staff had other ideas about how to spend the money. Mr. Viggiano said that staff discussed buying buses, but the time line was longer than one year and, in addition, the expenditure would not create local jobs, which was the intent of the stimulus package.

Responding to a question from Mr. Gaydos about the potential of spending the money on fare machines, Mr. Viggiano replied that he anticipated that a Small Starts grant would pay for the machines for the Gateway EmX corridor. He said that it was possible to use the money for fare machines that serve the Franklin corridor.

Mr. Viggiano reviewed the proposed projects listed in the meeting packet and answered Board questions clarifying these projects and timelines.

Mr. Gaydos said that he would like to see funding for something that would be visible to the public. He suggested that staff focus on the fare boxes or the real-time passenger information system. Mr. Viggiano said that the District pulled the real-time passenger information system from the Capital Improvement Program (CIP) because it was considered desirable but not essential. He stated that staff would research the option and present the information to the Board on March 2.

Mr. Evans asked that staff quantify the expenditures funded by stimulus dollars in terms of local jobs. Mr. Viggiano said that it could be done. He pointed out that for implementation of a real-time passenger information system, the major expenditure was equipment.

Responding to a question from Mr. Kortge concerning improvements to the administrative building, Mr. Viggiano said that staff considered that to be a lower priority than the maintenance building.

Mr. Kortge agreed that it was important to demonstrate job creation. He suggested that the argument could be made that funding LTD operations merely represented a budget shift and kept people at work. Ms. Towery concurred.

Mr. Dubick supported the staff proposal. He remarked that LTD should publicize the job creation provided by new construction projects. Board members briefly discussed how many jobs might potentially be created, and Mr. Viggiano said that he would attempt to come up with a number.

Mr. Viggiano noted that Senator Ron Wyden would be in Eugene on Thursday, February 19 to discuss the stimulus package with local agencies, and that Mr. Eyster would share the proposed projects with Senator Wyden.

Mr. Evans encouraged staff to share the proposal with the transit union as well. Staff indicated that had already been done.

Mr. Pangborn said that it was anticipated that money would come through other avenues, including those related to energy efficiency, and LTD would try to compete for those sources as well. Mr. Viggiano indicated that there was also some discretionary transit money that would be available.

Mr. Evans encouraged staff to look at funding possibilities for work force development. Mr. Kortge noted that LTD's pension plan was underfunded, and he wanted to be mindful of the agency's other budgetary constraints. He pointed out that LTD could create 52 jobs and still have a budget problem with the pension plans. He did not want to solve the pension plan problem using recovery money. Mr. Viggiano concurred that any solution needed to be part of a more comprehensive, long-term plan.

EMPLOYEE OF THE MONTH

The Board recognized Bus Operator Richard Tinkey as the March 2009 Employee of the Month. Director of Transit Operations Mark Johnson expressed appreciation for Mr. Tinkey's high-quality and consistent work. Mr. Eyster presented Mr. Tinkey with a letter of appreciation, a pin, a certificate of recognition, and a check. Mr. Tinkey thanked the Board for the recognition and said he was very proud to receive the award.

AUDIENCE PARTICIPATION

John Williamson, Springfield, asked LTD to train bus drivers to pick up and drop people off closer to the curb. He spoke highly of one driver who provided a smooth ride, stopped at appropriate places, stopped for pedestrians, and lowered the bus stairs to allow riders to disembark. He then spoke of a recent experience on Route #12 where a large gap between the door and the curb had negatively affected a passenger in a wheelchair.

ITEMS FOR ACTION AT THIS MEETING

MOTION Consent Calendar – Mr. Gaydos moved adoption of LTD Resolution 2009-005: It is hereby resolved that the Consent Calendar for February 18, 2009, is approved as presented. Mr. Kortge provided the second. The Consent Calendar consisted of the minutes of the October 15, 2008, Regular Board Meeting; November 10, 2008, Special Board Meeting; and the November 19, 2008, Regular Board Meeting.

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

Approval, Public Hearing, and Authorization for Public Transit Discretionary Grant 2009-2011 – Accessible Services Manager Terry Parker introduced L. M. Reese, chair of the Grant Review Committee. Ms. Parker referred the Board to the list of projects to be funded through the State Discretionary Grant Program and reviewed the Committee's recommendations.

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

Mr. Kortge commended Ms. Parker for the presentation she had made to LTD's Finance Committee at its last meeting.

MOTION Mr. Kortge moved adoption of LTD Resolution 2009-006: It is hereby resolved that the LTD Board of Directors approves the LTD Public Transit Discretionary Consolidated Grant Application for the Fiscal Year 2009 through Fiscal Year 2011 and authorizes the General Manager to submit applications to the Oregon Department of Transportation Public Transit Division. Mr. Dubick provided the second.

VOTE Resolution 2009-006 was approved as follows:
AYES: Dubick, Eyster, Evans, Gaydos, Kortge, Necker, Towery (7)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

Mr. Dubick suggested that the Board should be prepared at a future meeting to discuss when abstentions from votes were in order.

Call to Order as LTD Contract Review Board – Mr. Eyster called the Board to order as the LTD Contract Review Board.

1. Construction Management/General Contractor Process – Fleet Maintenance Building Expansion/Remodel

Purchasing Manager Jeanette Bailor reviewed the action requested of the Board, which was to approve the use of a competitive request for proposals process for a construction manager/general contractor for the fleet maintenance building expansion/remodel project.

Responding to a question from Mr. Eyster as to whether there was a Disadvantaged Business Enterprise (DBE) specification, Ms. Bailor said that there was a race-neutral goal, which was set at zero due to the community's demographics. Staff were working with the

contractor for the Gateway EmX project on a plan to identify the contracts that could be contracted out to DBEs and small businesses. A pre-bid conference was included.

Mr. Dubick asked how the District could ensure that the jobs created from the construction project remained local. Ms. Bailor said that the federal government regulations stipulated against the practice. However, the District usually received local bids, and in the last process, all 15 bids were from Oregon firms.

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

Mr. Evans asked if it would be appropriate for the Board to adopt a resolution affirming its commitment to contracting with local firms and spending LTD's dollars locally. Mr. Pangborn suggested that a discussion with the contractor would set the stage for an approach that was within the constraints of the law. He did not recall that LTD had ever used a general contractor not from the local area.

MOTION Mr. Dubick moved adoption of LTD Resolution 2009-007: It is hereby resolved that the LTD Board of Directors, acting as the LTD Contract Board, approves the use of a competitive request for proposals process for a construction manager/general contractor that was for the Fleet Maintenance Building Expansion/Remodel project. We further move to delegate authority to the General Manager to sign a contract with the selected construction manager/general contractor after the selection process has been concluded. Mr. Evans provided the second.

VOTE Resolution 2009-007 was approved as follows:
AYES: Dubick, Eyster, Evans, Gaydos, Kortge, Necker, Towery (7)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

Mr. Eyster adjourned the meeting of the LTD Contract Review Board and reconvened the LTD Board of Directors regular meeting.

Contested Case Procedure – Director of Transit Operations Mark Johnson introduced the topic, stating that Board action would codify the contested case hearing process. He reviewed the steps in the process.

Responding to a question from Mr. Eyster, Mr. Johnson estimated that LTD received 60 administrative reviews and two appeals each year.

Mr. Dubick complimented the contested case hearing process that was outlined in the Board materials.

Mr. Gaydos referred to Section I(2), which stated that a telephone hearing was possible, while Section I(5)(a) and II(5)(a) seemed to suggest an individual had to appear in person. He thought Section I(5)(a) should acknowledge the potential of a telephone hearing. Mr. Gaydos observed that the issue of an individual's representation was a "facts of law" issue.

The policy referred to a parent or legal guardian, and he suggested that those unable to represent themselves would have to apply for a legal guardian, which was an expensive process and would cause an undue hardship to the individual. He suggested that the text was more restrictive than necessary and staff might want to modify it. Mr. Pangborn suggested that the text be changed to read "a representative designated by the person, or similar wording."

Mr. Johnson indicated that staff would revise the text and bring it back to the Board at its next regular meeting.

Responding to a question from Mr. Evans, Mr. Johnson confirmed that the document had been reviewed by an attorney to evaluate its compliance in terms of existing civil rights legislation.

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports – Mr. Eyster reviewed with the Board the summary of past Board committee meetings.

2009 Pricing Plan Recommendations – Director of Service Planning, Accessibility, and Marketing Andy Vobora distributed copies of a communication piece developed for the State legislature and copies of the January 2009 Performance Report.

Mr. Vobora called attention to the peer group fare comparison included in the Board meeting materials. Mr. Vobora reviewed the performance report.

Legislative Update – Mr. Viggiano noted high-priority legislative issues for LTD, including legislature regarding repayment of property taxes for agencies that failed to file a needed exemption form. The bill had a hearing that day before the House Revenue Committee, and he and a representative from Willamalane Park and Recreation District offered testimony. A representative from the Oregon Transit Association testified in support of the bill, and the Association of Oregon Counties representative indicated that there were several other potentially affected agencies. The Lane Board of County Commissioners discussed the bill that day but took no formal action. Responding to a question from Mr. Eyster, Mr. Viggiano said that \$89,000 was at issue for LTD.

Monthly Financial Report – Director of Finance and Information Technology Diane Hellekson noted the distribution of the January finance report to Board members. She said that as of today, LTD had received 101.5 percent of the previous year's payroll taxes for the same period.

Ms. Hellekson emphasized the complexity of the funding picture and the many budget issues facing LTD. She said that staff would attempt to present all of the pieces to the Board on March 2 with the goal of creating a long-term plan.

Ms. Hellekson added that ridership remained strong but had leveled off somewhat. She relayed that gas prices were going up with rumors of \$3 per gallon by Memorial Day, but that

amount would still be below budget. She said that staff proposed to buy and store fuel to lock in prices during the next few months.

Responding to a question from Mr. Kortge, Ms. Hellekson replied that she did not know if Country Coach had paid its payroll taxes. She recalled the District's establishment of a program to track payroll tax compliance issues and said that the program was up and running. She anticipated it would be very productive and perhaps pay for itself. She suggested that staff could provide a report on that effort at a future meeting.

Mr. Evans asked if the Board would be presented with a forecast of what would happen if the local economy experienced a drastic downturn. Ms. Hellekson said that staff could model such a scenario, but she was more optimistic than she had been in the immediate past because of positive growth in the payroll tax. She anticipated several major construction projects would occur in the near future that would contribute to LTD's bottom line.

Monthly Department Reports – Mr. Eyster solicited questions. There were none.

Mr. Pangborn reported that the Board of County Commissioners had approved an emergency ordinance earlier that day to allow the use of the armory as an emergency shelter for homeless individuals when the temperatures drop below freezing. LTD will be involved in the program providing transportation to the armory for homeless people.

Mr. Pangborn added that LTD was getting close to an arrangement with Tyree Oil about buying fuel at current prices and storing it at a Tyree storage facility. He anticipated future Board discussion concerning the proposal.

Monthly Performance Reports – There were no questions.

ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING

- A. Budget Discussion (March)
- B. RideSource Call Center Brokerage (March)
- C. First Reading Amended Fare Ordinance (March)
- D. Revised Capital Improvements Program Adoption (March)
- E. Revised Long-Range Financial Plan Adoption (March)
- F. Commuter Solutions Annual Report (March)
- G. Pension Plan Update (March)
- H. LTD Rebranding (March)
- I. Legislative Bill Updates (Future Meetings)
- J. Annual Performance Report (Summer 2009)
- K. West Eugene EmX Extension Update (Future Meetings)
- L. Gateway Station Construction Updates (Future Meetings)
- M. LTD Sustainability Plan (Future Meeting)
- N. Park and Ride Program (Future Meeting)

ADJOURNMENT – There being no further business, Mr. Eyster adjourned the meeting at 7:28 p.m.

Board Secretary

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MINUTES OF DIRECTORS MEETING
LANE TRANSIT DISTRICT
SPECIAL BOARD MEETING/LUNCHEON

Monday, February 23, 2009

Pursuant to notice given to *The Register-Guard* for publication on February 19, 2009, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a Board luncheon on Monday, February 23, 2009, beginning at 12:00 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, President
Michael Dubick
Greg Evans
Gerry Gaydos
Dean Kortge
Ed Necker
Doris Towery
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board
Renee Jones, Recording Secretary

CALL TO ORDER/ROLL CALL – Board President Mike Eyster called the meeting to order and called the roll. Mr. Eyster noted that Ms. Towery would arrive shortly.

DIVERSITY TRAINING PROGRAM – Senior Human Resources Analyst David Collier described the Diversity Council in detail. He explained why the Council was developed, how and why it operates, and he highlighted the LTD Board's interest in making the Diversity Council a priority. Mr. Collier then outlined the presentation for the day and introduced the other members of the Council who were present: Stefano Viggiano, Hannah Bradford, Fred Pearson, and Doris Dioszeghy-Darcy.

Graphic Artist Hannah Bradford and Bus Operator Fred Pearson introduced the "Ouch!" video. Mr. Pearson related how the video was evaluated by employees at fall training. He said that for the most part, the feedback was positive and employees felt that it helped them to be more conscientious about what they say on a daily basis. Mr. Pearson related that the Fall Training of 2008 was referred to by some attendees as, "One of the best Fall Trainings ever."

Responding to a question from Gerry Gaydos, Assistant General Manager Stefano Viggiano explained how the District addressed institutional bias by sending out an internal survey in 2008. The survey was mailed to all employees with a request to send it back to Lockwood Research so that all responses would be kept confidential. The Diversity Council is hoping to do a follow-up survey in FY 2009-10.

Mark Pangborn described the fall trainings in detail to the Board. He then announced that the fall training had been cut for FY 2009-10 due to budget constraints. Mr. Pangborn is confident that the training can be brought back in Fall 2010.

Mr. Pangborn introduced Jason Nowlin of Funk/Levis & Associates who performed intercept interviews for the District. Mr. Nowlin presented the results in detail and provided a handout for the Board's review. He relayed that he interviewed 100 people from several different demographic groups, from many different local zip codes, and with a varying degree of ridership frequency. Mr. Nowlin indicated that overall the feedback was very positive. The two age groups that were most positive were teenagers and riders above age 80. Some interesting words that people used to describe the District were, "caring," "reliable," and "committed."

Mr. Eyster commended the Diversity Council for its work. Mr. Gaydos praised LTD's leadership staff for all that they do to keep the District looking so good in the community.

Ms. Towery arrived at 1:06 p.m.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM – Mr. Pangborn introduced Purchasing Manager Jeanette Bailor and Facilities Services Manager Charlie Simmons and gave some background on the history of DBEs.

Responding to a question by Mr. Pangborn, Ms. Bailor explained that if there are no federal dollars used in a construction project, the District uses the lowest bidder process for determining who is awarded a contract. However, if there is any federal funding included, the District is required to use the DBE program and policy.

Ms. Bailor then referred to a document in the packet and explained the LTD Disadvantaged Business Enterprise Policy and Program and how LTD strives to reach the overall DBE goal, which is 3.63 percent of Federal Transit Administration (FTA) funded contracting activities, exclusive of FTA funds to be used for the purchase of transit vehicles. She then described the certification process and stated that in the State of Oregon, there are a total of 470 certified DBE firms, while in Lane County there are only 27. The process of becoming and remaining certified is quite complex, which could be why more firms aren't DBE certified.

Mr. Evans commented that he would like to see LTD continue to encourage contractors to become and stay certified as a DBE. Mr. Simmons then referred to the DBE plan from Wildish that was part of the pre-construction services that Wildish was required to submit to the District as part of its contract.

ITEMS FOR INFORMATION – On March 2 the special Board meeting/work session was originally scheduled for 5:30 p.m. Mr. Pangborn asked the Board members if they would like to start earlier and were able to do so. The Board agreed that starting at 4:30 p.m. would work well.

The March regular Board meeting that was originally scheduled for March 18 had recently been changed to March 25; Mr. Eyster asked the Board members if they were all right with moving that Board meeting to Tuesday, March 31. The Board agreed that would work for them.

ADJOURNMENT – Mr. Eyster adjourned the meeting at 1:35 p.m.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL BOARD MEETING

Monday, March 2, 2009

Pursuant to notice given to *The Register-Guard* for publication on February 26, 2009, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a special Board meeting on Monday, March 2, 2009, beginning at 4:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, President
Michael Dubick
Greg Evans
Gerry Gaydos
Dean Kortge
Ed Necker
Doris Towery
Jon Hinds, Budget Committee Member
Warren Wong, Budget Committee Member
Peter Davidson, Budget Committee Member
Dwight Collins, Budget Committee Member
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board
Lynn Taylor, Minutes Recorder

CALL TO ORDER/ROLL CALL – Mr. Eyster convened the meeting and called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT – None.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA – Mr. Pangborn announced that construction on International Way for the Gateway EmX Extension was proceeding. He said that in order to meet timelines, the District had been negotiating with property owners for small parcels required for the Extension, but in some instances a price had not yet been agreed upon. The District would commence “quick take” procedures in the event that construction had to occur and the land was needed, although negotiations would continue with owners up to and through the process.

Mr. Necker asked if there was significant disparity in the figures. Assistant General Manager Stefano Viggiano replied that it varied, but that in some instances acquiring the property was a lengthy process when the owner was a national corporation. He said that the District had taken similar action with the Franklin corridor and other projects, and in almost all cases, the District had been able to negotiate a purchase.

Mr. Pangborn added that the Oregon Department of Revenue had approached the District about a tax amnesty program and asked Director of Finance and Information Technology Diane Hellekson to explain.

Ms. Hellekson responded that the Oregon Department of Revenue periodically offered an amnesty program for people who were delinquent on their personal income taxes and also offered similar amnesty programs regarding the self-employment tax. She said that LTD had successfully participated in amnesty programs in the past. She added that waiving penalties and interest resulted in the collection of taxes that were due to the District and improved its bottom line.

FISCAL YEAR 2009-2010 BUDGET PLANNING

Mr. Pangborn provided an overview of the planning process and the information to be covered. He said that it will be a unique year because of the number of financial uncertainties facing the District and the many variables to be considered. He reiterated that the 14.5 percent service cuts originally planned could be reduced to 3 percent as a result of the District's receipt of federal economic stimulus dollars if the Board approved. The rationale for that percentage would be explained during the meeting, as would cost saving measures such as salary freezes for administrative staff. He indicated that the purpose of the meeting was to provide direction to staff on assumptions to be used in the development of the FY 2009-10 budget and the Long-Range Financial Plan (LRFP), as well as to provide direction on service changes to be implemented in FY 2009-10.

Budgeting Assumptions – Ms. Hellekson discussed local economic conditions. She said that the unemployment rate has been climbing steadily and steeply, but, based on building permits issued, there is \$128 million in planned projects that will occur locally and potentially generate a considerable amount of payroll tax revenue. Construction projects over the next several years could be significant in preserving the District's resources during a period of job losses. She reviewed a history of payroll tax receipts and noted the decline in recent years.

Mr. Collins asked if it was possible to look back over the past several years and determine what percentage of payroll tax revenue was derived from construction projects. He observed that the revenue from those projects could remain flat as current projects were completed and new ones took their places. Chief Accountant/Internal Auditor Carol James said that there was no way to identify payroll tax revenue from particular construction projects.

Ms. Hellekson reviewed the three assumption options for payroll tax growth in the LRFP. For budget planning purposes, staff had used the middle option:

- High Option – Annual growth between FY 2009-10 and FY 2016-17: 1%, 2%, 3%, 4%, 5%, 6%, 6%, 6%
- Middle Option – Annual growth between FY 2009-10 and FY 2016-17: 0%, 0%, 3%, 4%, 5%, 6%, 6%, 6%
- Low Option – Annual growth between FY 2009-10 and FY 2016-17: -2%, 0%, 3%, 4%, 5%, 6%, 6%, 6%

Mr. Kortge asked if it was possible to get a sense of the total revenue generated from construction during the past five years. Ms. Hellekson said that the only approach might be to determine how much of a project's total cost was payroll and apply the payroll tax formula to that amount. She expressed that it was very difficult to track the hundreds of subcontractors who worked on projects to a particular project. Ms. James added that using

building permits for this purpose was difficult as online access to Springfield projects was available only for the last year and to Eugene projects for the last four years.

Mr. Dubick asked if the middle option included an assumption of no increase in the payroll tax rate. Ms. Hellekson said that the only rate increase assumed in the projections was the current rate steps that increase to .7 percent on January 1, 2014.

Mr. Evans asked if the District was better able to capture the payroll tax revenue from subcontractors because the subcontractors were aware of the need to pay the tax. Ms. Hellekson stated that the assumption was that many contractors were not aware of the tax. The District would need to do everything possible to identify those that were not paying and notify the Department of Revenue's compliance staff.

