

**LANE TRANSIT DISTRICT BOARD OF DIRECTORS  
STRATEGIC PLANNING WORK SESSION**

**Monday, April 22, 2013**

**8:00 a.m. to 1:00 p.m.**  
*(Breakfast Served at 7:30 a.m.)*

**SPRINGFIELD JUSTICE CENTER  
230 4<sup>TH</sup> STREET, SPRINGFIELD**

*Public testimony will not be heard at this meeting.*

**AGENDA**

7:30 a.m. Gather for Breakfast

8:00 a.m. Call to Order – Board President Doris Towery

Roll Call:

Dubick \_\_\_\_\_ Gillespie \_\_\_\_\_ Yeh \_\_\_\_\_ Reilly \_\_\_\_\_

Towery \_\_\_\_\_ Necker \_\_\_\_\_ Vacant \_\_\_\_\_

8:05 a.m. Welcome – Board President Doris Towery

8:15 a.m. Connecting the Dots – Ron Kilcoyne

9:00 a.m. Strategic Themes – Tom Schwetz  
*Briefing Attached*

9:45 a.m. Building a Shared Vision for LTD – Ron Kilcoyne, Randy Harrington

11:30 a.m. Working Lunch - Ron Kilcoyne, Randy Harrington  
*What does it mean to be a functional policy Board?*

12:30 p.m. Conclusions and Next Steps

1:00 p.m. Adjournment

*LTD Vision Haiku:*  
*Innovating, sustaining*  
*Safe and secure*  
*Everyone rides the bus*



# Briefing on Strategic Themes

*Lane Transit District Board  
Strategic Planning Work Session*

April 22, 2013





# Overview

About one and a half years ago, as part of the development of the Long-Range Transit Plan, we engaged in a process of developing future scenarios to help us better understand and, therefore, manage the uncertainties facing LTD. During the past few months, a small group of LTD staff have been meeting to distill from the scenarios the key strategic issues facing the organization when we look between 5 to 20 years out; issues that will be with us for some time.

The following material provides an overview of those issues.

## Not Knowing What We Don't Know?

One overarching and pervasive theme, a framework theme, stems from the complex interplay of the many and vast systems of which we are a part. The natural environment, globalization of the economy, advances in technology or medicine, national politics, Oregon's economy, social impacts of the income gap, local visions for growth and prosperity - all interact with each other and with the services LTD provides. How each plays out in ways that will impact LTD is uncertain. It is the additional uncertainty surrounding how the interaction of these factors will affect LTD that creates a general ambiguity around the strategy development of LTD and its partners; in particular, decisions being made in the short-run that have longer-term effects (certain policies and capital projects related to our facilities and fleet).

- **What do these broad dynamics and changes mean for LTD or for local government agencies?**
- **How do global events impact the local strategic environment?**
- **What larger events and uncertainties should LTD be paying attention to?**

Whether this is thought of as the Butterfly Effect or the old parable "for want of a horseshoe nail, a kingdom is lost," the potential "crisis of crises," and the ambiguity it brings, will frame the more specific strategic issues LTD must wrestle with in the coming years.



## Next Steps

Taken together, these themes will need to be considered and addressed in any strategic actions and investments made by LTD. Each theme is described in more detail on the following pages.

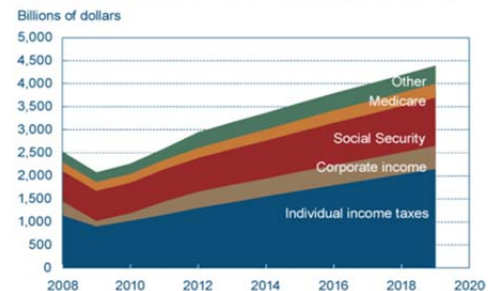
## Strategic Themes for LTD

Many of the prominent uncertainties can be summarized by two broad strategic themes: Resources and Community Connectivity.

