

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

Wednesday, May 21, 2008

Pursuant to notice given to *The Register-Guard* for publication on May 15, 2008, 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 Wednesday, May 21, 2008, beginning at 5:34 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Mike Eyster, Vice President, presiding
Dean Kortge, Secretary
Debbie Davis, Treasurer
Ed Necker
Greg Evans
Michael Dubick
Mark Pangborn, General Manager
Jo Sullivan, Clerk of the Board
Jeanne Schapper, Minutes Recorder

Absent: Gerry Gaydos, President

CALL TO ORDER/ROLL CALL – Mr. Eyster called the meeting to order at 5:34 p.m. and then called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Mr. Eyster mentioned that the Springfield City Council met on May 5 and agreed with the 30 percent design presented by LTD staff. The Council Chair was very enthusiastic in her support.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA – Mr. Necker inquired as to when the decision on hybrid buses will be made. General Manager Mark Pangborn responded that the decision does not have to be made for some time—probably one year. LTD is in the process of ordering additional EmX buses for the Pioneer Parkway EmX Extension. The buses will be hybrid electric in order to be consistent with the remaining fleet. The District is looking into the cost trade-offs between standard buses and hybrid-electric. After more information has been collected and before the end of the year, the issue will be brought before the Board again, along with a discussion on the use of biodiesel.

Mr. Pangborn announced that the need has arisen to go into Executive Session to discuss the purchase of River Road Station from the County.

BOARD CALENDARS – Mr. Pangborn reminded the Board of the Work Session scheduled for June 9 and the regular Board meeting scheduled for June 18. He mentioned that traditionally the July and August meetings have been left open—unless an issue arises that requires Board action. Nothing is currently pending.

Mr. Pangborn passed around a picture of Board member Greg Evans with a group of officials in Washington, D.C., where Mr. Evans introduced Congressman Earl Blumenauer and Congressman Peter DeFazio.

WORK SESSION

June 9 Strategic Planning Work Session Agenda - Assistant General Manager Stefano Viggiano said that the intent was to review and discuss the draft agenda for the four-hour work session scheduled for June 9, 3:00-7:00 p.m. Mr. Viggiano directed the Board to the draft agenda in the packet and the four objectives of the work session.

Mr. Viggiano relayed that the first objective is to determine an appropriate cost range for budget reductions for 2009-10. An updated Long-Range Financial Plan will be available with optimistic and pessimistic assumptions. The second objective is to provide direction on budget reduction options for consideration, including service options, materials and services, personnel, and capital. A discussion of potential revenue options will follow. Revenue options are unlikely to have a short-term impact. The impact would be more apparent in 2010, at the earliest.

Mr. Evans inquired about congestion taxing and other possible options, such as carbon taxing, as these may have benefits that could be realized earlier. He pointed out that these are emerging options that are being explored around the world, and with current budget concerns, may be viable options that LTD should explore. Mr. Viggiano responded that these options need to be addressed at the federal level.

Mr. Evans stated the possibility of a transit SDC (Systems Development Charge), and added that these ideas should be discussed further at the work session. Mr. Viggiano responded that the matter would be investigated and that he would find out what authority the District has in pursuing these options.

In response to a question from Mr. Eyster, Mr. Viggiano stated that the Budget Committee was aware of the items to be discussed.

Mr. Kortge inquired as to the timeline for decisions—best and worst case scenarios. Mr. Viggiano responded that a process schedule will be provided. If significant service reductions are being considered, direction from the Board will need to be given at the meeting on June 9, so that the public process can begin.

Mr. Necker inquired as to whether these service reduction decisions would be made solely by the Board or if the Service Committee reviews the information and makes recommendations. Mr. Pangborn responded that the Board would decide if they want the Service Committee to refine the recommendations prior to presentation to the Board. The Board may make that decision at the strategic planning work session.

Continuing the review of the Strategic Planning Work Session Agenda, Director of Service Planning, Accessibility, and Marketing Andy Vobora introduced the review of revenue options, beginning with fare increases that would lead to direction from the Board. A fare increase was adopted earlier that affects cash fares. The fare policy suggests that fare increases are rotated so that not all go into effect in a single year; however, it is not a requirement. The Board is within its power to make the changes that will be discussed.

Cash Fares: An increase of 20 percent (to \$1.50) has already been adopted and puts LTD near the top of its peer group. The cash fare affects approximately 21 percent of riders. The top fare in LTD's peer group is \$1.75. LTD's recommendation is to refrain from further increasing cash fares at this time.

Single-ride Tokens: Tokens are purchased for \$5.50 for a packet of five and provide a discount over paying the cash fare. They are not used by many riders (only 2 percent), and about half of those riders are receiving the tokens through a social service—either a governmental agency or not-for-profit program. Staff are suggesting the elimination of the tokens as a fare option to the general public (1 percent of riders); however, the tokens should be kept available for social service agencies. At some time in the future, tokens would be eliminated in favor of a paper instrument for use by the agencies to be issued to the rider for redemption for a day pass. This would enable the District to capture rider data.

Passes: The day pass is tied to the cash fare and may be priced differently as some districts do. LTD's policy states that the day pass price is two-times the cash fare, but that wording can be changed. LTD staff do not recommend making that change at this point in time.

