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LANE TRANSIT DISTRICT REGULAR BOARD MEETING

Wednesday, November 16, 2005
5:30 p.m.

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

A G E N D A

Page No.

I. CALL TO ORDER

II. ROLL CALL

Davis _____ Eyster _____ Gant _____ Gaydos _____

Kleger _____ Kortge _____ Ban _____

The following agenda items will begin at 5:30 p.m.

III. PRELIMINARY REMARKS BY BOARD PRESIDENT

IV. ANNOUNCEMENTS AND ADDITIONS TO AGENDA

04

V. BOARD CALENDARS (5 minutes)

05

VI. WORK SESSION

A. LTD Diversity Council Update (10 minutes)

B. Comprehensive Annual Financial Report (10 minutes)

C. Commuter Solutions Annual Report (15 minutes)

D. Smart Ways to School Update (15 minutes)

The following agenda items will begin at 6:30 p.m.

VII. EMPLOYEE OF THE MONTH – December 2005 (5 minutes)

VIII. AUDIENCE PARTICIPATION

◆ Each speaker is limited to three (3) minutes.

IX. ITEMS FOR ACTION AT THIS MEETING

- A. Consent Calendar (1 minute)
 - 1. Minutes of October 19, 2005, Regular Board Meeting (Page ___)
- B. Audit Report for Fiscal Year Ending June 30, 2005 (15 minutes)
 - 1. Independent Auditor's Report
 - 2. Board Acceptance of Audit Report
- C. Second Reading and Adoption—Ordinance No. 39, An Ordinance Imposing an Excise Tax on Employers and self-employed Individuals, Providing for Administration, Enforcement, and Collection of the Tax, and Terminating the Application of Tax under Ordinance 37 and Ordinance 38. (10 minutes)
- D. Cost of Living Adjustment for Salaried Employees Retirement Plan (5 minutes)
- E. Selection of Legal Counsel (5 minutes)

X. ITEMS FOR INFORMATION AT THIS MEETING

- A. Current Activities
- B. Items for Information/Current Activities
 - 1. Board Member Reports (respond if questions)
 - (a) Meetings Held or Attended
 - (1) Metropolitan Policy Committee – October 20
 - (2) Region 2050 Policy Advisory Board—October 26
 - (3) Salem-Keizer Transit EmX Tour—October 28
 - (4) Board Finance Committee—October 25;
November 8
 - (5) Board HR Committee—November 8
 - (b) No Meeting/No Report
 - (1) Board Service Planning & Marketing Committee
 - (2) BRT Steering Committee
 - 2. General Manager's Report (respond if questions)
 - 3. Monthly Financial Report—October 2005 (5 minutes)
 - 4. Correspondence (respond if questions)

- 5. News Articles About Transit Issues (respond if questions)
- C. Monthly Department Reports (respond if questions)
- D. Monthly Performance and Labor Trends Reports (respond if questions)
- XI. ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING
 - A. Annual Board Strategic Planning Work Session
 - B. Pioneer Parkway EIS/New Starts Schedule
 - C. LTD Branding Program
 - D. EmX Updates
- XII. ADDENDUM—Financial and Performance Reports
- XIII. 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).

Lane Transit District
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2005

EXECUTIVE SUMMARY

Prepared by Diane Hellekson,
Director of Finance and Information Technology
November 16, 2005

The *Comprehensive Annual Financial Report* for the most recently completed fiscal year was distributed to the Board of Directors with the packet materials for the November 16 LTD Board meeting. At the November 16 meeting, Charles Swank of the accounting firm Grove, Mueller and Swank will provide a positive report of LTD's financial position and controls. LTD has received an unqualified audit opinion, which is included in the report document.

There are several aspects of the financial performance that should be noted. Highlights include the following.

Operating Revenue

- **Fixed-route transportation revenue** was flat as compared to the previous fiscal year. Given the 4 percent service reduction implemented in the fall of 2004, the strike in March 2005, and the week of free service that followed the end of the strike, a reduction in fixed-route transportation revenue might have been expected making the flat result appear more positive.
- **Employer payroll tax revenue** increased 17.7 percent due to the resumption of payments that a large local taxpayer contested first in State Tax Court and then at the State Supreme Court, local economic recovery, and a continued boom in local construction. Receipts were \$1,830,876 above annual budget.
- **Self-employment tax revenue** increased 3.1 percent versus the previous year. Receipts exceeded annual budget by \$92,852, a slower rate of growth, but an encouraging result. History suggests that payroll tax growth and self-employment tax growth have a slightly inverse relationship. The weaker the economy, the more people become self-employed. As the economy grows stronger, some self-employed workers return to outside employment.
- **State-in-lieu revenue** increased 2.4 percent, about the same rate of growth that was reported a year ago. Revenue was below budget by \$4,915 due to cost controls in place at State agencies.

Total operating revenue increased 1.1 percent as compared with a 6.3 percent increase in the prior year. This result reflects the lack of fare revenue growth.

Operating Expense

- **Personnel services** increased 4.8 percent. Growth in this expense category was slowed by the implementation of new health insurance plans in January for administrative employees and in February (modified in April) for ATU-represented employees. A new ATU contract was finalized in March 2005.
- **Materials and services** increased by 21.2 percent due to the rapid and sustained increase in fuel costs.
- **Insurance** increased 17.9 percent.

Total operating expense (including accessible services) increased 11.5 percent. Total expense less depreciation increased 8.3 percent. Operating expenditures grew at a higher rate than operating revenues. However, total operating and non-operating revenues increased by 12.9 percent over the previous year, which more than covered the expense growth and contributed to the growth of net assets of 8 percent.

Farebox Recovery

Ratios were as follows for the last ten fiscal years:

1995-96	24 percent
1996-97	25 percent
1997-98	24 percent
1998-99	23 percent
1999-00	22 percent
2000-01	21 percent
2001-02	21 percent
2002-03	24 percent
2003-04	22 percent
2004-05	21 percent

The normal farebox recovery ratios for public transit agencies of comparable size to LTD are in the range of 20 to 30 percent.

System Productivity

System productivity, which is expressed as boardings per hour, was as follows for the last ten years:

1995-96	27.660
1996-97	27.654
1997-98	25.895
1998-99	26.104
1999-00	25.706
2000-01	27.008
2001-02	25.421
2002-03	26.627
2003-04	26.555
2004-05	28.644

Fiscal year 2004-05 system productivity was the highest of the last ten years and the second highest of the last twenty years due to a reduction in service hours as a result of service cuts and a one-week strike coupled with an increase in passenger boardings over the previous fiscal year.

Q:\Reference\Board Packet\2005\11\Regular Mtg\05 CAFR Summary.doc

AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

ITEM TITLE: WORK SESSION: PRESENTATION OF *COMPREHENSIVE ANNUAL FINANCIAL REPORT* FOR FY 2004-2005

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

ACTION REQUESTED: None

BACKGROUND: The *Comprehensive Annual Financial Report (CAFR)* for the fiscal year ending June 30, 2005, is included with the agenda packet as a separate document for Board members. This report includes audited statements and the opinions of the independent audit firm of Grove, Mueller and Swank, P.C. Charles Swank, representing LTD's auditors, will attend the December 15 meeting to discuss the audit results. An overview of Lane Transit District's financial position at June 30, 2005, will be presented by staff at the November 16 Board meeting.

Board acceptance of the independent audit report for the fiscal year ending June 30, 2005, is scheduled during the Items for Action portion of this meeting.

ATTACHMENTS:

1. Comprehensive Annual Financial Report Executive Summary
2. *Comprehensive Annual Financial Report for the Year Ended June 30, 2005* (included separately for Board members)

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

2

DATE OF MEETING: November 16, 2005

ITEM TITLE: OCTOBER FINANCIAL STATEMENTS

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

ACTION REQUESTED: None

BACKGROUND: Financial results for the first four months of the FY 2005-06 fiscal year are summarized in the attached reports.

Passenger fares were 4.1 percent higher for the first four months of the new fiscal year over the same period last year. Ridership for the rolling twelve-month period, which ended October 31, increased 1.3 percent, despite the effect of the strike in March. Without the strike effect, ridership growth would have been higher. Last year at this time, the trend was down. October posted the highest number of passenger boardings in Lane Transit District history. Ridership growth appears to be a combination of the effect of the new middle and high school pass program and reaction to high fuel costs.

Payroll tax revenues are up 12.7 percent versus last year due to the steady economic recovery of Lane County, and also the large construction payrolls associated with the major projects in the Eugene-Springfield area. There is still a disparity in year-to-year comparison that is the result of the payroll tax court case, as well. Staff have requested verification from the Oregon Department of Revenue that October distributions were accurate. Last month, staff correctly guessed that a large, unexpected payment did not belong to LTD.

Self-employment receipts coincide with State tax payment deadlines, none of which occurred in October. However, revenue was received in October for prior-year amounts owed. Tax payments are reported on a cash basis in monthly reports to simplify the information. For audit purposes, the amounts are accrued back to the previous year.

Interest rates have improved in the last year and continue to inch upward. Returns, therefore, have also improved.

Total personnel services expenditures, the largest category of operating expense, show modest growth over the previous year. There are two reasons: health insurance expenses have declined with the new plans for administrative and ATU-represented employees; and the most appropriate accounting treatment for the new ATU VEBA plan was not determined until after the 2005-06 budget was adopted. The budget assumed that the cost of the front-end benefit would be shared between the two 6-month periods, one in each fiscal year. Instead, a more conservative accounting approach, approved by the independent auditors, was employed and the entire VEBA amount was expensed to FY 2005-06. The year-to-year comparisons will be more consistent when the next year of VEBA benefits will be expensed in January 2006.

Materials and services results continue to vary widely from department to department. Total materials and services are significantly higher for the first four months of this year as compared to last, but overall spending is within budget for the year to date indicating that the timing of expenses is different in the current fiscal year. One contributor to increased spending is Springfield Station, which opened in September of last year. There were no security expenses in the first quarter of last year compared to four months of expenditures in this fiscal year.

Transfers to both Accessible Services and Capital are up, in accordance with the FY 2005-06 plan. The annual transfer of \$5,000 to the Commuter Solutions Fund has been made in full.

Fuel prices are still volatile, and a new high of \$2.6633 per gallon was reached on October 13. However, by November 1, the price had fallen to \$2.0135 per gallon. The current-year budget assumed a rate of \$2.10 per gallon. The four-month average is \$2.3011. If fuel prices remain below the budgeted average, it could be possible to finish the current fiscal year on budget for fuel. This expenditure is monitored closely.

With the exception of continued fuel cost concerns, the General Fund is stable through October.

The Commuter Solutions and Accessible Services Funds' activities are generally as expected through the first four months of the current fiscal year. The Accessible Services Fund shows a temporary negative ending balance due to a delay in state quarterly disbursements. Such disbursements have historically been reported on a cash basis. All expected funds will be posted by fiscal year end.

Capital Projects Fund activity showed continued Franklin EmX corridor construction. Expenses were also incurred in support of future corridor development. The largest monthly capital outlay was for the completion of the contract for the AVL/APC project.

ATTACHMENTS:

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

1. Operating Financial Report - comparison to prior year
2. Comparative Balance Sheets
 - a. General Fund
 - b. Commuter Solutions Fund
 - c. Accessible Services Fund
 - d. Capital Projects Fund
3. Income Statements
 - a. General Fund
 - b. Commuter Solutions Fund
 - c. Accessible Services Fund
 - d. Capital Projects Fund

PROPOSED MOTION:

None

AGENDA ITEM SUMMARY

2

DATE OF MEETING: November 16, 2005

ITEM TITLE: SEPTEMBER FINANCIAL STATEMENTS

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

ACTION REQUESTED: None

BACKGROUND: The monthly financial report appears as an addendum to the agenda packet. This report will be delivered with the packet, but as a separate document.

ATTACHMENTS: None

PROPOSED MOTION: None

ADDENDUM TO
OCTOBER 19, 2005,
BOARD MEETING AGENDA PACKET

1. October 2005 *Eugene/Springfield Metro Labor Trends*
2. August 2005 RideSource Performance Reports (to be handed out at the meeting)
3. September 2005 Financial Statements (to be handed out at the meeting)
4. September 2005 Performance Reports (to be handed out at the meeting)

AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

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: November 16, 2005

ITEM TITLE: AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2005

PREPARED BY: Diane Hellekson, Finance & Information Technology Director

ACTION REQUESTED: None

BACKGROUND: At the conclusion of each fiscal year, an independent audit of Lane Transit District's financial statements and internal controls is performed. The results of the independent audit are incorporated into the District's *Comprehensive Annual Financial Report* (CAFR). The completed FY 2004-2005 CAFR is enclosed for Board members with the November 16 meeting agenda packet.

Charles Swank of Grove, Mueller and Swank, P. C., will attend the November Board meeting work session to make a presentation and answer any questions Board members may have about the audit process or results. There is no formal management letter this year.

ATTACHMENT: Sarbanes-Oxley Disclosure
(The audit report and audited statements are wholly contained in the *Comprehensive Annual Financial Report*.)

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

- DATE OF MEETING:** November 16, 2005
- ITEM TITLE:** ACCEPTANCE OF AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2005
- PREPARED BY:** Diane Hellekson, Finance & Information Technology Director
- ACTION REQUESTED:** That the Board accept the independent audit report for the fiscal year ending June 30, 2005
- BACKGROUND:** At the conclusion of each fiscal year, an independent audit of Lane Transit District's financial statements and internal controls is performed. The results of the independent audit are incorporated into the District's Comprehensive Annual Financial Report (CAFR). The completed FY 2004-2005 CAFR is enclosed for Board members with the November 16 meeting agenda packet.
- Staff have submitted the previous nine CAFRs to the Government Finance Officers Association of the United States and Canada (GFOA) for consideration of the award for excellence in financial reporting. The award was granted to LTD for all nine reports. After Board acceptance, staff will submit the FY 2004-2005 CAFR to GFOA in an attempt to continue a tradition of reporting excellence as evidenced by the financial reporting award. Special recognition should be given to Carol James, accounting manager, for her work on the current CAFR.
- Charles Swank of Grove, Mueller and Swank, P. C., will attend the December Board meeting to make a presentation and answer any questions Board members may have about the audit process or results. There is no formal management letter this year.
- ATTACHMENT:** None. (The audit report and audited statements are wholly contained in the Comprehensive Annual Financial Report.)
- PROPOSED MOTION:** I move the following resolution:
- LTD Resolution No. 2005-030: Resolved, that the LTD Board of Directors accepts the Independent Audit Report for the fiscal year ending June 30, 2005.

AGENDA ITEM SUMMARY

DATE OF MEETING: October 19, 2005

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

Board members can take this opportunity to report briefly on any one-on-one meetings they have held with local officials or other meetings they have attended on behalf of LTD.

1. **Metropolitan Policy Committee:** MPC meetings generally are held on the second Thursday of each month. Board members Gerry Gaydos and Susan Ban are LTD's MPC representatives, with Dave Kleger as an alternate. Ms. Ban attended the MPC meeting held on October 20, 2005. The meeting included a presentation on Connect Oregon; discussion of STP-U fund expectations; and a status report on the Franklin I-5 proposed interchange. The next meeting is scheduled for November 10, 2005. The agenda for that meeting will include a discussion of the Citizen Advisory Committee bylaws, FY 08-11 STIP Modernization Priorities and draft program levels, adoption of the FY 06-09 MTIP Update and Air Quality conformity determination, which will likely include discussion about the West Eugene Parkway project.
2. **Region 2050 Policy Advisory Board:** Susan Ban is the Board's representative on the Region 2050 Policy Advisory Board (Policy Board), with Mike Eyster as an alternate. The Policy Board met on

October 26, 2005. The agenda for that meeting included a report on the Transportation analysis, including impact on transit for the three growth scenarios. The Policy Board also discussed strategies for a decision making framework. This issue is of particular importance to each jurisdiction, as it will determine if the region can agree on a program to coordinate growth strategies. Lane Shetterly, Director of the Oregon Department of Land Conservation and Development Department will attend the Policy Board meeting November 16 to answer questions and discuss the decision making options.

3. **Salem-Keizer Transit EmX Tour:** Dean Kortge attended a portion of a visit and tour by a group of approximately 20 people from the Salem area. The group included staff and board members from the Salem Transit District, City of Salem staff, and staff from the Salem MPO. The purpose of the visit was to learn about LTD's EmX system and to tour the Franklin EmX corridor and the Pioneer Parkway EmX corridor.
4. **Board Finance Committee:** Committee members David Gant and Dean Kortge (Debbie Davis absent) met on October 25 to review and discuss fare policy, and receive the September 30 quarterly investment report. Dean Kortge was elected Chair of this committee. The committee reviewed the current fare policy and pricing plan. Staff provided data on fares charged by transit systems of similar size and discussed LTD fare prices in relation to these systems. The committee provided comments and asked staff to return with additional data for further discussion.

The committee, with Dean Kortge, David Gant and Debbie Davis present, met again on November 8 to consider Capital Improvement Program projects and funding, Long-Range Financial Plan assumptions, fare policy, and the proposed pricing plan. The full Board will vote on the revised pricing plan at a future meeting.

5. **Board HR Committee:** The Board HR Committee (Susan Ban, Mike Eyster, and Chair Gerry Gaydos) last met on November 8, to discuss the general manager's performance evaluation and the hiring of the Board's attorney services.

NO MEETING/NO REPORT

1. **Board Service Planning & Marketing Committee:** The Board's new Service Planning & Marketing Committee (Mike Eyster, David Gant, and Dave Kleger) will hold their initial meeting on November 17, 2005. The agenda for that meeting includes discussion of various service issues and marketing programs.

2. **BRT Steering Committee**: Board President Gerry Gaydos and Board members Dean Kortge and Debbie Davis are members of LTD's BRT Steering Committee, along with members of local units of government and community representatives. The Committee meets quarterly. The Steering Committee last met on September 6, 2005. At that meeting, the Committee reviewed progress on the Pioneer Parkway Corridor and the Progressive Corridor Enhancement project, and toured the construction of the Franklin EmX corridor. The next meeting is scheduled for December 6, 2005.