Mr. Viggiano commented that there were bills in the legislature that could increase the payroll tax revenue in the future, including an acceleration to .7 percent in January 2010 and a payroll tax rate increase over a ten-year period based on the local economy. He added that staff recommended including neither option in the LRFP assumptions. He advised the Board that the District would receive stimulus funds from the American Recovery and Reinvestment Act in the amount of \$6.47 million. Half of that amount could be used for fleet maintenance to offset operating costs, which would benefit the general fund budget; and the other half would be used to remodel the fleet maintenance building. He said that the funds had to be obligated within one year and that this one-time revenue was reflected in the LRFP. He said that Section 5307 funds were intended for capital, but could be used for vehicle and facilities maintenance and up to 10 percent could be used for paratransit. Staff were recommending using \$1.2 million in 5307 funds for fleet maintenance in the current year and \$1 million per year through the balance of the LRFP.

Mr. Necker asked if the funds could be used as a local match for replacement of paratransit vehicles. Mr. Viggiano replied that 5307 funds were federal funds and could not be used to match other federal funds.

In response to a question from Mr. Evans, Mr. Viggiano said that spending 5307 funds on fuel as part of the maintenance budget was an allowable expense.

Mr. Dubick inquired about the basis for assuming that 5307 funds would increase annually. Financial Services Manager Todd Lipkin responded that the assumption was based on historical funding levels and growth in passenger miles.

Mr. Viggiano said that the region received an annual allocation of federal Surface Transportation Program – Urban (STP-U) funds of approximately \$2.5 to \$3 million; the funds were flexible and could be used for transit. The Metropolitan Policy Committee (MPC) had asked LTD to develop a proposal to allocate some STP-U funds to transit to offset the potential service reductions. Mr. Viggiano stated that the District's proposal included \$1.5 million in STP-U funds over the next four years that would be applied to fleet maintenance. He said that the proposal would be considered by the MPC as part of the package of STP-U allocations over the next three years. The LRFP assumed \$500,000 in STP-U funds in years two, three, and four.

Mr. Evans asked if the Oregon Metropolitan Planning Organization Consortium (OMPOC) could be a vehicle for advocating for other MPOs in the State to develop a transportation agenda that would include transit. Director of Planning and Development Tom Schwetz responded that each MPO, because STP-U funds were discretionary, had typically allocated some amount to transit. Mr. Schwetz added that OMPOC tended to focus on legislative issues rather than the development of a uniform approach among MPOs for use of funds. Mr. Viggiano added that there was potential for long-term transit funding from STP-U funds, but that was contingent on finding a replacement for road funding.

Mr. Viggiano reviewed options for paratransit funding. He said that there were three proposals in the state legislature for increasing the tobacco tax, which could increase revenue by \$350,000 to \$1.1 million annually. None of the legislative proposals were assumed in the LRFP. He remarked that another option would be to use \$700,000 from a \$1 million discretionary grant from the Federal Transit Administration (FTA) to purchase RideSource vehicles – in lieu of using state funds received for that purpose, and \$350,000 in state funds would be used for RideSource operations over the next two years. The final option would be to use eligible RideSource program expenditures for the Business Energy Tax Credit (BETC). This could generate approximately \$650,000 per year in a pass-through tax credit. Staff recommend assuming the use of state funds for RideSource and \$650,000 in BETC tax credits in the LRFP.

Mr. Viggiano explained that LTD would need a corporate partner willing to purchase the BETC credits and added that the credits could also be sold to several different partners.

Mr. Viggiano drew the Board's attention to the information on transit revenue options contained in the agenda packet and said that those had been discussed at previous Board meetings. The options that the Board had decided not to pursue could always be revisited at a later date, and none had been assumed in the LRFP.

Ms. Hellekson stated that the funded ratios of the pension plans had gradually eroded and that the local 757 plan was at 55.7 percent at the beginning of January 2008. She said that equated to \$11.6 million that would be required to fully fund the plan. She related that the administrative pension plan was in slightly better shape, with 75 percent funded in June 2007; although that was estimated to drop to 61 percent in the next valuation unless contributions were bolstered. She said that staff recommended increasing the contributions to the retirement plans by \$700,000 starting in FY 2009-10 and were considering structural changes to the plan.

Ms. Hellekson commented that fuel prices continued to be volatile and difficult to predict. She said that in an effort to take advantage of the current low price, staff were considering a bulk fuel purchase of approximately 400,000 gallons that could be stored in Coos Bay. She said that the current price was \$1.20 per gallon, but staff recommend that the FY 2009-10 budget assume \$2.00 per gallon, with a 3 percent cost increase per year.

In response to a question from Mr. Evans, Director of Service Planning, Accessibility and Marketing Andy Vobora said that there was a relationship between fuel prices and ridership increases, but there were other factors as well, that made it difficult to determine the specific

impact of fuel prices. He said that the District had little capacity to absorb more demand for services.

In response to a question from Mr. Collins, Ms. Hellekson said that the District purchased approximately one million gallons of fuel annually and a \$.10 increase in the price of fuel would equal \$100,000.

Ms. Hellekson stated that an evaluation of Materials and Services expenditures by the Leadership Council had resulted in a savings of \$300,000 in current costs. Staff recommend assuming those savings would continue throughout the LRFP. She added that administrative staff savings were realized by not filling a budgeted position and charging the maximum amount of time to capital grants by employees who work on capital projects. She said staff recommended a wage freeze for administrative staff in FY 2009-10.

Mr. Wong asked if furloughs had been considered as an option for reducing personnel costs. Ms. Hellekson replied that furloughs had been discussed when the District was facing 14.5 percent in service reductions. She said that this option was on a list of potential solutions if budget problems worsened. It is not being recommended at this time because furloughs affect not only employees, but the people that the District serve.

Mr. Evans asked if a ten-hour/four-day work week (with a closure on the fifth day) or adding more holidays had been considered. Ms. Hellekson responded that LTD was a seven-day per week operation. Those suggestions were on a list of options to discuss if necessary. Mr. Pangborn added that the stimulus funds would allow the District to meet the community's request to maintain service and jobs, and that decisions of that nature were being postponed until better information about state and federal funding situations was available.

Mr. Collins asked if the District was able to implement any energy savings incentives. Facility Services Manager Charlie Simmons said that incentives do exist for public buildings and were being pursued during facility design and operations. He added that the maintenance facility remodel would include an energy audit and incorporation of energy-saving strategies.

Service Level for FY 2009-10 and Beyond – Mr. Vobora reviewed the service reductions proposed for FY 2009-10. He said that the initial reductions were in response to an anticipated \$3 to \$4 million budget shortfall. Since that time, news that the District would receive federal stimulus dollars prompted a reevaluation of those cuts and development of a revised list of recommended reductions totaling 3.04 percent. He reiterated that the goal in system design was to maintain system coverage, frequency, and capacity of service. Service components to be restored included the 3X and 8X routes as well as miscellaneous 4J School District trips. Staff recommend that the annual service reduction package be reduced to 3.04 percent for Fall 2009.

Mr. Pangborn said that at a recent meeting with the Eugene City Council to discuss the STP-U funds, councilors emphasized the need to maintain service. The council was informed that allocation of STP-U funds would help to avoid or minimize service cuts and meet expectations for maintaining service.

Mr. Vobora noted that the Gateway EmX startup in 18 months was calculated into the LRFP.

In response to a question from Mr. Hinds, Mr. Vobora said that if the Board approved the revised list of service reductions, service on routes #18 and #13 would be restored.

Budget Assumptions – Summary of Staff Recommendation – Ms. Hellekson reviewed a spreadsheet summarizing the three payroll tax scenarios and the budget assumptions recommended by staff. She noted that considering more modest service cuts in Fall 2009 could mean the Board would again be faced with significant service cuts in the future. However, she also noted that the recommended plan bought the District more time.

Mr. Collins asked what revenue would replace the one-time stimulus funds. Ms. Hellekson responded that STP-U funds and reprogramming of 5307 funds to support operations in the out years would address that for a few years. She said that the point of a LRFP was to assure that LTD never operated at a deficit.

Mr. Pangborn remarked that an increase in cigarette tax revenue, if approved by the legislature, would also increase revenue.

Ms. Hellekson asked for responses from Board and Committee members to the staff recommendations. She reiterated that there needed to be agreement on assumptions in order for staff to develop a proposed budget.

Mr. Wong stated that the federal stimulus funds would buy one year, but he was inclined to use the worst case cigarette tax scenario in the plan. He was not comfortable with the data currently available or optimistic that the situation would improve over the next 12 to 18 months. He said that it might be helpful to research the types of construction projects in 2007 and 2008 as it was likely new projects would simply maintain, not increase, payroll tax revenue. He was concerned with the impact of the economy on businesses and their payrolls and with the status of the pension plans. He worried that freezing wages could eventually result in an extremely large increase in wages in order to make up that amount. He agreed with a 3 percent service reduction in Fall 2009, with the caveat that a larger reduction might be necessary in the future. He suggested including the low figure for payroll, and if revenue was at the middle level as hoped, funds could be used to replenish pension funds, implement cost-of-living (COLA) increases, and build up reserves. He did not feel that there was enough data to take a moderate approach and suggested that the budget situation could be reviewed quarterly.

Mr. Davidson agreed with the Mr. Wong's concern about payrolls as many employers were freezing wages and reducing workforces. He was concerned that even the lowest tax base option was too optimistic. He also was concerned with the pension plans and agreed with the suggestion to review the District's financial status on a quarterly basis.

Mr. Pangborn explained that quarterly reviews were not feasible because service planners had to develop a specific set of reductions months in advance for Fall 2009 implementation. He said that even if new information that could affect service reductions became available in a couple of months, it would be too late to change service plans.

Mr. Wong said it appeared that significant service changes could only be made once a year. Mr. Vobora agreed. He said that redesigning service in order to make cuts was very complex and considerable lead time was required by planners and necessary for public outreach and involvement.

Mr. Wong concurred with a 3 percent service reduction because of the receipt of stimulus funds, with the understanding that much larger cuts might be needed once those funds were spent.

Mr. Necker asked why service reductions could not be at a 7 or 8 percent level instead of 3 percent. Mr. Vobora explained that the 3 percent reduction was a subset of the initial package of a 14.5 percent service reduction and would be easier to make because it allowed the base system to continue to operate. He said a higher reduction could be made if the Board wished, but it would take much more planning.

Mr. Pangborn said that cuts often had a domino effect and a cut in one route meant that other routes would be affected. He said that this was the dilemma that planners faced with a higher percentage of cuts and for that reason, the 3 percent level was being recommended. He added that one additional cut that could be made was elimination of the popular Breeze service.

Mr. Necker suggested that perhaps the frequency of Breeze service could be reduced instead of eliminating it entirely.

Mr. Collins asked for clarification as to what it meant to cut a percentage of service. Mr. Vobora explained that the percentage referred to the cost of service, but that it also meant some loss of ridership if some routes were eliminated. He added that it was necessary to maintain system connectivity in order to sustain service.

Mr. Collins indicated that he favored using the lowest option for payroll tax growth in the first year of the plan.

Mr. Hinds agreed with a 3 percent service reduction to eliminate low productivity routes. He said that using the stimulus funds as proposed would demonstrate the District's intention to preserve jobs and would put LTD in a good position for funding in the future. He pointed out that City of Eugene executive employees had agreed to a wage freeze and the union was discussing that possibility.

Mr. Dubick stated that based on a number of factors, including payroll tax receipts for the last quarter, he thought that using the middle option for payroll tax growth was reasonable. He felt that the legislative session would provide the District with additional funding for paratransit and an increase in the payroll tax rate.

Ms. Towery said that she also was inclined to support the middle option, but was concerned that the economy was going to worsen before it improved. She agreed with a 3 percent reduction in service; otherwise, an allocation of STP-U funds would be taken off the table if the full 14.5 percent in cuts occurred despite receipt of stimulus funds. She emphasized that

it was important to communicate to the public that deeper service cuts might be necessary in future years. She agreed with a wage freeze for administrative staff.

Mr. Necker agreed with using the middle option for the payroll tax rate growth assumption and a freeze in administrative wages. He supported the 3 percent service cut with the caveat that there could be more service reductions in the future.

Mr. Gaydos agreed with Mr. Wong. He was concerned about revenue projections and the status of pension plans and felt that the lowest option was a more realistic approach. He sensed that LTD's partnership with the cities and the County could be undercut if the District did not use the stimulus funds effectively. He said that the 3 percent reduction in service was reasonable and that he appreciated the hard work and compassion of staff that was reflected in the recommendations.

Mr. Eyster asked if larger service cuts would be required if the lowest option for payroll tax growth was used in the plan. Ms. Hellekson replied that more cuts would not be required in Fall 2009, but problems in the future could be larger.

Mr. Eyster determined that the Board and Committee members supported a 3 percent service reduction, with the caveat that it might be necessary to eliminate other service, such as the Breeze, that did not significantly affect other parts of the system.

Mr. Wong said that there was a \$500,000 difference in payroll tax growth options, and staff should be provided with direction on which option to use.

Mr. Eyster asked if that direction could be given in May when more financial data was available. Ms. Hellekson replied that regardless of the budget, the District would never spend money it did not have. If anticipated revenue was not realized, a correction would be made by reducing expenditures.

Mr. Lipkin said that a proposed revision of the LRFP would be developed for Board approval on March 31, but staff would be prepared to make changes at the last minute should actual figures be different from those projected. He said that staff could work with a range of growth assumptions between the middle and lowest options.

ADJOURNMENT – Mr. Eyster adjourned the meeting at 6:35 p.m.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL BOARD MEETING

Tuesday, March 31, 2009

Pursuant to notice given to *The Register-Guard* for publication on March 26, 2009, 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 Tuesday, March 31, 2009, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, President
Michael Dubick
Greg Evans
Dean Kortge
Ed Necker
Doris Towery
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board
Wade Hicks, City Minutes Recorders

Absent: Gerry Gaydos

CALL TO ORDER/ROLL CALL – Mr. Eyster called the meeting to order and called the roll at 5:30 p.m.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Mr. Eyster commented on his recent trip to Washington D.C. and noted that he would be making further remarks regarding the trip later in the meeting.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA – Mr. Pangborn noted that there would be additional agenda items to be discussed towards the end of the meeting.

BOARD CALENDARS – Mr. Pangborn announced that, as there were no pressing items for the Board to address in the near future, the Board meeting scheduled for April 15 would be cancelled.

Mr. Pangborn, responding to a question from Mr. Kortge, said that there might be a special Board work session meeting on May 11 to discuss applications for additional federal stimulus funding. Mr. Pangborn added that the deadline for those applications is May 22.

WORK SESSION

RideSource Call Center Brokerage – Accessible Services Manager Terry Parker introduced Human Services Transportation Specialist Rand Stamm who presented a report on the history and current status of the RideSource Call Center.

Mr. Stamm reported that since the Call Center had only been in operation for approximately ten months and had only completed the use of the program's development implementation grant funding within the last three months, there was not much concrete data available at this time regarding the productivity of the program.

He said that there were three key elements that had demonstrated the effectiveness of the Call Center: 1) the strong relationships and partnerships that had been developed with human service and state government agencies; 2) the Call Center is currently operating with its projected staff of approximately 20 full- and part-time customer service representatives comprising 13 FTE positions; and 3) the successful implementation and utilization of the Call Center's IT systems that had been created based on an interface between RideSource's longstanding Database and LTD's IT system.

Mr. Stamm provided information concerning the financial plan for the Call Center and noted that his team was still making refinements to the plan in order to make the complex Medicaid processes related to public transportation more efficient.

Mr. Stamm presented data regarding the volume of telephone calls handled by the Call Center since its inception and noted that there was no data currently available regarding the volume of calls processed before the Call Center was implemented.

He continued with data regarding the number of Medicaid trips scheduled and the Medicaid trip comparison, which demonstrated the types and number of medical service related trips provided by Special Mobility Services, as operator of the RideSource service. He noted that there was quite an increase.

Mr. Stamm, responding to a question from Mr. Kortge, noted that the marked increase in ridership that was demonstrated in his presentation had been attributed to RideSource as a direct contract transportation provider as opposed to the former arrangement with the Oregon Department of Human Services.

Mr. Stamm could not account for the progressive decline in ridership under the Medicaid program from 2001 to 2007. Mr. Necker suggested that in the pre-Call Center system people generally utilized their favorite transportation providers and that RideSource was not heavily favored at that time (as it provided more grouped, rather than single-ride trips).

Mr. Stamm stated that a fundamental change in the creation of the Call Center was that clients had been directed to utilize assigned providers rather than choosing providers that might not supply the most efficient and cost-effective means of transportation. In response to a follow-up question from Mr. Eyster, Mr. Stamm stated that, while there had been a small number of initial complaints from customers regarding the assigned service, LTD had endeavored to keep the quality of its transportation provider services as high as possible; and the number of complaints had decreased dramatically. Mr. Stamm reported that the Call Center had been very successful due to several factors that included: 1) a smooth transition during the implementation phase of the system; 2) a Transportation Case Management system using Senior and Disabled Services personnel to assess the transportation needs and abilities of all RideSource customers; and 3) the development of several strong relationships with human service and governmental agencies within Lane County.

Mr. Stamm reported that the challenges still facing the Call Center included: 1) resistance from local taxi companies with respect to certain contracted insurance requirements; 2) difficulties with the state's Medical Management Information System software and the integration of that software into the Call Center operations; 3) and an outdated cost allocation model that is currently being evaluated.

Mr. Stamm referred to the future goals of the RideSource Call Center and noted that one of the primary goals of the program was to locate additional funding sources.

Mr. Stamm, responding to a question from Mr. Necker, reported that there were currently no plans to acquire additional smaller vehicles for RideSource operations and that the program had successfully chosen to focus on providing more cost-effective group rides on larger vehicles.

Responding to a question from Mr. Kortge, Mr. Stamm noted that he had been in contact with representatives from Lane Individual Practice Association regarding the possibility of expanding RideSource service utilizing funding assistance from Medicare. It was currently unknown how state funding of medical transportation would be provided in the future. Mr. Stamm added that the Call Center was still too new to properly assess the exact savings to LTD from the efficiencies provided by the Call Center. He noted that the revised cost allocation model would be able to help provide more data in that regard.

Mr. Necker commented that any RideSource trips provided for medical service were to be reimbursed completely by Medicaid, resulting in a significant savings to LTD.

Mr. Necker confirmed with staff that the approval date for LTD boundaries listed in the Future Items for Information portion of the agenda packet was June 17, 2009, and not June 17, 2008.

Commuter Solutions Program Annual Report – Director of Planning and Development Tom Schwetz presented the Commuter Solutions 2009 Annual Report and noted that the program was well-positioned to contribute to the wide variety of public transportation mobility discussions going on throughout the region.

Commuter Solutions Program Manager Connie Williams provided data that demonstrated the effectiveness of the Commuter Solutions Program (CSP). She presented additional information on the services provided through the program since its inception in 1995 and a detailed analysis on the reduction in the number of vehicle miles traveled in the region as a direct result of the CSP.

Ms. Williams stated that the program was the product of a partnership with the Transportation Options Advisory Committee, which is an advisory agency composed of a wide variety of community representatives who set the strategic and work plans for the CSP as well as its budget and program priorities. Ms. Williams provided a brief overview of the CSP's supporting financial partners and base funding sources.

Ms. Williams noted that, in addition to the wide variety of car pool, van pool, and commuter services provided as part of the CSP, there were ongoing plans to provide shuttle bus services and a Park & Ride for University of Oregon employees.

Ms. Williams, responding to questions and comments from Mr. Evans regarding the public outreach efforts of the CSP, noted that she and several of her colleagues had been approached by representatives from other jurisdictions who were interested in making the CSP services more visible in their communities. She noted that, while the CSP had great success in marketing its program services to local employers, the program would be expanding its efforts to reach members of the general public.

Mr. Schwetz added that both he and Ms. Williams would be making this presentation on the CSP to the Metropolitan Policy Committee, the Eugene City Council, and several other government bodies.

Mr. Evans commented that the CSP could serve as an effective transportation model for other communities to adopt and that the program's public outreach efforts were very important.

Ms. Williams, responding to a question from Mr. Necker, noted that ride sharing was probably the most untapped program area with respect to the CSP's services, and it had proven to be one of the most cost-effective transportation demand management systems. She noted that the CSP would most likely be intensifying its ride sharing public outreach efforts in the near future.

Ms. Williams noted that she would be returning to the LTD Board at its June meeting to present the results of a comprehensive group pass research study.

Legislative Update – Assistant General Manager Stefano Viggiano presented information on four high priority revenue legislative items.