The first theme - **Resources** - concerns issues related to LTD getting what it needs to deliver on its vision. These issues include revenue and cost management, labor availability (including emerging skill sets), and partnerships - those relationships with public agencies and the private sector that will be necessary to leverage the services that LTD provides.

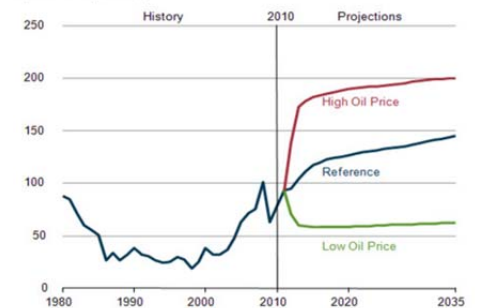
The second theme - **Community Connectivity** - concerns issues related to actions and investments that LTD can make to improve its connections to riders (continue to overcome barriers to people's use of transit - for example, fare systems), improve connections to other modes (in particular, bicycle and pedestrian modes), and coordinate transit investments with broader community visions (for example, Envision Eugene).

OMB Projections of Federal Tax Revenue



Source: Office of Management and Budget.

Figure 64. Average annual oil prices in three cases, 1980-2035 (2010 dollars per barrel)



# Theme 1: Resources

Both fluctuations in, and limitations to, the availability of various resources are ongoing strategic issues for LTD operations and services. Limitations on the availability of resources, whether it be due to costs or other factors, create real challenges for LTD in getting what it needs to deliver on its vision. Specific resources posing challenges can be framed in terms of Revenue and Cost Management, Labor, and Partnerships. Each of these challenges is described briefly below.

## Revenue and Cost Management

With costs expected to rise on average 3.5 percent annually (LTD's 2012 Long-Range Financial Plan), increasing revenues will be needed just to sustain existing service levels. Growing our services will require a combination of additional revenue and effective management of key cost areas (labor, fuel, health care, pensions).

Fares, payroll taxes, and federal funding play critical roles in providing the funding needed to sustain and enhance LTD's services. The variability of these revenue sources challenges LTD's capacity to absorb increasing fuel and personnel costs while also avoiding reductions in service levels.

Federal policy on transit is somewhat incoherent and shifting. As a result, federal funding for transportation infrastructure and operations is inconsistent and can change based on the volatile federal political climate. Similarly, state policy and funding for transit is largely focused on accessible services. While there is policy that encourages coordination of regional growth and the provision of transit, funding for transit operations is virtually non-existent. Outside of support for capital projects, the State's support for transit operations has been inconsistent at best. Strategically, LTD will want to engage with the State and other transit districts to evolve the State's financial role in supporting transit. We may also

need to begin discussions regarding local options for revenue generation.

The most volatile (literally) element of LTD's operational costs is associated with fuel. LTD will face rising and uncertain energy costs due to fuel price volatility and emerging propulsion technologies. The Long-Range Financial Plan assumes fuel costs will increase by 5 percent per year compared to the 3.5 percent increase associated with overall costs. The complexity of propulsion technologies will continue to evolve from where they are today. While technology trends are uncertain, systems will likely become more complex and efficient—influencing both the skill sets required to maintain new technologies and the costs of operations.

## Labor Availability

Like other transit operations, personnel wages, health care; and pension costs are a significant proportion of LTD's operating costs. Similar to revenues, personnel costs also will likely reflect an increasing and uncertain trend. For example, as the complexity of fleet technologies evolve over time—so must the capacity of LTD's workforce. Personnel must have advanced skills that not only enable them to work on cutting-edge systems, but also have the capability to be adaptive and creative in ways that can facilitate the absorption of innovative new strategies.

Changing demographics, new generations with different values entering the labor force, new technologies, and the demand for a creative and adaptive workforce will create challenges for LTD and its partners in the years ahead.

## CONSIDERATIONS



### How should LTD...

Maintain continuity of resources?

Maximize capacity of existing resources?

## POSSIBLE STRATEGIES



### Funding Resources

Develop alternatives to the Business Energy Tax Credit (BETC).