PROPOSED MOTION: None

DRAFT AGENDA
LTD BOARD STRATEGIC PLANNING SESSION

DECEMBER 9/10, 2005
Lane Community College

1. Introductions: Discuss agenda, determine goals for exercise
2. Review of LTD FY 2006-07 Strategic Goals and Objectives as proposed by the Leadership Council.
 - a. Review of five primary goals with specific FY 06-07 Objectives
 - i. Address current service needs for timely passenger transfers, on time performance, overloads, and driver break time.
 - ii. Address current fleet maintenance needs through scheduled revenues vehicle replacement and on-going preventative maintenance
 - iii. Address work place environment needs and working relationship with the union
 - iv. Address facility maintenance needs for timely equipment and facility maintenance.
 - v. Other issues requiring more immediate attention
 1. Pension plan funding/benefits
 2. Collaborative interest based bargaining
 3. LTD community outreach, marketing, media issues
 4. EmX Franklin Implementation and Pioneer Parkway development
 5. Content and funding of the Capital Improvmt. Pgm.
 6. Redesign of fixed route system
 7. Facility improvements for system and operator efficiency
 8. Website maintenance and development
 9. Real time passenger information
3. Other issues raised by the Board
 - a. LTD/Board role with regard to lobbying.
 - b. Discussion of Board legislative, administrative, and quasi-judicial powers
 - c. Board role in community committees and activities representing LTD.

AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

ITEM TITLE: CORRESPONDENCE

PREPARED BY: Ken Hamm, General Manager

ACTION REQUESTED: None

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

1. October 20, 2005, letter from Gina Plantz to LTD Board regarding Cottage Grove Service on Sundays
2. October 24, 2005, letter to Mayor Kitty Piercy and local area governments from Larry Reed of JRH, regarding the West Eugene Parkway

At the November 16 meeting, staff can respond to any questions the Board members may have about this correspondence.

PROPOSED MOTION: None

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

Wednesday, October 19, 2005

Pursuant to notice given to *The Register-Guard* for publication on October 13, 2005, 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, October 19, 2005, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Gerry Gaydos, President, presiding
Susan Ban, Vice President
Mike Eyster
David Gant, Secretary
Dave Kleger, Treasurer
Ken Hamm, General Manager
Jo Sullivan, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: Debbie Davis
Dean Kortge

CALL TO ORDER – Mr. Gaydos called the meeting to order.

ROLL CALL – General Manager Ken Hamm called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT – There were no remarks.

ANNOUNCEMENTS AND ADDITIONS TO AGENDA – Ms. Ban noted that the order of the two work session items would be reversed.

BOARD CALENDARS – Mr. Hamm noted that the Board's December meeting would fall on the 21st and asked if members would prefer to move the meeting date forward to December 14. Mr. Eyster said his concern was to find a night that did not conflict with the union meeting. Mr. Hamm replied that the union meeting was scheduled for December 14. Mr. Gaydos determined it was the consensus of the Board to leave its December meeting on December 21.

Mr. Hamm reported that there had been requests for tours of the portion of the Franklin corridor constructed to date and staff thought it would be advantageous to have members of the Board join the various tour groups. Board members agreed to participate in the tours.

Mr. Hamm said that staff would inform Board members when dates had been established for the tours. He also announced that LTD would be participating in the Chamber of Commerce Business-to-Business Expo.

Ms. Ban suggested that LTD's booth have information available regarding how to apply for vacancies on the Board.

WORK SESSION

Organizational Assessment – Dennis Westlind, Tonkon Torp LLP, was connected to the meeting telephonically. He explained he had conducted a neutral outsider's evaluation of management/employee relations at LTD at the direction of the Board's Human Resources Committee for the purpose of reporting back to the Board and providing insight on how improvements could be made and in what areas. He described the process he used to meet with union, management, supervisory, and non-represented administrative employees and noted that union employees were randomly selected at the request of the union. He said that a majority of interviews were conducted in person at a location away from LTD, and the remainder were conducted at LTD offices. The results of those interviews were distilled into the synopsis contained in his memorandum of October 13, 2005, to the Board.

Mr. Kleger asked about the balance between complimentary and critical employee feedback. Mr. Westlind said the nature of feedback depended on the group of employees, with a clear difference between management and non-management employees. He said his memorandum reflected only non-management employee responses in accordance with the charge to look at employee/management relations. He said that feedback was primarily critical and although he solicited some positive remarks during the interviews, employees mostly wanted to discuss critical issues. He said there was a clear line of demarcation between represented and non-represented employees, with non-represented employees being significantly less critical of relations at LTD, although they did raise critical aspects of their employment.

In response to a question from Mr. Gant, Mr. Westlind said he did not use a written set of questions but had a checklist of specific areas he wanted to cover with each employee he interviewed. He allowed employees to initiate the discussions and set the tone.

Mr. Eyster asked if employee responses were affected by or in reaction to the recent strike. Mr. Westlind replied that he asked questions designed to elicit feelings before the strike and found that most employees who expressed negative feelings agreed that the strike exacerbated their sense that relations at LTD were declining but they had experienced discontent prior to the strike.

Mr. Kleger asked if the effects of the recession on the District had affected employees' feelings. Mr. Westlind said there appeared to be a relationship and several employees understood that LTD had to operate within budget constraints but felt the money that was spent was incorrectly prioritized and did not understand the need for capital spending.

Mr. Gaydos asked if there had been feedback on the Board's performance. Mr. Westlind indicated there was a sense that the Board was not actively supervising management; employees saw the Board as absent but would welcome more Board involvement. He said employees suggested more opportunities to connect with the Board, such as social functions and scheduled meetings.

Ms. Ban asked if the employees could be characterized in terms of their loyalty and commitment to LTD and any reservoirs of good will that could be tapped in the future. Mr. Westlind replied there was a clear trend that employees with the most tenure at LTD had the most strongly felt concerns and were most disappointed in the current direction of employee/management relations. He said that those same employees also expressed a great deal of loyalty to the organization; their jobs were the best they ever had; and they wanted to find ways to improve relations with management.

Mr. Gaydos asked if the evaluation had been fair or if more interviews were necessary to provide a better picture. Mr. Westlind said he felt the process had been fair and balanced between management and non-management employees and the methodology had achieved a good cross-section of employees. He did not feel that more interviews were necessary, but if an employee wanted to be heard, that opportunity could be provided.

Mr. Eyster, referring to the requests for more opportunities to interact with the Board, said it was difficult to reconcile that with the fact that recent opportunities to speak with Board members were well advertised but poorly attended and the annual picnic in which the Board participated was attended by more retirees than current employees. Mr. Westlind said that the union had insisted on anonymous interviews with its members because of concern about retaliation against employees who spoke out, although he did not know if that concern was based on actual experiences.

Mr. Hamm asked if there were themes that emerged in interviews with supervisory and management employees. Mr. Westlind said that responses were varied and mixed; some reinforced what other employees had said and some did not.

Mr. Kleger asked if any of the problems had been caused by poor experiences with a former Human Resource director. Mr. Westlind indicated that was not a major issue for most of the employees he interviewed.

Draft HR Strategic Plan, *Looking to the Future* – Director of Human Resources and Risk Management Mary Neidig presented an updated draft plan that included employee feedback from the meetings conducted by Mr. Eyster and Ms. Ban as well as indications where actions had been taken or initiated.

Mr. Eyster mentioned that much of what employees discussed during his meeting was not related to the plan.

Ms. Ban agreed that most employees did not directly comment on the plan in her meeting. She said that accountability at every level in the organization was an issue and employees wanted to know what standards the District would use to measure accountability and for compensation throughout all levels of the organization. She was pleased to see the number of actions that had already occurred. She remarked that bus operators were LTD's face in the community, and the District should think about how to make better use of that, giving the example of an operator who wanted to participate on a local transportation planning committee but was discouraged from doing so by his supervisor. She understood there was a cost involved but said the District should give some thought to how it used people throughout the organization as effective advocates for LTD's objectives. She said there were some comments that the plan was too vague and lacked specificity, accountability, and process. She said employees seemed to have cautious

enthusiasm paired with skepticism about the plan and it would be important to monitor and report on progress.

Mr. Eyster said those employees with whom he met had concerns but appreciated the spirit of the plan and hoped to move back toward a feeling of family in the organization.

Ms. Neidig pointed out that lack of specificity in areas such as compensation standards was intended to avoid conflict with bargaining issues.

Mr. Eyster asked if the union was still opposed to public meetings that would allow more than one Board member to attend. Ms. Neidig said that initially there was a strong opposition to that from the union but she had raised the issue again with local Executive Board Officer Carol Allred and asked her to think about it and discuss it with employees.

Mr. Gaydos said the Board would continue to reach out to employees and try to build trust.

Mr. Kleger asked if there was any actual evidence of retaliation against employees who spoke out on issues. Ms. Ban said that it appeared to be based more on employee perception.

Mr. Gant asked that the Board be provided with guidelines about the format if a public meeting was held.

EMPLOYEE OF THE MONTH – Marketing and Communications Director Andy Vobora introduced November 2005 Employee of the Month, Graphic Designer Shawn Bird. He described Mr. Bird's experience in graphic design and how his skills had benefited LTD.

Mr. Gaydos presented Mr. Bird with his awards and thanked him for his service.

Mr. Bird expressed his appreciation for his co-workers at LTD and the positive feedback from Mr. Vobora. He was pleased that LTD was bringing more of its graphic design in-house.

AUDIENCE PARTICIPATION – There was no one wishing to speak.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar** – Mr. Kleger moved adoption of LTD Board Resolution No. 2005-027: "It is hereby resolved that the Consent Calendar for October 19, 2005, is approved as presented." Mr. Gant provided the second. The Consent Calendar consisted of the minutes of the September 12, 2005, special Board meeting and the September 21, 2005, regular Board meeting, and Accessible Transportation Committee membership appointments.

VOTE The Consent Calendar was approved as follows:
AYES: Ban, Eyster, Gant, Gaydos, Kleger (5)
NAYS: None
ABSENTIONS: None
EXCUSED: Davis, Kortge

Second Reading and Adoption – First Amended Ordinance No. 33, An Ordinance Adopting Procedures Relating to Route, Schedule, and Fare Changes – Mr. Vobora explained that the

ordinance was intended to resolve an issue raised during the Federal Transit Administration audit and codify Oregon Revised Statutes (ORS) requirements. He said the ordinance would only codify current practices, not change them.

In response to a question from Mr. Gaydos, Mr. Vobora said that LTD did not maintain an interested parties list but did provide feedback to anyone who requested it on specific issues.

MOTION Mr. Kleger moved that the First Amended Ordinance No. 33 be read by title only. Mr. Gant provided the second.

VOTE The motion was approved as follows:
AYES: Ban, Eyster, Gant, Gaydos, Kleger (5)
NAYS: None
ABSENTIONS: None
EXCUSED: Davis, Kortge

Mr. Kleger read the ordinance title: "First Amended Ordinance No. 33, An Ordinance Adopting Procedures Relating to Route, Schedule, and Fare Changes."

MOTION Mr. Kleger moved approval of LTD Resolution 2005-028: Resolved, that Lane Transit District First Amended Ordinance No. 33, An Ordinance Adopting Procedures Relating to Route, Schedule, and Fare Changes, is adopted as presented on October 19, 2005. Ms. Ban provided the second.

VOTE The motion was approved as follows:
AYES: Ban, Eyster, Gant, Gaydos, Kleger (5)
NAYS: None
ABSENTIONS: None
EXCUSED: Davis, Kortge

First Reading – Ordinance No. 39, An Ordinance Imposing an Excise Tax on Employers and Self-employed Individuals, Providing for Administration, Enforcement, and Collection of the Tax, and Terminating the Application of Tax under Ordinance 37 and Ordinance 38 – Assistant General Manager Mark Pangborn reviewed the revised ordinance and explained that it was consistent with authorization provided to LTD and Tri-Met during the 2003 session of the Oregon State Legislature. He said that Tri-Met had implemented a rate increase in January 2005 and LTD's ordinance would implement a rate increase in January 2007, with the final rate reached in 2013.

Mr. Gant asked if the Board could make changes prior to the implementation date if the ordinance passed. Mr. Pangborn replied that the ordinance could be amended at any time but the Oregon Department of Revenue would have to be notified 60 days in advance.

MOTION Ms. Ban moved that the Ordinance No. 39 be read by title only. Mr. Kleger provided the second.

Mr. Gant asked Board members why they felt the tax increase was justified.

Mr. Kleger said that the costs of goods and services, particularly fuel, were rising and there were no simple solutions to increasing costs other than cutting service or finding more revenue. He

felt the benefit of the Board's action would not equal the increasing costs of supplies and services necessary to keep the system running but would reduce the magnitude of the District's financial problems. He said that the requirements of State law for increasing the rate had been met, and the District could not afford to do anything else.

Ms. Ban listed four reasons for supporting the rate increase:

- The economy was on a slow but steady rebound
- The District was facing a potentially expanding regional base for transit and long-range development in terms of new areas of service would not pay for itself initially
- Reinstating employee incentives and training under the new human resource plan would require additional revenue
- Raising additional revenue through small incremental increases in the payroll tax was preferable to large fare increases

Mr. Gaydos said that the transit system was an important part of the community and gave the gift of mobility to many people. He said the community was growing quickly, and development such as that in the Gateway area was dependent on transit, as were the University of Oregon and Lane Community College. He said the payroll tax was the system the State had established for subsidizing transit and while it was not ideal, it was the system that had to be used. He urged the Board to continue to look for opportunities to decrease the rate when possible. He noted that the rate increase had been discussed extensively with the community, and the Board had an obligation to assure that the District could continue to provide the necessary level of service.

Mr. Eyster concurred with the reasons given by previous speakers and indicated he would support the rate increase.

Mr. Gant respectfully disagreed with the other Board members. He said that his no vote was based on his disagreement with the legislature's approach to transit funding, which shifted the political responsibility for a tax increase to transit districts. He said that legislators were elected and should take the political heat for tax increases. He said his other concern was that a tax increase that directed more available tax revenue to transit was a zero sum game; there were only so many taxes that could be raised in an economy, and in the United States the maximum was taken out. He said in order to vote yes, he would have to be able to say that transit in the community was under-funded in relation to all of the other things that had to be funded, and he could not do that. He felt that transit was adequately funded, and the District did a great job. He worried about the possibility of a taxpayer revolt and felt the political damage done by the tax increase was not worth the money because of the public's ambiguity about transit.

Mr. Gaydos acknowledged that as an employer he saw the payroll tax payment going out each month, but he believed that transit was essential to the community and an important component of how the community lived.

VOTE

The motion was approved as follows:

AYES: Ban, Eyster, Gant, Gaydos, Kleger (5)

NAYS: None

ABSENCES: None

EXCUSED: Davis, Kortge

Mr. Kleger read the ordinance title: "Ordinance No. 39, An Ordinance Imposing an Excise Tax on Employers and Self-employed Persons; Amending Ordinance 37, Section 1.03; and Amending Ordinance 38, Section 1.10."

ITEMS FOR INFORMATION AT THIS MEETING

Board Member Reports

Mr. Kleger related a recent experience at the Springfield Station. He noted that there had been a negative reaction to inclusion of a Park & Ride facility and stated that when he observed it the day before, every space in the Park & Ride lot was full. He also reported that during late afternoon rides on the Barger route, it was standing room only on the outer end of the route as a result of the school bus pass program. He had never before experienced such a massive increase in ridership.

Pension Plan Review – Ms. Neidig referred Board members to a matrix in the agenda packet that set forth the features of pension plans at LTD, as well as the deferred compensation program. Ms. Neidig reviewed the features of each of the following plans: represented employees' defined benefit plan and salaried employees' defined benefit and defined contribution plans. She said that the pension plan for represented employees was a bargainable benefit as part of the labor contract and the deferred compensation plan was available to all LTD employees. She said that each plan had a board of trustees that directed the funds, which were managed by a fund manager. She said that two of the pension plans were managed by Columbia Trust (with the exception of the administrative employee defined contribution plan component), and the two deferred compensation plans service providers were managed by AIG-VALIC and Hartford. The administrative employee defined contribution plan component is provided by AIG-VALIC and managed by employees.

Mr. Eyster asked what the rate of return was. Mr. Pangborn replied that during the early 1990s return rates were about 15 percent but fell sharply with the market and were slowly beginning to recover. Director of Finance & Information Technology Diane Hellekson said the current rate was in the 4 to 5 percent range.

Mr. Gant noted that the trust document stated a rate of 8 percent per year. Mr. Pangborn said the assumption was 8 percent over a rolling 20-year period to meet fund obligations.

Ms. Neidig pointed out the differences between the represented and salaried employees' plans. Ms. Hellekson said that the defined contribution plan component was created in response to employee interest in PERS and was funded from benefit cuts to other benefits at no net cost to LTD.

Ms. Neidig said that all employees were eligible for the voluntary deferred compensation plan and many employees participated.

Mr. Gant noted that the defined benefit plans included "cliff" vesting. He said that was regarded by the federal government as punitive if pushed too far into the future and asked if there were limits placed on that type of vesting. Trust attorney Everett Moreland replied that Congress had

established guidelines for private plans but there was no regulation of vesting rules for government plans, although he had seen no abuse of the practice with public employers.

Mr. Gant said he regarded "cliff" vesting as predatory and unfair because it allowed an employer to keep funds if an employee was not able to remain through the end of the vesting period and he preferred a plan that did not have that feature.

Mr. Kleger asked if the costs of eliminating "cliff" vesting in LTD retirement plans could be estimated. Ms. Hellekson commented that there was no "cliff" vesting until July 1999. She said the change to "cliff" vesting was made to control rapidly expanding pension costs and to correct the problem of employees who left early and took their entire balance. She said that prior to that time, vesting was proportionate, with 20 percent vesting in each year up to five years, at which time the employee was fully vested.

