

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, April 17, 2019

Pursuant to notice given to *The Register-Guard* for publication on April 10, 2019, and distributed to persons on the mailing list of the District, the Lane Transit District Board of Directors held a Regular Board meeting on Wednesday, April 17, 2019, beginning at 5:30 p.m., at the LTD Board Room, 3500 E. 17th Avenue, Eugene, Oregon.

Present: Carl Yeh, President
Kate Reid, Vice President
Josh Skov, Secretary
Don Nordin, Treasurer
Emily Secord
Caitlin Vargas
Steven Yett
A.J. Jackson, General Manager
Dwight Purdy, General Counsel
Camille Gandolfi, Clerk of the Board

CALL TO ORDER/ROLL CALL — Mr. Yeh convened the meeting and called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT — Mr. Yeh challenged Board members to use an alternate transportation mode just one day during the Business Commute Challenge from May 11-17, 2019.

COMMENTS FROM THE GENERAL MANAGER — Ms. Jackson introduced Point2point Transportation Options Specialist Cody Franz. Mr. Franz said 190 teams had signed up so far for the Business Commute Challenge. He said many new activities were planned during the week and details could be viewed on the website www.commutechallenge.org. He invited Board members to the kickoff event on April 25 at Oakshire Brewing Public House in Eugene, beginning at 4:00 p.m.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA — There were no announcements or changes to the agenda.

BOARD CALENDARS — Ms. Jackson reviewed upcoming events and noted that the Better Eugene-Springfield Transportation (BEST) awards dinner is on May 21, 2019.

EMPLOYEE OF THE MONTH – APRIL — The Board recognized Transit Public Safety Officer Guerin White as the May 2019 Employee of the Month. Mr. Yeh presented Mr. White with his award and thanked him for his outstanding service and dedication to LTD's mission. Mr. White thanked the Board for his award and said he appreciated the opportunity to work for LTD.

AUDIENCE PARTICIPATION — Mr. Yeh explained the procedures for providing public testimony.

Mike Miller, Eugene, said he used a wheelchair and was a daily transit user. He thanked Ms. Jackson for changing the District's culture and said good things were happening from his perspective as a rider. He said that he felt that bus rapid transit (BRT) in Springfield was no longer BRT, with wait times of 40-45 minutes. He said the Springfield side of LTD was falling apart because service had decreased. He said that he appreciated LTD's system and the accessibility of vehicles, but said some of the safety equipment was in poor repair, some operators did not know how to secure mobility

devices, and buses were dirty. He said that he was pleased with the improvements he had been seeing.

Rob Zako, Eugene, Executive Director of Better Eugene-Springfield Transportation (BEST), said when someone made a product, they had to be willing to use it themselves. He challenged Board members to think of the Business Commute Challenge as an opportunity to walk in someone else's shoes and imagine during that week that they did not have a personal vehicle and try to plan trips that used walking, biking, or transit. He suggested Board members could report back on their experiences at the next Board meeting.

Marianne Nolte, Eugene, representing BEST, said the May awards dinner was an opportunity to acknowledge community members and groups who were doing great work in the areas of transportation options, safe streets, and walkable neighborhoods. She invited Board members to attend the event and nominate themselves or their peers who were doing that work.

Kate Wilson, representing Lane Council of Governments (LCOG), requested that LTD extend its service contract with River Cities Taxi to operate the Florence to Yachats public transportation service through September 30, 2019. She said LCOG had requested State Transportation Improvement Fund (STIF) moneys to operate that service; however, due to timing of the STIF dollars, there would be a gap in service from June 30, 2019, when LTD's contract expired, and October 1, 2019, when LCOG would begin operations. She said the Oregon Department of Transportation (ODOT) indicated it was willing to provide funds for the service during the gap period if LTD was willing to extend its contract with River Cities Taxi. Ms. Wilson distributed a written copy of her remarks.

PUBLIC HEARING: PROPOSED FISCAL YEAR 2019-2020 ANNUAL BUDGET — Director of Finance Christina Shew reviewed the budget process and said the document was available for public comment from March 29 to April 30, 2019. The only comment received to date was from Kate Wilson of LCOG and should the Board choose to extend the contract period, as Ms. Wilson required, the budget would need to be increased by that amount and also increase the resources associated with the contract extension.