### Propulsion Trends

LTD commits to the adoption of a 100 percent electric fleet by 2025 to save money on fuel costs.

### Workforce Development

LTD organizes partnerships with other transit entities to facilitate workforce development and to increase personnel capacity to manage and operate advanced fleet technologies.

### Regional Public-Private Partnerships

To save money on operational and administrative costs, transit agencies along I-5 merge to form the Willamette Valley Transportation District.

**Partner Resources**

Healthy, well-functioning partnerships have always been a critical part of LTD's success. LTD currently has partnerships across a broad spectrum of public agencies, elected officials, the local business community, users of the system, nonprofits, community organizations, vendors, consultants, research institutes, and other transit operators across the country. In particular, the advent of EmX has increased LTD's profile nationally and even internationally.

To fully leverage LTD's investment in and contribution to our region, existing relationships will need to be sustained and deepened and emerging partnerships will need to be fully developed.

An example of a deepening partnership is the Eugene-LTD partnership in the West Eugene EmX project. Staff from both agencies have met to discuss the design and construction of the EmX

project as it relates to economic development, land use, and other transportation system interests the city has. This is expected to lead to improved coordination of resources and improve the overall outcomes of LTD's investment.

Summary of Strategic Issues

Revenue and Cost Management

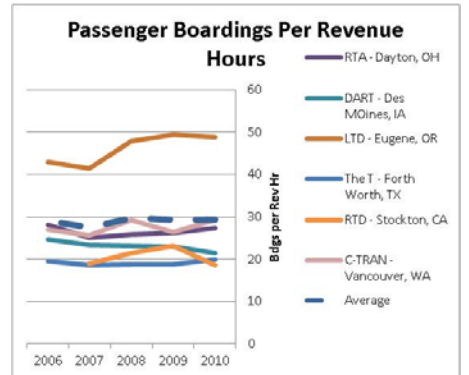
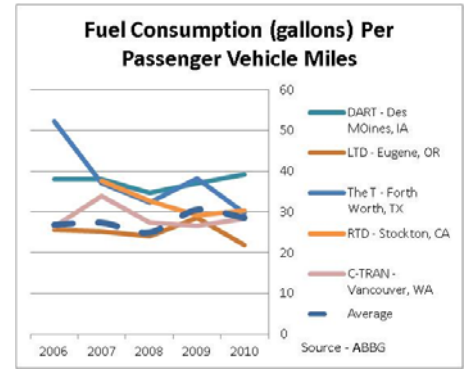
- Managing fluctuations in Payroll tax
- Federal and State Transportation funding
- Fuel volatility

Labor Availability

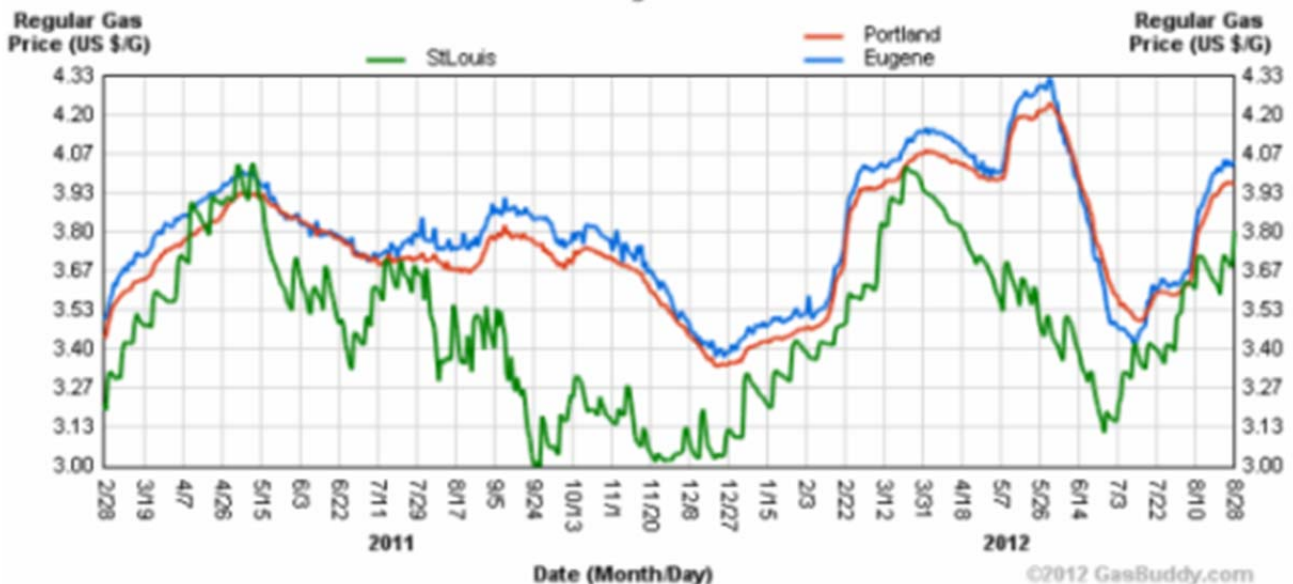
- Skill set availability
- Personnel costs