Mr. Eyster asked if there was an industry standard for vesting. Trust attorney Everett Moreland replied that five-year "cliff" vesting was the standard for local governments.

Mr. Kleger asked if there was any significant turnover for non-disciplinary reasons of employees of less than five years. Ms. Neidig replied that about 80 percent of LTD's terminations were retirement and the remaining 20 percent included people who moved out of state and other reasons. She noted that LTD had few employees who were under five years of service, although that would change as employees retired and new employees were hired.

Mr. Pangborn stated that there were two issues with the pension plans: unfunded liability and other additional costs such as cost of living allowance (COLA) and retiree medical benefits. He used a chart to illustrate unfunded liabilities for both the union and salaried employee pension plans. He said that the plans underwent an actuarial assessment every two years and listed the funded ratios for the last three assessments for each plan:

<u>ATU Pension Trust</u>		<u>Salaried Employees' Retirement Plan</u>	
Year	Ratio	Year	Ratio
2000	92.7	1999	109.5
2002	76.3	2001	91.6
2004	59.5	2003	81.9

Mr. Pangborn said that the 2004 ratio for the salaried employees' plan would be available the next day and he expected it would be somewhere in the 70 percent range. He explained that the ratio was viewed within a 20-year timeframe to determine what contributions were necessary to meet obligations. He said that in terms of cash flow, LTD had adequate cash to meet current obligations.

Mr. Eyster asked if there was an industry standard for funded ratios. Mr. Moreland replied that the goal was 100 percent funding, but most plans were under-funded because of the stock market.

Mr. Gant remarked that many private sector companies were moving from defined benefit to defined contribution plans and now government was considering a similar change because of an irreducible amount of risk. Mr. Moreland said that governmental entities had generally stayed with defined benefit plans.

Mr. Gant asked if the recent problems with PERS had caused alarm among employees and employers about the risks of defined benefits plans. Mr. Moreland replied that it was his sense that employees strongly preferred defined benefit plans because most of the risk was shifted to employers. Ms. Neidig added that she had recently attended a training session with representatives of many large pension trusts, including union trusts, and there was a clear understanding among attendees that there was an issue with funding but a strong feeling that defined benefit was an employee's right. She said that many plans now took a tiered approach for new employees that helped deal with the problem of unfunded liability.

Mr. Pangborn stated that there had been no COLA adjustments to the two plans since 2000 and explained the differences in how COLA adjustments were made to each plan. He said that a COLA would increase the unfunded liabilities. He indicated that the union was requesting a COLA and at some point LTD would need to decide if the plans would include a provision of a COLA on an annual or biannual basis, but there was a cost associated with that. He said that an evaluation of building in an annual two percent COLA increase into the salaried employees' plan determined that a four-percent increase in contribution would be necessary.

Mr. Pangborn said that other issues relating to the plans were retention of Columbia Trust as the fund manager and whether the current designation of trustees should be reconsidered.

EmX Vehicle Presentation – Mr. Vobora and Sue Viggiano, EmX public relations, used conceptual drawings to illustrate options for interior and exterior design of EmX vehicles. They demonstrated a variety of colors and materials and asked Board members to indicate their preferences.

Referring to the pattern of upholstery materials, Mr. Kleger suggested that Accessible Services Manager Terry Parker be consulted to assure that the selected pattern did not cause visual disorientation for some riders who might have seizure disorders.

Mr. Eyster asked if the five-door bus produced by North American Bus Industries (NABI) would be available for inspection in Eugene the following month. Mr. Hamm said that the viewing of the NABI bus had been canceled to avoid any confusion with New Flyer, which would be producing the EmX buses, about LTD's commitment to purchasing New Flyer vehicles. He said the New Flyer contract was on schedule.

General Manager's Report – Mr. Hamm presented to the Board an award to LTD from the Oregon Department of Transportation that commended LTD in a number of areas, including accessibility, bikes on board, service performance, innovation, facilities, and EmX.

Monthly Financial Report – Ms. Hellekson reported that the first quarter had been relatively uneventful, with the exception of fuel, although there had not been the rapid escalation in cost that was seen in the previous month. She said that first-quarter payroll taxes, the first benchmark for the fiscal year, would be received in November. She said that ridership was on the rise.

Mr. Hamm reported that the joint insurance committee had met earlier in the day and had heard a presentation of bids on health care for the coming year. He was pleased to announce a zero percent increase with the same provider based on employees' use of the new program.

The meeting adjourned at 8:30 p.m.



Board Secretary

AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

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: Board members are asked to coordinate the enclosed calendars with their personal calendars and then bring the LTD calendars to each Board meeting for discussion.

The enclosed Board Activity Calendars are included for the Board members' information. Please contact Jo Sullivan with any changes in your availability for LTD-related meetings and events, or to provide your fall and winter vacation dates.

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

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

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 November 16, 2005:

1. Approval of minutes: October 19, 2005, regular Board meeting

ATTACHMENTS: 1. Minutes of the October 19, 2005, regular Board meeting

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

LTD Resolution No. 2005-029: It is hereby resolved that the Consent Calendar for November 16, 2005, is approved as presented.

AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

ITEM TITLE: WORK SESSION: COMMUTER SOLUTIONS ANNUAL REPORT AND PRESENTATION

PREPARED BY: Connie Bloom Williams, Commuter Solutions Program Manager

ACTION REQUESTED: None

BACKGROUND: The Commuter Solutions Program has experienced substantial growth since January of 2004. The most recent growth spurt in programs and services has been the implementation of the Smart Ways to School Student Transit Pass Program for all students in grades 6-12 in our area. Following the Commuter Solutions Annual Report, staff will present a Smart Ways To School review and update. Staff continue to be active in local and metropolitan planning issues and in providing transportation programs to the community. At the meeting, staff will review the goals, actions, and results of the 2000-2005 Commuter Solutions Strategic Plan, highlighting activities in 2005. We also will review the 2005-2010 Draft Strategic Plan Goals and Actions.

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ATTACHMENTS: Group Pass Participants Listing
2005 Emergency Ride Home Participants
Rideshare/Valley VanPool Report
Transportation Options Advisory Committee – Member List
Commuter solutions Draft Strategic Plan 2005-2010

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PROPOSED MOTION: None



Lane Transit District
P. O. Box 7070
Eugene, Oregon 97401

(541) 682-6100
Fax (541) 682-6111

MONTHLY DEPARTMENT REPORTS

November 16, 2005

GOVERNMENT RELATIONS

Linda Lynch, Government Relations Manager

A complete report was given at the September 12, 2005, Board work session. There is no report this month.

DEVELOPMENT SERVICES

Stefano Viggiano, Director of Development Services

EmX PLANNING

Graham Carey, BRT Project Engineer

Pioneer Parkway Corridor: Staff are busy preparing the Technical Reports for the various disciplines. These Technical Reports will be combined to form the Alternative Analysis Report and the basis for the Draft Environmental Impact Statement (DEIS). The Technical Reports will be distributed to partner agencies early in December. Depending on the impacts of the project, LTD may request that the FTA provide a decision on the level of environmental review; i.e., Environmental Assessment (EA) or Environmental Impact Statement (EIS).

MLK Parkway: Construction of MLK Parkway has slowed owing to the changing weather conditions. Originally it was hoped that the northern part of the roundabout at MLK Jr. Parkway and Hayden Bridge Road would be constructed this year; however, this is unlikely to be the case.

Progressive Corridor Enhancement (PCE):

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Staff have continued discussions with Peace Presbyterian Church for the development of a transit terminus and small Park & Ride lot in Santa Clara. Staff are currently reviewing options for acquiring the property needed for the station. Staff also met with community members interested in preserving the Santa Clara School site as a community center, to discuss the option of a transit station on the property.

METROPOLITAN PLANNING

Anita Yap, Transit Development Planner

Transportation Planning Committee (TPC): TPC advises the MPC on metropolitan planning requirements and issues. TPC reviewed proposed changes to the State Transportation Planning Rule (TPR) that would require the state-mandated transportation system plan (TransPlan) to be consistent with the federally mandated regional transportation plan (RTP), two different but similar plans. This task will be a challenging undertaking for the local jurisdictions. TPC also discussed the impact of Eugene's decision regarding the WEP and how this would affect other state and regional plans and priorities.

Walnut Mixed-Use Center: The Walnut Steering Committee met October 5 to review an existing conditions and issues report. This committee includes participation by LTD Board Members Mike Eyster and Dave Kleger. A public open house was held October 18. Consultants prepared design concepts for the area to present to the technical committee and Steering Committee on November 9.

Rasor Park Mixed-Use Project: The City of Eugene received a grant to study the Rasor Park area for a mixed-use node. This area is located along River Road and LTD's first Progressive Corridor Enhancement (PCE) corridor. LTD staff will be coordinating with the City for planning of this area.

Region 2050: The Region 2050 Policy Board met October 26 to discuss the results of transportation impacts of the three growth scenarios. A preferred growth scenario will be chosen by the Policy Board in the future, which may be a hybrid of the three scenarios. The discussion also centered on the decision-making framework for implementing a regional growth strategy. Implementation of the preferred strategy is a hot topic among the local governments and will be discussed further at the next Policy Board meeting on November 16 with Lane Shetterly, director of the Oregon Department of Land Conservation and Development.

ODOT Planning Projects: Staff continue to participate on the project advisory committees for the I-5/Franklin project and the Highway 126 Expressway Management Plan. Several open house presentations are planned by ODOT consultants for the I-5/Franklin project in December, in addition to briefings to the Lane County Board and the Springfield and Eugene City Councils.

SERVICE PLANNING

Paul Zvonkovic, Service Planning Manager

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- October 2005 weekday boardings should end up 8 percent higher than October 2004. The first full month of the current Fall Bid will average 33,600 per weekday. Since no new service was added over last Fall and Winter Bids, free school passes and higher gasoline prices are thought to be driving the increase. Gasoline prices likely are having an effect on rural ridership, since most of these long-distance routes have ridership increases in the high teens or lower 20 percent range over last year. Higher ridership and time adjustments also are slowing down trips on selected routes, so the Service Planning staff is identifying changes for Winter Bid, which will begin on the first Sunday of February. The Service Advisory Committee, consisting of bus operators and Customer Service representatives, as well as Service Planning and Marketing staff, met on November 2nd to discuss the adjustments and proposed changes for Annual Route Review 2006.
- Football Service is still strong. The Washington game had 9,266 riders, or almost 16 percent of the 58,267 announced attendance for the game. Two games remain in November, but UO basketball shuttles started rolling to games on Halloween! The combined number of UO men's and women's games this season will be 40, not counting any post-season play at Mac Court.
- Development Services staff met with Royal Caribbean Cruise Line (RCCL) officials to talk about ridesharing, the group pass program, and increased service for route 7x to cover their shifts. They plan to open on December 16th in their new building off International Way. LTD is proposing that the increased service for route 7x be shared among RCCL, Symantec (who is already paying for the service), and LTD.

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COMMUTER SOLUTIONS

Connie B. Williams, Program Manager

▪ **Congestion Mitigation Program (CMP)/I-105 Construction Project**

- **EmX**

The CMP Team (Commuter Solutions and LCOG) has begun planning its outreach assistance for the EM-X project. With construction planned for February 2006 along Franklin Boulevard, the CMP plans to employ the successful strategies applied to the I-105 Project including:

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- traffic modeling of Transportation Analysis Zones (TAZs) that will have greatest impact due to lane closures
- targeted outreach to those TAZs
- targeted outreach to existing CMP e-mail list representing more than 800 businesses in the region
- advertising of the Keepusmoving.info Web site with EmX as a prominent feature. Please note that this Web site serves as a hyperlink and will connect the user directly to LTD's EmX site.

- **Gateway** - Preliminary planning is underway with City of Springfield to include the Keepusmoving.info site information about construction projects underway that affect roadway levels of service.

- **US Olympic Trials (2008)** - The CMP Design Team has requested to be involved in the planning for the 2008 Olympic Trials. Contact has been made with Angel Jones at the City of Eugene, who is heading up their efforts.
- **Web site Development** - Working with LCOG, the CMP Team has begun discussion on the Keepusmoving.info Web page design to reflect major road construction projects throughout the region. In doing so, the Web site continues to be a regional information source, with transportation options prominently highlighted.

- **Smart Ways to School Program**

- **Student Transit Pass Program:** The free rides for students enrolled in grades 6-12 at public and private schools in Eugene-Springfield began October 1. Stickers were distributed to 22,000 students through 80 schools and educational centers in September. During October, LTD ridership was 11 percent higher than last year, and about five percent above the last week in September. Surveys and monthly ridership counts will continue to measure program effectiveness through June 2006. Positive publicity was earned for the program partners, including Pacific Continental Bank, LTD, LCOG, and Commuter Solutions.
- **SchoolPool:** More than 350 families associated with 55 schools have registered for the carpool match service.
- **Walk & Bike Groups:** Twelve families asked for our assistance in forming walking and biking groups in September-October.
- **International Walk to School Day** - Wednesday, October 3: Three schools participated in local events with UO Coach Ernie Kent, Lane County Commissioner Peter Sorenson, Springfield Mayor Sid Leiken, the UO Duck mascot, and UO men and women athletes joining parents and students in walking to school. The *Register-Guard* covered the event at Guy Lee Elementary School.
- **How Do You Get To School? Contest** - October 3-28: We received more than 5,000 contest entries from students at more than 35 schools who have walked, biked, carpoled, or traveled by bus to and/or from school during the contest. More than 30 prizes have been awarded each week. The final drawing will be held in early November.

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- **Regional Transportation Planning/Strategies**

- **Regional:**

- New information on a reduced level of STP-U funds for next funding period led Eugene City Councilor David Kelly to ask that TPC staff report back to MPC on the impact of cutting \$50,000 from the Commuter Solutions budget.

Deleted: <#>RideShare Program Coordinator Marcia Maffei attended the Oregon Transportation Conference in Seaside, Oregon.¶
 <#>Commuter Solutions staff attended both Valley VanPool meeting and TravelSmart/ODOT meeting in Portland and the ODOT Transportation Options Marketing Project Steering Committee concerning the Travel Options Marketing Campaign.¶
 Connie continues to participate in the Transportation Planning Committee and Transportation Advisory Committee meetings, and attends the Metropolitan Policy Committee meetings.

- **Outreach:**

- A Commute Challenge Contest was held for LTD administrative staff for the full month of October, and 32 employees participated.
- Commuter Solutions and LTD staff had a booth at the PeaceHealth Benefits Fair.
- Commuter Solutions staff attended the Springfield Chamber of Commerce: Springfield Gateway Development Committee meeting.
- Commuter Solutions had a booth at the Eugene Chamber of Commerce's annual Business Expo. A drawing was held for a free, three-month group bus pass program.

Sterling Bank was the winner, and they have approximately 30 employees in the area.

- Commuter Solutions is a sponsor of the WorkTrends conference for Human Resources managers and employees, held on November 9. Information provided will focus on employee transportation benefit programs and the Business Energy Tax Credit.

Group Pass/Emergency Ride Home Programs:

- Harlequin Beads enrolled in the LTD Group Pass Program.

CAPITAL PROJECTS

Charlie Simmons, Facilities Services Manager

Old Springfield Station: The removal of the old Springfield Station is underway. The old station will be removed and replaced with landscaping and with bus stops on either side of 5th Street.

Shelter Project: The replacement of older shelters with new vandal-resistant shelters continues. To date 116 shelters have been replaced during the last five years.

Franklin Corridor EmX:

Sue Viggiano, EmX communications

Construction update: Crews are completing work on the three station platforms--High Street, Hilyard Street, and Dad's Gate--located in the Eugene segment. The shelter and rails have been installed and painted at the High Street Station. Shelters on the remaining two stations may be installed by the end of the year.

The utility undergrounding project on Franklin Boulevard was completed during the first week of November, clearing the way for Wildish Building Company to schedule crews to begin the road widening work from Onyx to Riverfront Parkway. The work is expected to take approximately three weeks and will complete the construction season for 2005 on the Franklin EmX project.

It has been a great construction season! In addition to having the major road work complete in the downtown Eugene segment, LTD also has all the required permits for the Franklin segment and will be set to go in 2006.

Vehicle: Staff continue to work through design details with New Flyer.

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MARKETING AND COMMUNICATIONS

Andy Vobora, Director of Marketing and Communications

EVENTS

- LTD was present at the Eugene Chamber Business Expo held at the Lane County Fairgrounds.
- LTD sponsored a speaker at the WorkTrends conference on November 11.
- Staff are working with the NAACP, City of Eugene Human Rights committee, and internal staff on a Rosa Parks activity. Additional information will be available soon.

BRANDING

- The first Breeze vehicle painting used the darker metallic paint used on the AVS buses. The remaining four vehicles will use the "LTD blue" used with the LTD logo and with the Breeze bus stop signage. It is much brighter and more festive. The darker Breeze vehicle will be held out as the spare.

MEDIA

- Media coverage this month included coverage of the surplus buses going to auction, employee breaks, old Springfield Station demolition, football shuttle service, and LTD's discount program for Not-for-Profit agencies.
- Paid media placements included the weather page series and Board vacancy ads.
- The editorial board meeting with the *Register-Guard* was rescheduled for November 7. Ken Hamm and Gerry Gaydos attended.

OUTREACH

- The first general outreach presentation will occur with a group of businesspeople and elected officials on November 17. This group will be used as a sounding board. A survey will ask if the information was what they think the business community would like to hear and if the format worked for them. A list of taxpayers is being developed as the basis for inviting future attendees. Ken Hamm and Gerry Gaydos will present at the first meeting.
- Information about LTD was e-mailed to area chambers of commerce at the end of October. This included ridership data, information on revenues and expenses, and LTD programs. The tax rate change process was included in this information.
- The LTD 35th anniversary insert was mailed to area chambers of commerce with a cover letter from Ken Hamm thanking them for their support of LTD services.
- The *On the Move* newsletter mailing list is being updated. This list is quite dated, so LTD has purchased Chamber of Commerce lists and will add elected officials and others in an effort to create a more effective list for future mailings.

