

(This packet was printed on recycled paper.)

Public notice was given to *The Register-Guard* for publication on December 11, 2008.

**LANE TRANSIT DISTRICT
REGULAR BOARD MEETING**

**Wednesday, December 17, 2008
5:30 p.m.**

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

A G E N D A

Page No.

I. CALL TO ORDER

II. ROLL CALL

Eyster _____ Gaydos _____ Kortge _____ Necker _____
Towery _____ Dubick _____ Evans _____

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. 2009 Legislative Session Preview (25 minutes) | 06 |
| B. Gateway EmX Extension Update (25 minutes) | 28 |

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

- | | |
|--|----|
| VII. EMPLOYEE OF THE MONTH – January 2009 (5 minutes) | 29 |
| VIII. UNITED WAY LOANED EXECUTIVE AND TEAM RECOGNITION | |
| IX. AUDIENCE PARTICIPATION | |
| ♦ Each speaker is limited to three (3) minutes. | |

IX. ITEMS FOR ACTION AT THIS MEETING

- A. Independent Audit Report for Fiscal Year Ending June 30, 2008 (10 minutes)
 - 1. Audit Report 30
 - 2. Acceptance of Audit Report 31

X. ITEMS FOR INFORMATION AT THIS MEETING

- A. Fare Machine Presentation (10 minutes) 32
- B. Comprehensive Annual Financial Report for Fiscal Year 2007-2008 (15 minutes) 33
- C. Board Member Reports (10 minutes) 36
 - 1. Meetings Held or Attended
 - a. West Eugene EmX Extension Corridor Committee – November 25 and December 11
 - 2. No Meeting/No Report
 - a. Metropolitan Policy Committee
 - b. LCOG Board of Directors
 - c. Board HR Committee
 - d. EmX Steering Committee
 - e. Board Finance Committee
 - f. Board Service Committee
 - g. APTA Authorization Committee
 - h. Gateway EmX Extension Corridor Committee
- D. Pension Plan Update (15 minutes) 39
- E. System Audit (5 minutes) 42
- F. Martin Luther King, Jr. Celebration (5 minutes) 58
- G. Monthly Financial Report—November 2008 60
- H. Correspondence 71
- I. Monthly Department Reports (respond if questions) 75
- J. Monthly Performance Reports (respond if questions) 81

- XI. ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING 88
- A. Contested Case Procedure – Ordinance 36 (January)
 - B. EmX Fare Analysis (January)
 - C. Commuter Solutions Annual Report (January)
 - D. Board Committee Reassignments (January)
 - E. West Eugene EmX Extension Update (January)
 - F. RideSource Call Center Brokerage (January or February)
 - G. Annual Performance Report (February)
 - H. Revised Capital Improvements Program Adoption (March)
 - I. Revised Long-Range Financial Plan Adoption (March)
 - J. Legislative Bill Updates (future meetings)
 - K. Gateway Station Construction Updates (future meetings)
 - L. LTD Sustainability Plan (future meeting)
 - M. Park & Ride Program (future meeting)
- XII. EXECUTIVE (NON-PUBLIC) SESSION PURSUANT TO ORS 192.660(2)(i), to review and evaluate, pursuant to standards, criteria, and policy directives adopted by the governing body, the employment-related performance of the general manager of LTD 90
- 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, 2008

EXECUTIVE SUMMARY

Prepared by Diane Hellekson
Director of Finance & Information Technology
December 17, 2008

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 December 17, 2008, LTD Board meeting. At the December 17 meeting, Charles Swank of the accounting firm Grove, Mueller & Swank, P.C., 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** increased 17.6 percent as compared to the previous fiscal year. The significant increase was due to the rapid growth in ridership system wide that was the result of high fuel prices and to the continued success of the Franklin EmX Corridor and the Student Transit Pass Program.
- **Accessible services** operating revenue nearly doubled from FY 2006-07 to FY 2007-08 due to the implementation of a ride brokerage in the spring of 2008.
- **Employer payroll tax receipts** were \$23,303,571, an increase of 5.1 percent, which is a positive result but less than was anticipated by the budget due to a cooling local economy. Receipts were \$1,140,981 above the previous fiscal year. The FY 2007-08 budget anticipated stronger growth with receipts of \$25,100,000.
- **Self-employment tax revenue** increased 4.9 percent versus the previous year. The budget anticipated this growth.
- **State-in-lieu revenue** increased 7 percent, and revenue exceeded budget by \$183,000.

Total operating revenue (including Accessible Services) increased 35.1 percent. Total operating and nonoperating revenues increased 11.7 percent. Total growth was up versus the previous fiscal year due to the modest growth of payroll tax receipts and the effect of the accessible services brokerage addition.

Operating Expense

- **Personnel services** increased 7.7 percent. The budget anticipated this growth.
- **Materials and services** increased by 11.3 percent due to the continued volatility and high cost of fuel.
- **Insurance** decreased 0.5 percent compared to FY 2006-07 due to a change in the way that workers' compensation premiums are calculated and to an improvement in claims history.
- **Accessible Services** expenses increased 46.7 percent due to the implementation of the ride brokerage call center.

Total operating expense (including Accessible Services and depreciation) increased 16.3 percent. Total expense less depreciation increased 12.3 percent. Almost all of the increase is accounted for by fuel and the new brokerage.

Farebox Recovery (Fixed-Route Service)

Ratios were as follows for the last ten fiscal years:

1998-99	23 percent	2003-04	22 percent
1999-00	22 percent	2004-05	21 percent
2000-01	21 percent	2005-06	22 percent
2001-02	21 percent	2006-07	21 percent
2002-03	24 percent	2007-08	23 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:

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
2005-06	31.377
2006-07	32.379
2007-08	36.225

Fiscal year 2007-08 system productivity was the highest of the last twenty years due to ridership increases. This result broke the record set last year by nearly 12 percent.

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: PRESENTATION OF *COMPREHENSIVE ANNUAL FINANCIAL REPORT* FOR FY 2007-2008

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, 2008, 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 & Swank, P.C. Charles Swank, representing LTD's auditors, will attend the December 17 meeting to discuss the audit results. An overview of Lane Transit District's financial position at June 30, 2008, will be presented by staff at the December 17 Board meeting.

Board acceptance of the independent audit report for the fiscal year ending June 30, 2008, 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, 2008

NOTE: The *Comprehensive Annual Financial Report* is being included as an enclosure with the LTD Board agenda packet to Board members only. Other interested parties may obtain a copy by contacting LTD.

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: NOVEMBER FINANCIAL STATEMENTS

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

ACTION REQUESTED: None

BACKGROUND: Financial results for the first five months of FY 2008-09 are summarized in the attached reports.

Ridership remains strong but leveled off in November. Boardings for November 2008 were 988,895, about 0.6 percent lower than for November 2007 primarily due to the fact that there were two fewer weekdays in November 2008. Had there been the same number of weekdays in the two months that are being compared, there would probably have been growth in November 2008 of 4 or 5 percent. The single-digit growth suggests that ridership growth may be slowing. Boardings for the rolling twelve-month period that ended November 30 were 14.9 percent higher than for the same period last year.

Passenger fares are up 15.3 percent over last year due to strong ridership and also due to a 20 percent increase in the cash fare and an 18 percent increase in the monthly pass rate, both which were implemented in September.

As of November 30, receipts were 101.8 percent of last year's receipts, despite a tax rate increase that went into effect on January 1, 2008. The current-year budget assumed an 8 percent increase in receipts. The majority of self-employment tax receipts are disbursed in May, so year-to-date results are not significant. The next quarter of state-in-lieu receipts is due the first week of January 2009. First quarter receipts were up 9.7 percent over the previous year.

Interest rates of return on investment continue to slide, but the decline has slowed. On October 31, the Local Government Investment Pool was paying 2.5 percent. In November 2008, the rate dropped to 2.4 percent. For most of the current fiscal year to date, there has been less money available for investment. Both the declining rate of return and available funds contributed to a 48.5 percent reduction in interest income for the first five months of the current fiscal year versus last year.

Total personnel services year to date are about as anticipated by the budget. As mentioned in last month's report, six bus operator positions remain unfilled in anticipation of future service reductions. To the greatest extent possible, reductions will be implemented through attrition. Additional cost

reductions are under consideration in an effort to manage expenditures to a level appropriate to the revenue expected over the next few years.

A positive result is the continued decline of fuel prices, which peaked on July 7, 2008, at \$4.20 per gallon. The fiscal year low price was \$1.66 per gallon on November 26. As of November 30, the year-to-date average price was \$3.00 per gallon. The current-year budget assumed an average per gallon price of \$3.75. Should fuel prices drop further or remain at current levels, this expenditure item will generate a positive budget variance by fiscal year end. Unfortunately, it is unlikely to be large enough to cover the expected shortfall in payroll tax receipts.

The Commuter Solutions Fund and Accessible Services Fund are generally as anticipated by the budget through November.

In the Capital Projects Fund, spending has increased on the Gateway EmX Extension project, which includes the new station at Gateway Mall. Construction on the new station began in late Summer 2008. It was discontinued for the holiday season in order to provide mall parking. Construction will resume after the first of the year and will be completed in the spring of 2009.

The Comprehensive Annual Financial Report for FY 2007-08 has been presented to the Board as part of the December Board meeting packet materials. Chuck Swank, of Grove, Mueller & Swank, P.C., LTD's independent auditor, will attend the December 17 Board meeting to present and discuss audit results.

ATTACHMENTS:

Attached are the following financial reports for November 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

Special Mobility Services: RideSource Activity and Productivity Information

October-08	Current Month	Prior Year's Month	% Change	Current YTD	Previous YTD	% Change	Current 12 Month	Prior 12 Month	% Change
RideSource Ridership	15,799	14,267	10.7%	56,600	50,839	11.3%	161,201	145,622	10.7%
RideSource(All Modes)	12,588	11,527	9.2%	44,836	39,831	12.6%	127,705	112,565	13.5%
Shopper	550	525	4.8%	2,088	1,937	7.8%	6,112	6,255	-2.3%
Escort Volunteers-Metro	860	822	4.6%	3,223	3,231	-0.2%	9,450	8,933	5.8%
Escort Volunteers-Rural	1,801	1,393	29.3%	6,453	5,840	10.5%	17,934	17,869	0.4%
RideSource Cost per Ride	\$ 20.60	\$ 18.78	9.7%	\$ 22.42	\$ 19.54	14.8%	\$ 21.71	\$ 19.07	13.8%
RideSource(All Modes)	\$ 25.24	\$ 22.71	11.2%	\$ 27.65	\$ 24.32	13.7%	\$ 26.78	\$ 23.98	11.7%
RideSource Shopper	\$ 12.46	\$ 11.17	11.5%	\$ 12.46	\$ 11.17	11.5%	\$ 12.46	\$ 11.17	11.5%
RideSource Escort	\$ 2.91	\$ 2.80	4.0%	\$ 3.07	\$ 2.74	12.2%	\$ 2.87	\$ 2.89	-0.7%
Ride Reservations	13,148	12,500	5.2%	47,314	43,448	8.9%	138,106	124,655	10.8%
Cancelled Number	924	1,117	-17.3%	3,552	3,964	-10.4%	12,596	11,982	5.1%
Cancelled % of Total	7.03%	8.94%		7.51%	9.12%		9.12%	9.61%	
No-Show Number	108	132	-18.2%	446	465	-4.1%	1,552	1,355	14.5%
No-Show % of Total	0.82%	1.06%		0.94%	1.07%		1.12%	1.09%	
Ride Refusals Number	0	1	-100.0%	1	1	0.0%	6	20	-70.0%
Ride Refusals % of Total	0.00%	0.01%		0.00%	0.00%		0.00%	0.02%	
Service Hours	6,426	5,628	14.2%	23,810	20,819	14.4%	69,080	59,150	16.8%
Agency Staff	6,087	5,416	12.4%	22,559	19,924	13.2%	65,682	56,351	16.6%
Agency SMS Volunteer	339	212	59.9%	1,251	895	39.8%	3,398	2,799	21.4%
Avg. Trips/Service Hr.	2.04	2.14	-4.7%	1.97	2.01	-2.0%	1.94	2.01	-3.5%
RideSource System Miles	88,952	80,998	9.8%	329,511	296,167	11.3%	949,948	844,161	12.5%
Avg. Miles/Trip	6.77	6.72	0.7%	7.02	7.09	-1.0%	7.10	7.10	-0.1%
Miles/Vehicle Hour	13.84	14.39	-3.8%	13.84	14.23	-2.7%	13.75	14.27	-3.6%

Special Mobility Services: RideSource Activity and Productivity Information

October-08	Current Month	Prior Year's Month	% Change	Current YTD	Previous YTD	% Change	Current 12 Month	Prior 12 Month	% Change
On-Time Performance %	86.0%	91.6%	-6.0%	86.7%	91.2%	-4.9%	87.9%	92.0%	-4.4%
Sample	11,051	10,409		37,681	36,092		110,955	102,473	
On-Time	9,508	9,532		32,657	32,907		97,528	94,267	

- RideSource (All Modes) includes rides done by taxi and SMS volunteers.
- Escort Volunteers-Metro includes in-district volunteer rides and SMS volunteer escort rides.
- Escort Volunteers-Rural is out of district volunteer rides.

- RideSource cost per Ride (All Modes) does not include volunteer mileage reimbursement.
- Shopper cost per ride is from the most recent quarterly cost model.
- Escort cost per ride is mileage reimbursement to all volunteers.

- RideSource System Miles includes miles by volunteers in agency vehicles.

- On-Time Performance reflects a 100% sample of all rides with scheduled pickup times, plus will-call rides. The standard is +/- 10 minutes for scheduled pickups and within 30 minutes of will-call request.

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: ANNOUNCEMENTS AND ADDITIONS TO AGENDA

PREPARED BY: Jeanne Schapper, 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:** December 17, 2008
- ITEM TITLE:** ACCEPTANCE OF AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2008
- PREPARED BY:** Diane Hellekson, Director of Finance & Information Technology
- ACTION REQUESTED:** Board acceptance of the independent audit report for the fiscal year ending June 30, 2008
- 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 2007-2008 CAFR is enclosed for Board members with the December 17 meeting agenda packet.
- Staff have submitted the previous twelve CAFRs to the Government Finance Officers Association (GFOA) of the United States and Canada for consideration of the award for excellence in financial reporting. The award was granted to LTD for all twelve reports. After Board acceptance, staff will submit the FY 2007-2008 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, chief accountant/internal auditor, for her work on the current CAFR.
- 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. 2008-042: Resolved, that the LTD Board of Directors accepts the Independent Audit Report for the fiscal year ending June 30, 2008.

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2008

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

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 2007-2008 CAFR is enclosed for Board members with the December 17 meeting agenda packet.

Charles Swank of Grove, Mueller & Swank, P.C., will attend the December 17 Board meeting to make a presentation and answer any questions Board members may have about the audit process or results.

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

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: BOARD MEMBER REPORTS

PREPARED BY: Jeanne Schapper, Administrative Services Manager/Clerk of the Board

ACTION REQUESTED: None

BACKGROUND: Board members have been appointed to Board Committees and to the Metropolitan Policy Committee (MPC), the Lane Council of Governments (LCOG) Board of Directors, and, on occasion, to other local or regional committees. Board members also 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. **West Eugene EmX Extension (WEEE) Corridor Committee:** This committee is a subcommittee of the EmX Steering Committee and is composed of Board members Greg Evans, Dean Kortge, and Gerry Gaydos, along with members of local government and community representatives. At its November 25 meeting, the committee reviewed designs revised following the October 20 Open House. The Committee also received a project update; discussed recent developments regarding the project and the West Eugene Collaborative; and received information on the National Environmental Policy Act. The committee also met on December 11. At that meeting, the committee members reviewed the Environmental Discipline topic, "Transportation and Finance," in order to better understand how to comment on the material related to this topic in the Draft Environmental Impact Statement (DEIS). This step is part of an ongoing effort to prepare for the review of the DEIS, which is anticipated to be available for public review in September 2009.

NO MEETINGS HELD

1. **Metropolitan Policy Committee (MPC)**: MPC meetings generally are held on the second Thursday of each month. Board members Gerry Gaydos and Greg Evans are LTD's MPC representatives, with Mike Dubick serving as an alternate. The December 11 meeting was canceled. At the next meeting scheduled for January 8, LTD will present and seek committee input on the District's proposed service reductions and budget changes. MPC will be asked to consider endorsing the (State) legislative agenda of the Oregon Metropolitan Planning Organization Consortium (OMPOC). Also, MPC leadership will change in January.
2. **LCOG Board of Directors**: LTD Board Member Mike Dubick represents LTD on the Lane Council of Governments (LCOG) Board of Directors as a non-voting member. The December 11 LCOG Board meeting was canceled. The next meeting is scheduled to be held on January 8.
3. **Board HR Committee**: The Board HR Committee is composed of Mike Dubick, Mike Eyster, and Chair Gerry Gaydos. The committee last met on October 14. The next meeting is tentatively scheduled for January 13.
4. **EmX Steering Committee**: Board members Gerry Gaydos, Doris Towery, and Greg Evans are members of LTD's EmX Steering Committee, along with members of local units of government and community representatives. The committee meeting scheduled for December 2 was canceled. The next meeting is scheduled to be held on March, 3, 2009.
5. **Board Finance Committee**: The Board Finance Committee is composed of Dean Kortge (chair), Mike Dubick, and Ed Necker. The committee last met on November 4. No future meeting is scheduled at this time.
6. **Board Service Committee**: The Board Service Committee members are Greg Evans, Ed Necker, and Chair Mike Eyster. The committee last met on September 2. No committee meeting is currently scheduled.
7. **APTA Authorization Committee**: The American Public Transportation Association (APTA) Authorization Task Force is developing transit requests for a new surface transportation bill. SAFETEA-LU, the current surface transportation bill, expires on September 30, 2009. Board member Greg Evans has been appointed to the APTA Authorization Task Force. Mr. Evans attended a Task Force meeting in Washington, D.C. on September 12. The Committee's recommendations are being reviewed and await approval by APTA's Executive Committee and Board of Directors.

8. **Gateway EmX Extension Corridor Committee:** This committee (formerly Pioneer Parkway Corridor Committee) also is a subcommittee of the EmX Steering Committee. It is composed of Board members Doris Towery, Mike Dubick, and Mike Eyster, and local government and community representatives. The committee last met on January 17, 2008. The next meeting has not yet been scheduled.

AGENDA ITEM SUMMARY

DATE OF MEETING: January 17, 2007

ITEM TITLE: CORRESPONDENCE

PREPARED BY: Mark Pangborn, General Manager

ACTION REQUESTED: None

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

December 1, 2008, letter from Board President Mike Eyster to Obama-Biden Transition Director Mort Downey, U.S. Department of Transportation, with attached recommendations on public transportation funding and policy changes to be considered in the Federal Stimulus Package and Reauthorization of SAFETEA-LU.

PROPOSED MOTION: None

NAME OF MEETING: **LTD Board Meeting**

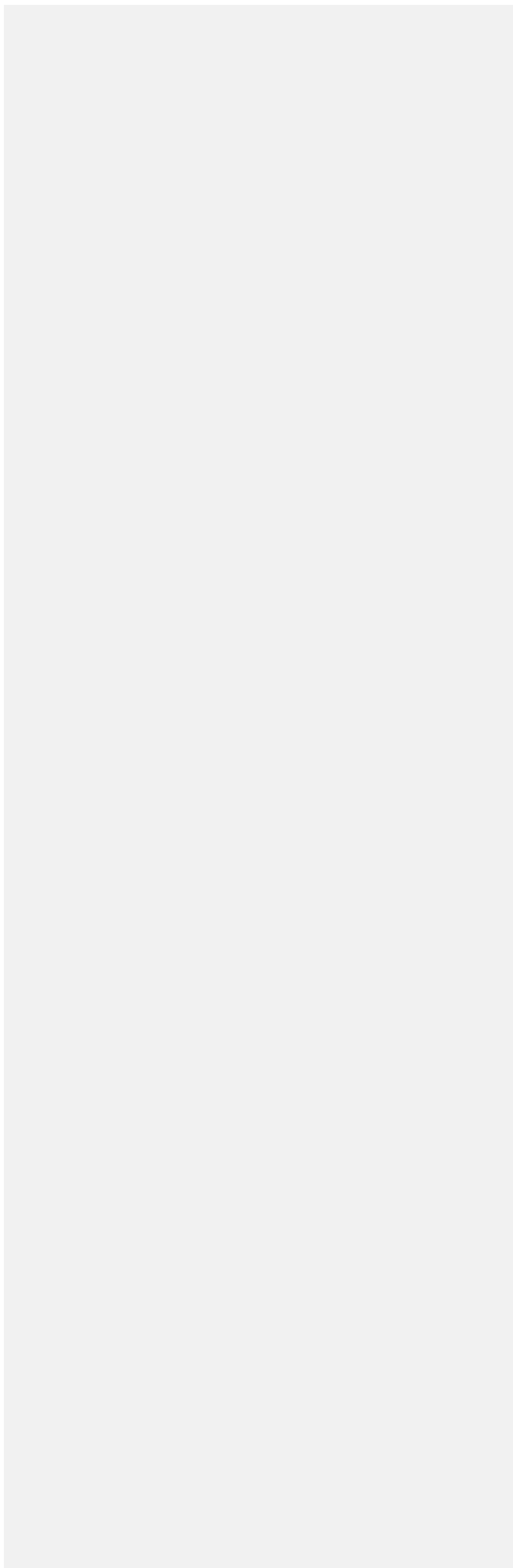
DATE OF MEETING: **July 30, 2008**

TO: **Jeanne Schapper**

RECORDED BY: **Kim Young**

=====
ROUTING INFORMATION

8/21/08 ky Draft to staff
(Date and initials)



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

Wednesday, July 30, 2008

Pursuant to notice given to *The Register-Guard* for publication on July 26, 2008, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a special board meeting/work session on Wednesday, July 30, 2008, beginning at 5:30 p.m., in the LTD Board Room, 3500 East 17th Avenue, Eugene, Oregon.

Deleted: xx

Deleted: public hearing and

Deleted: regular

Present: Mike Eyster, President
Debbie Davis
Ed Necker
Michael Dubick
Gerry Gaydos
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board

Deleted: \

Absent: Greg Evans
Dean Kortge

Deleted: Stefano Viggiano . . . ¶
. . . Linda Lynch ¶
. . . Andy Vobora ¶

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

Formatted: Justified

Field Code Changed

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA – There were no announcements or additions.