The monthly pass was increased from \$35 to \$38 in 2007, and only one year has passed since the new price was implemented. About 22 percent of riders use the monthly pass. The current price is in the median of the District's peer group. If the price is raised to \$45, which is a significant increase, the District price will still remain within the peer group range. Staff are recommending this change to the Board. It should be noted that some Districts are charging upwards of \$60 for a monthly pass. This change will bring about the most benefit in terms of generation of revenue because it affects a large percentage of dedicated riders. It is believed that this increase would not affect ridership.

Mr. Kortge asked for clarification on what type of rider constitutes the 22 percent of monthly pass riders. Mr. Vobora responded that this would not affect student riders who have group passes as well as many adult riders who also possess group passes. Monthly passes are purchased by the general public, which is primarily made up of regular commuters. This change should not impact lower income riders.

Mr. Evans inquired as to what effect increasing monthly pass prices has had historically on purchase and usage. Mr. Vobora responded that the previous pass increase was from \$28 to \$35, which is similar to the current situation. This increase occurred in the early 2000s when service cuts were also being considered. Because of concurrently cutting service and increasing fares, the District saw a slight slowing in growth. Currently, however, people expect prices to increase, so fallout should be minimal.

Seniors and people on a fixed income will see the half-fare monthly pass increase from \$19 to \$22.50, and that change is expected to have an effect on some riders.

Mr. Dubick commented that the pass price of \$45 for a regular commuter is still a good deal. Mr. Vobora said that the typical calculation considers riding 40 times per month, which amounts to a \$60 cash fare. The monthly pass discounts the price to \$45.

Mr. Vobora reported that the three-month pass offers an additional 10 percent discount over the monthly pass. These passes have been deeply discounted over the years to encourage riders to move to the pre-paid fare instrument. Historically the three-month pass has not been popular.

Youth was the largest group of purchasers prior to the implementation of the youth/student pass. Currently the largest group of purchasers is the reduced fare riders (typically people on a fixed income), who budget for purchase of this pass to save money. Administratively, this program is difficult because of the costs involved in packaging and printing, only to have purchasers lose them and need to have them replaced. In the adult category over the past twelve months, only 600 have been sold, which means that 50 to 60 people per month are taking advantage of this additional discount. To make this program worthwhile, a target of 100 to 150 purchases would be more reasonable. LTD recommends elimination of this program. These riders would purchase the monthly pass.

Mr. Necker mentioned that the three-month reduced fare at this time is \$51.50. If the pass fare is changed to \$45, that would amount to a reduced fare of \$22.50, which makes the cost for two months as much as the cost for three months. If the three-month pass was kept and the price for the half-fare was raised to \$22.50, the price for half-fare for a three-month period would increase from \$51.50 to \$67.50. Mr. Vobora responded that the Board can set the reduced fare at something other than what is recommended. The law requires the District to charge half fare, but the Board may set that at a lower rate.

Mr. Necker asked if it was possible to track how many three-month half-fare passes are purchased. Mr. Vobora responded that there were approximately 1,500 purchases over the last twelve months. Some of those riders are purchasing every three months, so those figures would need to be divided by four.

Mr. Vobora pointed out that the Board had adopted an increase in the group pass of 8.8 percent in January 1, 2009, which is part of the policy that needs to be changed. Staff recommend continuing this discussion in the fall. Currently the policy states that pricing is based on a three-year rolling average of the cost increase, not to exceed that rolling average. Group passes increase each year, and from 2005-2009 including this 8.8% would have increased group passes 31.7%. Still, LTD pricing seems favorable. Mr. Vobora stated that he had investigated 15 to 20 university programs around the country and some may be funded at a much higher level than LTD's.

EmX Fares: Only 9 percent of riders do not pay a fare. It was planned that fares would be charged with the implementation of Pioneer Parkway EmX. Staff are continuing the evaluation of whether the expenses (fare machines, etc.) incurred in capturing that 9 percent are cost effective. Staff recommend continuing the cost benefit evaluation and return to the Board with more information in the future.

Mr. Evans inquired if the technology used to capture that fare on EmX would be similar to that used by light rail. Mr. Vobora replied it would be simplest to have a fare machine on the vehicle that sold tickets, and personnel would be on the busses randomly checking passengers to ensure that riders had paid a fare.

Breeze Fare: The intent of the original 25-cent fare was to entice business people in the Country Club Road area to ride the Breeze downtown for lunch instead of taking their vehicle. As part of the Triennial Audit, it was discovered that a half-fare should also be provided, even though this was a special fare and below the half-fare charged on the system. Mr. Vobora stated that staff recommend increasing Breeze fares to match the rest of the system.

Holiday Taxi Program: The Board previously approved a change that would increase reimbursement in the coming year from \$10 to \$20--good for travel on those two days. It is used very sparingly. The past two holidays, less than 40 people took advantage of the program. One argument would be that since not too many people are using the program, it isn't difficult to administer; however, it is another program requiring advertising, communication, and administration costs. Staff recommend elimination of this program.

Mr. Necker inquired if elimination of this program would also eliminate the taxi vouchers issued to RideSource users. Mr. Vobora replied that the elimination would apply to all taxi reimbursement.