GROUP PASS

- The ASUO budgeting process was changed this year. LTD submitted its request to increase the student rate in an effort to match the ASUO rate with the rate paid by other group pass organizations. The requested change, if approved, will move the

rate closer to the current Board policy rate, but will not match the rate paid by other groups. With an increase the following year, the rates should be in alignment. The budget hearings will not occur until after the first of the year.

ACCESSIBLE SERVICES

Terry Parker, Accessible Services Manager

There is no Accessible Services report this month.

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TRANSIT OPERATIONS

Mark Johnson, Director of Transit Operations

There is no Transit Operations report this month.

MAINTENANCE

Sam Marra, Director of Maintenance

There is no Maintenance report.

FINANCE AND INFORMATION TECHNOLOGY

Diane Hellekson, Director of Finance and Information Technology

FINANCE

Carol James, Accounting Manager

Two hundred seventy five (275) vendor checks, totaling \$1,328,714, were processed during the month of October, including \$274,271 to Siemens for work related to the AVL/APC system.

Eighty-eight (88) payroll checks and 877 payroll direct deposits totaling \$1,311,801 were made in October 2005. These numbers reflect two pay dates in October.

Twelve cash fare deposits totaling \$131,570 were made in October 2005. This included approximately \$13,000 from special service for one football game.

LTD's external auditors, Grove Mueller and Swank, CPAs, were on site on October 25 for fieldwork related to the FY 2004-2005 National Transit Database (NTD) review. All required NTD reports for FY 2004-2005 were filed on October 27, 2005. The draft of the Comprehensive Annual Financial Report (CAFR) for FY 2004-2005 was reviewed and revised. The FY 2004-2005 CAFR will be presented to the Board in November.

The development process for the Capital Improvements Program (CIP) for FY 2006-2014 was begun in October, with a first draft being presented to the Leadership Council at its work session on November 3, 2005

PURCHASING

Jeanette Bailor, Purchasing Manager

Requests for Proposals have been issued to the public for construction of the café space at the Springfield Station, Janitorial Services, Station Cleaning, Security Services, Bus Stop Maintenance, and HVAC Services. Staff anticipate making awards for these contracts by December 1. Staff also are beginning work on a Request for Proposals for Landscape Services. Attendance at an Oregon Public Purchasing training is planned for Purchasing staff on November 18 in Portland.

INFORMATION TECHNOLOGY

Steve Parrott, IT Manager

There is no IT report this month.

HUMAN RESOURCES

Mary Neidig, Human Resources Director

HEALTH CARE

LTD received very good news about health care premiums for 2006. The Joint Insurance Committee reviewed bids from three insurers, and decided to continue with LTD's current carrier, PacificSource. PacificSource's bid was to extend all of LTD's current plans with no rate increase. This is a significant turnaround of health care after the 34 percent increase for the prior 18 months. This news received favorable comments from many employees.

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There is no Human Resources Report this month.

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The annual employee health benefits fair is scheduled for November 17. Plans are well underway to make this an educational and fun event that all employees will want to attend.

SELECTION AND HIRING

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A new class of eight bus operators is scheduled to begin December 5. Applicants have been tested and screened. Twenty-five applicants will be interviewed in November.

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Applications have closed for the service planner position, vacated by Paul Zvonkovic's move to Texas. Only three people applied.

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DIVERSITY

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Diversity and accessibility training is continuing for all bus operators during November. Each operator receives a total of four hours of classroom training in this area.

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Four LTD employees attended an Institutional Privilege training offered by EWEB this month. Evaluations on this training have been overwhelmingly positive. LTD will be partnering with the City of Springfield to offer another session later this month.

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TRAINING

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Fall training for bus operators is in full swing. All operators are attending a full eight-hour class that includes segments on Drug and Alcohol, Diversity, and the Family and Medical Leave Act.

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Two retirement workshops were presented to members of the salaried pension plan. More than 40 of the 75 administrative employees attended this voluntary workshop. Evaluations were very positive, and a more detailed workshop will be conducted in December.

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All members of the Human Resources Department attended a seminar on aging in the workplace. "Agequake" was presented by Wilson-Heirgood, LTD's insurance broker. Several experts on aging presented information that was very helpful for future decisions about LTD's benefit plans.

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The department director attended a three-day workshop on leadership development presented to alumni members of the Pacific Program Institute for Leadership Change. Sessions were held on coalition building, collaboration, and gaining success in the legislature.

The annual WorkTrends conference will be presented on November 8. LTD is a sponsor of this event, and the department director has been a member of the conference planning committee for two years.

PENSION ACTIVITIES

Trustees for both pension plans met this month for their quarterly meeting. Trustees for both plans approved a 2 percent COLA for all employees already retired on December 1, 2005.

The Deferred Compensation Advisory Committee conducted its annual plan review with The Hartford. Performance data was shared and administrative matters were discussed.

OTHER ACTIVITIES

The Board's Human Resources Committee received a written report from Dennis Westlind as part of the Organization Assessment activity conducted in September and October. The Committee is also conducting its annual evaluation of the general manager. Evaluations were solicited from community leaders and Board members.

LTD's annual United Way campaign is in full swing. Loaned Executive Margaret Lead has been active in numerous businesses around Lane County and has been receiving very favorable feedback. A burrito feed is scheduled for November 11 at LTD, which will be the big drive event this year.

On the administrative front, an unemployment hearing was held for a terminated employee, resulting in an Employment Department denial of benefits. A workers' compensation hearing was also held this month. The outcome is not yet known.

LOOKING AHEAD

Fall is a busy time for the Human Resources Department. The pending employee benefit program renewals and upcoming benefits fair focus the group's attention on the type and quality of benefits that LTD employees receive. The outcome for LTD will be a more employee-health-focused benefit package.

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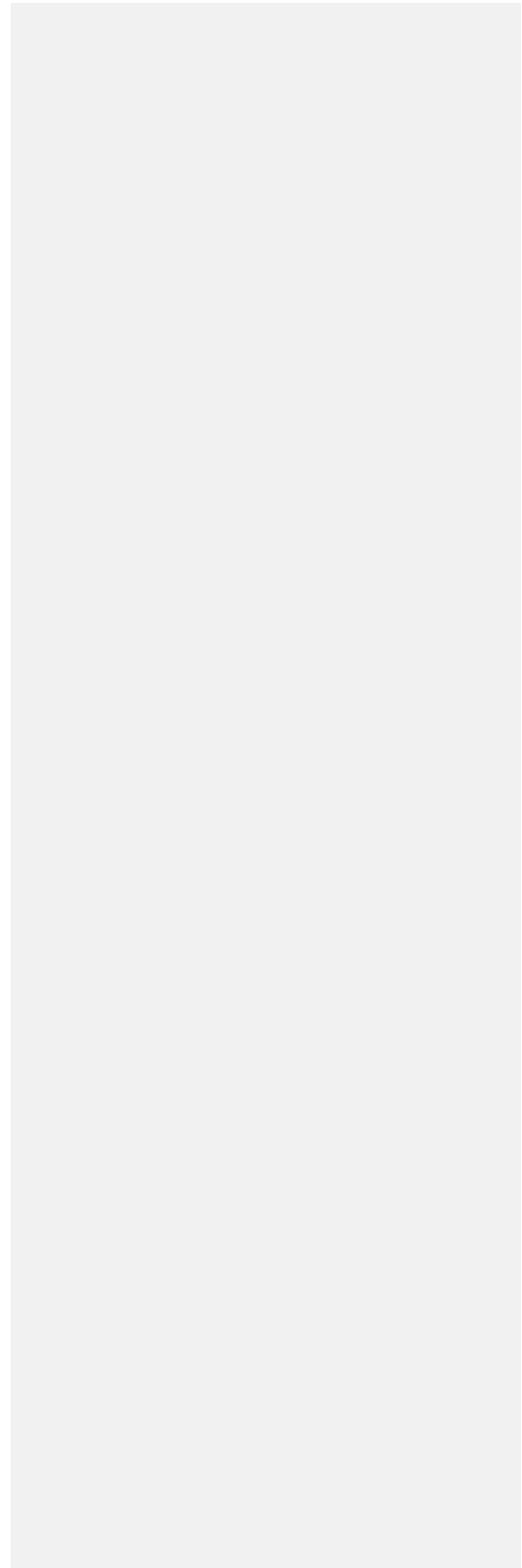
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AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

ITEM TITLE: WORK SESSION: DIVERSITY COUNCIL UPDATE

PREPARED BY: David Collier, Senior Human Resources Analyst

ACTION REQUESTED: None. This is informational only.

BACKGROUND: At the June 15, 2005, Board of Directors meeting, David Collier and Mary Neidig made a presentation about Diversity at LTD. One of the components of LTD's commitment to diversity is the formation of the Diversity Council. In response to a request by the Board for an update on the Diversity Council, David Collier and some members of the Council will share the Council's charter, goals, and early accomplishments. In addition, the Council will be preparing recommendations for the Board to consider during its next Strategic Plan discussions.

ATTACHMENT: LTD Diversity Council Charter
LTD Diversity Council Goals and Membership

PROPOSED MOTION: None

LANE TRANSIT DISTRICT DIVERSITY COUNCIL CHARTER

PURPOSE: The purpose of the Lane Transit District Diversity Council is to advise the District, the Board of Directors, and the Leadership Council on diversity issues.

In regard to diversity issues, the Council will:

- respond to diversity needs and issues
- provide guidance on matters of diversity
- work toward improving diversity awareness within the District
- support and encourage diversity awareness activities throughout the community

The focus areas of the Council include:

- Develop an Action Plan that promotes diversity within LTD. Exceed community demographics.
- Assist LTD management in implementing programs and activities within LTD that will address diversity issues, including allocating resources and setting priorities.
- Advise LTD management on appropriate actions that will help shape a diverse community within LTD.
- Serve as a resource to LTD on diversity issues.

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LTD Diversity Council

LTD's Diversity Council is an eight-member group of employees who represent different roles in the organization, and who have expressed a personal interest in addressing diversity issues at LTD and beyond.

Goals of the Diversity Council

Hiring/Recruitment

Attract a diverse group of applicants for openings at LTD, by recruiting for all positions in areas that have a more diverse population. Help LTD evaluate the fairness of testing tools used to determine the qualifications of applicants.

Promotion

Develop a mentoring program to prepare all employees for the next level within the organization.

Training/Education

Work in small groups; provide diversity training; include a personal sharing of each others' diversity experience. Conduct educational training so that employees understand what diversity is. Bring in or co-sponsor guest speakers and cultural events.

Community Outreach

Publish articles in *Bus Talk* and *Inside Lane*. The long-term goal is to express that LTD is a diversity-friendly employer.

LTD Diversity Council Members 2005

Hannah Bradford	Graphic Designer
David Collier	Senior Human Resources Analyst
Doris Dioszeghy	Maintenance Administrative Support Associate
Terry Parker	Accessible Services Manager
Armando Reyes	Bus Operator
Mike Rojas	Customer Service Representative
Anita Yap	Transit Development Planner

AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

ITEM TITLE: DECEMBER 2005 EMPLOYEE OF THE MONTH

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

BACKGROUND: **December 2005 Employee of the Month:** Bus Operator Tom Heatley was selected as the December 2005 Employee of the Month. Tom was hired by LTD in August 1999. He was nominated for this award by several bus riders who praised him for being a good driver, always being nice to his riders, and going the extra mile on several occasions for people with disabilities. One caller said that Tom makes the effort to pull in on time in spite of situations like three bikes and two strollers getting on and off on a single run, and then several times has gone ahead to tell the driver of another bus that this rider was making his way slowly with his cane to catch that bus. This caller also said that Tom “recognizes so many regular passengers and obviously enjoys his work.” Another caller reported that Tom went above and beyond for two passengers with disabilities from across the country who were lost, and said that, even when off duty, Tom checked in to see if he could take them to another location that night. All of the callers greatly appreciated his help in these situations.

When asked to comment on Tom’s selection as Employee of the Month, Transit Services Manager Sue Quick said:

Tom is a person who takes pride in himself and his community. An avid baseball enthusiast, he shares this information with his customers, which assists in folks feeling welcome and comfortable with their ride. Tom has had a number of EOM nominations over the past few months. Each stating how he “stands out” for his ability to go the extra mile. After beginning his career with LTD, Tom admits he had a “lot to learn” in working with our diverse population such as we do. Tom has taken extra time and measures to improve his service and in the process has set the bar high for all of us to follow. Thanks Tom for your extra efforts and diligence in providing excellent customer service.

Our congratulations to Tom on his selection as the December 2005 Employee of the Month!

AWARD: Tom will attend the November 16, 2005, meeting to be introduced to the Board and receive his award.

AGENDA ITEM SUMMARY

- DATE OF MEETING:** October 19, 2005
- 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. **Service Planning Issues:** Several issues that have significant implications for LTD service will be discussed with the Board Service Planning & Marketing Committee and then brought to the full Board in December 2005.
 - B. **LTD Branding Program:** A discussion of LTD's Brand Plan will be held at a Board meeting in December.
 - C. **Annual Strategic Planning Work Session:** The Board's annual two-day strategic planning work session has been scheduled for Friday and Saturday, December 9 and 10, at LCC.
 - D. **EmX Updates:** Various action and information items will be placed on Board meeting agendas during the design and implementation phases of the EmX bus rapid transit project.



LTD General Manager's Report to the Board of Directors

December 2005

Prepared by Ken Hamm, General Manager

FUTURE DATES TO REMEMBER

December 25, 2005	Christmas Day (____ service)
December 26, 2005	Administrative Offices Closed (____ service)
January 1, 2006	New Year's Day (____ service)
January 2, 2006	Administrative Offices Closed (____ service)
January 9, 2006	LTD Board Work Session (tentative)
January 18, 2006	LTD Regular Board Meeting
February 13, 2006	LTD Board Work Session (tentative)
February 15, 2006	LTD Regular Board Meeting

EXTERNAL ACTIVITIES

Connect Oregon

October 27th, I participated in a workshop to review the temporary rules for the Connect Oregon project funding. Held by ODOT in Salem, the committee was comprised of ODOT staff from the rail, air, freight and transit divisions. I was one of three members from transit sitting at the table with ports, rail, and airport representatives trying to sort out the intent of the law passed this last session. LTD hopes to fund a portion of the EmX Pioneer Corridor with Connect Oregon lottery dollars.

Salem Transit Visit

A contingency of Salem-Keiser area transit officials, city officials, and staff visited LTD October 28th to learn about our EmX project and tour the Franklin and Pioneer corridors. These officials are studying alternatives for a corridor between Keiser and Salem.

Building Community Connections

This month your general manager met with Frances Dyke and Jan Oliver of the University of Oregon, with Lorna Youngs acting Director of ODOT, and Mel Pyne of Peace Health. I also spoke to the McKenzie Business Association and the Willamette Business Association.

OTA Strategic Plan

October 25th, I chaired the Strategic Planning Committee for the Oregon Transit Association. The association is reviewing its organizational vision, mission, goals and objectives. There is also a look at the OTA's membership and coalition building.

INTERNAL ACTIVITIES

ATU Meeting

October 19th, I met with Al Zullo, ATU Division 757 president and Carol Allred, LTD's ATU Executive Board officer. Topics included pension investments, health care perspectives, employee issues, and more. We are jointly looking at the employee environment.

Pension Trusts

The trustees approved a 2 percent COLA for current retirees in both plans at their October 20th meeting. The COLA's will take effect January 1, 2006.

Health Care

The Joint Insurance Committee met October 19th to review health insurance proposals. The news was good. Given the employees' improved experience rating, Pacific Source, LTD's current provider, was able to provide the current benefit program at no premium increase for the next year. There were bids from other providers, but the JIC determined Pacific Source to be the best alternative for the upcoming year. The JIC continues to dialogue about educational programs that will help employees manage their health care circumstances.

EmX Branding

Employees had an opportunity to view color pallets for the exterior and interior of the EmX vehicles. The silver and green exterior has emerged as the preferred image, and those colors are carried into the interior in the preferred scheme there. Once minor issues are resolved, staff will have the colors, materials and logo applications unveiled at a future board meeting.

Business Expo

LTD participated in the Eugene Business to Business Expo held October 20th at the fairgrounds. Side by side booths displayed LTD services and Commuter Solutions service.

Retirees Meeting

LTD retirees gathered in the board room on October 24th to get updated on their health care for next year. Attended by over fifty people, it was a good chance to visit with and update these former employees. Carol Allred, ATU, and I jointly made the announcement that they would receive a 2% COLA on their retirement effective January 1st. That information got a hearty round of applause.

Board Finance Committee

The committee met for the first time October 25th. Committee members include board members David Gant, Dean Kortge, and Debbie Davis.

Retirement Training

October 26th, HR provided two retirement training workshops for administrative employees. All employees were required to participate in one of the training sessions. Additional workshops are planned for the future for the ATU employees.

LC Strategic Workshop

The Leadership Council held its annual strategic workshop on November 3rd and 4th. Building off LTD's Strategic Plan, LC has identified needs, emerging issues, priorities, and opportunities for the immediate and longer-term future. The LTD Board will have its strategic workshop in December, at which time future direction on the strategic plan will be solidified.

AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

ITEM TITLE: MONTHLY PERFORMANCE AND LABOR TRENDS 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.

As begun at the May 19, 2004, Board meeting, the monthly *Eugene/Springfield Metro Labor Trends* publication from the Oregon Employment Department also is included for the Board's information.

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

ATTACHMENTS: October 2005 Performance Report
Eugene/Springfield Metro Labor Trends

PROPOSED MOTION: None

ORDINANCE NO. 39

**AN ORDINANCE OF THE LANE TRANSIT DISTRICT REGARDING
THE EXCISE TAX ON EMPLOYERS AND SELF-EMPLOYED PERSONS;
AMENDING ORDINANCE 34, SECTION 1.03; AND
AMENDING ORDINANCE 38, SECTION 1.10**

FINDINGS:

A. Lane Transit District adopted Ordinance No. 34 on November 20, 1991, establishing a tax upon every subject employer (payroll tax) at the rate of fifty-six hundredths of one percent (.0056) of the wages paid by the employer with respect to services performed within the service area after December 31, 1991.

