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Public notice was given to *The Register-Guard* for publication on April 15, 2004.

LANE TRANSIT DISTRICT REGULAR BOARD MEETING

Wednesday, April 21, 2004
5:30 p.m.

LTD BOARD ROOM
3500 E. 17th Avenue, Eugene
(off Glenwood Blvd in Glenwood)

A G E N D A

	<u>Page No.</u>
I. CALL TO ORDER	
II. ROLL CALL	
Lauritsen _____ Wylie _____ Ban _____ Gant _____	
Gaydos _____ Hocken _____ Kleger _____	
<u>The following agenda items will begin at 5:30 p.m.</u>	
III. PRELIMINARY REMARKS BY BOARD PRESIDENT	
IV. ANNOUNCEMENTS AND ADDITIONS TO AGENDA	04
V. BOARD CALENDARS (5 minutes)	05
VI. WORK SESSION	
A. Payroll Tax Rate Increase (40 minutes)	06
B. Long-Range Financial Plan and Capital Improvements Program (10 minutes)	48
<u>The following agenda items will begin at 6:30 p.m.</u>	
VII. EMPLOYEE OF THE MONTH – May 2004	09
VIII. AUDIENCE PARTICIPATION	
♦ Each speaker is limited to three (3) minutes.	

IX. ITEMS FOR ACTION AT THIS MEETING

- | | | |
|----|--|----|
| A. | Consent Calendar (1 minute) | 10 |
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| | 2. Minutes of March 17, 2004, Regular Board Meeting (Page 19) | |
| B. | First Reading – LTD Twelfth Amended Ordinance No. 35, Setting Fares for Use of District Services (5 minutes) | 33 |
| C. | FY 2004 Section 5307 Federal Grant Application (5 minutes) | 38 |
| | 1. Staff Presentation | |
| | 2. Opening of Public Hearing by Board President | |
| | 3. Public Testimony | |
| | 4. Closure of Public Hearing | |
| | 5. Board Discussion and Decision | |
| D. | Salaried Employees' Retirement Plan Investment Smoothing Method (20 minutes) | 40 |
| E. | Lane Community College FastPass (2 minutes) | 42 |
| F. | Joint Development Policy (15 minutes) | 43 |
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| H. | Capital Improvements Program (5 minutes) | 61 |

X. ITEMS FOR INFORMATION AT THIS MEETING

- | | | |
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| A. | Current Activities | |
| | 1. Board Member Reports (respond if questions) | 65 |
| | (a) <u>Meetings Held or Attended</u> | |
| | (1) Metropolitan Policy Committee – March 11 | |
| | (2) Cottage Grove Rotary – March 18 | |
| | (3) Lane County Commissioners/Elected Officials – April 14 meeting and individual meetings | |
| | (4) Region 2050 Policy Advisory Committee – March 31 | |
| | (b) <u>No Meetings/No Report</u> | |
| | (1) BRT Steering Committee | |
| | (2) Board Finance Committee | |
| | (3) Board Service Committee | |

	(4) Board Committee on Joint Development	
	(5) Springfield Station Design Review Committee	
	(6) Board Human Resources Committee	
	(7) Statewide Livability Forum	
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A.	FY 2004-05 Pricing Plan – Fare Ordinance	
B.	Bus Advertising Guidelines	
C.	Work Session: Comprehensive Service Redesign Options and Timeline	
D.	LTD Budget Committee Meetings and Budget Adoption	
E.	Joint Meeting with Springfield City Council	
F.	Resolution Reaffirming LTD Boundaries	
G.	BRT and Springfield Station Updates	
XII.	ADJOURNMENT	

Alternative formats of printed material and or a sign language interpreter will be made available with 48 hours' notice. The facility used for this meeting is wheelchair accessible. For more information, please call 682-6100 (voice) or 1-800-735-2900 (TTY, through Oregon Relay, for persons with hearing impairments).

AGENDA ITEM SUMMARY

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DATE OF MEETING: April 21, 2004

ITEM TITLE: MARCH FINANCIAL STATEMENTS

PREPARED BY: Diane Hellekson, Director of Finance & Information Technology

ACTION REQUESTED: None

BACKGROUND: Financial results for the first nine months of the 2003-2004 fiscal year are summarized in the attached reports.

Passenger fares trail prior year by 7.4 percent for the first nine months of the current year, an improvement from 8.4 percent last month. The drop in this resource is primarily due to the implementation of a group pass program for Lane Community College beginning with the fall term. As a result, group pass receipts are ahead of last year by 31.9 percent. Group pass revenues also were bolstered by an increase in revenue from the ASUO group pass contract. Ridership for the rolling 12-month period, which ended March 31, is down by 1.5 percent, a significant improvement over the negative 2.3 percent reported for February, and a continuation of the improvements reported in each of the previous seven months. Ridership for March 2004 (not including the articulated buses for which counts were not immediately available at the time this report was prepared) was 8.2 percent higher than in March 2003.

Due to the terms of the newly revised advertising contract with Obie Media, and the depressed local advertising market, revenue from advertisements on buses continued to be below expectations. This resource is likely to be more than \$60,000 below annual target by fiscal year end.

Payroll tax revenues are up 6.3 percent versus last year, an improvement from the previous month, and still in part due to the taxpayer refund of more than \$538,000 that occurred in November 2002 that affects the comparison. Nine-month payroll tax receipts are now ahead of year-to-date budget by \$476,943, and essentially the same as for last year after adjusting for the refund. Payroll tax receipts were budgeted at last year's actual level, and there is growing optimism that this goal will be achieved by year end. The issue regarding a payroll tax refund granted to a major taxpayer last fall and appealed by LTD in State Tax Court remains unresolved. Both parties to the dispute argued motions for summary justice (MSJ) to the Tax Court on July 21, 2003. There is no date by which a decision is guaranteed.

Self-employment receipts were up again in March due to early tax filing and almost 19 percent ahead of last year. Tax payments are not due to Oregon Department of Revenue until April 15, so it is too soon to estimate a total for the year. (However, there is nothing to suggest at this time that the resource will not meet budget expectations.) State-in-lieu funds are ahead of last year by 2.9 percent and are now ahead of budget through nine months. This resource is expected to meet budget by fiscal year end. October through December receipts were strong, up nearly 5 percent over the same quarter last fiscal year. Receipts for the January through March 2004 quarter were \$320,948, a record high for any quarter.

Total personnel services expenditures growth continued to climb and now stands at 5.5 percent through March, up from 4.5 percent reported last month. As previously noted, the use of contra accounts to charge administrative wages to capital projects has increased. The use of contra accounts is appropriate in order to track and record the true cost of capital projects, and, in the short term, helps reduce operating expenses. In the longer term, though, it understates the true cost of doing business because there are permanent positions currently assigned to capital projects either full time or on a part-time basis that will not terminate when the projects are completed, and will, therefore, increase operating expense at the conclusion of the projects. ATU wages grew 6.9 percent. The prospective target for maximum future growth is 4 percent.

Total materials and services are 1.7 percent higher for the first nine months of this year as compared to last. Insurance is up due to a significant increase in workers' compensation coverage.

Fuel prices remain a concern. Fuel was budgeted at \$.93 per gallon for the fiscal year. The average price through March 31, 2004, was \$.9831. Prices in April are now over \$1.22 per gallon. Savings in other materials and services costs have kept the overall category on budget for the nine-month period to date.

Overall, the General Fund's financial position is stable through the first nine months of FY 2003-2004, and as anticipated by the current-year plan.

Special Transportation Fund expenses are as anticipated through March. As previously noted, there is approximately \$250,000 in transfer to special transportation fund appropriations in the current year that will not be required due to the maintenance of state funding at previous levels. Board members may be asked to reallocate the excess appropriation at a future meeting. Reallocation requires Board approval.

Capital Projects Fund activity also was as expected. The Springfield Station project continues on schedule and has cost \$3.5 million through March. The Fleet facility expansion project is essentially complete and the expanded bays and new facilities are in use.

The proposed FY 2004-2005 budget will be delivered to the Board and citizen members of the Budget Committee in April. The Budget Committee is scheduled to meet on April 28 and 29. A special briefing for the seven citizen members of the Committee was held on Thursday, April 8, and was attended by six of the seven citizens (including both new appointees).

ATTACHMENTS:

Attached are the following financial reports for March for Board review:

1. Operating Financial Report - comparison to prior year
2. Comparative Balance Sheets
 - a. General Fund
 - b. Special Transportation Fund
 - c. Capital Projects Fund
3. Income Statements
 - a. General Fund
 - b. Special Transportation Fund
 - c. Capital Projects Fund

PROPOSED MOTION:

None



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**Lane Transit District
LONG-RANGE FINANCIAL PLAN
Budget Assumptions
April 21, 2004**

GENERAL ASSUMPTIONS:

▪ **Local Economy**

Lane County's unemployment in January 2003 was 7.5 percent, up sharply from 6.2 percent in December, but down 1.2 percentage points from the previous January. Construction projects continued to play an important role in generating payroll tax revenue, but, with the exception of the bridge projects, a large number of smaller projects replaced the major projects such as the Autzen renovation, the new University of Oregon Business School, and the Eugene Library that were completed a year or more ago. Several new projects are expected to be key contributors in the future: new University of Oregon housing, a new federal courthouse in Eugene, and possibly a new University of Oregon basketball arena, in addition to one or more new hospitals. The plan assumes that tax receipts will start to increase in FY 2004-2005 and eventually will grow at an annual rate of 4 percent over the balance of the twenty-year plan.

▪ **State Employment**

Although unemployment in the State of Oregon eased slightly compared with the prior year, it averaged 8.2 percent in 2003. The January 2004 rate was 7.7 percent, which compared favorably with the 7.9 percent for January 2003. The national seasonally adjusted rate for January 2004 was 5.6 percent, a more significant improvement over the 6.5 percent reported in 2003.

State payrolls will experience slight growth in FY 2004-2005, as reflected in a slight improvement in the State General Fund revenue forecast (less than 1 percent). Modest growth will resume thereafter. The result will be the continuation of slight increases annually in state-in-lieu payment receipts. State-in-lieu revenue is driven by the University of Oregon, which experienced record enrollment in the two years. Although tuition is expected to increase by as much as 12 percent, no decline in demand is anticipated. State in lieu of tax receipts are assumed to grow at the same rate as payroll tax receipts.

▪ **State Funding Climate**

The reduction in State support of transit programs, including demand-response services and Transportation Demand Management (TDM) programs anticipated a year ago, did not

in fact occur. Funding for Accessible Services remained at previous levels. Support for TDM programs is expected to increase. In recognition of the growth of TDM services, and its dedicated funding, beginning in FY 2004-2005, TDM services will be tracked and reported in a separate fund in the same way that Accessible Services (formerly know as Special Transportation) have been reported. State support of transit programs will increase slightly in FY 2004-2005, and remain constant thereafter. General Fund support of Accessible Services will increase by 2.5 percent per year as demand for service increases and subsidies do not.

▪ **Federal Funding Climate**

LTD's lobbying efforts were very successful in the last year. Full funding for the new Springfield Station was obtained, as well as support for the Fleet facility modification, and the EmX project's Pioneer Parkway corridor. In addition, \$4 million to buy EmX Franklin Corridor vehicles is expected. Funding assumptions for capital projects are included in more detail in the Capital Improvements Program (CIP).

The General Fund all but eliminated its transfer to the Capital Projects Fund in FY 2001-2002 in order to help slow expenditure growth and protect fixed-route service at a time when payroll tax growth slowed. At that time, sufficient local funds previously set aside and designated for capital match and other capital expenditures were sufficient to meet project needs and match expected annual federal formula funds. As noted in the revenue summary, however, the expected annual formula funds increased as a result of Lane Transit District's designation as a Transportation Management Area as a result of the 2000 federal census. The need for matching funds increased. At the same time, cost estimates for current and future projects increased. Therefore, the transfers will need to be re-initiated. The proposed plan provides for transfers to resume in FY 2004-2005 in an annual amount equal to the match required by formula funds expected in the same years.

STRATEGIC ASSUMPTIONS:

- The mission, visions, and strategic actions identified in the LTD Strategic Plan and amended at the November 2002 Board of Directors' work session will remain essentially the same for the foreseeable future. Of particular note is the value placed on preservation of assets, quality of service, and community contribution to quality of life.
- The EmX project, including corridors subsequent to the Franklin Corridor, will remain a high-priority, high-profile project as an important component of future public transportation services in the community. The new Springfield Station will be completed with similar amenities to the Eugene Station and will go into service in September 2004.
- Opportunities to add higher technology features to both bus services and administrative functions will be actively pursued if the technology improves cost effectiveness, removes barriers to system use, improves system productivity, or otherwise provides an identifiable and quantifiable benefit.
- The payroll tax rate will increase effective January 1, 2005, if the Board of Directors believe the local economy has recovered to a point that an increase can be justified. The model

currently assumes a .0001 increase in 2005 and the same increase annually in each of the subsequent nine years.

- LTD will successfully negotiate a new contract with Amalgamated Transit Union 757 that holds personnel services expenditure growth to 4 percent or less per year.
- No additional changes in the service boundaries are anticipated. (Creswell was added on January 1, 1999, and Cottage Grove was added on January 1, 2000.)

REVENUE SUMMARY:

- Future discretionary grant funding in support of capital projects and bus purchases is assumed to drop to 60 percent support of the next phases of EmX.
- A new federal funding category, currently named Small Starts, will be created in the New Starts funding category. LTD will be named in reauthorization legislation for funding in this new category and will meet the criteria for project funding eligibility.
- If Lane Transit District is successful in its application for earmarked federal funds to support the expansion of bus rapid transit, significant additional local matching funds will have to be secured. The amount of new funds required almost certainly will exceed LTD's ability to leverage any of its revenue sources. (Revenue bonds already have been included in the plan as a funding means for vehicle acquisition in the future.) If the Federal Transit Administration changes the match requirement from the current 20 percent local to 80 percent federal funds to a higher local requirement, the need for additional funds will increase proportionately. (A change is not currently assumed.) LTD will need to consider other local funding options in order to fund the Capital Improvements Program. Such options include general obligation bonds, which would require a local election. Other bonding options may be available through the State.
- Fare revenue will grow modestly in part due to pricing plan restructuring, modest ridership gains, and the continued success of the group pass program. Fare revenue growth will level at 4 percent per year beginning in FY 2007-2008 after implementation of EmX Franklin Corridor service in FY 2006-2007.
- Tax receipts will resume modest but steady growth averaging 3 to 4 percent over the life of the plan. As the result of aggressive efforts to recover lost payroll tax receipts due to refund, the plan assumes that the funds will be recovered in FY 2004-2005. Annual increases in the payroll tax rate will occur over a ten-year period until the maximum rate of 0.7 percent is reached in FY 2013-2014.
- Interest income is assumed to improve slightly over recent receipts due to improved rates of return but will be less of a contributor than in the past due to the need to spend down reserves in both the General Fund and Capital Projects Fund.

EXPENSE SUMMARY:

- Personnel services expenditures growth will be carefully controlled as the result of limits or changes made to benefit plans. The plan assumes that total personnel services expenditure growth will not exceed 4 percent in any year. This limit was calculated by assuming that annual personnel services expenditures should, in general, be less than or equal to total payroll tax receipts. Payroll tax receipts, as previously noted, are expected to eventually increase by 4 percent per year. Since the reserve balance in the General Fund currently exceeds the limit established by Board policy, a 4 percent growth of personnel services can be sustained even though payroll tax receipts may grow at a slower rate for the next three years.
- In order to help control operating expenses, most of which are personnel services expenditures, service reductions will be implemented in FY 2004-2005. As the result of effective expenditure control, however, service additions will be possible beginning in FY 2009-2010.
- Materials and services costs also will be contained. In the short term, the result will continue to be reduced support for marketing programs, selective support for travel and training opportunities, and deferral of nonessential expenses.
- Risk/insurance expenses are projected to increase at 1 percent per year, a leveling off of growth after a significant increase in FY 2003-2004. That increase was the result of higher claims and of an industry-wide trend that followed the events of September 11, 2001.
- Debt financing still will be required to fund future vehicle purchases.

AGENDA ITEM SUMMARY

2

DATE OF MEETING: April 21, 2004

ITEM TITLE: CAPITAL IMPROVEMENTS PROGRAM

PREPARED BY: Diane Hellekson, Director of Finance & Information Technology

ACTION REQUESTED: Approval of the Capital Improvements Program

BACKGROUND: After several months of discussion and review, the proposed Capital Improvements Program (CIP) has been completed for Board of Directors' consideration and approval. The full Board has reviewed the plan components, particularly the EmX project corridors, and provided the direction for the plan presented here.

There have been very few changes in the plan since it was reviewed in February:

- The EmX project corridors will continue to dominate the plan for the foreseeable future, although the third corridor, included in last year's plan revision, has been pushed out of the eight-year planning window. Fixed-route fleet vehicle replacement also will be a significant investment.
- Cost estimates for the EmX vehicle and corridors have not been finalized and may be subject to change. Vehicle costs for the EmX Franklin Corridor will not exceed \$900,000 per vehicle, however. Franklin Corridor construction costs are expected to be finalized in the near future. In all cases of corridor implementation, project costs are assumed to be constrained by funds available.
- Debt financing for EmX Franklin Corridor vehicles has been eliminated from the plan. Previous drafts have shown the five EmX vehicles as debt financed. The federal House of Representatives bill that is going to conference committee contains a \$4 million mark up for Franklin Corridor vehicles that is assumed to remain in the finalized conference version of the legislation.
- Funding for the EmX Pioneer Parkway Corridor and any future corridors is unidentified. The plan continues to assume 60 percent EmX funding from federal New Starts/Small Starts money with the remainder split between LTD and contributions from community partners. Funding uncertainties are highlighted in pink.

The brief presentation that will precede Board deliberation and action on this item will highlight the major plan components. Project managers will be present at the meeting to respond to questions, should additional information be required.

RESULTS OF RECOMMENDED ACTION:

The revised CIP will become part of the FY 2004-2005 Proposed Budget materials and presentation.

ATTACHMENTS:

Capital Improvements Program Summary

PROPOSED MOTION:

I move that the Board approve the following resolution:

LTD Resolution No. 2004-017: It is hereby resolved that the proposed Capital Improvements Program for fiscal years 2004-2005 through 2008-2009 is approved as presented [amended].

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: LONG-RANGE FINANCIAL PLAN

PREPARED BY: Diane Hellekson, Director of Finance & Information Technology

ACTION REQUESTED: Approval of the Long-Range Financial Plan

BACKGROUND: The Long-Range Financial Plan (LRFP) covers a rolling twenty-year period, with emphasis on the first five to eight years. The LRFP generally is driven by operating requirements/desires for both fixed-route and demand-response service, and by the Capital Improvements Program (CIP), which in turn has been determined by Lane Transit District's long-term goals, preservation of assets, and fleet requirements. LTD's Strategic Plan specifies District goals.

The proposed LRFP is summarized in the attached materials. The plan begins with a twenty-year view of the major projects on the LTD agenda, including bus rapid transit (BRT), which has been named EmX service; fleet expansion/replacement; passenger boarding improvements, including stations and Park & Ride facilities; and the routine replacement/expansion/upgrade of facility components, tools, and automated data processing (ADP) hardware and software. The first eight years of the capital component of this plan come directly from the CIP. In the remaining years, it is assumed that the investment in system improvements will continue, including EmX, Park & Ride facilities, and new technology for fare collection and other applications.

The twenty-year operating plan begins with the proposed budget for FY 2004-2005. Key issues for the future are as follows:

- Managing expenditures. The growth of General Fund expenses cannot exceed the rate of revenue growth as a sustainable trend. In order to make the course correction to bring expenditures under control, service reductions are required in FY 2004-2005. Careful expenditure control in the near term, coupled with achievable revenue goals, will allow for service increases beginning in FY 2009-2010.
- Identifying and implementing alternative financing methods for capital project support. New Starts federal funds, or a new category of New Starts fund currently named Small Starts, will be required, which may increase project costs, timelines, and requirements.

- Transfers from the General Fund will be required for future capital match; therefore, the plan calls for transfers to resume beginning in FY 2004-2005. Transfers were suspended in FY 2001-2002 to help stabilize fixed-route service levels in light of reduced payroll tax receipts.
- Debt financing of future vehicle purchases will be required.
- The payroll tax rate will increase .0001 on January 1, 2005, if the Board finds justification to do so.
- Identifying additional resources. Opportunities include joint development and debt financing. If the Pioneer Parkway Corridor of the EmX project is to begin, as planned, in the next four years, additional federal discretionary funds (or another form of substantial support) will be required. The plan assumes that 20 percent of the local match for EmX Pioneer Parkway will come from other community sources. New sources of local capital funding and matching funds almost certainly will be required in order to carry out the CIP.
- Maintaining a healthy balance sheet and outstanding credit record. A key to favorable debt financing is the minimization of perceived organizational risk. There are several analysis factors, among them liquidity, a stable source of repayment funds, and an attractive reserve ratio. Staff expect these factors to be important in the rating process for New Starts/Small Starts eligibility, as well.