RideSource Fare: The RideSource fare is two times the cash fare so no change is recommended to the fare structure that will go into effect on July 1, 2008.

Honored Rider Program: With moving the effective age for the Honored Rider program from 70 to 65, the phaseout of the senior category was discussed. The Adult category then would be ages 19 to 64. Due to the difficulty of explaining the phaseout process, staff do not recommend a phaseout, but rather recommend having the effective age be 65 beginning on the effective date. This affects 1.3 percent of riders in the 62-64 age group.

Mr. Necker inquired if there would be the elimination of half fare for age 62 first, and then 63. Mr. Vobora confirmed that the five-year age difference would be phased out over a three-year period. By federal law, LTD is mandated to offer a half-fare at age 65, but LTD is exceeding that by offering a free fare. With the implementation of the suggested change this year, riders age 62-64 would become full-fare riders.

Mr. Evans asked that with the number of potential riders of the baby boomer generation, and with the price of gas going through the roof, would the District be "cutting its nose to spite its face" in terms of revenue capture with making fares free at age 65, rather than age 70, or would the difference be negligible? Mr. Vobora responded that this change would affect only 1 percent of riders in that category. The purpose of this change would be to get riders used to the bus and less likely to use RideSource, which is much more expensive to operate.

Mr. Vobora then concluded this portion of his presentation by mentioning that the reason staff need affirmation to move forward is that if these changes are to be timed to go into effect along with changes that the Board has previously adopted, an emergency ordinance process would occur at the June 18 regular Board meeting. The process would consist of a public hearing, two readings, and then adoption. Mr. Vobora stated that if the Board needed further direction, the adoption would be delayed and have a later implementation date; however, this delay would result in inaccuracies in the *Rider's Digest*.

Mr. Eyster requested that this item be discussed further after completion of the evening's Executive Session.

Mr. Pangborn mentioned that it was inevitable that there would be service cuts in the fall of 2009. At that time, the District would be asked about what is being done to increase revenue. The answer is to first begin with fares. Mr. Pangborn then stated his belief that if the District cuts service and increases fares at the same time, it will double the pain and confusion of what is going on. If it is decided to raise fares, it is better to do that as soon as possible and see what the effect is. Then there would be a sense of what is happening, and the District could avoid being criticized for cutting service at the same time.

EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(e) and ORS 192.660(2)(h) – Mr. Eyster stated that the Executive Session is estimated to last approximately 15 minutes.

MOTION It was moved by Mr. Dubick and seconded by Ms. Davis that the Board meet in Executive Session pursuant to ORS 192.660(2)(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions, and pursuant to ORS 192.660(2)(h), to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

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

Comment [JS1]: Amended, see minutes of September 17, 2008, regular Board meeting.

Comment [JS2]: Amended, see minutes of September 17, 2008, regular Board meeting.

The Board entered Executive Session at 6:15 p.m. Attorney John Arnold was present for discussion with the Board.

RETURN TO REGULAR SESSION - The Board returned to regular session at 6:34 p.m.

EMPLOYEE OF THE MONTH - Lead Journeyman Mechanic Tom Shackelford was unable to attend the Board meeting.

AUDIENCE PARTICIPATION - There was no one present who wished to make a statement.

ITEMS FOR ACTION:

Consent Calendar - The consent calendar consisted of minutes of the March 19, 2008, regular Board meeting and approval of revised the LTD Drug & Alcohol Program.

MOTION Mr. Evans moved approval of LTD Resolution No. 2008-016: It is hereby resolved that the Consent Calendar for May 21, 2008, is approved as presented. Mr. Kortge provided the second.

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

Comment [JS3]: Amended, see minutes of September 17, 2008, regular Board meeting.

Comment [JS4]: Amended, see minutes of September 17, 2008, regular Board meeting.

Pioneer Parkway EmX Project - Facilities Services Manager Charlie Simmons reiterated that the 30 percent drawings were submitted to the City of Springfield for review. Staff worked with the City Council during three separate work sessions held in February, March, and April, and the City Council approved a resolution at its regular meeting on May 5.

Many issues were discussed at each work session including safety, station locations, property impact, public outreach, and others. At each work session, there were questions concerning the crossing of the bus lane with the multi-use path. Four different ideas were put to staff and were researched. Mr. Simmons directed the Board to a diagram, indicating the preferred solution was shown in red and was designed as an at-grade crossing. The grade separation option would cost \$1.5 million, based on a raised pedestrian crossing. After much discussion, safety enhancements were added to the design. Mr. Simmons referred to drawings, pointing out the

multi-use path was designed to slow pedestrians and bicyclists who would have to turn and cross the bus lane. Mr. Simmons also pointed out the vehicle detection device that is triggered as the vehicle is approaching, stopping pedestrian traffic from crossing the bus way. Mr. Simmons referred to fences and lighting on a rendering. He added that the 35 MPH speed limit would be quite safe. A bus will be going through the area once every 10 minutes. Mr. Simmons added that the signals are audible.