He reported that there was now official support for the four Elderly and Disabled (E&D) Transportation funding bills from both the Eugene and the Springfield chambers of commerce. He noted that it ultimately remained to be seen which of the four bills would actually be carried forward through the current legislative session.

Mr. Viggiano noted that Representatives Chris Edwards and Paul Holvey had testified on March 20, 2009, in support of House Bill 2396, which would provide funding for the West Eugene EmX Extension project. He commented that Mr. Pangborn, Eugene Mayor Kitty Piercy, Eugene Chamber of Commerce representative Jared Mason-Gere, and Rob Zako had testified at that hearing as well. He further noted that the bill was currently being supported by both the Eugene and Springfield chambers of commerce. Mr. Viggiano said that, while the West Eugene EmX Extension project would be competing against many other projects for the lottery funds provided by the bill, LTD had an advantage in that only a small portion of the requested \$30 million would actually be funded in the current biennium. This would make the bill much easier for state legislators to include in any funding allocations.

Mr. Viggiano provided information regarding House Bill 2120, Governor Kulongoski's Jobs and Transportation Act, which provides for both the possibility of an accelerated increase in the payroll tax rate to .007 as well as an eventual increase to .008. The Eugene Chamber supports the acceleration of the tax rate to .007 and is neutral on the increase from .007 to .008. The Springfield Chamber of Commerce is neutral on both of the payroll tax questions. Mr. Viggiano said that it was uncertain if the payroll tax issues would remain with the rest of the items in HB 2120, or be separated out and be in their own bill.

Mr. Viggiano noted that there was a bill related to property tax reimbursement that was likely to pass and added that Senator Floyd Prozanski had sponsored a bill to create an Area Commission on Transportation (ACT). Mr. Viggiano encouraged the Board to formally request that an LTD Board member be on the ACT, if one is formed.

Mr. Pangborn noted that Lane was the only county in Oregon that did not have an ACT currently in operation. He said that a representative from LTD would most likely be associated with any ACT created as a result of Senator Prozanski's bill.

Mr. Evans, Mr. Necker, Ms. Towery, and Mr. Kortge stated their willingness to testify in legislative sessions on behalf of LTD should their respective schedules allow.

Mr. Kortge declared that testimony from LTD Board members carried significantly more weight in legislative hearings than testimony from LTD staff.

EMPLOYEE OF THE MONTH – The Board recognized Bus Operator Arturo Moreno as the March 2009 Employee of the Month. Transit Services Manager Sue Quick noted his many accomplishments and his exemplary record as an LTD employee.

Mr. Eyster thanked Mr. Moreno for his dedication to LTD's mission and presented a certificate of appreciation, a check, and a pin commemorating the award. Mr. Moreno thanked the Board members for their kind words and looked forward to serving the community as a representative of LTD.

AUDIENCE PARTICIPATION – No comments were offered by community members.

ITEMS FOR ACTION AT THIS MEETING

MOTION Consent Calendar – Mr. Kortge moved adoption of LTD Resolution 2009-009: It is hereby resolved that the Consent Calendar for March 31, 2009, is approved as presented. Ms. Towery provided the second. The Consent Calendar consisted of the minutes of the August 20, 2008, Cancelled Regular Board Meeting; minutes of the December 5, 2008, Special Board Meeting/Strategic Planning Work Session; minutes of the January 21, 2009, Regular Board Meeting; minutes of the February 23, 2009, Special Board Meeting/Luncheon; and Discretionary Grant Allocations Revisions.

Ms. Parker noted that the Discretionary Grant Allocation Revisions had been drafted in response to new federal stimulus funding that had been made available and would be applicable to certain LTD projects.

Mr. Eyster commented on the exemplary work Ms. Parker and the LTD staff had done in requesting the federal stimulus funding for LTD projects.

VOTE The Consent Calendar was approved as follows:

AYES: Dubick, Eyster, Evans, Kortge, Necker, Towery (6)

NAYS: None

ABSTENTIONS: None

EXCUSED: Gaydos (1)

Retirement Plan Modification – Director of Human Resources and Risk Management Mary Adams reported that she had met with the LTD Human Resources and Finance committees at a joint meeting and briefed the committees on the proposed modifications to the LTD retirement plans.

AIG-Valic Representative David Hausam directed the Board members to an Executive Summary regarding the proposal and noted that the intent of the plan modifications was to reduce transaction fees and increase the likelihood for investment returns. He briefed the Board on the proposed modifications and noted that the LTD retirement plan would be based on a mutual fund platform instead of a variable annuity platform.

Ms. Adams noted that the LTD Advisory Committee on Deferred Compensation had recommended approval of the proposed modifications.

MOTION Mr. Evans moved approval of LTD Resolution No. 2009-010 adopting the proposed modifications to LTD's 457(b) and 401(a) Retirement Plans, as described in the Executive Summary presented by AIG-Valic. Mr. Necker provided the second.

Ms. Adams, responding to a question from Mr. Eyster, stated that no significant concerns had been raised by the Advisory Committee members with respect to the reduction in the number of options in the modified plan.

VOTE Resolution No. 2009-010 was approved as follows:
AYES: Dubick, Eyster, Evans, Kortge, Necker, Towery (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Gaydos (1)

Public Hearing and Approval: FY 2010-17 Capital Improvement Program – Financial Services Manager Todd Lipkin provided information regarding the Capital Improvement Program (CIP) projects that were to be funded through the American Recovery and Reinvestment Act. Mr. Lipkin noted that no public comments had been received to date with regard to the proposed projects, which included a remodel of the LTD fleet maintenance facility to increase capacity for articulated buses; funding for fleet preventative maintenance, allowing more general fund money to be redirected to other LTD areas; and enhancement of various transit projects.

Mr. Lipkin noted that transit enhancement projects had traditionally included shelter improvements; art and landscaping projects; and lighting system enhancements.

Mr. Eyster opened the public hearing. Hearing no comments, Mr. Eyster closed the public hearing and called for a motion.

MOTION Mr. Evans moved adoption of LTD Resolution No. 2009-011: It is hereby resolved that the Draft 2010-17 Capital Improvements Program, which includes the projects funded with American Recovery and Reinvestment Act (ARRA) funding, is approved as presented. Mr. Necker provided the second.

VOTE Resolution No. 2009-011 was approved as follows:
AYES: Dubick, Eyster, Evans, Kortge, Necker, Towery (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Gaydos (1)

Public Hearing and Approval: Federal Grant Applications – Mr. Lipkin provided a brief overview of the Federal Transportation Administration grant applications.

Mr. Eyster opened the public hearing. Hearing no comments, Mr. Eyster closed the public hearing and called for a motion.

Mr. Lipkin, responding to a question from Mr. Evans, noted that the \$1.2 million being requested in Urbanized Area Formula Funds (5307) for preventative maintenance did not include any fuel purchases and were to be directed primarily to labor costs related to preventative maintenance, which would subsequently free up more funding for LTD operations.

MOTION Mr. Necker moved approval of LTD Resolution 2009-012: It is hereby resolved that the LTD Board of Directors approves the proposed grant application, which totals \$11,408,272 in federal funds and authorizes the general manager to submit the Federal Transit Administration, Proposed Grant Applications, March 2009, to the Federal Transit Administration for approval. Ms. Towery provided the second.

VOTE Resolution No. 2009-012 was approved as follows:
AYES: Dubick, Eyster, Evans, Kortge, Necker, Towery (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Gaydos (1)

FY 2010-17 Long-Range Financial Plan – Director of Finance and Information Technology Diane Hellekson provided a brief overview of the revised Long-Range Financial Plan. She commented that the plan revisions reflected the direction given to staff at the March 2, 2009, Board work session and were intended to allow LTD's long-term financial plans to proceed in eight-year increments; whereas they had been on a five-year schedule in the past. She added that no new information had been received that would suggest a change to the staff direction since the March 2 work session.

MOTION Mr. Kortge moved approval of LTD Resolution No. 2009-013: Resolved, that the LTD Board of Directors approves the FY 2010-17 Long-Range Financial Plan as presented. Mr. Dubick provided the second.

VOTE Resolution No. 2009-013 was approved as follows:
AYES: Dubick, Eyster, Evans, Kortge, Necker, Towery (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Gaydos (1)

Contested Case Hearing Procedure – Mr. Pangborn said that, in response to a request from the Board at its February 18 meeting, staff had made revisions to the procedure to make the process more accessible to the public.

Mr. Pangborn, responding to a question from Mr. Evans, reported that the revisions to the Contested Case Hearing Procedure had been developed in conjunction with local human rights organizations and that those groups were fully in support of the revisions.

Security Manager Rick Bailor, responding to a question from Mr. Necker, noted that the Contested Case Hearing Procedure policy did not specifically require a complainant to complete an administrative review before filing an appeal.

Mr. Eyster added that the revisions to the Contested Case Hearing Procedure policy were designed to tighten up the process and formalize a general understanding of the process.

MOTION Ms. Towery moved approval of LTD Resolution No. 2009-008, adopting the Contested Case Hearing Procedure, which provides procedures for reviewing and/or appealing a Notice of Exclusion issued pursuant to LTD Ordinance 36, as outlined in the Resolution. Mr. Dubick provided the second.

VOTE Resolution No. 2009-008 was approved as follows:
AYES: Dubick, Eyster, Evans, Kortge, Necker, Towery (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Gaydos (1)

ITEMS FOR INFORMATION AT THIS MEETING

Mr. Pangborn presented Mr. Eyster with a framed photo commemorating the groundbreaking ceremony of the Gateway EmX Extension project.

BOARD MEMBER REPORTS:

Board Finance Committee – No information additional to that provided in the meeting packet was provided.

Board HR Committee – No information additional to that provided in the meeting packet was provided.

Lane Council of Governments Board of Directors – Mr. Dubick reported that there had been a great deal of discussion at the recent LCOG Board of Directors meeting regarding how federal stimulus funding might best be used in Lane County. He noted that LCOG had brought in a facilitator to that meeting to help determine what the LCOG Board's priorities should be in that regard.

EmX Steering Committee – No information additional to that provided in the meeting packet was provided.

West Eugene EmX Extension Corridor Committee (WEEEC) – Mr. Schwetz noted that the WEEEC had recently heard a report on environmental processes related to the West Eugene EmX Extension project that had resulted in productive discussions.

Metropolitan Policy Committee (MPC) – Mr. Eyster reported that the MPC members were pleased to learn that LTD had been able to reverse a significant portion of the recent proposed service reduction. He further noted that Eugene Mayor Kitty Piercy had suggested that LTD look to expand its service using STIP-U monies and other funding sources. Mr. Eyster commended Mayor Piercy for her strong support of LTD and local alternative transportation issues.

APTA Legislative Conference – Mr. Evans reported on his and Mr. Pangborn's attendance at the APTA Legislative Conference in Washington, D.C. on March 9-11, and noted that he had consulted with various legislators regarding local transportation issues. He further reported on SAFETEA-LU funding for local transportation concerns and noted that the current funding authorization expires this coming September 2009. Mr. Evans added that the APTA Transit Board and Transit Board Support seminars would be held in Eugene in 2010.

Mr. Eyster thanked Mr. Evans for his efforts in helping to bring the APTA conferences to Eugene and that he looked forward to attending.

United Front – Mr. Eyster reported on his, Mr. Viggiano's, and representatives of other local agencies recent trip to Washington, D.C. The United Front is a coordinated effort by several local public agencies, including LTD, to lobby jointly for priority requests. Mr. Eyster noted that he had learned several new things about how stimulus funding might be applied to local transportation concerns. He added that he had also sat in on several interesting meetings with various congressional delegations and that he had spoken with a representative from President Obama's administration, Michael Blake, who seemed very impressed with LTD's EmX projects.

Mr. Eyster commented that he had recently sent a letter to *The Register-Guard* in response to several recent Letters to the Editor complaining about the state of LTD's EmX extension projects. His letter responded to several letters indicating the public's apparent misconceptions concerning the number of trees that would be affected by the EmX extension projects.

Ms. Towery stated that it might be helpful for the Board to be more proactive in the future with regard to situations such as the one involving the tree removal issue. Mr. Pangborn noted that he had several discussions with LTD staff and noted that there also would be similar planning discussions in the future.

The Board members briefly discussed the nature of LTD's public outreach efforts as they pertained to the EmX extension projects and Mr. Eyster's recent letter to *The Register-Guard*.

Bulk Fuel Purchase – Director of Maintenance George Trauger reported on the current progress of the LTD bulk fuel purchase. He said that the supplier had been working diligently to get the bulk fuel tanks ready, although the tanks had been taking longer to prepare than had been anticipated.

Mr. Trauger noted that LTD staff were currently reviewing fuel prices and that the pricing was dependant on part of the futures commodities market and the New York Mercantile Commodities Exchange. He noted that the market had not been particularly volatile of late, but that diesel prices had increased in recent months. LTD had contracted for the bulk fuel purchase while prices had been comparatively low.

Mr. Trauger briefly illustrated the pricing mechanisms and economic factors involved in the bulk fuel purchase. He stated that LTD staff would be meeting with representatives from the fuel supplier, Tyree Oil, on April 1, 2009, to sign contracts.

Mr. Trauger stated that when purchased, the fuel would become the property of LTD, although the responsibility and liability for the storage of the fuel would ultimately rest with Tyree Oil. He noted that the provisions for Tyree's liability had been expressly laid out in the fuel purchase contract under the terms of the rental fee that would pay for storage of the fuel at Tyree's Coos Bay storage tank facility. The rental fee for storage was not a flat fee but would be based on the amount of fuel being held at a rate that was commensurate with the costs necessary to provide adequate liability coverage.

Other Items for Information – Mr. Lipkin, responding to a request from Mr. Pangborn, reported that staff had been investigating additional stimulus funding through the FTA's Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) grants which might provide funding for either hybrid vehicles or facility energy upgrades. He noted that applications for the TIGGER grants would be formulated by staff during the next couple of months and that the deadline for those applications will be May 22, 2009. He also reported that \$3 million that had yet to be appropriated for LTD's Small Starts Gateway project could be coming out of the federal stimulus funding mechanisms.

Mr. Lipkin added that allocations for federal stimulus funding would be rescinded beginning in September 2009, to be reallocated elsewhere, if those funds were not committed to immediate transportation related projects or otherwise obligated. He noted that LTD staff would be ready to apply for any of those rescinded funds in the fall should they to become available.

Director of Service Planning, Accessibility, and Marketing Andy Vobora provided a brief overview of LTD's plans for contract transportation services to be provided for the University of Oregon's Civil War football game against Oregon State University on Thursday, December 3, 2009. He noted that LTD staff had met with representatives from the University's athletic department and the City of Eugene. Preliminary discussions had begun with Oregon Coachways about precisely what types of services could be provided and how that service could be integrated into the existing LTD system. Mr. Vobora provided a brief summary of the logistical discussions that had taken place between LTD and Oregon Coachways.

Mr. Pangborn maintained that providing contract transportation services for large events such as the Civil War game, and integrating those services smoothly, would be much more complicated on a weekday than they would be on the weekend.

Mr. Vobora noted that LTD would be researching how other cities and transit entities had dealt with large university sporting events similar to the Civil War football game.

Mr. Evans felt that it would most likely be LTD, and not the University of Oregon, that the public would ultimately blame if there were any significant public transportation problems associated with the game.

Mr. Vobora reported that there would be a story in the April 1 edition of *The Register-Guard* regarding the property acquisitions related to LTD's Gateway EmX extension project.

Mr. Vobora added that there also would be upcoming articles in *The Register-Guard* and other media outlets regarding the state legislative process surrounding payroll tax changes and the effects of such processes on LTD.

Mr. Vobora added that Mr. Necker also had recently contributed an Op-Ed piece to *The Register-Guard* regarding the need for state funding for paratransit services. Mr. Vobora also noted that he had spoken with reporters from *The Register-Guard* regarding public complaints against the Wackenhut security officers contracted by LTD.

February Financial Statements – Director of Finance and Information Technology Diane Hellekson presented the LTD financial report for February 2009. She reported that LTD's payroll tax receipts, while still below budget, had been holding up comparatively well at 2.2 percent more than the previous year due to LTD fare increases and significant increases in LTD ridership. She noted that LTD staff would be looking at tax receipts in May, for the quarter ending March 31, to determine how such figures corresponded with LTD's Long-Range Financial Plan.

Ms. Hellekson, responding to a question from Mr. Evans, noted that it was currently unclear as to exactly how rising unemployment levels would ultimately affect LTD's tax receipts.

Chief Accountant/Internal Auditor Carol James, responding to questions from Ms. Towery, noted that the decreases in payroll tax receipts that would correspond with the recent closings of local recreational vehicle manufacturers would most likely not materialize until the tax receipt figures for January 2009 and beyond were tabulated.

Ms. Hellekson, responding to a question from Mr. Evans, noted that while it was unknown when and how overall economic conditions would improve in the region, LTD financial staff had made accommodations for a recession of up to two years in duration in its Long-Range Financial Plan.

ADJOURNMENT – Mr. Eyster adjourned the meeting at 7:54 p.m.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, April 15, 2009

The regular meeting of the Board of Directors of the Lane Transit District scheduled for Wednesday, April 15, 2009, at 5:30 p.m., was canceled due to a lack of agenda items requiring action.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL BOARD MEETING/WORK SESSION

Monday, May 11, 2009

Pursuant to notice given to *The Register-Guard* for publication on May 7, 2009, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a special Board meeting/work session on Monday, May 11, 2009, 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
Michael Dubick
Dean Kortge
Ed Necker
Doris Towery
Tammy Fitch, EmX Steering Committee
Sonny Chickering, EmX Steering Committee
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: Gerry Gaydos

CALL TO ORDER/ROLL CALL – Mr. Eyster convened the meeting and called the roll. He welcomed EmX Steering Committee members Tammy Fitch and Sonny Chickering.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Mr. Eyster thanked Board members for their outreach efforts to the Eugene City Councilors to discuss the West Eugene EmX Extension. He announced that LTD had been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association. It is the fourteenth year that LTD has received the award.

Mr. Eyster noted that recent articles in *The Register-Guard* had described LTD's efforts to communicate with the public about the West Eugene EmX Extension and that the District is seeking the public's input on the University of Oregon bus service.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA – None.

BOARD CALENDARS – Mr. Pangborn noted that an employee potluck and barbecue would be held on May 28, and that the Board was invited to attend. He also remarked that an LTD Bus Operator Roadeo and Barbeque was scheduled for Sunday, July 19, and encouraged

Board members to stop by and watch the competition. He announced that LTD offices would be closed on May 25 and July 3 for holidays, but that transit services would continue.

WORK SESSION

West Eugene EmX Extension Project Update – Director of Planning and Development Tom Schwetz stated that the project's Purpose and Need Statement had been revised slightly at the request of the U.S. Army Corps of Engineers (USACE), which is a cooperating agency. He said that the revised language clarified that the implementation of a high-capacity public transportation service would utilize the adopted high-capacity transit mode identified in the Regional Transportation Plan, rather than specifying bus rapid transit (BRT). The USACE was concerned about the appearance that a conclusion had already been reached. Because the change was minor and meant to clarify the statement, it did not require formal adoption by the LTD Board.

Mr. Schwetz reviewed changes to the Amazon Alignment that eliminated the section west of Buck Street from consideration. Instead, the Amazon Alignment would connect with the West 11th Avenue Alignment Alternative at about Seneca Road. He said that these changes were made because the cost of a bridge to the south side of the channel would be very high, and the ridership would likely be low west of Buck Street due to a low level of development in the vicinity of the channel.

Mr. Schwetz stated that the Draft Environmental Impact Statement would be issued in January 2010, and a locally preferred alternative decision would be made approximately a year after that.

Eugene City Council Briefing on West Eugene EmX Extension Project – Mr. Schwetz presented a PowerPoint presentation that would be used to provide an update to the Eugene City Council on the status of the West Eugene EmX Extension project. He explained that the objective of the update was to establish a foundation for the Council to prepare its members for making a decision on a locally preferred alternative. He invited feedback from Board members on the information that would be presented.

Mr. Eyster proposed that the elements of BRT should be identified as an industry standard and not just as LTD's preferences.

Mr. Necker questioned whether the City of Origin and Destination slide should highlight the increase in Springfield trips. Mr. Schwetz said that the important message was the regional nature of transit. Mr. Pangborn noted that almost 80 percent of trips on the system included Eugene travel.

Mr. Kortge felt that there should be less effort in selling the concept of BRT in the presentation. He added that several of the slides that addressed the benefits of BRT, particularly increased EmX ridership, should be eliminated. He was concerned that particular information could deflect the discussion from the issues of selecting a preferred alternative, particularly if the question of free ridership on EmX was raised.