For easier review, color coding has been used to identify certain plan components. Transfers from the General Fund to the Capital Projects Fund are highlighted in blue. Funding gaps (or surpluses) in the General Fund are highlighted in orange. Currently unfunded capital projects expenditures are highlighted in pink.

A summary of the assumptions used in drafting the LRF is included with the attachments. The Finance Committee of the Board of Directors and the full Board in both special and regular sessions have reviewed the plan components and assumptions. The Board can make changes to one or more assumptions prior to approval if so desired.

RESULTS OF RECOMMENDED ACTION:

The first year of the plan will become the Proposed Budget for FY 2004-2005.

ATTACHMENTS:

Long-Range Financial Plan Budget Assumptions
Schedule of Combined Eight-Year Projections
Schedule of Combined Twenty-Year Projections
Long-Range Capital Projects Summary

PROPOSED MOTION: I move that the Board approve the following resolution:

LTD Resolution No. 2004-016: It is hereby resolved that the proposed Long-Range Financial Plan for fiscal years 2004-2005 through 2023-2024 is approved as presented [amended].

Q:\Reference\Board Packet\2004\04\Regular Mtg\05lrfp summary.doc

**Program of Projects and Budget
Section 5307**

		STIP Key #	Fund Type	Match Ratio	Federal Grant	Project Total
<u>111-00 Bus Rolling Stock</u>						
11.12.01	Gillig bus purchase	13441	5307	80%:20%	\$ 4,093,978	\$ 5,117,472
11.12.06	Articulated bus purchase	13441	5307	80%:20%	1,914,953	2,393,692
11.12.40	Bus Replacement Spare Parts	11357	5307	80%:20%	49,761	62,201
	111-00 Bus Rolling Stock Total				6,058,692	7,573,365
 <u>113-00 Bus Stations Stops & Terminals</u>						
11.33.02	Station improvements	11357	5307	80%:20%	82,672	103,341
	113-00 Bus Station Stops & Terminals Total				82,672	103,341
 <u>114-00 Bus Support Equip/Facilities</u>						
11.42.07	Hardware	11357	5307	80%:20%	32,000	40,000
11.42.08	Software	11357	5307	80%:20%	192,000	240,000
11.42.11	Support vehicles	11357	5307	80%:20%	32,000	40,000
11.42.20	Miscellaneous equipment	11357	5307	80%:20%	32,000	40,000
	114-00 Bus Support Equip/Facilities Total				288,000	360,000
	Total				<u>\$ 6,429,364</u>	<u>\$ 8,036,706</u>

Source of Federal Assistance

Funding UZA: 411440
Funding UZA Name: Eugene-Springfield, Oregon

FY 2002, Section 5307 Capital (Carryover)	\$ 267,539
FY 2003, Section 5307 Capital (Carryover)	4,139,009
FY 2004, Section 5307 Capital	<u>2,022,816</u>
Total	<u>\$6,429,364</u>

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: SECTION 5307 FEDERAL GRANT APPLICATION

PREPARED BY: Todd Lipkin, General Ledger/Grant Accountant

ACTION REQUESTED:

- (1) Hold a public hearing on the grant applications
- (2) Approve grant application

BACKGROUND: LTD funds its Capital Improvements Program (CIP) through a combination of federal, state, and local funds. LTD receives federal funds appropriated on an annual basis through the 5307 formula program, which are awarded through the Federal Transit Administration. Section 5307 projects are funded at 80 percent, with a 20 percent match provided by LTD.

BUDGET IMPACT: This grant request is for \$6,429,364 in combined 2002, 2003, and 2004 Section 5307 funds. The request funds the purchase of eighteen 40-foot Gillig low-floor buses and five New Flyer articulated buses. The request also includes funds for spare parts for bus maintenance, passenger boarding improvements, and miscellaneous equipment.

RESULT OF RECOMMENDED ACTION: LTD will recover 80 percent of funds advanced for vehicle purchases from local capital reserves.

ATTACHMENT: Program of Projects and Budgets for Section 5307 Grant

PROPOSED MOTION: I move approval of the following resolution:

LTD Resolution No. 2004-012: It is hereby resolved that the LTD Board of Directors approves the proposed Section 5307 federal grant application for \$6,429,364 in federal funds and authorizes the general manager to submit this application to the Federal Transit Administration for approval.

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: ANNOUNCEMENTS AND ADDITIONS TO AGENDA

PREPARED BY: Jo Sullivan, Administrative Services Manager/Clerk of the Board

ACTION REQUESTED: None

BACKGROUND: This agenda item provides a formal opportunity for Board members to make announcements or to suggest topics for current or future Board meetings.

ATTACHMENT: None

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: BOARD MEMBER REPORTS

PREPARED BY: Jo Sullivan, Administrative Services Manager/Clerk of the Board

ACTION REQUESTED: None

BACKGROUND: Board members have been appointed to the Metropolitan Policy Committee (MPC), and on occasion are appointed to other local or regional committees. Board members also will present testimony at public hearings on specific issues as the need arises. After meetings, public hearings, or other activities attended by individual Board members on behalf of LTD, time will be scheduled on the next Board meeting agenda for an oral report by the Board member. The following activities have occurred since the last Board meeting:

MEETINGS HELD

1. **Metropolitan Policy Committee:** MPC meetings are held on the second Thursday of each month. Board members Hillary Wylie and Gerry Gaydos have been LTD's MPC representatives, with Pat Hocken as an alternate. Ms. Wylie and Mr. Gaydos attended the April 8, 2004, meeting. At that meeting, the MPC agenda included the following items:
 - a. FY 06-09 STIP Project Priorities. This item summarized the process by which the Central Lane MPO provides input to the Oregon Transportation Commission (OTC) on priorities for funding transportation projects and programs in the Statewide Transportation Improvement Program (STIP). At the April 8, 2004, meeting, the MPC approved the STIP priority list as recommended by staff.
 - b. Public Involvement Plan: MPC approved a public involvement plan that calls for the establishment of a Citizen Advisory Committee.
 - c. MPC was informed that Susan Ban will be replacing Hillary Wylie as an LTD representative to MPC. Gerry Gaydos will continue to be the other designated LTD representative.

The next MPC meeting is scheduled for May 13, 2004.

2. **Cottage Grove Rotary:** Board member David Gant attended a meeting of the Cottage Grove Rotary to discuss transit issues on March 18.
3. **Board of County Commissioners/Elected Officials:** Board member Susan Ban attended the Lane County Commissioners' meeting on April 14, 2004, and testified in support of including BRT lanes in the new MLK Parkway. Several Board members also have met with individual Commissioners and other elected officials during the month.
4. **Region 2050 Policy Advisory Board:** Susan Ban is the Board's representative on the Region 2050 Policy Advisory Board (Policy Board). The Policy Board met on March 31, 2004. A presentation was given on the Alternative Regional Growth Scenarios Evaluations, including draft evaluation results on Land Use and Housing, the Economy, Groundwater Quality, Surface Water Quality, and Rare Habitat. A Work Program and Budget Report was given, including information on a Transportation Growth Management Grant that was recently awarded to fund the Transportation Analysis portion of the Region 2050 Study. The next meeting is scheduled for April 28, 2004.

NO MEETINGS/NO REPORT

1. **BRT Steering Committee and Board BRT Committee:** Board members Gerry Gaydos, Pat Hocken, and Hillary Wylie are participating on LTD's BRT Steering Committee with members of local units of government and community representatives. The three LTD Board members also meet separately as the Board BRT Committee. The April meeting of the BRT Steering Committee was cancelled. The next meeting of the Steering Committee is scheduled for May 4, 2004.
2. **Board Finance Committee:** The Board Finance Committee (Pat Hocken, chair; Gerry Gaydos; and Virginia Lauritsen) last met on February 11, 2004, as reported in the February 18 Board agenda materials. The next Committee meeting has not been scheduled to date.
3. **Board Service Committee:** LTD's Board Service Committee consists of Dave Kleger, chair; David Gant; and Pat Hocken. The Committee's first meeting was held on January 16. No additional meetings have been scheduled.
4. **Board Committee on Joint Development:** This Committee has not met since its initial meeting to discuss the proposed Policy on Joint Development.
5. **Springfield Station Design Review Committee:** Board members Dave Kleger, Virginia Lauritsen, and Hillary Wylie participate on the

Springfield Station Design Review Committee with local community representatives. The Committee no longer meets on a regular basis, but future meetings could be called to discuss specific issues concerning the station.

6. **Board Human Resources Committee:** The Board Human Resources Committee (Gerry Gaydos, Chair; Susan Ban; and David Gant) last met in Executive Session on November 17, 2003. The committee will meet again in the future to discuss the general manager's compensation and employment contract for FY 2004-05.
7. **Statewide Livability Forum:** Board member Virginia Lauritsen is participating on a statewide committee called the Livability Forum, as one of 12 participants from the Eugene/Springfield area. The committee has been meeting once every six months. There is no report this month.

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

DATE OF MEETING: March 17, 2004

ITEM TITLE: CORRESPONDENCE

PREPARED BY: Ken Hamm, General Manager

ACTION REQUESTED: None

ATTACHMENTS: The attached correspondence is included for the Board's information:

- ◆ March 5, 2004, letter from Board President Hillary Wylie to the Springfield City Council regarding exclusive right-of-way on the new MLK Jr. Parkway
- ◆ March 9, 2004, letter from BRT Committee Chair Pat Hocken to Springfield City Council regarding MLK Jr. Parkway

At the March 17, 2004, meeting, staff will respond to any questions the Board members may have about this correspondence.

PROPOSED MOTION: None

MINUTES OF DIRECTORS MEETING
LANE TRANSIT DISTRICT
SPECIAL BOARD MEETING
THURSDAY, FEBRUARY 26, 2004

Pursuant to notice given to *The Register-Guard* for publication on February 24, 2004, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a special meeting on Wednesday, February 26, 2004, beginning at 6 p.m., in the Lane Transit District Board Room, 3500 East 17th Avenue, Eugene.

Present: Hillary Wylie, President, presiding
Susan Ban
David Gant
Gerry Gaydos, Vice President
Pat Hocken, Secretary
Dave Kleger
Virginia Lauritsen, Treasurer
Ken Hamm, General Manager
Jo Sullivan, Clerk of the Board
Kimberly Young, Minutes Recorder

Call to Order - Ms. Wylie called the meeting to order at 6:10 p.m. Mr. Gaydos and Ms. Lauritsen were not yet present.

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Roll Call – Mr. Hamm called the roll.

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Preliminary Remarks by Board President - Ms. Wylie called Board members' attention to the norms adopted by a past Board, which she believed represented existing Board norms. She asked Board members to review the norms and offer suggestions for additional norms, and proposed that the Board discuss them at the next meeting or at the Board retreat. Board members agreed.

Ms. Lauritsen arrived.

Announcements and Additions to Agenda – Ms. Hocken reported that the District would be going out to bid for an internal auditor soon. She asked for a volunteer from the Board to participate in the interview process. Ms. Lauritsen agreed to participate.

Ms. Wylie indicated that the Board would take action on Mr. Gaydos' Budget Committee recommendation at the next meeting; the Board could not take action at the meeting that evening under its bylaws.

Debrief Joint Meeting with Eugene City Council – The Board briefly discussed the February 23 joint meeting with the Eugene City Council. Members concurred that the meeting had been informative, and agreed with a suggestion from Ms. Ban that the meeting highlighted the need for

more regular joint and one-on-one meetings between Board members and Councilors to ensure that the Council was receiving accurate and current information.

Ms. Wylie noted that discussion of an appointed versus elected Board arose again during the meeting. She said that in other parts of the country, transit Boards frequently were made up of local elected officials, which provided more of a "buy-in" for projects. She said the Board was faced with the question of how to get that "buy-in" in the existing situation. She expressed concern that the Councilors did not appear to have the same "buy-in," although it was also their transit system.

Mr. Gaydos arrived at 6:20 p.m.

Ms. Lauritsen endorsed Ms. Ban's suggestion for more communication between the Council and Board.

Ms. Hocken was pleased that the Council accepted the changes that had to be made to the bus rapid transit (BRT) schedule. Ms. Wylie concurred.

Ms. Lauritsen asked how some local residents got the idea that Lane Transit District planned to route buses across the Autzen bicycle bridge, suggesting that also pointed out the need for improved communications. She expressed concern that the Board had become the target of citizens' ire. Mr. Hamm said the idea was an old one raised during discussion of the BRT corridor running north from Eugene to the Chad Drive/Crescent area. An engineering firm studied the possibility and concluded that the bridge could be modified to accommodate buses. Ms. Ban added that recently the Coburg stakeholder group had pushed LTD staff to explore several alternatives to Coburg Road, one of which was the bicycle bridge.

Mr. Viggiano explained that staff eventually had persuaded the stakeholders group that the option was not a real alternative to Coburg Road, given its distance from the corridor. The stakeholder group had agreed that it would not discuss the issue in the context of the corridor, but asked the staff to communicate to the Board that it considered the connection viable for the future. Staff agreed to do so, and had shared that information with the Board about one year ago. The Board did not provide any additional direction to staff to continue this examination. David Sonnichsen of the Whilamut Natural Area Citizen Involvement Planning Committee attended some of the stakeholder group meetings and was aware that the issue had been raised. Mr. Sonnichsen recently had contacted Mr. Viggiano to check on the status of the issue. Mr. Viggiano had informed Mr. Sonnichsen of what had taken place. Ms. Lauritsen asked if staff planned to prepare a response. Mr. Hamm said he thought he had: he had informed those who appeared before the Board to testify on this issue that LTD was not contemplating the crossing for the BRT corridor. Ms. Lauritsen questioned whether more needed to be done. The Board discussed possible options for responding to public concerns, including a letter from Mr. Hamm or a resolution.

Mr. Hamm questioned whether the Board wanted to preempt the potential of using the bridge corridor at some future time. Mr. Viggiano concurred with Mr. Hamm. He said the idea had been around for a long time and had been raised by several parties, including the City of Eugene, and it kept coming up because it could be useful. He believed that the route could be designed in such a way to avoid any impact on East Alton Baker Park, the primary area of

concern to those testifying before the Board. He emphasized that there were good transit reasons for such a connector.

Mr. Gant suggested the problem was that people kept talking about the idea, and that made people nervous. He suggested that "we stop that." Mr. Viggiano said it was the stakeholder group that raised the issue most recently. Mr. Gant said that did not mean the Board had to talk about it. Ms. Hocken pointed out the Board could not stop others from talking about the idea. She suggested the Board consider communicating directly by letter with those who testified rather than highlight the issue further in an op-ed piece.

Mr. Vobora reminded the Board that it would review a new public relations plan in April, and suggested that the Board give staff some time to discuss the issue prior to that time. He suggested that the issue could be addressed as part of that integrated plan. Board members agreed to the suggestion.

Bus Rapid Transit Budget Scenarios – Mr. Hamm reminded the Board that at its February 18, 2004, meeting, it directed staff to prepare three budget scenarios. He noted that each scenario pushed the third BRT, or EmX, corridor off the eight-year financial plan. Ms. Hellekson reviewed the three scenarios, each of which was based on different assumptions: (1) Projections for Long-Range Financial Plan, Schedule of Combined Eight-Year Projections, Includes EmX Pioneer Parkway Corridor Only; (2) Projections for Long-Range Financial Plan, Schedule of Combined Eight-Year Projections, Includes EmX Pioneer Parkway Corridor at \$19 million; and (3) Projections for Long-Range Financial Plan, Schedule of Combined Eight-Year Projections, No Pioneer Parkway EmX Corridor and No Reduction in Service. Staff recommended that the Board adopt Scenario 1.

Ms. Wylie called for Board discussion.

Ms. Hocken noted the many assumptions on which the scenarios were based but believed that the projections were conservative. However, she acknowledged that the future could be different. Ms. Hocken indicated support for Scenario 1.

Mr. Gant determined from Mr. Hamm that the recommendation before the Board represented consensus of LTD's Leadership Council, which included the five department directors, the general manager, the assistant general manager, the government relations manager, and the administrative services manager. Mr. Hamm stated that the recommendation reflected an internal dialogue about BRT and its impacts that had been going on for years. He said that some staff members were unsure about BRT and what it added in terms of service enhancement, and others were concerned about the impact of BRT on LTD's ability to sustain other areas in the operating budget. Others felt strongly that BRT was the right thing to do and would not have such impacts. Mr. Gant questioned whether it was fair to represent the recommendation as a staff recommendation when it appeared there was not consensus among staff.

In response to Mr. Gant, Ms. Wylie pointed out the recommendation also represented the Board's position regarding BRT as a top priority over the past ten years. It did not come out of thin air. Mr. Gant asked if the staff recommendation was in response to that priority, or if it was a result of analysis.

Ms. Hocken recalled that the Board had first discussed the BRT concept at a Board retreat about ten years ago. The Board had been very excited about the idea but had to convince staff of the

benefits of the approach. She agreed with Ms. Wylie that the Board had given staff consistent direction about BRT as a priority, and noted that the direction also was reflected in the community's adopted TransPlan.

Speaking to the issue of the origin of the staff recommendation, Ms. Hocken said that it touched on the issue of chain of command. The Board hired Mr. Hamm and expected him to provide professional recommendations. Mr. Hamm was the boss and could fire and hire other staff. Even if Mr. Hamm was alone in thinking the recommendation was the right answer, that would be legally and structurally acceptable. While she did not think that was going on, she wanted to emphasize how the organization worked. She thought it appropriate for the Board to consider such recommendations, pointing out that the Board did not have to accept them. However, Ms. Hocken indicated acceptance of the analysis done by staff regarding the recommendation before the Board.

Mr. Hamm said the strength of the Leadership Council (LC) was in its members' ability to debate and disagree. At some point in the debate, the LC arrives on a position. He did not always personally agree, but relied on the wisdom of staff. In this case, the staff believed BRT was a solution for the future. As congestion grew in major corridors, it might be the only affordable solution available. Staff believed that the eight-year projections were achievable, and recommended that LTD move forward with the two corridors.

Ms. Ban believed that if LTD were to compete successfully with the private automobile, its vehicles could not be stuck in traffic. That required an investment in the future. She said an effective transit system was dependent on an infrastructure that worked and on ridership. Ms. Ban believed the recommendation was about LTD's ability to provide an effective mass transit system to the community in the future. The question then became how to balance that future need with current needs. She said that the materials provided by staff helped her think more clearly about that question. Ms. Ban briefly contrasted the three scenarios and suggested that Scenario 1 best helped LTD achieve that balance and move into the future.

Mr. Kleger noted increased bus travel times and suggested that those would result in reduced ridership. There was nothing LTD could do now to speed its vehicles—they already were traveling as fast as possible. He said that LTD needed to get its buses out of traffic and the longer the Board waited, the more politically difficult and expensive it would be to secure the needed right-of-way. Mr. Kleger said that even those upset by the service changes agreed that something needed to be done, even if they did not want LTD to spend money on BRT. He said that LTD needed to move forward as quickly as possible to address transportation problems and congestion. Mr. Kleger indicated that he preferred Scenario 1 but would support Scenario 2 if the Board rejected Scenario 1, but he did not want to back away from what the Board already had committed to. He said the Board must focus on the future and on the near-term, or the organization would not succeed.

Mr. Gant discussed his concerns about the staff recommendation, saying his first concern was financial. He believed that the budgeting process lacked safeguards to protect against unintentional and adverse impacts on core services. He said that BRT was not a core service; fixed-route service and special transportation were core services. Mr. Gant also was concerned about the rising costs of BRT. He wanted LTD to establish an unchanging budget for BRT and keep to it, but that was not happening.

Mr. Gant expressed concern about LTD's strategic approach to BRT, as he did not think LTD had adequate partnerships with the cities of Eugene and Springfield when it came to the issue of the local match. He thought it reasonable to state to the cities that if the community wanted BRT, the two cities must take responsibility for the dollars involved for what he termed an aggressive capital program. Mr. Gant believed it also legitimate that the two cities take the lead in providing right-of-way for the project. He did not think that should be LTD's responsibility. He said the Councils should "step up" and work with LTD when it came to access issues.

Mr. Gant discussed his objections to the segmented build-out planned for BRT. He thought the approach was more appropriate for light rail. In the case of BRT, he suggested that LTD be more opportunistic in its approach and incorporate project elements in projects such as the Pioneer Parkway, and get better buy-in from the cities that way. He was not convinced that LTD knew enough about BRT to be as aggressive as it was being in implementation. He called on the Board to stop the project and reassess BRT and its build-out. Mr. Gant said that LTD should finish the Franklin corridor and assess the experience. He said it was important that BRT be a success and not a "boondoggle."

Mr. Kleger acknowledged Mr. Gant's concerns. However, he perceived BRT as fixed-route service made more effective. That was his motivation in supporting the system. He did not object to finishing and assessing the Franklin corridor, but believed that LTD needed to take advantage of the opportunity presented by the Pioneer Parkway.