Mr. Simmons said that stations were another area of concern. On the northern section of International Way the three stations have center platforms and are not at signalized intersections. Mr. Simmons pointed out on the diagram a treatment for customers to cross to the platforms. Because of the safety concerns, beacons will be installed at the areas indicated in order to notify the vehicles of pedestrians crossing. This treatment works well at lower speeds (Harlow and Gateway); other treatments exist for higher speeds.

Betterments were another consideration. Mr. Simmons stated that improvements were made to some of the intersections along the way. That will be explored in further detail during the budget portion of the project.

Two of the remaining issues regard ODOT comments on the 30 percent design. ODOT asked staff to put in bike lanes along Pioneer Parkway East and West, From Main Street to Centennial, even though a multi-use path already exists. City staff in addition to LTD staff questioned the logic of taking away part of the parkway for additional bike lanes. Staff have since learned that any new development, especially at ODOT facilities, needs commuter bike lanes. This request is currently under review at Region and staff are hopeful that this requirement will be changed.

Shoulder width is the second concern. The ODOT standard requires six-foot shoulders, even through an urban area with ODOT facilities. To address this requirement, LTD must request a design exception, which will hopefully have the support of ODOT's region office.

Mr. Simmons continued by clarifying the two jurisdictions: Pioneer Parkway is a State road from South A Street to Q Street; roadways north of that are City. The intersections are under ODOT's jurisdiction and operated by the City of Springfield.

Mr. Simmons continued with the next items for consideration.

IT Infrastructure: A decision needs to be made fairly soon as to the type and number of fare machines to be used, whether or not they will be put on all platforms, and whether or not they will be installed on Franklin and on Pioneer Parkway.

Springfield Station Modification: Bay G currently accommodates articulated buses, but not at the raised platform. Different designs will be considered, as well as different maneuvers of two EmX vehicles arriving at the EmX station at the same time. As the budget is reviewed in the future, this may be a point for further discussion.

Q Street Intersection Improvements: There is a split station at this location as well as a good deal of congestion at Q and Pioneer Parkway during peak times. Buses would have signal priority going through that intersection and this project provides the opportunity to create concurrent lefts at the same time. The City is requesting improvements at this intersection, but District staff have yet to determine what those improvements are. A traffic analysis currently is being completed, and this is an issue that needs to be resolved.

During the three months to receive approval for the 30 percent drawing, staff have continued working towards 70 percent drawings, which will be delivered to the City tomorrow for its review. Mr. Simmons stated that in moving forward, there is always the chance to have to take a step back in design. It has been staff's experience that it's cheaper to move forward and then change smaller items as needed along the way.

Property Acquisition: Mr. Simmons continued with the report that after City Council approved the project, property owners have been contacted, and the property acquisition will be in process very soon.

Permits and Construction: Mr. Simmons pointed out that the schedule reflects completion by Fall 2010, which should be considered late fall (through December). Mr. Simmons requested some flexibility on that timeline since construction season is through early November. Consideration should also be given to the time necessary to train bus operators.

Gateway Station: Design has been moving along and has gone out to bid. Bids were in the \$2 million range, which is 10 percent over the cost estimate for the project. Brown Construction was awarded the bid. It is hoped that construction can begin in the next few weeks and that the station is open by the holiday season.

Mr. Viggiano turned the Board's attention to the project's \$37 million budget that came from the locally preferred alternative (LPA) design adopted two years ago. Funding includes 80 percent from Small Starts, which is just under \$30 million; ConnectOregon is providing approximately three-quarters of the local match; and LTD is contributing approximately 5 percent. To that \$37 million, it was decided that a fifth EmX vehicle was needed to guarantee service delivery. That additional \$1 million cost became a United Front request submitted earlier this year and is still pending. So the base budget has now been set at \$38 million. Mr. Viggiano then divided the costs for design components as follows: most of the costs are for Pioneer Parkway; and International Way is a separate design that will actually be bid as a regular bid project designed by Lane County, but part of the same corridor. Other costs include Gateway Station, right-of-way costs, vehicle costs, permits, fees, staff time, and testing.

A new cost estimate accompanies the 70 percent design. Most design decisions are complete and the new cost estimate is approximately \$43 million, which is approximately a 10 percent increase. The hope is to bring the cost back down as close to the original \$38 million as possible.

Staff reviewed the changes since the LPA was approved. Design costs have increased and property acquisition, which is being done by Lane County, has increased substantially. The commercial value of property has increased much faster than expected. Changes in construction included betterments that were negotiated with the City of Springfield. Much of the betterment costs are from median improvements, including fencing, landscaping, and path crossing, and added up to a considerable amount. The Council resolution related to Q Street traffic improvements limits one aspect of LTD's costs to \$250,000, but other aspects exist as well. Added together, these costs total approximately \$4 million over the LPA estimate. Staff will review these numbers carefully. However, there are items such as art (estimated to be approximately \$260,000) the grand opening, and marketing, that are not included in the estimate.

Based on Council direction, service through the Beltline-Gateway intersection operates in mixed traffic. This needs to be reviewed carefully since that intersection has the single most significant

delay in the entire corridor. If options to get through that intersection more efficiently are discovered, there may be costs associated. .