Mr. Eyster pointed out that 90 percent of EmX riders had paid a fare.

Mr. Evans said that the presentation should speak to economic development and transit-oriented development. It should also speak to the potential for BRT to be a specific catalyst for economic development and redevelopment outside the urban core and to become a factor in the revitalization of residential areas.

Mr. Eyster suggested moving high frequency service to the second position on the Elements of BRT slide as that, and exclusive transitways were the most important components.

Mr. Kortge added that the increase of Franklin EmX ridership versus the #11 route was a powerful statistic and should be stressed as that.

Several Board members recommended changing the order of objectives on the EmX Contributions to Addressing Key Community Issues slide by listing in the following order, with the remaining objectives in no particular order:

- Reducing corridor-level congestion
- Increasing a region's attractiveness for economic development
- Developing sustainable regional mobility

Mr. Evans mentioned that a point that had been overlooked was the concept of BRT and that EmX mimicks the best attributes of light rail. Eugene does not have sufficient density at this point in time to sustain light rail, but BRT provided the capacity to move people rapidly through corridors in a similar manner. He advised that the Council needed to understand why light rail was not feasible and that the region needed a system that was appropriate for its size and density.

Ms. Fitch said that, in order to keep people engaged, it was important to create a balance between an executive summary and a detailed report.

Mr. Kortge suggested eliminating the slide on Creating Active Communities. He proposed that there should be a focused discussion of dedicated right-of-way, key criteria for selecting an alternative, and the decision-making process.

Mr. Evans remarked that the Creating Active Communities slide could address increasing access to transportation so that transit services could be expanded into more areas in the region.

In response to a question from Ms. Fitch, Mr. Schwetz said that the purpose of the presentation to the City Council was to ground councilors in the elements of BRT, update them on the status of the project, and determine how the Council would like to move toward a decision on a locally preferred alternative.

Mr. Kortge declared that the presentation still appeared to be more of a sales pitch. The intention of the presentation needed to be stated more clearly.

Ms. Fitch agreed that the beginning of the presentation should focus on what the Council would be asked to do.

Mr. Evans wanted to be able to synergize LTD's goals and objectives with the goals and objectives of the City Council and relate how the BRT vision would meet everyone's needs.

Mr. Dubick said that it was important for councilors to have information available to them that helped them discuss the project with constituents and feel comfortable defending the decision to pursue a BRT corridor in West Eugene.

Mr. Eyster commented that the presentation's format and content were based on advice to focus on the big picture of goals and objectives of BRT, and to stress that it was not about improving LTD; although he agreed that the presentation could be streamlined.

Mr. Necker suggested using a handout with talking points about the benefits of BRT.

Mr. Evans commented that there should be a bulleted list of points that identified BRT as a transportation solution for density, congestion, sustainability, and moving people rapidly and efficiently to their destinations.

Mr. Eyster listed benefits such as reducing vehicle miles traveled, reducing congestion, reducing dependence on oil, reducing greenhouse gases, contributing to economic development, contributing to effective land use, and making it easier for many people to use transit.

Mr. Schwetz said that the West Eugene Collaborative would be another element in the conversation. His memorandum to the Council tied the EmX Extension to the Collaborative's recommendations. The memo detailed how that the processes were consistent and the degree to which the project was compatible with the Collaborative's vision and the Council's goals. He stated that one option for the decision-making process was to establish a committee with representatives from the City Council, the LTD Board, and the Metropolitan Policy Committee, all of which would have to make a joint decision on a locally preferred alternative; however, the City should design a process that will meet its needs.

Mr. Dubick expressed concern that there could be a misperception that changes made to the Amazon Alternative would imply favor for a particular alternative. He said that it should be stressed that LTD was neutral regarding an alternative.

EMPLOYEES OF THE MONTHS – MAY AND JUNE 2009 – Director of Transit Operations Mark Johnson introduced Bus Operator Josh Schmit as the May 2009 Employee of the Month and Customer Service Representative Beth Dunlap as the June 2009 Employee of the Month. Mr. Johnson described the qualities that resulted in their nominations and commended them for their service to the District.

Mr. Eyster presented Mr. Schmit and Ms. Dunlap with their awards. He congratulated them on behalf of the Board and thanked them for their service.

AUDIENCE PARTICIPATION

Josef Siekiel-Zdzienicki, Eugene, commented that LTD needed to defuse the issue of free EmX ridership as it was a frequent topic of discussion in the community. He noted that the City of Eugene had extended the multi-unit property tax exemption to West 6th and 7th avenues and the Trainsong neighborhood, which would encourage development on the West 6th and 7th Avenues Alternative. He asked if the change to the Purpose and Need Statement required a public hearing even though it was a minor amendment. Mr. Schwetz replied that a hearing was not necessary because the change was simply a clarification.

Mr. Siekiel-Zdzienicki asked how the 20-year ridership projection in the draft environmental impact statement was determined. He said that the Lane County Planning Commission was addressing the issue of population forecasts because the forecast numbers provided by Portland State University were lower than Lane Council of Governments' forecast numbers. Mr. Schwetz replied that a forecast had not yet been developed, but when it was, the most current forecast would be used.

ITEMS FOR INFORMATION AT THIS MEETING

Legislative Update – Assistant General Manager Stefano Viggiano provided a status report on three key legislative issues: Elderly and Disabled (E&D) Transportation funding, West Eugene EmX funding, and the payroll tax.

Mr. Viggiano reported that LTD had requested \$30 million in lottery funds for the local match to federal funds to build the West Eugene corridor. That legislation, House Bill 2396, was currently in a subcommittee of the Joint Ways and Means Committee and it appeared that lottery fund requests would be dealt with towards the end of the legislative session. He felt that LTD's request had an advantage because the amount requested in the current biennium was small, with most of the funds requested in the next two bienniums. He noted that a key person on the Committee was Representative Nancy Nathanson.

Mr. Viggiano explained that the payroll tax had been separated from the rest of the transportation bill and was now by itself in Senate Bill 34. The bill had been passed by the full Senate and had moved to the House for consideration. He said that prospects for the bill were positive, although action might be deferred until the other elements of the governor's jobs and transportation legislation had moved forward. A major issue in the transportation package was an increase to the gas tax, and the House was considering a six-cent increase, which was larger than the governor's proposal.

Mr. Viggiano stated that E&D funding was a statewide priority, and the intent was to obtain an additional \$15 million in funding, which would provide LTD with about \$1 million annually. He added that the original request was for a 7-cent increase in the tobacco tax. However, the problem with the tobacco tax was a reduction in consumption that would result due to the 61-cent increase in federal tax. It would then require a similar increase in the state's tax just to offset the loss of revenue from lower consumption.

Mr. Viggiano added that a seven-cent tax would net about \$400,000 annually for LTD; originally the estimate was about \$1 million, however, the revenue total has been reduced due to the federal 61 cent increase implemented earlier this year. He said that He said that if the state imposed a similar cap, it could generate significant revenue. Another option for revenue is the flexible federal money under the Surface Transportation Program.

He also mentioned that the payroll tax legislation included both an increase in the tax and the acceleration rate. He remarked that the District would need to demonstrate that the economy could support an accelerated increase, and with the current financial situation, it was doubtful that an increase could occur in 2010.

Mr. Kortge asked what would happen if funds for the EmX Extension local match were not forthcoming. Mr. Viggiano replied that the project could not move forward without a local match from sources other than the District's general fund.

Mr. Pangborn remarked that \$1.6 to 1.8 million were required for the next biennium, but that LTD wanted a commitment for the full match in order to leverage federal funds. He said that if only funds for the next biennium were authorized, the District could approach the legislature in 2011 for the remaining match, or ask the local community to consider a bond measure to provide the match.

Mr. Viggiano informed the Board that the legislature had been well-educated by transit districts about the need for E&D funding and members were generally supportive. He was optimistic that some additional funding would be available.

ADJOURNMENT - Mr. Eyster adjourned the meeting at 7 p.m.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

BOARD MEETING

Wednesday, May 20, 2009

Pursuant to notice given to *The Register-Guard* for publication on May 14, 2009, 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, May 20, 2009, beginning at 5:30 p.m., in the LTD Conference Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, President
Michael Dubick
Greg Evans
Dean Kortge
Ed Necker
Doris Towery
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board
Kim Young, Minutes Recorder

Absent: Gerry Gaydos

CALL TO ORDER/ROLL CALL: Mr. Eyster convened the meeting of the Lane Transit District Board of Directors and called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT: Mr. Eyster reported that he and Assistant General Manager Stefano Viggiano visited Salem to discuss Senate Bill 34, which would increase the maximum payroll tax rate to .008 percent. The news had been encouraging as the bill passed through committee with a "Do-Pass" recommendation. Mr. Eyster acknowledged that a study of economic recovery would be needed to justify the increase.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: There were none.

WORK SESSION

West Eugene Collaborative Final Report: The Board was joined by WEC Members Rob Zako and Jim Welsh, who provided a presentation regarding the recommendations of the West Eugene Collaborative (WEC). The presentation included background on the project, the membership, the proposed design for West 11th Avenue, and information about the role of transit in the corridor. The presenters indicated that more public involvement was to come. They also explained that the funding for the concept was not yet in place nor were the projects necessary to implement the vision included in any planning document.

Mr. Eyster solicited Board questions.

Mr. Evans said that the WEC recommendations made him question whether such an approach would require an overhaul of the area's existing zoning and the current City Code. He stated that Eugene's current land use planning might not support the approach.

Mr. Evans suggested that transit could help be a catalyst for redevelopment of the area, and asked the presenters where they thought that would have the most impact. Mr. Welsh anticipated that the needed zoning changes would happen gradually, and he did not expect a major overhaul of the zoning in the area any time soon. Mr. Zako emphasized the incremental nature of the WEC recommendations and said that there were existing constraints and funding issues that would prevent West 11th Avenue from being changed quickly. He anticipated that, in the near-term, some natural resource lands would be rezoned to reflect that use but that other rezoning would occur over time, as the market allowed, after the vision was adopted. Mr. Welsh believed that the residential community to the south of West 11th Avenue perceived the concept as a way to enhance the commercial area to make it more usable for them. Mr. Zako emphasized the public/private partnerships necessary for the redevelopment to happen.

Responding to a question from Mr. Kortge about the possibility of the EmX routing having to be redesigned if the WEC recommendations were achieved, Director of Planning and Development Tom Schwetz displayed a diagram depicting a cross section of the boulevard design and indicated that the cross section accurately illustrated where transit would run. He said that the Amazon route would not conflict with the concept. Mr. Evans asked if the Amazon route changed the character of the WEC vision significantly. Mr. Welsh stated that it changed some things but the changes were not drastic. Mr. Zako added that the cross section the Board was seeing was one example of what the multi-way boulevard might look like. The boulevard could include dedicated lanes for transit, or it may not; there could be a dedicated lane for transit in one direction and not in another. The WEC had explored those ideas but it had not designed the route, and it was not tied to a particular design for West 11th Avenue. That would be part of the discussion as the project went forward. He emphasized that the key principle to better transit in West Eugene was to have it close enough to West 11th Avenue to support the vision. The number of dedicated lanes was still undecided.

Mr. Necker asked about the time frame for completion of a multi-way boulevard, asking if it would be incremental. He added that he did not think incremental construction would be beneficial to the EmX, nor would a shift of route from the Amazon channel to West 11th Avenue. Mr. Zako stressed the incremental nature of the WEC's recommendations. The WEC had short-, medium-, and long-term recommendations that he anticipated would be realized over decades. He said that while WEC members were excited about the boulevard concept, they had trepidation about its implementation. He understood that other communities that used the approach completed such routes in segments by building some segments before others when the opportunity arose.

Mr. Schwetz noted that there had not yet been a technical analysis of the concept and that it still needed to be done.

Mr. Schwetz suggested that EmX on West 11th Avenue would be one of the elements that would help establish it as a multi-way boulevard.

Speaking to the Amazon alignment, Mr. Schwetz reiterated that the Amazon EmX route was within 300 to 600 feet of West 11th Avenue and that the stations along the Amazon would be at

City View and Oakpatch. He pointed out that if the EmX route was along the Amazon, the multi-way boulevard would require 24 less feet of right-of-way.

Mr. Evans commended the WEC vision.

Responding to a question from Ms. Towery, Mr. Zako discussed the WEC's vision of shifting existing industrial uses in the area to a newly developed industrial area. Mr. Schwetz noted that the WEC had discussed the concept of an "industrial preserve," which would establish a planned, unchangeable industrial area. He said that the concept had been used in Portland.

West Eugene EmX Extension—Presentation to Eugene City Council: Mr. Schwetz thanked the Board for helping refine the presentation and Mr. Eyster for taking the lead in the discussion. He said that the primary message that the Board and staff had heard was that it was important that the Council hear from those directly affected by the project. He had reiterated to the Council that LTD would do a major outreach effort, particularly to those directly affected. He stated that staff also would do a response document that would be shared with the Board, and would follow-up on some of the questions that had been asked by individual councilors.

Mr. Schwetz recalled that meeting participants had discussed options for the Locally Preferred Alternative process. The Board then asked the Council what type of information it was looking for to help make the decision and asked what process it wished to use to reach that decision. He relayed that staff had suggested a joint committee be established by LTD, Eugene, and the Metropolitan Policy Committee. He said that the Council liked that idea. He anticipated that the Council would discuss the issue in greater detail in September and would provide more direction to its staff at that time. When the Draft Environmental Impact Statement is released, he anticipated a meeting between the LTD Board, the City Council and perhaps the Metropolitan Policy Committee to discuss the subject at length, and then the joint committee process could commence.

Mr. Eyster agreed that the presentation was improved by the Board's previous discussion. The presentation also had provided for interaction between the LTD representatives and the Council. He said that there were a lot of stakeholders in the process, and that much was at stake.

Mr. Evans liked the idea of a joint committee but urged caution concerning the possibility of Board member overload and burnout due to involvement in too many committees. He believed that the Board should be clear about the processes and who would be responsible for decision making. He advocated for a simple and transparent process. Mr. Schwetz indicated that staff would return to the Board with a draft outline of the decision-making process.

AUDIENCE PARTICIPATION

Pauline Hutson, Eugene, discussed eminent domain in conjunction with the EmX expansion project and her concerns about the impact of that process on individuals. She did not think that eminent domain had to take place as there were alternative routes to be found on 6th and 7th avenues and tax credits for reinvestment. She asked the Board to think of the little people. She expressed concern about the greater distances that would exist between bus stops along the proposed EmX routes.

Mr. Eyster said that it was clear to him that no one at LTD had yet locked in on any one route. He did not want to close off any options until the Board received the analysis, when it could balance that analysis with the input of citizens like Ms. Hutson.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar:** Mr. Dubick moved adoption of LTD Resolution 2009-014. It is hereby resolved that the Consent Calendar for May 20, 2009, is approved as presented. Mr. Kortge provided the second. The Consent Calendar consisted of the minutes of the February 18, 2009, Regular Board Meeting; March 2, 2009, Special Board Meeting; and the March 31, 2009, Special Board Meeting.

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

Public Hearing and Approval: Federal Grant Applications: Financial Services Manager Todd Lipkin presented a brief overview of the three grant applications that were before the Board, including a Small Starts grant agreement to fully fund the Project Construction Grant Agreement for the Gateway EmX Extension, and a Transit Investments for Greenhouse Gas and Energy Reduction program.

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

MOTION Mr. Kortge moved adoption of LTD Resolution 2009-015: It is hereby resolved that the LTD Board of Directors approves the proposed grant applications, which total \$7,590,000 in federal funds and authorizes the general manager to submit these grant applications to the Federal Transit Authority for approval. Mr. Necker provided the second.

VOTE Resolution 2009-015 was approved as follows:
AYES: Dubick, Eyster, Evans, Kortge, Necker, Towery (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Gaydos

Approve Selection of Audit Services: Chief Accountant/Internal Auditor Carol James thanked the Finance Committee for its work on the audit process. Mr. Kortge acknowledged the Finance Committee's higher level of involvement in the process this year and said that it worked closely with staff to review the Request for Proposals that LTD received for audit services contracts.

MOTION Mr. Kortge moved adoption of LTD Resolution 2009-016: It is hereby resolved that the LTD Board of Directors authorize the general manager to sign a contract for audit services for fiscal years 2008-09, 2009-10 and 2010-11 with Grove, Mueller, & Swank, P.C. for \$30,000 per year for each year. Mr. Necker supplied the second.

Ms. Towery noted that her firm, United Way, contracted with the audit firm in question, but she did not think that she had a potential conflict of interest.

Mr. Necker reviewed the process that the committee used to rank the firms. He said that cost was a factor in the decision, but not the only factor.

Mr. Evans questioned the difference in costs between the two proposals. Mr. Dubick believed that it reflected the backgrounds of the firms making the proposals, one of which had extensive experience with larger transit systems and the other that had more experience with smaller systems. He added that participating in the auditor selection process gave him a better understanding of, and appreciation for, the audit process.

Mr. Necker concurred with Mr. Dubick's assessment, saying that the recommended firm appeared to be a better fit in regard to LTD's size and needs.

Mr. Eyster believed that the committee structure had worked well and it allowed some Board members to delve more deeply into subjects that were difficult to discuss in depth at Board meetings.

VOTE

Resolution 2009-016 was approved as follows:

AYES: Dubick, Eyster, Evans, Kortge, Necker, Towery (6)

NAYS: None

ABSTENTIONS: None

EXCUSED: Gaydos

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports: Mr. Eyster called attention to the summary of meetings.

Monthly Financial Report: There were no questions.

Transportation Growth Management Grant: There were no questions.

Correspondence: There were no questions.

Monthly Department Reports: Mr. Eyster solicited questions. There were none.

Monthly Performance Reports: There were no questions.

ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING

- A. Commuter Solutions Comprehensive Group Pass Research
- B. Budget Adoption
- C. LTD Boundaries
- D. Fare Policy Changes
- E. Disadvantaged Business Enterprise
- F. Springfield Path Historical Project
- G. Gateway Station/EmX Extension Project Update

- H. Legislative Bill Updates
- I. Annual Performance Report
- J. West Eugene EmX Extension Update

ADJOURNMENT

Mr. Eyster adjourned the meeting at 6:28 p.m.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, June 17, 2009

Pursuant to notice given to *The Register-Guard* for publication on June 11, 2009, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a regular monthly Board meeting on Wednesday, June 17, 2009, 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
Michael Dubick (via telephone)
Dean Kortge
Ed Necker
Doris Towery
Gerry Gaydos
Mark Pangborn, General Manager
Lynn Taylor, Minutes Recorder

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

PRELIMINARY REMARKS BY BOARD PRESIDENT: There were no preliminary remarks.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: General Manager Mark Pangborn introduced Ann Harris, the new Administrative Secretary for point2point Solutions.

BOARD CALENDARS: Mr. Pangborn noted that there will be a pension trust meeting on June 25; that the bus Roadeo would be held on July 19; and the Board luncheon is tentatively scheduled for July 27. He added that it was possible that the July Board meeting would be canceled if there were no pressing agenda items.

WORK SESSION

Commuter Solutions Update and Research Report: Program Manager Connie Bloom Williams began by saying that Commuter Solutions was established in 1996 as the region's transportation options program with the goal of reducing single-occupancy vehicle trips, while focusing on employment-related trips. She added that the program's scope had changed and expanded during these past years, and its new identity as **point2point Solutions** would be officially introduced to the public at the Eugene Celebration on September 4-6, 2009.

Employer Programs Specialist Marcia Maffei described the history of the group pass program, which began with the University of Oregon (UO) in 1988. She used graphs to illustrate the growth of the program. She said that research was conducted in 2002 to

establish baseline information on the current modes of travel by employees of 35 employers. Follow-up research in 2008 measured the extent to which modes of travel within the region had changed. She reviewed the use and revenue data collected during the research.

Director of Service Planning, Accessibility, and Marketing Andy Vobora discussed the results of a revenue analysis of the group pass program that involved three employers ranging in size from 350 to 4,156 employees. He said that the extent to which the program was revenue neutral depended on the size of the employer. An analysis indicated that standard fare revenue for those employees using the group pass program would be approximately \$853,666, while pass program revenue was \$768,315. He felt that the program was close to being revenue neutral.

Mr. Pangborn commented that the Metropolitan Policy Committee (MPC) had asked LTD what it would take to make transit free to the community. He said that the system currently generated approximately \$6 million in passenger fares and the question was how to replace that revenue while accommodating increased ridership since the system was already functioning at capacity.

Ms. Maffei noted that 38 pages of comments from survey respondents were posted on the Commuter Solutions website. She reported that employees saw the group pass program as a benefit, and employers regarded it as an employee retention tool.