Mr. Gant asserted that the Springfield staff would recommend to the council not to allow BRT to have access down the median. He said that LTD did not even know if PeaceHealth would relocate to the RiverBend campus. There were many unknowns regarding that corridor, and it was his contention that the Board and Springfield Council had not discussed the Council's commitment to the concept and the need for Springfield to be a full partner. He wanted that discussion to happen with both Councils.

Ms. Lauritsen asked Mr. Gant what the Board would do with the Springfield Council's answer, saying she thought she knew what it would be. Mr. Gant said he thought the Springfield Council less interested in the project than the Eugene Council. Mr. Lauritsen asked if the Eugene Council would direct money toward the project. Mr. Gant thought the Council would be supportive, and pointed out that LTD had not made the effort to secure such funds. He said that the Councils needed to work much more closely with the Board to understand the details of how to make BRT happen.

Ms. Wylie observed that the Springfield City Council had encouraged LTD to select the Martin Luther King, Jr., Parkway as a corridor rather than out to Thurston as originally planned. Mr. Gant reiterated that LTD needed more than encouragement from Springfield; it had to partner with LTD, which involved more than approval of a route. He called on the Board to "be firm" with the City Councils. If the Councils were not supportive, he suggested, the community had rejected BRT.

Ms. Hocken provided some historical perspective on the subject, recalling that when the Board first sought acceptance of the concept from the two cities, the two cities had made it clear they had no money to assist with the project. LTD had made it clear then that it was not asking for money, so she did not think it politically feasible to ask now. She believed that pulling out of the Parkway project would be a politically damaging thing to do. Ms. Wylie agreed. Mr. Gant did not

think the Springfield Council would support the BRT route anyway. Ms. Hocken said that the Parkway segment of the corridor was important and LTD should fight hard to get what it needed. She did not think the staff recommendation represented Springfield's repudiation of the project. There were other pieces of the corridor where Springfield was being very cooperative in what LTD planned to do. Mr. Gant said the Parkway segment was the bottleneck and could affect the entire corridor.

Mr. Hamm recalled that LTD's planning initially had been more focused on growth areas to the north, before PeaceHealth purchased the RiverBend property and announced its plans to build a new hospital. Whether PeaceHealth built the hospital or not, the Gateway area generated considerable ridership and LTD needed to create connections between Gateway, downtown, and other areas. The Parkway corridor was an opportunity that presented itself to LTD. The eventual outcome of the issue depended on whether PeaceHealth constructed the hospital.

Mr. Gaydos acknowledged that economic circumstances had changed from the time the project was initiated. He thought it valuable to consider the changed context but also thought the Board needed to keep in mind that BRT was not a separate project. It was part of the core system. He believed that much of what Mr. Gant was suggesting had occurred. For example, he believed that BRT was an opportunistic project, as demonstrated by Mr. Hamm's remarks regarding the parkway corridor. Springfield wanted BRT because it would serve a fast-growing area. Some type of service would be needed by the area. Mr. Gaydos also believed the partnerships that Mr. Gant sought existed throughout the history of BRT. He pointed out that currently the United Front was representing LTD's funding requests in Washington, D.C. In addition, the Board met frequently with the two city councils to discuss the issues involved with BRT.

Mr. Gaydos agreed that it was important to balance future and existing needs. He said that difficult decisions must be made. He thought the Board and staff had acted and continued to act in a responsible way. The Board continually reviewed its plans and could make adjustments as it learned more about the future. He suggested that the Board consider what it meant when it talked about the core system. He said that the Board could determine that base level of services so it could show people service additions and reductions.

Mr. Gaydos pointed out that without federal funds, the Parkway segment would not happen. He said the Board's approach to BRT had been the approach approved by the community through TransPlan, various planning documents, and the United Front effort. The District's partners were supportive of the concept and the district continually worked on those partnerships.

Mr. Gaydos expressed the hope that the Board could discuss issues such as how it wished to be organized, how it wished to receive information, the nature of the staff's recommendations, and the Board's expectations of staff in terms of that issue. He thought it would be worthwhile to discuss those issues and get them out on the table. Mr. Gaydos expressed support for scenarios 1 or 2 as he believed they represented the best planning LTD could do at this time.

Ms. Lauritsen acknowledged that she was "lukewarm" about BRT, having not been on the Board when it was first discussed. She was concerned that LTD was "getting away from its roots," which was the fixed-route system. She did not think the Board was listening to concerns such as that expressed by a Eugene Councilor about the money being spent on the special transportation facility, which employed matches that could be used for services. She questioned the cost of the first phase of BRT, and agreed with Mr. Gant that the Board had no control over future costs.

Ms. Lauritsen said she was not hearing support for BRT in the community. She did not want to "force BRT" down the community's throats. She acknowledged that the Board needed to plan ahead, but thought the projections were too far into the future.

Ms. Lauritsen thought that work on Phase 1 had progressed too far to be stopped. However, BRT was unproven, and she did not support the proposed service cuts. She expressed support for Scenario 3.

MOTION Mr. Gaydos moved adoption of LTD Resolution No 2004-007: "Resolved, that the LTD Board of Directors approves Scenario 1 for the purpose of budgeting and planning." Ms. Ban provided the second.

Mr. Gant requested a roll call vote.

VOTE The resolution was approved as follows:
AYES: Ban, Hocken, Gaydos, Kleger, Wylie (5)
NAYS: Gant, Lauritsen
ABSTENTIONS: None
EXCUSED: None

MLK Parkway Right-of-Way – BRT Project Engineer Graham Carey requested Board permission to purchase a section of right-of-way along the Martin Luther King Jr. Parkway alignment. He reviewed three options for the purchase, which were reflected on page 12 of the Board packet. Board members asked questions clarifying the details of each option.

Mr. Carey said that staff recommended the back-to-back queue jump alternative and to keep the power poles in the median. He noted that the Springfield City Council would hold a public hearing on the Parkway alignment on March 15.

Mr. Gaydos recommended support of Option 1, stating that it would be a test of the Springfield Council's support for BRT.

Mr. Viggiano urged the Board to take action that evening. He said that Springfield would like an indication that there was a commitment of funds from LTD if it was to make a decision for a wider right-of-way than would be required for the road. He noted that LTD could not make a decision on the Parkway until it went through the National Environmental Protection Act (NEPA) process. LTD had permission from the federal government to purchase the right-of-way in question as a "protected buy." In response to a question from Mr. Gant, Mr. Viggiano acknowledged that there was a risk.

MOTION Mr. Gaydos moved adoption of LTD Resolution No 2004-008: "Resolved, that the LTD Board of Directors approves authority to purchase right-of-way at a cost of \$330,000, keeping power poles in the median of the Pioneer Parkway, with back-to-back queue jumpers (as reflected on page 12 of the meeting packet)." Ms. Hocken provided the second.

Mr. Gant requested a roll call vote.

VOTE The resolution was approved as follows:
AYES: Ban, Hocken, Gaydos, Kleger, Wylie (5)
NAYS: Gant, Lauritsen (2)
ABSTENTIONS: None
EXCUSED: None

Franklin Corridor EmX Update – Ms. Wiley postponed this item to a future meeting.

| **ADJOURNMENT** – The meeting adjourned at 8 p.m.

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Board Secretary

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MINUTES OF DIRECTORS MEETING

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LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, March 17, 2004

Pursuant to notice given to *The Register-Guard* for publication on March 11, 2004, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held its regular monthly meeting on Wednesday, March 17, 2004, beginning at 5:30 p.m., in the Lane Transit District Board Room, 3500 East 17th Avenue, Eugene.

Present: Susan Ban
David Gant
Gerry Gaydos, Vice President
Pat Hocken, Secretary
Dave Kleger
Virginia Lauritsen, Treasurer
Hillary Wylie, President, presiding
Ken Hamm, General Manager
Jo Sullivan, Clerk of the Board
Ruth Atcherson, Minutes Recorder

CALL TO ORDER - Ms. Wylie called the meeting to order at 5:40 p.m.

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ROLL CALL – Mr. Hamm called the roll.

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PRELIMINARY REMARKS BY BOARD PRESIDENT - Ms. Wylie instructed the Board on public hearing procedures.

ANNOUNCEMENTS AND ADDITIONS TO AGENDA – Ms. Wylie stated that item (A) in the Work Session would be changed to the Public Relations Plan instead of Payroll Tax Discussion. She circulated a handout for item (B), the Status Check on Board/General Manager/Leadership Council Roles/Norms, and Bus Rapid Transit (BRT).

BOARD CALENDARS - Mr. Hamm noted that Ms. Ban would be attending a 2050 Policy Board meeting. He announced that there would be a breakfast on transportation issues in the Gateway area on April 8. Ms. Wylie said she was planning to be in attendance. Mr. Hamm said a joint legislative committee on transportation and economic development was meeting on April 15. Government Relations Manager Linda Lynch stated that the committee would meet on the morning of April 15 and then would have a tour in the afternoon. She said the committee wished to tour the Springfield Station, the Interstate 5 bridge, and some industrial sites on West 11th Avenue. She noted that the committee wished to hear about the bus rapid transit (BRT) project, but did not want a presentation on it. Rather, she said, they preferred to hear about it while they were on the bus tour. She recommended that one or more LTD Board members join the tour.

WORK SESSION

A. Public Relations Plan - Andy Vobora, Service Planning and Marketing manager, presented an overview of the draft *Lane Transit District Public Relations Action Plan*, outlined in an

attachment provided to the Board. He said that LTD was in a transition year and was faced with many issues, such as the continuation of BRT development, the tax rate change, and labor negotiations (contract expires in June 2004). He noted that there would be discussions and hearings on the service reduction at this meeting. He underscored that there would be changes on the Board later in the year and such turnover was a "big occurrence." He said that, in looking at the issues, staff thought there should be goals for what the public relations plan should achieve. He stated that one goal was to maintain and increase support for the EmX project. He also emphasized the need to "grow" support for the tax rate change.

Mr. Vobora provided a PowerPoint presentation on the plan. He stated that the key message LTD wished to convey was that LTD was and always had been a good steward of the public funds given to the District: funds were used wisely and the tax rate was reduced when the opportunity arose; the District maintained its equipment, its buses, and its shelters; and LTD was focused on being an excellent provider of good service. He said that staff wished to ensure that people did not just think of LTD as a provider of a bus. He noted that LTD tried to make the service fit the community and provided services to the special needs community. Mr. Vobora stated that key audiences would be targeted. As an example, he suggested that the tax issue would be presented primarily to the business community.

Mr. Vobora expressed appreciation for Mr. Kleger's attendance at open houses. He highlighted coming events and potential service and fare changes that the Board should be aware of and able to respond to.

Assistant General Manager Mark Pangborn reported that he had been in conversation with TriMet, which was also considering a payroll tax rate increase. He said it was tied to TriMet's strategy to fund the I-205 light rail project. He related that TriMet was planning to initiate the necessary ordinance changes during the coming summer. He noted that TriMet was substantially different than LTD, due to its size and the 35,000 businesses paying the payroll tax.

Mr. Pangborn asked the Board to look over the Tax Increase Plan on page 11 of the draft *Public Relations Action Plan*. He provided a brief overview of the plan. He said that staff would, at the direction of the Board, include the assumption that the rate increase would be implemented in January 2005 in the proposed budget.

Mr. Gant asked if the Board would need to make a finding. Mr. Pangborn affirmed that it would. Mr. Gant asked what the Board needed to do, in terms of making that finding. Government Relations Manager Linda Lynch responded that staff had not yet spoken to legal counsel regarding challenges to the findings, but it was clear that the Board had to adopt some economic findings. She said there was no history of legislative intent on that. She did not believe that specific guidelines were intended by it.

Ms. Hocken suggested that the first step would be to determine which economic indicators the Board should use as a measure.

Mr. Pangborn related that Portland was talking about possibly hiring an economist. Ms. Wylie commented that LTD had data on the payroll tax numbers through the recession. Mr. Hamm added that, in the Board's fall strategic planning retreat and some subsequent discussions, staff had been directed to develop a budget into which the first step, the .0001 increment, had been incorporated. He said staff were getting to the point where they needed to have a finalized

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budget in a few months and if there was going to be a departure from the increase, it would be prudent to know this soon.

Ms. Hocken felt it entirely appropriate to have the increase in the budget, even though the decision on whether it would be implemented would not occur until September or later.

Mr. Pangborn commented that the immediate revenue generated was only half of the equation. He stressed that the impact was long term, as it would span over the next ten years.

B. Status Checks on Board/General Manager/Leadership Council Roles/Norms, BRT

Ms. Wylie expressed her wish to have an opportunity to hold an in-depth discussion on BRT. She related that Mr. Gant had suggested having a work session. She thought that the Board should discuss its plan, goals, and priorities and what considerations the Board wished to focus on. She also suggested that the Board reaffirm how it worked with the general manager and what the roles of the committees were. She commented that there were a number of committees in the region that Board members served on, and felt there could be improvement in reporting back to the Board. She hoped a discussion could be held outside the regular Board meetings.

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The Board and Mr. Hamm discussed when such a workshop could be scheduled and determined that the Board would meet on April 19 from 2 p.m. to 8 p.m.

Ms. Hocken remarked that it would be useful to understand staff processes. Ms. Wylie recommended staff procure the services of a facilitator.

EMPLOYEE OF THE MONTH – Mr. Hamm explained that Joyce Ziemiak had been selected by a unanimous vote as the employee of the month in recognition of her tireless devotion to service and the employees. Ms. Ziemiak had died tragically in early February and was sorely missed. A picture of Ms. Ziemiak was placed by the podium. Ms. Wylie spoke glowingly of Ms. Ziemiak's work. Ms. Ziemiak was given a round of applause.

AUDIENCE PARTICIPATION – Ms. Wylie outlined the procedure and instructed those who wished to speak that they were given three minutes.

Misha Seymour of Eugene asked if the LTD Board feared the public. He said meetings held in Glenwood at 6:30 p.m. were difficult for many people to attend. Mr. Seymour objected to the elimination of tokens for poor people. He suggested that LTD find cost savings by cutting the salaries of administrators. He also opined that LTD Board meetings should be on Cable Access television.

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Rebecca Furness of Eugene said she was a disabled services user and lived in assisted housing. She did not want the bus system to increase its fares, as she lived on a limited budget. She also wished there was more frequent bus service on weekends.

ITEMS FOR ACTION AT THIS MEETING

A. Consent Calendar - Ms. Wylie called attention to the addition to the Consent Calendar. She explained that she had nominated B. Dean Huber to serve on the Budget Committee, since her

representative from Springfield had resigned. She asked that approval of Mr. Huber's nomination be included in the Consent Calendar.

MOTION Mr. Kleger moved adoption of LTD Board Resolution No. 2004-009: "It is hereby resolved that the Consent Calendar for March 17, is approved with the addition of the nomination of B. Dean Huber to the Budget Committee." The amended Consent Calendar consisted of minutes of the February 16, 2004, special Board meeting; the February 18, 2004, regular Board meeting; and the February 23, 2004, joint meeting with the Eugene City Council; appointment of Tara Sue Salusso to the Special Transportation Advisory Committee; and appointment of Dwight Collins and B. Dean Huber to the LTD Budget Committee.

VOTE The Consent Calendar was approved, as amended, as follows:
AYES: Ban, Gant, Gaydos, Hocken, Kleger Lauritsen, Wylie (7)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

B. FY 2004-05 Service Proposal

Mr. Vobora provided an overview of the 2004 Service Proposal as outlined in the Agenda Item Summary. He noted an error in Item 16 and explained that, although it said it would reduce trips per day by two, it would actually reduce the trips by one. He said it would cut the annual boardings affected to 1,806.

Mr. Vobora also wished to suggest a change in the contingency for service fixes. After conferring with staff, he had determined that the contingency should be 1,500 hours and not 1,000 as originally proposed.

Ms. Wylie opened the Public Hearing

Rebecca Furness of Eugene opposed the increase in LTD rates. She advocated for lowering it as she faced financial difficulties living in an assisted living facility.

Beverly Aslin of Springfield said that LTD had done much for her, such as helping her board the bus. She expressed appreciation for the work LTD did for the community. She commented that the elimination of transfers had impacted her and that she had thought it senseless. She had, since then, come to understand why LTD had done so.

Stanley Aslin of Springfield related that he had spoken to Mr. Kleger prior to the meeting and had a better understanding of the service changes. He asked if Mr. Kleger could speak to the room about it. Ms. Wylie pointed out that a public hearing was not the forum for such an interaction.

Fred Simmons of Springfield commented that the elimination of evening service, Item 28 in the service proposal, would impact many people in northern and central Springfield. He noted that condensed housing in the Chase Gardens area had been encouraged and, as a result, there was a substantial population of students living in this area who needed evening service. While he recognized the need to balance the budget, he felt that the people who most needed the service were negatively impacted by the changes. He strongly urged the Board to do its level best on the budget without the evening service reductions.

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Clark Winston Cox, Jr., of Eugene, recommended that LTD either eliminate Route 22 or increase the service. He said he would have a use for the route if it ran more frequently or on Sundays. He stated that he was transit dependent. He felt the real villains in this situation were the Public Employment Retirement System (PERS) and health insurance.

Rob Cook of Springfield said he was a transit-dependent user of routes 18, 19, and 13. He commented that he moved to this area primarily because of LTD. He lived, worked, and revolved around the movement allowed him by the bus. He related that, though he was in frequent contact with the Special Transportation Advisory Committee, he had heard nothing about the service reductions. He noted he was a member of the Oregon Disabilities Commission and had worked with the Lane Independent Living Alliance (LILA). He stressed that he would not be able to attend the public hearing without night-time service to Springfield. Mr. Cook suggested that the new Global Positioning System (GPS) be used to track ridership in regard to changes in the system. He commended the good work of LTD.

Misha Seymour of Eugene alleged that Route 33, which served the Friendly Street neighborhood, would be eliminated. He reiterated that administrator salaries should be cut by half to help balance the budget. He thought the bus system in Switzerland should be a model, as he asserted that administrators made less money and customers were more important there. He thought the new buses had six fewer seats and this was wasteful.

Kathleen Brandt of Eugene said she had come because she knew the Board listened. She noted that she had testified four years earlier on behalf of Route 35 and the Board had listened and maintained the service. She said she had ridden Route 35 for ten years. She clarified, for Mr. Seymour, that Route 33 was not slated to be cut.

Ms. Brandt related that she and her family were planning to use the bus to take a family vacation up the McKenzie River. She said they would take their bicycles and spend the night at a lodge, using only the bus to get there and back. She appreciated being able to do so without a car.

Bonnie Beshears of Eugene said her income was limited and, for her, a three-month pass was more affordable. She commented that she was on a reduced fare, but even so, she could only afford a three-month pass.

Gwyneth Van Frank-Carlson of Eugene stated that she had ridden the bus for 26 years. She said she became a car rider when she moved out of town. She commented that the hearing was at a location that was difficult to get to by bus. She explained that she used to lead trainings at the bus headquarters and not a single person had ridden the bus to the trainings. She reiterated that 32.5 percent of bus riding population had disabilities and LTD provided an essential service for those who needed it. Ms. Van Frank-Carlson related, as a board member of LILA, that LILA did not support any service cuts, the diminishing of route frequencies, or any fare changes.

Jeanne-Marie Moore of Eugene felt the information on the proposed changes had been difficult to obtain. She agreed with previous comments on the location of the public hearing, adding that it did not seem likely to her that any LTD employees would take the bus to work. She suggested that neighborhoods with only a small amount of ridership be served with vans. She opined that living in a neighborhood with no bus service would not be acceptable. She thought the changes indicated that the area was moving backwards toward being more automobile friendly and less bus friendly. Ms. Moore also expressed concern that elderly residents of Ya-Po-Ah Terrace would not be able to be as mobile if bus service to the area was reduced.

Lucas Murphy of Springfield opined that the LTD Board meetings should be on Cable Access television. He expressed concern over the deteriorating service. He commented that, without adequate service from connector bus lines, it was not much use to have the BRT run every 12 minutes. Mr. Murphy conveyed his concern over the elimination of nighttime service and in particular the Sunday night cutoff time. He emphasized that night and Sunday bus service was very useful to his lifestyle. In closing, Mr. Murphy said bus ridership primarily was made up of students, handicapped people, and retired people and the fee structure should reflect this.

Paul Thompson of Eugene introduced himself as the chair of the Crest Drive Citizens' Association. He provided a petition signed by more than 30 people, which indicated opposition to the elimination of Route 22. He conveyed the neighborhood's relief that the bus line was no longer targeted for elimination but wanted it entered into the record why the route should remain. He explained that the neighborhood was only served by Route 22 and that eliminating one neighborhood's access to bus service was a violation of the mission statement of LTD. He asserted the elimination of bus service would compound traffic issues in the neighborhood. He stated that the route had been targeted three years in a row and had endured a 50 percent reduction in service. He provided his testimony in writing.

Debra Tomich said she was a resident in the Lane ShelterCare assisted living program. She stated that the elimination of the three-month bus pass would be hurtful to her.