B. The District adopted Ordinance No. 37 on September 21, 1994, which amended Ordinance No. 34 by increasing the rate of tax from fifty-six hundredths of one percent (.0056) to six-tenths of one percent (.006) with respect to all wages paid by employers subject to the tax with respect to all services performed after September 30, 1994.

C. The District also adopted Ordinance No. 38 on September 21, 1994, establishing a tax on natural persons in an amount equal to six-tenths of one percent (.006) of such person's net earnings from self-employment (self-employment tax) during the Taxable Year in excess of \$400 from activities within the District.

D. ORS 267.385 permits the District by ordinance to increase the payroll tax and self-employment tax rates to seven-tenths of one percent (.007) provided that certain findings are made by the District Board.

E. The Board has considered information relating to regional employment and income growth, including the economic information, data and trends compiled and submitted to the District by Impresa, monthly regional economic reports prepared by the Oregon Employment Department, and information provided by District staff to determine if the economy in the Lane Transit District service area has recovered to an extent sufficient to warrant the increase in the payroll and self-employment taxes authorized by ORS 267.385, as amended by 2003 Oregon House Bill 3183, 2003 Or Laws Chapter 739, Sections 7-8.

E. Having considered regional employment and income growth, the Board finds that the economy in the District has recovered sufficiently to warrant the increase in the payroll taxes phased in from January 1, 2007, through January 1, 2013, in the increments set forth in this Ordinance No. 39.

THE BOARD OF DIRECTORS OF LANE TRANSIT DISTRICT PURSUANT TO
ORS 267.380 AND 267.385 DOES ORDAIN AS FOLLOWS:

Section 1. The above Findings are hereby adopted.

Section 2. Section 1.03 of Ordinance No. 34 is hereby amended to provide in its entirety:

1.03 Rate.

- (1) Every employer subject to tax shall pay an amount equal to six-tenths of one percent (.006) of the wages paid by the employer with respect to services performed within the service area on or after the Effective Date of this ordinance.
- (2) Commencing January 1, 2007, every employer subject to tax shall pay an amount equal to the rate shown in the following table opposite the corresponding calendar year. The tax shall be paid on all wages paid by the employer with respect to services performed within the service area after December 31, 2006.

Tax Period	Rate
Calendar Year 2007	0.0062
Calendar Year 2008	0.0064
Calendar Year 2009	0.0066
Calendar Year 2010	0.0067
Calendar Year 2011	0.0068
Calendar Year 2012	0.0069
Calendar Year 2013	0.0070
Calendar Year 2014 and Thereafter	0.0070

By way of example, the payroll tax rate in calendar year 2007 is sixty-two hundredths of one percent (.0062).

Section 3. Section 1.10A of Ordinance No. 38 is hereby amended to provide in its entirety as follows:

1.10 Imposition of Tax.

- A. Tax imposed. For Taxable Years which start on or after the Effective Date of this ordinance, the rate on such person's Net Earnings from Self-Employment during the Taxable Year in excess of \$400 from activities within the District shall increase to the rate specified opposite each such Tax Year in the table below. For such person's Taxable Years which start on or after the Effective Date of this ordinance, the rate on such person's Net Earnings from Self-Employment during the Taxable Year in excess of \$400 from activities within the District shall

increase to the rate specified opposite each such Tax Year in the table below:

Tax Period	Rate
Taxable Year 2007	0.0062
Taxable Year 2008	0.0064
Taxable Year 2009	0.0066
Taxable Year 2010	0.0067
Taxable Year 2011	0.0068
Taxable Year 2012	0.0069
Taxable Year 2013	0.0070
Taxable Year 2014 and Thereafter	0.0070

By way of example, during the Taxable Year 2007, the rate on Net Earnings from Self-Employment in excess of \$400 shall be sixty-two hundredths of one percent (.0062).

Section 4. With respect to tax periods before the Effective Date of this ordinance, the payroll tax and employment tax shall remain as established by the ordinances in effect during such periods.

Section 5. Effective Date. This ordinance shall be effective January 1, 2006.

ADOPTED: _____, 2005.

Presiding Officer

ATTEST:

Recording Secretary

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AGENDA ITEM SUMMARY

- DATE OF MEETING:** November 16, 2005
- ITEM TITLE:** ORDINANCE NO. 39, REVISING PAYROLL AND SELF-EMPLOYMENT TAX RATES
- PREPARED BY:** Mark Pangborn, Assistant General Manager
- ACTION REQUESTED:** Second reading and adoption of ordinance revising the payroll and self-employment tax rates in accordance with ORS 267.385 (1)(8) and chapter 739 Oregon Laws 2003
- BACKGROUND:**
- Legislative authority:** During the 2003 session, the Oregon State Legislature authorized Tri-Met and Lane Transit District to increase the payroll and self-employment tax rate by .001 (one-tenth of one percent) over a ten-year period in HB 3183/chapter 739 Oregon Laws 2003. This was the first time since their inception in 1969 that LTD's and Tri-Met's statutory payroll tax authority has been granted an increase. This increase was supported by both the Eugene and Springfield Chambers of Commerce.
- In HB 3813 the Legislature authorized mass transit districts in Oregon to phase in over a ten-year period an increase in the maximum payroll and self-employment tax rates. Before enactment of HB 3183, the maximum permissible tax rate for both payroll and self-employment was .006 (six-tenths of 1 percent). The new maximum rate is .007, subject to two conditions.
- Implementation requirements:** The first condition is that the Board must find that the economy in the district has recovered to an extent sufficient to warrant the increase in tax. In making such a finding, the Board must consider regional employment and income growth. Second, any increase in the tax rate must be phased in over a ten-year period, with this requirement expiring in January 2014. Increases cannot be more than 0.02 percent in any one year before 2014 and must be set forth in ordinance.
- Implementation Findings:** In order to meet the requirements of the law, the Board has considered information relating to regional employment and income growth, including an analysis of economic data and trends submitted to the Board by economist Joe Cortright of Impresa, monthly employment reports from the Department of Employment, and the regional

economic forecast organized by the Eugene Area Chamber of Commerce. These economic analyses clearly indicate a recovery in the regional economy. The most recent report from the Oregon Employment Department (see attachment) states that the “. . . recovery we experienced in 2004 is continuing into 2005.”

After reviewing this data, it is the finding of the LTD Board of Directors that the regional economy has recovered and that these findings will be included in Ordinance 39.

Need for new revenue: Since 2001-02, when Lane Transit District was at its highest service level in history, increasing operational costs have forced service reductions of 11.2 percent. Some examples of the result of those cuts are:

- earlier closing of the downtown Eugene Customer Service Center
- elimination of bus service later in the evening
- longer travel times in the busiest corridors
- loss of service in some areas
- less frequent bus service
- inability to get from LCC to Springfield following evening classes without going through downtown Eugene Station

These and other service reductions were made, not because they were not needed, but because they experienced lower utilization than service that was retained. There have been numerous requests for restoration of service that has been cut.

Fixed Route Service: While LTD has been reducing service because of budget limitations, population in the metro area has continued to grow. LTD has been unable to meet numerous requests for increased service to meet passenger loads or new service to meet demand from new residential neighborhoods.

Elderly and Disabled Service: Ridership on the LTD-funded RideSource program has grown 12.8 percent in the past two years, while state funding for the program has remained flat. The populations needing these services will continue to grow with the aging of America, and LTD will need additional funds to meet service requirements.

Match for federal funds: With the passage of SAFETEA-LU, LTD will receive additional federal funds for capital needs. These needs include, in part, replacement of the current bus fleet, implementation of the Progressive Corridor Enhancement program, and construction of the Pioneer Parkway EmX corridor. LTD will need local matching funds in order to implement these projects.

The payroll tax rate increase included in Ordinance 39 will provide funds to begin addressing these service needs.

Board members will note that Ordinance 39 provides for the implementation of the rate increase on January 1, 2007.

Staff recommend reading the ordinance by title only. Copies of the ordinance will be available at the meeting for anyone who wishes to have one.

At the first reading of this ordinance on October 19, 2005, the Board had an extensive discussion of the importance of this rate increase and why each individual Board member was voting for or against this ordinance. A summary of that discussion can be found in the October 19 meeting minutes on page 27 of this agenda packet.

RESULTS OF RECOMMENDED ACTION:

After adoption of the ordinance, LTD will inform the Oregon Department of Revenue to proceed with the proper procedures and paperwork to implement this ordinance change.

ATTACHMENTS:

- (1) "Lane County jobless rate reveals a lasting recovery," *Register-Guard*, September 17, 2005
- (2) LTD Ordinance No. 39

PROPOSED MOTION:

- (1) I move that Ordinance No. 39 be read by title only.

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

Ordinance No. 39, An Ordinance Of the Lane Transit District Regarding the Excise Tax on Employers and Self-employed Persons; Amending Ordinance 34, Section 1.03; and Amending Ordinance 38, Section 1.10

- (2) I move adoption of LTD Resolution No. 2005-031: Resolved that the LTD Board of Directors adopts Ordinance No. 39, An Ordinance of the Lane Transit District Regarding the Excise Tax on Employers and Self-employed Persons; Amending Ordinance 34, Section 1.03; and Amending Ordinance 38, Section 1.10.

AGENDA ITEM SUMMARY

- DATE OF MEETING:** November 16, 2005
- ITEM TITLE:** APPROVAL OF COST OF LIVING ADJUSTMENT (COLA) FOR LTD ADMINISTRATIVE EMPLOYEE RETIREES
- PREPARED BY:** Mark Pangborn, Assistant General Manager and Salaried Employees' Retirement Plan Trustee
- ACTION REQUESTED:** The LTD Salaried Employees' Retirement Plan Trustees recommend approval of a 2 percent cost-of-living adjustment (COLA) for current LTD administrative employee retirees.
- BACKGROUND:** As was discussed at the October 19, 2005, Board meeting, while the LTD Salaried Employees' Retirement Plan does not include an automatic COLA for retirees, the Board periodically has granted COLAs. Recently, the Trustees for the ATU Pension plan granted a 2 percent COLA to all retirees effective January 1, 2006. The Trustees for the Administrative Employees' plan granted an identical COLA to the administrative employee retirees. In order to become effective, the administrative COLA must be ratified by the LTD Board of Directors. Attached is a plan amendment that will ratify this COLA.
- RESULTS OF RECOMMENDED ACTION:** Effective January 1, 2006, all persons receiving a pension from the LTD Administrative Employees' Retirement Plan will receive an increase of 2 percent in their monthly pension payment.
- ATTACHMENT:** Plan amendment for the 2 percent COLA (Fourth Amendment to the Restatement of the Lane Transit District Salaried Employees' Retirement Plan Dated June 19, 2002)
- PROPOSED MOTION:** I move approval of LTD Resolution No. 2005-032: Resolved, that the LTD Board of Directors approves the Fourth Amendment to the Restatement of the Lane Transit District Salaried Employees' Retirement Plan Dated June 19, 2002.

AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

ITEM TITLE: MONTHLY PERFORMANCE AND LABOR TRENDS 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 performance reports now are being distributed with the monthly financial statements as a separate packet. Earlier agenda packet preparation deadlines have necessitated this change.

The monthly *Eugene/ Springfield Metro Labor Trends* publication from the Oregon Employment Department also is included for the Board's information.

ATTACHMENTS:
(in separate packet) October 2005 Performance Report
October 2005 RideSource Performance Report
November 2005 *Eugene/Springfield Metro Labor Trends*

PROPOSED MOTION: None

Lane Transit District
A RESOLUTION ESTABLISHING
NATIONAL TRANSIT TRIBUTE TO ROSA PARKS DAY
In Eugene/Springfield and Surrounding Areas
ON DECEMBER 1, 2005

WHEREAS, December 1, 2005, marks the 50th anniversary of civil disobedience by Rosa Parks, an African American woman who refused to give up her seat on a segregated bus in Montgomery, Alabama; and

WHEREAS, her determination to take a stand for equality and access resulted in her arrest; and

WHEREAS, her non-violent act of civil disobedience to protest segregation on a bus was the catalyst that triggered the modern Civil Rights Movement; and

WHEREAS, Rosa Parks' heroism that day showed that one person can change the course of history; and

WHEREAS, her quiet strength and courage to do the right thing inspired a generation and will continue to inspire future generations;

**NOW, THEREFORE, THE LANE TRANSIT DISTRICT BOARD OF DIRECTORS
RESOLVES AS FOLLOWS:**

SECTION 1. Declares that Lane Transit District will join with transit agencies across the country and participate in a National Transit Tribute to Rosa Parks Day on December 1, 2005, in commemoration of her heroic civil disobedience 50 years ago.

SECTION 2. Declares that the core principles of equality and access are principles that Lane Transit District and all transit agencies across the country firmly embrace as we serve our riders each and every day.

SECTION 3. Declares that a front seat on all buses will be reserved to honor Rosa Parks on December 1, 2005.

PASSED AND ADOPTED THIS ____ DAY OF NOVEMBER, 2005

Board President

ATTEST:

Recording Secretary

BOARD HR COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

ITEM TITLE: SELECTION OF BOARD LEGAL COUNSEL

PREPARED BY: Mark Pangborn, Assistant General Manager

ACTION REQUESTED: Approval of motion to extend the legal services contract with Arnold Gallagher Saydack Percell Roberts and Potter, PC, for two more years.

BACKGROUND: As part of its delegation of authority to the LTD general manager, the LTD Board authorizes the general manager to contract for the necessary professional services needed to conduct the day-to-day business of the District. There are a few exceptions to this delegation of authority. One is the hiring of professional legal counsel for the District. This is a responsibility retained by the Board. The contract for the District's current legal counsel, Arnold Gallagher Saydack Percell Roberts and Potter, PC, (Arnold Gallagher) is due to expire in February 2006. Consequently, the Board must make a decision on renewing the contract or initiating an open selection process for District legal counsel.

Since its inception in 1970, LTD has used outside counsel for legal advice. As a relatively small public agency, LTD does not have enough legal needs to warrant a full- or even part-time staff legal counsel. Moreover, the legal needs of LTD have become so diverse that it makes sense to retain legal counsel from a law firm that has a broad range of expertise in the area of public law.

In the past 35 years, LTD has retained the services of only three legal firms, all local: Bryson & Bryson; Luvaas Cobb; and now Arnold Gallagher. It has been the District's experience that the legal needs of a public transit agency are complex and to some degree unique. Consequently, there is a learning curve about public transit legal issues that any legal counsel must go through, and the longer legal counsel works with LTD, the more effective and efficient that firm becomes in providing counsel.

Arnold Gallagher has been LTD's legal counsel for seven years. During this time, the firm has provided a broad range of legal counsel to the District. On an annual basis, those staff who regularly interact with the firm are asked to rate the quality of the service and advice received. Staff also

meet with the principal legal counsel to the District, Roger Saydack, to discuss their assessment of the prior year of service.

The legal fees paid to Arnold Gallagher for the last five years are listed below:

FY 04-05	\$47,420
FY 03-04	29,263
FY 02-03	99,405
FY 01-02	45,054
FY 00-01	36,409

Staff have spent some time discussing what is in the best interests of the District and believe that there are some good reasons to extend the contract with Arnold Gallagher for a period of two years. In making this recommendation, staff considered four decision categories concerning professional services contracts:

1. Is LTD satisfied or dissatisfied with the level of service provided by the contractor? Staff have been very pleased with the level and quality of service provided by our current legal counsel. They are timely, they have provided excellent advice, they are appropriately proactive, they have a wide range of expertise, and, where they lack expertise, they have referred LTD to other quality professional counsel.
2. Is the service appropriately priced? One may receive great service, but if you are paying too much for it, it may not meet your needs. A brief review of legal fees of the largest law firms in the community indicates that the fee structure of Arnold Gallagher is competitive with those firms. LTD considered only the largest firms because the complexity and range of legal issues that LTD must address require a firm with a broad range of expertise. Moreover, Arnold Gallagher often uses associate staff at a lower cost to perform the more routine legal work for the District. Staff believe that fees charged by legal counsel are consistent with those charged by the other large law firms in the community.
3. Continuity of service. With any professional service contract, there is always the question of specialization of expertise. Transit legal issues are complex and often unique. Over the seven years that Arnold Gallagher has been serving the District, it is the experience of staff that the firm has become very conversant with the legal issues that the District must address. Two current examples are Ordinance #36 and advertising on buses. If a new firm were selected, there would be some delay for a new firm to acquire the same level of expertise. There is a significant efficiency in building on existing expertise.
4. Policy/political considerations. Some public organizations, as a matter of policy, require open competition of contracts on a specified schedule, regardless of the performance of the current contract holder. In doing so, they avoid any appearance of favoritism in the awarding of

contracts. As a recipient of taxes from local businesses, LTD always has worked hard to ensure that local businesses have every opportunity to compete for LTD work, but LTD does not have a specific policy on the length of a professional services contract with the District. It has been the experience of staff that addressing the issue on a case-by-case basis allows for the best decisions.

As a result of this analysis, staff believe that it is in the best interest of the District to extend the contract with Arnold Gallagher for another two-year period, after which time staff would revisit the issue with the Board.

The Board HR Committee reviewed the issue of selection of the general legal counsel to the District at their November 8, 2005, meeting and recommended to the full Board that the contract with Arnold Gallagher be renewed for two years. The committee cited excellent and prompt service as well as the wealth of transit-specific information that Arnold Gallagher has acquired in serving LTD.

RESULTS OF RECOMMENDED ACTION:

Staff will proceed with renewing the contract for two years.

ATTACHMENT:

None

PROPOSED MOTION:

I move approval of LTD Resolution No. 2005-033: Resolved, that the LTD Board of Directors approves extension of the legal services contract with Arnold Gallagher Saydack Percell Roberts and Potter, PC, for an additional two-year period.

AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

ITEM TITLE: WORK SESSION: SMART WAYS TO SCHOOL UPDATE

PREPARED BY: Lisa Van Winkle, [Project Lead, Smart Ways to School Program](#)

ACTION REQUESTED: None. Information only.

BACKGROUND: The Student Transit Pass Program, which provides transit passes to all students in grades 6-12 enrolled at public and private schools in the Eugene-Springfield area, was implemented on October 1, 2005. The Board will be provided information on that project and other elements of the Smart Ways to School Program.

ATTACHMENTS: Smart Ways to School – Highlights

PROPOSED MOTION: None

From: PANGBORN Mark
Sent: Wednesday, November 02, 2005 5:25 PM
To: *Leadership Council
Subject: News

I don't have any details on the settlement.

October 31, 2005

Metro drivers OK contract; buses should roll Thursday

By GENEVIEVE BOOKWALTER
Sentinel staff writer

SANTA CRUZ - Buses should roll Thursday after county drivers today ratified a tentative contract with the transit agency by a 108-14 vote, effectively ending a 35-day strike.

The mood was one of happiness and relief in the Pacific Avenue office of United Transportation Union Local 23, where the ratification vote took place.

Drivers talked about how excited they were at the prospect of getting back behind the steering wheel. Mandatory inspections and maintenance have the district aiming to put buses on the road Thursday.

"We all know it wasn't a win-win contract but it's one we can live with," said union chairwoman Bonnie Morr, as she announced the voting results. "We'll get the buses on the road and the passengers where they need to go."

The UTU's 145 drivers walked off their jobs shortly after midnight Sept. 27, when the Metro board rejected a state-mediated contract settlement, stranding 23,000 daily riders from Davenport to Watsonville.

A tentative contract was reached Saturday night; the board OK'd the three-year deal Sunday.

Orange crush

Vals love their new busway

LA Daily News

Who ever said that mass transit couldn't work in the San Fernando Valley? That person might want to reconsider that assessment in light of the stunning success of the newly debuted, east-west Orange Line busway.

So far, the results couldn't be more promising.

This past weekend, the buses were packed. Granted, the Metropolitan Transportation Authority was waiving fares, and nothing attracts customers like a freebie, but it was also the weekend - not exactly prime commuting hours.

But people were there, some 44,500 Saturday alone. Whether they had somewhere to go or not, Vals wanted to be part of the next big thing - the first new major public transportation option in Los Angeles since the Red Line. And unlike the Red Line, which barely makes it into the Valley, this one is ours, a rare public investment in this community's quality of life.

The excitement over the weekend spilled into Monday, when Orange Line buses reported standing room only. Local residents were doing something many thought would never happen - giving up their cars, and giving mass transit a try.

Many, of course, were merely testing the waters and no doubt will soon return to their cars. But still, the enthusiasm

was encouraging. With traffic congestion and gas prices as oppressive as ever, it's hard to imagine a more perfect moment for a new mass-transit option to be unveiled.

Over the long haul, the Orange Line could truly make a difference. Each passenger on those sleek, silver, articulated buses represents one less car on our jammed streets and freeways. Every positive Orange Line experience in these initial days could translate to thousands of commuting hours relieved in the future.

So this is not only a time for celebration, but also for learning. MTA officials must pay close attention to how riders are using the buses, what they like and what they don't, and then make the appropriate modifications.

Because the novelty of the Orange Line won't last long, and when it rubs off, convenience alone will determine whether these curious new riders become riders for life.

From: PANGBORN Mark
Sent: Monday, October 31, 2005 2:17 PM
To: *Leadership Council
Subject: news

Metro deal reached: Buses could roll Thursday if board, union approve agreement

By Cathy Smith and Genevieve Bookwalter
sentinel staff writerS

SANTA CRUZ — Negotiating teams for the county's transit agency and bus drivers reached a tentative contract agreement Saturday evening that could end the 34-day bus strike that has stranded 23,000 daily riders and snarled traffic from Davenport to Watsonville.

If the Santa Cruz Metropolitan Transit District board and drivers' union members approve the agreement, buses could be back on the streets Thursday.

But union chairwoman Bonnie Morr said she won't celebrate until the board, scheduled to meet at 8 p.m. today, approves the deal.

Last time negotiating teams reached a tentative agreement, the board voted against it. That Sept. 23 decision prompted the 145 bus drivers to walk off the job.

"We're being cautious," said Morr, head of United Transportation Union Local 23. "It would be a devastation to celebrate before the board ratified it."

If board members approve the deal, bus drivers will likely vote on it Monday.

Morr, though, was pleased with the progress that had been made in Saturday's four-hour meeting which ended with the breakthrough about 7 p.m.

"This is a significant development. It doesn't mean it's a winner, but it's a significant development," she said.

Both sides said they "compromised" on major issues to reach the deal.

No details on the compromise were released Saturday night.

Bus drivers had been holding out for higher wages, lower medical premiums and to pay less for retirement benefits. General leave, a month off without pay but with benefits, had been a sticking point early on.

Metro officials have cited a \$1.4 million deficit and said there is only so much they can give.

Metro board chair Dene Bustichi, reached at a chamber function in Scotts Valley on Saturday evening, said he expected details of Saturday's deal in an e-mail from Metro General Manager Les White when he returned home. Bustichi did not know the exact terms.

"That would be a wonderful thing" if everyone agrees on the deal, he said. "I don't see how anyone could say otherwise at this point. I'm sure ready to put this whole experience behind me."

The other 10 board members could not be reached for comment.

But White said Saturday's deal was within the parameters approved by the board.

"I would be very pleased for us to start serving the community again," White said. "I saw both sides working diligently to reach an agreement that was affordable and sustainable for the district and fair to the employees, and which will get the buses back on the road."

White said buses could be rolling Thursday, as they need to be inspected after sitting idle for more than a month.

Metro drivers last went on strike for 18 days in 1980.

Contact Cathy Smith at csmith@santacruzsentinel.com. Contact Genevieve Bookwalter at gbookwalter@santacruzsentinel.com.

[Print Article](#)

SEPTA unions begin strike

By Larry King
Inquirer Staff Writer

Most of SEPTA's unionized work force went on strike this morning, shutting down much of the region's mass transit system after failing to forge agreements with management over health-care benefits.

The walkout leaves 400,000 subway, bus and trolley riders in limbo - inconvenienced if they have other means of getting around, stranded if they don't.

The presidents of Transport Workers Union Local 234 and United Transportation Union Local 1594 walked out of talks minutes before the midnight strike deadline, saying no further talks with SEPTA were scheduled.

"There is no extension," said Jeffrey Brooks, president of Local 234, in the lobby of the Crowne Plaza in Center City where sporadic talks had intensified into a full-court press in the final hours.

"As of 12:01 a.m., we are on strike. We offered to continue to talk around the clock. They declined that offer."

Not so, said SEPTA spokesman Richard Maloney. "They walked out," he said. "We're still here. Eventually, we will get back together. But in the meantime, the people of the Delaware Valley suffer."

The Transport Workers Union and United Transportation Union represent about 5,300 SEPTA workers in the city and suburbs. With them on the picket lines, all service is knocked out except for the transit agency's 13 regional rail lines, CCT Connect service for the disabled, and an isolated few bus lines.

"This is a strike that should not have happened," said Maloney.

He said union negotiators rejected a package that their members would have welcomed, and "deliberately inflicted a cruel hardship on tens of thousands of people in the Delaware Valley.

"At this point, the unions have struck SEPTA and struck the people of the Delaware Valley."

For six solid hours leading up to midnight, there was virtually no word from either side on the hotel's eighth floor, where talks were ongoing. That was a departure from previous days, when there had been little sustained negotiation, but frequent media briefings by spokesmen seeking public support.

"I think at this hour it can go either way," SEPTA spokesman Maloney had said about six hours before a strike would begin. "There is a lot that has been accomplished, there is a lot to be done."

But his counterpart, union spokesman Bob Bedard, had accused SEPTA of wasting precious hours, moving the talks backward.

"We've spent most of the day getting back to where we were [Saturday]," Bedard said, saying not even work rules had been settled. "There's been no discussion of economics, no discussion of salaries, no discussion of health care."

The strike is the ninth to hit SEPTA since 1975. The last one, in 1998, shut down Philadelphia's City Transit Division for 40 days. This one would be even more sweeping, knocking out most suburban buses and trolleys as well.

SEPTA has warned its 60,000 daily Regional Rail riders to prepare for packed conditions as stranded subway and bus customers look for alternatives. It has also warned that rush-hour tickets cannot be purchased after boarding, and that afternoon riders will be kept off crowded city platforms until their trains arrive. Traffic volume is also expected to swell.

An extended strike would threaten many merchants as the holiday shopping season approaches. It could also wipe out SEPTA's recent gains in ridership, and its chances of securing dedicated state funding to ease its annual budget crises.

The late-hour flurry of negotiations came after more than seven months of stalemates and extensions since TWU's contract expired in March. The contract deadline was extended to April, and again to June, before the current extended impasse settled in.

At its heart has been a fundamental question of whether - and by what means - SEPTA workers should contribute to the cost of their health-care coverage. Most paid no premiums under the old contract, an arrangement the financially strapped transit agency said it no longer could afford.

"I've said it time and time again. We don't want this strike. We didn't ask for this strike," Brook said. "But we will not stand by and see our health care gutted."

SEPTA has said it is offering annual raises averaging 3 percent for three years, but is insisting that all workers pay for 5 percent of the cost of their skyrocketing medical insurance premiums.

Union workers have been just as firm that they had earned freedom from premium payments by accepting subpar raises and other concessions in previous contracts.

From: PANGBORN Mark
Sent: Tuesday, October 25, 2005 3:37 PM
To: *Leadership Council
Subject: News

RVTD proposes transit tax to boost bus routes

By MEG LANDERS

Mail Tribune

Rogue Valley Transportation District patrons could see new routes, new stops and more frequent stops under a proposal that would raise money through a tax on businesses.

RVTD may form a mass transit district, which would allow it to charge businesses a payroll tax that would amount to less than \$100 annually, General Manager Peter Jacobsen told the Medford City Council Thursday. The move would require a petition to the governor.

Jacobsen said the district has stabilized after years of turmoil.

"We're ready to shift gears and start moving forward," said Jacobsen.

Jacobsen said the district is seeing a 6 to 10 percent increase in ridership annually and needs to address requests for additional services.

"We've got too many customers," quipped Jacobsen. "We're looking forward to finding some different ways to fund RVTD."

Controversy and strife led to recall attempts of the RVTD board in 2002 and 2003 and the departure of the former general manager at the district, which provides bus service to Central Point, Medford, Phoenix, Talent, Ashland, Jacksonville and White City.

Jacobsen was hired in September 2003, after which the district cut nine of 18 administrative staff positions, he said.

"This place needed some help badly," Jacobsen said following the meeting. "The board and the then-general manager were not getting along. The finances were in a shambles."

He said RVTD has a challenge in restoring public trust. He said part of the reason the district is looking at a business tax is because he doesn't believe voters would approve a property tax given RVTD's reputation.

"There's some history," he said.

He said the district brought in Alan Hudson as finance manager, primarily because of his success with turning around the Rogue Valley Council of Governments' financial situation.

Michael Cavallaro, RVCOG director, said Hudson brought the agency out of the red and into the black.

"We were consistently \$200,000 behind in cash flow and now we have between \$100,000 and \$200,000 in positive cash flow," said Cavallaro.

Jacobsen said at this time the district could not afford any changes or additions, in spite of the requests.

"With our current money, we're just about covering what we're doing expense-wise," he said.

He said the district serves 5,000 riders a day with 23 buses and a \$15 million annual budget.

The district has outgrown its headquarters, Jacobsen said.

He said the once-rural property, at 3200 Crater Lake Ave., is now surrounded by housing.

"At some point people aren't going to want to wake up at 4 in the morning when we start our buses," said Jacobsen.

RVTD wants to go to the public and get feedback, Jacobsen said, adding, "We're going to start taking our show on

the road."

To provide feedback on RVTD service or comment on funding options such as a business tax, contact RVTD at 779-5821.

Metro Strike, Day 24: Different feel, same result at board meetings

By GENEVIEVE BOOKWALTER
SENTINEL STAFF WRITER

SANTA CRUZ — The room was nearly empty during Wednesday morning's Metro meeting, a stark change from past sessions, when striking bus drivers left only standing room.

Santa Cruz Metropolitan Transit District Chairman Mike Keogh limited total public comment to 30 minutes, but only four people spoke, leaving almost 20 minutes on the clock. Frustrated drivers and passengers spoke for up to two hours in past sessions.

But like recent meetings, board members had nothing to report when they came out of a closed-door session with their negotiating team. The meeting was called to prepare the team for contract bargaining that afternoon. No announcements came after that session either.

"I think both sides are working at it," said Metro General Manager Les White, who declined to go into negotiation details. Another bargaining session is set for 2:30 p.m. Saturday.

In the morning meeting, Bonnie Morr, chairwoman of United Transportation Union Local 23, gave a hint of what drivers would and would not settle for. The union represents Metro's 145 drivers.

"We cannot continue to give up benefits to pay for increased medical costs and retirement," Morr said.

Finally, Metro's assistant general manager, Mark Dorfman, gave board members a brief rundown on why district calculations show a savings of about \$3,380 every weekday that buses don't run. Union figures put the number at \$53,000.

Metro drivers walked off the job Sept. 27 after the board rejected a tentative state-mediated contract agreement. The strike has left about 23,000 riders stranded each day.

Medical premiums and general leave — an optional, unpaid month off but with benefits — are two of the biggest negotiating issues as the two sides work toward a three-year contract. Drivers also want the district to pay more of their retirement pension costs.

Agency figures put this year's deficit at \$1.4 million, a number directors consider as they hammer out contract benefits.

Normally, 37 bus routes run from Davenport to Watsonville, up the San Lorenzo Valley and over to San Jose.

Contact Genevieve Bookwalter at gbookwalter

Metro strike: Employers scrambling to get employees to work

By GWEN MICKELSON
Sentinel staff writer

Managers at area hotels and restaurants are jumping in their cars a lot more often these days — giving rides to employees stranded by the Metro bus strike, now in its 25th day.

Such is necessary, they say, to deflect any impact on the area's tourist economy, the county's top industry, worth close to \$500 million annually and employing about 8,000 people.



□ Since the bus strike began, housekeeping workers at Chaminade have been forced to carpool to work in a company van. (Dan Coyro / Sentinel)

Some of the housekeeping employees at Best Western Capitola By-the-Sea Inn & Suites live in Live Oak, "and I've given them rides home during my shift," said Sydney Gray, front desk reservationist. "I would take two, three, five of them home at a time."

Otherwise, said Gray, the employees would have to walk home after their shifts, and in the recent heat, "it was miserable."

All of the hotel's housekeeping employees are struggling to get to work, she said. Most of the housekeepers who don't live in Live Oak reside in Watsonville, she said, and they can get rides but often have to wait several hours after their shift before someone can pick them up.

Of the hotel's 30 or so employees, about half generally ride the bus.

It's pretty much the same story at Chaminade at Santa Cruz, said David Barnes, general manager.

"It is impacting a portion of our employees, specifically in housekeeping and the kitchen," said Barnes. "They normally ride the bus."

Those employees are car pooling, he said, or their managers are going and picking them up.

The arrangement is working, Barnes said, but it does add to managers' schedules, and inevitably, some employees have lost some hours. Also, the strike started at the busiest time for the resort, Barnes said, with conference season heating up before the holidays.

About 150 people work at Chaminade, and probably about 10 percent of them use the bus, Barnes said.

On the Santa Cruz Municipal Wharf, one employee at Miramar Fish Grotto has needed to be picked up a few times from his home in Watsonville, said owner Louis Arenal.

"He's a busboy, so it's an important position," said Arenal.

Still, the restaurant, which employs 50-70 people, had to change the busboy's schedule because he can't make it on Mondays, said Arenal. The busboy simply had to lose a shift.

With the busy summer season over at the Boardwalk, the amusement park has not been as affected as it would have been during peak season, said publicist Brigid Fuller.

"There has been additional car pooling, and managers have made adjustments to people's individual schedules as necessary," she said.

The Boardwalk encourages staff to use public transportation by subsidizing bus passes, and Fuller estimated that about 13 percent of employees ride the bus.

The park employs about 730 people now; during the summer, that number swells to 1,600.

Many of the guests at Chaminade have been commenting on how many more cars there are on the roads since the bus strike, said Barnes. But another vehicle has also made a more frequent appearance.

"I've noticed the bicycle traffic to the hotel has increased quite a bit," he said.

Contact Gwen Mickelson at gmickelson@santacruzsentinel.com.

[Print Article](#)

Metro strike: Union backers to join pickets

By GENEVIEVE BOOKWALTER
SENTINEL STAFF WRITER

SANTACRUZ — Union supporters throughout the Monterey Bay area are expected to beef up bus-driver picket lines Monday. The move comes in protest to calls by the transit district for other agency workers who are members of another union to cross picket lines and report to work.

"Our message is going to be encouraging people not to cross the line to maintain support for their coworkers," said Paul Johnston, executive director of Monterey Bay Central Labor Council.

As the strike hits its 26th day, Metro continues to pay about 100 mechanics, supervisors and administrative staff at their normal pay — from \$519 a week for workers who wash, clean and fuel buses to \$1,360 a week for longtime supervisors. Most of these employees have not reported to work since the agency hasn't needed them when the buses aren't running.

But about 10 employees have been asked to come in, and union leaders aren't happy about it.

"We're concerned about that because it creates a potential for conflict and bad feelings amongst the workers, and that's dangerous," Johnston said.

About 145 drivers with United Transportation Union Local 23 went on strike Sept. 27 after Metro board members vetoed a tentative, state-mediated contract agreement. Now the two sides are in negotiations for a three-year contract. Bargaining teams plan to return to the table at 2:30 p.m. today.