Tammy Lockwood, Lockwood Research, stated that 59 employers agreed to participate in the comprehensive survey. She described the research methodology and reviewed the results, including demographics of group pass recipients, increased use of the bus and other transportation options, and reduction in vehicle miles traveled. Regarding future trends for the group pass program, she said that 60 percent of those who usually drove alone to work would likely begin using the bus if there were altered routes and stops; 54 percent would use another transportation option if fuel prices began to increase; and 49 percent would use another option if there were a guaranteed ride home in emergencies.

Ms. Lockwood relayed that PeaceHealth and the UO faculty and staff represented 52 percent of the survey sample. PeaceHealth's move to RiverBend resulted in a significant drop in employees' use of the bus. She said that survey respondents indicated that factors affecting their decision to use the bus were: lack of an express route; service cuts; location of routes and stops; and commuting time.

University of Oregon Community Planning Workshop – EmX Evaluation: Director of Planning and Development Tom Schwetz introduced University of Oregon Project Manager Sarah Schooley. She presented the results of a research project that was conducted by graduate students of the University of Oregon Master of Community and Regional Planning Program Community Planning Workshop (CPW). The focus of the project was the EmX implementation process.

Ms. Schooley described the research methodology and project deliverables, including a stakeholder perception report, evaluation framework, website evaluation report, and neighborhood and business survey reports. She said that of particular interest would be the stakeholder perceptions report. With this report in mind, the CPW had developed a set of

recommendations for improving the process as well as improving communications with stakeholders.

Mr. Schwetz noted that a June 17, 2009, memorandum from CPW had been distributed as a handout to the Board. He said that the document contained a comprehensive list of recommendations, and he would focus on three that were of particular importance:

- Coordination with LTD's jurisdictional partners can be improved. LTD should coordinate more closely with local governments.
- A significant portion of the community is not aware of the full EmX system plan. LTD should communicate its full build-out vision of BRT in Eugene-Springfield. This vision would include marketing transit in general.
- LTD should develop tools to more effectively communicate the process for completion of the EmX system.

Mr. Schwetz explained that currently only one individual from each jurisdiction was involved in the process and that there were plans to broaden the number of staff from each agency as the process moved forward. He said it was apparent that a significant portion of the community was unaware of plans for the full build-out of EmX and that LTD would develop strategies to establish that vision within the community.

In response to a question from Mr. Eyster, Mr. Schwetz said that the concern about the need to broaden involvement within jurisdictions had come from city staff.

Mr. Evans agreed that the EmX message was not resonating with the community. He felt it was partially a public relations issue and asked if there were specific recommendations related to outreach. Mr. Schwetz said that the report did not include specific suggestions; nevertheless, LTD staff were discussing the need for more and better tools to communicate with the public.

Mr. Necker asked if stakeholders had indicated a preference for receiving information from LTD. Ms. Schooley replied that 74 percent of the Fairmount neighborhood respondents indicated that they received their information about EmX from *The Register Guard*. It was important to establish good relationships with the media outlets that people knew and trusted. She said that people needed to understand how their input was being utilized by LTD. She suggested that each meeting begin with a description of what stage of the process LTD was in and what influence the public would have on the final decisions. She stressed the importance of communicating the fact that EmX will be a 61-mile system when complete and will provide a transportation network in the region.

Ms. Towery commented that articles in newspapers represented a message that had been interpreted by someone else. LTD needed to present information directly to the community through channels such as corporate and neighborhood newsletters.

Mr. Schwetz suggested that creative ways to reach out to the community could be a topic at the Board's luncheon that is scheduled for July 27.

EMPLOYEE OF THE MONTH – JULY 2009: Director of Transit Operations Mark Johnson introduced Bus Operator Dee Edwards as the July 2009 Employee of the Month. He said that Ms. Edwards set a great example of utilizing LTD's core values to make her passengers feel safe and protected.

Mr. Eyster presented Ms. Edwards with her award, congratulated her on behalf of the Board, and thanked her for her service. Ms. Edwards said she felt blessed and honored to be a part of LTD.

AUDIENCE PARTICIPATION

Josef Siekiel-Zdzienicki, Eugene, commented that the Board had seen presentations related to the Amazon Creek alternative and the West Eugene Collaborative's recommendations, and he suggested that it also consider a presentation on the 6th/7th Avenue alternative. He asked if the Oregon Department of Transportation (ODOT) had made a decision about whether an LTD bus could travel in one of the standard lanes every ten minutes or if it required a dedicated lane on 6th and 7th Avenues.

Mr. Schwetz replied that LTD was working with ODOT and that both options were included in the analysis of that alternative.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar:** Mr. Kortge moved adoption of LTD Resolution 2009-017: It is hereby resolved that the Consent Calendar for June 17, 2009, is approved as presented. Mr. Evans provided the second. The Consent Calendar consisted of the minutes of the April 15, 2009, Canceled Regular Board Meeting; May 11, 2009, Special Board Meeting; and Resolution 2009-018, Reaffirming District Boundaries.

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

Public Hearing and Approval of Fiscal Year 2008-2009 Supplemental Budget: Financial Services Manager Todd Lipkin explained that the supplemental budget would repay an interfund loan of \$150,000 from the General Fund to the Commuter Solutions Fund that was necessitated by the delayed receipt of grant proceeds.

Mr. Eyster opened the public hearing. No one wished to speak, and the hearing was closed.

MOTION Mr. Evans moved approval of LTD Resolution 2009-019, which amended the LTD Fiscal Year 2008-2009 budget as represented in the Resolution. Mr. Gaydos provided the second.

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

Public Hearing and Approval of Fiscal Year 2009-2010 Budget: Director of Finance and Information Technology Diane Hellekson stated that the budget described in the Resolution was the same as the authorized spending in the budget for FY 2009-2010 approved by the LTD Budget Committee on May 20, 2009, with the exception of the Mobility Management Program, which was inadvertently omitted when the Accessible Services Fund was split into two funds. She said that the program's funding of \$141,800 had been reinstated, and that did not increase either the fund budget or the total budget.

Ms. Hellekson called the Board's attention to a change resulting from the Budget Committee's meeting and explained the \$700,000 contribution to retirement plans. She said that the administrative plan was on a July 1 - June 30 fiscal year and was analyzed on a biennial basis. The next analysis would occur using financial information as of on June 30, 2009, and that a contribution made on July 1 would not be calculated into the equation for two more years. She said that if the District made a contribution in late June, it would not affect cash flow, and the contribution would be included in the next plan evaluation. She added that the entire \$700,000 contribution would be made in June, unless the Board objected, and that the appropriation for the contribution would be left in next year's budget as a cushion.

Mr. Eyster opened the public hearing. No one wished to speak, and the hearing was closed.

MOTION Mr. Evans moved approval of LTD Resolution 2009-020, adopting the LTD Fiscal Year 2009-2010 budget and appropriating \$96,105,200 as represented in the Resolution. Ms. Towery provided the second.

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

Federal Fiscal Year 2010 Disadvantaged Business Enterprise (DBE) Goal: Purchasing Manager Jeanette Bailor explained that the LTD Board adopts revised DBE policies and goals annually. She said that the goal for the next federal fiscal year was 5.19 percent of Federal Transit Administration funded contracting activities. DBEs were defined as women- and minority-owned business enterprises as certified by the State of Oregon.

Mr. Evans commended LTD's DBE program outreach efforts.

MOTION Mr. Kortge moved approval of LTD Resolution 2009-021: Resolved, the LTD Board of Directors hereby adopts a new DBE Goal of 5.19 percent, effective August 1, 2009. Mr. Evans provided the second.

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

Approval of Updates to Fare Policy: Mr. Vobora reviewed the changes to the District's Fare Policy that were approved by the LTD Board Finance Committee on May 12, 2009. He said that the biggest change was removal of the monthly cap on fare instruments that agencies could purchase through the District's Not-for-Profit Agency Discount Program.

MOTION Ms. Towery moved approval of LTD Resolution 2009-022: It is hereby resolved that the LTD Board of Directors approves the removal of references to "bus tokens" and approves changes to the Lane Transit District Not-for-Profit Agency Discount Program as outlined in the Lane Transit District Fare Policy. Mr. Dubick provided the second.

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

Mr. Pangborn commended Mr. Vobora and his staff for developing the Not-for-Profit Agency Discount Program.

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports: Mr. Pangborn reported that the Metropolitan Policy Committee (MPC) was beginning its discussion of allocation of Surface Transportation Program-Urban (STP-U) funds. He reminded the Board that LTD had requested an allocation of \$1.5 million over the next four years to address cuts in service. He felt that there was support among MPC members for that request.

Mr. Eyster stated that the Gateway EmX press event on May 26 was successful and that members of the congressional delegation attended.

Gateway EmX Extension Project Update: Facility Services Manager Charlie Simmons said that all permits and approvals were in place. He said that Wildish Construction was the construction manager/general contractor on the project and would perform 10 percent of the work; the remaining 90 percent had been put out for bid, and the bids that were being received were less than anticipated and would result in a much larger contingency. A larger contingency meant that elements could be added back into the project. Those could include:

- Bus lanes through major intersections
- Concrete bus pads at Harlow and Gateway curbside stations
- Springfield Station modifications
- Fiber optic backbone
- Additional artwork

- Pedestrian path lighting
- Real-time information signs
- Colored concrete crosswalks
- Wheelchair ramp request lights
- Security cameras

Mr. Simmons stated that the project included 41 property acquisitions; 40 appraisals had been completed and 25 parcels purchased. He did not anticipate problems with acquiring the remaining property. He showed a video of construction activities and said that the project was on schedule and within budget.

Regarding the EmX buses for this project, Mr. Simmons reported that the first vehicle was in production and it is expected that all five buses would be delivered by the end of the summer. With the exception of different diesel engines, the vehicles were virtually unchanged from those already in service. Director of Maintenance George Trauger explained that the new vehicles would have Cummins engines instead of Caterpillar. He said that the basic design was the same, but that Caterpillar was no longer in the transit business. He added that some interior design elements related to wheelchairs were being modified.

Mr. Simmons said that 1 percent of the Gateway EmX budget, or \$230,000, was budgeted for art. A committee was established to review proposals from artists and selected a proposal from Devin Laurence Field for three sculptures to be placed at the stations at Centennial, Q Street, and Hayden Bridge. The rest of the proposal included art similar to the decorative railings on the Franklin corridor and would be placed at about half of the Gateway EmX stations. An additional \$60,000 could place railings at all of the stations.

Mr. Simmons noted that there had been a dedication and grand opening of the Gateway station on June 14 and 15.

In response to concerns voiced by Mr. Necker regarding the safety of the crosswalk at the new Gateway station, Mr. Simmons said that it was being addressed. The District had placed temporary signs reminding pedestrians to look both ways before crossing, and staff would continue to review the safety of the new crosswalk.

Mr. Vobora added that cars were not required to stop unless there were pedestrians in the crosswalk, and signs reminding drivers to yield to pedestrians were in place. He said that several ideas were being explored for improving pedestrian safety at the new station.

Mr. Simmons showed a video of construction activities during the past year of the project.

Mr. Necker said that people had expressed concern about turning into an apartment complex because of the cross-hatch design in the center lane. Mr. Vobora stated that the City had closed that entrance and was requiring residents to use the other entrance.

Mr. Evans asked if there had been any consideration to displaying artwork that reflected the growing Latino community in Springfield. Mr. Simmons replied that the selected proposal included specific pieces, but there may be opportunities for such art along the multiuse path.

Rosa Parks Multiuse Path Historical Project: Mr. Vobora described discussions among LTD, The City of Springfield, and the Springfield Chamber of Commerce to emphasize the history of Springfield with artwork along the Rose Parks multiuse path. He indicated that one concept was a piece similar to the flour mill piece designed for the Gateway EmX project, which would include information about the City's history inside. He added that there were opportunities along the path to create a sense of place, but discussions were still at a very general level.

Mr. Eyster asked if there was a way to incorporate some aspect of Springfield's changing demographics in the artwork if additional funding was available. Mr. Vobora explained that if there were, a group would be formed to meet separately with representatives from contributing partner agencies to determine what art would be installed. Mr. Simmons added that the Gateway art proposal could not be changed unless the artist agreed.

Mr. Evans wanted artwork to be inclusive and welcoming to the Latino community, who represent a significant percentage of the District's ridership.

Board Meeting Location: Mr. Vobora provided an overview of the Board's meeting locations prior to construction of the LTD Administration Offices in 1988. He had polled peer districts regarding their meeting practices. Many districts had an administrative facility where meetings were held; one district had a different meeting location each month, rotating throughout the communities that it served. Meeting times were typically in the evening.

Mr. Necker said that he had heard complaints that the Board's meetings were too late for people who had to use transit to outlying areas.

Mr. Eyster asked if the Board wanted to add the topic of meeting location as a discussion item at the Board luncheon.

Mr. Kortge was not certain there was a problem.

Mr. Evans said that accessibility had been raised as an issue, and he thought having meetings occasionally in other communities could be useful in demonstrating that LTD served the entire region. He wanted to discuss the matter at the luncheon.

Mr. Vobora asked what additional data the Board would need prior to the luncheon.

Mr. Pangborn said that the library was a good location, but that the City was reluctant to guarantee its availability. A benefit of that location is that it is wired for community access television. He stated that staff could research reserving dates in advance, the cost of using community access television, and the cost of wiring LTD facilities for telecasts.

Mr. Vobora pointed out that if meeting locations varied, the District would need to use resources to make sure information about times and locations were widely distributed.

Ms. Towery observed that the meetings at the library had considerable attendance because they concerned major issues like service cuts. She questioned whether changing locations would result in greater attendance when there were no major issues on the agenda.

Mr. Eyster said that a discussion of meeting location and technology to make meetings more accessible would be placed on the luncheon agenda.

Legislative Update: Assistant General Manager Stefano Viggiano announced that Senate Bill 34, which allowed the payroll tax to be increased to a maximum of .008, had been signed by the governor. He said that House Bill 2069 (relating to funding for elderly and disabled transportation) and HB 2396 (relating to LTD's request for lottery bonds to fund the West Eugene EmX project) were still in play. He explained that there had been a concerted community lobbying effort for the EmX funding and that there had been encouraging responses from legislators.

Monthly Financial Report – May 2009: Ms. Hellekson stated that May was a benchmark period and that as of May 31, payroll tax receipts were 1.6 percent below last year. She added that there would be another analysis of receipts in August. She said fuel prices were increasing somewhat, but were not as volatile as last year and that ridership was stable.

Board Luncheon Topics: Mr. Pangborn said potential discussion topics included the following:

- Succession planning and the effectiveness of internal training programs
- The role of public participation and getting LTD's message out to the community
- What had been learned from the first EmX corridor
- A vision beyond EmX
- Board meeting locations and community access

Director of Human Resources and Risk Management Mary Adams said that the Board could review the District's internal training processes geared toward professional development within the organization and data on how frequently positions had been filled internally rather than recruiting externally. She added that the strategies related to succession planning and key positions in the organization expected to turn over in the next five years could also be discussed. She said the Board's feedback would be sought on those issues.

Mr. Kortge expressed concern about how the District would fund pension plans. Mr. Pangborn said that the subject could be explored in depth at the Board's fall retreat.

Mr. Evans raised concerns about the timeline for building out EmX and the need to accelerate that schedule.

ADJOURNMENT

Mr. Eyster adjourned the meeting at 8:10 p.m.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, July 15, 2009

The regular meeting of the Board of Directors of the Lane Transit District scheduled for Wednesday, July 15, 2009, at 5:30 p.m., was canceled due to a lack of agenda items requiring action.

Board Secretary

MINUTES OF DIRECTORS MEETING
LANE TRANSIT DISTRICT
SPECIAL BOARD MEETING/ LUNCHEON

Monday, July 27, 2009

Pursuant to notice given to *The Register-Guard* for publication on July 23, 2009, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a Special Board Meeting/Luncheon on Monday, July 27, 2009, beginning at 11:30 a.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, President
Michael Dubick, via conference call
Greg Evans
Gerry Gaydos
Dean Kortge
Ed Necker
Doris Towery
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board
Renee Jones, Recording Secretary

CALL TO ORDER/ROLL CALL: Board President Mike Eyster called the meeting to order and called the roll. Mr. Eyster noted that Mr. Necker would arrive shortly.

PRELIMINARY COMMENTS BY MARK PANGBORN: Mr. Pangborn welcomed the Board, reviewed the Board calendars and the agenda for the meeting, and then introduced Director of Human Resources and Risk Management Mary Adams.

Mr. Necker arrived at 11:43.

EMPLOYEE DEVELOPMENT AND SUCCESSION PLANNING: Ms. Adams discussed the outline of the presentation and asked the Board to keep the following questions in mind during the presentation:

- Is the current succession plan going in the direction that the Board would like?
- Does the Board feel they are receiving all of the information they need to enable them to hire the next general manager?
- Is this approach generally consistent with the Board's expectations for succession planning?

Ms. Adams explained that the employee development plan was formulated based on the Strategic Plan, which led to the LTD Road Map that the Board adopted in 2007.

Ms. Adams introduced Training Specialist Pat Rather to talk in detail about the LTD Employee Development plan. Mr. Rather discussed that he would concentrate on four questions that come up when addressing employee development:

1. How does the District enhance an employee's abilities to meet both personal and professional challenges of the future?
2. How does LTD enhance the leadership skills of existing employees?
3. How can the District support an employee's personal and professional growth goals for the future?
4. What is the District doing to create an action plan to meet the planned vacancies that are coming in the future?

Mr. Rather explained in detail how the District addresses each of these questions as they plan and implement the employee development plan. The Board and staff discussed how some of the local leadership programs have been effective in improving the District's workforce. Mr. Rather then described the LEAP program and how it supports the District's goal of being a learning organization and how it benefits employees.

Ms. Adams relayed some data in terms of hiring that has happened at the District during the past five years:

- The District has filled 73 positions
- Approximately 58 percent of those positions were filled internally (42 positions)
- Approximately 42 percent were external hires (31 positions)

The next discussion topic revolved around the process of replacing several high-level positions during the next two to three years. Ms. Adams outlined the planning model for these replacements, which includes a list of principles, the 10-year vision, the challenges and competencies that the Board sees in filling these roles, and then beyond ten years into the future.

Responding to a question from Mr. Evans, Mr. Pangborn explained the history of the general manager (GM) position at the District. In the nearly 40 years that LTD has been in existence, there have been four general managers: Fred Dyer (1970 – 1979), Phyllis Loobey (1979 – 2000), Ken Hamm (2000 – 2006) and Mark Pangborn (2006 to present).

When asked about the possibility of utilizing a consultant for hiring a new GM, Mr. Pangborn explained that it will depend on the Board members' dialogue regarding their requirements and their vision for the next GM. Ms. Adams reiterated that the process of succession planning to form the Model for Competencies will provide the Board with enough details to help them decide what they will do when the time comes to hire a new GM.

Mr. Pangborn informed the Board that he has begun writing up some notes on the duties of the GM as well as his thoughts regarding what the future may hold for the next GM since he feels it is a position in transition. Mr. Evans concurred, stating that this hire will be even more critical than it has been in the past due to the drastically changing face of transportation.

Ms. Adams next spoke about the principles that will be relied upon in the model for competencies. She stated that the District will, as always, hire the most qualified candidate, whether that is internal or external. This principle is always very closely followed. One of the objectives in this process is to ensure that internal candidates have the opportunity to become qualified candidates. This will happen by having ongoing, consistent skill

development and leadership development goals. This fits into the strategic goal of LTD being a learning organization.

Ms. Adams then asked the Board whether this employee development approach was consistent with the Board's strategic direction that the Board had given to staff. She also asked the Board members if they felt that the District was still heading in the right direction or if there were some modifications that they would like to see.

Ms. Adams asked the Board if they felt that the approach that staff was following would give the Board enough information they would need to hire the next general manager.

Mr. Eyster stated that the model is comprehensive and that he couldn't think of anything that was left out. Mr. Kortge agreed but wanted the Board to remember that there are going to be a few unknowns regarding where the District will be in the next few years. Ms. Towery observed that the vision seems right, but the hiring of the new GM may depend on other staff members that will be transitioning at that time. Mr. Evans added that the candidate for this position will require a unique set of competencies.

Ms. Adams asked the Board if this approach was consistent with the Board's long-term direction for succession planning.

Overall, the Board agreed that this particular process lends itself to an acceptable direction from which they can proceed.

BOARD MEETING ACCESSIBILITY: Director of Service Planning, Accessibility, and Marketing Andy Vobora reviewed the "Features of Downtown Area Meeting Locations" spreadsheet that was part of the luncheon packet. He relayed that the Board had asked staff to evaluate the pros and cons involved with hosting Board meetings in downtown locations as an alternative to the District's Board Room.