Ms. Shew said the Budget Committee met on April 3 and approved the budget as presented. She asked the Board to hold a public hearing and amendments could be made based either on public comment or the Board's recommendation. Adoption of the budget was scheduled for the May 15 Board meeting.

Ms. Shew said since the Budget Committee meeting, two changes had been made to the budget. The first was a correction to the beginning working capital balance in the Capital Fund to reflect the FY19 supplemental budget and the second was the carryover of \$4.2 million FY19 to FY20 for five electric buses.

Mr. Skov asked when payment for the buses would be made if the buses would be received in June. Ms. Jackson explained that payment for the five electric buses would not be made by June 30, 2019, and therefore the funds appropriated by the Board for that purpose had to be moved into the fiscal year when it would be used.

Ms. Shew added that after the buses were delivered, all acceptance criteria had to be met before payment was made and that would take some time. She said there had been no changes in the General Fund, Point2point Fund, and Specialized Services Fund from what was presented at the Budget Committee meeting.

Ms. Jackson said that LCOG's request for an extension of LTD's contract with River Cities Taxi would be presented to the Board with a staff recommendation for approval. She said ODOT would provide LTD funds to continue with the existing contractor until October 1, 2019, and the budget impact would be net zero. She said it was an out-of-district service that ODOT had asked LTD to operate as a pilot project. LCOG had subsequently submitted an application to operate the project using STIF funds

and ODOT had agreed to provide funding for the period July 1-September 30 so LTD could continue to offer the service until operations were assumed by LCOG on October 1, when the STIF dollars became available.

Mr. Skov asked when LTD would begin to receive more real time information about payroll tax revenue from the Department of Revenue. Ms. Jackson said she had received a preliminary report from the Department of Revenue and expected that representatives from the department would meet with LTD staff to discuss the matter. She said the Chamber of Commerce and LTD's lobbyist were advocating for a meeting with the department and local legislators.

Ms. Shew said LTD was monitoring taxpayer activity on a monthly basis to proactively address anomalies with the state before they had a financial impact on the District.

Ms. Reid noted that STIF also included payroll tax revenue and asked if that would need to be monitored. Ms. Jackson said that was a concern for staff as it would double the work of staff to determine that appropriate revenue was received. She said that would be a topic of discussion during the Department of Revenue meeting. That would also help legislators understand how the funds flowed through the system.

Mr. Yeh opened the public hearing. He determined there was no one wishing to speak and the hearing was closed.

Ms. Secord said a concern raised during the Budget Committee meeting was the use of federal assistance for the operating budget. She said there seemed no pathway toward weaning the District from that practice and suggested the Board might want to provide some direction on the matter.

Ms. Shew said the structural imbalance was improving over time. Decisions in the past had resulted in the current situation, but resource growth had exceeded expenditure growth and the gap was closing. She said some of the service changes approved by the Board would also have a positive impact.

Ms. Jackson encouraged a discussion of budget decisions within the context of Transit Tomorrow and development of an efficient network and service. She said it was not unhealthy to use some level of federal dollars for operating costs to support federally funded assets. She said currently 40-45 percent of LTD's fleet was older than it should be. The amount of federal assistance to be used for operations was acceptable for the next fiscal year, based on all the factors. Future decisions should be based on longer-term plans.

Ms. Secord said that she appreciated Ms. Jackson's response and felt that as long as the Board was aware of the problem and moving toward improving the situation so the budget could be balanced without those federal dollars.

Ms. Reid commented that the Board would also be involved in development of a strategic business plan and that was an opportune time to begin those conversations.

Ms. Secord questioned why those conversations had not already taken place as the Board was now in a position to approve a budget without a strategic plan to address the structural imbalance in the budget.

Ms. Reid said the first step was to complete a comprehensive operations analysis to establish the basis for a strategic business plan. An analysis had not been done in more than 20 years and the District was now moving in the right direction.

Ms. Secord expressed reservations about approving the budget in May without having those conversations. She said that she was also concerned about cuts to staffing, the workloads of remaining staff, and losing those unfilled positions in the future.

Mr. Yeh said the Board had to approve a budget before the end of the fiscal year on June 30, but felt there was a plan for moving forward to address the concerns Ms. Secord had.