Ms. Wylie closed the public hearing.

Mr. Kleger said he did not like this part of his job as a Board member. He commented that everything LTD had to buy had increased in price, as was the case with many residents and businesses in the area, while revenue had remained static. He stressed that the real cost to LTD was the employees who drive and maintain the buses as they represented 90 percent of the budget, and that it was not possible to run LTD without these employees. He related that 10 percent of the budget went to administrators and managers and a high proportion of their work time was spent filling out paperwork to get the money that paid for what LTD does. He said many of the things that were commented on at the hearing had been removed from the list of cuts "a long time ago." He asked Mr. Vobora to list the routes that were not going to be cut for the benefit of the people who had expressed concern about them.

Mr. Vobora stated that Route 33 had never been on the list, Route 82 would be reduced from six times an hour to four times an hour, Route 13 evening trips were proposed to be reduced, and Route 22 had been taken off the list.

Mr. Kleger conveyed his unhappiness with cutting back the hours of service, but that the choice the Board was facing was either cut back the hours of service or eliminate bus lines altogether. He noted that the elimination of the 11:40 p.m. departure would save \$100,000, and that the only way to maintain the later service would be to eliminate some of the peak-hour trips. He stated that, though it would inconvenience him greatly, he would support the service reduction because he felt there was not another way to address the current fiscal constraints.

Mr. Cook asked if staff could respond to his suggestion that the GPS be used to determine ridership patterns. Mr. Vobora replied that it had been used and had been integral in saving the route that served the Crest Drive neighborhood.

Ms. Hocken noted that Route 60 represented a small amount of savings and asked, given the testimony provided in regard to it at the last meeting, if it could be tinkered with. Mr. Vobora explained that Route 60 was a commuter route, running three trips in the morning and four in the afternoon and, in the final proposal, they had decided to take out one morning trip and combine some of the evening service. He called it a coverage-type of service, a service that did not meet productivity standards, though it was very important to the people who rode it.

Ms. Hocken asked for assurance that there would be enough coverage to transport people to the University of Oregon without Route 36. Mr. Vobora described the service and assured that it could still function, though it would require people to get off the bus and walk to another bus line.

MOTION Ms. Ban moved the following resolution: LTD Resolution No. 2004-010: "It is hereby resolved that the LTD Board of Directors approves the fiscal Year 2004-05 service recommendations as presented on March 17, 2004, and as shown on the 2004 Annual Route Review – Service Reduction Proposal."

VOTE The resolution was approved as follows:
AYES: Kleger, Wylie, Ban, Gaydos, Hocken (5)
NAYS: Gant, Lauritsen (2)
ABSTENTIONS: None
EXCUSED: None

C. FY 2004-05 Pricing Plan Public Hearing

Mr. Vobora provided an overview of the staff pricing plan recommendation. He explained that the Lane Community College (LCC) FastPass had been subsidized by the college. He said that 2,500 bus passes had been made available to the college and the college had paid \$19 and the students had paid \$35 of the cost. He stated that the LTD staff had suggested to the college that a group pass program be developed, in which the student identification cards were used for bus passes. Since the college had so many part-time students, this did not work. It also had not benefited the staff. He related that the program had been discontinued, but LCC would not subsidize the LCC FastPass anymore. He emphasized, however, that the elimination of the program did not affect a significant number of people.

Regarding the elimination of the three-month pass, Mr. Vobora stated that this would increase bus costs for the three-month pass users by \$3.30 per month.

Mr. Vobora discussed the tokens, noting that only 3.5 percent of the ridership used them. Mr. Hamm added that the administrative costs for the tokens were high. Mr. Vobora elaborated, stating that the tokens were packaged in lots of five in envelopes. He stressed that tokens would continue to be offered for public agencies and health and human service agencies to purchase for their clients.

Mr. Vobora clarified that the elimination of the SSI program potentially could impact 294 people, but not all of the riders who had SSI income purchased the passes on a regular basis.

Mr. Vobora noted that concern had been expressed regarding the recertification of the Reduced Fare participants. He clarified that the intention was to create a new certification process that

assured that the people who received the Reduced Fare program qualified for it. He predicted that this process could take a year.

Regarding the increase to the Breeze bus fare, Mr. Vobora said research indicated that 500,000 people per year were riding the bus, but more detailed research indicated that only 6 percent of those were paying the fare and the rest were using different fare instruments. He projected that the increase would bring in approximately \$7,000.

In closing, Mr. Vobora stated that some assumptions had to be made in order to craft the pricing plan recommendation. He stressed that LTD needed to bring in \$100,000 to \$200,000 in additional revenue.

Ms. Wylie opened the public hearing on fares.

Beverly Aslin of Springfield thanked the Board and staff for having the hearings and for clarifying the issues for her husband and herself.

Fred Simmons of Springfield recommended that LTD look into a universal bus pass system. He felt that, in the long run, the communities would be better served by something that could be used by anyone. Mr. Simmons commented that for folks on a limited income, the bus provided an important function. He emphasized the importance of encouraging bus use as, without it, the area would never meet the trips reduction required by the TransPlan. He questioned the need to recertify the people who qualified for the Reduced Fare program. He suggested reviewing the fare reductions and revising them instead. He also supported the tokens program as it encouraged ridership.

Clark Winston Cox, Jr., of Eugene, explained that he was disabled and partially supported by Social Security funding and Medicare. He thought he likely would qualify for the Reduced Fare program, but as he could not afford the increase he would not apply for it. He said he could handle an increase in fares more than he could handle a reduction in service. He suggested the Springfield Station customer service counter be left "unmanned" as a cost-saving measure. He acknowledged that the Board had a difficult job.

Misha Seymour of Eugene alleged that PeaceHealth employees were subsidized. He said this area had a high rate of priority. He reiterated that the administrators should take a 50 percent reduction in salary. He repeated his assertion that the Swiss paid less money to their administrators. He felt the tokens program should be retained.

Steve Hammett of Eugene called LTD a "jewel." He related that he had lived other places and never seen a bus system with the degree of service and the caliber of employees as those of LTD. He commented that his van no longer worked and, thanks to LTD, he and his wife did not miss it. He advocated for keeping LTD as good as it is and improving it. He acknowledged that balancing the budget was a difficult endeavor and there was no question that cuts had to be made somewhere.

Mr. Hammett conveyed his confusion regarding the recertification proposal. He strongly suggested that, before adoption, the Board hold hearings in order to be clear on what would select people in and out of the program. He concurred with previous testimony regarding the difficulty in getting to the LTD building in the Glenwood area. Mr. Hammett stated, in closing, that it might not be prudent to undertake the building of the BRT in fiscally constrained times. He

added that a calendar, such as the one made by the men of the Long Tom Grange for the Junction City school district, would be a good fundraiser.

Rob Cook, of Springfield asked the Board not to discontinue the three-month passes. He explained that, as a visually impaired person, he and his family were entirely dependent on the bus system. He urged the Board to find other funding sources and suggested that the rates for advertising on the inside of the bus could be increased. Regarding the tokens program, he opined it could be good work for developmentally disabled people. Mr. Cook stated that the transit system had played a large factor in his decision to move to the area. He remarked that he felt sorry for "all of us in this fiscal situation."

Sal Picozzi of Springfield said he was visually impaired and that he and his family also were bus dependent. He felt rate increases should be given to the able-bodied riders and services to people with disabilities should not be cut. He felt that he would not be able to ride the bus daily if the rates increased.

Carol McBrian of Eugene stated that, while she would not be impacted by the changes, they would impact some people. She felt the money saved by cutting the three-month passes was not worth the impact its elimination would have on some people. She supported the increase to the Breeze bus riders. She urged LTD to keep the bus accessible "to those that need it the most."

Debbie Tomich of Eugene commended the job that the LTD Board did to keep the program running well.

Bonnie Beshears of Eugene supported the calendar idea as a fundraiser.

Gwyneth Van Frank-Carlson of Eugene expressed appreciation for Mr. Kleger's service on the Board. She was particularly concerned, both as a private citizen and as chairperson for LILA, about the discount programs being cut for people with disabilities. She stressed that people on Social Security income were not only limited, but restricted in their earning ability. She said it was very important to go through the programs with a fine-toothed comb in order to ensure that the wrong people were not being hurt by the fare increases.

Jeanne-Marie Moore of Eugene questioned the wisdom of pushing the BRT project given the service cuts that had just been approved and the fare changes that were being considered. She likened it to redecorating her house in that she would not be able to undertake such a project if she were tightening her budget. She advocated for saving the money it would take until the economy improved.

Barb Bakke of Springfield commented that she was not dependent on LTD, but chose to ride it. She called LTD a "valuable service." She said she purchased three-month passes. She wished more people were using the bus instead of cars as the bus system was underused. She agreed with testimony given earlier in the hearing in support of having one universal pass. She was also concerned about spending money on BRT cutting services and fare programs. She suggested that, given the increasing costs of gasoline, the trip to McKenzie Bridge should cost more.

Clarence Townsend of Eugene stated that LTD had done an outstanding job of meeting the needs of people with disabilities. He suggested that the cost of non-low-income youth passes be raised rather than cutting into the reduced fare program. He also felt the location of the meeting

was a hindrance to some people who wished to provide input at the hearings. He commented that the impression that there were other resources to turn to was not true.

Lisa Harp of Eugene said she lived in the West University Neighborhood. She felt LTD played a vital role in this community. She stated that she had been riding the bus everywhere for the last three and a half years. She liked supporting transit as it was a way to make change by not supporting the oil industry. She underscored the increasing expenses she was faced with as a student and declared that without the LCC FastPass she could not afford to travel there.

Dee Stepp of Eugene explained that she worked at the Laurel Hill Center, which served people with severe mental illnesses. She said people with mental illness tended to have above average intelligent, but had a number of problems that made riding the bus a challenge and a big expense. She related that the most common tendency in such people was to isolate largely due to symptoms of their mental illnesses that were not completely abated by psychotropic medications. This isolation exacerbated the symptoms of their mental illness. She underscored that such people were disabled according to the definition that dictated they must be people who need help to ride a bus and yet LTD would not recognize them as such. She commented that it was much easier to define the developmentally disabled person. She felt that gauging people by their capacity to learn a bus route did not adequately allow for the person with a mental illness. She asked LTD to analyze how much it took to help such a person to learn to ride the bus. She urged LTD to be Eugene, be creative, and be progressive when looking at the people it serves.

Reed Haven of Eugene stated that he was on SSI income and was in a special work program. He remarked that, without the bus pass, he would not be able to get to his counseling or to his job. He said he was on Medicaid and he felt he qualified for subsidized bus passes.

Esperanza Kiefer shared that she suffered from depression and other problems. She liked the bus, but found it difficult to afford.

Terrence Manning of Springfield stated that he received his bus pass through his caseworker. He said he did not receive much money from SSI income. He was concerned that he would not be able to get where he needed to go if the subsidized bus passes received were discontinued.

Ken Rose of Eugene said he needed the bus pass program because he was poor and disabled.

Roy Lisi of Eugene said he worked with disabled adults. He explained that he had retired from the University of Oregon and, though he only made \$8.20 an hour, he could afford the bus passes. In fact, he shared that he sometimes purchased them for his clients, though it was discouraged by his employer. He stressed that the little bit that was in question was not a lot for him, but for his clients it was everything. He underscored that the programs that served his clients had endured cuts and his clients had fewer resources than before. Mr. Lisi commented that he had caught a bus at midnight in a remote village in Mexico. He opined that LTD was a wonderful transit system for the United States, but he did not understand why services should be cut and why people who needed assistance most should pay more.

John Miller, division chair for Learning Advancement at LCC, spoke regarding the elimination of the FastPass. He felt the statistics cited earlier were related to the campus on 30th Avenue. He stated that 68 FastPasses had been sold in the fall and 70 had been sold in the winter in his downtown campus program. He hoped to be able to get a group pass for those students as this number represented a significant "chunk of the enrollment." He emphasized that the majority of

the students in the center were members of linguistic and ethnic minorities and were primarily of a lower income status than most people.

Ms. Wylie closed the public hearing.

Mr. Vobora noted that one person had suggested that University of Oregon received free bus passes. He stressed that UO students did not ride free and that the University represented the largest group pass purchaser.

Regarding bus advertising, Mr. Vobora assured those present that there was a lot of advertising on the buses and that every dollar was being maximized.

Mr. Vobora explained that the definition of disabled used by LTD was the federal definition. He said the SSI program was not mandated. He clarified that LTD created it and followed the definition, though it was the strictest one. He related that there had been a recertification process in the early 1990s and that confusion lay in the notion that someone who was clearly disabled could have to prove again that this was so and this was not the case. He stated that staff felt they had not done a diligent enough job in screening those who could be qualified and wanted a chance to revisit the certification process.

In response to a question from Ms. Ban, Mr. Vobora said the savings for qualified users in the program was 50 percent.

Mr. Kleger asked for information on how much the District would save by dropping the three-month pass. Mr. Vobora responded that it would save \$55,000 per year, with the assumption that the purchasers of the three-month passes would continue buying one-month passes. He said, in response to a question from Ms. Wylie, that there would be some cost savings in administration as well.

Ms. Ban asked if people who were clearly disabled and on a disability income would be eligible for a reduced fare. Mr. Vobora replied that they could apply for the reduced fare. He added that people with mental illnesses who had the cognitive ability to navigate the bus system did not qualify for the reduced fare and this had been why the SSI program had been created. This program also provided half-price fares.

Mr. Vobora estimated, at Ms. Wylie's request, that the proposed cuts in those programs would amount to approximately \$79,000 in savings.

Ms. Hocken commented that more information on the reduced income program would benefit the decision-making process. She thought it possible to redefine the reduced fare program but that it would not take care of everyone who needed it.

Ms. Ban remarked that she did not mind paying full fare for her child's pass, but there was a large amount of people who needed the three-month bus pass discount. Mr. Vobora replied that approximately 100 per month were purchased on average. Ms. Ban emphasized that the program cuts were affecting riders who were on fixed or reduced incomes, due to cuts in human services budgets.

Mr. Gaydos agreed with the goal. He urged that a direction be given to try to deal with the issues that had been presented, particularly what the income was of the population most affected by the

suggested cuts. He shared his concern regarding the last person's testimony. He recommended that LTD should continue to offer the FastPass program through the summer term in order to support the English as a second language program at the downtown campus of LCC.

Ms. Ban asked if tokens were processed in-house and whether having it outsourced had been explored. Mr. Vobora replied that it was done in-house, but that looking into having it processed by an organization such as Goodwill Industries was a good suggestion.

Ms. Hocken felt the testimony in opposition to elimination of the three-month pass was compelling and wondered if, perhaps, the discount could be reduced. Mr. Kleger agreed, adding that he would be more comfortable with that. Ms. Wylie added that she would prefer not to eliminate the passes.

Mr. Gaydos said it was due diligence to review all of the pricing proposals. He commented that they represented tough decisions that no one wanted to make.

Ms. Hocken noted that the Board had not discussed the public agency discount or the token program. She approved of the increase in fare for the Breeze bus.

Mr. Vobora stated that staff would come back with a draft ordinance at the next meeting. Ms. Lauritsen asked staff to bring back the amounts to be saved by the proposals for the next meeting.

Ms. Ban asked the Board to consider the repeated recommendations that public hearings be made more accessible to the public by holding them in more accessible places.

Mr. Kleger observed that a person who testified asserted that one could ride the bus from Eugene to Springfield in 15 minutes. He stated that the reality was that the travel time ranged from 18 to 29 minutes. He commented that LTD would have to fix this if it wanted to hold its ridership for more than a couple of years and that this was "what BRT was all about."

ITEMS FOR INFORMATION AT THIS MEETING

A. Current Activities

1. Board Member Reports

a. Meetings Held

- 1) **BRT Steering Committee** – No report.
- 2) **Metropolitan Policy committee** – No report.
- 3) **Region 2050 Policy Advisory Committee** – Ms. Ban reported that there was a grant that came through to fund the transportation system analysis, which should be helpful for LTD's part of the study.

2. **General Manager's Report** – Mr. Hamm stated that the report was available in the agenda packet for review.

3. **Monthly Financial Report** – Diane Hellekson, director of Finance and Information Technology, reported that the new fuel was more expensive than the clean burning diesel fuel. She

stated that there was no word as yet on the payroll tax case. She doubted that it would be decided in the current fiscal year.

4. Pioneer Parkway Update – Stefano Viggiano, director of Development Services, reported that although the Board had authorized LTD to purchase additional right-of-way on Pioneer Parkway, after the Springfield City Council public hearing, the Council had decided to opt for the 76-foot right-of-way and no BRT lane. He said the item now moved before the Lane County Board of Commissioners. He related that he had met with Commissioners Dwyer and Sorenson and had explained the situation.

Ms. Wylie added that a couple of the councilors did not understand that there was a compromise that did not take land from the property owners. She advocated for pushing for the five feet.

In response to a question from Ms. Ban, Mr. Viggiano explained that it would add approximately 3.5 feet on each side. He said that staff had made a very concerted effort to talk to the households that would be affected and had spoken with 22 of the 38. He noted that only seven of them opposed BRT.

5. BRT (EmX) Vehicle Update – Mr. Pangborn reported that the new vehicles under consideration now were projected to cost \$1 million apiece with an additional \$200,000 in research and development per vehicle. New Flyer Industries requires that LTD's EmX vehicles be essentially the same as those for Cleveland's project. Because of this price, the City of Cleveland had decided against these buses. Mr. Pangborn explained that this prevented LTD from acquiring the vehicles, since the District could not afford to buy the quantity that would result in a reasonable price. He related that New Flyer proposed modifying its new articulated bus with a hybrid propulsion system that it had built for the City of Seattle so that it would meet the needs of LTD.

Mr. Pangborn said the vehicle would not include the stainless steel frame and the composite exterior. He stated that this new vehicle would incorporate some LTD proposals for design. He added that the cost per vehicle was projected to be \$887,000.

Mr. Pangborn described the look of the buses and showed pictures of the designs of the different companies LTD had approached, which had proven to be too expensive or had not been able to meet the needs of LTD. He said that staff believed that the New Flyer model was the best model for the BRT. He thought that the expense was a consequence of being ahead of the trend.

Ms. Lauritsen asked how much the articulated buses LTD already owned had cost. Mr. Pangborn responded that they were \$450,000, but they did not have the hybrid electric propulsion and computer systems in them.

Ms. Ban asked if the price would include the doors on both sides and the bridging. Mr. Pangborn affirmed that it did.

In response to a question from Mr. Gant, Mr. Pangborn stated that Cleveland had a grant for \$25 million and was anxious to begin work on its system.

Ms. Wylie commented that it seemed LTD was "on track."

Mr. Hamm circulated copies of the confidential legal opinion regarding conflicts of interest for the Board's perusal.

ADJOURNMENT – The meeting adjourned at 9:26 p.m.

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Board Secretary

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AGENDA ITEM SUMMARY

DATE OF MEETING: ~~April 21, 2004~~

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ITEM TITLE: EmX BUS RAPID TRANSIT (BRT) UPDATE

PREPARED BY: Graham Carey, BRT Project Engineer, Development Services

ACTION REQUESTED: None. Information only.

BACKGROUND: **EmX Franklin Corridor:** A key milestone, an intergovernmental agreement with the Oregon Department of Transportation (ODOT) on the use of state right-of-way for a BRT facility on Franklin Boulevard, has been signed by LTD and is being signed by ODOT officials. This is the first step in obtaining a building permit for this corridor. The Public Improvement Permit for the City of Springfield also is being reviewed by legal counsel and is expected to be ready for signature this spring.

Another key milestone is property acquisition. Duncan & Brown, appraisers under contract, have completed all appraisal work in Springfield from the bridge to the Springfield Station. All of the property that needs to be acquired for this first phase of construction, April to October 2004, has been appraised, reviewed, and sent to LTD's consultant, Universal Field Service, who has presented the offers to the property owners. LTD must move quickly in acquiring these first properties so that construction can begin in June or July. Staff will be updating the Board regularly on the progress of all property acquisitions within the four-mile EmX route. Once LTD has signed agreements and the property needed for the right-of-way is acquired, construction can begin.

EWEB is finalizing plans to move utilities underground on the north side of Franklin Boulevard between Onyx Street and Riverfront Parkway by the University of Oregon. EWEB and LTD staff met with property owners to discuss the location of vaults and transformers. Work is scheduled to begin this spring, weather permitting. The completion date for the undergrounding project is June 30, 2004.

LTD is negotiating with Wildish Corporation on the guaranteed maximum price (GMP) for construction costs on the entire corridor. The GMP will be broken into two pieces, construction costs for 2004 and costs for 2005/06. The GMP for 2005/06 will include a reopening clause that allows Wildish to document cost increases beyond what was included in the original GMP. Once LTD reaches agreement with Wildish on a GMP, a contract will be

signed and construction can begin. In the meantime, we are working with Wildish to get all the appropriate permits and plans prepared so that when the contract is signed, construction can commence.