WORK SESSION—Mr. Viggiano referred, indicated that it was staff's hope that the Board would provide clear direction on the topic of a property tax measure, with the possibility that direction could lead to an action item in August.

Deleted: members to a handout provided at members' places. He

Deleted: b

Deleted: potential that direction could lead

Formatted: Justified

Mr. Viggiano reviewed a handout distributed to the Board, which included information pertinent to the boundary for an election, the cost of such an election and an information campaign, data regarding a temporary versus permanent rate, information regarding the potential of compression in Lane County municipalities affected by the tax, and data on the amount of assessed value in Lane County indicating that the rate would be about 22 cents per \$1,000.

Deleted: board

Deleted: all

Responding to a question from Mr. Dubick, staff indicated that an information campaign could be paid for from existing funds.

Deleted: REGULAR

Responding to a question from Mr. Necker regarding a property tax measure, Mr. Viggiano said the District would have to go back to the voters to either increase or extend such a tax.

Deleted: ,

Deleted: district

Staff provided information on the cost of a private campaign to support a measure, estimated to be between \$50,000 and \$80,000.

Deleted: at

Deleted: to

Mr. Eyster asked how difficult it would be to do a campaign without hiring a consultant. Consultant Linda Lynch suggested that some campaigning was necessary and it could be simple, such as radio messages. She believed that less than \$50,000 could be spent, but emphasized that some sort of campaign was needed.

Deleted: Ms.

Deleted: including

Deleted: reiterated

Responding to a question from Mr. Dubick, Mr. Pangborn said that the campaign for the urban renewal district in Springfield was funded by private businesses who believed the issue was important for the entire community. Raising that amount of money took some effort.

Responding to a question from Mr. Necker about who would fund a campaign for an LTD property tax, Mr. Pangborn suggested that businesses might be interested in expanding the tax base.

Mr. Gaydos said that it would be a difficult time to raise money, given the other competing measures, as well as presidential, and mayoral races. He suggested that the District could attach itself with the City of Eugene's s transportation measure. Board members better campaigners.

Deleted: suggested

Deleted: d

Deleted: pony on

Deleted: with it

Commented [RJ1]: What does this mean?

Ms. Consultant Linda Lynch said she could attempt to identify the businesses and individuals interested in LTD's success.

Deleted: Ms.

Mr. Eyster solicited Board comments.

Deleted: board

Mr. Dubick mentioned that he talked to many people in the Creswell and Cottage Grove areas and many residents felt that, given these difficult economic times, it would be challenging to ask people to pay more in property taxes. He thought people appreciated the problem, but did not think a measure would pass. In talking to Chamber representatives, he believed, they did not find the prospect of paying property tax on top of the payroll tax agreeable. He thought they

Deleted: said

Deleted: these were

Deleted: c

Deleted: thought

Deleted:

Deleted: considered it a double-whammy to be taxed

Deleted: REGULAR

would be more supportive of an increase in the payroll tax than adding property tax. He said that a particular section of the community was suffering significant economic declines and had not historically been supportive of property tax measures. He had heard that riders would vote for the measure, but those who did not ride the bus probably would not. They felt that a significant education campaign would be needed and it was not realistic to attempt such a campaign in such a short time.

Deleted: to a

Deleted: Those he talked to were very supportive but very discouraging.

Deleted: it

Deleted: but

Deleted: ,

Deleted: and

Deleted: .

Deleted: They expressed

Deleted:

Mr. Gaydos said he had talked to two small-business people who had expressed their concerns about the overall economic conditions. People were still reacting to the announcement of Hynix's closure. People understood the need, but suggested that in such tough times a property tax measure would not pass.

Ms. Davis said she has heard much the same message from Chamber and business representatives who did not think that LTD had time to educate the public. If LTD lost the election, it would have a difficult time returning to the public with another tax measure in the future.

Deleted: c

Deleted: ,

Deleted: do the education needed;

Deleted: i

Deleted: going back

Deleted: he spoke with

Deleted: without much encouragement from them,

Deleted: it

Deleted: doable

Deleted: ,

Deleted: and

Deleted: i

Deleted: do it

Deleted: would

Deleted: him

Deleted: tax-friendly

Moved (insertion) [1]

Deleted: He raised the specter of an increase to the payroll tax and t

Deleted: d

Deleted: He had raised the

Moved up [1]: He raised the specter of an increase to the payroll tax and they thought the district would have more luck with the legislature in raising the cap than it would with the voters.

Deleted: education piece and p

Deleted: measure

Deleted: the "double-whammy" of the

Mr. Eyster said that he had received similar feedback from some elected officials. He and Mr. Pangborn had an interesting conversation with someone who began the discussion pessimistically, but by the end of the conversation, seemed to think the tax measure was achievable. They added that if LTD did not attempt the tax measure: it may be perceived that they are unilaterally deciding to cut service without giving the public an opportunity to weigh in. That remark gave Mr. Eyster pause, as the reductions would be drastic.

Mr. Necker said that those he spoke to were affected by the Hynix closure. They did not think the current economic environment was open to another tax measure. They thought the District would have more luck with the legislature in raising the payroll tax cap than it would with the voters. People had no comment regarding the education piece.

Mr. Eyster solicited remarks from staff.

Mr. Vobora said he spoke to the Gateway Business Development Group and they had similar comments. The group did not feel there was enough time to submit a property tax measure to voters and that the process would be hurried. They also expressed concern about being hit twice

Deleted: REGULAR

with a property tax on top of a payroll tax and suggested that needed to be mitigated. He had received a few telephone calls after the article in the local newspaper about the possibility of such a measure, and those calls indicated to him that an information campaign about how things were paid for and how programs work would be useful. He received a call from a senior citizen and former volunteer that was very supportive and willing to work on a campaign. He had also spoken to Dan Egan, the Springfield Chamber of Commerce Executive Director, who asked why the District turned first to the private side rather than to the public for assistance. He had advocated for the local governments to get together and coordinate their requests and suggested that the local gas tax be considered as an option. He did not know if that was constitutionally permissible.

Deleted:

Deleted: and

Deleted: president

Deleted: d

Mr. Necker noted a recent conversation he had with Representative Terry Beyer, who indicated that such changes had been tried in the past.

Deleted: i

Mr. Pangborn noted that staff and Mr. Eyster recently met with four local legislators, who did not have a position on the proposal. He had spoken with several people who were transit supporters and were supportive of such a measure but did not think it would pass at this time.

Deleted: ,

Deleted: who

Mr. Necker asked if charging the maximum payroll tax would cover the shortfall. Mr. Pangborn said it would help but it would not cover the extra shortfall. One-tenth of one percent generated about \$4 million annually, and the shortfall was probably in that area. The District would have to raise the rate to .008, to immediately generate that amount. Ms. Hellekson concurred. Mr. Necker suggested that increasing the payroll tax would be more palatable to the business community. Mr. Pangborn was unsure. He said that the message he and Mr. Eyster received at the Chamber was that businesses believed they already pay their fair share and someone else needs to step forward. When the District last raised the rate, it had worked with the business community for a year to explain the need. After the 2003 legislature changed the law to raise the amount allowed to be collected, the District waited two years to implement an increase with discussions occurring the entire time about the value of the increase.

Deleted: it all

Deleted: district

Deleted: .00008

Deleted: c

Deleted: c

Deleted: the

Deleted: id

Deleted: ed

Deleted: district

Deleted: ,

Deleted: and a

Deleted: district

Deleted: ed

Deleted: ,

Deleted: and even the

Deleted: district

Mr. Dubick asked about the potential of expanding the payroll tax to local government. Mr. Pangborn indicated that it was possible, although education would be exempt. Municipalities and special districts, including LTD, would pay. Staff had not calculated the impact of that possibility.

Deleted: and even the

Deleted: district

Deleted: REGULAR

Mr. Pangborn also added that it would require legislative action, which means that the money would not be available until 2010.

Deleted: meaning the

Mr. Eyster asked if LTD had data on which companies were not paying. Ms. Hellekson said staff had no precise idea but was devoting some resources to that issue. Mr. Pangborn estimated \$100,000 to \$200,000 in lost revenues, which would not replace the value of the lost payroll taxes from Hynix.

Deleted: those who

Deleted: c

Deleted: did

Speaking to the issue of changing the rate, Consultant Linda Lynch suggested that LTD would not hear organized opposition for accelerating the rate to the full percentage. It would be more challenging to get to .008.

Deleted: Ms.

Deleted: to

Mr. Eyster asked the Board what it would like to do.

Deleted: board

Mr. Necker inquired about the impact of increasing the payroll tax and securing more money from the legislature for senior and disabled services. Ms. Hellekson said it depended on how much the legislature gave LTD. Mr. Pangborn pointed out that the impact would not be felt until 2010, and by then LTD would be in the middle of the service cuts. He said that LTD could receive \$3 million, although he doubted that would happen. He said it would be hard to shift gears. LTD was almost forced into the situation of having to move ahead.

Deleted: asked

Deleted: c

Deleted: of that c

Deleted: was

Deleted: posited

Mr. Necker said that at this time, he would not support placing a property tax measure on the ballot because of the need for support from a majority of voters.

Deleted: Acknowledging the situation created by the need for a majority of voters,

Mr. Dubick noted the many funding sources for transit districts that exist throughout the country, including special dedicated sales taxes and property taxes. He thought the downside of a property tax was the tie to local government. Given the current economy and LTD's tie to the local economy, he did not think there was a way to overlook that tie. He thought that LTD needed to take a long-term look at funding, and that it would be hard and would require some work by staff to make some of the changes that might be necessary. LTD must maximize its efficiency and make reductions while still providing services, perhaps with not the same frequency but with the same coverage. He did not see LTD being able to succeed with a measure on a crowded ballot in a difficult economy in a "last second Hail Mary pass." He called on the Board to work for the long-term, do the best with what it had, and wait for the tide to rise.

Deleted: ed

Deleted: ,

Deleted: board

Deleted: REGULAR

Mr. Necker suggested the District could use its reserves to maintain services and rebuild those reserves when times got better.

Deleted: district

Ms. Davis said she was convinced by her discussions with others that LTD did not have the time to conduct a successful election. People she spoke to understood the problem but thought a measure would get voted down. She acknowledged Mr. Eyster's comments, but said that voters did not understand and continued to ask the same questions in spite of the information they were given in articles in the local paper.

Deleted: and

Mr. Necker suggested that LTD could offer the public such a measure when it had time to do the necessary education.

Mr. Gaydos believed that LTD could mount a reasonable campaign but would lose in the end. He asked if LTD wanted to spend \$100,000 to gauge support of the public. While he firmly believed in education, he pointed out that the message that LTD sent was frequently not heard, and the recipient must hear it, and believe it, and pass it on.

Deleted: at

Deleted: check with

Mr. Gaydos thought there was great community acceptance of LTD because the community liked the existing service, not because they wanted to invest in the future. He observed that he was continually surprised when people asserted at public hearings that LTD made a profit, for example. Mr. Gaydos said the decision was difficult because LTD was a wonderful institution and it provided amazing service; nevertheless, he was unable to support a property tax measure at this time.

Deleted: ¶
¶
Mr. Gaydos

Deleted: always

Deleted: ¶
¶

Deleted: service

Deleted: .

Deleted: H

Mr. Eyster said that by any measure of efficiency, LTD was stellar in comparison to other districts. The District was frequently visited by other agencies so they could take measure of its success. He said the Board would be faced with some very hard choices in reducing services as it would either have to eliminate routes that were full or eliminate services where people had no other option. He noted that demand had never been higher and the need had never been greater.

Deleted: district

Deleted: view

Deleted:

Deleted: board

Mr. Necker said the Board needed to balance the fiscal and the human side, and that balance could not be achieved without hurting someone. The Board would have to grit its teeth and try to come to a decision that would negatively affect as few people as possible.

Deleted: board

Deleted: z

Deleted: board

Deleted: hurt

Deleted: REGULAR

Mr. Eyster believed that LTD's dilemma had been explained well, and he thanked Matt Cooper of *The Register-Guard* for that. Mr. Eyster explained that he was not afraid to participate in a campaign, but he had no idea where to quickly secure \$50,000 to \$80,000 for a private campaign. He acknowledged the remarks of other Board members and interpreted the comments as direction to staff that a property tax measure was not an option the District could pursue at this time. If LTD was to offer such a measure, the education campaign should have begun a long time ago.

Deleted: He

Deleted: campaign

Deleted: quickly

Deleted: board

Deleted: district

Deleted: now

Deleted: needed to

Deleted: started

Deleted: district

Deleted: people

Deleted: district

Deleted: ,

Deleted: the

Mr. Pangborn said the District had not faced such a dilemma in recent times. He thought that at some level, people understood the problem and were supportive of the District, but he thought it would take a while for people to get used to the idea of paying for something they had not paid for before. He said that the majority of those who would be paying for bus service did not use the service, and that could be a "hard sell."

Mr. Eyster reiterated that he was willing to participate in the "hard sell," but did not think there was time.

Mr. Gaydos noted some of the things that needed to occur for a successful campaign, including surveying and preparing a message. He said that even if LTD had started the process earlier, the news of Hynix's closure might have doomed such a measure.

Deleted: ,

Deleted: and suggested

Deleted:

Deleted: had

Deleted: some

Deleted: before it

Deleted: which

Deleted: S

Deleted: f

Deleted: S

Deleted: f

Deleted: not doing their jobs,

Deleted: board

Deleted: the

Deleted: said

Deleted:

Deleted: necessary was

Mr. Dubick thought that LTD had several options to consider, but many would require legislative action and that could not occur in a timely fashion. He recalled his time of service on the Lane Community College Board, when it faced a similar situation and lacked the state and Federal support to maintain services. He thought LTD was in a similar position because the state and Federal governments were leaving the Board in the position of making tough decisions about how to do the most it could with what it had.

Mr. Eyster believed that the necessary reduction would probably be about 17 percent with the closure of Hynix.

Deleted: REGULAR

Mr. Pangborn indicated that staff would return with other options and the tradeoffs involved. He said that when the Board contemplated reductions, it would hear from the public, who would not care about the reasons the Board had decided against such a measure.

Deleted: board

Deleted: that

Deleted: board

Mr. Necker thought that the Board's strategies were limited to increasing the payroll tax to the statutory maximum and seeking state funding for elderly and disabled transportation.

Deleted: board

Deleted: S

Mr. Viggiano recalled that the Board had discussed increasing the payroll tax to the maximum, seeking an increase in the cap, and expanding the payroll tax to government. There had been less interest in a System Development Charge or parking tax.

Deleted: board

Deleted: n

Mr. Pangborn said he met earlier that day with Representative Terry Beyer, the chair of the House Transportation Committee, who was very aware of the District's situation.

Deleted: i

Deleted: district

Mr. Eyster thanked staff for their efforts in preparing for the meeting and determining whether such a tax measure was feasible.

Deleted: its

Deleted: ing

Deleted: doable

ITEMS FOR ACTION

MOTION **Consent Calendar** – Mr. Gaydos moved adoption of LTD Resolution 2008-031: It is hereby resolved that the Consent Calendar for July 30, 2008, is approved as presented. Ms. Davis provided the second.

Deleted: 28

Deleted: August 15

VOTE The Consent Calendar was approved as follows:
AYES: Davis, Dubick, Eyster, Gaydos, Necker (5)
NAYS: None
ABSTENTIONS: None
EXCUSED: Evans, Kortge

SECOND READING - Mr. Vobora clarified that the Board did not need to hold a public hearing.

Formatted: Justified

Deleted: G--

Deleted: board

Deleted: REGULAR

MOTION Mr. Dubick, seconded by Mr. Gaydos, moved that the 16th Ammended Ordinance Number 35 be read in its entirety.

Formatted: Font: Arial, 10.5 pt, Superscript

VOTE The motion was approved as follows:
AYES: Davis, Dubick, Eyster, Gaydos, Necker (5)
NAYS: None
ABSTENTIONS: None
EXCUSED: Evans, Kortge

Mr. Vobora read Ordinance 35 in its entirety.

Responding to a question from Mr. Eyster, Mr. Pangborn confirmed that the Board had already approved the implementation of the cash fare increase.

Deleted: .

Deleted: board

MOTION **Ordinance 35** – Mr. Gaydos moved adoption of LTD Resolution 2008-029: Be it resolved that the LTD Board of Directors hereby adopts LTD's 16th Amendment Ordinance No. 35 as amended in 2008, an ordinance setting fares for the use of District services. Mr. Dubick provided the second.

Deleted: district

VOTE The motion was approved as follows:
AYES: Davis, Dubick, Eyster, Gaydos, Necker (5)
NAYS: None
ABSTENTIONS: None
EXCUSED: Evans, Kortge

Deleted: Consent Calendar

Mr. Pangborn said that at this time, it did not appear the Board needed to hold a regular August meeting.

Deleted: board

Formatted: Justified

Mr. Pangborn reminded the Board of the e-mail that was sent regarding the need to budget for art for the Springfield EmX system. In the absence of any objections, the District intended to move ahead.

Deleted: board

Deleted: he mailed

Deleted: he

ADJOURNMENT – The meeting adjourned at 6:45 p.m.

Deleted: REGULAR

Board Secretary

Q:\Reference\Board Packet\2008\12\Regular Meeting 12-17-08\BDMIN_07-30-08 with Track Changes.docx

Formatted: Font: (Default) Arial, 9 pt

Deleted: Q:\Reference\Board Packet\2008\12\Regular Meeting 12-17-08\BDMIN_07-30-08.doc

Formatted: Font: (Default) Arial, 9 pt

NAME OF MEETING: LTD Board Meeting
DATE OF MEETING: July 30, 2008
TO: Jeanne Schapper
RECORDED BY: Kim Young

=====

ROUTING INFORMATION

8/21/08 ky Draft to staff
(Date and initials)

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

Wednesday, July 30, 2008

Pursuant to notice given to *The Register-Guard* for publication on July 26, 2008, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a special board meeting/work session on Wednesday, July 30, 2008, beginning at 5:30 p.m., in the LTD Board Room, 3500 East 17th Avenue, Eugene, Oregon.

Present: Mike Eyster, President
 Debbie Davis
 Ed Necker
 Michael Dubick
 Gerry Gaydos
 Mark Pangborn, General Manager
 Jeanne Schapper, Clerk of the Board

Absent: Greg Evans
 Dean Kortge

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

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA – There were no announcements or additions.

WORK SESSION—Mr. Viggiano indicated that it was staff's hope that the Board would provide clear direction on the topic of a property tax measure, with the possibility that direction could lead to an action item in August.

Mr. Viggiano reviewed a handout distributed to the Board, which included information pertinent to the boundary for an election; the cost of such an election and an information campaign; data regarding a temporary versus permanent rate; information regarding the potential of compression in Lane County municipalities affected by the tax; and data on the amount of assessed value in Lane County indicating that the rate would be about 22 cents per \$1,000.

Responding to a question from Mr. Dubick, staff indicated that an information campaign could be paid for from existing funds.

Responding to a question from Mr. Necker regarding a property tax measure, Mr. Viggiano said that the District would have to go back to the voters to either increase or extend such a tax.

Staff provided information on the cost of a private campaign to support a measure, which is estimated to be between \$50,000 and \$80,000.

Mr. Eyster asked how difficult it would be to do a campaign without hiring a consultant. Consultant Linda Lynch suggested that some campaigning was necessary and it could be simple, such as radio messages. She believed that less than \$50,000 could be spent, but emphasized that some sort of campaign was needed.

Responding to a question from Mr. Dubick, Mr. Pangborn said that the campaign for the urban renewal district in Springfield was funded by private businesses who believed the issue was important for the entire community. Raising that amount of money took some effort.

Responding to a question from Mr. Necker about who would fund a campaign for an LTD property tax, Mr. Pangborn suggested that businesses might be interested in expanding the tax base.

Mr. Gaydos said that it would be a difficult time to raise money, given the other competing measures, as well as presidential, and mayoral races. He suggested that the District could attach itself with the City of Eugene's transportation measure.

Consultant Linda Lynch said she could attempt to identify the businesses and individuals interested in LTD's success.

Mr. Eyster solicited Board comments.

Mr. Dubick mentioned that he talked to many people in the Creswell and Cottage Grove areas and many residents felt that, given these difficult economic times, it would be challenging to ask people to pay more in property taxes. He thought that people appreciated the problem, but did not think a measure would pass. He believed that Chamber representatives, with whom he had spoken to, did not find the prospect of paying property tax on top of the payroll tax agreeable. He thought they would be more supportive of an increase in the payroll tax than adding a property

tax. He said that a particular section of the community was suffering significant economic declines and had not historically been supportive of property tax measures. He had heard that riders would vote for the measure, but those who did not ride the bus probably would not. They felt that a significant education campaign would be needed, and it was not realistic to attempt such a campaign in such a short time.

Mr. Gaydos said he had talked to two small-business people who had expressed their concerns about current overall economic conditions. People were still reacting to the announcement of Hynix's closure. People understood the need, but suggested that in such tough times, a property tax measure would not pass.

Ms. Davis said that she has heard much the same message from Chamber and business representatives who did not think that LTD had time to educate the public. If LTD lost the election, it would have a difficult time returning to the public with another tax measure in the future.

Mr. Eyster said that he had received similar feedback from some elected officials. He and Mr. Pangborn had an interesting conversation with someone who began the discussion pessimistically, but by the end of the conversation, seemed to think that the tax measure was achievable. They thought that if LTD did not attempt the tax measure, it may be perceived that LTD is unilaterally deciding to cut service without giving the public an opportunity to weigh in. Mr. Eyster stated that the remark gave him pause as the reductions would be drastic.

Mr. Necker said that those he spoke to were affected by the Hynix closure. They did not think the current economic environment was open to another tax measure. They thought the District would have more luck with the legislature in raising the payroll tax cap than it would with the voters. People had no comment regarding the education piece .

Mr. Eyster solicited remarks from staff.