Mr. Eyster added that there should be another consideration listed on the spreadsheet: to consider the additional staff time that would be involved in an offsite location.

In reviewing the different locations, Mr. Vobora found pluses and minuses to each facility, and from the standpoint of staff, there doesn't seem to be overwhelming evidence that suggests the District should move its Board meetings offsite.

Mr. Eyster opened the floor to comments from the Board:

- Mr. Necker felt that the District should continue to have Board meetings at the District facilities at the standard time; however, he suggested that when there is an issue that requires public outreach/attendance that the meetings be held earlier in the day at a downtown location.
- Mr. Evans concurred with Mr. Necker. He asked about the possibility of broadcasting the Board meetings via internet connection and if that would be less expensive than the cost of TV broadcasting. Information Technology Manager Steve Parrott replied that there would still be considerable expense involved and that he could look into the expense if the Board so desired.

Mr. Eyster concluded that because there was a careful analysis done and an in-depth conversation had, there was no overwhelming reason to move the Board meetings. The rest of the Board members agreed.

BOARD E-MAIL PROCEDURE: Mr. Pangborn introduced Steve Parrott who reviewed how the Board can access their individual e-mail accounts using LTD's Firepass network. This new method of accessing Board e-mail provides a controlled barrier between the Board member's personal computer and LTD's network, keeping public record content only on LTD's network.

Mr. Parrott worked with each Board member individually to set up their passwords and answer any questions.

ADJOURNMENT: Mr. Eyster adjourned the meeting at 1:26 p.m.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, August 19, 2009

The regular meeting of the Board of Directors of the Lane Transit District scheduled for Wednesday, August 19, 2009, at 5:30 p.m., was canceled due to a lack of agenda items requiring action.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

BOARD MEETING

Wednesday, September 16, 2009

Pursuant to notice given to *The Register-Guard* for publication on September 10, 2009, 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, September 16, 2009, in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, President
Gerry Gaydos
Michael Dubick (via conference phone)
Greg Evans
Dean Kortge
Ed Necker
Doris Towery
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board
Kim Young, Minutes Recorder

CALL TO ORDER/ROLL CALL – Mr. Eyster convened the meeting of the Lane Transit District (LTD) Board of Directors at 5:36 p.m. and called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Mr. Eyster had no remarks.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA – There were none.

BOARD CALENDARS – Mr. Pangborn reviewed the calendars and indicated that the October 12 work session would likely be canceled.

WORK SESSION

West Eugene EmX Extension Project— Director of Planning and Development Tom Schwetz provided an update on the status of the West Eugene EmX Extension (WEEE) Project. He requested feedback from the Board on the material to be presented to the Eugene City Council on September 30, 2009. In his presentation, Mr. Schwetz emphasized the postponement of the Draft Environmental Impact Statement (DEIS) deadline. The DEIS release was now scheduled for mid-July 2010, and the locally preferred alternative decision-making process would commence after that. He said that the Federal Transit Administration (FTA) requested more data to support the travel demand forecasting model and had asked for more review time, pushing out the DEIS release date. Mr. Schwetz discussed LTD's plan to employ the Department of Land Conservation's Quick Response process with the goal of developing a set of context-sensitive design elements that could be incorporated into the project as mitigation measures. The process would take about two months and would involve a committee of stakeholders from the area. Part of the process would include open houses. Mr. Schwetz added that the firm Cameron McCarthy

Gilbert & Scheibe Landscape Architects, LLP would manage that process on behalf of the State and that the process was a joint project of the City of Eugene and LTD.

Mr. Schwetz made note of the work of the WEEE Corridor Committee (WEEEC), which advised the decision makers on various elements of the project. The Committee had recently grown to include more interested parties from along the corridor. Copies of the WEEEC member list were provided to the Board.

Mr. Schwetz reported that the focus of the upcoming presentation to the Eugene City Council would be the locally preferred alternative selection process. He shared the timeline for that process and indicated that the LTD Board, the Eugene City Council, and the Metropolitan Policy Committee must agree on the locally preferred alternative. He anticipated the formation of a committee composed of representatives of those three bodies that would meet several times during the recommendation phase to develop a joint recommendation to the three deciding bodies.

Mr. Evans asked if the FTA had a matrix that LTD could use to score the locally preferred alternatives or if LTD would create such a matrix. Mr. Schwetz suggested that such a matrix, or score sheet, would be created by the criteria developed during the DEIS. Mr. Pangborn indicated that the FTA employed an analysis format that it would use to evaluate the alternatives concurrently with the local process.

In response to a question from Mr. Evans, Mr. Schwetz indicated that staff were looking into a community survey regarding EmX. Mr. Schwetz pointed out that much of the work that LTD was doing prior to the release of the DEIS, in terms of public outreach, was preparing people to receive the DEIS and to understand it. He said that a survey might be a good way of testing the effectiveness of that approach. Mr. Evans suggested that alternatively, LTD could consider convening a focus group of citizens chosen at random. Mr. Pangborn replied that staff had been thinking about doing a survey or convening a focus group very soon to find out how people were receiving and processing information and where information gaps were occurring.

Ms. Towery suggested that LTD take advantage of the work done on the Franklin corridor by University of Oregon students. She questioned the reliability of the manner in which people were receiving information by the outlets that were currently available. She suggested that the Board could overcome public opposition to the project by providing the public with as much information as possible, which she believed would result in more constructive feedback. Mr. Schwetz indicated that he would return with information about what LTD was currently doing in regard to public information.

Responding to a question from Mr. Eyster about whether the delay requested by the FTA would impact the project construction timeline, Mr. Schwetz said that he did not think that there would be any impact but emphasized the importance of staying on schedule from this point forward.

Board Strategic Planning Session – Director of Human Resources and Risk Management Mary Adams reminded the Board of the October 23 planning session and its focus on leadership development and succession planning. She provided an overview of the proposed agenda and also provided Board members with a list of questions to consider prior to the session.

Debrief 2009 Legislative Session – Assistant General Manager Stefano Viggiano introduced Doug Barber, who will represent LTD in Salem at the next legislative session. Mr. Viggiano reviewed the legislative report included in the meeting packet. He highlighted LTD's success in

achieving its legislative objectives as they related to additional funding for the WEEE, an increase in the payroll tax, and increased funding for elderly and disabled transit. He also noted the passage of legislation calling for the formation of a local Area Commission on Transportation (ACT).

Responding to a question from Mr. Necker, Director of Finance and Information Technology Diane Hellekson explained the mechanism that would trigger a payroll tax increase, which would involve a finding of local economic recovery.

Mr. Evans asked if point2point Solutions could be funded with the revenues realized by the passage of House Bill 2001, the Jobs and Transportation Act. Mr. Viggiano speculated that it might be possible, but he questioned whether LTD would want to use those dollars for that purpose. He suggested that LTD would prefer to see different funds used for that purpose and to retain the funding in question for elderly and disabled transit given the strong need that exists in that area. Mr. Pangborn added that he believed the Metropolitan Policy Committee generally supported using Surface Transportation Plan-Urban (STP-U) funds for point2point Solutions.

Mr. Viggiano introduced the subject of LTD's priorities for the upcoming 2010 legislative session, suggesting that the session could be influenced by tax referendums. Mr. Barber then reviewed the details of the four referendums currently being circulated. He indicated that success of the referendums related to the personal and corporate tax increases could create an additional \$735 million shortfall in the budget. If the two referendums passed, he anticipated that the special legislative session scheduled to begin shortly after the January 2010 vote would be focused on budget reduction.

Mr. Viggiano reported that the local legislative delegation had unanimously supported all LTD-related measures and that LTD had a good working relationship with each legislator due to its careful preparation for the session.

Mr. Eyster welcomed local Amalgamated Transit Union representative Brian Pasquali, who was present at the meeting.

EMPLOYEES OF THE MONTHS

Director of Transit Operations Mark Johnson introduced Bus Operator Rebecca Bailey, the August 2009 LTD Employee of the Month. Mr. Eyster presented Ms. Bailey with a pin, a letter of recognition, and a certificate recognizing her achievement. Ms. Bailey thanked the Board for the recognition.

Transit Services Manager Sue Quick introduced Operators Supervisor Charlie Clarke, the September 2009 LTD Employee of the Month. Mr. Eyster also presented Mr. Clarke with a pin, a letter of recognition, and a certificate recognizing his achievement. Mr. Clarke thanked the Board and commended LTD as a preferred place of employment.

Director of Service Planning, Accessibility, and Marketing Andy Vobora introduced Transit Service Planner Ken Augustson, the October 2009 LTD Employee of the Month. He said that Mr. Augustson was the author of the service redesign and had done a great job. Mr. Eyster presented Mr. Augustson with a check, a pin, a letter of recognition, and a certificate recognizing his achievement. Mr. Augustson thanked Mr. Vobora and the selection committee.

AUDIENCE PARTICIPATION – No one wished to speak.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar** – Mr. Dubick moved adoption of LTD Resolution 2009-023. It is hereby resolved that the Consent Calendar for September 16, 2009, is approved as presented. Mr. Gaydos seconded the motion. The Consent Calendar included minutes of the following meetings: May 20, 2009, Regular Board Meeting; June 17, 2009, Regular Board Meeting; July 15, 2009, Canceled Board Meeting; July 27, 2009, Special Board Meeting/Luncheon; and the August 19, 2009, Canceled Board Meeting.

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

Mr. Pangborn introduced John Evans, who recently joined the LTD Planning and Development staff as a Senior Project Manager.

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports:

West Eugene EmX Extension Corridor Committee – At the meeting held on September 10, Mr. Gaydos said that the Committee had the opportunity to examine some detailed maps and hear some interesting presentations by staff. He thought that the September meeting had been a good start for the Committee's new members.

Metropolitan Policy Committee – Mr. Eyster said that STP-U funding was discussed at the recent Metropolitan Policy Committee meeting held on September 10. He anticipated more discussion in the future and noted that LTD had agreed to forego a request for funding this year with the expectation that more funding would be requested in the future.

Board Human Resources Committee – Mr. Dubick noted that at the September 8 committee meeting, the Committee had discussed the GM evaluation process and tools for the current evaluation.

FTA Administrator Peter Rogoff Visit – Mr. Eyster reported on the recent visit of Mr. Rogoff and Congressman Peter DeFazio, which included a ride on the EmX system. He said that Mr. Rogoff was very knowledgeable about LTD, the EmX system, and the role that LTD has played in transit nationally. He characterized the visit as a good one. Mr. Pangborn concurred.

Oregon Transportation Commission Presentation: Mr. Eyster noted that the Oregon Transportation Commission met in Eugene the previous day. LTD had presented information to the Commission regarding the EmX system, and Board members had participated in panel discussions. Mr. Pangborn reported that LTD also had taken commission members on tours of the system earlier that day.

Mr. Pangborn provided a brief update regarding LTD's new EmX fare machines, indicating that enforcement would be "soft" in the first month of operations and then would be more strongly reinforced in October. He said that LTD would know more about the impact of the fare machines on ridership soon, acknowledging that ridership had began declining recently, which is believed to be due to the recession.

Transportation Investment Generating Economic Recovery (TIGER) Grant – Mr. Viggiano provided information on the grant request, indicating that LTD was a co-applicant with the City of Springfield and the Oregon Department of Transportation for a discretionary TIGER grant to underwrite the costs of improvements to Franklin Boulevard through Glenwood. The grant was intended to foster economic development in the area and would fund the reconstruction of the existing configuration to a multi-way boulevard that would accommodate EmX lanes and stations. He acknowledged that project readiness was an issue given the challenge created by the construction deadline of February 2012 and the project requirement for an environmental review to meet the National Environmental Policy Act.

Mr. Evans asked about the potential for an extension. Mr. Viggiano suggested that it could happen if disbursement takes longer than expected. He added that the fact that the project would be done in phases could also help secure funding - with the expectation that the first two phases could be funded within the grant timeline.

Fiscal Year 2008-2009 Performance Report – Mr. Viggiano briefly reviewed the performance data, which was included in the meeting packet.

Monthly Financial Report – Ms. Hellekson referred the Board to the *July and August Financial Statements* handout. She noted both the decline in passenger fares and boardings as well as the decline in payroll tax receipts. She indicated that if nothing changed between now and the year's end, LTD would be facing a \$3 million shortfall, which could result in major service cuts in Fall 2010. She said that unemployment was leveling off, but she did not think that receipts in the current year would reach the level they had in previous years. She said that the September Oregon Economic and Revenue Forecast had indicated that it would take until 2013 before Oregon was likely to have the same number of jobs that it had in 2007. Staff would have more information to share about the implications of fewer available jobs on the Long-Range Financial Plan at the upcoming strategic planning session.

Ms. Hellekson mentioned the decline in ridership, reporting that Tri-Met and other Oregon transit agencies were experiencing the same trend. She noted increases in fuel prices but reminded the Board of LTD's investment in the storage of fuel in Fiscal Year 2009, which had turned out very well for the District. Responding to a question from Mr. Necker about whether LTD was being sufficiently conservative in its estimates of fuel prices, Ms. Hellekson said that the District had budgeted \$2 per gallon, and prices had not yet reached that level. LTD would draw down from the stored fuel when prices exceeded \$2. She recalled that the goal of storing the fuel was to guarantee one year of fuel price controls. She noted that the fuel's limited shelf life also would be considered.

Mr. Kortge suggested that the Board should probably be looking at service reductions over a two-year period, rather than a one-year period. Ms. Hellekson said that LTD currently had sufficient reserves to maintain existing service levels for one year. Mr. Pangborn recommended that the Board consider establishing a base level of service that LTD could live with over two to three years that could be enhanced if possible, as opposed to making a series of cuts over two years.

Mr. Evans suggested that LTD faced a political problem that was created by service reductions occurring concurrently with the completion of the Gateway EmX. He thought that the Board needed to discuss how it communicated with residents about how transit is funded. Mr. Evans pointed out that Mayor Kitty Piercy had indicated that further service reductions were not acceptable. Because LTD's reductions would affect the community's least fortunate, he agreed with Mayor Piercy; however, he thought that LTD had no choice in the absence of more funding.

Mr. Pangborn said that staff had hoped to be able to make it through two years without more reductions, but he doubted that the economy would recover in time. He pointed out that LTD was adding service with the Gateway EmX extension at the cost of \$1 million per year after the mid-fiscal year start-up. The added system would carry many people, but he believed that mattered little to residents who were losing neighborhood service.

Mr. Necker observed that, generally, people did not understand the distinction between operational and capital funding. Mr. Evans said that was one of the reasons he continued to push for a transportation summit at the Metropolitan Policy Committee level. He did not think people understood the impact of the transit system on the economy.

Mr. Eyster suggested that as soon as LTD became certain that further reductions were necessary, it should share that information with elected officials. Mr. Pangborn concurred and said that staff would return with strategies and ideas for the October 23 meeting.

Monthly Department Reports – There were no questions.

Monthly Performance Reports – There were no questions.

ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING

- A. Debrief – West Eugene EmX Presentation to the Eugene City Council
- B. Board Strategic Planning Work Session
- C. Independent Audit Report and Comprehensive Annual Financial Report
- D. Union Contract Negotiations
- E. Pension Plan Trustee Selection
- F. General Manager Performance Evaluation
- G. LTD Road Map Update
- H. New Board Member
- I. West Eugene EmX Extension Update
- J. Gateway EmX Extension Construction Updates

ADJOURNMENT - Mr. Eyster adjourned the meeting at 7:13 p.m.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, October 21, 2009

The regular meeting of the Board of Directors of the Lane Transit District scheduled for Wednesday, October 21, 2009, at 5:30 p.m., was canceled due to a lack of agenda items requiring action.

Board Secretary

MINUTES OF DIRECTORS
STRATEGIC PLANNING WORK SESSION

LANE TRANSIT DISTRICT

SPECIAL MEETING

Friday, October 23, 2009

Pursuant to notice given to *The Register-Guard* for publication on October 18, 2009, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a strategic planning work session on Friday, October 23, 2009, beginning at 8:30 a.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present:

Board

Mike Eyster, President
Greg Evans, Vice President
Dean Kortge, Secretary
Ed Necker, Treasurer
Doris Towery
Mike Dubick

Staff

Mark Pangborn, General Manager
Stefano Viggiano, Assistant General Manager
Mark Johnson, Director of Transit Operations
Diane Hellekson, Director of Finance
George Trauger, Director of Maintenance
Mary Adams, Director of Human Resources and Risk Management
Andy Vobora, Director of Service Planning and Marketing
Tom Schwetz, Director of Planning and Development
Steve Parrott, Information Technology Manager
Charlie Simmons, Facilities Services Manager
Jeanne Schapper, Administrative Services Manager/Clerk of the Board (Recording Secretary)
Todd Lipkin, Financial Services Manager
Pat Rather, Training Specialist

Absent:

Gerry Gaydos

CALL TO ORDER AND WELCOME: The meeting was called to order by Board President Mike Eyster at 9:03 a.m. on Friday, October 23.

Mr. Eyster introduced the format and focus of the day's discussion, which would include members of the community later joining the group for lunch. This format was designed to allow for engaging conversation with community leaders that staff connect with and collaborate with on a regular basis. The goal was to work together to forecast how transportation may assist the larger community in the future.

Mr. Eyster then introduced Gary Gillespie, who would be joining the Board in January, replacing the position that will be vacated by Gerry Gaydos.

Director of Human Resources and Risk Management Mary Adams further described the purpose and format of the day's brainstorming session. This day's session is the second in a series of visioning sessions designed to examine where the organization wants to be 20 years or more into the future, while developing a strategy that makes sense for the community. Ms. Adams clarified that the lunch

discussion would focus more on the style and competencies that community leaders would prefer in future leadership at LTD.

Ms. Adams reported that futurists say that the past can be a predictor of what can be expected to happen in the future. To begin the process of looking into the future, Mr. Rather introduced a video that displayed what has happened in the world and with LTD during since 1980. Mr. Rather then introduced a banner that displayed a timeline of significant milestones that LTD has achieved during that same period of time. A second banner would be used to display ideas generated during the course of the day that are related to LTD's future and that would be brought back to the Board at the next visioning session.

General Manager Mark Pangborn reiterated that the accomplishments the organization has made in the past and the continuous desire to improve the organization are the result of thinking in the long term. In the past, decisions have been made at times long before the execution. That underlines LTD's need to anticipate what it needs to do in the future. The past timeline reflects changes in legislative delegates, and the long-range plan needs to consider those and other possible changes in the future. While the organization identifies what needs to be done in the future, it also needs to determine possible funding options.

STRATEGIC VISIONING WORK SESSION: During the course of the morning, the Board and staff held table discussions to determine factors that may have major future implications for transit. The exercise also produced conceptual ideas of where LTD will be up to 40 years into the future. Mr. Pangborn recognized some of the factors and ideas submitted by staff and the Board, such as:

- Changing demographics (cultural, language barriers), growing city populations, and workforce changes
- By 2015, 80 percent of current technologies will be obsolete, requiring retraining of workers
- Completion of EmX system by 2040 (population projections 380,000)
- Extend high-speed service to other communities, including Cottage Grove
- Electric and solar-powered buses – no fossil fuels
- Fully automated fare collection
- Contracting service to sustain service levels
- Increase rail line along Highway 126 – express service to Veneta
- Bike rentals/loans at bus stops
- Bilingual requirement for employment at LTD
- Oregon's public initiative process is abolished
- Peter DeFazio's retirement
- High speed rail
- Leadership changes
- Third wheelchair bay on buses
- Sales tax
- Aerial system from Autzen to campus
- Real-time information at all bus stops
- Ability to process on-demand requests from low density access points to high capacity corridors
- Satellite facility

At noon the Board and staff were joined by community members who participated in group discussions concerning their vision for LTD's future leadership and LTD's position within the community. Joining in the discussions were: Dan Egan, Gino Grimaldi, Peter Davidson, Anne Marie Levis, Jon Ruiz, Liz Cawood, Steve Roth, and Dwight Collins.