Franklin Corridor EmX Groundbreaking: Preparations are being made for a groundbreaking ceremony for the Franklin EmX corridor. Because there still are a number of approvals that need to be completed, the date for the groundbreaking has not been finalized. Board members will receive an invitation to this event.

EmX Vehicle: LTD staff are continuing discussions with Cleveland's Regional Transit Authority and New Flyer Industries toward modifying New Flyer's hybrid-electric articulated bus to meet the needs of the BRT vehicle. The vehicle would be engineered to have left-hand doors and have the exterior enhanced to give it a sleeker, more modern appearance. LTD and Cleveland currently are comparing detailed specifications of the proposed vehicle. Comments will be provided to New Flyer, those changes will be analyzed, and the scope of changes requested will be weighed prior to negotiating a price.

Springfield Corridor: Following a decision by the LTD Board to commit to the purchase of a ten-foot strip of land along the narrow section of the proposed MLK Jr. Parkway, staff met with affected property owners to determine the likely impacts. Input from these meetings with residents was presented to the Springfield Council at their March 15 meeting. By a vote of 4-1, the Springfield City Council failed to approve the purchase of the additional right of way for a BRT facility in the MLK Jr. Parkway section of the corridor.

Before the design of the MLK Jr. Parkway can proceed, Lane County Commissioners must approve the conceptual design. The Commissioners discussed the conceptual design on April 13, 2004, and took action at their regular meeting on April 14. In preparation for these meetings, staff met with a number of the Commissioners to discuss the benefit of providing for BRT in this corridor. Staff will report on the outcome of the County Commissioners' meetings at the Board meeting.

ATTACHMENTS: None

PROPOSED MOTION: None

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Deleted: Progress is being made with the alternatives evaluation and environmental documentation. A draft document is anticipated to be distributed for comment by June 2004.

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: BOARD CALENDARS

PREPARED BY: Jo Sullivan, Administrative Services Manager/Clerk of the Board

ACTION REQUESTED: Discussion of Board member participation at LTD and community events and activities

BACKGROUND: At the Board's November 2003 strategic planning work session, the Board asked to have time early on each month's agenda to discuss a schedule of coming meetings, events, and activities. Board members are asked to coordinate the enclosed calendars with their personal calendars and then bring the LTD calendars to the Board meeting for discussion.

At the April 21 meeting, Board members and staff will work together to schedule Board member and staff attendance at specific events, meetings, and activities.

ATTACHMENT: Board calendars are included as a separate document for Board members only.

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: CONSENT CALENDAR

PREPARED BY: Jo Sullivan, Administrative Services Manager/Clerk of the Board

ACTION REQUESTED: Approval of Consent Calendar Items

BACKGROUND: Issues that can be explained clearly in the written materials for each meeting, and that are not expected to draw public testimony or controversy, are included in the Consent Calendar for approval as a group. Board members can remove any items from the Consent Calendar for discussion before the Consent Calendar is approved each month.

The Consent Calendar for April 21, 2004:

1. Approval of minutes: February 26, 2004, special Board meeting
2. Approval of minutes: March 17, 2004, regular Board meeting

ATTACHMENTS:

1. Minutes of the February 26, 2004, special Board meeting
2. Minutes of the March 17, 2004, regular Board meeting

PROPOSED MOTION: I move that the Board adopt the following resolution:

LTD Resolution No. 2004-011: It is hereby resolved that the Consent Calendar for April 21, 2004, is approved as presented.



Lane Transit District
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MONTHLY DEPARTMENT REPORTS

April 21, 2004

GOVERNMENT RELATIONS

Linda Lynch, Government Relations Manager

FEDERAL

Of most interest in the past month has been the progress in reauthorization of TEA-21. The Senate was first to pass a measure, in February, which funded surface transportation programs at \$318 billion over six years, with \$56.5 billion of that for transit. The House measure passed last week provides \$275 billion over six years, including \$51.5 billion for transit. The two bills are very similar and the conference work should not be difficult. However, there are no projects in the Senate version.

Both the House and the Senate passed their measures by overwhelming majorities (357 – 65 in the House and 76-21 in the Senate). These votes were signals to the White House, which had threatened a veto of both versions; the Senate version primarily because of the \$318 billion funding level, and the House version because of the named projects and various provisions (including the provision that authorizes Pioneer Parkway BRT). There is likely support in the House for the higher funding level of the Senate bill, and the House bill also contains a “reopener” to reconsider the funding level of the bill in two years.

Despite Congressman DeFazio’s success in naming or authorizing funds for several local projects, there still are several on the “united front’s” list that the local coalition hopes will be added in the Senate. These include funds to expand the environmental study for the new I-5 bridges to include a new or improved interchange at or near Glenwood, a study to determine needed improvements to Beltline Road, and the city of Coburg/I-5 interchange, among others. The improvements needed for I-5/Beltline are not funded sufficiently in the House version.

In the House version, as reported in local media, Lane Transit District secured funding for BRT vehicles for the EmX Franklin Corridor and authorization to begin alternatives analysis and preliminary engineering for the Pioneer Parkway EmX Corridor. This authorization moves the next EmX Corridor into the New Starts funding category within the Federal Transit Administration. More documentation will be needed to move this project forward, but it should result in a multi-year grant agreement with the Federal Transit Administration and funding would be included in the president’s recommended budget. (There is an 85 percent correlation between recommended and actual funding of transit projects.)

STATE

The Oregon Department of Transportation continues to change how it awards flexible state funds for local projects. Despite the procedural changes, LTD expects to receive funding for five projects recommended by the Special Transportation Advisory Committee, including \$84,000 for LTD fixed-route system bus shelters.

Lane Transit District provided a bus for the Joint Legislative Committee on Transportation and Economic Development to tour the I-5 bridge project and economic development sites in the region. The Committee also visited the new Springfield Station.

DEVELOPMENT SERVICES

Stefano Viggiano, Director of Development Services

ACCESSIBLE SERVICES

Terry Parker, Accessible Services Manager

The residents of Oakridge and Westfir were surveyed in March to determine awareness of the *Diamond Express* service after one year of operation. Nine out of ten respondents (91 percent) indicated awareness of the *Diamond Express* service. It was clear that the residents place a high importance on the service – 78 percent responded that it was very important. Nine out of ten respondents also encouraged LTD to apply for the next round of grants for continued funding of the service. Staff were very pleased with the results of this survey.

The Special Transportation Advisory Council, at its March 23 meeting, approved the Special Transportation Fund (STF) budget for Fiscal Year 2004-05. The STF formula allocation for Lane County was substantially the same as last year. The Council agreed to maintain the In-District allocations at the same level as the current Fiscal Year to **RideSource**, South Lane Wheels, White Bird Clinic, and Alternative Work Concepts. The Council also approved a 4 percent increase to the Out-of-District providers, which includes the Rhody Express, South Lane Wheels, Diamond Express, the rural **RideSource** escort, and Florence Senior Connections. The increase would come from the Out-of-District reserve funds. The recommended budget will be forwarded to the LTD Board and Budget Committee in April.

SERVICE PLANNING AND MARKETING

Andy Vobora, Service Planning and Marketing Manager

Planning – Bid work continues! Summer bid work is moving forward and fall bid work began following the adoption of the service proposal by the Board in March.

Graphics – Graphics welcomed intern Ryan McFadden to the team in March. Ryan is a student at the University of Oregon. Ryan will work as an intern during spring term and then

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as a paid intern during summer term. His presence will allow our experienced graphics staff to concentrate their efforts on the development and implementation of the bid-related projects. The biggest bid project is the development and printing of the Rider's Digest. There also are numerous station/stop graphics and special event materials to produce. Graphic Artist Hannah Bradford developed a very nice design for the new public relations piece staff have been working on. Copies will be available at the Board meeting. Graphic Designer Shawn Bird continues to develop a new Web site look. Not only will the site exhibit the District's new colors, it will have new navigational features to make it more user-friendly. The new look should be completed later this spring.

Marketing – Marketing staff are working on bid materials, as well as gearing up for the summer special event services. Marketing Representative Angie Sifuentez continues to work on automated announcements as part of the APC project implementation. A lot of time has been spent on media work this past month as LTD has participated in 19 interviews! Marketing Representative Cosette Rees has continued to work through the first year of the LCC group pass program. This effort has been very worthwhile and lessons learned this year will help us as we move into the second year of the program. The March issue of the *On the Move* newsletter was mailed to stakeholders.

FACILITIES SERVICES

Charlie Simmons, Facilities Services Manager

The fleet building expansion is 100 percent completed and Fleet Maintenance is now using the four bus bays that were expanded. Facility Maintenance staff have moved into their new office space, which was part of the expansion project. The new space enables staff to better organize their daily work without sharing the same work station and to centralize all LTD facility information.

The shelter replacement project is in high gear with a new fabricator and a list of sites for the new glassless shelters. It is our goal to replace up to 25 shelters per year. These upgrades will enhance LTD's passenger boarding facilities as well as reduce the operational maintenance budget.

COMMUTER SOLUTIONS

Connie B. Williams, Program Manager

Carpool/Vanpool: The new RidePro 3 rideshare matching program is running smoothly. Both Rideshare Program Assistant Marcia Maffei and Smart Ways to School Program Project Lead Lisa VanWinkle have been entering the applications for carpools and SchoolPools that have been received. Commuter Solutions is partnering with the City of Eugene on an alternative modes campaign on Country Club Road. Carpool applications will be received and processed by Marcia, and the Commuter Solutions program is funding the research portion of the project.

Gateway Transportation Project: Commuter Solutions Program Manager Connie Bloom Williams helped organize a Gateway Transportation Forum held on April 8th at the Valley River Inn. The event was co-sponsored by the Springfield Chamber of Commerce and PeaceHealth

RiverBend. The purpose of the forum is to show the nature of transportation projects planned in the Gateway area, the timeline of these projects, what impacts they may have, and the outcomes of the efforts. It also was the intent of the organizers to show to the businesses that multiple projects and agencies were involved and working together. Announcements of the event were sent to all Springfield Chamber members and elected officials, LTD Board members, Eugene City Council members, Pioneer Parkway BRT stakeholders, members of the Gateway Transportation Partnership, Lane County Commissioners, and LCOG Board members.

Earth Day Events: Commuter Solutions staff have been busy planning a “transportation hub” of displays for Earth Day events planned in Downtown Eugene on Saturday, April 17. Fixed-route service, EmX/BRT, carpools/vanpools, biking, walkable communities, group pass programs, business tax credits, and Springfield Station all will be represented.

Smart Ways to School: More than 6,000 surveys were distributed to households of children in the Smart Ways to School project sites (12 schools). The response rate has been good, and early data indicates a significant interest in SchoolPools, along with strong interest in Walking School Buses and Bicycling School Buses (parent escorted). More than 200 parents signed up, through the survey, to be contacted about the travel options. Work is underway for a Smart Ways to School Web page with program information and a SchoolPool Application Form. Maps showing student residences for each school are being used to coordinate the various travel options by neighborhood.

Group Pass Programs: Discussions with Oregon Medical Group and PacificSource continue. PacificSource has close to 200 people at its new facility on International Way. If PacificSource chooses to offer a group pass program to its employees, the 7X route (serving Symantec) will be deviated to serve a bus stop at the PacificSource facility. Oregon Medical Group (OMG) has more than 500 employees working out of 10 facilities in the Eugene and Springfield area. Connie Bloom Williams met with staff from OMG’s Human Resources department and is planning to meet with their management/executive group soon. Connie also met with Kathy King from the Oregon Department of Energy and staff from Kalapuya High School (in Bethel) to help facilitate bus passes for the students attending the school. Connie and Kathy King also met with a management group from Oregon Research Institute to explain the opportunities for the use Business Energy Tax Credits for their construction and transportation projects under consideration for their planned facility downtown across from the Eugene Library.

Spring Transportation Workshop: Connie Bloom Williams and Marcia Maffei attended the Washington State Rideshare Organization (WSRO) & Transportation Alternatives Group of Oregon (TAGO) Spring Transportation Workshop in Seattle. TAGO held a Business/Board meeting at this event and Connie stepped down as the TAGO chair, a position she has held for the last four years. She will remain on the Board as past-president.

Oregon Transportation Commission: Connie Bloom Williams has been invited to attend the Oregon Transportation Commission meeting on April 28, 2004, in Coos Bay. Agenda items for the session include presentations and discussion on transportation options. The meeting will be followed by a dinner and discussion of transportation options in use in Oregon.

Business Energy Tax Credit Program: Connie Bloom Williams met with Kathy King from the Oregon Department of Energy (ODOE) and will be applying for the Smart Ways to School Program to be eligible for a tax credit through the ODOE's "Pass-Through" option offered as part of the Business Energy Tax Credit program. The ODOE is confident a private sector partner will be willing to act as the "pass through businesses" for the tax credit. LTD Director of Finance and Information Technology Diane Hellekson attend a discussion on how the Pass-Through tax credit program works. Staff will continue to examine the opportunities for using this program to bring additional local match funds into LTD's general fund.

METROPOLITAN PLANNING

Lisa Gardner, Senior Strategic Planner

Central Area Transportation Study: The Eugene City Council tentatively has scheduled the adoption of the Central Area Transportation Study at its May 24, 2004, meeting.

Metropolitan Policy Committee: At the April 8, 2004, meeting, the MPC adopted the FY 06-09 project priority list to be forward to the Oregon Department of Transportation, and discussed the MPO public involvement plan.

TRANSIT OPERATIONS

Mark Johnson, Director of Transit Operations

ACCESS CONTROL PROJECT

Transit Operations is about to begin oversight of a project that will upgrade the current access control system for the Glenwood facility and the Eugene Station. The project has been in the planning stages for the past couple of months and is scheduled for completion by the end of May. The project will include replacing the outdated keypads for entrance to LTD facilities with card readers. Employees will have proximity cards that will be individually programmed to allow access only where they have authorization. Updated security policies and parking lot access control will be included in the project.

WACKENHUT SECURITY OFFICER CHOSEN FOR AWARD

Rick Brown, who is a contract security officer for LTD, has been chosen to receive the Eugene Police Department's Citizen Service Award. This award is granted to a citizen who renders service to Police Department personnel at actual or perceived risk of life or personal safety. Rick was nominated by Officer Jennifer Curry who works closely with LTD security personnel at the Eugene station. Officer Curry was impressed with Rick's ability to remember faces and supply information to officers relative to individuals who are wanted by the police. His awareness and subsequent calls to the dispatcher resulted in 51 arrests in 2003. Rick has been an important part of the LTD security team for the past three years. His professionalism and

attention to detail ensure that the Eugene Station is a safe place for LTD's guests. Please join me in congratulating Rick on this award. He will be presented with the award at the Police Department's annual Promotions and Awards Ceremony on May 11, 2004, at the Hilton Conference Center's O'Neal Room.

MAINTENANCE

Ron Berkshire, Director of Maintenance

There is no Maintenance report this month.

FINANCE AND INFORMATION TECHNOLOGY

Diane Hellekson, Director of Finance and Information Technology

FINANCE

Carol James, Accounting Manager

Accounts Payable processed 267 checks totaling \$1,709,868.47. (Two checks went to John Hyland Construction, Inc., for Springfield Station and Fleet Building expansion project payments totaling \$659,800.87.) Payroll processed 87 checks and 473 direct deposits. (Some employees have multiple direct deposits.) Payroll also processed one retirement termination during March. The cash room processed 13 cash fare deposits totaling \$117,386.10. The majority of the FY 2004-05 Proposed Budget document was drafted.

PURCHASING

Jeanette Bailor, Purchasing Manager

LTD staff continue to conduct discussions with New Flyer Industries and Cleveland Regional Transit Authority about modifying the hybrid-electric articulated bus that New Flyer has provided to Seattle Metro. The modified bus is proposed as the EmX vehicle for the first corridor. A price has been received from New Flyer, as well as more detailed specifications which currently are under review by LTD and Cleveland staff. Cleveland has contracted with Parsons Brinckerhoff, the same consultant that LTD is using to prepare a cost analysis, in order to combine efforts in analyzing the specifications and price. LTD has received cost information from Seattle Metro for the vehicle they are purchasing, and will review that base model against our revised model. Our comments will go back to New Flyer for review, the proposed changes will be analyzed, and the

scope of changes requested will be weighed prior to negotiating a price. New Flyer maintains that delivery can be on schedule for June of 2006.

INFORMATION TECHNOLOGY

Steve Parrott, IT Manager

IT staff continue support of LTD's technology infrastructure and current capital projects. IT staff had a chance to test IT disaster recovery procedures when a network file server experienced a simultaneous catastrophic failure of two Raid disk arrays, which disabled a portion of network services to users for the better part of a day. IT staff were able to restore the lost services by the end of the day. Analysis of the failure and its effects on staff productivity and operations produced a list of recommended improvements from IT staff to reduce vulnerability in future failures. Implementation of these improvements is currently in process or scheduled to be completed in the near future.

IT staff continue data verification tests on the Siemens Transit Master system. Siemens has delivered revised software to address a number of documented issues with inconsistent vehicle data and operational performance. Project staff currently are testing the revised software for compliance to specifications and performance stability. Preliminary results indicate a positive improvement of the system from previous tests. Plans to test the accuracy and consistency of the TransitMaster Automated Passenger Counting functions are rescheduled to begin the week of April 19th and be complete in mid-May.

HUMAN RESOURCES

Mary Neidig, Human Resources Director

The Human Resources Department has been heavily focused on three key priorities: labor contract negotiations, health care modeling, and overall budget preparation. Preparations continue for the opening of labor contract negotiations. It is hoped that the first discussions will take place in May.

Work continues on development of a health care model that will address the anticipated 18 to 20 percent increase in health care premiums LTD faces in July. Several other ideas are being reviewed, and discussions are being held with providers. A new disease management program is being reviewed, and LTD likely will be involved with a pilot program that will help address the new FTA regulations on reduced blood pressure for operators.

Other activities for the Human Resources Department include follow-up on the FTA Drug and Alcohol Program audit, and participation on the Eugene Chamber Work Trends Conference Advisory Committee.

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: MAY 2004 EMPLOYEE OF THE MONTH

PREPARED BY: Jo Sullivan, Administrative Services Manager/Clerk of the Board

BACKGROUND: **May 2004 Employee of the Month:** Bus Operator Armando Reyes was selected as the May 2004 Employee of the Month. Armando was hired by LTD on February 22, 1999. He has received awards for five years of Safe Driving, excellent attendance, and Correct Schedule Operation, and twice has received the General Manager's annual Award for Excellence. Armando was nominated for this award by two guests, who said that he is an excellent driver, very courteous and friendly. He also was commended for the very nice manner in which he helped numerous people get where they wanted to go.

When asked to comment on Armando's selection as Employee of the Month, Transit Operations Field Supervisor Sue Quick said:

Armando is a person who not only takes pride in himself and his community; he also takes a special pride in his position as a bus operator with LTD. He has worked hard to master the language and create a life in Oregon. After the first Safety Award I had the privilege to present to Armando, he shared with me what he does with his certificates: he frames them and puts them on a wall in one of the bedrooms in his home. He calls it his LTD room. His good-natured and caring spirit is contagious. I have often observed Armando aiding guests with language barriers and assuring folks that he is directing them correctly to get to their desired locations. He has the kind of rapport that helps people feel at ease. I appreciate the honesty and integrity he demonstrates on a daily basis.

Our congratulations to Armando on his selection as the May 2004 Employee of the Month!

AWARD: Armando will attend the April 21, 2004, meeting to be introduced to the Board and receive his award.

Fare Policy

The fare policy is used to provide direction in making decisions about changes in the District's fare structure. The policy is composed of objectives and guidelines. The objectives indicate the general goals the District's fare structure should achieve. The guidelines provide more specific direction on the various aspects of a fare structure. The intent of each of the guidelines is further explained in a discussion section that follows each statement.

This Fare Policy applies to both the fixed-route and RideSource systems. Unless otherwise stated, objectives and guidelines apply to both systems.

OBJECTIVES

1. To promote fixed-route ridership by making the fare structure attractive to users
2. To improve the farebox recovery ratio
3. To improve the efficiency of fare collection
4. To promote equity of fare payment among patrons

APPLICATION

This policy applies to all recommendations for changes to the fare structure.

GUIDELINES

1. *Recommendations for changes in the fare will be developed by LTD staff. Decisions on fare changes are made by the LTD Board of Directors, and require an amendment to an ordinance. A public hearing is required for any change in fares. Changes to the RideSource Fare also will include review by the Special Transportation Fund Advisory Committee.*

Typically, fare change decisions are made over the course of three Board meetings. At the first meeting, an informational presentation to the Board and a public hearing are held. The first reading of the ordinance is held at the second meeting, and the second reading and approval of the fare ordinance occur at the third meeting.