Partnerships

- Sustaining and deepening existing relationships
- fully developing emerging relationships



18 Month Average Retail Price Chart



Fuel prices have been very volatile over the past 18 months as shown in the chart above. Interestingly, if you only look at the price of gas in July 2011 and July 2012, the price of gas was \$.13 less in July 2012. If you go back a month and compare June, the price difference was \$.51 higher in June 2012. The largest increase has been in mid-Summer 2012 with gas prices going up \$.65 between early July and late August. Prices actually fell \$.93 over the month of June 2012.



# Theme 2: Community Connectivity

An underlying purpose of LTD’s services is to connect the community. The community benefits when we effectively understand the needs of our ridership (both current and emerging needs) and make efficient connections between our services and other modes of travel in the region. In addition, coordinating and collaborating with our partners, particularly the major metropolitan cities, enables us to better leverage the significant investments we make in our service and capital infrastructure.

As Eugene, Springfield, and surrounding communities continue to grow and regional transportation demands diversify, there is uncertainty as to how LTD can most effectively provide services that meet emerging demands. Changing demographics, the economic climate, environmental policy, and social values influence the nature of travel. How people “connect” to work, shop, and areas of recreation will likely result in new mobility markets. LTD’s role in making those connections may also need to change, and travel trends will need to be anticipated that not only physically connect people, but also provide travel information in accessible and functional formats.

## Connecting to Riders and Emerging Markets

When we consider mobility markets as a source of uncertainty, one end of the spectrum can be defined by dramatic shifts away from the dominant form of transportation: the single occupant auto. On the other end, mobility markets might change very little if technology or social climates continue to support that prevalence. The dynamics of these factors and the way they interact will determine demand for travel, and in particular, LTD services.

Shifts in local and regional labor markets, residential land use patterns, and access to efficient technologies, e.g., broadband internet

communications and electric vehicles, are factors that influence travel behaviors at the community scale and will continue to play a role in defining the demand for LTD services.

Technological connectivity is another concept that has potential to support emerging mobility markets while serving to attract new riders. Even though it is uncertain how technologies will progress, more transportation providers are implementing mobile device applications and electronic fare cards. These innovative and accessible technologies can be attractive to riders because they simplify travel and put transit service more on par with the auto.

### Summary of Strategic Issue

#### Connecting to Riders and Emerging Markets

- Technology
- Mobile transit tools
- Fare payment

#### Connecting to Other Modes

- Complete system
- Multi-agency collaboration

#### Connecting to Broader Community Visions

- Economic Development
- Environmental Stewardship
- Social Equity

## Connecting to Other Modes

A complete transit system that connects neighborhoods to economic, occupational, and recreational centers will continue to be a fundamental element of a viable regional transportation strategy. To better serve existing demand and to meet emerging mobility markets, there will be increasing need to effectively connect



pedestrian, bicycle, and auto modes to the transit system. With this in mind, the physical infrastructure needed to support a highly connected transportation network requires significant investment and collaborative planning, which ties back into the importance of partnerships.