Metro officials say that workers belonging to Service Employee International Union Local 415 don't have a contract provision allowing them to refuse crossing a picket line. That's why they continue to receive checks — to remain on call.

"We're adhering to what the contract says. What I indicated to employees is they would be off until such time that they were needed," said Metro General Manager Les White. "We weren't anticipating employees needing to come in until we restore service. But there are things we'd like to get done."

While many workers won't be needed until buses run again, some administrative duties must be attended to, White said.

If those asked to come back refuse, they could be subject to discipline, including termination.

If employees feel threatened by the picket line, "we will provide security to entrance and egress for the sites that we ask SEIU employees to come in," White said.

Driver supporters have picked Metro's Encinal Street offices to reinforce picket lines Monday because that's where workers have been asked to report, Johnston said.

But Ken Jacobs, deputy chairman of UC Berkeley Labor Center, said if the agency is paying SEIU workers during the driver strike, it is reasonable to ask them to come in.

"I would expect that they would do so," Jacobs said. "If there's no clause in the contract I think it's not uncommon to ask those workers to come in. Those workers will make individual decisions if they choose to do so."

As for keeping SEIU workers on the payroll during the bus strike, Jacobs said that's not unreasonable either.

"You don't want people to quit their jobs and look for work elsewhere," Jacobs said.

"It's not like there are many other options," he added. "What else could the district do in this case?"

Johnston agreed that refusing to cross a picket line would violate SEIU contracts. But if SEIU workers don't want to cross, it would be easier to make their case if a "militant" picket line is in the way.

Recently only a few drivers have manned the site, complete with folding chairs, a tent awning and occasionally donated food.

Contact Genevieve Bookwalter at gbookwalter@santacruzsentinel.com.

[Print Article](#)

Strike gives district more money woes

By **GENEVIEVE BOOKWALTER**
SENTINEL STAFF WRITER

While county bus drivers walk picket lines for the 27th day, former passengers are finding other ways to get to work,

school and the store. District officials worry when buses run again, some will never come back to mass transit.

That could mean a 5 to 10 percent long-term drop in passenger fare, an important source of income for an agency that is already reeling financially. These lost riders would only compound ridership losses over the past three years.

The district is "already on the ropes" said Ian McFadden, transit planner with Santa Cruz Metropolitan Transit District.

The district has run deficits the past three years.

A 5 to 10 percent drop in passenger fare, which Metro officials are projecting the year after drivers return to work, would translate into a 1 to 2 percent drop in the district's \$34 million annual operating budget.

And this money would be hard to make up.

In previous years, Metro's board has cut routes or raised rates to compensate for lost revenues. But directors said that is not an option this time: they already raised rates in 2003 and passengers upset about the strike would be turned off by higher fares.

"The overall issue is the sustainability of the system," said Les White, Metro general manager.

Bus drivers have suggested that the district is making good money during the strike and the long-term picture isn't so gloomy.

According to a paid advertisement in Friday's Sentinel, union members contend the district banks \$53,000 every day of the strike because they aren't paying the 145 striking drivers.

Metro finance director Elisabeth Ross, however, said the district saves only about \$3,380 on weekdays and loses \$614 on weekends.

By the time the district balances savings through drivers paychecks with loss of farebox revenue, bills, and other workers' salaries, Ross said, "we aren't really making huge savings."

Further exasperating Metro's financial difficulties, the district was hit hard by a first-quarter loss in sales tax revenues announced this month, Ross said. The district predicted revenues would increase 3 percent from a county half-cent sales tax, which pays about half of Metro's expenses. That didn't happen.

While about half of Metro's revenues come from county sales tax, about 20 percent comes from farebox collections, with state and federal subsidies, investments and other sources making up the rest.

Once buses roll again, the district will probably offer incentives to lure passengers back in and soften losses at the farebox, said White. That could mean two weeks of free rides.

Bus drivers went on strike Sept. 27 after board members vetoed a state-mediated tentative agreement. The strike has stranded about 23,000 riders each day.

Originally, medical premiums and general leave — an optional, unpaid month off but with benefits — were two of the biggest negotiating issues as the two sides work toward a three-year contract. Now, drivers also want higher wages and the district to pay more of their retirement pension costs.

Normally, 37 bus routes run from Davenport to Watsonville, up the San Lorenzo Valley and over to San Jose.

Contact Genevieve Bookwalter at gbookwalter@santacruzsentinel.com.

Saturday's negotiations continue

By NANCY PASTERNAK

Sentinel staff writer

SANTA CRUZ — Negotiating teams from Santa Cruz Metro and the bus drivers' union met Saturday in an ongoing attempt to forge a contract agreement.

The meeting began at 3 p.m. and was still in session more than four hours later.

"In a perfect world," said Bonnie Morr, chairwoman of United Transportation Union Local 23 before heading to the

table, "there's an agreement, and they reinflate the tires and start up the buses and we drive 'em again."

Bus drivers went on strike Sept 27 after Metro board members rejected a tentative, state-mediated agreement. The compromise would have kept buses rolling until June 30 and given both sides time to work on a new contract.

But the deal would have doubled health care costs next summer, and board members said they couldn't approve it.

Metro General Manager Les White could not be reached for comment.

Contact Nancy Pasternack at npasternack@santacruzsentinel.com.

[Print Article](#)

From: PANGBORN Mark
Sent: Thursday, October 27, 2005 12:52 PM
To: *Leadership Council
Subject: News
Salem Transit to weigh tax plans

Levies would raise money to maintain or add bus services

[DENNIS THOMPSON](#)

Statesman Journal

October 26, 2005

A multimillion-dollar property-tax increase to maintain or improve bus service in Salem and Keizer could be headed to voters in May.

At their Thursday meeting, the directors of the Salem Area Mass Transit District will consider whether to put a five-year levy on the May 16 ballot and how much money to ask for if they do.

There are two tax-increase options, both of which would expire after five years:

- A hold-the-line increase of 49 cents per \$1,000 assessed value that would maintain current levels of service by raising \$5.3 million per year.
- An increase of 67 cents per \$1,000 assessed value that would give the transit district an additional \$7.2 million annually, allowing it to improve bus service in the next five years.

The improvements would include Sunday bus service, increasing the frequency of Saturday bus service, adding five new bus shelters per year and putting more buses on popular routes.

Supporters of the increase could face an uphill battle. Salem voters have rejected the past eight money measures put before them, the most recent being a proposal in November for a permanent tax to support a Salem Library District.

But system improvements such as Sunday bus service could sway voters such as Marky King of Keizer.

"That's huge for people who work and need to get around on Sunday," said King, who owns a home. "It's a big selling point for me. It's backward that a community this size doesn't have Sunday transit service."

If the property-tax levy is voted down or if directors choose not to put it before voters, the transit system will need to be cut 15 percent to 20 percent, said John Whittington, the district's transit-development director.

"We're working on what those cutbacks would be," he said.

Property owners in the transit district, which covers the Salem/Keizer urban-growth boundary, now pay a permanent 76 cents per \$1,000 of assessed value levy that was passed in 1996, Whittington said.

The tax raises about \$8 million annually for the district, which has an overall budget of \$19.4 million. Fares provide \$2 million of the budget, and federal and state funding fill out much of the rest of the district's funding.

When voters approved the permanent levy, they were told that it would sustain the district's growth for the next seven to 10 years, Whittington said.

Since then, ridership has grown 73 percent, from 3.16 million in 1996 to 5.48 million in 2004, and the district's bus routes have stretched to cover much more of the city.

"No bond is not an option," said Jerry Thompson, the vice president of the transit board of directors. "We're going to be out of money if we don't do something."

Thompson and fellow board member Marcia Kelley say they favor the more expensive option that would allow further expansion.

The hold-the-line tax increase would cost the owner of a \$150,000 home an additional \$74 per year, Whittington said. The expansion increase would cost the same owner an extra \$101 per year.

"Our ridership keeps going up, and there are more and more people who could be using it, especially with gas prices the way they are," Thompson said.

Clark said the district can sell a tax increase if it convinces voters that they benefit even if they never step on a bus.

"You may not ride, but somebody you know -- your niece going to Chemeketa Community College, or your older mother, or yourself when you're older -- may need this," Clark said. "And as we have a growing population and our congestion advances, the more people you have in public transportation, the faster the traffic actually can go."

The latter argument rings true for Salem resident Lorraine Fullerton, who lives near Bush's Pasture Park.

"It's already horrendous trying to find a parking spot, and it gets even worse at Christmas," she said. "If there are more people on the buses, that means more available spots for drivers

Local editorial

New taxes for new bus routes?

It's worth considering, but RVTD has a lot of convincing to do

Traffic is a little like the weather: Everybody complains, but nobody does anything about it.

The Rogue Valley Transportation District would like to do something about it by adding new routes as well as more and more frequent stops. If more people rode the bus, fewer cars would clog the valley's roads.

But in order to do that, RVTD needs more money. Last week, RVTD General Manager Peter Jacobsen told the Medford City Council that a payroll tax could generate the necessary revenue. If RVTD became a "mass transit district" under state law, instead of the special district it is now, the district's board could impose a payroll tax on local employers without having to ask voters to approve it.

That's not necessarily a bad idea. But the road from here to there is fraught with potholes, some of them deep enough to stop a bus.

For starters, RVTD would have to ask the governor to create the mass transit district. Alternatively, the Medford City Council, representing the largest community served by RVTD, could make the request. Then, the county commissioners would have to endorse the request as well.

Needless to say, the support of the business community would be essential to convincing the county and the governor to go along. Public support for the move also would be needed.

Oregon now has three mass transit districts: Portland's Tri-Met, Salem and the Lane Transit District in the Eugene area. The Medford area is clearly approaching the size of community that could support a larger bus system.

The payroll tax would not have to be excessive to generate enough money to expand bus service considerably. State law allows a maximum tax rate of 0.07 percent of annual payroll. That amounts to \$21 a year for an employee paid \$30,000.

Jacobsen says that even half of the maximum rate — 0.035 percent of payroll — could generate \$4.5 million to \$6 million annually, far more than the \$1.5 million the district gets now from its permanent property tax rate of 17 cents per \$1,000 of assessed value.

Before crunching any numbers, however, the community should step back and consider the other requests for funding that are on the horizon.

The Medford School District is likely to ask voters to approve a local levy to fix crumbling buildings. The Medford police and fire departments are talking about needing more money. And Jackson County could lose millions if federal budget cuts brought on by hurricane relief efforts eliminate the timber-related payments that have supported 18 Western Oregon counties for decades.

If that happens, the county's system of new libraries could be left without operating money unless voters made up the difference. Asking valley residents to choose between buses and libraries would not likely be to RVTD's benefit.

Finally, Jacobsen said last week that the district needs a new headquarters building. We don't buy it, and we suspect the community won't, either.

The district has half the administrative staff it employed two years ago. Space can't be that much of a problem. Jacobsen notes that houses are beginning to encroach on the RVTD complex on Crater Lake Avenue, and bus noise could become an issue.

If it does, and if RVTD succeeds in its quest to find new funding and add more service, a new headquarters might make sense as the bus system grows. But for now, the district has its work cut out for it just to sell the community on the idea of a new tax.

Santa Cruz bus drivers offer another proposal as strike continues

Bay City News Service

SANTA CRUZ - The negotiating team representing 145 Santa Cruz County bus drivers offered another contract proposal to the Santa Cruz Metropolitan Transit District Monday in hopes of ending the nearly month long strike.

Multiple proposals have gone back and forth from both sides since the strike began, Les White, general manager of the transit district, said today.

The bus driver union's latest proposal was offered Monday during negotiations between United Transportation Union Local 23 and the Santa Cruz Metropolitan Transit District.

The transit district's board of directors is scheduled to meet 9 a.m. Wednesday at Santa Cruz City Hall to consider the proposal, White said. Negotiations are expected to continue later that afternoon.

The board also has a meeting tentatively scheduled for 9 a.m. Friday.

"I think that both sides are trying to move closer together," White said.

"Each of the issues needs to be re-crafted and moved closer together. There's nothing that sticks out right now," he said.

Union officials remain optimistic despite growing tensions over the strike, which began Sept. 27 and continues to leave

around 23,000 daily riders without their typical means of transportation.

"I think they're very optimistic that it's getting much closer," Carol Moore, local president of the union, said today.

"No major movement, but I guess there was some movement," she said of Monday's negotiations.

"It's just starting to get really frustrating a month into it," she said.

Crowd protests at Metro director's home

By GENEVIEVE BOOKWALTER
SENTINEL STAFF WRITER

About 50 union workers from around the area converged on the Encinal Street transit district offices Monday morning for a "militant" picket line to discourage workers belonging to another union from reporting to work.

But Metro General Manager Les White said the protest paled in comparison to one Sunday evening at board member Dene Bustichi's Scotts Valley home. According to police reports, up to 50 people chanted, banged drums and set off firecrackers to protest the bus drivers' strike, in its 29th day today.

"About 9:30 I got a knock on the door; I was actually asleep. The whole family was asleep," Bustichi said Monday. "Two girls at the door handed me some information and said they wanted to talk about the bus strike. I said, 'It's 9:30 at night and I'm standing here in my boxers and I'm going to go back to bed.'"

What Bustichi didn't realize, he said, was that more than 30 students and other protesters were in front of his house. After he shut the door, he said, they yelled, chanted, grabbed things out of his yard, beat on his trailer and took sheet metal from a neighbor's yard.

His children, ages 5 and 12, were so frightened they slept in the same room for the rest of the night, he said.

"The feeling of safety in my house that my children and wife felt is gone right now," an angry Bustichi said.

But UC Santa Cruz graduate student Maia Ramnath, 32, said Bustichi's neighbors are protective.

Most of Sunday night's protesters were members of UCSC's Student and Worker Coalition for Justice, Ramnath said. Some planned to talk to Bustichi while others distributed fliers to his neighbors, focusing on his stance as a Metro board member.

They weren't prepared for the man with a gun, another with a stick or the woman with a garden hose.

"We underestimated the reaction of the neighbors," Ramnath said. "A man came out of the house and started yelling profanities at me," she said, "and said in quite aggressive terms that we needed to get out or beware.

"This other woman came out with a hose and said, 'It looks like a good time to water the lawn,' and started spraying us," Ramnath said. One neighbor pointed a shotgun at protesters, she said.

Police showed up as the protesters were leaving, a department release said. No citations were reported.

In retrospect, Ramnath said, the group should have come earlier and been quieter. "I guess going to the office does seem like a reasonable thing to do," she said.

Bonnie Morr, chairwoman of United Transportation Union Local 23, which represents 145 striking bus drivers,

defended the protesters.

"They're students," Morr said. "I was a child of the '60s. We wanted answers. We wanted someone to respond."

Monday morning, a more orderly protest took place on the sidewalk in front of Metro's administrative offices. District officials asked some employees belonging to another union to report to work, and Paul Johnston, secretary and treasurer of the Monterey Bay Central Labor Council, organized a "militant" picket line to discourage them. The district doesn't need a full staff if buses aren't running, so those employees are being paid to remain on call should Metro need them.

Still, carpenters, grocery workers, Teamsters and others answered Johnston's call.

Bus drivers went on strike Sept. 27, after Metro's board vetoed a state-mediated contract agreement. The strike has stranded about 23,000 riders daily.

The two sides are negotiating a three-year contract. Originally, medical premiums and general leave -- an optional, unpaid month off but with benefits — were two of the biggest issues. Now, drivers are bargaining over health care premiums, cost-of-living wage increases and are asking the district to pay more of their pension costs.

Normally, 37 bus routes run from Davenport to Watsonville, up the San Lorenzo Valley and over to San Jose.

Negotiators are scheduled to meet Wednesday afternoon, after the transit board meets in the Santa Cruz City Council chamber at 9 a.m.

Contact Genevieve Bookwalter at

Union airs ads against SEPTA

By Larry King
Inquirer Staff Writer

SEPTA's largest union, calling its relationship with management "a marriage gone bad," yesterday ramped up its fight for custody of the hearts and minds of area transit riders.

Transport Workers Union Local 234, saying the public deserves "the unvarnished truth" about its contract stalemate with SEPTA, began airing the first of about 100 television commercials that will run this week on local and cable channels.

The spots, part of a \$70,000 media buy, touched off a new war of words between SEPTA and union spokesmen, each claiming the high ground as labor negotiations crept toward a Monday strike deadline.

Meanwhile, SEPTA's lead negotiator, Pat Battel, met privately yesterday with his TWU counterpart, emerging to confirm that "this is going to be a difficult week."

Battel said he and TWU president Jeff Brooks both "understand that a strike would be devastating. We have a huge responsibility on our shoulders to keep that from happening."

While Battel urged Brooks to "push harder" for health-care concessions from his membership, the union unleashed an ad campaign casting SEPTA management as heavies who shortchange riders with service gaffes and workers with broken promises. The ads urge riders to flood SEPTA headquarters with phone calls demanding a fair contract for workers.

"SEPTA is cheating on us, and we won't have it," TWU spokesman Bob Bedard declared at a news

conference to announce the ads, saying that SEPTA reneged on a "covenant" to limit worker-paid health-care premiums in return for union concessions. "The next few days, we'll have the opportunity to talk with a marriage counselor and try to get things resolved."

Failing that, Bedard warned, "there'll be an ugly divorce."

Bedard was referring to the continuing contract negotiations this week at the Crowne Plaza hotel in Center City, and Monday's strike deadline should those talks break down. Along with Local 234, which represents about 5,000 city and suburban transit workers, about 320 bus and trolley operators represented by United Transportation Union Local 1594 also have promised a Halloween strike if a contract is not reached.

SEPTA spokesman Richard Maloney called the ads - and Bedard's statements - "pathetic" and "disruptive" to the delicate bargaining process.

"These are extraordinarily serious issues at hand, and they affect the lives of hundreds of thousands of people - from children going to school to the elderly going to their doctors for dialysis," Maloney said.

If both unions walk, only SEPTA's 13 regional rail lines, CCT Connect service for the disabled, and a small batch of bus lines will remain in operation. About 400,000 bus, subway and trolley riders would be without those services.