2. *When making recommendations for changes to the fare, staff will consider the inflation rate, ridership and revenue trends, local economic trends, trends in automobile-related costs such as gas, service changes, the value of the service to the rider, market conditions and opportunities, the District's financial situation, the District's goals and objectives, and Board policy.*

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This policy statement lists the most important factors to be considered in making recommendations for changes to the fare structure. The list of factors to be evaluated is not meant to be exclusive; other factors will need to be considered from year to year. It is further recommended that staff develop and maintain a ridership model in order to more accurately predict the effects of changes in the fare structure.

3. *Increases to the Group Pass rates will be based on guidelines included in the Group Pass section of this policy.*
4. *The RideSource fare should exceed the fare of the fixed-route system to reflect the higher cost of a RideSource trip and to encourage use of the fixed-route system.*

RideSource, a demand-responsive, curb-to-curb service, has a much higher cost per trip than LTD's fixed-route service. Establishing a higher cash fare for RideSource than for the fixed-route system will help to compensate for the higher cost and encourage riders who may have a choice between systems to use the fixed-route service. By law, RideSource fares cannot exceed twice the fixed-route fare.

5. *Increases in the farebox recovery ratio should be pursued primarily by improving the ridership productivity of the system and by improving internal operating efficiency.*

There are three ways to improve farebox recovery ratio: by increasing the fare (in real terms); by improving internal operating efficiency; and by improving ridership productivity. Attempts on the LTD fixed route to improve the recovery ratio by increasing the fare by an amount substantially greater than the inflation rate have proven unsatisfactory. Ridership decreases have almost offset the increase in the average fare, yielding only small gains in revenue and significant ridership loss. Improvements in internal operating efficiency should be pursued whenever possible. Improvements in ridership productivity are likely to provide the greatest potential for a significant improvement to the farebox recovery ratio. If the average fare remains stable (in real terms), a 10 percent increase in ridership productivity would achieve a 10 percent improvement in the farebox recovery ratio.

Unlike the fixed-route system, significant increases in RideSource rides do not provide significant additional income to offset costs. Encouraging use of the RideSource Shopper and providing incentives for grouping trips may improve productivity but would not have a substantial impact on the farebox recovery ratio. Due to the significant fare subsidy on RideSource, efforts should be made to maintain a minimum farebox recovery ratio and maintain the Americans with Disabilities Act (ADA) maximum fare, once attained.

6. *Prepayment of fares on the fixed-route system shall be encouraged. Accordingly, passes and tokens should be priced below the cash fare.*

Prepayment of fares benefits the District in a number of ways: It improves the cash flow situation; it guarantees ridership and revenue by the customer; it reduces the chance of non-payment or underpayment; and it speeds boarding. Prepayment mechanisms also tend to encourage increased ridership by customers since the cost of the ride is not required at the time the decision to take the ride is made. It is recommended that monthly passes be priced at 25 to 30 times the cash fare, and that tokens be priced at 75 percent to 90 percent of the cash fare. Passes should, on a per-ride basis, be discounted more than tokens, since they are more effective at increasing ridership and are a more efficient fare mechanism from an

internal operating standpoint. It should be noted that RideSource does not use either passes or tokens since there should not be an incentive to ride RideSource more frequently. However, RideSource provides ticket books for riders at a discount that is reviewed annually to encourage ease of boarding for customers, and to offer a non-cash alternative to riders.

7. *Increases to the base fixed-route fare generally should not exceed 25 percent within a year. Increases to the RideSource fare should not exceed 50 percent and no more than one increase should be implemented each year until reaching the allowable ADA maximum of twice the LTD adult cash fare.*

This policy directs that changes in the fare be incremental in nature to avoid large "catch-up" increases. The District's experience has been that large fare increases (even though occurring less often) have a substantially more negative impact on ridership than smaller, more frequent fare increases.

Large fare increases on RideSource do not seem to have a significant impact on ridership. However, RideSource has a more "captive" ridership and fare increases should not be unduly burdensome, especially since many of the riders have low incomes. Once the ADA maximum fare of twice the fixed-route adult cash fare is attained, additional fare increases would occur only when the LTD adult cash fare increases.

8. *Recommendations for fare changes will be developed prior to the budget process each spring for the following fiscal year.*

Given the dynamic nature of ridership, budgets, and other factors that affect fares, it is necessary to consider changes in the fare on a yearly basis. This policy ties the recommendations on fare changes to the budget process, as well as to decisions on major changes in the service that result from the Annual Route Review. This policy does not preclude making unprogrammed changes to the fare in mid-year if unforeseen conditions warrant.

9. *Changes in the fare structure should be implemented on the first day of a month, preferably in July or September.*

Since LTD ridership changes significantly at the start and end of summer, these are good times to implement changes to fares. Pass price increases during the school year when LTD ridership is highest are more visible and therefore may result in a greater loss of ridership.

10. *Fare promotions can be used to attract new riders to the fixed-route system.*

Fare promotions have been shown to be a cost-effective method of attracting new users to the system at a very low cost per trip. Surveys indicate that many of those attracted by free or reduced fares are not regular bus riders. The process to be followed in fare promotions includes an analysis of the proposal, a marketing plan for the promotion, and a post-project evaluation. The extent of the analysis, marketing plan, and evaluation would be based on the scale of the promotion. RideSource fare promotions shall be designed to switch riders to the LTD fixed route and to increase RideSource productivity.

11. *Discounted fares may be used to encourage ridership during traditionally low-demand periods.*

The District has had very good success in generating additional ridership in low-demand times through fare reductions. The cost per trip generated by the fare reductions has been much lower than for other options available to the District.

- 12. *Fare payment options that effectively attract a different market segment or encourage increased use of the bus by current riders shall be developed. The fare payment options should be made conveniently available to customers.*

The District currently offers customers the choice of paying cash or using tokens, monthly passes, or day passes. Each of these fare payment options is attractive to a different segment of the market. Other fare payment options that attract additional riders, increase bus use among current riders, or are more convenient forms of current options should be investigated and, if feasible, implemented. Convenient access to all fare payment options will tend to make the system more attractive to customers and thus will increase ridership.

- 13. *The design and number of fare payment instruments shall consider the ease of enforcement by bus operators and ease of understanding by customers.*

Bus operator enforcement of fares is necessary to ensure adherence by customers to the fare policies. The ease of enforcement is dependent upon the design of the fare payment instrument and the quantity of different fare payment options available. These two factors should be considered when making decisions on the implementation of a new fare option or the redesign of an existing fare instrument. Fare enforcement programs should be evaluated periodically to ensure that they are appropriate.

MAINTENANCE

The Development Services Department will monitor application of this policy as it relates to cash fares, tokens, and standard passes, and propose revisions as necessary.

ATTACHMENTS: FARE MEDIA DONATIONS GUIDELINES
FARE DISCOUNTS (PRIVATE NON-PROFIT AGENCY PROGRAM) GUIDELINES
SSI RECIPIENT DISCOUNTS GUIDELINES
WHOLESALE DISCOUNTS GUIDELINES
GROUP PASS PROGRAM GUIDELINES

REVISED: 4/18/01- 4/21/04

Fare Media Donations

OBJECTIVE

The District offers fare discounts for purposes of joint marketing promotions and to support community activities. Donations will occur in the form of fare media and gift certificates. Examples include, gift certificate to local school fundraising events and the donation of bus passes to organizations, such as Mobility International, that host delegates who come to our community to learn about accessibility.

APPLICATION

The following guidelines apply to all fare media donations.

PROGRAM GUIDELINES

Donations of both fare media and gift certificates will be handled through LTD Guest Services. Any community group may request a donation. The LTD Marketing Manager or the Guest Services Supervisor will review the request and determine the benefit to the District. Upon approval, the Guest Service Supervisor will prepare a gift certificate or instruct Guest Services staff to issue the appropriate fare media. Authorization for free fare media must be given in writing (email), by the Guest Services Supervisor or an LTD manager. Requests for fare media to be used for internal employee displays may be authorized by an LTD Marketing Representative.

MAINTENANCE

The Service Planning and Marketing Manager is responsible for a semi-annual report of donations. This report will be forwarded to the LTD General Manager for review.

Fare Discounts

Private Non-profit Agency Program

OBJECTIVE

The District offers private non-profit agencies the opportunity to purchase LTD fare media at a 50 percent discount. This discount is granted in recognition of a community need for transportation services for individuals and families who are working with these agencies to seek employment, housing, and medical services.

APPLICATION

This policy applies to any private non-profit (501-3-c) agency who wishes to purchase fare media from LTD.

PROGRAM GUIDELINES

Eligibility determination is conducted by Lane Transit District. ~~through the United Way of Lane County.~~ Agencies wishing to participate may complete the necessary application at LTD Guest Services. ~~the local United Way office.~~ Upon successful certification, agency staff may call LTD Guest Services to place a fare media order.

In 2004, agencies are eligible for a 50 percent discount toward the purchase of \$375.00 of fare media per month. Beginning in July 2005, agencies are eligible for a 30 percent discount toward the purchase of \$375.00 of fare media per month. ~~In order to maintain the purchasing power of the agencies, the \$375.00 maximum will adjust annually as LTD increases fares.~~

In order to fill the gap for individuals and families who are not connected with a local agency, LTD will donate \$300.00 of fare media per month to Catholic Community Services. This amount is set and will not be adjusted annually.

MAINTENANCE

The Service Planning and Marketing Manager is responsible for monitoring and making recommendations for modifications to this policy. A semi-annual report of program use will be produced by the Guest Services Supervisor and will be forwarded to the LTD General Manager for review.

SSI Recipient Discounts

OBJECTIVE

The District offers a reduced fare monthly pass price to Supplemental Security Income recipients. This program recognizes that there are individuals in our community who do not qualify for reduced fare status based solely on their disability, but who are mentally disabled and are receiving SSI payments.

APPLICATION

This policy applies to all individuals who are SSI recipients and who are not eligible for reduced fare certification based upon the need for specialized training or special accommodation for a physical disability.

PROGRAM GUIDELINES

LTD offers a 50 percent discount on the purchase of adult monthly passes to individuals who are SSI recipients and who are working with a case worker at Senior and Disabled Services. Qualification is determined by SDS case workers, who have evaluated their clients according to the LTD reduced fare certification guidelines, and have determined they do or do not qualify for reduced fare status. SDS staff forwards a list of qualified clients to LTD Guest Services on a monthly basis. This list is used by Guest Services staff to process the sales of the discounted passes prepare passes for delivery. Qualified individuals will receive their pass from their SDS case manager.

MAINTENANCE

The Service Planning and Marketing Manager is responsible for monitoring and making recommendations for modifications to the SSI discount program. An annual report of SSI pass sales will be prepared by the Guest Services Supervisor and forwarded to the General Manager for review.

Wholesale Discounts

OBJECTIVE

The District offers ~~private~~ retail sales outlets and public agencies a wholesale discount on the purchase of fare media. This discount recognizes that these organizations play an important role in the distribution of fare media to LTD customers.

APPLICATION

This policy applies to all ~~private~~ retail outlets that LTD chooses to contract with for the sales of fare media. ~~All public agency purchases will be issued according to the same discount structure.~~

PROGRAM GUIDELINES

LTD offers a 5 percent discount on the purchase of fare media for ~~private~~ retail sales outlets ~~and public agencies~~ who purchase fare media for their customers ~~and clients~~. All tokens are pre-purchased by the organizations, while monthly passes will be consigned.

MAINTENANCE

The Service Planning and Marketing Manager is responsible for monitoring and making recommendations for modifications to the wholesale discount program.

Adopted 2/85
Revised 6/86
Revised 6/87
Revised 2/98
Revised 2/01
Revised 1/02
Revised 4/04

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GROUP PASS PROGRAM

OBJECTIVES

A Group Pass Program is one in which the cost of transit fares is shared by a group. All persons within the group receive the transit benefit whether or not they actually use the service. The employer enters into an annual contract for services with LTD. In this way, the cost per person for the service is significantly reduced, and ridership within the group can be expected to increase significantly.

Group pass programs attempt to:

1. Increase ridership and ridership productivity (rides per service hour);
2. Maintain or increase the farebox to operating cost ratio; and
3. Decrease the cost per trip.

The establishment of these programs is based on the premise that increased use of transit, as a replacement to the single-occupancy vehicle, is a goal established by our community because it will provide numerous benefits. In order to meet that goal, LTD should aggressively pursue fiscally responsible programs that increase use of the bus, particularly in areas with traffic congestion, parking or air quality problems, or where there is a transportation need that can be effectively addressed with public transit.

APPLICATION

The following guidelines apply to all group pass programs established by the District.

PROGRAM GUIDELINES

Qualifying Organizations

The District will consider any organization, public or private, for a group pass program if it:

1. Includes at least 10 individuals
2. Is financially capable and legally empowered to enter into a contract with LTD and meet the financial obligations dictated by that contract. The group pass program will apply to all members in the organization.
3. LTD will consider qualifying organizations on a first-come/first-served basis, only if LTD has the service and equipment capacity to serve that organization.

Pricing

Revenue from organizations that participate in the group pass programs will be computed according to whether or not an organization contributes to the LTD payroll tax and to group size. All organizations participating in the group pass program will provide revenue that meets the following two criteria:

1. A base rate per employee per month will be levied on individuals within the organization. The base rate will be increased annually, not to exceed, the three-year rolling average of operating costs realized by the District. The base rates are:

Taxpayers -	\$3.00 per employee per month
Non Taxpayers -	\$3.50 per employee per month

Rates effective January 1, 2002
2. The cost of additional service that is instituted by the District to directly respond to increased ridership resulting from the group pass program

Term of the Contract

Contracts will normally be for a one-year period, with annual renewals. Yearly evaluation, at a level appropriate for the size of the organization, is to be conducted of each group pass program prior to renewing the contract to determine if the pricing criteria are still being satisfied.

Whenever possible, the District will seek to have the group pass programs institutionalized in order to reduce the possibility of programs becoming discontinued from one year to the next. This is obviously of greatest concern with the larger group pass programs, which require significant capital and operational investment and expenditures.

Operational Issues

Group pass participants are to have photo identification that is easily verified by the bus driver. The photo identification may be either the organization's, in which case it must have an LTD validating sticker, or issued by the District. In either case, the cost of issuing the photo identification will be borne by the organization. Participating organizations will be responsible for administering the program within their organizations.

Marketing

The District will provide trip planning assistance for the individuals of a group pass organization. Marketing of the service to individuals of a group pass organization will be conducted where it is determined to have a significant impact on ridership.

MAINTENANCE

The Service Planning and Marketing Manager is responsible for monitoring and making recommendations for modifications to this program.

AGENDA ITEM SUMMARY

- DATE OF MEETING:** April 21, 2004
- ITEM TITLE:** ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING
- PREPARED BY:** Jo Sullivan, Administrative Services Manager/Clerk of the Board
- ACTION REQUESTED:** None at this time
- BACKGROUND:** The action or information items listed below will be included on the agenda for future Board meetings:
- A. **FY 2004-05 Pricing Plan/Fare Ordinance**: The second reading and adoption of the amended fare ordinance will be on the agenda for the May 19, 2004, meeting.
 - B. **Bus Advertising Guidelines**: Recommended changes to the LTD bus advertising policy will be discussed with the Board at the May 19, 2004, meeting.
 - C. **Work Session on Comprehensive Service Redesign Options and Timeline**: A work session to discuss CSR options will be scheduled in the near future.
 - D. **LTD Budget Committee Meetings and Budget Adoption**: Budget Committee meetings are scheduled for Wednesday, April 28, and Thursday, April 29, 2004. Budget adoption will occur at the June 16, 2004, regular Board meeting.
 - E. **Joint Meeting with City Council**: The Board is scheduled to meet in a joint work session with the Springfield City Council on May 24, 2004.
 - F. **Resolution Reaffirming LTD Boundaries**: State law requires that the District annually determine the territory in the District within which the transit system will operate. If boundary changes were to be made, that would be done by ordinance. Since no changes are planned, a resolution reaffirming the current boundaries will be scheduled for approval at the June 16, 2004, Board meeting.
 - G. **BRT and Springfield Station Updates**: Various action and information items will be placed on Board meeting agendas during the design and implementation phases of the bus rapid transit and Springfield Station projects.



LTD General Manager's Report to the Board of Directors

April 21, 2004

Prepared by Ken Hamm, General Manager

FUTURE DATES TO REMEMBER

April 28, 2004	LTD Budget Committee Meeting
April 29, 2004	LTD Budget Committee Meeting
May 5, 2004	LTD Budget Committee Meeting (if necessary)
May 2-5, 2004	APTA Operations and Paratransit Conference
May 17, 2004	LTD Special Board Meeting/Work Session (tentative)
May 19, 2004	LTD Regular Board Meeting
June 14, 2004	LTD Special Board Meeting/Work Session (tentative)
June 16, 2004	LTD Regular Board Meeting – Budget Adoption
July 19, 2004	LTD Special Board Meeting/Work Session (tentative)
July 21, 2004	LTD Regular Board Meeting
August 29, 2004	LTD/ATU Annual Picnic at Jasper Park

INTERNAL ACTIVITIES

General Manager's Operator Awards

Six coach operators qualified for the General Manager's Awards this year. To qualify, each operator must go the full year with no absences, no accidents, no complaints, and no other incidents. These outstanding employees are: Kiyoko Clark, Arline Link, Rich Ries, Don Matney, Ray McCann, Armando Reyes, and Heather Harris. Their reward...lunch with the GM, a paid day off of their choosing, a pin, and a plaque. The lunch was held on April 5.

Meetings with Individual Board Members

Due to some vacation time this month, the only meeting with individual Board members was with Dave Kleger on March 18.

Board Work Session

As requested by the Board, a work session will be held on April 19 from 2 p.m. to 8 p.m. Your Board president, with the general manager's assistance, has hired Margot Helphand to facilitate this workshop. The two focuses of the agenda are board/staff roles and norms, and BRT.

Government Relations

As Linda Lynch nears retirement, we have been discussing how to handle those responsibilities in the future. Linda has offered some suggestions. The work with the state legislature can be contracted out effectively. Linda and I are identifying possibilities and

doing some review of potential candidates. For the federal work, Linda may be willing to stay on in a part-time capacity or contract back after retirement. We will keep you informed.

EXTERNAL ACTIVITIES

Regional CEO Meeting

On March 19, CEOs of the public entities in Eugene and Springfield met to discuss issues including diversity, ballot measures, construction projects, legislation, and more.

Outreach Meetings

In a continuing effort to build understanding of and advocacy for LTD projects and programs, meetings were held with several area leaders: March 29 with Lane County Commissioner Bill Dwyer; March 29 with City of Springfield Development Director Bill Grile; March 30 with Eugene City Manager Dennis Taylor; April 5 with Lane County Commissioner Anna Morrison; April 6 with Lane County Commissioner Bobby Green; April 7 with Assistant Springfield City Manager Cynthia Pappas; and April 8 with Lane County Commissioner Don Hampton.

Metro Partnership Lunch

Metro Partnership Executive Director Jack Roberts invited your GM to lunch with a prospective employer who was in town to assess the Eugene/Springfield area for a future facility. The employer had indicated its interest in public transportation for its employees. Royal Caribbean Cruise Lines is considering our area for a western headquarters and call center.

Metropolitan Policy Committee

MPC met April 8th on the FY 06-09 STIP project priorities (primarily OTIA-funded projects) and MPO public involvement process.

Other External Events

On April 7th I attended the groundbreaking for the new federal courthouse.

On April 8th I attended the Gateway Transportation Forum.

On April 13th I attended the Oregon Transportation Association meeting.

LTD's Strategic Goals:

- **Deliver reliable services**
- **Develop innovative services**
- **Maintain fiscal integrity**
- **Provide progressive leadership**
- **Develop a team environment**

DRAFT: 4-21-04
Lane Transit District
Policy on Joint Development

This policy is intended to direct efforts to develop and promote joint development on or adjacent to LTD transit stations. Joint development, as defined for the purposes of this policy, is private development that is on land owned by LTD or on land that is controlled to some extent by LTD. This policy does not address the development of transit-supportive land uses in the vicinity of transit stations that are encouraged or required through land use controls and policies such as nodal development. That type of transit-supportive development is addressed by the community's metropolitan and transportation plans and policies.

Joint Development Goals

Joint development at LTD transit stations should be considered if it can meet one or more of the following goals:

1. To provide goods and services at transit stations that provide benefit to transit users in order to increase the attractiveness of the service and, therefore, increase ridership.
2. To create development on or adjacent to transit stations that adds activity to the area and provides for a heightened sense of safety and security.
3. To offset the District's station development or operating costs and/or generate ongoing revenue for District operations.
4. To be a catalyst for additional economic development in the area surrounding the station.

Federal Regulations

Most of LTD's transit stations are built with the use of federal funds under the control of the Federal Transit Administration (FTA). Thus, FTA rules governing the use of the funds must be considered when building joint development opportunities into a transit station. The following statement is from the FTA *Best Practices Procurement Manual*. The complete section is appended to this policy.

FTA is encouraging transit systems to undertake transit-oriented joint development projects (TODs) with either new grants or with property acquired under previous grants. The property can be associated with rail, bus or other transit facilities.