## Connecting to Broader Community Visions

LTD benefits when we can align our investments in service and infrastructure with the broader visions of the communities we serve. Connecting effectively to the economic development, social equity, and environmental stewardship goals of the broader community ensures that we are providing access - connections between employers and workers, customers and businesses; access for people who have physical disabilities or few alternative means of accessing the services they need; all in ways that protect and enhance the livability of the community.

Many of the region’s discussions of a broader vision see improved transit service as a significant part of achieving those visions – the Lane Livability Consortium, Envision Eugene, Springfield Tomorrow and the plans being developed by Eugene and Springfield are examples of this. Integrating LTD’s plans for growth and development with these visions ensures that we fully leverage our investments and are contributing most effectively to the growth and prosperity of the region’s residents.

## CONSIDERATIONS

What does it mean to support community connectivity?

How should LTD anticipate emerging mobility market transportation demands?

## POTENTIAL STRATEGIES



### Leveraging Community Infrastructure

LTD works closely with City and County partners to co-invest in transportation infrastructure that satisfies the needs of multiple stakeholders.

### Intermodal Connectivity

Connectivity is improved through safe and secure bicycle parking at bus stations, the expansion of park and rides, and the alignment of transit corridors along proposed land use developments.

### Intelligent System

LTD distributes open source data to third party developers to create transit tools for the web and mobile devices.

### Coordinate Land Use and Transportation

LTD considers the alignment of land use and Frequent Transit Network corridors to connect residential and commercial centers.

### Summary

A strategic focus on the many dimensions of connectivity can increase the capacity of LTD to adapt to changing conditions and emerging demands. It is important to understand how mobility markets will change over time, what factors might affect those changes, and how the use of LTD services will evolve to better meet the needs of the community.



# Wrap-up

“Ambiguity” is the label we’re putting on the interaction of multiple systems’ uncertainties. This ambiguity directly impacts decisions on future strategy. Out of necessity, ambiguity is not tolerated in our day-to-day operations. While they are adaptive, creative, and measurably effective; their focus is on today not 5-20 years from now. The systems we use to make our day-to-day decisions inherently run the risk of being shortsighted.

On a daily basis, we cannot reinvent daily operational protocols developed over decades of experience. From that standpoint, we need to assume that tomorrow is going to be pretty much like today. This makes it very challenging for us to connect our operations today to critical dynamics playing out over the next five years (let alone 10, 20 or 30 years).

This leaves us vulnerable, not unlike the parable of the boiling frog. As the story goes, if you place a frog in a shallow pan of boiling water it will immediately try to jump out. But if you place the frog in warm water, and don’t scare him, he’ll stay put. If the heat is gradually turned up, the frog will stay in the pan, until it’s too late and he’s unable to climb out. The imagery is gruesome (and, according to Snopes.com, not true) but the lesson is clear. Like the frog, our internal systems for sensing threats to survival are geared to sudden changes, not to slow, gradual changes.