By all accounts, the negotiations went virtually nowhere on Monday, when the TWU presented a new nine-page proposal. The meetings resumed yesterday afternoon, as negotiating teams met before Battel and Brooks went one on one.

Bedard said that Local 234 was hoping yesterday for a point-by-point response to its Monday proposal, which he said addressed some of SEPTA's concerns.

Maloney, however, cast the new proposal as "destructively regressive. The financial cost of this proposal almost doubles the cost of what they had previously offered."

The most vexing issue between the two sides is health care.

"Our folks have paid for their health care [with] 25 years of contract concessions and givebacks... . A 30-year employee of SEPTA gets no paid sick days. They have a cap on their pension. They have a cap on disability," Bedard said. "These are benefits that over [many years] have saved SEPTA hundreds of millions of dollars... . We did that in a covenant; we made a deal with SEPTA... . And now this is a marriage gone bad."

Maloney called it "ridiculous" to speak of the terms of prior contracts as unchangeable. "We are not talking about a marriage; we are talking about a contract. Nothing is forever."

Battel insisted that "SEPTA really doesn't have a choice. We face a huge fiscal crisis coming down the road. We're trying to be responsible. We understand that we are trying to deliver a contract for the union that they can get ratified by their membership, but at the same time, we have to deliver a contract that is affordable to our riders and to the taxpayers."

Most of the union's TV ads will be 30-second spots to run on six local channels during news programs or immediately before or after them. In addition, about 10 one-minute ads will run on the BET, Headline News and TNT cable channels, where rates are cheaper.

Bedard noted that Local 234 has agreed to three extensions since the original contract deadline in March. There will be no more, he said, unless both sides are close enough to settling that they need a few more

hours.

"The deadline," he said, "is the deadline."

SEPTA unveils its health-care proposal

By DAN GERINGER
geringd@phillynews.com

WITH THE clock racing toward a Monday-morning strike that would derail the city's transit system, SEPTA yesterday broke months of silence to reveal key details in its contract proposal for 5,000 members of Transport Workers Union Local 234.

SEPTA spokesman Richard Maloney said the agency had downscaled its original demand that union members co-pay 20 percent of their health-plan premiums to the following:

- Union members who do not co-pay for health benefits now would start contributing \$3 to \$12 per week [\$156 to \$624 per year], based on health plan and number of dependents.
- Wages would rise 9 percent over the contract's three years. Maloney said the average wage of almost \$50,000 would rise to almost \$55,000 by year three.
- Co-pays would increase. A primary-care office visit, for example, would rise from \$5 to \$10.

Maloney said union members had to start assuming some of SEPTA's steeper costs for their health care: a 19 percent jump this year after three years of 15 percent rises.

Last night, union spokesman Bob Bedard characterized Maloney's numbers as "lies, miscalculations and purposeful deceptions designed to use the media to transmit a bogus message to the public."

Bedard said the average Local 234 member makes \$37,400, not \$50,000. "The top pay for a bus driver is about \$44,000," Bedard said.

Bedard blasted Maloney's insistence that union members help pay SEPTA's health-care costs.

"If SEPTA was going broke paying health-care premiums, why didn't they ask any of their non-union employees to pay?" he said.

"[SEPTA General Manager] Faye Moore earns \$195,000 a year," he said. "Surely she and Maloney could afford to pay the same as the first-year [union] bus driver who makes \$12.93 an hour. We won't pay to subsidize their health care."

Bedard said SEPTA's proposal doubles the cost of visiting a specialist's office to \$30, triples an in-network maternity-office visit to \$15, raises the co-pay for a routine gynecology visit from \$0 to \$15, quadruples an MRI from \$15 to \$60 and raises the maximum annual out-of-pocket co-pay for hospitalization from \$4,000 to \$9,000 (family); from \$2,000 to \$3,000 (individual).

Local 234 President Jeff Brooks met for two hours with SEPTA chief negotiator Patrick Battel yesterday but reported no significant progress. They will meet again this afternoon.

From: PANGBORN Mark
Sent: Tuesday, November 08, 2005 3:35 PM
To: *Leadership Council
Cc: SULLIVAN Jo
Subject: News
November 2, 2005

Metro might offer free bus rides to lure passengers back

By GENEVIEVE BOOKWALTER
SENTINEL STAFF WRITER

After more than a month without bus service, Santa Cruz County passengers might get 10 days of free rides.

Les White, general manager of Santa Cruz Metropolitan Transit District, suggested the free rides as a way to lure back riders who have found other ways around town during the drivers' 35-day strike, which ended Monday. The district predicts a 5 to 10 percent drop in long-term ridership as people keep pedaling their new bikes or riding in carpools instead of taking the bus.

Metro directors will consider the free service in a special session this morning.

They also will accept the new contract for the 145 drivers belonging to United Transportation Union Local 23.

Free rides would start Thursday, the first day of service since the strike began. Metro staff is finishing inspections and maintenance for the district's 104 buses. All routes, including the Highway 17 Express, could be included in the offer.

"The ones who really lost in this situation was the public, and we all have to live with that," Metro board chairman Mike Keogh said Tuesday, adding he will probably vote for the idea in today's session. "Let's make their lives easier. Let's do something."

If passengers return, it will improve the bus district's finances, too.

About 20 percent of the district's operating budget comes from farebox collections. A 5 to 10 percent drop in passengers would translate into a 1 to 2 percent shortfall in the district's \$34 million annual operating budget.

In previous years, Metro's board has cut routes or raised rates to compensate for lost revenues. But directors have said that is not an option this time: they already raised rates in 2003 and passengers upset about the strike would be turned off by higher fares. Ridership losses would only compound those suffered after the recent route cuts and fare hikes.

After farebox and sales tax revenue, state and federal subsidies, investments and other sources make up the district's remaining income.

Drivers walked off the job Sept. 27 after the board vetoed a tentative contract agreement that would have kept buses rolling through June 30. Drivers said they would not return without a three-year contract, which they ratified Monday.

Before the strike, 37 routes carried 23,000 daily riders from Davenport to Watsonville, up San Lorenzo Valley and over to San Jose.

Contact Genevieve Bookwalter



TriMet gives light-rail riders an audible push

Apparently, signs and stern glances do not suffice

Monday, November 07, 2005

The Oregonian

to uproot oblivious or intimidating seat hogs

Recently, TriMet added a bouncer of sorts to its light-rail trains. Although it doesn't boot you off, in some cases it does attempt to pry you out of your seat. The voice that once rocked riders, like a lullaby, announcing stations -- "Doors to my right" -- now has a little more of a "Look, buster" edge.

The voice is still civil. It's just gotten bossier. Sadly, TriMet has been forced to dispense with the smiley-faced assumption that we're all civilized on this train, and we all practice kindness. The agency no longer takes it for granted that Portlanders will jump up and offer their seats to the elderly, disabled, burdened or frail. Turns out, in the rush-hour battle to grab a spot, many riders are more into territorial conquest than courtesy.

Signs have always been posted about giving up your seat (signs you could ignore). A confusing taped message existed previously, too, but amounted to a mumble. As of mid-October, however, a voice tells you loudly and clearly what the rules are. "In the priority seating area," the voice insists, "you are required to move for seniors and people with disabilities."

Got that, buddy? If you don't get it, you're bound to hear it again. In fact, if you do a round trip on light-rail from Gresham to Hillsboro every day, TriMet's Mary Fetsch estimates you may hear it more than two dozen times.

Admittedly, the first time you hear it, you slink down like a grade-schooler whose class is chastised for something only a few kids did. You feel bad, but you want to wail: "I didn't do it!"

Too many riders, apparently, are doing it. They're hogging the priority seats, intended for the disabled or the elderly. Frequent transit rider Michael Levine, who's working to make the light-rail system more intuitive for disabled riders, says failure to yield a seat is not uncommon. Some seat hogs are simply oblivious, zoned out with their iPods. Others know exactly what they're not doing.

As Levine points out, competition for light-rail seats at rush hour is keen, and riders looking for seats aren't just competing with each other. Often they're vying with bicycles, strollers and luggage, too. Still, there's no excuse. And if TriMet's more pointed directive doesn't work, then the agency will have to escalate. It may have to hire real bouncers.

It's sad that it's come to this. But getting bossy is better than letting rudeness rule the light-rail system. TriMet is right to tell seat hogs exactly where to get off.

As we have found here at LTD, cutting service anywhere proves to be a tough sell.



DART might yield on plan to cut routes

Rider response drives board to mull reducing number of trips instead

07:05 AM CST on Tuesday, November 8, 2005

By TONY HARTZEL / The Dallas Morning News

A handful of low-performing Dallas Area Rapid Transit bus routes slated for elimination may get a reprieve after hundreds of regular riders, business owners and others petitioned the transit agency to keep their service running.

Today, the DART board of directors will review a new proposal that calls for cutting some trips from certain routes rather than eliminating all or most of those routes. The public hearing, at DART headquarters, is the final chance for riders to offer input on route performance. A decision on bus service is expected Nov. 29.

"We are taking a look at some of those alternatives. We may be able to cut some trips off and find solutions less than elimination that will help these routes meet performance standards," said Tim Newby, DART's assistant vice president for service planning and scheduling. DallasNews.com/extra
[Proposed changes](#)
[En Español](#)

DART received more than 300 written comments about its decision to modify or eliminate 39 routes starting in January. Most of those comments centered on six routes slated for substantial cuts or outright elimination – routes 8, 155, 184, 207, 234 and 564/566. That feedback has led the transit agency to look at other ways to reduce costs while keeping buses running, which could include dropping the route's first and last bus runs of the day.

"We heard loud and clear that there would be a lot of folks whose service would be affected," DART board chairman Mark Enoch said.

The proposed cuts come at a difficult time for the transit agency.

DART has experienced a substantial increase in bus and rail riders, many of whom have been seeking alternatives to the high cost of fuel and the high cost of commuting. But those same costs also have buffeted the transit agency, which has seen its fuel costs jump more than 50 percent in the past year. Each 1-cent increase in the cost of a gallon of diesel fuel costs DART \$64,000 a year.

Bus routes might be cut if they fall below certain cost-per-rider performance measures, which vary by the type of service offered. Some routes operate on subsidies of \$2.80 per passenger, while others go as high as \$4.50 per passenger for standard subsidies. Many of the routes on the chopping block exceeded subsidies of \$10 per passenger, and many of them would continue to rank at or near the bottom when compared with subsidies on similar routes.

Route 234, which provides express bus service from Richardson and Plano to Irving, reported subsidies of about \$24 per rider this fall. But its riders were among the most vocal, and DART is looking at trimming early and late bus runs to help lower its costs on Route 234.

"The more people know about this route, the more people will ride it," said longtime passenger Mike Perkins, who uses Route 234 to commute from Plano to his job at Zach's Tire Co. on State Highway 183. Mr. Perkins and others plan to present a petition with 300 signatures of current, previous and potential riders to the board at the hearing tonight. "We're trying everything we can. DART is subsidized by public funds. It's a service to the community."

In past service changes, the transit agency has often scaled back original proposals to cut or reduce service, hoping that altering or combining routes would help it meet performance standards. In the last few weeks, the transit agency collected more ridership data on many of the routes considered for elimination.

Although increased costs and slower-than-expected sales tax growth have challenged the transit

agency's budget, the proposed cuts stem solely from the agency's desire to eliminate inefficient service, the board chairman said.

"We are in business to provide service to customers. At the same time, we need to make sure that service is efficient," Mr. Enoch said.

DART already has cut about \$1 million from its budget, mostly by eliminating late-night and early morning weekend rail service over the summer. The agency has planned to save an additional \$2 million with the proposed cuts.

Posted on Tue, Nov. 08, 2005

ON THE ROAD, AGAIN!

Early-morning negotiations result in end of city transit strike

By DAN GERINGER & MARK McDONALD

geringd@phillynews.com

AFTER 22 HOURS of talks, Gov. Rendell emerged from the Bellevue yesterday as dawn bathed his beloved Avenue of the Arts in a rosy glow - and thanked Deborah Willig for finding the \$15 million health-care savings that got SEPTA's subways, buses and trolleys rolling again.

As the high-energy hero of the contract settlement, who herded everybody into a hotel room and closed the door until the deal was done, thanking Willig during the moment of triumph was a gracious thing for Rendell to do.

Willig is the veteran labor/health benefits lawyer who represented Transport Workers Local 234's 5,000 striking transit workers.

She stayed out of the dawn spotlight focused on Rendell and the SEPTA and union leaders who hammered out the deal, ending the week-long transit strike that stranded 400,000 riders.

But Rendell wouldn't let her hide. At an afternoon press conference yesterday, he expanded his praise, saying that "the \$15 million that came from Debbie Willig's suggestion was like manna from heaven. That was like found money that we could save."

Money, especially the money that chronically cash-strapped SEPTA pays for health-care benefits whose cost has risen 15-19 percent a year, was the mountain that both sides had to climb.

Willig reduced it to a molehill.

"She asked the two people from Blue Cross [at the negotiating table] 'Isn't it true that you pay a significant discount if the premiums are paid early?' " Rendell said. "And the Blue Cross people said yes.

"Without that \$15 million, we might still be here today in these rooms negotiating," he said.

Last night, Willig said that the \$15 million savings is based on a traditional

three-year SEPTA/TWU Local 234 contract. But the new contract is for four years. So the health-care savings for early premium payment is an even more spectacular \$22 million.

That savings enabled SEPTA and Local 234 to break their week-long logjam on premium co-pays.

Backed by Rendell's publicly stated belief that a sliding scale based on salary was the fairest way to go, the union got what it wanted:

All members will co-pay 1 percent of 40-hours' salary (not overtime) for health-care premiums. SEPTA's management will pay the same. So the general manager who makes \$195,000 will pay significantly more than the bus driver who makes \$24,000.

Union members also won a 3 percent annual raise for four years - which more than compensates for the 1 percent health care premiums - and prevailed on the strike issue of due-process work rules for handling complaints about bus operators.

SEPTA shared the win-win outcome of negotiations when union members agreed to help defray the burden of skyrocketing health-care costs by co-paying premiums throughout their transit careers for the first time.

Willig said that when she first proposed the early-payment savings idea to SEPTA 10 days ago, "their response was that they couldn't afford it" because it meant "paying Blue Cross \$88 million up front as opposed to \$7 million a month" as the transit agency was used to doing because its funds arrive slowly over the course of the year.

Rendell solved SEPTA's cash flow problem by promising to advance the money in a lump sum.

Willig said that the first hopeful sign of a contract settlement came Friday afternoon when, during hours of meetings with Mayor Street, the \$72 million gap between what SEPTA and Local 234 wanted shrunk to \$35 million (SEPTA's number) or \$23 million (Local 234's number), depending on who you asked.

When the governor entered the fray Sunday, "both parties worked hard to close that gap."

That's when Willig popped the \$22 million pre-payment savings question to the governor's staff.

"They looked at me like I was crazy," Willig said, but when Blue Cross said "yes," SEPTA was suddenly able to agree to the union's demand for 1-percent-of-salary co-pay, and the money mountain was reduced to pocket change.

Willig credited Rendell, and City Controller Jonathan Saidel who first brought the 1 percent-of-salary co-pay to the public's attention, for "doing yeoman's work" in getting the deal done fairly for both sides.

"I think this is a true win for everybody, particularly because SEPTA was doing well because of the increase in gas prices," Rendell said. "It was picking up riders and to lose that momentum in a three-week or five-week strike would have been disastrous. We settled it just in time."

Asked if the settlement will lead to fare hikes during the term of the contract, Rendell said, "No, this settlement itself will not lead to fare hikes. The only unpaid part of this is about \$2.5 million which is out there without a funding source. And \$2.5 million for an agency as big as SEPTA is easy to absorb without a fare hike."

SEPTA spokesman Richard Maloney, who sat in on the bargaining talks from midnight to dawn, said Rendell was awesome all night.

"The man has phenomenal energy," Maloney said. "In a minute-to-minute, hour-to-hour hard knuckle negotiation like that, when you get down to the brass tacks of putting all the pieces together like a Rubik's Cube, you're dealing with multiple issues, any one of which can be a dealbreaker at any moment."

"And when they pop up, everybody looks at each other and says, 'This could wreck the whole thing and the strike could be prolonged indefinitely.'"

That happened repeatedly during the final frantic hours at the Bellevue, Maloney said.

"It's agony to watch," Maloney said. "It's all about minute detail - changing this line, this word. There is always the danger that it can fall apart in the wink of an eye. Even at 5:30 in the morning, when I came down to tell the media that it was done and the governor would be down shortly, it wasn't done."

"After 15 minutes, I went back upstairs and they're all running around back and forth from room to room, and I said, 'Oh my God, it's all coming apart.' But it didn't."

The ultimate reward, Maloney said, was "standing in front of the Bellevue at dawn, hearing the silence of not having any buses out there on Broad Street and knowing that this deal is going to end the agony of hundreds of thousands of people."

"And then I saw Congressman [Bob] Brady kind of bouncing down Broad Street in dawn's early light with a big smile on his face. He obviously has a long record of playing a peacemaker's role for labor, and he certainly played that role in this one."

But Rendell, Maloney said, was the key. "The governor of Pennsylvania brings to the table an enormous amount of power - both political power and the power of the budget. He was able to focus this power in one place - bring all parties together in a room and close the door."

"He never said, 'No one's getting out of here until we get this done.' But it was understood."

AGENDA ITEM SUMMARY

DATE OF MEETING: November 16, 2005

ITEM TITLE: NEWS ARTICLES ABOUT TRANSIT ISSUES AROUND THE COUNTRY

PREPARED BY: Mark Pangborn, Assistant General Manager

ACTION REQUESTED: None

BACKGROUND: As begun in 2004, each month's Board packet includes articles about transit issues, including bus rapid transit (BRT) initiatives throughout the U.S. and the world. These articles are included in the packet for information purposes only.

ATTACHMENTS: See news articles

PROPOSED MOTION: None