The purpose of a joint development project is to:

- *secure a revenue stream for the transit system; and,*
- *help shape the community that is being served by the transit system.*

Where the grantee retains effective continuing control for mass transit purposes, all proceeds of sale, lease or other encumbrance of the property will be treated as program income for use by the transit system to meet capital and operating needs. The very nature of a joint

development project requires long-term relationships between the various contracting parties due to issues related to land use, zoning, financial investment, long-term leases, multiple contracting parties, construction, and management. The Federal Register notice of March 14, 1997, clarified and addressed apparent inconsistencies in the use of revenues. This Notice states:

- 1. Joint development projects are considered mass transportation projects eligible for funding under FTA capital programs.*
- 2. All projects must generate a one-time payment or revenue stream for transit use, the present value of which equals or exceeds the fair market value of the property.*
- 3. When the grantee retains continuing control and use of the joint development for mass transportation purposes, all proceeds will be considered program income.*

Types of Joint Development

Incidental Use of Space within an LTD Building

This option is for a small amount of leased space within a building that is used primarily by LTD. In a building that is designed for LTD guests, such as a transit station waiting area, the best type of leased space is a retail business that caters to transit riders' needs. In an LTD building that does not have a customer focus, such as an office building or operations building, the leased space could be used for offices.

Example: The coffee shop in the Eugene Station Guest Services building is a minor portion of the total building square footage and was considered by the FTA to be "incidental" to the use of the building.

Leased Space within an LTD Building

This option is designed for situations where a significant portion of an LTD building is to be leased for a private use. In this option LTD retains ownership of the building and the building is part of the transit station.

Example: The Springfield Transit Station will include a 5,000-square-foot building adjacent to the station platform. Approximately 75 percent of the building square footage is to be leased, while the remainder of the building is used directly by LTD.

Development Adjacent to LTD Stations

Under this option, LTD would acquire additional land in order to develop transit-supportive land uses in areas immediately adjacent to LTD transit stations. The resulting development could stay under LTD ownership or the land could be sold to a developer, either before or after construction of buildings, with development controls that ensure that the development meets the joint development goals. The development could be retail, residential, office, or some combination of those three uses.

Example: LTD does not have examples of this type of development.

Joint Development Decision Factors

The following factors should be considered when making a decision whether or not to pursue joint development.

Meets Joint Development Goals: An assessment will be made to determine which of the four joint development goals are met by the proposed joint development. A project must meet at least one of the four goals to be considered.

Demand for Leased Space: The market for leased space in the area of the transit facility should be considered. This analysis likely would involve the services of a commercial real estate specialist. Joint development should not be pursued unless there is a good possibility that the space can be leased.

Cost Benefit Assessment: Joint development should provide an offset to the cost of constructing a facility and/or a monthly revenue stream for the District. It may not be necessary for the joint development to “pay for itself” if it can be demonstrated that it would increase ridership or provide additional benefits to riders (such as rest rooms). Life cycle costing should be considered when evaluating the cost/benefit of joint development options.

Community Goals: Consideration should be given to the community’s desire for private development in the area of the transit facility. An assessment should be made of the compatibility of the proposed development with local land use plans, zoning, and other governing regulations. Opportunities for shared responsibilities and costs should be investigated with the local jurisdiction. Partnering on a joint development project will make it a much more attractive venture.

Availability of Land: This factor considers whether there is likely to be land on the facility site or near the station that could be used for joint development. Available land would enhance the feasibility of joint development.

Availability of Nearby Services: An assessment should be made of available services in the vicinity of the transit station. If a good mix of services that are useful to riders is already available or likely to be developed in the area around the LTD facility, there is less reason for LTD to pursue joint development.

Joint Development Decision Process

Joint development opportunities should be considered every time LTD develops or redevelops a major transit facility. The decision process is as follows:

1. **Initial Assessment:** During the conceptual development stage of a transit facility project, staff will make an initial assessment of joint development opportunities considering the Joint Development Decision Factors included in this policy. Staff will formulate a recommendation for Board consideration. The recommendation will address issues such as the type of joint development to be pursued, the size of the joint development, possible partnering opportunities, and a financial analysis of the

project. As part of the assessment, staff also will have included opportunities for public comment into the decision, as appropriate.

2. **Board Review:** The LTD Board will review the initial assessment and make a decision whether it wishes to pursue joint development opportunities for the project. The Board also may stipulate conditions for the joint development at this time.
3. **Findings:** Staff and/or District legal counsel will prepare for Board adoption legislative findings that the joint development project will encourage use of the public transit system within the District and aid in the objectives of the District.
4. **Obtain State/Federal Approvals:** Staff will work through the required state and federal approval process for the project, which would include a National Environmental Policy Act (NEPA) review if federal funds are used.
5. **Final Approval:** The final decision on whether or not to pursue joint development as part of a new or redevelopment project will be made by the LTD Board of Directors.
6. **Implementation:** Project implementation will vary depending on the type of joint development project that is to be developed. The Board will be kept apprised of key issues during this development phase.

Management of Joint Development

In situations where there is a significantly large leased space and/or there are multiple tenants, solicitation of tenants and the ongoing management of the joint development facility should be contracted to a commercial broker. If the development was constructed in partnership with a private firm or another public agency, opportunities for management of the facility using the partnership will be explored. The leasing of small spaces within LTD facilities can be managed directly by LTD staff.

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: JOINT DEVELOPMENT POLICY

PREPARED BY: Stefano Viggiano, Director of Development Services

ACTION REQUESTED: Approve Joint Development Policy

BACKGROUND: During the Board work session last November, the Board asked staff to develop a policy for joint development in and/or adjacent to transit stations. The new Springfield Station includes a building intended for joint development, and the Board expressed an interest in considering joint development opportunities when constructing future transit facilities.

The attached policy was drafted by staff and has been through a preliminary review by a Board Committee composed of Dave Kleger, Pat Hocken, and Gerry Gaydos. The policy has also been through a legal review.

RESULTS OF RECOMMENDED ACTION: The adopted policy will be used to direct efforts to develop and promote joint development on or adjacent to LTD transit stations.

ATTACHMENT: Draft Joint Development Policy

MOTION: I move the following resolution:

LTD Resolution No. 2004-015: It is hereby resolved that the LTD Board of Directors adopts the Joint Development Policy as drafted by staff.

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: LANE COMMUNITY COLLEGE FASTPASS

PREPARED BY: Andy Vobora, Service Planning and Marketing Manager

ACTION REQUESTED: Adoption of a resolution discontinuing the LCC FastPass as a special pricing option.

BACKGROUND: Lane Transit District has offered discounted term bus passes for Lane Community College (LCC) students, faculty, and staff since the early 1980s. Following the development of the group bus pass program in 1988, LTD has been working with LCC to develop a group pass program that would meet their needs. In Fall 2003, LCC students began paying a transportation fee that would provide all main campus credit students a group bus pass. The term pass (FastPass) continued to be offered to staff, faculty, and non-credit students. Sales during the first two terms of this school year have been very low and therefore LTD staff recommend discontinuing the program.

LTD is hopeful that faculty, staff, and non-credit students will be added to the group pass program in the future. In the interim, those who have been purchasing FastPasses will be required to choose another LTD fare payment option.

RESULTS OF RECOMMENDED ACTION: Following summer term 2004, LCC FastPasses no longer will be sold.

ATTACHMENT: None

PROPOSED MOTION: I move the following resolution. LTD resolution No. 2004-014: Be it resolved that the LTD Board of Directors hereby eliminates the Lane Community College FastPass as a discounted fare option, effective September 1, 2004.

AGENDA ITEM SUMMARY

- DATE OF MEETING:** April 21, 2004
- ITEM TITLE:** FISCAL YEAR 2004-2005 PRICING PLAN AND FIRST READING OF AMENDED FARE ORDINANCE
- PREPARED BY:** Andy Vobora, Service Planning and Marketing Manager
- ACTION REQUESTED:** Hold the first reading of Twelfth Amended Ordinance No. 35, which sets fares for Fiscal Year 2004-2005.
- BACKGROUND:** Following a public hearing at the March 2004 Board meeting, staff were directed to make the following changes to District fare structure:
1. Eliminate the LCC FastPass as a fare option effective September 1, 2004. Special fare discounts are not part of the fare ordinance and therefore will be handled separately through Board resolution.
 2. Increase the adult three-month pass fare from \$85.00 to \$95.00 effective June 15, 2004.
 3. Increase the youth three-month pass fare, senior three-month pass fare, and reduced price three-month pass fare from \$42.50 to \$47.50 effective June 15, 2004.
 4. Eliminate general public token sales effective July 1, 2004.
 5. Eliminate the 5 percent wholesale discount to public agencies effective July 1, 2004.
 6. Increase the Breeze shuttle fare to 50 cents effective July 1, 2004.
- Following the March meeting, additional public testimony was received. Much of this testimony centered on the desire of many guests to have tokens available. Some of the arguments made by guests included:
- Convenience - not needing correct change
 - Ease of handling for people with disabilities
 - Economic savings - Versus paying cash or being able to afford a monthly pass

The Leadership Council reviewed this information and is recommending that token sales be maintained. In order to address concerns about administrative handling costs, token sales will be conducted through vending machines only. Guests will be limited to buying tokens at the Guest Services Center, until later this year when a machine can be added at the Springfield Station. The financial impact of this change will be that no additional fare revenue will result from guests who would have been faced with paying cash fares or purchasing passes.

Fare changes must be implemented by ordinance. The first such ordinance, Ordinance No. 35, was adopted in June 1992. This will be the twelfth amendment to Ordinance No. 35. The first reading of Twelfth Amended Ordinance No. 35 will be held on April 21, 2004. The second reading and adoption of the ordinance are scheduled for the May 19 Board meeting. The Board can elect to read the ordinance by title only. Staff will have additional copies of the ordinance available for anyone in the audience who desires a copy.

CONSEQUENCES OF REQUESTED ACTION:

The second reading and adoption of the ordinance will be scheduled for the May 19, 2004, Board meeting. Following adoption, a copy of Twelfth Amended Ordinance No. 35 will be filed with the County Clerk and made available for public inspection.

ATTACHMENTS:

- (1) Pricing Proposal Summary
- (2) Twelfth Amended Ordinance No. 35, An Ordinance Setting Fares for Use of District Services

PROPOSED MOTIONS:

I move that Twelfth Amended Ordinance No. 35 be read by title only.

Following an affirmative vote, the ordinance title should be read:

Twelfth Amended Ordinance No. 35, An Ordinance Setting Fares for Use of District Services.

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: WORK SESSION: PAYROLL TAX RATE INCREASE

PREPARED BY: Linda Lynch, Government Relations Manager

ACTION REQUESTED: Provide direction to staff for preparation of Long-Range Financial Plan. Options for direction are described below.

BACKGROUND: Statutory authority to increase the rate of the payroll tax over ten years requires an economic finding by the Board. The law states:

The district board may not adopt an ordinance increasing a tax authorized by section (1) of this section unless the board makes a finding that the economy in the district has recovered to an extent sufficient to warrant the increase in tax. In making the finding, the board shall consider regional employment and income growth.

... an increase ... must be phased in over a 10-year period. The district shall by ordinance set forth the increments by which the increase in tax is phased in. ...each increment may not increase the rate of tax by more than 0.02 percent.

Legislative history is short on this subject. The language was inserted into the bill to provide some assurances to legislators that transit districts would not just increase the rate; they would be required to determine that the economy had improved. The key phrases in the statute are “the economy has recovered” and “consider regional employment and income growth.” Some economic analyses separate the Eugene-Springfield area from the rest of Oregon, but most do not. Therefore, the Board likely will have to consider statewide trends.

All economic projections are positive. The State Office of Economic Analysis (OEA) expects that Oregon will follow the same path as the rest of the U.S. economy. “The jobless recovery will slowly become a job generating recovery with jobs regaining their pre-recession levels in early 2005” (p. 27, Oregon Economic and Revenue Forecast, March 2004). The OEA compares its own forecasts to those of other published forecasts. The first table on the attached page is that comparison.

The Office of Economic Analysis staff also consider the risks involved in their forecasts. They ask themselves the question: What is the worst case scenario and what is the best case scenario relative to the forecast? If the national economy does not perform as expected, businesses will remain cautious to increase hiring. A lagging job market slows consumer spending

and business investment. This delays recovery for another year. Risks particular to Oregon are: rising regional energy prices, state and local government shortfalls, outsourcing of information technology jobs and the unpredictable, such as the discovery of mad cow disease or sudden oak death blight.

If the national economy performs better than expected, the international economy will grow faster. With a depreciated dollar, exports become stronger, as does foreign tourism in the U.S. Such trends are especially beneficial to Oregon, and OEA estimates that the Oregon economy would be fully recovered by the end of 2005.

The table that compares the baseline forecast with pessimistic and optimistic scenarios is the second table on the attached page.

Recent history is less positive. Oregon non-farm employment declined for three straight years. The third chart on the attached page shows recent job losses, as well as projected employment growth. “Oregon’s seasonally adjusted unemployment rate is the lowest unemployment rate in 29 months” (Oregon Labor Trends, April 2004). The last time the rate was this low was in September 2001. Oregon’s unemployment rate has declined for six of the past seven months.

Personal income also is expected to grow at a faster rate in the near future than it has in the recent past. The fourth chart on the attached page illustrates that.

The first question the Board must decide is whether it believes the *“economy has recovered to an extent sufficient to warrant the increase in the tax.”* If the answer is yes, then the Board must decide if it wishes to implement the rate increase. The options are as follows:

- No increase at this time
- Increase the rate by 0.01 in January 2005
- Increase the rate by 0.02 in January 2006

RESULTS OF RECOMMENDED ACTION:

Staff will develop a proposed Long-Range Financial Plan according to Board direction.

ATTACHMENT:

Economic Analyses

PROPOSED MOTION:

None. Provide direction to staff.

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: MONTHLY PERFORMANCE REPORTS

PREPARED BY: Ken Hamm, General Manager

ACTION REQUESTED: None

BACKGROUND: In response to a request by the Board for regular reporting on the District's performance in several areas, monthly performance reports are provided for the Board's information. The March 2004 performance reports are included in the agenda packet.

Staff will be available at the meeting to respond to any questions the Board may have.

ATTACHMENTS: None

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: PUBLIC RELATIONS PLAN NEXT STEPS

PREPARED BY: Andy Vobora, Service Planning and Marketing Manager

ACTION REQUESTED: None

BACKGROUND: At the March 2004 Board meeting, staff reviewed the District's public relations plan. As a working document the plan outlines a number of activities for both staff and the Board. Staff will present a review of the next steps in the plan and provide copies of a printed piece for use at public presentations or in one-on-one discussions with stakeholders.

Tax Rate Increase

- Develop timeline based on Board's decision of implementation date

Labor Negotiations

- Develop background presentation for opening session
- Prepare historical reference materials
- Communicate progress with employees and Board

General LTD Information

- Complete LTD handout
- Communicate EmX groundbreaking
- Communicate **RideSource** facility groundbreaking
- Communicate service and fare changes
- Promote special event services

RESULTS OF RECOMMENDED ACTION: None

ATTACHMENT: None

PROPOSED MOTION: None

LANE TRANSIT DISTRICT

Pricing Proposal Summary

2004-2005

TYPE OF FARE:

Cash Fare

	Current:	Proposed:
Adult	\$1.25	\$1.25
Youth	\$0.60	\$0.60
Child	\$0.60	\$0.60
Reduced	\$0.60	\$0.60
Senior	\$0.60	\$0.60

Passes

Adult		
1-Month:	\$35.00	\$35.00
3-Month:	\$85.00	\$95.00
Youth, Senior, Reduced		
1-Month:	\$17.50	\$17.50
3-Month:	\$42.50	\$47.50

Day Pass

Adult	\$2.50	\$2.50
Youth, Senior, Reduced	\$1.25	\$1.25

Tokens

Adult	\$1.00	Discontinue general public sales.
Other	\$0.50	Discontinue general public sales.

Shuttle Fare \$0.25 \$0.50

RideSource (Staff Proposal)

	Current:	Proposed:
Regular	\$2.50	\$2.50
Escort	\$2.50	\$2.50
Shopper	\$2.00	\$2.00 *
10 Tickets	\$20.00	\$20.00

RideSource (STAC Proposal)

Regular	\$2.50	\$2.50
Escort	\$2.50	\$2.50
Shopper	\$2.00	\$2.00 *
10 Tickets	\$20.00	\$20.00

*Round-trip fare

Sales Outlet Wholesale Discount

	Current:	Proposed:
Passes		
0-500+	5.0%	5.0%
Tokens		
0-500+	5.0%	5.0%

Special Programs - not covered by ordinance

Group Pass	0%	5.90%	Current quarterly rates: \$9.54/\$11.13
LCC Term Pass	\$54.00	Discontinue	Proposed quarterly rates: \$10.10/\$11.79
Summer Youth Pass - June/July/Aug		\$35.00	

Fare Media Relationships

Current	Media Type	Adult Price	Cost per Trip*	Monthly Cost*	Percent Discount
	Cash	\$1.25	\$1.25	\$50.00	0%
	Tokens	\$1.00	\$1.00	\$40.00	20%
	Monthly Pass	\$35.00	\$0.88	\$35.00	30%
	3-Month Pass	\$85.00	\$0.71	\$28.33	43%

Proposed	Media Type	Adult Price	Cost per Trip*	Monthly Cost*	Percent Discount
	Cash	\$1.25	\$1.25	\$50.00	0%
	Tokens*	\$1.25	\$1.25	\$50.00	0%
	Monthly Pass	\$35.00	\$0.88	\$35.00	30%

* Tokens sold only to agencies. Not available to the general public.

Comparison of Fare Media Prices
UNCC Peer Group
Sorted by Cash Fare

	Adult Cash Fare	Token or Single Ride Fare	Daily Pass	Adult Monthly Pass	Adult Multi-Month Pass
Reno, Nevada	\$1.50	\$1.50	\$4.00	\$60.00	n/a
Tacoma, Washington	\$1.25	\$1.14	n/a	\$45.00	n/a
Lane Transit District	\$1.25	\$1.00	\$2.50	\$35.00	\$85 (3 month)
Vancouver, Washington	\$1.00	n/a	\$3.50	\$28.00	\$308 (annual)
Spokane, Washington	\$1.00	\$1.00	n/a	\$33.00	n/a
Santa Cruz, California	\$1.00	n/a	\$3.00	\$40.00	n/a
Santa Barbara, California	\$1.00	\$1.00	n/a	n/a	n/a
Lansing, Michigan	\$1.00	\$0.85	n/a	\$30.00	n/a
Fresno, California	\$1.00	\$0.85	n/a	\$35.00	n/a
Charelston, South Carolina	\$1.00	\$0.80	\$3.00	\$22.00	\$28 (40 rides)
Ann Arbor, Michigan	\$1.00	\$1.00	n/a	\$37.50	n/a
Average	\$0.96	\$0.91	\$2.75	\$32.03	
South Bend, Indiana	\$0.75	n/a	n/a	\$30.00	n/a
Salem, Oregon	\$0.75	\$0.68	n/a	\$20.00	n/a
Olympia, Washington	\$0.75	n/a	\$1.50	\$25.00	n/a
Boise, Idaho	\$0.75	\$0.70	n/a	\$27.00	n/a
Bakersfield, California	\$0.75	\$0.75	\$1.75	\$25.00	n/a
Corpus Christi, Texas	\$0.50	\$0.50	n/a	\$20.00	n/a

Data collected through transit district Web site information.