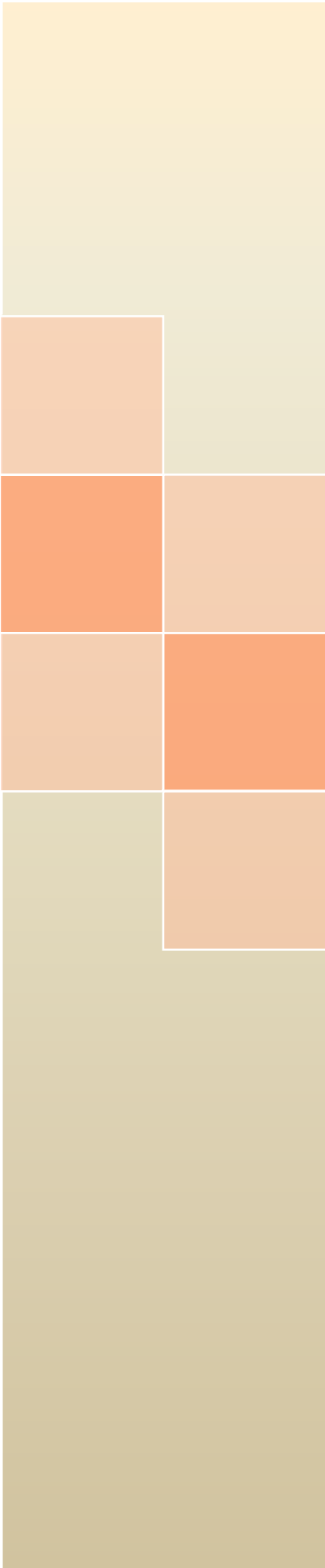


## Developing new Organizational Capacities

Addressing these challenges will require us to develop different approaches to how we monitor and act on changes to our operating environment. Drawing from recent research on adaptive organizations, the following tools and processes are specifically identified:

1. The ability to read and act on signals of change – this means that we need to have a process for being tuned in to signals of change from the external environment, the ability to decode them, and the capability to quickly act to refine or reinvent the way we do things.
2. The ability to prototype rapidly and frequently—not only with products and services but also with the way we do things- our processes, and strategies.
3. The ability to manage complex and interconnected systems of multiple stakeholders.
4. The ability to motivate employees and partners.

For the most part, we have the building blocks to develop these tools and processes. Development of these capacities should be considered as part of our discussion of next steps.



## AGENDA ITEM SUMMARY

**DATE:** April 22, 2013

**ITEM TITLE:** DEVELOPING A SHARED VISION – OVERVIEW AND WARM-UP QUESTIONS

**PREPARED BY:** Tom Schwetz, Director of Planning

**ACTION REQUESTED:** None. Information Only.

### Overview

You might recall the movie, *Spartacus*, starring Kirk Douglas. In one of the closing scenes, the Roman Army has surrounded what remains of Spartacus' Army. The Romans offer the Army their lives if only they will turn Spartacus over to them (the Romans don't know him by sight). Spartacus stands up and says "I am Spartacus." Those standing near him then stand up and declare, "I am Spartacus." Soon, sealing their fate, everyone in the army is on their feet. The loyalty demonstrated by the army was not to Spartacus, the man, but to a shared vision inspired by Spartacus.

This story serves to illustrate that a shared vision is not an idea, it is a force in people's hearts; not an abstraction, but something palpable and powerful. In *The Fifth Discipline*, Peter Senge defines vision as follows:

*A vision is a picture of the future you seek to create, described in the present tense, as if it were happening now. A statement of 'our vision' shows where we want to go and what we will be like when we get there.*

A vision statement for an organization is typically developed through a consideration of the organization's stated values and its sense of the future. If a vision is the answer to the question, *What do we want to create?* then values are the answer to the question, *How do we want to get where we're going?* For example, "Practice Safety" is one of LTD's core values. On a day-to-day basis, we keep an awareness of safety and work to maintain safe services, vehicles, equipment, and facilities. Because safety is so integral to who we are on a daily basis, what we are like in the future (our vision) will necessarily have a safety element. Our vision statement should reflect that.

### Warm-up Questions for upcoming Board Strategic Planning Work Session

The April 22 Board Strategic Planning Work Session will focus on the development of a new shared vision statement for LTD. The questions listed below are intended to help Board members think about the elements of this new shared vision. As a warm-up for this discussion, staff would like Board members to review the questions and think through how to answer them, considering what LTD is to become 20 years from now. As a reference, attached are definitions and examples of statements of Mission, Vision, Values, and Goals.

***Looking at what LTD has become 20 years from now, how would you answer these questions?***

1. How does LTD produce value for our stakeholders (community, individuals, LTD staff, others)?
2. What are the most influential trends in our industry (20 years from now)?
3. In what ways is LTD a great place to work?
4. What is LTD's image in the marketplace? How do we compete?
5. What is LTD's unique contribution to the world around us? What is the impact of our work?
6. What does LTD look like?
7. How do we know that LTD's future is secure?
8. What is LTD's role in the community?