Ms. Jackson said staff was reviewing the redistribution of staff resources, whether there were any positions the Board needed to fund and how those positions would be funded. She said the budget was based on revenue projections and adjustments to the budget could be made during the fiscal year if necessary.

Ms. Secord observed that policies required a reserve of two to six months; the current reserve was two and a half months. She asked if that was a prudent amount.

Mr. Skov asked about the context for that amount. He said the question was the historic volatility of the revenues on which the District relied and what type of fluctuations might be used to determine a prudent reserve amount.

Ms. Reid said that she did not feel it was a prudent amount, but questioned what funding source would be used to increase the reserve amount. She said the increased transparency of the budget process was a move in the right direction. She said it would be ideal to have a six months reserve, but that would mean cuts to services and employees.

Ms. Jackson said the appropriate amount of reserves was a values-based question, not a business-based one. She said increasing the reserves to more than two and a half months now would compromise and reduce service now, or the Board could wait until an economic downturn negatively affected revenue and increase the reserves at that time. The timing of that decision depended on the Board's comfort level. Regarding the proposed budget, if it had included filling vacant positions the Board would have been asked to approve the minimum reserve or a reduction in service.

Mr. Skov said the strategic question was whether to have a higher reserve now and have to cut less service during a recession.

In response to a question from Mr. Yeh, Ms. Shew said the Government Finance Officers Association (GFOA) recommended a minimum reserve of two months and LTD met that requirement. She said a six month reserve would be a significant increase at \$4 million per month.

Mr. Skov commented that a recession would occur in the future and given historic levels of unemployment during a recession and the impact on LTD's revenues, some strategic belt tightening in the next fiscal year or two and some increase in reserves would help to avoid drastic cuts to service when people needed LTD's service the most.

Ms. Shew said that was an appropriate discussion to have within the context of discussions about Transit Tomorrow decisions and a strategic business plan.

Mr. Yeh asked what approach staff would take if the Board wanted to increase the reserve in the proposed budget by one month. Ms. Shew said options to balance the budget would be cuts; a line of credit, although that would require paying a debt service; consider not providing certain types of service or making some planned investments, such as bus purchases. She said the reserve policy was reviewed annually and presented to the Budget Committee, but another review could be done in six months or whenever the Board wished and a supplemental budget presented.

Ms. Reid said that she appreciated Ms. Secord's concern with staffing reductions. She said the strategy had been to preserve front line staff and still cover administrative responsibilities. She said many efficiencies were being created and the new fare management system could capture some additional revenue. She said that she felt it was best to move forward with the proposed budget and revisit the concerns that had been expressed during development of a strategic business plan and after implementation of the new fare management system.

Mr. Skov said that he hoped that the next budget discussion included explicit direction from Transit Tomorrow about use of resources.

Ms. Shew asked for direction from the Board on LCOG's request for a contract extension and any other modifications it might want to the budget before it was presented for adoption in May.

Ms. Reid asked for regular updates on staff's reconciliation of payroll tax information from the state, particularly once STIF funds became a part of LTD's budget.

BOARD MEMBER REPORTS — Mr. Nordin reported that the OTC commissioner Martin Callery attended the LaneACT meeting and expressed the opinion that the transportation system was underfunded and would require assistance from the federal government.

Mr. Skov said the City of Eugene's Vision Zero Committee had concluded its work and the city manager had signed an administrative order adopting a Vision Zero Plan. He said the overlap with LTD was explicitly acknowledged, along with the need to work together. Collaboration with partner jurisdictions on the District's pedestrian network analysis was a good step in that direction.

Ms. Vargas said she enjoyed reaching out to community leaders and getting feedback as part of the Human Resources Committees evaluation of the general manager's performance. The Comprehensive and Accessible Transportation Committee (formerly the Accessible Transportation Committee) was working to define its purpose and responsibilities.

Ms. Reid reported that the Main Street Project Governance Team (formerly Main-McVay Governance Team) held a lengthy meeting around the discussion of values. The Metropolitan Policy Committee (MPC) discussed the rapid response plan developed by Lane County in response to the death of pedestrian Irene Ferguson on Hunsaker Lane. She said the plan would take two years to implement and committee members suggested Vision Zero type actions that could be taken sooner to improve safety in the area. She said LTD would consider ways to memorialize Ms. Ferguson at the Santa Clara Transit Station.