5/4/2020

Year-to-Date Revenue Projections Based on 2002/2003 Fare Changes

	Annual Sales	Current Price	Revenue	Projected Sales		Proposed Price	Projected Revenue	Difference
Adult Monthly	32515	\$28	\$910,420	26662	-18%	\$35	\$933,181	\$22,761
Youth Monthly	18092	\$14	\$253,288	16283	-10%	\$17.50	\$284,949	\$31,661
Reduced Fare Monthly	5984	\$14	\$83,776	5745	-4%	\$17.50	\$100,531	\$16,755
Senior Monthly	2113	\$14	\$29,582	1859	-12%	\$17.50	\$32,540	\$2,958
Adult 3 Month	1287	\$65	\$83,655	1236	-4%	\$85	\$105,019	\$21,364
Youth 3 Month	2392	\$32.50	\$77,740	1794	-25%	\$42.50	\$76,245	-\$1,495
Reduced Fare 3 Month	1153	\$32.50	\$37,473	1176	+2%	\$42.50	\$49,983	\$12,510
Senior 3 Month	628	\$32.50	\$20,410	534	-15%	\$42.50	\$22,687	\$2,277
Adult Tokens	157435	\$0.85	\$133,820	181050	+15%	\$1	\$181,050	\$47,231
Reduced Tokens	71418	\$0.42	\$29,996	78560	+10%	\$0.50	\$39,280	\$9,284
LCC Term Pass	7754	\$43	\$333,422	7521	-7%	\$54	\$406,155	\$72,733
Group Pass Revenue			\$375,000				\$457,000	\$82,000
			\$2,368,581				\$2,688,619	
Estimated Additional Revenue								\$320,038

LANE TRANSIT DISTRICT

**Pricing Proposal Summary
2003-2004**

TYPE OF FARE:

Cash Fare

	Current:	Proposed:
Adult	\$1.25	\$1.25
Youth	\$0.60	\$0.60
Child	\$0.60	\$0.60
Reduced	\$0.60	\$0.60
Senior	\$0.60	\$0.60

Passes

Adult		
1-Month:	\$35.00	\$35.00
3-Month:	\$85.00	\$85.00

Youth, Senior, Reduced

1-Month:	\$17.50	\$17.50
3-Month:	\$42.50	\$42.50

Day Pass

Adult	\$2.50	\$2.50
Youth, Senior, Reduced	\$1.25	\$1.25

Tokens

Adult	\$1.00	\$1.00
Other	\$0.50	\$0.50

RideSource (Staff Proposal)

	Current:	Proposed:
Regular	\$2.50	\$2.50
Escort	\$2.50	\$2.50
Shopper	\$2.00	\$2.00 *
<i>10 Tickets</i>	\$20.00	\$20.00

RideSource (STAC Proposal)

Regular	\$2.50	\$2.50
Escort	\$2.50	\$2.50
Shopper	\$2.00	\$2.00 *
<i>10 Tickets</i>	\$20.00	\$20.00

*Round-trip fare

Sales Outlet Discount

	Current:	Proposed:
Passes		
0-500+	5.0%	5.0%
Tokens		
0-500+	5.0%	5.0%

Special Programs - not covered by ordinance

Breeze Fare	25-cents	25-cents
Group Pass	6%	3.65%
LCC Term Pass	\$54.00	\$54.00
Summer Youth Pass - July/Aug/Sept		\$34.95

Projected Revenues Based on 2002/2003 Fare Changes

	Annual Sales	Current Price	Revenue	Projected Sales	Proposed Price	Projected Revenue	Difference
Adult Monthly	32515	\$28	\$910,420	29264	\$35	\$1,024,223	\$113,803
Youth Monthly	18092	\$14	\$253,288	16283	\$17.50	\$284,949	\$31,661
Reduced Fare Monthly	5984	\$14	\$83,776	5386	\$17.50	\$94,248	\$10,472
Senior/Child Monthly	2113	\$14	\$29,582	1902	\$17.50	\$33,280	\$3,698
Adult 3 Month	1287	\$65	\$83,655	1158	\$85	\$98,456	\$14,801
Youth 3 Month	2392	\$32.50	\$77,740	2153	\$42.50	\$91,494	\$13,754
Reduced Fare 3 Month	1153	\$32.50	\$37,473	1038	\$42.50	\$44,102	\$6,630
Senior/Child 3 Month	628	\$32.50	\$20,410	565	\$42.50	\$24,021	\$3,611
Adult Tokens	157435	\$0.85	\$133,820	147989	\$1	\$147,989	\$14,169
Reduced Tokens	70418	\$0.42	\$29,576	66193	\$0.50	\$33,096	\$3,521
LCC Term Pass	7754	\$43	\$333,422	6513	\$54	\$351,721	\$18,299
Group Pass Revenue			\$375,000			\$535,800	\$160,800
Estimated Additional Revenue							\$395,218

Comparison of Fare Media Prices
UNCC Peer Group
Sorted by Pass Fare

	Adult Cash Fare	Token or Single Ride Fare	Daily Pass	Adult Monthly Pass	Adult Multi-Month Pass
Reno, Nevada	\$1.50	\$1.50	\$4.00	\$60.00	n/a
Tacoma, Washington	\$1.25	\$1.14	n/a	\$45.00	n/a
Santa Cruz, California	\$1.00	n/a	\$3.00	\$40.00	n/a
Ann Arbor, Michigan	\$1.00	\$1.00	n/a	\$37.50	n/a
Lane Transit District	\$1.25	\$1.00	\$2.50	\$35.00	\$85 (3 month)
Fresno, California	\$1.00	\$0.85	n/a	\$35.00	n/a
Spokane, Washington	\$1.00	\$1.00	n/a	\$33.00	n/a
Average	\$0.96	\$0.91	\$2.75	\$32.03	
Lansing, Michigan	\$1.00	\$0.85	n/a	\$30.00	n/a
South Bend, Indiana	\$0.75	n/a	n/a	\$30.00	n/a
Vancouver, Washington	\$1.00	n/a	\$3.50	\$28.00	\$308 (annual)
Boise, Idaho	\$0.75	\$0.70	n/a	\$27.00	n/a
Bakersfield, California	\$0.75	\$0.75	\$1.75	\$25.00	n/a
Olympia, Washington	\$0.75	n/a	\$1.50	\$25.00	n/a
Charelston, South Carolina	\$1.00	\$0.80	\$3.00	\$22.00	\$28 (40 rides)
Salem, Oregon	\$0.75	\$0.68	n/a	\$20.00	n/a
Corpus Christi, Texas	\$0.50	\$0.50	n/a	\$20.00	n/a
Santa Barbara, California	\$1.00	\$1.00	n/a	\$0.00	n/a

Data collected through transit district Web site information.

LTD Pricing History

Year	Consumer Price Index		Adult Cash Price		Adult Token Price		Adult Pass Price	
	Yearly Increase	Cumulative Increase	Actual Price	Percent Change	Actual Price	Percent Change	Actual Price	Percent Change
1981-82	0.00	0.00	\$0.50	0.00	\$0.40	0.00	\$18.00	0.00
1982-83	-0.62%	-0.62%	\$0.55	10.00%	\$0.45	12.50%	\$20.00	11.11%
1983-84	2.97%	2.34%	\$0.55	0.00%	\$0.50	11.11%	\$20.00	0.00%
1984-85	3.59%	5.93%	\$0.55	0.00%	\$0.50	0.00%	\$20.00	0.00%
1985-86	3.53%	9.47%	\$0.60	9.09%	\$0.50	0.00%	\$20.00	0.00%
1986-87	0.32%	9.78%	\$0.60	0.00%	\$0.50	0.00%	\$20.00	0.00%
1987-88	2.52%	12.30%	\$0.65	8.33%	\$0.50	0.00%	\$20.00	0.00%
1988-89	3.69%	15.99%	\$0.65	0.00%	\$0.55	10.00%	\$20.00	0.00%
1989-90	3.61%	19.60%	\$0.65	0.00%	\$0.55	0.00%	\$21.00	5.00%
1990-91	4.58%	24.18%	\$0.65	0.00%	\$0.55	0.00%	\$21.00	0.00%
1991-92	6.26%	30.44%	\$0.75	15.38%	\$0.55	0.00%	\$21.00	0.00%
1992-93	4.58%	35.02%	\$0.75	0.00%	\$0.65	18.18%	\$22.00	4.76%
1993-94	3.42%	38.44%	\$0.75	0.00%	\$0.65	0.00%	\$23.00	4.55%
1994-95	2.88%	41.32%	\$0.80	6.67%	\$0.65	0.00%	\$23.00	0.00%
1995-96	3.24%	44.56%	\$0.80	0.00%	\$0.65	0.00%	\$24.00	4.35%
1996-97	3.09%	47.65%	\$0.80	0.00%	\$0.65	0.00%	\$26.00	8.33%
1997-98	1.72%	49.37%	\$1.00	25.00%	\$0.65	0.00%	\$26.00	0.00%
1998-99	1.89%	51.26%	\$1.00	0.00%	\$0.75	15.38%	\$26.00	0.00%
1999-2000	2.40%	53.66%	\$1.00	0.00%	\$0.75	0.00%	\$28.00	7.69%
2000-01	3.50%	57.16%	\$1.00	0.00%	\$0.85	13.33%	\$28.00	0.00%
2001-02	2.60%	59.76%	\$1.25	25.00%	\$0.85	0.00%	\$28.00	0.00%
2002-03	3.65%	63.41%	\$1.25	0.00%	\$1.00	17.65%	\$35.00	25.00%
Total % Change								
Since 1981-82 --->		63.4%	99.5%		98.2%		70.8%	
2003-04	3.00%	66.41%	\$1.25	0.00%	\$1.00	0.00%	\$35.00	0.00%
2004-05	3.00%	69.41%	\$1.35	8.00%	\$1.00	0.00%	\$35.00	0.00%
2005-06	3.00%	72.41%	\$1.35	0.00%	\$1.10	10.00%	\$35.00	0.00%
2006-07	3.00%	75.41%	\$1.35	0.00%	\$1.10	0.00%	\$40.00	14.29%
2007-08	3.00%	78.41%	\$1.50	11.11%	\$1.10	0.00%	\$40.00	0.00%
Projected % Change --->		78.41%	118.6%		108.16%		85.08%	

Lane Transit District

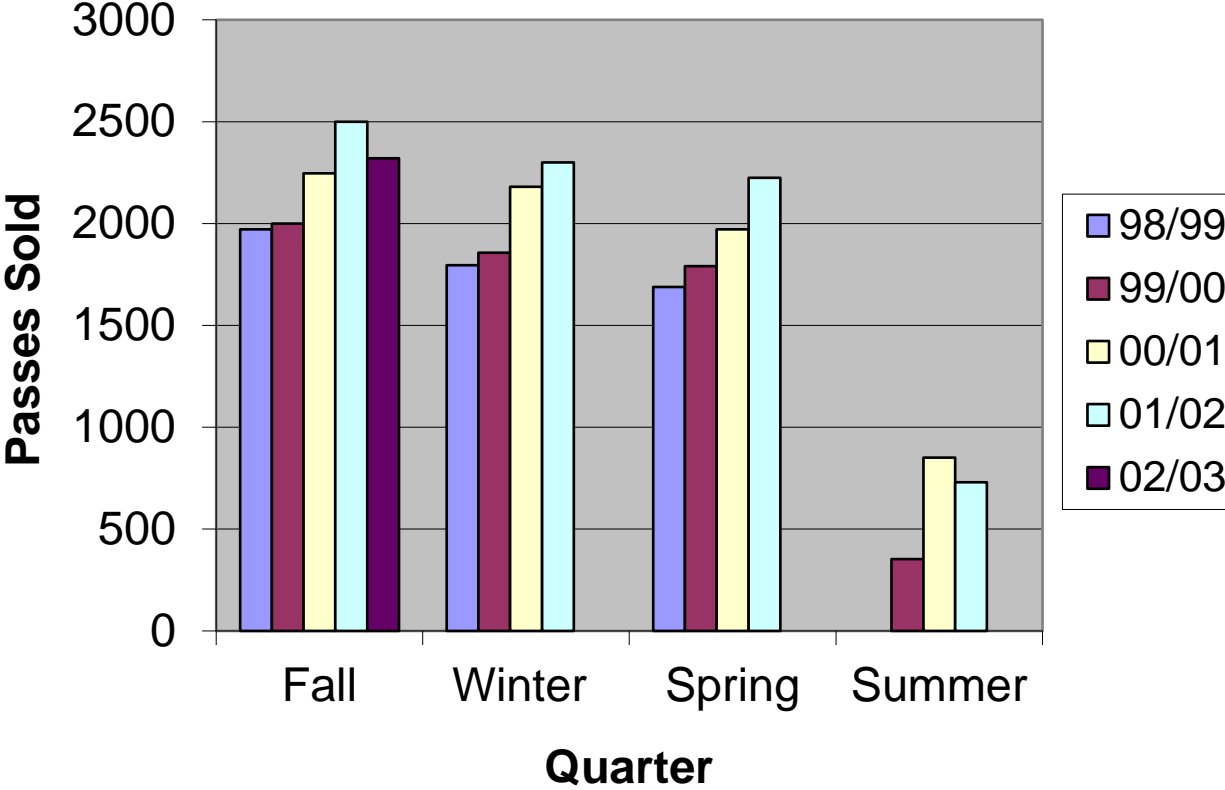
Direct Service Cost per Service Hour by Fiscal Year

For use as inflationary increase for group pass contracts.

Prepared from the Fully Allocated Cost Plan based on audited expenses for the fiscal year ending June 30, 2002

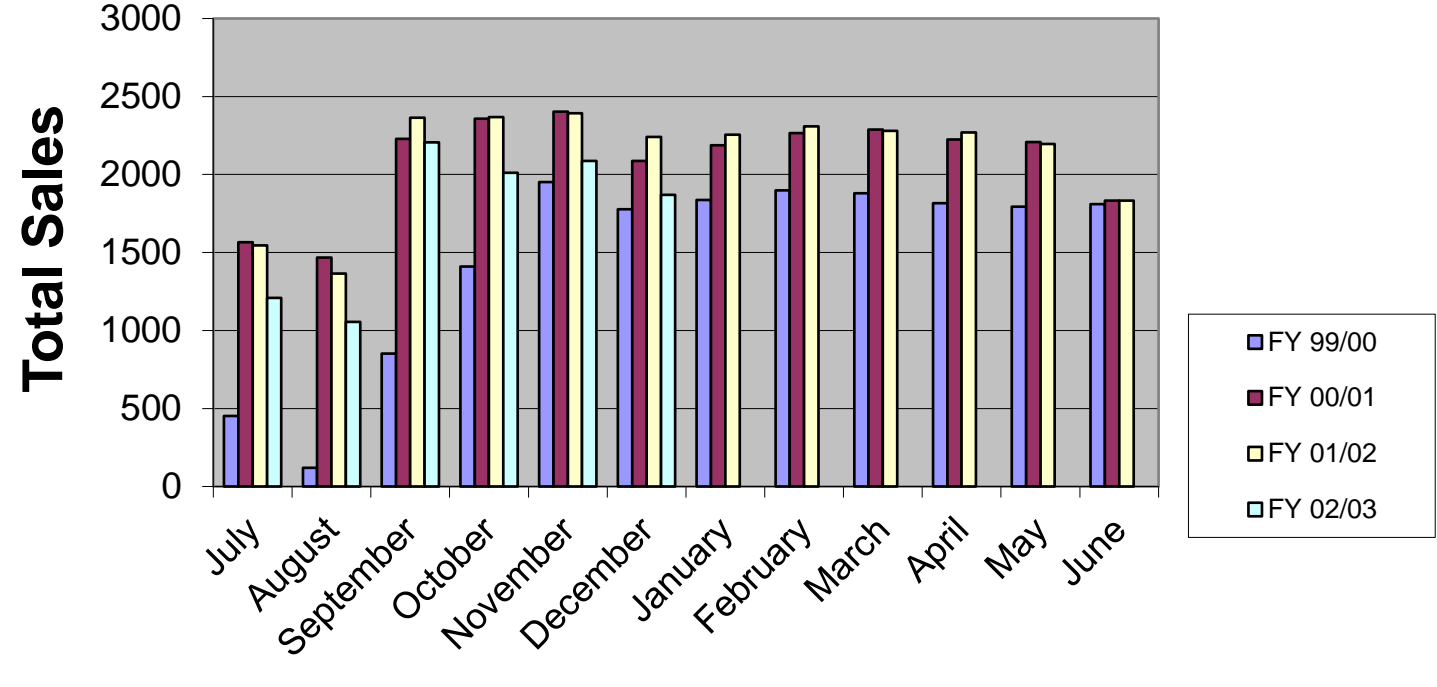
Direct Variable Costs						
Fiscal Year	Operator Cost per Service Hour	Percent Increase	Maintenace Cost per Service Hour	Percent Increase	Total Direct Service Cost	Percent Increase
FY 1994 - 1995	23.00		9.87		32.87	
FY 1995 - 1996	23.97	4.2%	10.10	2.3%	34.07	3.7%
FY 1996 - 1997	24.08	0.5%	10.89	7.8%	34.97	2.6%
FY 1997 - 1998	25.64	6.5%	10.09	-7.3%	35.73	2.2%
FY 1998 - 1999	26.63	3.9%	10.77	6.7%	37.40	4.7%
FY 1999 - 2000	27.58	3.6%	11.84	9.9%	39.42	5.4%
FY 2000 - 2001	30.84	11.8%	13.65	15.3%	44.49	12.9%
FY 2001 - 2002	31.97	3.7%	11.02	-19.2%	42.99	-3.4%
Three-Year Average FY 1997-1998, 1998-1999, 1999-2000						4.1%
Three-Year Average FY 1998-1999, 1999-2000, 2000-2001						7.6%
Three-Year Average FY 1999-2000, 2000-2001, 2001-2002						5.0%

LCC Term Bus Pass Sales





LTD Youth Pass Sales



Breeze Fare Analysis

Fall 2002

Date	CASH	TOKEN	Display DAY PASS	Purchase DAY PASS	UO PASS	GROUP PASS	LTD Monthly 3-Month Pass	OTHER	Total
10/22/2002	13	1	16	5	101	10	39	14	199
10/23/2002	13	0	19	1	62	11	20	1	127
10/24/2002	15	0	18	7	79	24	41	0	184
10/25/2002	13	0	16	0	60	9	14	0	112
Totals	54	1	69	13	302	54	114	15	622
Percentage	8.7%	0.2%	11.1%	2.1%	48.6%	8.7%	18.3%	2.4%	
	CASH	TOKEN	Display DAY PASS	Purchase DAY PASS	UO PASS	GROUP PASS	LTD Monthly 3-Month Pass	OTHER	

AGENDA ITEM SUMMARY

- DATE OF MEETING:** April 21, 2004
- ITEM TITLE:** LTD SALARIED EMPLOYEES' RETIREMENT PLAN INVESTMENT SMOOTHING METHOD
- PREPARED BY:** Mary Neidig, Director of Human Resources and Risk Management
- ACTION REQUESTED:** Approval of three-year smoothing methodology for purposes of valuing investments in LTD's Salaried Employees' Retirement Plan
- BACKGROUND:**
- Pension plans use various techniques to determine the value of the plan's investments. One duty of LTD is to look at the value the investments of the LTD Salaried Employees' Retirement Plan at a given time to determine whether the investments will cover members' retirement benefits. Employers take various actions depending upon the strength of the investment market. If the market is performing poorly, it may be necessary to increase the contributions into the plan in order to make sure the plan can cover members' retirement benefits.
- Employers use various techniques to manage this process. A standard approach is called "smoothing," which allows the plan to average the swings in investment performance over time to minimize the changes to the contribution rate needed to cover members' retirement benefits. Three years and five years are accepted smoothing periods.
- With the downturn in the market, the value of the LTD Salaried Employee Retirement Plan has dropped to the point where the contribution to the plan that LTD makes on the behalf of each covered employee must be increased. By implementing a three-year smoothing plan, the effect of the drop in market value can be spread over a longer period of time, thereby reducing the amount of the increase.
- Without smoothing, the size of the increase in contribution is 2.7 percent; i.e., from the current rate of the 11.6 percent to the recommended rate of 14.3 percent. By implementing three-year smoothing, the contribution rate would drop to 13.3 percent, thereby reducing the increase and budget expense to LTD by a full 1 percent.
- The LTD Leadership Council has reviewed these smoothing methods, and is recommending the Board approve the three-year methodology. This is

an accepted practice in the pension industry, and relatively low risk to the plan.

RESULTS OF RECOMMENDED ACTION:

For purposes of recommending to LTD a contribution rate to the LTD Salaried Employees' Retirement Plan, the actuary for the plan will value investments of the plan using a three-year smoothing method.

ATTACHMENT:

None

PROPOSED MOTION:

I move the following resolution: LTD Resolution No. 2004-013: It is hereby resolved that the LTD Board of Directors approves the recommendation to implement a three-year smoothing methodology for purposes of valuing investments in LTD's Salaried Employees' Retirement Plan.

AGENDA ITEM SUMMARY

DATE OF MEETING: April 21, 2004

ITEM TITLE: RIDE*SOURCE* FACILITY UPDATE

PREPARED BY: Lisa Gardner, Senior Strategic Planner

ACTION REQUESTED: None. Information only.

BACKGROUND: The Ride*Source* Facility project is proceeding on schedule. LTD completed acquisition of the 310 Garfield property on January 8, 2004. The property acquired includes an existing office building. LTD Facilities Manager Charlie Simmons and Purchasing Manager Jeanette Bailor are coordinating the development of a management strategy for the 310 Garfield tenant building. LTD has signed a contract for temporary property management services to oversee the rental management and building maintenance until an assessment of the property management issues can be completed.

The architecture firm of WBGS has completed building design and site master planning, including future plans to accommodate a potential fixed-route satellite maintenance facility. Design Development was completed in late January, and construction documents and final cost estimates were prepared in March. LTD submitted the permit application with the City of Eugene on March 9, and the construction bid opening was held on April 14, 2004. The general contractor firm of Essex General Construction, Inc., submitted the low bid of \$2,349,000. LTD has submitted a letter of Notice of Intent to Award to Essex, and will move forward with the contract preparation.

Time permitting, Senior Strategic Planner Lisa Gardner will provide a brief presentation of schematic design drawings and site plans at the April 21st Board meeting.

ATTACHMENT: None

MOTION: None