At the close of the group discussions, a table representative shared some of the preferred characteristics of future LTD leadership that had been discussed, including:

- Transit advocate with passion for transit--not a technician
- Visionary, but with day-to-day management capabilities
- Someone with long-term commitment to the community
- High energy
- Good listener
- Strong external presence in the community – maintaining relationships is important
- Already a player in transit—APTA and FTA connections
- Consideration as to up-and-comer v. seasoned professional (no conclusions from the group)
- Good speaker
- High level of integrity
- Maintain/improve relationship with union
- Life-long learner
- Out-of-the-box thinker
- Good understanding of finances – can find innovative funding strategies
- Good understanding of this community
- Good understanding of LTD's culture—no drastic, immediate changes
- Culturally competent (regarding changing demographics)
- Not necessarily bus-focused since bus may not be the transportation of the future
- Interested in innovation
- Continues to move in the direction of community integration into transit
- Collaborative
- Restructuring into framework of shared leadership: two leaders with separate focus of responsibilities (internal v. external; financial v. operational)

Ms. Adams thanked the group and said that these ideas will be incorporated into a draft document that will be used over the next several months in developing the future vision for the District. The visitors left the meeting at 1:15 p.m.

Ms. Adams shared the next steps in the process. During the next month a task force will be formed that will synthesize the ideas brought forth during this session into a document to be brought back to the Board in another session to be scheduled for January. This is an iterative process that will take place over the next several months, resulting in a document that will guide the District through the next twenty years.

The next work session to be scheduled in December will focus on building the budget for the coming year and the long-term financial plan.

The information received regarding leadership competencies will be incorporated into the District's process for internal staff development and succession planning.

Mr. Schwetz added that the long-range transit plan has a couple of components that LTD can build on: one includes development of strategic scenarios, and the second is the identification of specific capital related projects that will become part of the regional plan. Development of the plan needs to be completed by June 30, 2011.

ADJOURNMENT: The work session was adjourned at 1:50 p.m.

Board Secretary

MINUTES OF DIRECTORS MEETING
LANE TRANSIT DISTRICT
REGULAR BOARD MEETING/WORK SESSION

Wednesday, November 18, 2009

Pursuant to notice given to *The Register-Guard* for publication on November 12, 2009, 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, November 18, 2009, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, President, presiding
 Greg Evans, Vice President
 Michael Dubick
 Dean Kortge, Secretary
 Ed Necker, Treasurer
 Doris Towery
 Gerry Gaydos
 Mark Pangborn, General Manager
 Jeanne Schapper, Clerk of the Board
 Lynn Taylor, Minutes Recorder

CALL TO ORDER/ROLL CALL – Mr. Eyster convened the meeting and called the roll at 5:30 p.m.

WORK SESSION

Gateway EmX Extension Project Update – Facility Services Manager Charlie Simmons stated that the project had begun in 2001, and construction was nearly 50 percent complete. He used aerial photographs of the route to illustrate minor changes to routing.

In answer to Mr. Evans question, Mr. Simmons replied that there would be eight vehicles on the 80-minute loop in order to maintain frequency of service when the second EmX corridor begins operating.

Mr. Eyster asked if the route changes along West 11th Avenue would require a public participation process. Mr. Simmons replied that the changes would not create any major impacts, and he did not believe a public process was necessary; however, staff had been in contact with Selco Community Credit Union and City traffic engineers regarding the proposed changes.

Mr. Simmons described the temporary connection at the northeast end of the EmX loop and said that it would be in place until PeaceHealth built a permanent connecting road, which would likely occur within a three- to seven-year timeframe. He added that the station on the north side of Harlow Road was being moved slightly and that a High-Intensity Activated Crosswalk (HAWK) signal would be installed at the intersection of Pheasant Boulevard and Harlow Road. He then demonstrated how the signal would function. He also described planned changes to the Springfield Station that are being made to better accommodate EmX and other service.

In conclusion, Mr. Simmons summarized that there were no changes to the project's bottom line, although there have been some shifting of funds among budget categories. He added that of the 41 property acquisitions for the project, 35 properties had been acquired to date and agreements reached on two others. He then reviewed the project schedule and showed slides of various construction activities.

Fleet Maintenance Building Expansion Update – Mr. Simmons stated that the project budget was \$4,440,366, and Fortis Construction had been hired as the construction management/general contractor. He said that he was pleased with Fortis' performance and noted that more than 80 percent of the subcontractors on the project are local; although, despite aggressive recruitment, only one was a Disadvantaged Business Enterprise (DBE). He said that 8 percent of the Gateway EmX contractors are DBEs.

Mr. Simmons reviewed the project schedule and phasing plan. He estimated completion by April or May 2010. He illustrated the modifications that would be made to the fleet maintenance building in order to accommodate more articulated vehicles.

TOUR OF FLEET MAINTENANCE BUILDING – The Board toured the fleet maintenance building from 6:10 p.m. to 6:30 p.m.

EMPLOYEES OF THE MONTHS – NOVEMBER AND DECEMBER 2009 – Transit Services Manager Sue Quick introduced Bus Operator Seth Hamlin, November Employee of the Month, and Bus Operator Kim Seiders-Baxter, December Employee of the Month. Mr. Eyster presented Mr. Hamlin and Ms. Seiders-Baxter with pins, letters of recognition, and certificates in appreciation for their achievements. Both recipients thanked the Board and expressed their appreciation for having LTD as an employer.

AUDIENCE PARTICIPATION – Mr. Eyster determined that there was no one who wished to speak.

PRELIMINARY REMARKS BY BOARD PRESIDENT – There were no preliminary remarks.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA – General Manager Mark Pangborn noted that a second Budget Committee appointment would be added in addition to the one mentioned in the Consent Calendar.

BOARD CALENDARS – Mr. Pangborn highlighted various items on the Board calendars, particularly the Strategic Planning Session with Budget Committee members on December 7. He said that it was possible that the December 16 Board meeting would be canceled if there were no agenda items requiring action from the Board.

Mr. Evans stressed the importance of working closely with Lane County commissioners to educate them about the EmX system and the West Eugene Corridor.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar** – Mr. Gaydos moved adoption of LTD Resolution 2009-024: It is hereby resolved that the Consent Calendar for November 18, 2009, is approved as presented. Mr.

Kortge provided the second. The Consent Calendar consisted of the minutes of the September 16, 2009, Regular Board Meeting; October 21, 2009, Canceled Regular Board Meeting; and appointment of Dwight Collins to the Budget Committee.

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

MOTION Mr. Dubick moved to appoint Edward Gerdes to the Budget Committee. Mr. Gaydos provided the second.

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

Special Transit Operations and Jobs and Transportation Act Transit Program Grant Applications for 2009-2011 Biennium - Accessible Services Program Manager Terry Parker highlighted the materials provided in the agenda packet, stating that the Oregon 2009 legislature through the *Special Transportation Operating Program* and the *Jobs and Transportation Act Transit Program* made available a combination of state and federal funds for older adults and people with disabilities. She said that a number of projects already had been approved by a grant review committee composed of members of the Accessible Transportation Committee. She asked the Board to approve the review committee's recommendations.

MOTION Mr. Gaydos moved approval of LTD Resolution 2009-025: It is hereby resolved that the LTD Board of Directors approves the LTD Consolidated Applications for Special Transportation Operations and Jobs and Transportation Act Transit Program for Fiscal Year 2010 through Fiscal Year 2011 as submitted. Mr. Evans provided the second.

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

LTD Salaried Employees' Retirement Plan Amendment – Director of Human Resources and Risk Management Mary Adams explained that the amendment would establish a program that allows employees to retire, but to continue to work up to an additional 1,039 hours after retirement when it is in the best interest of the District. She said that the practice is common for public employees covered by the Oregon Public Employees Retirement System (PERS). She added that under the amendment, the practice would expire on December 31, 2010. The Internal Revenue Service (IRS) was implementing new regulations effective January 1, 2011, that could affect an employer's ability to employ someone beyond the retirement date. She introduced Everett Moreland, Hershner Hunter Attorneys, who provided further details on the proposed amendment.

Mr. Moreland described the current provisions that allow for retirement at age 60, or at 56 with 30 years of service. He stated that there was some risk involved if employees retired under the amendment during 2010 since this type of provision was not yet approved by the IRS. Risks may include an amnesty fee that would have to be paid, along with associated legal fees.

Mr. Kortge asked who would be responsible for paying the fee. Mr. Moreland replied that the fee was a negotiated amount and would have to be paid by LTD, but legal fees would be paid by the plan once the amendment was adopted. He explained that the employee could also be faced with repayment of up to six months of benefits to the plan. The Board would need to decide if the ability to retain an employee for a period of time after retirement was worth the financial risk. He said that the amendment would be submitted to the IRS in late 2010, but it could take three to four years before there was a final decision.

MOTION Mr. Kortge moved approval of LTD Resolution 2009-027: The LTD Board of Directors hereby approves the Seventh Amendment to the Lane Transit District Salaried Employees' Retirement Plan as stated in the attached document and directs the General Manager to sign the Seventh Amendment on behalf of LTD.

In response to a question from Mr. Gaydos, Ms. Adams said that she believed the amendment would provide the District with some flexibility that it currently did not have, and that would be a benefit.

Mr. Gaydos seconded the motion.

Ms. Towery commented that the amendment represented a common practice among public employers.

Mr. Dubick added that the practice often resulted in cost savings to public agencies by retaining expertise during a transition period while not contributing to a retirement plan on the retiring employee's behalf. He doubted that the IRS would disapprove of the amendment, given its approval of similar provisions in other plans.

Mr. Evans called for the question.

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

Pension Plan Trustee Appointment – Ms. Adams stated that Mr. Kortge, currently Pension Trustee-elect, had participated in the necessary training to become qualified as a pension plan trustee.

MOTION Mr. Kortge moved LTD Resolution 2009-028: The LTD Board of Directors hereby approves the appointment of Board Member Dean Kortge to the position of Pension Trustee, to represent the Board of Directors on the Lane Transit District and Amalgamated Transit Union Local No. 757 Pension Trust and the Lane Transit District Salaried Employees' Retirement Plan.

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

Mr. Kortge said that speakers at a recent training session indicated that 5 percent was a more realistic assumption for the rate of return on pension plans than the 7 or 8 percent assumptions currently being used by plan providers.

Purchase of Property for the Veneta Station and Ride and Park - Assistant General Manager Stefano Viggiano stated that LTD had received a ConnectOregon grant for the development of a station and Park and Ride lot in Veneta. He said that the District had identified a suitable site and a willing seller. He asked the Board to approve the resolution, which would enable the property acquisition to move forward.

MOTION Mr. Gaydos moved approval of LTD Resolution 2009-026 authorizing Lane Transit District to acquire by purchase or by exercise of the Power of Eminent Domain real property necessary for the Veneta Station and Park and Ride lot. Mr. Kortge provided the second.

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

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports – Mr. Gaydos commended LTD for its outstanding public outreach with respect to the West Eugene EmX Extension. He added that an office where people could go for information was being established at the Eugene station. He thanked staff for their efforts.

Mr. Eyster said that Eugene City Councilor Andrea Ortiz sponsored a West Eugene EmX public information event at Plaza Latina on November 17. Mr. Eyster reported that the formation of a local Area Commission on Transportation (ACT) was the topic of a meeting held by the Lane Council of Governments. He said that LTD would be a member, but it had not yet been determined if the District would have voting rights on the ACT.

Mr. Eyster said that at a recent meeting of the Land Conservation and Development Commission, LTD's collaboration and the importance of EmX to the transportation system had been praised by both Eugene and Springfield.

Mr. Eyster also reported that the Metropolitan Policy Committee had formed a subcommittee to develop recommendations for State Transportation Improvement Program-Urban priority funding.

Mr. Pangborn reported that the American Institute of Architects had bestowed awards to LTD for its green line shelter design and for the Gateway Station. The District also had received an award from BluePath Directory of Businesses Committed to Accessibility for efforts in the area of accessibility.

Impact of Fares on EmX – Mr. Viggiano presented a preliminary report with a more complete report to be provided in early 2010. He said that October was the first full month of charging fares for the EmX and that ridership was down by approximately 4 percent, which was close to the estimated impact.

In response to questions, Ms. Quick said that spot-checking of fares was being done without increasing security, and there had been few problems to date.

Monthly Financial Report – October 2009 – Director of Finance and Information Technology Diane Hellekson commented that the District was managing expenditures very effectively, but reminded the Board that the fixed-route service had been sustained with a one-time infusion of \$3.2 million in federal stimulus funds. She added that payroll taxes were 12 percent lower than they were last year and that some major adjustments to service would probably be necessary in Fall 2010 to address a potential deficit.

Monthly Department Reports – Mr. Vobora reported that efforts by the private contractor hired by the University of Oregon to implement Civil War football shuttles were going well. He said that 80 buses were being brought in. He then provided an overview of the logistics for game day.

MOTION EXECUTIVE SESSION – Mr. Kortge moved that the Board meet in executive session pursuant to ORS 192.660(2)(i), to review and evaluate, pursuant to standards, criteria, and policy directives adopted by the governing body, the employment-related performance of the general manager of LTD.

VOTE Mr. Gaydos provided the second, and the motion carried as follows:
AYES: Dubick, Eyster, Evans, Gaydos, Kortge, Necker, Towery (7)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

The Executive Session began at 7:38 p.m.

RETURN TO REGULAR SESSION – The Board returned to open session at 8:20 p.m.

ADDITIONAL ANNOUNCEMENTS – Mr. Eyster announced that efforts were being made through the Metropolitan Policy Committee to form a committee that will choose a locally preferred alternative for the West Eugene EmX Extension. LTD Board members Mike Eyster, Dean Kortge, and Greg Evans will serve on the committee.

ADJOURNMENT - Mr. Eyster adjourned the meeting at 8:22 p.m.

Board Secretary

MINUTES OF DIRECTORS
STRATEGIC PLANNING WORK SESSION
LANE TRANSIT DISTRICT
SPECIAL MEETING

Monday, December 7, 2009

Pursuant to notice given to *The Register-Guard* for publication on December 3, 2009, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a strategic planning work session on Monday, December 7, 2009, in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present:

Board

Mike Eyster, President
Greg Evans, Vice President
Dean Kortge, Secretary
Ed Necker, Treasurer
Doris Towery
Mike Dubick
Gerry Gaydos

Budget Committee:

Jon Hinds
Donald Nordin
Edward Gerdes

Staff

Mark Pangborn, General Manager
Stefano Viggiano, Assistant General Manager
Diane Hellekson, Director of Finance
Mary Adams, Director of Human Resources and Risk Management
George Trauger, Director of Maintenance
Tom Schwetz, Director of Planning and Development
Andy Vobora, Director of Service Planning, Accessibility, and Marketing
Steve Parrott, Information Technology Manager
Charlie Simmons, Facilities Services Manager
Jeanne Schapper, Administrative Services Manager/Clerk of the Board (Recording Secretary)
Todd Lipkin, Financial Services Manager
Carol James, Chief Accountant/Internal Auditor

CALL TO ORDER AND WELCOME: The meeting was called to order by Board President Mike Eyster at 2:04 p.m.

Mr. Eyster welcomed those present; and Board members, Budget Committee members, and LTD staff introduced themselves. Gary Gillespie, who will be joining the Board in January, introduced himself.

Mr. Eyster stated that the purpose of the session is to provide staff with direction on issues that will affect the budget for the next fiscal year.

STATUS OF CURRENT YEAR BUDGET: Ms. Hellekson referred the Board to the December 2008 strategic planning session. That discussion focused on the current recession, and the worst case scenario prediction at that time was that payroll tax receipts would be down perhaps one to two percent. The hope was to survive the recession by cutting service. That cut was averted because LTD used \$3.2 million in American Reinvestment and Recovery Act (federal stimulus) funds to offset operating expenses. One year later, a very deep recession has been confirmed, and payroll tax receipts are 12 percent below the previous year.

More will be known in February than is known now in terms of payroll tax receipts. By then it also may be better known if there will be another wave of stimulus money in the coming year. The Oregon Economic and Revenue Forecast has been incredibly depressing during the last 12 months. There are now hints of optimism, however. According to the report, using 2007 as a jobs base, it will be 2013

before Oregon recovers the jobs held in 2007. It is predicted that the state will still see job losses through the next calendar year. Therefore, payroll tax receipts, which are based on the number of people working, will be a major concern for LTD. There may be a 2 percent increase in jobs by the end of 2011; but, because of the number of companies and agencies that have used furloughs and scaled back hours to cut payrolls, the first recovery will be to restore those hours, not to create new jobs. The state may experience a very high unemployment rate extending through 2010.

This recession is deep. It is not similar to the one that occurred in 2001/2002, which was relatively shallow. This recession is similar to the one that occurred in the 1980s. As a result of that recession, LTD cut 30 percent of service.

Seventy to seventy-five percent of operations is funded by the payroll tax. If payroll tax receipts are reduced, it follows that service also will be reduced. Other reductions will be explored as well.

As previously allowed by Oregon Revised Statutes, and in accordance with LTD Ordinance 40, the payroll tax rate is scheduled to increase to 0.66 percent in January 2010, and by 0.01 percent every year thereafter, until reaching the 0.7 maximum percent rate in January 2014. The 2009 Legislature approved a change to the payroll tax growth provision by allowing the rate to increase to 0.8 percent over ten years. The increase can only be taken after the Board adopts a finding of economic recovery, which seems very unlikely through 2011.

Staff recommend assuming a January 1, 2013, implementation of the payroll tax increase, which would require Board action to amend the payroll tax statute sometime in the fall of 2012.

Mr. Pangborn added that because Board action is required in Fall 2012, the Board would need to have a sense of purpose in late spring or summer of 2012. That would be indicated by a sense in 2011 that the economy was improving. The last time LTD increased the payroll tax, a private economic consulting group was commissioned to determine if the community was coming out of a recession and if it would be reasonable to assume that the current economic conditions would continue for some time. The study provided the Board with some substance upon which to make its decision. The political decision, however, is asking the local payroll tax payers (the business community) to be able to sustain an increase in the amount of taxes they will pay over a ten-year period. The increase goes up .0001 each year. The message goes to Chambers and business groups with the hope of receiving an "O.K." from the business community. If a decision were to be made in October 2012, the consulting group would need to be commissioned in the spring or summer of 2012 in order to have data by fall. The data then needs to be relayed to the business community in order to provide them with the opportunity to give feedback regarding the increase.

Mr. Dubick added that it appeared the District is assuming that job losses will bottom out during the last quarter of 2010. In order to implement a change in 2013, about a year and a half of jobs returning and economic upturn would be needed before attempting to make a case to the community. Mr. Dubick indicated his support for the 2013 implementation date.

Mr. Gerdes reported that he had just returned from a restaurant finance industry conference. The economists at the conference were projecting that by the end of next year, national unemployment will be at 14 percent, which is much higher than is being experienced by the local community at this time. In other words, those economists were quite pessimistic about where the economy was heading. Mr. Gerdes indicated that Payroll Tax Receipt Option 1, which indicates that receipts would decline 10 percent, is too optimistic. Putting that assumption with the options for implementation of the payroll tax rate, it would make sense to do an increase when more money is

needed, and the rate would need to increase sooner so that fewer services would need to be cut; and not build on the idea of adding additional services in 2013 to match the 2007 job numbers.

Mr. Pangborn reiterated that with the rate increase, either the amount of cuts will be reduced or service will be added. Nevertheless, the Board has to find that the economy has recovered sufficiently to sustain the rate increase. The recovery may not be sufficient to avoid service cuts, and the argument would be that implementing an increase would avoid having to cut more service.

Mr. Gerdes asked about the criteria used in determining when and if the local economy were improving sufficiently to warrant a tax increase. Ms. Hellekson answered that it is assumed that the consultants used in the future study would use the same criteria as was used in previous studies. It would not be a return to the previous standard, however.

Ms. James added that during the last study, the consultants had reviewed growth of jobs and payroll, unemployment rate, housing starts, and possibly retail information—basically the economic indicators that were being discussed in the press at the time.

Mr. Pangborn added that when the press reports indicated an improvement in the economy, LTD staff began conversations with, and requested feedback from, the two Chambers concerning increasing the payroll tax rate and what the money would be used for. There was some reluctance on the part of some community leaders, but, overall, the response was supportive. Ms. Hellekson commented on the timing of the last report: the report was commissioned in winter, the report was available in the spring, the Board reviewed the findings during the spring meetings, and the summer was spent selling the information to the community. The ordinance was modified in the fall.

Ms. James mentioned that she believed the report cost approximately \$7,500.

In response to a question from Mr. Eyster, Mr. Gerdes said that he believed that Oregon would be hit harder economically than the rest of the nation.

In response to a question from Mr. Evans regarding economic projections, Ms. James reported that one payroll tax payer that is substantially larger than everyone else announced in April a \$17 million operating budget reduction. This resulted in a substantial reduction in payroll tax receipts to LTD for the past quarter. Of the next ten largest payroll tax payers, two have gone out of business and another substantially reduced its business operations. It is unknown if and when those jobs may come back. Of the remaining payroll tax payers, most are cutting budgets in some way. Construction jobs are difficult to track since one job may have 15 contractors.