Mr. Kortge inquired as to the options for Beltline/Gateway. Mr. Viggiano responded that if the intersection stays as is, there is the option of adding a right-turn lane that can be used as a through lane by EmX buses traveling northbound through the intersection, which would speed up the process since right turns can be made on a red light. A similar option is being considered for southbound traffic in an attempt to get buses through more quickly in a lane where other traffic would not be allowed. These and other options cost money and also impact property, so they may be difficult to implement.

Mr. Viggiano stated that the next step is going through value engineering and cost reduction processes. The designers have been asked to review the design and make suggestions. When a contractor is on board, that firm will be asked to review the design as well. If it is not possible to bring the costs back down to the original budget, other options will be considered to fund additional costs, and those options will be brought to the Board.

Mr. Evans reflected on the \$3-4 million shortfall and asked where these additional funds may come from. Mr. Viggiano responded that funding may be possible from the BusPlus program for progressive corridor improvements. The funds have not been used and still exist. There may be funds available from other capital projects that also could be used. Additional funds could be requested from the federal government through Congressman DeFazio. However, that process takes longer and is not guaranteed.

Mr. Evans inquired if JARC funding could be leveraged. Mr. Viggiano replied that it would need to be justified as serving low income areas, and that option could be reviewed.

ITEMS FOR ACTION

Pioneer Parkway EmX Property Acquisition - Mr. Viggiano directed the Board to the handout list of properties that could be affected. The agreement states that LTD could acquire property through purchase that is up to 40 feet from the edge of the right-of-way. This would exceed a typical purchase. No businesses or residences will be displaced.

In response to a question from Mr. Eyster, Mr. Viggiano said that this process would not be voluntary on the part of property owners. Acquired property could be condemned as is standard practice for a public agency, although a negotiated settlement is always the preferred option.

MOTION Mr. Evans moved approval of LTD Resolution No. 2008-017, authorizing the Lane Transit District to acquire by purchase or by the exercise of the Power of Eminent Domain certain Real Property necessary for the Pioneer Parkway EmX as represented in the Resolution. Mr. Dubick provided the second.

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

Comment [JS5]: Amended, see minutes of September 17, 2008, regular Board meeting.

Comment [JS6]: Amended, see minutes of September 17, 2008, regular Board meeting.

LTD Contract Review Board

MOTION It was moved by Mr. Evans and seconded by Mr. Kortge that the regular meeting be adjourned, to be reconvened as the LTD Contract Review Board.

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

Comment [JS7]: Amended, see minutes of September 17, 2008, regular Board meeting.

Comment [JS8]: Amended, see minutes of September 17, 2008, regular Board meeting.

The Board reconvened as the LTD Contract Review Board at 6:15 p.m.

LTD Purchasing Manager Jeanette Bailor began with background information on the contracting process. Historically, all construction for the District has been procured using a low-bid method of contracting—with one exception: in 2002, LTD entered into a Construction Manager/General Contractor (CM/GC) contract with Wildish Building Company for the Franklin EmX Corridor. A CM/GC is a construction contractor that is hired based on qualifications and price during the design of the project and allows contractor input during the final design in the form of constructability review, and provides second-party cost estimates during the design phase. The CM/GC works in conjunction with LTD and the design team during the first phase of the project. During the second phase, the CM/GC comes together with LTD and gives a guaranteed price for the project. Final design documents are received and a change order is signed for the agreed amount. The contract may be terminated at this point if a guaranteed maximum price is not negotiated. If that happens, the standard low-bid method of contracting would be used.

Ms. Bailor continued by stating that the Pioneer Parkway EmX project has been broken into three separate construction contracts. Staff recommend that the first two contracts, Gateway Station and International Way, be bid using the low-bid method of contracting. The Gateway Station contract is ready to be signed next week. Staff believe that the CM/GC method of contracting is the most appropriate for the Pioneer Parkway/Gateway Station's contract.

In order to meet the requirements of Oregon Statutes, a public hearing needs to be held and show findings behind the reasoning for supporting a construction contract method, rather than a low bid method. Exhibit A in the Board packet details the Oregon Statute. Those findings include various information showing that it is unlikely that the exemption will encourage favoritism in awarding the contract or substantially diminish competition, that the method used will result in cost savings, and that this project presents a new type of construction with technical complexities that are best addressed using a team approach.

At this time, Ms. Bailor asked for questions and public comment.

Mr. Evans was concerned about the issue of women and minority contractors being involved in the process, citing the example of ODOT receiving a backlash from its failure to properly utilize minorities and women in its contracting process. He said his desire is that LTD give fair access to anyone seeking to bid on any portion of the contract. Ms. Bailor responded that generally disadvantaged business enterprises (DBE) aren't able to bid as the general contractor for a contract of this magnitude. If they were able to bid, they wouldn't qualify as a disadvantaged business enterprise because this is a \$21 million contract; they would be bidding as a subcontractor. The CM/GC, as part of the contract, has to provide a plan as to how they will utilize disadvantaged business enterprises as subcontractors. Utilizing small businesses is not

part of the federal requirements, but LTD may certainly include that as part of what is desired from a general contractor.

Mr. Evans reiterated that he would like to see that requirement in the contracting process.

Mr. Eyster asked that, based on experience with the Franklin Corridor project, will the District be successful with this approach. Ms. Bailor responded that the lessons staff learned in that project give every indication that this approach in the current project will work very well.