Mr. Vobora said that he spoke to the Gateway Business Development Group and they had similar comments. The group did not feel there was enough time to submit a property tax measure to voters and that the process would be hurried. They also expressed concern about being hit twice with a property tax on top of a payroll tax and suggested that needed to be mitigated. He had

received a few telephone calls after the article in the local newspaper about the possibility of such a measure, and those calls indicated to him that an information campaign about how things were paid for and how programs work would be useful. He received a call from a senior citizen and former volunteer that was very supportive and willing to work on a campaign. He also spoke to Dan Egan, the Springfield Chamber of Commerce Executive Director, who asked why the District turned first to the private side rather than to the public for assistance. He had advocated for the local governments to get together and coordinate their requests and suggested that the local gas tax be considered as an option. He did not know if that was constitutionally permissible.

Mr. Necker noted a recent conversation he had with Representative Terry Beyer, who indicated that such changes had been tried in the past.

Mr. Pangborn noted that staff and Mr. Eyster recently met with four local legislators who did not have a position on the proposal. He had spoken with several people who were transit supporters who also were supportive of such a measure but did not think it would pass at this time.

Mr. Necker asked if charging the maximum payroll tax would cover the shortfall. Mr. Pangborn said that it would help, but it would not cover the extra shortfall. One-tenth of one percent generated about \$4 million annually, and the shortfall was probably in that area. The District would have to raise the rate to .008 to immediately generate that amount. Ms. Hellekson concurred. Mr. Necker suggested that increasing the payroll tax would be more palatable to the business community. Mr. Pangborn stated that he was unsure. He said that the message he and Mr. Eyster received at the Chamber was that businesses believed they already pay their fair share, and someone else needs to step forward. When the District last raised the rate, it had worked with the business community for a year to explain the need. After the 2003 legislature changed the law to raise the amount allowed to be collected, the District waited two years to implement an increase, with discussions occurring during the same period about the value of the increase.

Mr. Dubick asked about the potential of expanding the payroll tax to local government. Mr. Pangborn indicated that it was possible, although education would be exempt. Municipalities and special districts, including LTD, would pay. Staff had not calculated the impact of that possibility. Mr. Pangborn also added that it would require legislative action, which means that the money would not be available until 2010.

Mr. Eyster asked if LTD had data on which companies were not paying. Ms. Hellekson said staff had no precise idea but was devoting some resources to that issue. Mr. Pangborn estimated \$100,000 to \$200,000 in lost revenues, which would not replace the value of the lost payroll taxes from Hynix.

Speaking to the issue of changing the rate, Ms. Lynch suggested that LTD would not hear organized opposition for accelerating the rate to the full percentage. It would be more challenging to get to .008.

Mr. Eyster asked the Board what it would like to do.

Mr. Necker inquired about the impact of increasing the payroll tax and securing more money from the legislature for senior and disabled services. Ms. Hellekson said it depended on how much the legislature gave LTD. Mr. Pangborn pointed out that the impact would not be felt until 2010, and by then LTD would be in the middle of the service cuts. He said that LTD could receive \$3 million, although he doubted that would happen. He said it would be difficult to shift gears. LTD was almost forced into the situation of having to move ahead.

Mr. Necker said that at this time, he would not support placing a property tax measure on the ballot because of the need for support from a majority of voters.

Mr. Dubick noted the many funding sources for transit districts that exist throughout the country, including special dedicated sales taxes and property taxes. He thought the downside of a property tax was the tie to local government. Given the current economy and LTD's tie to the local economy, he did not think there was a way to overlook that tie. He thought that LTD needed to take a long-term look at funding, and that it would be hard and would require some work by staff to make some of the changes that might be necessary. LTD must maximize its efficiency and make reductions while still providing services, perhaps not with the same frequency but with the same coverage. He did not see LTD being able to succeed with a measure on a crowded ballot in a difficult economy. He called on the Board to work for the long-term, do the best with what it had, and wait for the tide to rise.

Mr. Necker suggested that the District could use its reserves to maintain services and rebuild those reserves when economic times improved.

Ms. Davis said she was convinced by her discussions with others that LTD did not have the time to conduct a successful election. People she spoke to understood the problem but thought a measure would get voted down. She acknowledged Mr. Eyster's comments, but said that voters did not understand and continued to ask the same questions in spite of the information they were given in articles in the local paper.

Mr. Necker suggested that LTD could offer the public such a measure when it had time to do the necessary education.

Mr. Gaydos believed that LTD could mount a reasonable campaign but would lose in the end. He asked if LTD wanted to spend \$100,000 to gauge support of the public. While he firmly believed in education, he pointed out that the message that LTD sent was frequently not heard, and the recipient must hear it, believe it, and pass it on.

Mr. Gaydos thought there was great community acceptance of LTD because the community liked the existing service, not because they wanted to invest in the future. He observed that he was continually surprised when people asserted at public hearings that LTD made a profit, for example. Mr. Gaydos said the decision was difficult because LTD is a wonderful institution and has provided amazing service. Nevertheless, he was unable to support a property tax measure at this time.

Mr. Eyster said that by any measure of efficiency, LTD was stellar in comparison to other districts. The District was frequently visited by other agencies so that they could take measure of its success. He said the Board would be faced with some very hard choices in reducing services as it would either have to eliminate routes that were full or eliminate services where people had no other option. He noted that demand had never been higher and the need had never been greater.

Mr. Necker said the Board needed to balance the fiscal and the human side, and that balance could not be achieved without negatively affecting someone. The Board would have to grit its teeth and try to come to a decision that would negatively affect as few people as possible.

Mr. Eyster believed that LTD's dilemma had been explained well in the media, and he thanked Matt Cooper of *The Register-Guard* for that. Mr. Eyster explained that he was not afraid to participate in a campaign, but he had no idea where to quickly secure \$50,000 to \$80,000 for a private campaign. He acknowledged the remarks of other Board members and interpreted the comments as direction to staff that a property tax measure was not an option the District could pursue at this time. If LTD was to offer such a measure, the education campaign should have begun a long time ago.

Mr. Pangborn said the District had not faced such a dilemma in recent times. He thought that at some level, people understood the problem and were supportive of the District; but he thought it would take a while for people to get used to the idea of paying for something that they had not paid for in the past. He said that the majority of those who would be paying for bus service did not use the service, and that could be a "hard sell."

Mr. Eyster reiterated that he was willing to participate in the "hard sell," but did not think there was time.

Mr. Gaydos noted some of the things that needed to occur for a successful campaign, including surveying and preparing a message. He said that even if LTD had started the process earlier, the news of Hynix's closure might have doomed such a measure.

Mr. Dubick thought that LTD had several options to consider, but many would require legislative action and that could not occur in a timely fashion. He recalled his time of service on the Lane Community College Board when it faced a similar situation and lacked the state and Federal support to maintain services. He thought LTD was in a similar position because the state and federal governments were leaving the Board in the position of making tough decisions about how to do the most it could with what it had.

Mr. Eyster believed that the necessary reduction would probably be about 17 percent with the closure of Hynix.

Mr. Pangborn indicated that staff would return with other options and the tradeoffs involved. He said that when the Board contemplated reductions, it would hear from the members of the public who would not care about the reasons the Board had decided against such a measure.

Mr. Necker thought that the Board's strategies were limited to increasing the payroll tax to the statutory maximum and seeking state funding for elderly and disabled transportation.

Mr. Viggiano recalled that the Board had discussed increasing the payroll tax to the maximum, seeking an increase in the cap, and expanding the payroll tax to government. There had been less interest in a system development charge or parking tax.

Mr. Pangborn mentioned that he had met earlier that day with Representative Terry Beyer, chair of the House Transportation Committee, who was very aware of the District's situation.

Mr. Eyster thanked staff for their efforts in preparing for the meeting and determining whether such a tax measure was feasible.

ITEMS FOR ACTION

MOTION **Consent Calendar** – Mr. Gaydos moved adoption of LTD Resolution 2008-031: It is hereby resolved that the Consent Calendar for July 30, 2008, is approved as presented. Ms. Davis provided the second.

VOTE The Consent Calendar was approved as follows:
AYES: Davis, Dubick, Eyster, Gaydos, Necker (5)
NAYS: None
ABSTENTIONS: None
EXCUSED: Evans, Kortge

SECOND READING OF AMENDED ORDINANCE NO. 35 - Mr. Vobora clarified that the Board did not need to hold a public hearing.

MOTION Mr. Dubick, seconded by Mr. Gaydos, moved that the 16th Ammended Ordinance Number 35 be read in its entirety.

VOTE The motion was approved as follows:
AYES: Davis, Dubick, Eyster, Gaydos, Necker (5)
NAYS: None

ABSTENTIONS: None

EXCUSED: Evans, Kortge

Mr. Vobora read Ordinance 35 in its entirety.

Responding to a question from Mr. Eyster, Mr. Pangborn confirmed that the Board had already approved the implementation of the cash fare increase.

MOTION Ordinance 35 – Mr. Gaydos moved adoption of LTD Resolution 2008-029: Be it resolved that the LTD Board of Directors hereby adopts LTD's 16th Amendment Ordinance No. 35 as amended in 2008, an ordinance setting fares for the use of District services. Mr. Dubick provided the second.

VOTE The motion was approved as follows:

AYES: Davis, Dubick, Eyster, Gaydos, Necker (5)

NAYS: None

ABSTENTIONS: None

EXCUSED: Evans, Kortge

Mr. Pangborn said that at this time, it did not appear that the Board needed to hold a regular August meeting.

Mr. Pangborn reminded the Board of the e-mail that was sent regarding the need to budget for art for the Springfield EmX system. In the absence of any objections, the District intended to move ahead.

ADJOURNMENT – The meeting adjourned at 6:45 p.m.

Board Secretary

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: BOARD CALENDARS

PREPARED BY: Jeanne Schapper, 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 Board Activity Calendars with their personal calendars for discussion at each Board meeting. Updated Board Activity Calendars are included with this packet for Board members.

Please contact Jeanne Schapper with any changes in your availability for LTD-related meetings and events, or to provide your winter vacation dates.

ATTACHMENT: Board activity calendars are included separately for Board members.

PROPOSED MOTION: None



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

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

MONTHLY DEPARTMENT REPORTS

December 17, 2008

PLANNING AND DEVELOPMENT

Tom Schwetz, Director of Planning and Development

PROJECT DEVELOPMENT

West Eugene EmX:

On November 25 the West Eugene EmX Extension Corridor Committee (WEEEC) reviewed designs revised following the October 20 Open House. The Committee also received a project update and discussed recent developments regarding the project and the West Eugene Collaborative (WEC). After the project update, staff presented information on the National Environmental Policy Act (NEPA) to help members become familiar with the NEPA process, which guides the development of the Draft Environmental Impact Statement (DEIS). The Committee will continue to receive a series of presentations on specific "Environmental Topics," intended to help the WEEEC effectively respond to the DEIS when it becomes available for public comment in September 2009. At the December 11 WEEEC meeting, committee members reviewed the Environmental Topic "Transportation and Finance" of the DEIS.

Other:

Staff continue to actively coordinate with the West Eugene Collaborative on future plans for West Eugene. Staff also have been involved in future plans for the Walnut Node and Infill Compatibility Opportunity Siting and Infill Standards with the City of Eugene and the ODOT Beltline project: River Road to Coburg Road.

COMMUTER SOLUTIONS

Connie B. Williams, Program Manager

Program Management:

On November 13 Connie Williams made a presentation to the Oregon Transportation Commission on the value of Transportation Demand Management strategies in statewide planning and program implementation. She was part of a panel of five Transportation Options professionals chosen to speak with the commissioners. On November 21, 2008, staff hosted and participated in a Statewide Transportation Options meeting and a statewide Marketing meeting. Michael Ward and Gail Achterman were guests at the meetings and there was a

turnout of more than 25 people from around the state who work in the Transportation Demand Management field. Connie and Tracy Smith attended the annual Transportation Options Group of Oregon (ToGo) meeting. Connie was re-elected to the position of Treasurer, and Tracy was elected to the position of Secretary.

Connie has been working with a statewide group developing the Eye to Eye safety campaign. The campaign's message is "keep an eye out" for bikes/buses/pedestrians/carpools/cars, etc. Around the first of the year, about 14 bus tails will have Eye to Eye messages.

The Congestion Mitigation Program with Commuter Solutions is gearing up for the 2009-10 construction season. There will be a multitude of projects in this region that will have potentially dramatic impacts on transportation. In January, staff are scheduling a meeting of all project managers and public information staff in order to start coordinating a regional calendar and community outreach plan. Staff are updating the KeepUsMoving.info website in preparation for the heavy construction/congestion seasons ahead.

Group Pass/ETC Programs:

Four employers with a combined total of 167 employees have opted out of the 2009 Group Pass Contract. They are:

- Harrang Long Gary Rudnick: low transit usage. 45 employees.
- Western Environmental Law Center: economy and low usage. 10 employees.
- Harry Ritchie's Jewelers: economy. 42 employees.
- Down to Earth: economy. 70 employees.

Sexual Assault Support Services (SASS) with 10 employees has been added to the Group Pass Program.

The numbers from the Comprehensive Group Pass Program Research project are currently being tabulated. An executive summary of the results will be presented to the LTD Board and the Metropolitan Policy Committee after the first of the year.

CarPool/VanPool/Emergency Ride Home Program (ERH):

Fourteen new commuter records were added to the Rideshare database in November.

Sexual Assault Support Services (SASS) with 10 employees has been added to the Emergency Ride Home Program (ERH).

Rideshare database validations were completed. Surveys were sent to 720 registered commuters. Responses were received from 45 percent of those surveyed.

Tracy presented information regarding the ERH at the Lane Transit District operations meeting. The ERH is provided to all LTD employees.

Smart Ways to School:

U.S. Bank agreed to be LTD's pass-through partner for the completed January - June 2008 Student Transit Pass Program. This partnership provides LTD with \$655,663 in reimbursement through the Oregon Department of Energy Business Energy Tax Credit Program. U.S. Bank also was LTD's pass-through partner for the September - December 2007 program.

Staff collaborated with the Eugene Safe Routes to School team to hold a celebration for parents and staff of 28 schools that participated in the Walk and Bike to School Event. The group is discussing ways to maintain participation during the school year and to plan events for Spring 2009.

Education and Outreach:

Marcia Maffei gave a presentation to University of Oregon's Climate Masters at Work program. Commuter Solutions staffed the WorkTrends booth at a Human Resources conference in Eugene.

CAPITAL PROJECTS

Charlie Simmons, Facilities Services Manager

Gateway EmX Extension:

The 100 percent design will be completed in late December. A new 90 percent cost estimate also has been compiled by the designers and Wildish Construction. Staff, Wildish, and Parsons Brinkerhoff have worked through the cost estimate to confirm quantities, scope, and constructability, and have reduced the overall construction cost. LTD is extremely close to an agreement on a guaranteed maximum price (GMP) with Wildish. Construction is scheduled to begin in Spring 2009.

A project update will be presented during the December 17, 2008, work session.

**SERVICE PLANNING, ACCESSIBILITY,
AND MARKETING**

Andy Vobora, Director of Service Planning, Accessibility, and Marketing

Service:

Snow and ice service information has been updated and distributed to local agencies and media. Should it snow, staff are ready!

Work continues on winter bid. The Associated Students of the University of Oregon (ASUO) has decided to purchase additional 79x service between student housing off Martin Luther King, Jr. Boulevard and campus. This package of service will operate Monday through Saturday and will extend LTD's operating hours through a 2 a.m. departure. LTD also has provided quotes for operating additional 79x service on weekends, but the UO has not indicated that they would like to see this service operate during the current school year.

Basketball service is up and running.

Media:

Most media coverage centered on the service reductions. Staff struggled with accuracy in recent UO *Daily Emerald* articles because reporters didn't check facts thoroughly for accuracy. *The Register-Guard* has provided good coverage, and the recent editorial demonstrates that

key messages are getting out. LTD received some coverage on the Gateway EmX funds that were received from the federal government.

Board Member Greg Evans reported on the meeting with the editor of *The Eugene Weekly*. LTD has scheduled a meeting with *The Register-Guard* editorial board for December 16. Board President Mike Eyster, Mark Pangborn, and Andy Vobora will attend.

Outreach:

Meetings with area chamber of commerce boards and government issues committees have been scheduled for December and January. Mark Pangborn or Andy Vobora will meet with these groups to review the governor's budget proposal. The District wants to ensure that the business community is aware of the governor's proposal to increase the payroll tax and to cover LTD's efforts to secure additional funding. A two-page handout was developed to inform business leaders about the District's funding and the history of the payroll tax. If Board members would like copies of the handout to distribute as part of their daily interactions with members of the community, please let staff know.

Staff are working with Funk/Levis and The Ulum Group staff to further develop advocacy outreach. These outreach efforts will put in place a way to inform, energize, and activate local supporters of transit. It's LTD's plan to have opportunities in place for the coming legislative session and develop this plan in a way that allows the District to maintain relationships. These relationships will allow these same supporters to work on behalf of transit on an on-going basis. This would be vital if the District chooses to seek local support for additional funding.

ACCESSIBLE SERVICES

Terry Parker, Accessible Services Manager

The Oregon Department of Transportation Discretionary Grant process is well underway for the fiscal years 2009-2011. As reported last month, LTD is a designated Special Transportation Fund agency and as such, oversees the discretionary grant process for projects within Lane County. Staff have published a Notice of Fund Availability, held a grant workshop for interested applicants, and convened a local grant review committee. Project proposal applications are due to LTD on January 9. Public hearings are scheduled and recommendations will be forwarded to the LTD Board in March.

TRANSIT OPERATIONS

Mark Johnson, Director of Transit Operations

Improved Performance:

Transit Operations collects data on system performance as it relates to people, safety, and on-time performance. There are some positive highlights in the October statistics. The most important highlight is the reduction of unscheduled overtime. Unscheduled overtime has been reduced by more than 6,000 hours compared to last year. That is a significant savings to the District. The Supervisors have done an excellent job of paying close attention to work assignments and taking steps to keep overtime in check.

The accident rate has also showed improvement from last year. Both total accidents and preventable accidents have been reduced by more than 10 percent. Operators are driving more safely--even with increased ridership.

Both of these items are important because of the financial impact that they can have on the District.

MAINTENANCE

George Trauger, Director of Maintenance

There is no Maintenance report this month.

FINANCE AND INFORMATION TECHNOLOGY

Diane Hellekson, Director of Finance and Information Technology

FINANCE

Todd Lipkin, Financial Services Manager

Grants Management:

- Grant reimbursements totaling \$3,454,715 were received from the Federal Transit Administration (FTA) in November 2008. This included \$3,030,568 for the portion of the 2006 Gillig bus purchase that was financed with a short-term note.
- Work began on the 2008 National Transit Database report submittal. This is the annual report of service, asset, and financial information of recipients of Urbanized Area Formula (5307) Funding, as required by FTA. The report is scheduled to be submitted in December.

Payroll Processing:

- Fifty-eight (58) payroll checks and 612 payroll direct deposits totaling \$854,685 were made in November (two pay dates).

Accounts Payable:

- Two hundred forty-one (241) vendor paper and electronic checks totaling \$4,984,611 were processed during the month of November. This included the \$3,024,535 payoff of the short-term note used to finance a portion of the 2006 Gillig bus purchase.

Accounts Receivable:

- Eleven (11) cash fare deposits totaling \$141,541 were processed in November.

PURCHASING

Jeanette Bailor, Purchasing Manager

The construction bid documents for International Way are being prepared in collaboration with Lane County staff to ensure compliance with federal requirements.

Staff are working with Wildish Building Company on an early purchase of plants from growers for the Gateway EmX Extension. This early purchase will guarantee that the plants are grown to the appropriate size and stage for planting during construction.

Staff from Information Technology and Purchasing are working on a piggyback purchase of Parkeon pay stations as a fare management solution for the EmX service.

HUMAN RESOURCES AND RISK MANAGEMENT

Mary Adams, Director of Human Resources and Risk Management

Employee Health:

A new vending machine contractor began serving LTD facilities on December 1. The vendor has introduced a healthier product line that includes fresh foods, flavored waters, more dairy products, and foods with less fat and sugars.

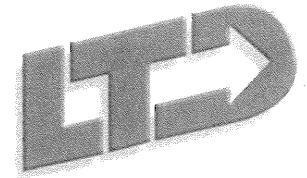
The Employee Benefits Fair was held on November 20. Representatives from all of LTD's benefit providers were present and attendance was good. Many employees signed up for Flexible Spending Accounts and other benefits during the Fair.

Workplace Safety:

The Safety Committee met for a full day of strategic planning on November 7. As a result, a new, detailed implementation plan was discussed and agreed upon. The plan includes a broader role for the Committee and an opportunity for additional training.

Selection and Hiring:

No hiring or terminations occurred during the month.



December 1, 2008

Mort Downey
Obama-Biden Transition Director
U.S. Department of Transportation
1200 New Jersey Avenue SE
West Building – Room W82-306
Washington, D.C. 20590

Dear Mr. Downey:

Lane Transit District (LTD) of Eugene, Oregon, respectfully submits recommendations on public transportation funding and policy changes to be considered in the Federal Stimulus Package and Reauthorization of SAFETEA-LU. The attached document provides recommendations on the Small Starts Program, transit operating funding, and transit infrastructure needs.

As you may know, LTD provides public transportation services to the Eugene-Springfield metropolitan area and surrounding smaller communities in Lane County, Oregon. LTD is the second largest transit system in the State of Oregon and one of the most successful transit systems in the country. LTD has very high transit ridership for a community of our size and has developed a national reputation for innovation in the provision of transit service. Our very successful EmX service is one of the first full-featured bus rapid transit systems in the country. Our ridership has increased 34 percent during the last three years, and 17 percent during the past year.

We hope these suggestions and ideas will be helpful to the new Administration as you assemble recommendations for transit and transportation policy. We would be more than happy to provide additional information on any one of these or related topic areas.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Eyster', is written over a light blue horizontal line.

Mike Eyster, President
Lane Transit District Board of Directors

cc: Congressman Peter DeFazio
Senator Ron Wyden
James Smith, Smith Dawson & Andrews
Richard Krochalis, Federal Transit Administration

ME:sv:jms

Enclosure

Lane Transit District

P.O. Box 7070

Eugene, OR 97401-0470

(541) 682-6100 (voice)

(541) 682-6111 (fax)

(800) 735-2900 (TTY)

ltd@ltd.org (e-mail)

www.ltd.org (Internet)

Lane Transit District Recommendations for Transit Policy and Funding

Public transportation plays a key role in addressing the immense challenges of climate change, dependency on foreign oil, and peak oil in balance with the need for sustainable economic growth and development. The stimulus package and the reauthorization of SAFETEA-LU provide opportunities for the federal government to provide critically needed funding and policy support for public transportation.