**ATTACHMENT:** Defining Mission, Vision, Values, and Goals.

**PROPOSED MOTION:** None.

Q:\Reference\Board Packet\2013\4\Retreat 042213\Vision overview and questions.doc

## DEFINING MISSION, VISION, VALUES, AND GOALS

(Definitions drawn from Peter Senge, *The Fifth Discipline*)

**MISSION** – “Whether you call it a mission or purpose, it represents the fundamental reason for the organization's existence. What are we here to do together?”

### **EXAMPLES:**

#### LTD:

“LTD enhances the community’s quality of life by:

- ❖ Delivering reliable, responsive, and accessible public transportation services.
- ❖ Offering innovative services that reduce dependency on the automobile.
- ❖ Providing progressive leadership for the community’s transportation needs.”

#### Ann Arbor Transportation Authority:

“It is the mission of the Ann Arbor Transportation Authority to facilitate mobility by providing options for safe, efficient, and reliable transportation.”

**VISION** – “A vision is a picture of the future you seek to create, described in the present tense, as if it were happening now. A statement of ‘our vision’ shows where we want to go and what we will be like when we get there.”

### **EXAMPLES:**

#### LTD (previous):

"To provide the best public transportation services imaginable."

#### Vision in Haiku

Innovating, sustaining  
Safe and secure  
Everyone rides the bus

#### Ann Arbor Transportation Authority:

"The Ann Arbor Transportation Authority is an organization providing, managing, and facilitating the greatest range of high-quality transportation options throughout Washtenaw County. It is an organization that respects and values its customers and its employees. AATA maintains its position as a recognized leader in the public presentation industry by being a flexible organization utilizing innovative technology and practices for the benefit of its customers. Members of AATA interact and work together and with external stakeholders in a spirit of cooperation and with the highest professional standards in order to make the organization ‘The Ride of Choice.’"

#### Valley Regional Transit:

“We envision a Valley Regional Transit with adequate and secure funding to support a regional public transportation system that meets the personal and business needs of treasure valley residents and supports a livable and healthy community. “

Intercity Transit (Olympia, WA):

“Our vision is to be a leading transit system in the country, recognized for our well trained, highly motivated, customer-focused, community-minded employees committed to enhancing the quality of life for all citizens of Thurston County.”

**VALUES** – *“Values describe how we intend to operate, on a day-to-day basis, as we pursue our vision. Values are best expressed in terms of behavior: If we act as we should, what would an observer see us doing? How would we be thinking?”*

**EXAMPLE:**

LTD:

**Work Together**

We work, help, and communicate effectively with others in our workplace and in our community; and we treat all people with whom we come in contact with respect, courtesy, and dignity.

**Take Initiative**

We offer creative and workable solutions to present and future challenges and processes; we take opportunities to grow personally and professionally; and we encourage others to do the same.

**Be Professional**

We show pride in our appearance, attitude, actions, work, and in the quality of our equipment and facilities.

**Practice Safety**

We keep a safety awareness and act when necessary in order to maintain safe services, vehicles, equipment, facilities, and a safe work environment.

**GOALS** – *Goals are “milestones we expect to reach before too long. Every shared vision effort needs not just a broad vision, but specific, realizable goals. Goals represent what people commit themselves to do in the short-run.”*

Six, long-term strategic goals have been established to serve as a basis in realizing the components of *The LTD Road Map*.

**EXAMPLE:**

LTD:

1. Deliver reliable public transportation service.
2. Develop innovative services that reduce dependency on the automobile.
3. Maintain LTD’s fiscal integrity.
4. Provide leadership for the community’s transportation needs.
5. Develop a supportive workplace that fosters the success of all employees by providing an environment that encourages strong working relationships and offers opportunities to learn and grow.
6. Instill in each employee an active awareness of Our Position, Our Personality, Our Promise, and Our Core Values in order to help ensure that these are part of LTD’s everyday practices.