Mr. Eyster revisited the subject of success in attracting minority contractors. Ms. Bailor responded that the process should be successful. Requirements for the CM/GC reflect the federal requirements, as would be required with a general contract. Also, the CM/GC is required to bid out 90 percent of the contract and LTD retains oversight of that part of the process.

Mr. Evans inquired as to the level of participation in the Franklin corridor. Ms. Bailor did not have the exact figure, but believed it was about 4.5 percent.

Public Hearing: Mr. Eyster opened the floor to public comment.

Sean Emerick, Eugene, works for a construction company and believes that the process doesn't work if the CM/GC acts as the general contractor and has a general interest in doing the work themselves, which is what occurred in the Franklin Corridor project. With regards to Ms. Bailor's remarks that the general contractor is limited to performing 10 percent of the work, it seems that since the bidding process goes through the CM/GC, contractors are bidding to other contractors' competitors. Mr. Emerick listed the jobs performed by the CM/GC in the Franklin project, such as grading and aggregate placement, and the CM/GC was the only bidder on much of the work performed outside the 10 percent limitation. This did not seem a good example of the competitive bid process.

Mr. Evans asked Mr. Emerick that, in his experience, what is the best way that LTD could include as many bidders as possible to get the best work product. Mr. Emerick responded that the best way to avoid this problem is through competitive bid, and the best way to accomplish that is to have a design that is clean and easy—something that is difficult for LTD in this situation because of the complexity of the project. He suggested setting goals in order to gain interest in getting a variety of bidders included in the process.

Mr. Pangborn reminded those present that there are three pieces to the project, including Gateway Station and the International Way corridor, which are going to be bid out to single low bid because the County is in charge of International Way and the Gateway decision has already been made. The section that is affected by this process is from Harlow Road to the Springfield station and stations on Harlow and Gateway.

Mr. Simmons reiterated that International Way and Gateway account for \$4.5 million of the \$24 million that will be LTD's bid. The majority will be CM/GC and the 10 percent of that is self-performed. The CM/GC does have the advantage when the rest of the work is bid out in that they are present and mobilized. Mr. Simmons acknowledged that there are pros and cons to every CM/GC project, but also stated that he believes that LTD gets the most for its money overall with the CM/GC process. The guaranteed maximum price (GMP) may be higher, but that is known when the contract is signed, and the CM/GC usually works within that GMP.

Mr. Eyster inquired that if the final cost of the project is \$42 million, what amount would go to the CM/GC? Mr. Simmons answered that Pioneer Parkway construction is approximately \$20 million; the CM/GC would receive 10 percent of that work, and they would bid out the rest.

When asked to clarify the amount in construction cost only, Mr. Simmons corrected the beginning amount stated earlier to \$25 million; then reduced by \$4.5 million, comes to \$20 million, leaving \$2 million up front to the CM/GC, with the remainder to be bid out. Mr. Simmons stated that most contractors do not perform electrical or structural construction and would bid out those projects. General contractors are usually competitive at site work and concrete. Few linear projects like Pioneer Parkway use CM/GC's that have experience with civil projects.

In response to a question from Mr. Dubick, Mr. Simmons mentioned that two Requests for Proposals were received for Franklin Boulevard: (1) Wildish Construction, and (2) Stacey and Witbeck, the company that performed the light rail work in Portland. Mr. Pangborn pointed out that only CM/GC's were used in the Portland light rail project and that allowed TriMet to be assertive with pursuing minority and women-owned businesses. The limitation in LTD's project is the availability of qualified contractors that meet the criteria.

Mr. Eyster closed the public hearing.

MOTION Mr. Kortge moved approval of LTD Resolution No. 2008-018: It is hereby resolved that the LTD Board of Directors, acting as the LTD Contract Review Board, approves the use of a competitive request for proposals process for a construction manager/general contractor for the Pioneer Parkway EmX construction project. We further move to delegate authority to the General Manager to sign a contract with the selected CM/GC contractor after the selection process has been concluded. Ms. Davis provided the second.

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

Comment [JS9]: Amended, see minutes of September 17, 2008, regular Board meeting.

Comment [JS10]: Amended, see minutes of September 17, 2008, regular Board meeting.

Mr. Eyster adjourned the Contract Review Board and returned to the regular Board meeting.

REVISION OF ORDINANCE 24 GOVERNING DISTRICT BOUNDARIES - Mr. Vobora introduced the discussion as related to the Annual Route Review, changing routes 93 and 95 Junction City, to make those area boundaries consistent with the 2.5 mile standard applied to other rural boundaries. Mr. Vobora referred the Board to the boundary map included in the meeting packet. Due to the number of businesses that would be removed from the District boundary, the impact of these changes to revenue is estimated to be approximately \$30,000 to \$40,000. Changing the boundary at this time, however, is not required. If service in that area were reinstated or changed in the near future, the Board may choose not to change the boundary at this time. It should be noted that affected businesses in the area may voice concern if this change were not made.

MOTION Mr. Evans moved approval that Lane Transit District Ordinance 24, an ordinance describing the territorial boundaries of the District, be read by title only. Mr. Kortge provided the second.