While public transportation has always played a critical role in meeting the transportation needs of major metropolitan areas, it now also plays a very important role in small and medium-sized cities as well. Lane Transit District (LTD) serves about 260,000 people in Eugene and Springfield, Oregon, and surrounding smaller cities. LTD plays a crucial role in the community's transportation network, as evidenced by ridership that exceeds 12 million boardings per year. Ridership has increased 34 percent during the last three years, and 17 percent during the past year. Double-digit ridership increases have continued even as fuel prices have recently decreased. While LTD may have very high ridership relative to population, most U.S. transit agencies also show significant ridership gains.

Small Starts

LTD was a major contributor to and advocate for the development of a Small Starts element within FTA's New Starts Program. Small Starts provides opportunities for significantly enhanced transit in medium-sized cities, making transit a more viable alternative to driving alone. LTD's EmX system is one of the first full-featured bus rapid transit (BRT) systems in the country. The first EmX line, which began operation in January 2007, exceeded 20-year ridership projections in the first year and has grown an additional 20 percent in its second year. The first extension of EmX is one of the first Small Starts projects. LTD and FTA are about to sign the first Small Starts Project Construction Grant Agreement (PCGA).

Small Starts was envisioned as providing improved opportunity for the development of BRT and streetcar systems. These two modes are quite different. BRT is a corridor-based system, with a primary focus on mobility and a secondary focus on economic development. Streetcars, on the other hand, provide circulator service and can contribute greatly to economic development, with less emphasis on mobility improvements. These differences make it difficult to evaluate and rate BRT and Streetcar projects with one set of criteria and assessment measures.

Recommendations:

1. Retain, and possibly increase, the \$200 million per year allocation for corridor-based Small Starts projects and create a separate, equivalent funding program with its own project selection criteria for Streetcars.
2. Eliminate Very Small Starts (VSS) as an option within the Small Starts program. VSS projects are not true fixed-guideway projects and threaten to use a majority of the Small Starts funding; the program is an FTA creation and was not authorized in SAFETEA-LU.

Operational Funding

In the midst of tremendous ridership increases, LTD is reducing service by 15 percent. This reduction results from both the economic recession and increased cost for paratransit service required by the Americans with Disabilities Act. LTD is experiencing 34 percent increases in year over year general fund expenditures for paratransit.

Recommendations:

1. Provide operational funding as part of the federal stimulus package. This will allow LTD service to be restored, which will create jobs and improve service for residents to access their jobs.
2. Provide ongoing federal funding support for ADA-required paratransit service as part of the new transportation bill. The demand and cost for this service will increase as our population ages, and funding this mandated service affects a transit system's ability to provide fixed-route service--the same service that is increasing its appeal to all riders, including seniors. The financial support could be provided by expanding the funding and flexibility of the New Freedom Program that was created by SAFETEA-LU.

Infrastructure Needs

Transit, like other transportation modes, needs an influx of capital funding to address infrastructure needs. LTD has needs for bus replacement, maintenance facility expansion, and facilities renovation to make them more energy efficient. Other transit systems have similar needs.

Recommendations:

1. Include funding for transit infrastructure in the federal stimulus bill. Consider allocating the funding using the existing formula used for Section 5307 funds. This would avoid the time-consuming need to go through a discretionary funding process. Also, the funding should be provided without local match requirements.
2. Increase both discretionary and formula capital transit funding in the next transportation bill.



Lane Transit District

2009 Legislative Agenda

\$30 million in lottery bonds to fund construction of West Eugene EmX Extension

Representatives Holvey and C. Edwards

- These funds would be used as a match for an anticipated \$45 million in federal funds.
- The West Eugene EmX Extension will serve a growing area with transportation challenges.
- The first Franklin EmX line exceeded 20-year ridership projections in the first year; the Gateway EmX Extension will open in late 2010.
- Yearly debt service is only \$3 million per year.

Additional funds for elderly and disabled transit

Governor's Transportation Package & Representative Beyer

- RideSource, which provides curb-to-curb service for elderly and disabled riders, cost LTD \$2.2 million in FY 2007-08 -- funds that would otherwise be spent on the fixed-route system.
- A state workgroup has issued a report identifying the total need; the governor proposed a 2.5 cent increase in the cigarette tax; the Oregon Transit Association appreciates the governor's proposal but recommends an increase of at least 7 cents.

Increasing the payroll tax

Governor's Transportation Package

- Ridership has increased 34 percent in the last three years, but volatile fuel costs, increases in costs for elderly and disabled transportation, and a shaky economy have created a budget shortfall.
- LTD is considering reducing service by 15 percent.
- LTD wants to meet the transit demand while interest is high.
- Current law allows the payroll tax to "stair-step" up to \$7.00 per \$1,000 of payroll by 2014 (it is currently \$6.40 per \$1,000 of payroll).
- The governor recommends an increase in the payroll tax authority to \$8 per \$1,000 of payroll.

Refund of property taxes paid due to paperwork oversight

Representative Beyer

- Property owned by governments is typically exempt from property tax, but when one government leases property to another and certain paperwork is not filed, up to five years of back taxes are owed.
- The Lane Transit District recently paid \$89,000 in assessed taxes on a "park and ride" lot that it leased for \$100 per year from Lane County.
- Payment of these taxes has resulted in an unaccounted budget shortfall that will directly and adversely impact transit services.

Payroll tax credit if a property tax is enacted in the future

Representative Barnhart

- Lane Transit District relies on a payroll tax for the largest share of the District's funding.
- Current law also provides authority for the District to assess an income tax and an ad valorem property tax, but the District does not currently impose these taxes.
- The existing income tax authority for mass transit districts provides a "credit" for payroll taxes already paid, but the existing ad valorem property tax authority does not provide a similar credit.
- This proposal would amend state law to provide for a credit of payroll taxes paid in the event that a mass transit district implements an ad valorem property tax in the future.

More information:

Stefano Viggiano, Assistant General Manger, (541) 682-6100, stefano.viggiano@ltd.org

Chris Shultz, The Ulum Group, (541) 359-6164, cshultz@ulum.com

REVISED 11/12/08

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: JANUARY 2009 EMPLOYEE OF THE MONTH

PREPARED BY: Jeanne Schapper, Administrative Services Manager/Clerk of the Board

BACKGROUND: January 2009 Employee of the Month: Bus Operator Art Kennedy was selected as the January 2009 Employee of the Month. Art joined LTD in 1972, two years before LTD began operations. Art has served on the Siemens radio project committee and has served as a member of the Bus Operator Assessment Team. He also worked as a proofreader in the Service Planning and Marketing Department from 2001 to 2007. Throughout the years, Art has been involved with the annual United Way fund raising event and other activities, including the employee banquet and the LTD annual picnic. In addition, Art has received the annual Safe Driving Award 21 times.

Art was nominated for this award by a fellow employee who wanted to recognize Art for his ability to effectively deal with problems by taking action in a manner that positively represents LTD. Specifically, when a fight between riders occurred recently on a bus, Art responded immediately and resolved the situation in a fair and impartial manner, while maintaining a safe environment for the remaining passengers.

When asked to comment on Art's selection as Employee of the Month, Transit Operations Field Supervisor Dan Budd said:

In addition to his driving duties, Art is an excellent photographer who is rarely seen without his camera. In 2002 he assisted LTD's Graphics Department by photographing employees for the employee year book project.

Art has been an active participant in the growth of LTD and has contributed many hours of his time devoted to making LTD a better workplace and success in the community. Among his many achievements, he has received numerous nominations for Employee of the Month from satisfied customers and co-workers. Congratulations are in order for his exemplary performance, which spans over three decades of public service. Thank you, Art, for your dedication and commitment to LTD.

Congratulations to Art on being selected as the January 2009 Employee of the Month!

AWARD: Art will attend the December 17, 2008, meeting to be introduced to the Board and receive his award.

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(i)

PREPARED BY: Mike Eyster, President, Board of Directors

ACTION REQUESTED: That the Board move into Executive (non-public) Session pursuant to ORS 192.660(2)(i), to review and evaluate, pursuant to standards, criteria, and policy directives adopted by the governing body, the employment-related performance of the chief executive officer (general manager) of LTD

ATTACHMENT: None. (Combined performance evaluation ratings were distributed to Board members under separate cover.)

PROPOSED MOTION: I move that the Board meet in Executive Session pursuant to ORS 192.660(2)(i), to review and evaluate the employment-related performance of the LTD general manager.

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: FARE MACHINE PRESENTATION

PREPARED BY: Steve Parrott, Information Technology Manager

ACTION REQUESTED: None

BACKGROUND: Staff are considering a fare management product from Parkeon as a simple, cost-effective solution to fare collection on LTD's EmX service. Parkeon's North American division provides intelligent paystations and back-end services for automated parking systems. Several public transit providers found the Parkeon system to be a good fit for specialized services such as streetcars, trolleys, and BRT lines. Parkeon is making a serious effort to serve this niche of the public transportation market.

LTD is researching its ability to leverage a piggyback option in a City of Seattle contract to purchase the Parkeon system. LTD staff are evaluating Parkeon's intelligent paystation with regard to the District's requirements for fare collection. The estimated capital investment for this system is about \$850,000. Data to estimate the cost of operating the system is still being compiled and will be presented when the analysis is completed. If this opportunity passes the various levels of internal investigation and approvals, the system could be operational on the Franklin EmX segment by Fall 2009.

ATTACHMENT: None

PROPOSED MOTION: None

Q:\Reference\Board Packet\2008\12\Regular Meeting 12-17-08\Fare machines.doc

AGENDA ITEM SUMMARY

- DATE OF MEETING:** December 19, 2008
- ITEM TITLE:** ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING
- PREPARED BY:** Jeanne Schapper, 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. **Contested Case Procedure – Ordinance 36:** Ordinance 36 concerns conduct on District property. Currently The District's contested case hearing process is not described in the ordinance. The Board will be asked at its January 21, 2009, meeting to approve a procedure for conducting hearings when issued violations are contested. This change will make the process clear to the public as part of Ordinance 36.
 - B. **EmX Fare Analysis:** In response to a request from the Board, a preliminary cost analysis of the EmX fare collection system will be provided at the January 21 meeting.
 - C. **Commuter Solutions Annual Report:** The annual Commuter Solutions report to the Board will be on the agenda in January 2009.
 - D. **Board Committee Reassignments:** A list of current LTD Board committee assignments will be e-mailed to Board members in December for review and the opportunity to request reassignment to the same or different committees. Committee assignments will be finalized at the January 21, 2009, Board meeting.
 - E. **West Eugene EmX Extension (WEEE) Update:** An informational update on the WEEE project will be included on the agenda for the January 21, 2009, Board meeting.
 - F. **RideSource Call Center Brokerage:** – Accessible Services staff will present an update to the Board of the first eight months of Call Center operations at either the January or February regular meeting.
 - G. **Annual Performance Report:** Staff will prepare a semi-annual performance report covering the first half of FY 2008-09 to present to the Board in February 2009.
 - H. **Revised Capital Improvements Program Adoption:** Approval of the FY 2008-09 Capital Improvements Program will be on the agenda for the March 2009 regular Board meeting.

- I. **Revised Long-Range Financial Plan Adoption**: Approval of the FY 2008-09 Long-Range Financial Plan will be requested at the March 2009 regular Board meeting.
- J. **Legislative Bill Updates**: The Board will be provided regular updates during the 2009 legislative session.
- K. **Gateway EmX Extension Construction Updates**: Periodic updates on the progress of the design and construction of the Gateway EmX Extension will be provided to the Board throughout the project.
- L. **LTD Sustainability Plan**: The LTD Board has adopted a sustainability policy. The Board will review a plan outlining LTD's role in advancing the social, economic, and environmental sustainability of the Eugene-Springfield metropolitan area at a future meeting.
- M. **Park & Ride Program**: Issues regarding LTD's Park & Ride facilities will be discussed with the Board's Service Committee and then brought to the full Board for discussion at a future meeting.

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: GATEWAY EmX EXTENSION PROJECT UPDATE

PREPARED BY: Charlie Simmons, Facilities Services Manager

ACTION REQUESTED: None. Information Only.

BACKGROUND: The design for the Gateway EmX Extension project will be completed in late December. A cost estimate based on the "90 percent" drawings has been developed by the designers and Wildish Construction. Staff, Wildish, and Parsons Brinkerhoff have worked through the cost estimate to confirm quantities, scope, and constructability, and to ensure that the cost estimate is within the project budget. LTD is extremely close to an agreement on a guaranteed maximum price (GMP) with Wildish. Construction is scheduled to begin in Spring 2009.

Staff will present a project update of the Gateway EmX Extension as well as discuss details of the project budget, final design, property acquisitions, and the Gateway Station.

ATTACHMENT: None

PROPOSED MOTION: None



Jobs and Transportation Act 2009

Message from the Governor

Investing in our transportation system is the strongest stimulus tool available to us during this current economic downturn. It creates jobs, keeps products moving effectively and efficiently and helps local businesses keep their doors open.

Oregon's multi-billion dollar transportation infrastructure hasn't been maintained to keep up with population growth and freight traffic, hindering Oregon's ability to move people, commerce and goods effectively throughout the state. The result is more gridlock, more time spent in the car instead of with our families, and more carbon emissions in our air.

If critical improvements are not made, we can expect that congestion on our roads will increase by 42 percent over the next fifteen years, creating gridlock for commuters and further challenging Oregon's ability to compete in the traded sector economy. Additionally, since transportation accounts for nearly 40 percent of greenhouse gas emissions, Oregon must provide transportation options that complement our carbon reduction strategy. Finally, Oregon will see a steep decline in Oregon Transportation Investment Act funding starting in 2010 if we don't reinvest now.

Last year I asked more than fifty business leaders, legislators, local and state officials, transportation stakeholders, and sustainability and land use experts to develop recommendations for how to address the years of deferred maintenance and need to modernize our entire transportation system. I charged this group to help me develop a transportation package around five core principles: creating jobs and developing our economy, maintaining statewide distribution, incorporating sustainability, ensuring local decision making, and improving transparency and oversight.

After reviewing the committee's recommendations, I have selected a series of initiatives to move forward to the 2009 Legislature. These initiatives will support at least 6,700 jobs per year in the first five years, move our transportation into the 21st century by investing in a multi-modal system that complements my climate change agenda, and ensure continued investment – instead of the one-time investments made in the past – so that we have the resources to address the evolving transportation needs of our businesses and communities each two-year budget cycle.

This transportation package will inject \$1 billion each biennium into local economies and represents the largest, most comprehensive and greenest transportation initiative in Oregon history. It is bold, ambitious and necessary if we want to remain economically competitive as we turn our economy around, maintain our global leadership role in sustainability and green energy, and ensure long-term prosperity for Oregon families and businesses.

I look forward to a respectful and spirited conversation with the public and the legislature in the coming months. This agenda will not be without controversy and I am willing to work and listen to Oregonians as we do the right thing of putting thousands of Oregonians to work and keeping Oregon the place we are proud to call home.

Sincerely,



Theodore R. Kulongoski

Creating and Sustaining Family Wage Jobs

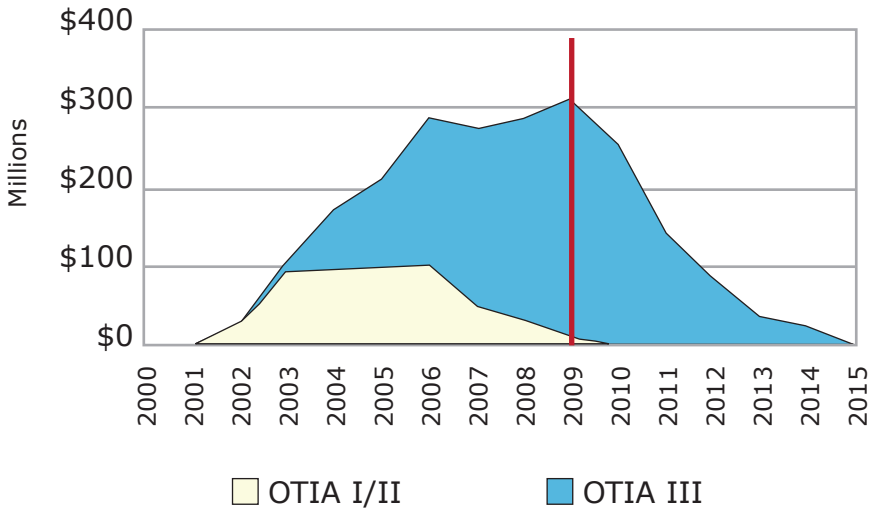
Since taking office, Governor Kulongoski has been committed to creating family-wage jobs by investing in Oregon's transportation system. This commitment continues with the Governor's Jobs and Transportation Act for 2009 with an investment that will create and retain jobs for Oregonians and strengthen the economy.

A History of Jobs in Transportation: In 2003, the Governor put thousands of Oregonians to work by initiating the Oregon Transportation Investment Act III (OTIA III), which invested nearly \$2.5 billion in Oregon's crumbling roads and bridges. This ten-year investment will have sustained over 4,400 jobs per year through 2013.

In 2005 and 2007, the Governor introduced *ConnectOregon* I & II, a \$200 million investment in Oregon railroads, ports, airports and transit system. The *ConnectOregon* program has improved the connections between the highway system and other modes of transportation for better integration and to improve the flow of commerce throughout the state.

A Steep Decline in Transportation Jobs after 2010: As the OTIA III projects are completed, many of the jobs created will end, thus creating a steep decline in transportation jobs not only for the construction industry, but also for the design and engineering industries. Without additional investment in transportation projects, these jobs will evaporate from the Oregon economy.

Combined OTIA Programs



New Investment for Jobs and the Economy in 2009 - The Governor's transportation package recognizes these transportation investments not only create jobs, but help keep the economy moving. The \$499 million investment in Oregon's transportation system that the Governor proposes would preserve and sustain 6,700 jobs annually in the first five years.

In addition to the jobs created through investing in Oregon's roads and bridges, the Governor will also create jobs by continuing *ConnectOregon* and increasing the amount from \$100 to \$150 million. In 2008 dollars, this investment will create 2,100 additional jobs, many of which will be in rural Oregon.

** The job figures are based on 2008 commodity and labor costs, the number may decline slightly, but are provided to give a general indicator of potential job growth.*

Ensuring Statewide Investment

The Governor believes that in order for a transportation initiative to deliver the goal of a stronger economy and new jobs, investments must be made in every corner of the state. The Governor will not support a plan that does not benefit all Oregonians, which is why his agenda includes transportation investments in rural and urban Oregon alike.

- **Create a Trust for the Most Timber Dependent Counties:** The Governor's Task Force on Federal Forest Payments and the Governor's Transportation Vision Committee recommended a baseline level of road dollars, \$6.5 million annually, for the twelve counties most dependent on the federal forest payments program. Because federal forest payments will phase out in four years, the Governor proposes to hold this annual funding in trust for the next three years. This will ensure that when federal forest payments are eliminated, counties will have access to the trust fund needed to maintain and preserve their roadways. These counties also will continue to share a baseline level of \$6.5 million annually.
- **Expand Elderly and Disabled Transit Services:** The Governor proposes an additional \$5 million for elderly and disabled transit services statewide. These funds will be distributed to transit districts and counties so service levels can be maintained even as costs and demand for services increase.
- **Increase Funding for *ConnectOregon*:** Nobody knows better the power of the *ConnectOregon* program than the City of Prineville Railway or Pendleton Grain Growers. Both have received *ConnectOregon* grants allowing them to make investments in rail that created and protected jobs in agriculture. The Governor's transportation package proposes increasing the *ConnectOregon* program to \$150 million to be awarded statewide and with the requirement that each ODOT region is awarded 10 percent of the total *ConnectOregon* funds for multimodal transportation projects.
- **Address Key Bottlenecks Statewide:** The Governor's transportation plan dedicates \$600 million in one-time bond proceeds to relieving key freight bottlenecks across the state. While many of the bottlenecks are in urban areas, we must reduce congestion statewide so freight can move more efficiently throughout Oregon and the region.

Maintaining the Investments We Have Today Greener Investments for Tomorrow

The Governor believes it is critical to Oregon's economy to both invest in the state's transportation infrastructure and advance policies that reduce greenhouse gas emissions. That's why the Governor's transportation and climate change agendas work together to address the state's growing transportation needs and to take actions to reduce carbon emissions.

These policies can be separated into two broad categories. The first category includes proposals that change how the state approaches transportation problems. Instead of only looking to build or expand, these proposals ensure that environmental concerns are accounted for in transportation planning. The second category addresses direct reduction of greenhouse gas emissions created by the transportation system by encouraging electric cars, new environmental standards for construction and incentives to drive less.

A Sustainable Approach to Transportation Planning

- **Create Dedicated Funding for Non-Highway Projects:** Before the creation of the *ConnectOregon* program in 2005, there was no mechanism for routine investment in Oregon's non-highway transportation system. Given the constitutional restrictions placed on Oregon's highway fund, Governor Kulongoski proposes the immediate creation of a fund statutorily dedicated to investments in Oregon's non-highway transportation needs, including light-rail. The Governor believes that a dedicated fund is imperative to ensure balanced, multimodal transportation services for people and goods.
- **Meet Oregon's Greenhouse Gas Reduction Goals:** The Governor is committed to ensuring Oregon meets the state goals for reducing greenhouse gas emissions. Reducing discretionary trips in single occupancy vehicles must be part of this strategy, particularly in urban areas where more transportation choices exist. The Governor's proposal includes an expanded Transportation Options program to help provide relief from high fuel prices and enhance community livability through expanded pedestrian and bicycle programs, increased carpools and vanpools, a statewide rideshare program, education and marketing, and incentive programs designed to reduce the number of cars on our roads.