Mr. Yeh said the Strategic Planning Committee received a presentation on sustainability from Kelly Hoell. He said updates were provided on Transit Tomorrow and the Main-McVay Transit Study. A member of the committee wanted to be sure that Springfield understood the implications of eliminating EmX as an option, as it was very different from BRT light or enhanced corridor. He said changes to the fare policy and how they would be implemented in the new fare management system were also discussed.

ITEMS FOR ACTION AT THIS MEETING

MOTION Consent Calendar — Ms. Vargas moved to adopt LTD Resolution No. 2019-04-17-020, It is hereby resolved that the Consent Calendar for April 17, 2019, is approved as presented. Ms. Reid provided the second. The Consent Calendar consisted of the Minutes of the March 18, 2019, Board Work Session; the Minutes of the March 20, 2019, Regular Board Meeting; and Delegated Authority Report - March.

VOTE The motion was approved as follows:

AYES: Nordin, Reid, Secord, Skov, Vargas, Yeh, Yett (7)

NAYS: None

ABSTENTIONS: None

EXCUSED: None

Revised Procurement Policy: Procedure for Personal Services — Mr. Purdy said the goal in public contracting was competition in order to reduce costs. He said the Board was bound by both state and federal rules with respect to contracting and under the state's rules an agency was allowed

to create its own local contract review board and establish rules. LTD had determined that the Board of Directors would also act as the contract review board, which an approach was taken by most public entities. He said the Board would be considering revisions to the Procurement Policy and Rules procedures for personal services. The state did not define "personal services" and local contract review boards could establish their own definitions.

Director of Business Services Collina Beard said the proposed revisions would fill gaps in LTD's Procurement Policy, which was last updated in June 2017. She said the proposed changes would define personal services and establish procedures for procurement. She reviewed details of the services that would be included in LTD's definition. She said similarly situated entities, such as TriMet, had definitions and procedures in place to contract for personal services. She said personal services contracts would be subject to the same delegated authority policy as other LTD contracts.

Mr. Skov stated that the Finance Committee had reviewed and thoroughly discussed the proposed revisions.

Mr. Yeh concurred that the Finance Committee, composed of Mr. Skov, Ms. Secord, and himself, had closely examined how the personal services procedures would be applied.

MOTION Mr. Skov moved to adopt LTD Resolution No. 2019-04-17-021: It is hereby resolved that the LTD Board of Directors adopt the proposed revised Procurement Policy as presented. Ms. Vargas provided the second.

VOTE The resolution was adopted as follows:

AYES: Nordin, Reid, Secord, Skov, Vargas, Yeh, Yett (7)

NAYS: None

ABSTENTIONS: None

EXCUSED: None

State Transportation Improvement Fund (STIF) Applications — Director of Planning and Development Tom Schwetz said key points about the STIF application process and projects were set forth in the agenda packet and had been reviewed by the Board in previous presentations. He said staff was available to answer any questions about specific projects. If approved by the Board, staff would submit the STIF plan to the states and he anticipated funds would be available in October 2019.

Mr. Skov left the meeting at 6:50 p.m.

Kate Wilson with Lane Council of Governments said the STIF applications had been available for public review and comment during the past month. Only one comment was received and that was a request for the project list, which she provided.

MOTION Ms. Reid moved to adopt LTD Resolution No. 2019-04-17-022: It is hereby resolved that the LTD Board of Directors approve the Lane County STIF Formula Fund Plan as presented. Mr. Yett provided the second.

VOTE The motion was approved as follows:

AYES: Nordin, Reid, Secord, Vargas, Yeh, Yett (6)

NAYS: None

ABSTENTIONS: None

EXCUSED: Skov (1)

Revised Fund Balance and Budgetary Reserve Policy — Ms. Shew stated the revised policy was approved by the Budget Committee. She said the primary change was allocation of the reserve among all of the different funds to simplify the processing of accessing the reserve; there was no change to the actual reserve amount.

MOTION Ms. Secord moved to adopt LTD Resolution No. 2019-04-17-023: It is hereby resolved that the LTD Board of Directors adopt the Fund Balance and Budgetary Reserve Policy as presented. Ms. Vargas provided the second.