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

Comment [JS11]: Amended, see minutes of September 17, 2008, regular Board meeting.

Comment [JS12]: Amended, see minutes of September 17, 2008, regular Board meeting.

Following the affirmative vote, Mr. Evans then read the title: "Lane Transit District Ordinance 24 (2008 Revision), Describing the Territorial Boundaries of Lane Transit District."

Selection of Pension Trustee - Mr. Pangborn reported that LTD has two pension trusts: the first is the Lane Transit District/Amalgamated Transit Union (ATU) Pension Trust, and the second is the LTD Salaried Employees Retirement Plan. Historically, each has a trustee that represents the Board. The trustee has been the Board president in the past; however, that is not required. With the upcoming change in Board leadership, this is an opportune time to assess this tradition. Considering the increasing responsibilities of the Board president and the additional responsibilities of the pension trustee, it is recommended that the Board choose someone other than the Board president as trustee.

Mr. Eyster stated that a Board member with extensive experience as trustee is interested in continuing in the role as trustee.

MOTION Mr. Kortge moved approval of LTD Resolution No. 2008-019: The LTD Board of Directors hereby adopts a change in past policy/procedure to allow the Board to select any member of the Board of Directors to serve as trustee of the LTD/ATU Pension Plan and the LTD Salaried Employees Retirement Plan, rather than assigning this role to the Board president. Mr. Dubick Provided the second.

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

Comment [JS13]: Amended, see minutes of September 17, 2008, regular Board meeting.

Comment [JS14]: Amended, see minutes of September 17, 2008, regular Board meeting.

MOTION Mr. Kortge moved approval of LTD Resolution No. 2008-020: The LTD Board of Directors hereby approves the continuation of Board Member Gerry Gaydos as trustee of the LTD/ATU Pension Plan and the LTD Salaried Employees Retirement Plan until such time as he resigns as trustee or is no longer a member of the Board of Directors. Ms. Davis provided the second.

In response to a question from Mr. Necker regarding the position's term of service versus permanent appointment, Mr. Eyster referred to the motion that defines the term as "such time as he resigns or is no longer a member of the Board."

Mr. Kortge stated that by definition of a Board member, the trustee only would serve two terms. He also agreed that it was beneficial to have someone with experience in the position.

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

Comment [JS15]: Amended, see minutes of September 17, 2008, regular Board meeting.

Comment [JS16]: Amended, see minutes of September 17, 2008, regular Board meeting.

ITEMS FOR INFORMATION:

Health For Life Committee Update - Director of Human Resources and Risk Management Mary Adams gave a brief background of the Committee, which was created by the Joint Insurance Committee as a means of bringing wellness activities to LTD employees by implementing programs that address health issues. Ms. Adams introduced Health for Life Committee Chair Dirk Beaulieu.

Mr. Beaulieu introduced other members of the committee: Zach Fish, Customer Service; Pat Rather, Administration; Steve Rayack, Employee Council; Tom Shackelford, Journeyman Mechanic; Sherry Watson, Bus Operator; and Kim Nicholson, Wilson-Heirgood Insurance Broker. Mr. Beaulieu stated that the program focuses on key disease areas that face employees and opportunities for improved employee health, and is also designed to create a culture that promotes an improvement in the overall health of LTD employees and their families. Through various activities and educational materials the Committee also addresses the importance of implementing a healthy lifestyle through healthy eating, exercise, and a focus on heart health.

The Committee developed a Vision Statement: "Each individual will take an active role in his or her own well being through healthy decisions and behavior and will encourage a healthy and fulfilling life."

Mr. Dubick mentioned a Wellness Program that was implemented through 4J schools that extends monetary incentives to employees experiencing back problems by offering reimbursement for the cost of a particular exercise class developed to address back problems.

Mr. Beaulieu responded that the Committee was looking into similar incentive programs.

Board Member Reports

APTA Authorization Committee: Mr. Evans distributed a memorandum that summarized the twelve principles discussed at the last Authorization Committee meeting that was held in Austin the previous month. Mr. Evans directed the Board's attention to one item in the memorandum: the Committee is asking for \$123 billion over the six-year authorization period. Mr. Evans pointed out that congress is scaling that back from the original \$500 billion that is being considered for the entire transportation authorization, which includes highways, to reduce the amount to \$450 billion. Mr. Evans stated that transit needs to be more aggressive in putting its case before the American public. More discussion needs to be made in the public sector concerning gas prices and getting more people to use public transit. That discussion will continue at the next APTA conferences in San Francisco and San Diego.

Mr. Evans then mentioned that he, Mike Eyster, and Michael Dubick will be attending the Transit Board Members Conference in Seattle in July. The Board members plan to lobby for the Conference to come to Eugene in 2010. Lane County Commissioner Bobby Green may be going to Seattle with the Board members to do a presentation on behalf of the Convention and Visitors Association Lane County Oregon (CVALCO). Mr. Evans felt that it is important for this

community to be more prominent on the national stage, promoting the good things being done locally.

Mr. Evans then mentioned that CVALCO will be bringing to Eugene a couple of national board members: Randy Wright, City Councilor, Norfolk, VA and Transit Board Members Committee Chair; and Flora Castillo, New Jersey Transit Board member and Vice Chair – Transit Board Members on July 4-7, to tour Lane County to see what the community has to offer the Conference in 2010.