- **Account for Carbon in Transportation Planning:** The Governor proposes to direct the Oregon Department of Transportation (ODOT) to develop a least cost planning model – similar to what utility companies currently use – that will be applied when solving transportation problems. This modeling directs ODOT to consider the least cost option, such as increased investments in rail or transit, in order to relieve congestion, rather than just building additional capacity.
- **Transition Away From the Gas Tax:** As Oregonians drive less and demand more fuel efficient vehicles, it is increasingly important that the state find a new way, other than the gas tax, to finance our transportation system. The Governor proposes continuing the work of the Road User Fee Task Force – which will begin to partner with auto manufacturers to refine technology that would enable Oregonians to pay for the transportation system based on how many miles they drive. The Governor is committed to ensuring that rural Oregon is not adversely affected and that privacy concerns are addressed. During this transition, the Governor’s plan includes a temporary two-cent gas tax increase to provide the short-term revenue needed to adequately fund Oregon’s transportation system as the state identifies long-term solutions for sustainable funding.

Actions to Reduce Harmful Greenhouse Gas Emissions

- **Encourage Electric Vehicles:** The Governor’s transportation initiative encourages the use of alternative technologies like plug-in hybrid and all-electric vehicles, shifting the business and residential energy tax credits from widely used hybrid vehicles to new vehicles that produce less carbon and creating a medium speed electric vehicle designation. Currently, Oregon defines a low-speed vehicle as a four-wheeled motor vehicle with a top speed of 25 mph. Such vehicles cannot travel roads that have a speed limit of more than 35 mph. This speed limitation can prevent wide adoption of small fuel-efficient neighborhood electric vehicles.
- **Green Standards for Transportation Programs:** ODOT has successfully employed environmental performance standards in its OTIA III construction contracts to minimize the environmental impacts of construction. These standards cover such things as materials recycling, HAZMAT, dust control, air quality, equipment and fuel standards. Reports suggest that many of these performance standards can save money for contractors in addition to protecting the environment. The Governor proposes broadening the use of environmental standards to all transportation construction contracts funded with state funds. This concept

would include all ODOT contracts and any municipal contracts awarded for transportation construction projects that receive state funding.

The Governor's Transportation package includes several policies to give consumers incentives to make more environmentally friendly choices when it comes to transportation options:

- **Variable First Time Title Fees:** The Governor's revenue plan includes a variable one-time title fee that would be structured as an incentive to drivers using vehicles that receive a high EPA mileage rating. The one-time fee will be \$100 for all vehicles newly titled in Oregon. If a driver can prove his or her vehicle has a combined EPA rating of above 30 mpg, the title fee will be reduced to \$50.
- **"Pay-As-You-Drive" (PAYD) Auto Insurance:** The Governor's plan includes extending the current sunset on tax credits for "pay as you drive" auto insurance. For motorists, PAYD insurance offers a voluntary alternative to fixed-premium auto insurance, converting a portion of one's annual insurance fee into a per-mile fee. PAYD insurance gives drivers more control over driving expenses and provides a strong financial incentive to drive less. Studies suggest that drivers paying per-mile premiums reduce driving by 5 – 15 percent and save up to 25 percent on their premiums; and within any insurance pool, anyone who reduces their driving could save, whether they live in a rural or an urban area. The 2003 Legislature approved a tax credit for insurance companies who pilot the concept in Oregon, which is scheduled to expire in 2010.
- **Congestion Pricing Pilot Project:** The Governor's proposal directs the Oregon Transportation Commission to seek out a willing community or group of volunteers to conduct a pilot project on congestion pricing. The Governor believes that pricing transportation services has the potential of reducing congestion in heavily traveled corridors. Time-of-day charges, variable pricing have been used successfully in other countries to improve the flow of traffic, reduce fuel consumption, improve air quality, and ensure reliable freight movement.

Strengthening Accountability and Oversight

The Governor believes that state government must ensure there are appropriate safeguards to ensure that every dollar is spent wisely, buying power is maximized, and waste eliminated.

While the Oregon Department of Transportation's record is strong, the Governor believes that state government can always do more to increase transparency and accountability to the public, which is why his proposal includes several policies that will improve transparency and eliminate onerous red tape.

- **Establish a Transportation Utility Commission:** Currently the state does not have a systematic way to evaluate transportation assets because of multiple ownership of the system. Without this comprehensive accounting of transportation infrastructure and its associated lifecycle, it is challenging for the state and local governments to prioritize and plan for transportation repairs, maintenance and identify where new projects are needed. The Governor's plan proposes the creation of a Transportation Utility Commission, establishing a new oversight process for transportation investments. Utilities have demonstrated how this can be done with the Public Utility Commission. In its first biennium, the commission would have three major responsibilities to establish a comprehensive account of all transportation infrastructure, a system-wide revenue estimate to maintain and to invest in infrastructure upgrades based on demand and identify potential revenue sources.
- **Encourage Facility Co-Location:** The state could save thousands of dollars by encouraging the co-location of ODOT and local government highway maintenance facilities. In the past, efforts to implement facility co-locations have been prevented by the long lead times demanded by the state capital construction process. The Governor proposes that a permanent placeholder for capitol construction is included in the ODOT budget so the department can take advantage of co-location opportunities as they arise and not have to wait for the state process. The Governor realizes that modification of statutory requirements governing state/local co-locations to better enable consideration of the mutual benefits of these transactions would both protect the public interest and facilitate the efficiency gains of co-location.
- **Enhance Public Involvement:** The Governor's plan includes the creation of a joint legislative and stakeholder task force to review national "best practices", standards, local planning and project development guidelines. The task force will make recommendations to the Legislature, ODOT and the Congressional delegation for improving the opportunities for and quality of public involvement in transportation decision making.

Ensuring Local Decision Making

Governor Kulongoski recognizes the unique transportation needs of local communities and the need for any transportation plan to include flexibility for local input about how transportation dollars are invested.

- **Protect Local Decision Making:** The Governor’s plan protects the existing practice that local projects are selected by Area Commissions on Transportation and approved by the Oregon Transportation Commission.
- **Maintain Local Allocation of Dollars:** The Governor’s plan continues to allocate 50 percent of all new transportation revenues to local governments, with 30 percent to Oregon’s 36 counties and 20 percent to cities. The other 50 percent will be dedicated to state-sponsored transportation projects.
- **Support Development of Local Emissions-Reduction Plans:** The state’s fast-growing metropolitan areas need new planning initiatives so that more Oregonians have the opportunity to get to and from destinations with fewer miles of driving. The Governor’s plan designates a portion of flexible federal transportation dollars to support the work of Oregon’s six Metropolitan Planning Organizations to design vehicle miles traveled reduction plans that work for their communities. These local groups currently make transportation and land use decisions and now will have additional resources to incorporate ways to reduce greenhouse gas emissions as part of their comprehensive planning efforts.
- **Exempt Rural Oregon from VMT Reduction Goals:** The Governor is committed to reducing discretionary trips by individuals in single occupancy vehicles, particularly in urban areas. Strategies to reduce vehicle-miles-traveled (VMT) will be designed by Metropolitan Planning Organizations for larger urban areas of Oregon, where most growth is predicted to occur in the next 20 years. Rural Oregonians and businesses will be able to maintain current driving patterns because of greater distances between work and home, fewer transportation choices in the near term and the need to keep freight moving.

Sustaining Investments in Transportation

While Oregon takes steps toward a transportation system that is both financially and environmentally sustainable, it is critical to make immediate investments that preserve the existing system, stimulate the economy, and create job opportunities for Oregonians. These investments should maintain and preserve the system we have today, maximize its efficiency and strategically expand capacity.

Governor Kulongoski recommends an immediate investment to provide much needed funding to maintain and preserve our roads and bridges, and to replace aging public transit buses, as well as continuing to expand the network of multimodal opportunities around the state.

Through increases in the states registration and title fee and a two cent increase in the state fuel tax the Governor proposes to raise \$499 million annually.

The Governor proposes that this new revenue be spent to promote emerging electric vehicles, help Oregon position itself to move away from the gas tax, maintain the existing system and provide ongoing and one time modernization projects that will ensure people and goods can move efficiently throughout the state.

Governor's Proposed New Revenue for Highway System

Governor's Proposed Road Funding Increases	Light Vehicle Share¹	Heavy Vehicle Share¹	Total Approximate Annual Revenue
Increase registration fee (from \$27 per year to \$81 per year) <i>One dollar increase in auto registration fees would raise about \$5.7 million per year</i>	\$203 million	\$105 million	\$308 million
Increase title fee (from \$55 per year to \$110 per year) <i>One dollar increase in auto registration fees would raise about \$1.8 million per year</i>	\$65.9 million	\$34.1 million	\$100 million
First time title fee (new fee) <i>One dollar first time title fee would raise about \$330,000 per year</i>	\$21.7 million	\$11.3 million	\$33 million
2¢ fuel tax increase (from 24¢ per gallon to 26¢) <i>One cent increase in the fuel tax would raise about \$29 million per year</i>	\$38.2 million	\$19.8 million	\$58 million
Annual Funding Increase			\$499 million

¹ Only light vehicles pay registration and title fees. All potential revenue estimates assume proportionate increases in heavy vehicle fees. Proportion: Light vehicles should pay 65.9 percent and heavy vehicles should pay 34.1 percent of state highway revenue per 2007 Highway Cost Allocation Study.

**Governor's Proposed Expenditures
for New Highway Investments**

Governor's Proposed Road Funding Expenditures	Millions per year
Backfill to Highway Program to replace federal "flexed" funds	\$44.0
State Highway Program	Millions per year
County Baseline Road Funding	\$6.5
Invest in Green Technologies	
<ul style="list-style-type: none"> • Invest in the necessary infrastructure for electric vehicles 	\$8.0
<ul style="list-style-type: none"> • Expenses related to the Department of Environmental Quality's work with state and local government agencies relating to the evaluation of air quality issues in highway planning 	\$0.5
Explore and Identify Sustainable Revenue Mechanisms	
<ul style="list-style-type: none"> • Continue work of Road User Task Force • Fund Initial work of Transportation Utility Commission 	\$5.0 \$0.5
Take Care of the System: Maintenance, Preservation and Safety	
<ul style="list-style-type: none"> • Maintenance and Safety • Preservation • Urban preservation • Bridge • Culverts and landslides 	\$35.0 \$20.0 \$ 5.0 \$10.0 \$10.0
Increase System Efficiency: <i>Improve Operations and Intelligent Transportation Systems</i>	\$12.0
Make Strategic Investments	
<ul style="list-style-type: none"> • Increase investments in state highway modernization program • Freight bottleneck relief (\$600 million bonds proceeds) 	\$50.0 \$50.0
Columbia River Crossing <i>Minimum funding amount to keep project going</i>	\$15.0
Total State Highway Program	\$227.5
County Road Programs <i>(distributed to Oregon's 36 counties by formula)</i>	\$136.5
City Street Programs <i>(distributed to Oregon's 242 incorporated cities by formula)</i>	\$91.0
TOTAL PROPOSED HIGHWAY EXPENDITURES	\$499.0

Governor's Proposed Total Revenues for Multimodal Investments

As part of providing balanced funding for multimodal investments, the Governor proposes dedicating \$16.1 million of lottery proceeds as debt service on a *ConnectOregon* III program and the purchase of a new train to be used on the Amtrak Cascades line.

In addition to these one-time dollars, the Governor proposes that \$44 million in flexible federal funds be transferred from the state highway program so they can be used to fund investments in eligible multimodal transportation needs.

Finally, after visiting Lane Transit District earlier this year and seeing first hand the increasing costs of elderly and disabled transportation services, the Governor is committed to including 2.5 cents as part of a cigarette tax package for elderly and disabled transportation services.

Oregon currently spends \$60.5 million dollars annually on debt service for non-highway transportation programs. The Governor's proposal would create the assumption that these funds would be reinvested in non-highway transportation projects.

Proposed Additional Multimodal Investment	Proposed	Total Investment (millions)
ConnectOregon III		
<ul style="list-style-type: none"> ConnectOregon III Debt Service (\$150 million, at least 10 percent to each ODOT region) 	\$12.6	\$150.0
Replacing Existing Amtrak Train		
<ul style="list-style-type: none"> Debt Service on New Amtrak Train (\$35 million) 	\$3.5	\$35.0
Elderly and Disabled Transportation Services		
<ul style="list-style-type: none"> 2.5¢ state cigarette tax increase (currently two cents of the state cigarette tax is dedicated to elderly and disabled transportation services. 	\$5	\$5
Allocate federal Surface Transportation Program (STP) money to eligible multimodal investments	\$44.0	\$44.0
TOTAL MULTIMODAL INVESTMENT		\$234

Appendix A

Recommended 2009 Transportation Funding Package Estimated Distribution of Revenue for Counties

County	Percentage of Registered Vehicles (July 2008)	Estimated Annual Distribution \$136.5 million
Baker County	0.5773%	\$788,000
Benton County	1.9094%	\$2,606,000
Clackamas County	9.8193%	\$13,403,000
Clatsop County	1.0583%	\$1,445,000
Columbia County	1.5583%	\$2,127,000
Coos County	1.8762%	\$2,561,000
Crook County	0.8300%	\$1,133,000
Curry County	0.7479%	\$1,021,000
Deschutes County	4.8914%	\$6,677,000
Douglas County	3.3523%	\$4,576,000
Gilliam County	0.0878%	\$120,000
Grant County	0.2821%	\$385,000
Harney County	0.2710%	\$370,000
Hood River County	0.6965%	\$951,000
Jackson County	5.5604%	\$7,590,000
Jefferson County	0.6570%	\$897,000
Josephine County	2.5487%	\$3,479,000
Klamath County	2.1309%	\$2,909,000
Lake County	0.3092%	\$422,000
Lane County	8.7813%	\$11,987,000
Lincoln County	1.3392%	\$1,828,000
Linn County	3.3230%	\$4,536,000
Malheur County	0.9172%	\$1,252,000
Marion County	7.7969%	\$10,643,000
Morrow County	0.3740%	\$511,000
Multnomah County	17.8280%	\$24,335,000
Polk County	1.8127%	\$2,474,000
Sherman County	0.0816%	\$111,000
Tillamook County	0.8338%	\$1,138,000
Umatilla County	2.1318%	\$2,910,000

Union County	0.8067%	\$1,101,000
Wallowa County	0.2839%	\$388,000
Wasco County	0.7598%	\$1,037,000
Washington County	11.1795%	\$15,260,000
Wheeler County	0.0588%	\$80,000
Yamhill County	2.5275%	\$3,450,000
Totals	100.0000%	\$136,500,000

Appendix B

Recommended 2009 Transportation Funding Package Estimated Distribution of Revenue for Cities

City	Percentage of Population (July 2008)	Estimated Annual Distribution \$91.0 million
Adair Village	0.0356%	\$32,436
Adams	0.0128%	\$11,684
Adrian	0.0071%	\$6,452
Albany	1.8194%	\$1,655,617
Amity	0.0567%	\$51,618
Antelope	0.0023%	\$2,093
Arlington	0.0234%	\$21,275
Ashland	0.8290%	\$754,392
Astoria	0.3850%	\$350,341
Athena	0.0487%	\$44,294
Aumsville	0.1267%	\$115,304
Aurora	0.0366%	\$33,308
Baker	0.3873%	\$352,433
Bandon	0.1240%	\$112,828
Banks	0.0550%	\$50,049
Barlow	0.0054%	\$4,883
Bay City	0.0471%	\$42,899
Beaverton	3.2841%	\$2,988,516
Bend	2.9810%	\$2,712,743
Boardman	0.1269%	\$115,443
Bonanza	0.0171%	\$15,520
Brookings	0.2474%	\$225,132
Brownsville	0.0673%	\$61,209
Burns	0.1157%	\$105,329
Butte Falls	0.0171%	\$15,520
Canby	0.5803%	\$528,040
Cannon Beach	0.0644%	\$58,594
Canyon City	0.0257%	\$23,368
Canyonville	0.0629%	\$57,198
Carlton	0.0673%	\$61,209

Cascade Locks	0.0412%	\$37,493
Cave Junction	0.0646%	\$58,803
Central Point	0.6529%	\$594,132
Chiloquin	0.0276%	\$25,112
Clatskanie	0.0655%	\$59,640
Coburg	0.0410%	\$37,319
Columbia City	0.0749%	\$68,185
Condon	0.0297%	\$27,030
Coos Bay	0.6213%	\$565,358
Coquille	0.1615%	\$147,007
Cornelius	0.4176%	\$379,986
Corvallis	2.1037%	\$1,914,405
Cottage Grove	0.3582%	\$325,927
Cove	0.0238%	\$21,624
Creswell	0.1783%	\$162,283
Culver	0.0504%	\$45,863
Dallas	0.5774%	\$525,424
Damascus	0.3746%	\$340,924
Dayton	0.0956%	\$87,018
Dayville	0.0067%	\$6,103
Depoe Bay	0.0519%	\$47,259
Detroit	0.0102%	\$9,242
Donald	0.0381%	\$34,703
Drain	0.0412%	\$37,493
Dufur	0.0251%	\$22,845
Dundee	0.1165%	\$106,026
Dunes	0.0521%	\$47,433
Durham	0.0535%	\$48,654
Eagle Point	0.3283%	\$298,723
Echo	0.0272%	\$24,763
Elgin	0.0646%	\$58,768
Elkton	0.0094%	\$8,545
Enterprise	0.0744%	\$67,662
Estacada	0.1033%	\$93,994
Eugene	5.8922%	\$5,361,939
Fairview	0.3716%	\$338,134

Falls City	0.0370%	\$33,656
Florence	0.3170%	\$288,434
Forest Grove	0.8045%	\$732,106
Fossil	0.0178%	\$16,218
Garibaldi	0.0343%	\$31,215
Gaston	0.0249%	\$22,670
Gates	0.0194%	\$17,613
Gearhart	0.0454%	\$41,329
Gervais	0.0862%	\$78,474
Gladstone	0.4677%	\$425,571
Glendale	0.0366%	\$33,308
Gold Beach	0.0937%	\$85,275
Gold Hill	0.0414%	\$37,667
Granite	0.0011%	\$1,046
Grants Pass	1.2165%	\$1,107,000
Grass Valley	0.0065%	\$5,929
Greenhorn	0.0001%	\$70
Gresham	3.8029%	\$3,460,683
Haines	0.0167%	\$15,172
Halfway	0.0136%	\$12,381
Halsey	0.0299%	\$27,204
Happy Valley	0.3978%	\$362,025
Harrisburg	0.1303%	\$118,582
Helix	0.0088%	\$8,022
Heppner	0.0542%	\$49,351
Hermiston	0.6050%	\$550,535
Hillsboro	3.3847%	\$3,080,034
Hines	0.0699%	\$63,651
Hood River	0.2583%	\$235,072
Hubbard	0.1186%	\$107,945
Huntington	0.0215%	\$19,531
Idanha	0.0088%	\$8,022
Imbler	0.0113%	\$10,289
Independence	0.3030%	\$275,704
Ione	0.0132%	\$12,033
Irrigon	0.0709%	\$64,523

Island City	0.0376%	\$34,180
Jacksonville	0.1010%	\$91,901
Jefferson	0.0993%	\$90,332
John Day	0.0709%	\$64,523
Johnson City	0.0259%	\$23,542
Jordan Valley	0.0088%	\$8,022
Joseph	0.0422%	\$38,365
Junction City	0.1972%	\$179,443
Keizer	1.3581%	\$1,235,871
King City	0.1035%	\$94,168
Klamath Falls	0.8064%	\$733,815
La Grande	0.4926%	\$448,311
La Pine	0.0609%	\$55,455
Lafayette	0.1430%	\$130,092
Lake Oswego	1.3934%	\$1,267,993
Lakeside	0.0592%	\$53,885
Lakeview	0.1046%	\$95,215
Lebanon	0.5641%	\$513,322
Lexington	0.0107%	\$9,766
Lincoln City	0.2919%	\$265,589
Lonerock	0.0008%	\$698
Long Creek	0.0084%	\$7,673
Lostine	0.0096%	\$8,719
Lowell	0.0381%	\$34,703
Lyons	0.0424%	\$38,539
Madras	0.2527%	\$229,945
Malin	0.0307%	\$27,902
Manzanita	0.0274%	\$24,937
Maupin	0.0188%	\$17,090
Maywood Park	0.0287%	\$26,158
Mcminnville	1.2136%	\$1,104,384
Medford	2.9014%	\$2,640,233
Merrill	0.0351%	\$31,913
Metolius	0.0326%	\$29,646
Mill City	0.0621%	\$56,501
Millersburg	0.0395%	\$35,923

Milton-Freewater	0.2510%	\$228,445
Milwaukie	0.8018%	\$729,629
Mitchell	0.0067%	\$6,103
Molalla	0.2758%	\$250,941
Monmouth	0.3579%	\$325,717
Monroe	0.0240%	\$21,798
Monument	0.0052%	\$4,708
Moro	0.0146%	\$13,253
Mosier	0.0180%	\$16,392
Mt. Angel	0.1439%	\$130,964
Mt. Vernon	0.0230%	\$20,926
Myrtle Creek	0.1392%	\$126,674
Myrtle Point	0.0973%	\$88,588
Nehalem	0.0092%	\$8,371
Newberg	0.8307%	\$755,962
Newport	0.4007%	\$364,640
North Bend	0.3767%	\$342,842
North Plains	0.0724%	\$65,918
North Powder	0.0192%	\$17,439
Nyssa	0.1234%	\$112,304
Oakland	0.0360%	\$32,784
Oakridge	0.1418%	\$129,045
Ontario	0.4340%	\$394,983
Oregon City	1.1521%	\$1,048,406
Paisley	0.0096%	\$8,719
Pendleton	0.6615%	\$601,979
Philomath	0.1736%	\$157,993
Phoenix	0.1857%	\$168,980
Pilot Rock	0.0598%	\$54,408
Port Orford	0.0478%	\$43,527
Portland	21.7840%	\$19,823,460
Powers	0.0280%	\$25,460
Prairie City	0.0422%	\$38,365
Prescott	0.0023%	\$2,093
Prineville	0.3911%	\$355,886
Rainier	0.0680%	\$61,907

Redmond	0.9508%	\$865,267
Reedsport	0.1650%	\$150,146
Richland	0.0057%	\$5,232
Riddle	0.0399%	\$36,272
Rivergrove	0.0134%	\$12,207
Rockaway	0.0521%	\$47,433
Rogue River	0.0799%	\$72,719
Roseburg	0.8146%	\$741,313
Rufus	0.0105%	\$9,591
Salem	5.8378%	\$5,312,414
Sandy	0.2911%	\$264,892
Scappoose	0.2334%	\$212,402
Scio	0.0292%	\$26,611
Scotts Mills	0.0115%	\$10,463
Seaside	0.2454%	\$223,283
Seneca	0.0088%	\$8,022
Shady Cove	0.1083%	\$98,598
Shaniko	0.0015%	\$1,395
Sheridan	0.2248%	\$204,554
Sherwood	0.6278%	\$571,322
Siletz	0.0447%	\$40,632
Silverton	0.3528%	\$321,044
Sisters	0.0699%	\$63,651
Sodaville	0.0111%	\$10,114
Spray	0.0061%	\$5,580
Springfield	2.1969%	\$1,999,192
St. Helens	0.4628%	\$421,141
St. Paul	0.0157%	\$14,300
Stanfield	0.0826%	\$75,160
Stayton	0.2976%	\$270,821
Sublimity	0.0864%	\$78,648
Summerville	0.0046%	\$4,185
Sumpter	0.0065%	\$5,929
Sutherlin	0.2936%	\$267,159
Sweet Home	0.3447%	\$313,720
Talent	0.2501%	\$227,573

Tangent	0.0372%	\$33,831
The Dalles	0.5025%	\$457,309
Tigard	1.7904%	\$1,629,285
Tillamook	0.1798%	\$163,574
Toledo	0.1374%	\$125,034
Troutdale	0.5916%	\$538,363
Tualatin	0.9974%	\$907,677
Turner	0.0648%	\$58,942
Ukiah	0.0100%	\$9,068
Umatilla	0.2468%	\$224,609
Union	0.0751%	\$68,359
Unity	0.0044%	\$4,011
Vale	0.0782%	\$71,149
Veneta	0.1778%	\$161,830
Vernonia	0.0906%	\$82,484
Waldport	0.0816%	\$74,288
Wallowa	0.0339%	\$30,866
Warrenton	0.1780%	\$162,004
Wasco	0.0153%	\$13,951
Waterloo	0.0080%	\$7,324
West Linn	0.9267%	\$843,329
Westfir	0.0128%	\$11,684
Weston	0.0286%	\$25,983
Wheeler	0.0171%	\$15,520
Willamina	0.0722%	\$65,743
Wilsonville	0.6671%	\$607,036
Winston	0.2215%	\$201,590
Wood Village	0.1188%	\$108,119
Woodburn	0.8767%	\$797,814
Yachats	0.0293%	\$26,681
Yamhill	0.0314%	\$28,599
Yoncalla	0.0425%	\$38,714
Totals	100.0000%	\$91,000,000

November 28, 2008

To: Sue Quick

Re: Art Kennedy

Art started employment at LTD on November 14, 1972, before LTD became a public entity. He has been an active participant in the growth of LTD and has contributed many hours of his time devoted to making LTD a better workplace and a success in the community. During Art's tenure, he has served on the Siemens radio project committee and has served as a member of the Bus Operator Assessment Team. He also worked as a proofreader in the Service Planning & Marketing Department from 2001 through 2007 and his contribution was appreciated by other staff members. In addition to his regular driving duties, Art managed to assist the Graphics Department with his photography skills by photographing employees for the employee year book project in 2002. Art is an excellent photographer and you rarely encounter him without his camera. Art has also been involved with the annual United Way fund raising event throughout the years as well as union sponsored activities ranging from the employee banquet to the annual LTD/ATU Picnic.