VOTE The motion was approved as follows:
AYES: Nordin, Reid, Secord, Vargas, Yeh, Yett (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Skov (1)

Mr. Skov returned to the meeting at 6:55 p.m.

Proposed Ad Hoc Communications Committee — Ms. Jackson explained that the Board was being asked to establish an Ad Hoc Communications Committee to receive a report on the District's current communications strategies and methods. She said that she did not anticipate the committee to be of long duration. Its purpose would be to provide feedback to the consultant before the report was finalized. She said based on background and experience, she recommended the following Board members to serve as the Ad Hoc Communications Committee: Kate Reid, Caitlin Vargas, and Josh Skov. She said the committee would be subject to the public meetings law and would report back to the Board on its findings.

Ms. Secord asked why an ad hoc committee was being established instead of having a Board work session to receive the report. Ms. Jackson replied that staff thought there could be additional committee meetings once the report was received and given the number of topics scheduled to come before the full Board in the next few months, a smaller group that could meet for an hour during the day would be the best approach. She said that she hoped to have the committee meet in person with the consultant next week.

Mr. Yeh said communications was a critical issue for LTD and staff, and Board members consistently looked for ways to improve. He said if there were Board members with particular expertise in the topic, he was comfortable with the formation of a committee to review the materials. The committee could make a recommendation for a work session for the full Board if they felt it was advantageous.

Mr. Skov asked Board members to let the committee know if there were major communications issues they felt should be addressed during the meeting with the consultant.

MOTION Ms. Vargas moved to adopt LTD Resolution No. 2019-04-17-204: It is hereby resolved that the LTD Board of Directors approve the formation of an Ad Hoc Communications Committee as presented. Mr. Nordin provided the second.

VOTE The motion was approved as follows:
AYES: Nordin, Reid, Secord, Skov, Vargas, Yeh, Yett (7)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

ACKNOWLEDGMENT: Retirement of Dwight Purdy — On behalf of the Board, Mr. Yeh presented a proclamation of appreciation to Mr. Purdy for his dedicated and valued service to LTD for the past nine years.

Mr. Purdy said the honor was his to have worked with such a professional and dedicated group of employees throughout the agency and Board members with a higher sense of community spirit in giving of their time and effort to an agency that helped the community. He said that he appreciated the opportunity to have helped in that endeavor.

MOTION Ms. Vargas moved to adopt LTD Resolution No. 2019-04-17-025: It is hereby resolved that the LTD Board of Directors approve a proclamation honoring the retirement of Dwight Purdy as Lane Transit District's general counsel as presented. Ms. Reid provided the second.

VOTE The motion was approved as follows:

AYES: Nordin, Reid, Secord, Skov, Vargas, Yeh, Yett (7)

NAYS: None

ABSTENTIONS: None

EXCUSED: None

ITEMS FOR INFORMATION AT THIS MEETING

Main-McVay Transit Study — Mr. Schwetz said the agenda material provided background on the decision to eliminate EmX as an alternative for the corridor. He said based on feedback from businesses and property owners along Main Street, and Springfield's vision for transit, the decision was made to table the EmX option at this time, although it could be brought back for consideration at a later time. He said an environmental process for the study was under way and part of that process would be evaluating alternatives. Based on feedback from the community, it made sense to remove the EmX alternative from the environmental process in order to conserve the project's remaining resources. He said the Governance Team would take formal action to remove the EmX option from the Main-McVay Transit Study. He said Springfield staff had provided a correction to the bulleted point related to an April 2016 decision regarding an EmX alternative for the corridor.

Ms. Reid said Route 11 that traveled down Main Street was currently a 15 minute route and would align with the direction in which Transit Tomorrow was moving, as well as aligning with the MovingAhead project with the City of Eugene. That had been discussed by the Governance Team and assured that Springfield would also have some form of faster transit, but with accommodations that the community was comfortable with. She said it was a good compromise and Springfield staff was very supportive.

Mr. Schwetz added that the enhanced corridor alternative provided many improvements that allowed transit to operate more efficiently, especially on a corridor like Main Street with a good transit market.

Ms. Reid said Springfield Mayor Lundberg was pleased with LTD's decision to move towards a high ridership network.