Mr. Gerdes said that he believed there will be a greater drop in payroll taxes; therefore, more cuts will happen sooner. He recommended a 2011-2012 implementation and to set specific criteria that will determine when the economy has turned around.

In response to remarks from Mr. Necker, Ms. Hellekson reiterated that this afternoon's meeting is set in order for the Board to give staff direction regarding possible service and budget reductions. Service Planning staff need a good deal of time to investigate and develop alternative service packages.

Mr. Hinds stated his belief that 2014 is too late and 2011 is too early to sell anything to the business community. He favored 2012 for the rate change implementation.

Ms. Towery added that in the new year, the District will have more information, including the outcome of the ballot measures that will be voted upon and will help determine the political arena. Mr. Gillespie mentioned that the Cities and the County are considering the impact of possible reform of Measure 50 during this next legislative session.

Mr. Evans reminded the Board that any service reductions will have a major adverse impact on the transit dependent, which, in turn, affects employers. Many employees won't get to their jobs if they don't have a bus that will get them to work in a reasonable amount of time. Mr. Evans added that he hears from employers that believe LTD needs to provide more service, rather than less service.

FEDERAL, STATE, AND LOCAL REVENUE:

Federal: Mr. Viggiano stated that the surface transportation bill (SAFETEA-LU), a six-year bill passed by congress, expired on September 30, 2009. Since that time, a continuing resolution has been in effect, extending the funding at the same general rate as the expired bill. The current continuing resolution expires December 18, 2009. Sometime between now and then, congress will need to take action to extend the resolution. There is little possibility of a new transportation bill being developed any time soon—probably not until 2011. Congress will probably approve continuing resolutions that will extend until the new bill takes effect. One- or two-year, stimulus-type funding that has been mentioned is separate from the transportation bill; it will be in the form of a jobs/transportation bill, which will be similar to stimulus funding and is in addition to the regular transportation funding. Only 6 percent of stimulus funding went to transportation; however, it was learned that the stimulus funding that went to transportation was most effective in creating jobs. Accordingly, the bill that is being discussed now would put a greater percentage of funding towards transportation. The House will begin discussing the bill this month; the Senate is absorbed in the health bill discussion, so it is not expected to review the jobs/transportation bill until January or February. By that time, the District should have a better idea if there will be additional funding and, if so, what the amount will be. If approved, the bill would provide additional formula funds that can be allocated in any way that fit the rules of the program. There also will be some discretionary funds for which LTD can apply. In February the District should have an idea of any anticipated federal funds and also current payroll tax information and will be in a better position to determine the service package. The recommendation for the current Draft Long-Range Financial Plan is that no funding from these sources be assumed. The District has been transferring some federal formula funds received and using them for preventative maintenance, which is an operating cost. Mr. Viggiano added that If and when a new transportation bill is approved, it is likely to have more emphasis on transit, than the recently expired bill. For example, the House bill had 20 percent of funding going to transit, compared to 15 percent in the old bill, SAFETEA-LU.

State: A total of \$32 million per biennium for Elderly and Disabled Transportation was approved statewide by the 2009 Legislature. (LTD's allocation of the \$32 million total is \$1.2 million per year.) Most of those funds (\$20 million) were through the Surface Transportation Program (STP), which are federal funds that are received through the State; and the Oregon Transportation Commission determines what portion is distributed to transit. That funding appears fairly stable. However, the \$10 million from the State General Fund is vulnerable if the income and/or corporate tax ballot measures are rejected by voters in January. In addition, as a General Fund expenditure, the funding requires approval by the legislature every session, which puts continued funding in jeopardy. The gas tax will likely start in January 2011, and LTD will receive a small portion. Due to constitutional restriction, the gas tax revenue generated from vehicles can't be used for transit; however, revenue generated from the gas used for other equipment, such as lawn mowers, can go to transit. That could amount to \$2.2 million statewide for the biennium.

Staff recommend Option 2: to assume that the general fund money will not continue beyond this year, but that the STP will be a continuing source of revenue for LTD. That may be a conservative assumption because legislators indicate a commitment to finding a replacement revenue source for the loss in \$10 million general fund money. A medical cap deduction may be discussed in the next legislative session, but if not, certainly in 2011.

Local: Some of the STP federal money that is allocated by formula comes to the state, with some going directly to metropolitan areas greater than 200,000, which includes Eugene-Springfield. These funds are Surface Transportation Program-Urban (STPU). The local Metropolitan Policy Organization (Metropolitan Policy Committee) decides how to allocate the funds, whether for roads, pedestrians, or transit. For the past year, LTD has been discussing with partner agencies a \$500,000 allocation to transit, which could offset some operating costs in order to maintain service. Staff are fairly optimistic that \$1.5 million in STP-U funding will be allocated to LTD during the next three-year period. The staff recommendation is to not assume any other local funding.

Mr. Eyster added that LTD voluntarily passed on its STPU request this year, with the understanding that the funding request for transit would be made during the coming three years.

Board members expressed agreement with the recommendation, with the understanding that the issue would be revisited in a couple of months.

FARE CHANGES: Mr. Vobora gave an overview of the proposed fare changes. Fares account for between 15 to 23 percent of operating revenue. The 2008 fare changes were a deviation from a policy that's been in effect since the 1980s for small, incremental rotating fare price increases. LTD deviated from that policy twice: once during the 2001-02 recession, and in 2008, with across-the-board changes to the fare structure. Fare increases also adversely affect the Group Pass Program. Royal Caribbean has dropped the program; and PeaceHealth is also considering dropping the program, which amounts to a \$270,000 loss of revenue. Agreement was just recently reached with the UO regarding the current year contract; the UO is just beginning the budget process for next year.

In response to a question from Mr. Necker, Mr. Vobora indicated that price increases can suppress demand. When service is cut, buses may be filled beyond capacity, and pricing can suppress demand. However, staff did not feel that it was the right time to raise fares significantly.

It is desired to return to small, incremental fare increases. There were no fare increases this year, so staff recommend Option 3, which is small pass increases in 2010, followed by a change in cash fares the following year.

Mr. Vobora described the new fare management system, which would involve upgrading of the fare boxes. The newer boxes count change, verifying the amount paid. The system can be upgraded to recognize payment cards. The advanced systems allow tracking of riders.

The Board indicated its concurrence with the staff recommendation.

CAPITAL IMPROVEMENTS PROGRAM (CIP): Mr. Lipkin stated that the practice of programming funds in the Capital Improvements Program (CIP) for the preventive maintenance program began with the 2010-2017 CIP. Projects were cut or deferred to free \$1 million per year. When combined with the engine kits/tire funding that was previously in place, a total of \$1.2 million was programmed annually for preventive maintenance. During the CIP drafting process, \$2 million in uncommitted

funds remained. This amount has been programmed into the first four years (\$500,000 per year) of the draft CIP to fund additional preventative maintenance. The draft plan assumes that essential capital needs are funded, including bus replacement. Mr. Pangborn added that buses are typically replaced at 15-18 years, which is three to six years beyond their life expectancy. The recommended budget scenario proposes borrowing money for bus replacement and then paying off the loan over a twelve-year period.

Mr. Lipkin stated that staff recommend programming \$1.2 million of federal formula funds annually and the additional \$2 million over the first four years in the Capital Improvements Program to be used for preventative maintenance. The Board concurred with the recommendation.

GERRY GAYDOS' FAREWELL: Board President Mike Eyster thanked Mr. Gaydos for his years of dedicated service to LTD and to the community and presented him with a wooden bus, to which Mr. Gaydos replied that he preferred an articulated bus. Mr. Gaydos also was presented with his formal portrait and a plaque listing his years of service on LTD's Board.

Mr. Pangborn stated that Mr. Gaydos is the epitome of the dedicated Board members that have served over the years. The District will miss him dearly.

Mr. Gaydos responded that the LTD Board and staff are outstanding, have a sense of mission and purpose, and have dedicated themselves to helping the system move in a very positive direction. He added that LTD has accomplished a lot in its fairly short life, including being on the threshold of innovation such as bus rapid transit. The District should be commended as a good steward of public dollars and for its service to the community. There are challenges ahead, and Mr. Gaydos stated his confidence that LTD would meet the challenges squarely.

BREAK: The Board recessed from 3:36 p.m. to 3:52 p.m.

Mr. Evans left the meeting at 3:50 p.m.

FUEL COST: Mr. Trauger indicated that fuel prices seem to have settled down, but still fluctuate periodically. On July 10, 2009, fuel was lowest at \$1.20 per gallon; the highest price was \$2.20 per gallon on October 22, 2009. Tyree Oil is storing 450,000 gallons of LTD's fuel in a tank in Coos Bay at a cost of \$1.68 per gallon and is being used as a buffer to manage fuel costs. The stored fuel has a shelf life of 18 months; however, the addition of stabilizers can increase the shelf life somewhat. Nevertheless, at some point, the fuel needs to be drawn down. Without including the fuel stored in Coos Bay, the cost per gallon for fuel has averaged \$2.00 per gallon during the past five and a half months, which was the amount budgeted. Currently the price is fluctuating between \$75 and \$85 per barrel (approximately a 14 percent increase). The price for fuel is projected to be about \$2.30 per gallon. In addition, Oregon has now mandated a 2 percent biofuel mix, which equates to an additional \$.02 to \$.05 per gallon.

It is difficult to predict future prices for fuel; there are too many variables. Staff recommend assuming an average price of \$2.35 per gallon (15 percent increase), with 5 percent increases in future years.

Mr. Kortge asked that if fuel purchased at \$1.68 is used for half the next year and the District has to pay \$2.35 for the other half of the year, shouldn't the budget reflect the average at around \$2.15? Isn't the recommended assumption of \$2.35 per gallon too high? Mr. Lipkin responded that, given the price fluctuation the past year (reaching \$4.00 per gallon), the recommendation may not be too conservative.

The Board thanked Mr. Trauger for his report.

PERSONNEL COSTS:

Personnel Services: Ms. Adams reported that the two areas of personnel-related expenses, pension costs and personnel services costs, would be discussed separately. Personnel Services is related to wages and insurance. LTD is currently in the third year of a three-year collective bargaining agreement that called for a 3.6 percent increase in wages during this fiscal year for represented employees. Non-represented (administrative) employees have had a salary freeze during the past year. What is happening in the health care industry also affects personnel services. Five years ago the District moved to a different health care model, which includes a higher deductible plan with a health savings account of one form or another. Since that change, the District has experienced relatively low premium increases—less than a 22 percent increase over the four years prior to this last year. During the current year, the District has experienced a couple of relatively expensive claims and LTD's premiums increased dramatically—a 15 percent increase this year alone. It is expected that the contract year for the health plan will probably be more expensive in this next year as well. One of the recommendations that staff are making reflects the 15 percent increase in cost for health care. The 15 percent premium equates to a 2.5 percent increase in the total cost for personnel services.

The second option assumes that a way to reduce the cost of the health care plan is found. The third option assumes wages and health care costs both increase. The conservative first option that staff recommend to the Board assumes no wage increases for any staff (administrative or represented), and continue with the 15 percent health care increase this next year with a 10 percent increase in the following years.

Ms. Towery asked about a brokerage firm to investigate the District's options for health care. Ms. Adams responded that the District uses a broker model. A request for proposal is put out for the health plan each year. The broker negotiates with carriers, and staff are confident that LTD's broker is getting the most competitive rates.

Mr. Gerdes asked about self-insurance rates. Ms. Adams mentioned that LTD went to the self-insured model for dental two years ago, and, so far, the District is dollars ahead. Dental has a much lower risk, and it is much easier to predict what will happen with the plan. Staff reviewed the self-insurance model for medical this past year because it was likely that rates would go up. It was decided not to go in that direction this year because claims are more unpredictable than they've been in the past. The idea could be revisited in the future. Through negotiations with the broker, LTD was able to stay at the 15 percent increase cap under which it currently operates.

Mr. Kortge cautioned LTD as a public agency on being self-insured, since a rash of bad claims can result in extremely high reinsurance rates, and the risk would be quite public. Ms. Adams said that the District is focusing on wellness and preventive measures to increase employees' overall health and potentially lessen claims.

Mr. Gillespie suggested that this topic be revisited in the spring when the outcome of the national legislation on health care is known, including what the public option looks like.

Mr. Dubick proposed another option: assume an increase in personnel costs of 2.5 percent, but not specify how it's distributed, allowing some flexibility with wages and benefits—especially with forthcoming union negotiations.

Ms. Towery asked that staff survey the local community to determine common wages and benefits. It would not sit well in the political arena if LTD were to increase wages and benefits and cut service,

while other public and private sectors are taking active measures to reduce budgets by reducing wages and benefits—sometimes significantly. Mr. Pangborn reiterated that more current information will be brought back to the Board regarding these issues.

Mr. Gerdes agreed with a certain percentage increase assumption, but without allocating it to a specific benefit. However, he suggested a range in the proposal: negative 2.5 percent to positive 2.5 percent, a range that assumes administrative cuts that reflect what is happening in the private sector.

Pension Cost: LTD has two pension plans: one for union employees and one for administrative employees. Staff recently received the actuarial assessment for the salaried plan, which revealed that LTD's contribution will go up about 1.5 percent of payroll. The assessment for the ATU plan will be done in 2011. All options reflect the 1.5 percent increase in the Salaried plan. The question is what to assume for the represented plan.

The first option assumes no increase in the ATU plan contribution at this time; the second option assumes up to a 3 percent increase, and the third option assumes that the contribution will increase by more than 3 percent.

Both plans are underfunded, which means that more needs to be contributed to rebuild both plans. This has been done incrementally over time in order to reduce the unfunded liability. That is why no reduction is recommended in the contribution. Staff recommend Option 2.

Mr. Pangborn added that this is not assuming any increase in benefit. Both plans are defined benefit plans, per contract and employment law for public employees.

Mr. Kortge reiterated that LTD uses a 7.5 percent growth rate. He reported that at a recent national benefits conference that he attended, it was strongly suggested that a 5 percent increase should be assumed. Dropping 2 percent off actual growth assumptions, LTD should be funding 8 percent more than what is being discussed. Perhaps the assumptions are too conservative.

Mr. Eyster indicated that the staff recommended assumption would have to do for now. Ms. Hellekson added that better indicators of what the assumed percentage should be will come in the spring. Mr. Pangborn affirmed that all options, including possibly moving sometime in the future to a defined contribution plan, will be reviewed, and viable options will be brought back to the Board in the spring.

Mr. Gaydos left the meeting at 4:35 p.m.

RIDESOURCE COST: Mr. Vobora indicated that some cost factors are down, which could be related to the brokerage efficiencies. More will be known after receipt of the brokerage first-year report is received in late spring/early summer. Staff have been able to leverage state and federal grants, which is hoped will continue. If it does not, a move back to coverage through the general fund would be required. RideSource ridership is continuing to increase.

Staff recommend Option 2: assuming the District maintains the current growth rate of approximately 10 percent annually based on more recent growth trends.

MATERIALS AND SERVICES COSTS: Mr. Pangborn indicated that a reduction in service is needed since there is insufficient money to fund the current level of service, and service is where the bulk of LTD's funds are spent. Staff reviewed all of the components of LTD's budget for

materials and services, and Mr. Pangborn briefly introduced some of the priorities for maintaining activities and services. He indicated that staff feel, however, that it's "penny wise and pound foolish" to not continue some basic kinds of training, asset preservation, staffing, etc., to maintain basic services. Nevertheless, staff are continuing to look for other ways to save that are beyond service cuts.

The conundrum with the next budget is the implementation of the next EmX extension in January 2011 (essentially adding service) at a time of service reduction elsewhere in the system. One year of the new extension equals \$1 million of additional service. The commitment of EmX has been made to the community and will be carried out.

Mr. Kortge indicated his support of staff training and its value to the organization. He indicated that any cuts in that area should be reviewed carefully.

BUDGET REDUCTIONS/SERVICE LEVEL: Ms. Hellekson referred the Board to the Long-Range Financial Plan (LRPF) handout. The upper model assumes a 10 percent reduction in payroll tax receipts, or \$20,500,000; assumes no growth in Year 1; and 3 percent, 4 percent, 5 percent growth in years 2, 3, and 4, and 6 percent growth per year thereafter. The second model assumes slightly more optimistic payroll tax receipts in the first year, \$21,500,000. The District is required to maintain \$3 million in reserves at all times. That figure comes from: 1) LTD is self-insured for the first million dollars in catastrophic accidents. In a bad year, cash would need to be on hand to cover excess losses. 2) Protection against an interruption in the current year in payroll tax of \$1 million in current year working capital. If that was spent in one year, another \$1 million would be needed in working capital for the subsequent year. This is a dramatic deviation from previous years' policies, which were 25 to 40 percent of operating expenses, requiring considerably greater reserves. The Board had decided to reduce reserves, partly due to sustain fixed-route service stability and partly because it felt that the payroll tax was a stable source of local revenue.

In the first model, a \$3 million service reduction is indicated in Year 1, followed in Year 3 by a \$3.5 million service reduction. Due to pressure from the community to maintain service, making the larger cut the first year was not considered.

Mr. Vobora said that service planners are using the 15 percent cut scenario that was developed this past year during that budget crisis as a foundation for service cut scenarios for this next year. Staff are targeting an approximate 20 percent reduction in service for this next year. Additional percentages of service cuts also will be examined as part of a possible second level of cuts. These scenarios will be shared with the public in early January to receive feedback. The public process will be more condensed this time than last time, ending around April, in order to prepare for fall implementation.

In response to a question from Mr. Kortge, Mr. Lipkin added that a 20 percent reduction equates to roughly \$2.7 million.

Mr. Kortge clarified that the \$5.25 million one-time reduction shown in the first model of the LRFP reflects an approximate 40 percent reduction in service. Mr. Vobora confirmed, adding that other system changes would be involved in the larger cut such as service on fewer days of the week, shorter service hours, and cutting administrative and system support.

Mr. Lipkin added that both LRFP scenarios reflect a \$3 million cut in Year 1, with the understanding that there are a lot of unanswered questions, such as possible stimulus funds, that will be revisited. Mr. Pangborn added that the first scenario reflected a \$6.5 million cut over three years. Spreading

the cuts over a time gives the opportunity to consider funding sources that may be coming during the time, along with the possible upturn of the economy. On the other hand, taking a full \$5 million cut in the beginning is quite radical and possibly preempts possible positive factors. The \$3 million cut, followed by the \$3,5 million two years later is a “middle of the road” view. Another difficult casualty of cuts is losing the newer drivers--those that have just been trained and are committed to the future of the organization.

Mr. Pangborn added that service cuts come in packages. A 20 percent cut may not be viable; it may be 19 or 21 percent.

Ms. Hellekson reiterated that any major service reduction requires major community outreach, including public hearings, which takes time.

Mr. Kortge added that this process should involve Board members and staff reaching out to city councils and letting them know what is happening. Mr. Eyster agreed and expressed doubt that the councils would be surprised at the current situation. Ms. Towery agreed, adding that, just from the political environment, the more proactive the organization is, the better—especially since they represent LTD’s funding source.

Mr. Hinds reminded the Board of the importance of getting the message to the Metropolitan Policy Committee (MPC) as well. Mr. Vobora responded that staff have visited with the MPC Citizens’ Advisory Committee, the Transportation Policy Committee, and Springfield Public Works concerning EmX service and possible service changes. Staff also will hold open houses throughout the District in order to gauge the sentiments of the public. Input will then be returned to the Board Service Committee for recommendations to the full Board. Mr. Vobora added that staff had recently met with TriMet staff to see how they dealt with implementing service cuts at the same time they were opening the new MAX line. Since the Portland community loves rail, that process went pretty smoothly for TriMet, which is not quite the same situation that LTD is facing. Salem-Keizer Transit (SKT) recently had a major restructuring (including cutting Saturday service) of a system that was in place for its entire existence. The system is now corridor-based and much more efficient than it had been. SKT’s funding source, in some ways, is more stable than LTD’s.

Mr. Necker added that LTD’s message should include the fact that EmX helps to retain service, covering neighborhoods that had previously needed three lines to cover. Mr. Pangborn added that, if this addition is as successful as the first EmX line, LTD will be carrying more people and spending the same money as it would have going elsewhere into the community.

Mr. Lipkin asked for clarification on the options: the Board is recommending the staged cuts and the \$3 million cost reduction assumption. The Board members concurred.

ANNOUNCEMENTS: There will be no Board meeting in December.

ADJOURNMENT: The work session was adjourned at 5:03 p.m.

Board Secretary

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, December 16, 2009

The regular meeting of the Board of Directors of the Lane Transit District scheduled for Wednesday, December 16, 2009, at 5:30 p.m., was canceled due to a lack of agenda items requiring action.

Board Secretary