Art has contributed to the success of LTD in many ways and has achieved many goals through sheer determination and commitment. Among his many achievements are numerous nominations for Employee of the Month by satisfied customers and co-workers. Art also has 21 years of safe driving to his credit and has been recognized for his leadership qualities within the LTD organization. Congratulations are in order for his exemplary employee performance which spans over three decades of public service. Thanks for your dedication and commitment to the LTD organization.

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: 2009 LEGISLATIVE SESSION PREVIEW

PREPARED BY: Stefano Viggiano, Assistant General Manager

ACTION REQUESTED: None. Information only.

BACKGROUND: The 2009 State Legislative Session will begin January 12, 2009. LTD has an ambitious agenda for this session. The top priority for transit statewide is additional revenue for elderly and disabled transportation. LTD is also requesting state funding for the West Eugene EmX Extension to be used to match federal funds for the project. The governor's proposed Jobs and Transportation Act (JTA) includes a proposed increase in the maximum payroll tax rate as well as other possible additional funding for transit.

Chris Shultz of The Ulum Group will attend the meeting and provide information on these and other legislative issues that are important to LTD.

ATTACHMENT: Summary of Key LTD Legislative Issues
Summary of Governor's Jobs and Transportation Act

PROPOSED MOTION: None



Lane Transit District

FACT SHEET Senior and Disabled Transportation

Summary:

Lane Transit District supports increasing the cigarette tax to help fund the rising costs of elderly and disabled transit. The Governor's Transportation Vision Committee recommended a 5 cent increase, the Governor's Jobs and Transportation Act recommends 2.5 cents, and LTD supports the Oregon Transit Association's call for a more stable funding increase of 7 cents followed by 4 cent increases in the following three biennia.

Discussion:

The final report of "Needs, Costs, and Funding Alternatives for Transportation Services for Older Adults and People with Disabilities in Urban and Rural Oregon," was issued on October 7, 2008. The report was prepared in response to a 2007 DHS/ODOT budget note. The findings include:

- 3,846,490 million demand response and complementary paratransit rides are provided in Oregon each year.
- It costs \$47.5 million annually to provide demand response trips to older adults and people with disabilities, and by 2030, this figure could grow to between \$132 million and \$246 million.
- "...it is clear that there will be a funding gap between transportations services needed and present funding available."
- A short-term increase in the cigarette tax of 4.3 cents to 7.2 cents would keep pace in the short term but would not address unmet demand or the need for improved service.
- Other states use sales tax or gas taxes to fund transit, which limits Oregon's options.

Oregon transit providers are spending \$47.5 million annually to provide demand response trips to older adults and people with disabilities. Of this amount, approximately 60 percent comes from local transit districts. In simple terms, this means that transit districts are shifting funds from fixed-route service to pay for ADA-mandated demand response service.

Lane Transit District is the poster child for this problem (see chart on page 2). After spending \$2.2 million in general fund revenues on elderly and disabled transit in 2008, a projected budget shortfall of \$3.5 million in 2009 forces the District to cut approximately 15 percent of service – the equivalent of four major bus routes – at the exact time ridership demand is soaring.

Since 73 percent of all senior and disabled rides are on fixed-route lines, these transit-dependent riders are harmed either way because every time transit providers eliminate fixed-route service to an area, the requirement to provide demand-response service also goes away.

Proposal:

Increase the cigarette tax dedicated to elderly and disabled transit by 7 cents in 2010 and 4 cents during the following three biennia, while keeping the state's share of cost at approximately one-third.

More information:

Stefano Viggiano, Assistant General Manger, (541) 682-6100, stefano.viggiano@ltd.org
Chris Shultz, The Ulum Group, (541) 359-6164, cshultz@ulum.com

REVISED 11/12/08

CHART 1: Lane Transit District's general fund transfer to elderly and disabled transit

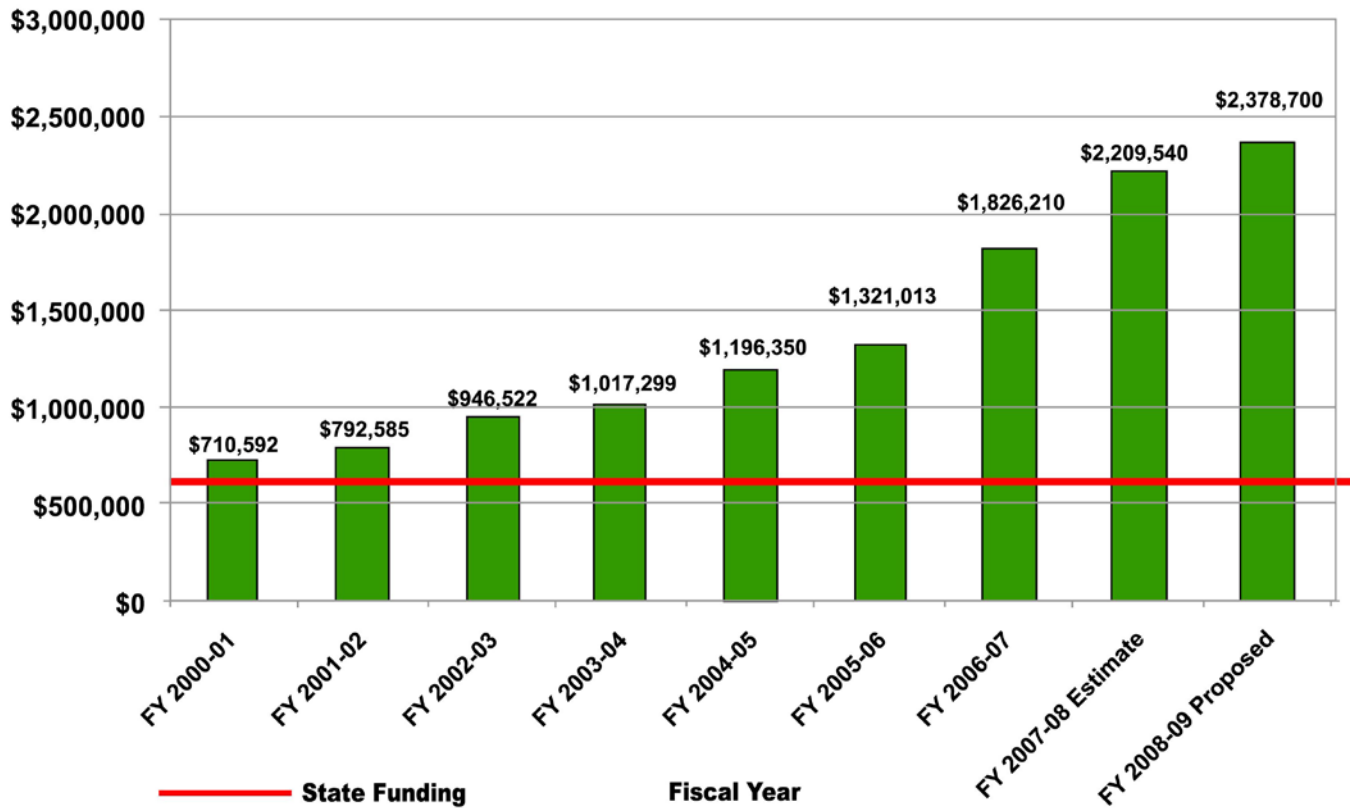


CHART 2: Oregon Transit Association proposal for a stable funding source

**Options B: Tax increases 4 Cents Every Two Years
Tobacco Tax Increases of 7 cents in 2009 and 4 cents in 2011, 2013, and 2015**

	2006	2008	2010	2012	2014	2016
Recommended Total annual statewide Paratransit Cost	\$ 47.5	\$ 58.7	\$ 72.6	\$ 89.0	\$ 109.0	\$ 133.2
Additional Tobacco Tax	\$ -	\$ -	\$ 0.07	\$ 0.04	\$ 0.04	\$ 0.04
Total Tobacco Tax	\$ 0.02	\$ 0.02	\$ 0.09	\$ 0.13	\$ 0.17	\$ 0.21
Total Annual Tobacco tax revenue	\$ 4.0	\$ 4.0	\$ 18.0	\$ 26.0	\$ 34.0	\$ 42.0
Other State Revenue	\$ 4.0	\$ 3.9	\$ 3.8	\$ 3.8	\$ 3.8	\$ 3.8
Total State Revenue	\$ 8.0	\$ 7.9	\$ 21.8	\$ 29.8	\$ 37.8	\$ 45.8
Federal funding	\$ 6.5	\$ 7.1	\$ 7.8	\$ 8.5	\$ 9.4	\$ 10.2
Fares	\$ 3.8	\$ 4.8	\$ 5.8	\$ 7.1	\$ 8.8	\$ 10.8
Annual Transit System cost	\$ 29.2	\$ 38.9	\$ 37.3	\$ 43.5	\$ 53.0	\$ 66.4
State Revenue as percentage of total cost	17%	13%	30%	33%	35%	34%

Total estimated paratransit cost, state revenue, fares, and federal funding from the October 7, 2008 Transit Needs Study (average of low and high estimates)



Lane Transit District

FACT SHEET
Narrow Refund of Property Taxes Paid
By Two Local Governments

Summary:

Lane Transit District seeks a refund of approximately \$89,000 in property taxes paid due to a paperwork oversight.

Discussion:

Real and personal property owned by the state or local governments is exempt from property tax under ORS 307.090. Under certain circumstances, however, this property can lose its exempt status and be added to the tax rolls. The tax exempt status of government owned property will be lost, for example, where Government A leases property to Government B and Government B fails to file a claim for exemption with the county tax assessor within the statutorily prescribed time frame (ORS 307.166). In such a case, the property is removed from exemption and added to the tax rolls. The governmental owner of the property is then subject to the full amount of the property tax owed but not paid during the time the property was leased (for up to the five previous years).

ORS 307.166 creates a paperwork hurdle that many governmental bodies fail to clear, and the penalty is that governments (and taxpayers) are forced to pay taxes they would not otherwise owe. Assessed taxes under ORS 307.166 can be substantial as taxes are based on the value of the property and not the lease. The Lane Transit District, for example, recently paid \$89,000 in assessed taxes on a “park and ride” lot leased for \$100 per year from Lane County. Payment of these taxes has resulted in a budget shortfall that will directly and adversely impact transit services.

Proposal:

A narrow bill to allow Lane Transit District and the Willamalane Park and Recreation District, that have paid assessed taxes as a result of ORS 307.166, to recover those taxes paid.

(Note: LTD supports the solution proposed for the general issue: a penalty of \$200 or 1/10 of 1 percent, whichever is higher, for late-filing tax exempt organizations.)

More information:

Stefano Viggiano, Assistant General Manager, (541) 682-6100, stefano.viggiano@ltd.org
Chris Shultz, The Ulum Group, (541) 359-6164, cshultz@ulum.com



Lane Transit District

**FACT SHEET
Payroll Tax Credit**

Summary:

Amend state law to provide for a credit of payroll taxes paid in the event that a mass transit district implements an ad valorem property tax in the future.

Discussion:

Lane Transit District relies on a payroll tax for the largest share of the District's funding. Current law also provides authority for the District to assess an income tax and an ad valorem property tax, but the District does not currently impose these taxes.

When the Lane Transit District Board explored asking voters to consider a property tax measure in November 2008, the business community raised the issue of being forced to pay both the existing payroll tax and a new ad valorem property tax.

In researching existing law, staff discovered that the existing income tax authority for mass transit districts provides a "credit" for payroll taxes already paid, but the existing ad valorem property tax authority does not provide a similar credit.

An example:

- Assume Business A is currently paying \$8,000/year in payroll tax.
- Assume LTD enacts a property tax. Assume the typical homeowner pays \$30/year on a typical home. Business A would pay \$10,000/year in property tax due to their large property. Under existing law, they would pay a combined \$18,000 (\$8,000 payroll tax + \$10,000 property tax).
- If this proposal were to go into effect, Business A would pay their \$8,000 payroll tax. When calculating their property tax, however, the calculation would be (\$10,000 property tax bill) - (\$8,000 payroll tax credit) = \$2,000 remainder owed.

Proposal:

Amend ORS 267.305 (Levy, collection, enforcement of ad valorem taxes) to include a similar credit of the amount paid in payroll taxes.

More information:

Stefano Viggiano, Assistant General Manager, (541) 682-6100, stefano.viggiano@ltd.org
Chris Shultz, The Ulum Group, (541) 359-6164, cshultz@ulum.com



Lane Transit District

**FACT SHEET
West Eugene EmX Extension**

Summary:

Lane Transit District seeks \$30 million in lottery bonds for construction of the West Eugene EmX Extension bus rapid transit system. These funds would be used as a match to an anticipated \$45 million in federal funds.

Discussion:

EmX is the name of the Eugene-Springfield bus rapid transit system. Bus rapid transit has been designated in the Regional Transportation Plan as the preferred transit strategy for the community. The first EmX line that links downtown Eugene with downtown Springfield opened in January 2007 and has been a resounding success, with ridership in the first year far exceeding 20-year projections. The second EmX line from downtown Springfield to the Gateway area to the north is in final design and is expected to open for service in late 2010. This project benefited from a State ConnectOregon grant of \$5.4 million.

West Eugene has been selected by the Eugene City Council and the LTD Board of Directors as the third EmX line to pursue. This corridor would be a westward extension of the Franklin EmX line and would serve an area that is experiencing significant development and that has significant transportation challenges.

The project is in the Alternatives Analysis phase, with the selection of a preferred alignment expected in late 2009. Following completion of federal environmental requirements, the final approval of the project is expected in 2010. Assuming funding is available, the project would be ready to begin final design and construction at that point.

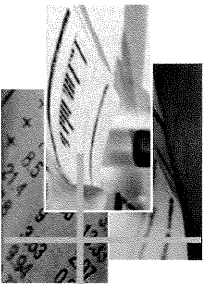
A very preliminary cost estimate for the project is \$75 million, with \$45 million expected to be funded by a federal Small Starts Grant. The state funding would leverage these federal funds and are critical to the feasibility of the project.

Proposal:

Allocate \$30 million in lottery bonds to fund construction of the West Eugene EmX Extension bus rapid transit system. The estimated debt service is \$3 million per year for 20 years.

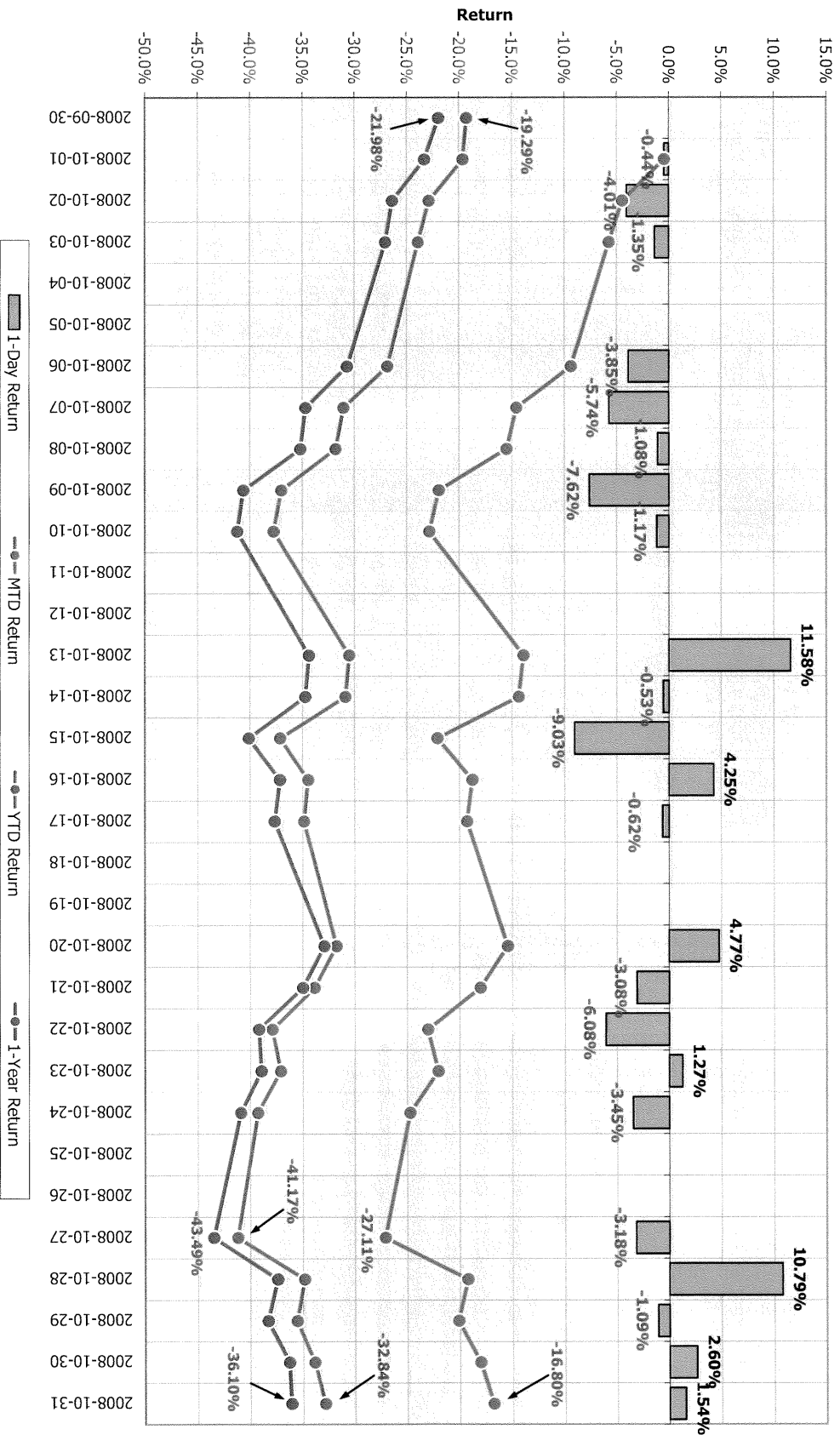
More information:

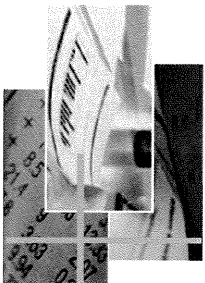
Stefano Viggiano, Assistant General Manager, (541) 682-6100, stefano.viggiano@ltd.org
Chris Shultz, The Ulum Group, (541) 359-6164, cshultz@ulum.com



Continued Heightened Volatility in October

S&P 500 Index Total Returns in October 2008





Final Thoughts

- ▶ Historic period in capital markets
- ▶ No asset class immune to credit crisis fallout
- ▶ **RVK recommends maintaining a long-term focus**
 - ▶ Selling now locks in losses – how do you time when to invest again?
 - ▶ Eliminating an asset class will only add to volatility
- ▶ **Keys to weathering a market crisis**
 - ▶ Portfolio asset allocation consistent with risk tolerance
 - ▶ Broad diversification
 - ▶ Disciplined rebalancing

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: PENSION PLAN UPDATE

PREPARED BY: Mary Adams, Director of Human Resources and Risk Management

ACTION REQUESTED: None. Information only.