Mr. Evans then stated his intent to run for Secretary of the National Transit Members Board.

In response to a request from Mr. Evans regarding Small Operations, Mr. Viggiano mentioned that funding comes in two categories: 5307 formula funds of about \$4 million per year, and 5309 program discretionary funds for buses, New Starts/Small Starts, and funds to support rail and guideway maintenance. It has been suggested that some of the bus money be allocated by formula. That means that the formula funding would be increased, which means that less discretionary money would be available in the bus category. It also would mean another \$500,000 per year to LTD. Staff believe that it is better to have the larger pot of discretionary funds--and have done well to get that money--than the \$500,000 annual allocation.

Metropolitan Policy Committee (MPC): Mr. Pangborn reported that a quorum was not present at the last MPC meeting so business was not completed. LTD staff will give a presentation to the Committee in the near future concerning LTD budget problems.

West Eugene EmX Extension Corridor Committee (WEEE): Director of Planning and Development Tom Schwetz stated that the last meeting was held to bring the Committee members up to date on staff activities since the Board's adoption of the scoping alternatives.

Transportation Commissioner Alan Brown Briefing: Mr. Pangborn stated that LTD hosted a lunch meeting that introduced the Commissioner to various members of the community.

Springfield City Council Meeting: Mr. Eyster stated that the meeting was a success.

Charter Regulations: Mr. Vobora referred the Board to the agenda item summary's explanation of the item.

Financial Report: Director of Finance and Information Technology Diane Hellekson stated that the District's fiscal year is nearly at a close. She reported that the payroll tax situation looked very strong at the end of April, but lost ground during the first part of May, and it appears that a few disbursements are later this month than during this same period last year. That information will be available at the June 9 Board meeting.

Ms. Hellekson reported that ridership is very strong and continues to grow, and fare revenue appears to be very healthy. With the exception of fuel prices and Accessible Services, the District should finish the fiscal year in very good shape.

Revision of Ordinance 24 Governing District Boundaries: Mr. Vobora asked the Board if they wished to go with the staff recommendation as outlined, which would be brought before the Board in the form of an ordinance change at its June 18 meeting. He then stated that if the Board decided against the recommendation at this time, the timeline could be extended. The revenue

impact by the suggested changes is estimated to be \$180,000 per year, which is less than 1 percent of service. All of the other changes that have been adopted are estimated to produce approximately \$900,000 in additional fare revenues during the next year.

Mr. Dubick voiced his agreement that another percent of service is worth pursuing at this point. He stated that LTD's public action needs to reflect its public statements as to the seriousness of the situation. He believed that the logical next step is to maximize fares. If 1 percent of service can be saved, it should be done.

Mr. Kortge mentioned that the District should be sensitive to the public's perception of reducing the age of the Honored Rider, as well as giving more data on the reality that EmX isn't necessarily free.

Mr. Evans asked for further discussion at the June 9 meeting on developing the Citizen's Advisory Committee (CAC). The District is going through the process of cutting service on the heels of increasing fares, with the second EmX line coming on board. That is a difficult combination to sell to the public, who may not be able to differentiate the funding among each. Educating the general public and business community as to what the District is trying to do should be part of the plan.

Mr. Vobora responded that staff are doing research among different transit agencies around the country as to whether or not they have a general CAC, staffing requirements, etc. Staff will be returning to the Board in the future with a recommendation concerning the CAC. The issue of general funding during the next few years also needs to be addressed before bringing the issue before the community with another suggested funding source.

Mr. Necker suggested coordinating an effort with Mayor Piercy concerning these issues.

Mr. Vobora discussed the service redesign analysis, stating that more information would be provided to the Board in June, with more data gathering during the summer. The types of service changes available are not new and details will follow at the June 9 meeting. Service design and delivery methods will be explored, including grid system, feeder-trunk-type system, and other options.

At this time, it is unknown if 6 percent cuts, which require some modification of the system, or 20 percent cuts, which will require a complete re-working of the system, will be necessary. When that information is known, staff will be in a better position to make recommendations to the Board on June 9.

Mr. Vobora stated that the issue of productivity versus coverage is important. Ridership is up, so the most logical approach would be to keep the most productive routes that serve the most people; however, there are also consequences to rural service and to direct service to schools. There are also Title VI considerations. Areas that are affected may house a large number of minorities and low income persons. Service changes may not be made in a manner that is inequitable to those populations.

Mr. Vobora referred the Board to a spreadsheet reflecting service change options and the estimated effects of each. As an example, cutting the service to the Campbell Center could have ramifications to RideSource costs since bus riders would now turn to RideSource at a much higher cost to the District. The spreadsheet suggests a rather aggressive timeline. Staff will

request a decision from the Board in December, which is sooner than the usual March timeline. Time for public input also needs to be accounted for in the timeline. Alternatives will be developed in June through August; public input process will occur in August through November; official hearings will occur in October and November, with a Board decision in December, and implementation in September 2009. During the period between the hearings and Board decision, modifications may be made to accommodate public input received.

ADJOURNMENT – The meeting adjourned at 8:24 p.m.

Board Secretary