BACKGROUND: Lane Transit District provides retirement benefits for represented employees through the Lane Transit District and Amalgamated Transit Union, Local 757 Pension Trust and for administrative employees through the Lane Transit District Salaried Employees' Retirement Plan, two independent pension trusts. Each trust is managed by a Board of Trustees. Each Board of Trustees has contracted with RV Kuhn's, a private investment advisor, for advice on how to allocate each pension's assets and selection of investment managers.

The District's pension plans are funded by three sources. The District contributes funds on behalf of the plan members, the plan earns interest on the cash in reserves, and the plan collects investment earnings (or losses) from the investment market. The pension plans benefit from a strong investment market and suffer from a weak investment market.

The current events on Wall Street have had significant impact on the assets of both pension trusts. The Trustees are working diligently with their investment consultant RV Kuhns to monitor the performance of the current investment managers, in an effort to minimize the market impact on each fund's assets.

ATTACHMENTS: October 31, 2008, Summary of Current Market Environment by RV Kuhns & Associates

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: MONTHLY PERFORMANCE REPORTS

PREPARED BY: Mark Pangborn, 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.

ATTACHMENT: November 2008 Performance Reports
October 2008 RideSource Activity and Productivity Reports

PROPOSED MOTION: None

From: SORENSON Pete [mailto:Pete.Sorenson@co.lane.or.us]
Sent: Thursday, December 11, 2008 12:19 PM
To: PANGBORN Mark
Cc: DWYER Bill J; FLEENOR Bill A; GREEN Bobby; STEWART Faye H; HANDY Rob (SMTP)
Subject: FW: transportation plan

mark,

could you distribute this to your board?

thanks,

pete

c: lane county commissioners and commissioner elect handy

hello LTD board,

this was sent to me by professor mary wood of the u of o law school i thought you'd like to see it. mary's email is mwood@law.uoregon.edu if you would like to communicate with her. she's an international expert on climate change and climate change law.

pete

pete sorenson
lane county commissioner

ps [here's the article:](#)

[New York Veteran Labor Mediator Issues Revised Congestion Pricing/Public Transit Proposal.](#) *By Ben Friend, StreetsBlog, December 10, 2008.* "Ted Kheel and his band of transportation analysts released today an updated version of their low-cost transit proposal, which they are pitching as an alternative to the Ravitch Commission's MTA rescue package [which involves steep fare increases and service reduction in NYC public transportation]. The revised Kheel Plan retains the original's congestion zone cordon, charging vehicles to drive into Manhattan below 60th Street. The major twist is that drivers and subway riders would be charged variable-rate fees depending on the time of day (straphangers would only pay a fare during the morning and evening peaks)... Kheel's plan, devised by a team of transportation planners and economists that Kheel has funded for nearly two years, contains these key elements: 1) A dramatic cut in subway fares (75% on average), including a complete fare elimination on weekends and holidays, overnight and mid-day; 2) A variable fare during the weekday peak periods that's lower than the current fare; 3) Complete fare elimination on all NYC Transit buses at all times; 4) Congestion pricing on car and truck traffic into the Manhattan Central Business District (CBD), with tolls varying sharply by time of day and averaging \$16 per trip; 5) A 46% surcharge on medallion taxi fares (note that medallion taxis, and no other vehicles, would be exempt from the congestion pricing charge); 6) 25% higher tolls on MTA bridges that don't directly access the Manhattan CBD. Using their comprehensive proprietary model of the city's transit system and road network, Kheel's team concluded that the plan would: 1) Yield over \$1 billion in net revenue -- sufficient to wipe out more than three-fourths of the MTA's projected FY-2009 deficit; 2) Increase overall subway ridership by 12% even as use of the system shrinks by 6% in the morning peak hour (8-9 a.m.) and 10% in the evening peak hour (5-6 p.m.); 3) Raise traffic speeds in the chronically gridlocked CBD by one-third during the day and one-quarter

overall, while also boosting travel speeds throughout the City." *Charles Komanoff is the lead author of the Kheel transit proposal: **Balancing Free Transit and Congestion Pricing in New York City** (PDF, 55 pp), issued in January, 2008.*

Rosa Parks Plaza Sculpture



AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: MARTIN LUTHER KING JR. CELEBRATION

PREPARED BY: Andy Vobora, Director of Service Planning, Accessibility, and Marketing

ACTION REQUESTED: None. Information Only.

BACKGROUND: Board member Greg Evans has reported on the District's efforts to coordinate the naming of the 10th Avenue and Olive Street plaza the Rosa Parks Plaza. This effort has been overseen by LTD Marketing Representative Angie Sifuentez and a coordinating committee composed of jurisdictional staff and private citizens. This group has worked diligently to raise funds (which includes funds from agencies and individual donors) and to develop an appropriate implementation strategy. Fundraising is nearly complete and the committee's focus has turned to naming the event. With the Martin Luther King Jr. (MLK) celebration on January 19, 2009, it appears to be the perfect opportunity to partner with other local entities. The Rosa Parks Committee will join with the Martin Luther King, Jr. Celebration Committee to feature the plaza naming as part of the wider MLK celebration activities.

Details continue to be refined, and the Board will be kept up-to-date with e-mails as the event nears. Staff would like Board members to note January 19, 2009, on their calendars as this will be a special day in this community.

ATTACHMENTS: Photographs of the Rosa Parks Sculpture

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

DATE OF MEETING: December 17, 2008

ITEM TITLE: SYSTEM AUDIT

PREPARED BY: Mark Johnson, Director of Transit Operations

ACTION REQUESTED: None. Information only.

BACKGROUND: The District performed a system audit recently to provide information on safe operation and fare collection of the system. This information is not easily available by other means. The audit consisted of two anonymous monitors who rode the bus during a four-day period. They rode eighty-three different trips and took notes on performance in several categories, including safety, fare collection, schedule adherence, driving skills, and passenger relations.

Overall, the operators performed very well. For example, 76 out of 83 were rated as "good" or "very good" in customer relations. There are some areas of concern that need to be corrected and fare collection is an area that needs attention. Monitors attempted to board with an invalid fare 26 times and were only challenged four times. There are also some safety issues that will need to be addressed. A memo went out to the operators outlining both the positive and negative results of this audit.

Operations staff are in the process of designing a follow-up plan.

ATTACHMENTS: System Audit Summary Report

PROPOSED MOTION: None.



Total Observations Performed

83

Fare Collection

16	out of	83	Monitors used cash
56	out of	83	Monitors used a monthly pass
0	out of	83	Monitors used a week pass
0	out of	83	Monitors used a token
10	out of	83	Monitors used a ticket
7	out of	83	Monitors used no fare
26	out of	83	Monitors attempted an invalid fare
4	out of	26	Operators challenged an invalid fare
7	out of	83	Monitors received a free ride

Schedule Adherence

78	out of	83	Departures were on time
0	out of	83	Departures were early
5	out of	83	Departures were late
79	out of	83	Arrivals were on time
1	out of	83	Arrivals were early
3	out of	83	Arrivals were late

Driving Skills

71	out of	83	Operators accelerated/stopped smoothly
80	out of	83	Operators used safe speed
79	out of	83	Operators drove with both hands
82	out of	83	Operators maintained proper lane clearance
72	out of	83	Operators used safe following distance
54	out of	54	Operators obeyed yellow lights
53	out of	54	Operators obeyed stop signs
53	out of	54	Operators obeyed stop lights
80	out of	83	Operators used interior/exterior mirrors
82	out of	83	Operators used turn signals
82	out of	83	Operators looked lft/rt at intersections
82	out of	83	Operators turned from appropriate lane
78	out of	83	Operators maintained proper curb distance
82	out of	83	Operators made legal turns only



Safety Observations

72	out of	83	Operators used seatbelt
81	out of	83	Operators were cautious near pedestrians
11	out of	11	Operators were cautious near school zone/buses
11	out of	11	Operators were cautious in construction zone
1	out of	1	Operators were cautious near emergency vehicles
77	out of	83	Operators moving only when passengers were seated
51	out of	83	Operators keep doors closed while moving
78	out of	83	Operators focused attention on driving
80	out of	83	Operators avoided extensive conversation
75	out of	83	Operators did not eat/drink on bus
81	out of	83	Operators did not use cell phone on bus
82	out of	83	Operators did not use radio/headphones on bus

Bus Stops

82	out of	83	Operators signaled entering/exiting stops
81	out of	83	Operators used appropriate speed entering stops
82	out of	83	Operators pulled into stop/curb properly
82	out of	83	Operators stopped for all requested stops
81	out of	83	Operators stopped for all passengers
82	out of	83	Operators made authorized stops only

Railroad Crossings

9	out of	19	Operators stopped at all RR crossings
19	out of	19	Operators used four-way flashers at RR crossings
2	out of	19	Operators opened window/door at RR crossings
19	out of	19	Operators waited for the area to be cleared before crossing RR

Passenger Relations

11	out of	83	Operators rated very good in customer service
65	out of	83	Operators rated good in customer service
6	out of	83	Operators rated fair in customer service
1	out of	83	Operators rated poor in customer service
76	out of	83	Operators greeted passengers upon boarding
72	out of	83	Operators thanked passengers upon exiting
28	out of	28	Operators answered questions clearly
11	out of	11	Operators offered special assistance when needed
64	out of	83	Operators had schedules in stock
82	out of	83	Operators had destination signs properly displayed



ADA Compliance

1	out of	83	ADA announcements were made by operators
0	out of	83	ADA announcements were made by operators with microphone
81	out of	83	ADA announcements were made by automated announce system
0	out of	83	ADA announcements were not made
13	out of	83	Operators needed to use the ramp/lift
12	out of	13	Operators used the ramp/lift
0	out of	12	Lifts were inoperable
0	out of	12	Operators called in an inoperable lift
53	out of	83	Operators used the kneeler
0	out of	12	Operators properly secured mobility device
0	out of	12	Operators used zero straps on mobility device
2	out of	12	Operators used one strap on mobility device
6	out of	12	Operators used two straps on mobility device
0	out of	12	Operators used three straps on mobility device
0	out of	12	Operators used four or more straps on mobility device
0	out of	12	Operators offered lapbelt to w/c passengers

Operator/Vehicle Observations

0	out of	83	Operators rated very good in appearance
82	out of	83	Operators rated good in appearance
0	out of	83	Operators rated fair in appearance
0	out of	83	Operators rated poor in appearance
82	out of	83	Operators were in full uniform
0	out of	83	Paint Condition was Very Good
82	out of	83	Paint Condition was Good
0	out of	83	Paint Condition was Fair
0	out of	83	Paint Condition was Poor
82	out of	83	Bus seats were clean
82	out of	83	Bus windows were clean
82	out of	83	Bus floors were clean
81	out of	83	Bus overall temperatures were comfortable



Total Observations Performed

83

Fare Collection

19%	Monitors used cash
67%	Monitors used a monthly pass
0%	Monitors used a week pass
0%	Monitors used a token
12%	Monitors used a ticket
8%	Monitors used no fare
31%	Monitors attempted an invalid fare
15%	Operators challenged an invalid fare
8%	Monitors received a free ride

Schedule Adherence

94%	Departures were on time
0%	Departures were early
6%	Departures were late
95%	Arrivals were on time
1%	Arrivals were early
4%	Arrivals were late

Driving Skills

86%	Operators accelerated/stopped smoothly
96%	Operators used safe speed
95%	Operators drove with both hands
99%	Operators maintained proper lane clearance
87%	Operators used safe following distance
100%	Operators obeyed yellow lights
98%	Operators obeyed stop signs
98%	Operators obeyed stop lights
96%	Operators used interior/exterior mirrors
99%	Operators used turn signals
99%	Operators looked lft/rt at intersections
99%	Operators turned from appropriate lane
94%	Operators maintained proper curb distance
99%	Operators made legal turns only



Safety Observations

- 87% Operators used seatbelt
- 98% Operators were cautious near pedestrians
- 100% Operators were cautious near school zone/buses
- 100% Operators were cautious in construction zone
- 100% Operators were cautious near emergency vehicles
- 93% Operators moving only when passengers were seated
- 61% Operators keep doors closed while moving
- 95% Operators focused attention on driving
- 96% Operators avoided extensive conversation
- 90% Operators did not eat/drink on bus
- 98% Operators did not use cell phone on bus
- 99% Operators did not use radio/headphones on bus

Bus Stops

- 99% Operators signaled entering/exiting stops
- 98% Operators used appropriate speed entering stops
- 99% Operators pulled into stop/curb properly
- 99% Operators stopped for all requested stops
- 98% Operators stopped for all passengers
- 99% Operators made authorized stops only

Railroad Crossings

- 47% Operators stopped at all RR crossings
- 100% Operators used four-way flashers at RR crossings
- 11% Operators opened window/door at RR crossings
- 100% Operators waited for the area to be cleared before crossing RR

Passenger Relations

- 13% Operators rated very good in customer service
- 78% Operators rated good in customer service
- 7% Operators rated fair in customer service
- 1% Operators rated poor in customer service
- 92% Operators greeted passengers upon boarding
- 87% Operators thanked passengers upon exiting
- 100% Operators answered questions clearly
- 100% Operators offered special assistance when needed
- 77% Operators had schedules in stock
- 99% Operators had destination signs properly displayed



ADA Compliance

1%	ADA announcements were made by operators
0%	ADA announcements were made by operators with microphone
98%	ADA announcements were made by automated announce system
0%	ADA announcements were not made
13%	Operators needed to use the ramp/lift
92%	Operators used the ramp/lift
N/A	Lifts were inoperable
N/A	Operators called in an inoperable lift
64%	Operators used the kneeler
0%	Operators properly secured mobility device
0%	Operators used zero straps on mobility device
17%	Operators used one strap on mobility device
50%	Operators used two straps on mobility device
0%	Operators used three straps on mobility device
0%	Operators used four or more straps on mobility device
0%	Operators offered lapbelt to w/c passengers

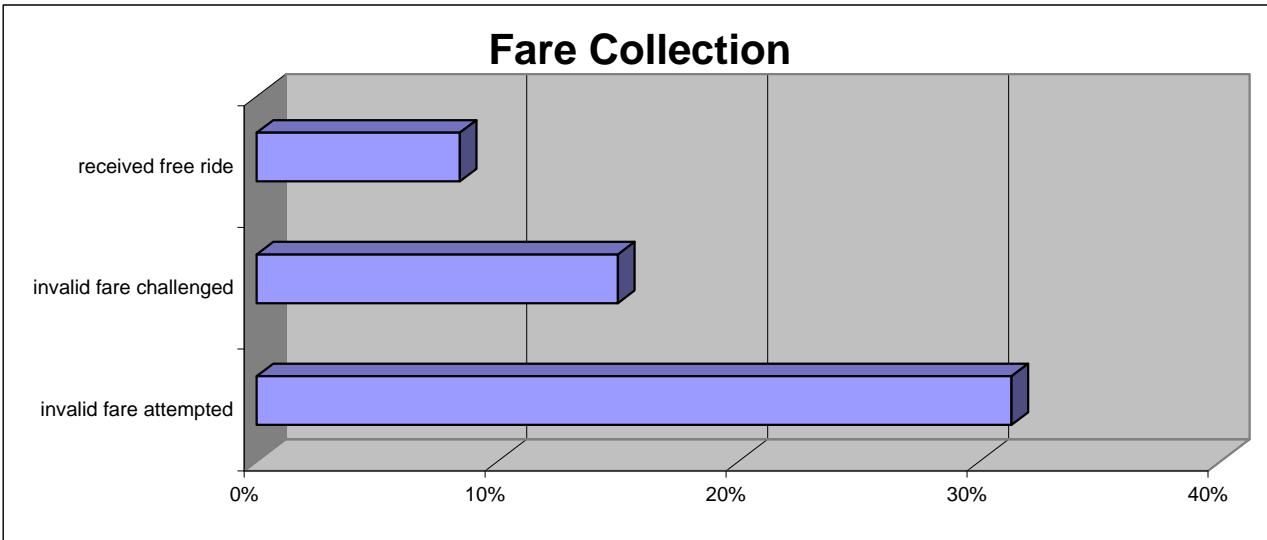
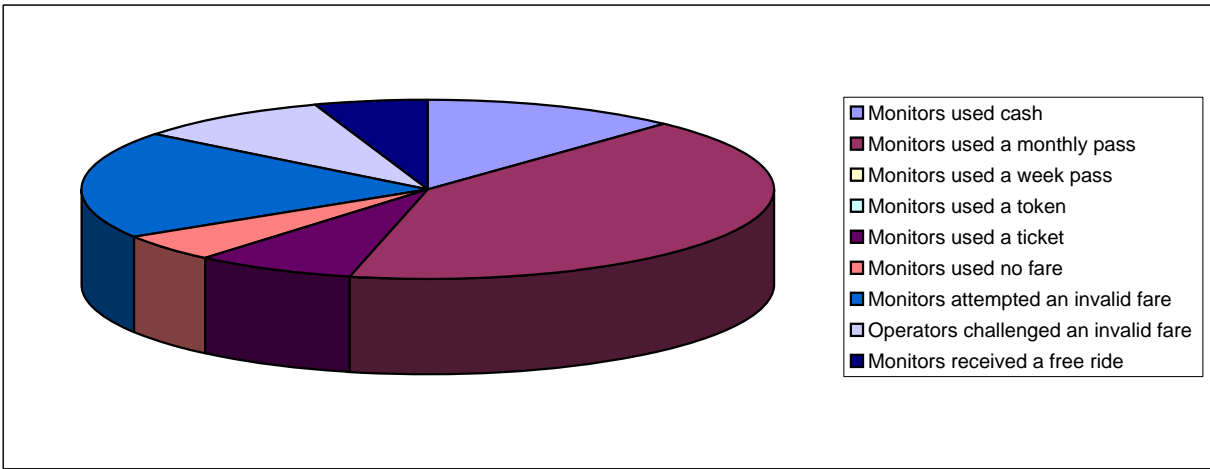
Operator/Vehicle Observations

0%	Operators rated very good in appearance
99%	Operators rated good in appearance
0%	Operators rated fair in appearance
0%	Operators rated poor in appearance
99%	Operators were in full uniform
0%	Paint Condition was Very Good
99%	Paint Condition was Good
0%	Paint Condition was Fair
0%	Paint Condition was Poor
99%	Bus seats were clean
99%	Bus windows were clean
99%	Bus floors were clean
98%	Bus overall temperatures were comfortable



Fare Collection

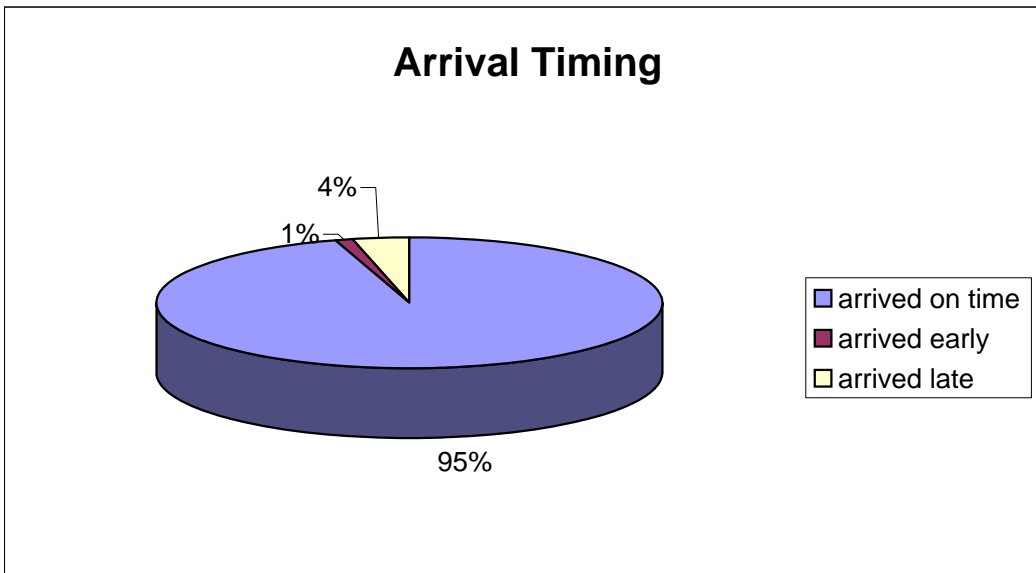
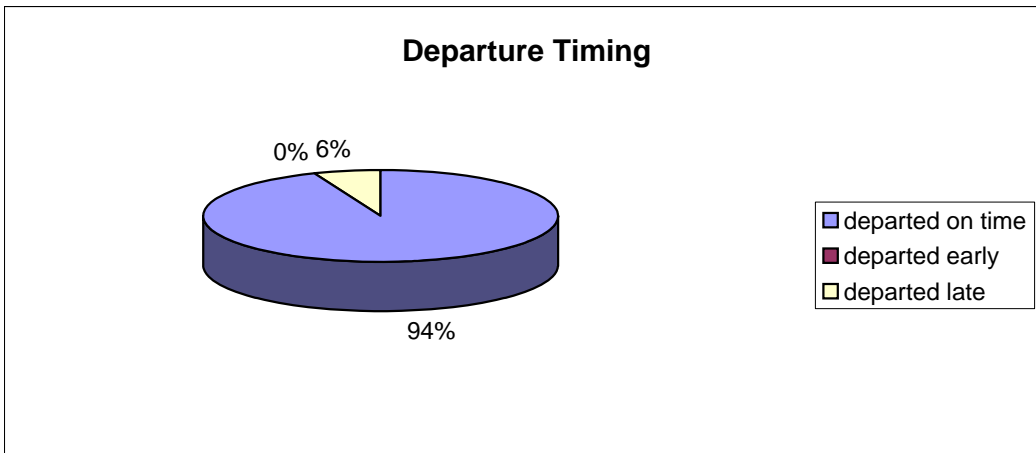
- 19% Monitors used cash
- 67% Monitors used a monthly pass
- 0% Monitors used a week pass
- 0% Monitors used a token
- 12% Monitors used a ticket
- 8% Monitors used no fare
- 31% Monitors attempted an invalid fare
- 15% Operators challenged an invalid fare
- 8% Monitors received a free ride





Schedule Adherence

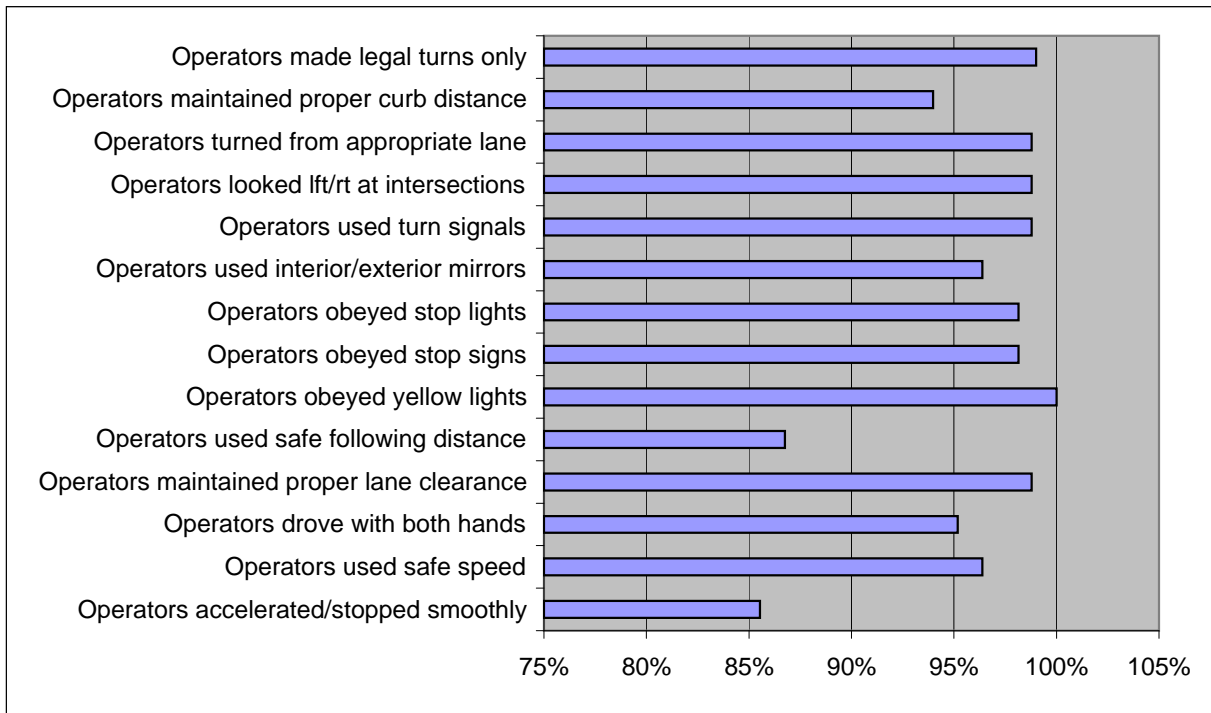
- 94% Departures were on time
- 0% Departures were early
- 6% Departures were late
- 95% Arrivals were on time
- 1% Arrivals were early
- 4% Arrivals were late





Driving Skills

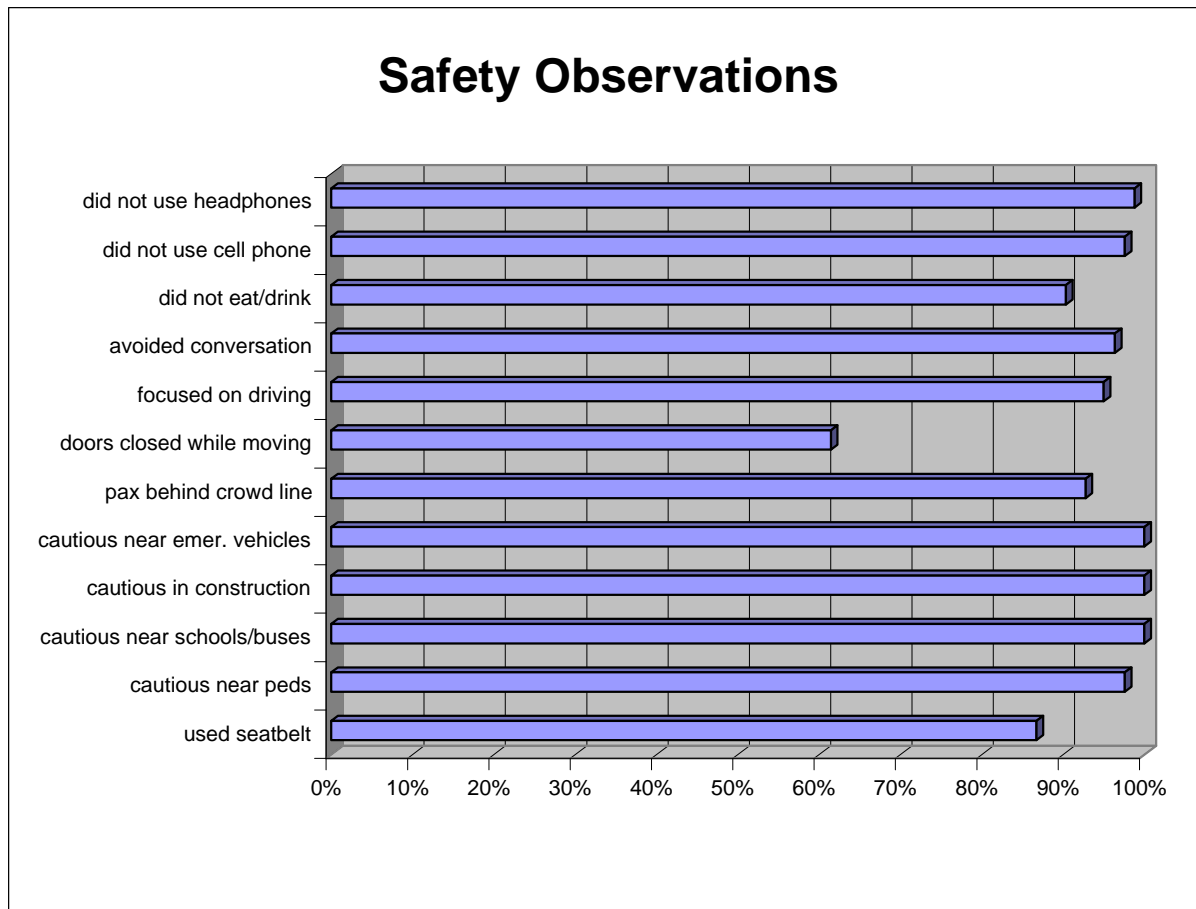
- 86% Operators accelerated/stopped smoothly
- 96% Operators used safe speed
- 95% Operators drove with both hands
- 99% Operators maintained proper lane clearance
- 87% Operators used safe following distance
- 100% Operators obeyed yellow lights
- 98% Operators obeyed stop signs
- 98% Operators obeyed stop lights
- 96% Operators used interior/exterior mirrors
- 99% Operators used turn signals
- 99% Operators looked lft/rt at intersections
- 99% Operators turned from appropriate lane
- 94% Operators maintained proper curb distance
- 99% Operators made legal turns only





Safety Observations

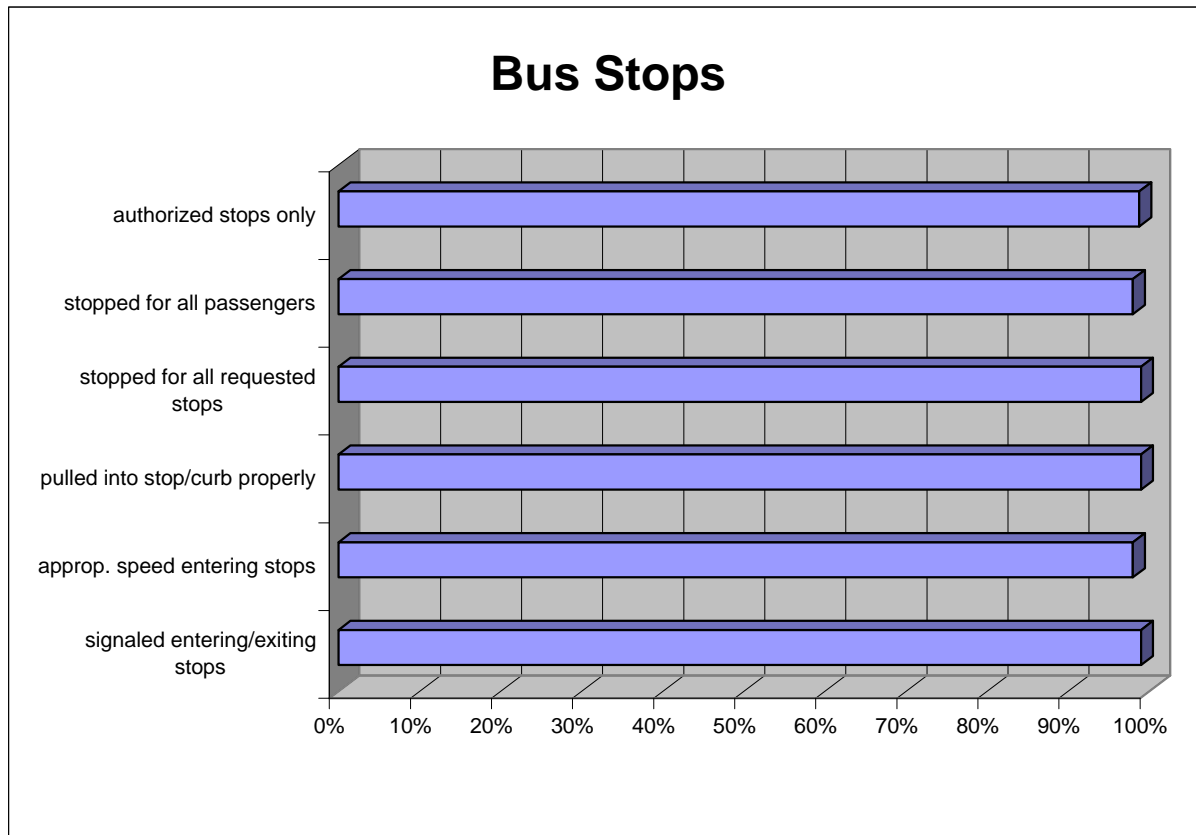
- 87% Operators used seatbelt
- 98% Operators were cautious near pedestrians
- 100% Operators were cautious near school zone/buses
- 100% Operators were cautious in construction zone
- 100% Operators were cautious near emergency vehicles
- 93% Operators moving only when passengers were seated
- 61% Operators keep doors closed while moving
- 95% Operators focused attention on driving
- 96% Operators avoided extensive conversation
- 90% Operators did not eat/drink on bus
- 98% Operators did not use cell phone on bus
- 99% Operators did not use radio/headphones on bus





Bus Stops

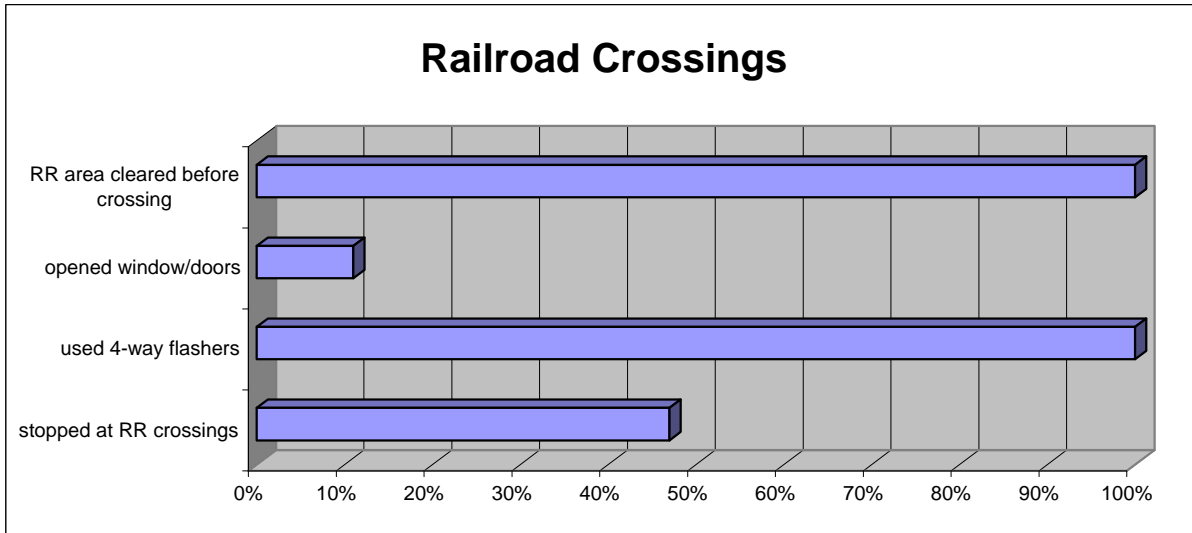
- 99% Operators signaled entering/exiting stops
- 98% Operators used appropriate speed entering stops
- 99% Operators pulled into stop/curb properly
- 99% Operators stopped for all requested stops
- 98% Operators stopped for all passengers
- 99% Operators made authorized stops only





Railroad Crossings

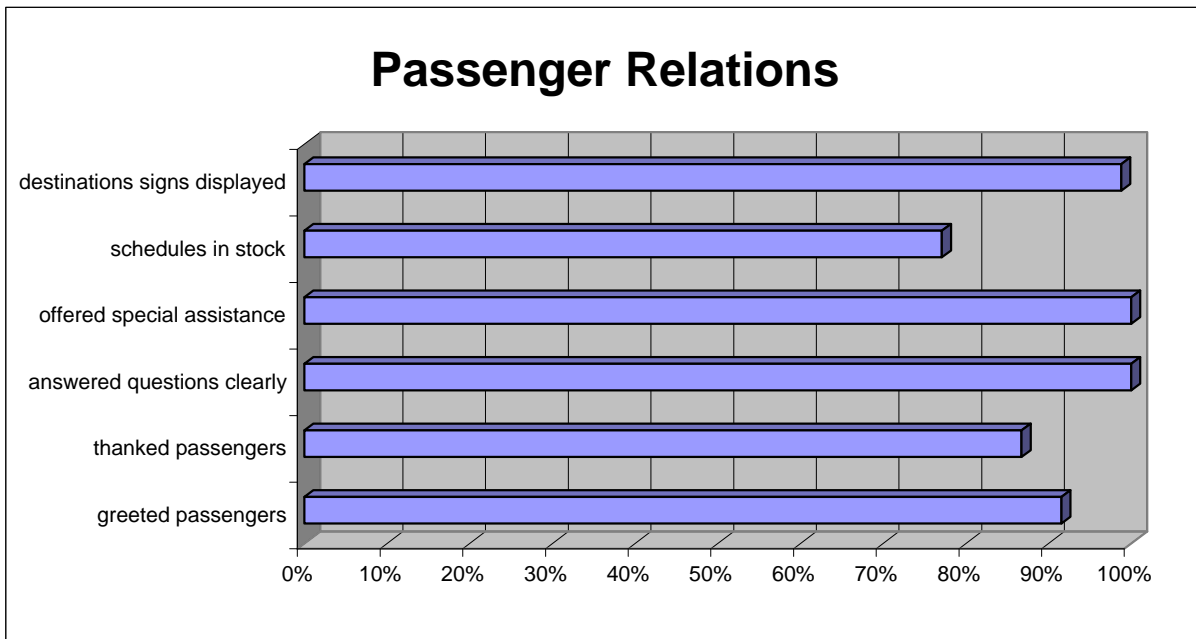
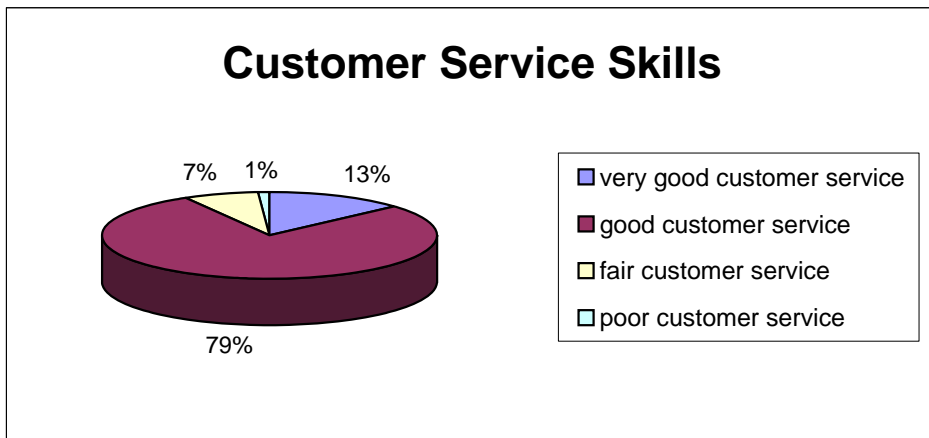
- 47%** Operators stopped at all RR crossings
- 100%** Operators used four-way flashers at RR crossings
- 11%** Operators opened window/door at RR crossings
- 100%** Operators waited for the area to be cleared before crossing RR





Passenger Relations

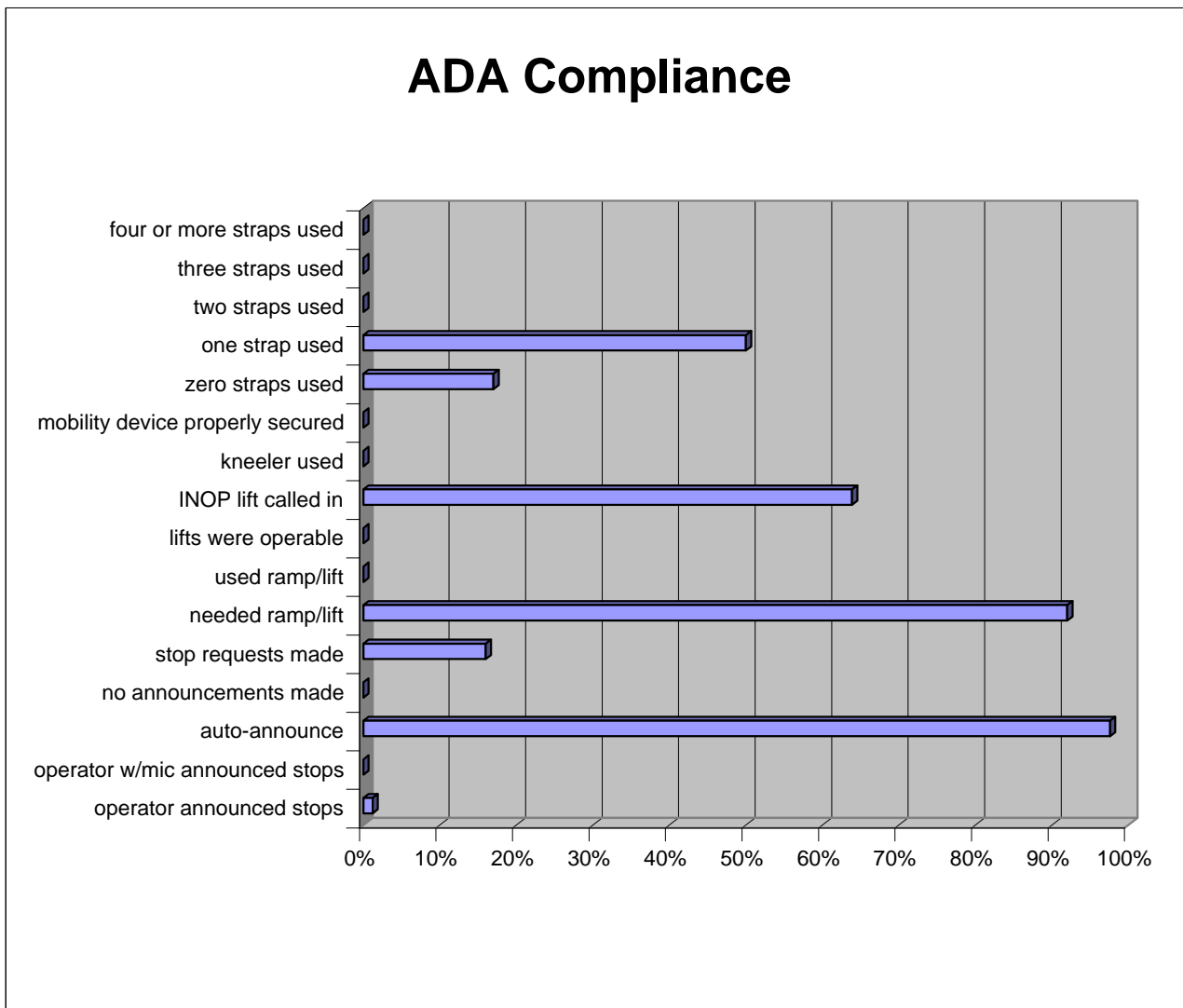
- 13% Operators rated very good in customer service
- 78% Operators rated good in customer service
- 7% Operators rated fair in customer service
- 1% Operators rated poor in customer service
- 92% Operators greeted passengers upon boarding
- 87% Operators thanked passengers upon exiting
- 100% Operators answered questions clearly
- 100% Operators offered special assistance when needed
- 77% Operators had schedules in stock
- 99% Operators had destination signs properly displayed





ADA Compliance

- 1% ADA announcements were made by operators
- 0% ADA announcements were made by operators with microphone
- 98% ADA announcements were made by automated announce system
- 0% ADA announcements were not made
- 16% Operators needed to use the ramp/lift
- 92% Operators used the ramp/lift
- N/A Lifts were inoperable
- N/A Operators called in an inoperable lift
- 64% Operators used the kneeler
- 0% Operators properly secured mobility device
- 0% Operators used zero straps on mobility device
- 17% Operators used one strap on mobility device
- 50% Operators used two straps on mobility device
- 0% Operators used three straps on mobility device
- 0% Operators used four or more straps on mobility device
- 0% Operators offered lapbelt to w/c passengers





Operator/Vehicle Observations

- 0% Operators rated very good in appearance
- 99% Operators rated good in appearance
- 0% Operators rated fair in appearance
- 0% Operators rated poor in appearance
- 99% Operators were in full uniform
- 0% Paint Condition was Very Good
- 99% Paint Condition was Good
- 0% Paint Condition was Fair
- 0% Paint Condition was Poor
- 99% Bus seats were clean
- 99% Bus windows were clean
- 99% Bus floors were clean
- 98% Bus overall temperatures were comfortable