In response to a question from Mr. Nordin, Mr. Schwetz said the Main Street Safety Project was multi-year and no decisions had yet been made about a barrier on the street. He said there was a major outreach effort to property owners and businesses along the corridor to determine what would work and identify impacts before decisions were made.

Mr. Yett commented that ODOT was encountering strong resistance to a median in the corridor.

Coordinated Public Transit-Human Services Transportation Plan (Coordinated Plan) — Human Services Transportation Coordinator Kris Lyon presented the Coordinated Plan, which was required by the Federal Transit Administration (FTA) in order for LTD to receive federal 5310 funding. She said ODOT also had to certify to the FTA that any projects receiving state disbursed funding (5310, 5311, and Special Transportation Fund) were reflected in the plan. She said a number of changes had been made to the plan since its last major update in 2013. The plan was also reviewed biennially by staff and the Special Transportation Fund (STF) Committee.

Ms. Lyon reviewed the six required plan components and how LTD had complied with those requirements:

- stakeholder involvement
- evaluation of existing transportation services and resources

- data and information primarily focused on area demographics
- identify unmet transportation needs
- develop transportation priorities
- review and adoption of the plan

Ms. Lyon said updates were made to the plan to make it relevant to current conditions by removing outdated information and including new information and references. Updated topics included:

- Economic forecast
- Federal and state funding
- Health care reform
- Accessible and Customer Services Department changes
- Needs assessments: origin/destination survey, veterans transportation
- Local planning: community health assessment and plan; LTD planning efforts - Transit Tomorrow, MovingAhead, mobility on demand, and electronic fare collection

Ms. Lyon reviewed several service statistics. She said there were six areas surveyed for unmet transportation needs including unserved and underserved areas, lack of availability, unconventional services, affordability, lack of awareness, and training. She said projects were reviewed using three priorities. The first priority was to maintain sustainable service levels of viable operations. The second was to respond to growth within existing services and expand in areas with unmet needs when resources were available. The third was responding to emerging community needs. She described the community outreach activities for plan review and comment.

Mr. Skov said the final version of the plan would be an important source of information for LTD's planning efforts.

In response to a question from Mr. Skov, Ms. Lyon said the plan was used by the Accessible and Customer Services Department in its planning activities and coordination efforts with other agencies.

Fare Ordinance Update — Director of Customer and Specialized Services Cosette Rees said the Board had recently approved changes to the fare ordinance recommended by the Ad Hoc Fare Policy Committee related to student and low-income subsidy programs. With the implementation of an electronic fare management system, staff had identified some additional opportunities for updates to the fare ordinance. She asked the Board to consider the options and provide direction to staff on whether any of them should be included in an update to the ordinance.

Information Technology Director Robin Mayall presented details of the following potential fare ordinance update options:

- Fare Capping - allow fares paid using the smartcard or mobile application to accumulate so that riders are charged up to the eligible rate for qualifying fare types and not more.
 - Fares shall accumulate on a calendar day basis up to the eligible Day Pass rate.
 - Fares shall accumulate on a calendar month basis up to the eligible Monthly Pass rate.
- Rides boarding after reaching the maximum fare for the calendar period shall be free for the remainder of that calendar period.
- Fares paid using options other than smartcard or mobile application will not be included in fare capping.
- Elimination of the 10-ride ticket book.
- Autzen Express Route - Customers would be encouraged to utilize convenient prepaid fares for this service. Customers who paid with cash for this service only would be charged a cash surcharge that brought the price up to \$5.00 to cover the cost needed to hire extra people to collect cash.

Ms. Secord pointed out that the revenue ramifications of the changes on LTD's annual revenues were unknown. Ms. Mayall said that she agreed that it was difficult to predict the impact on revenue.

Mr. Skov said LTD did not have rider-based information at this point and it would be helpful to design the initial fare system so that data could be interpreted. That meant providing people with options that would help LTD learn during the first year of implementation.

Mr. Yett said that he supported fare capping as a policy because it would benefit the most financially stressed in the community. He said that during the fare management system presentation at the Board's work session, a reference was made to improved fare collection. He asked if the amount of revenue LTD could receive as a result of better fare collection could be estimated, based on the District's size and Delerrok's experience with implementing the system in other agencies. He also asked about the amount of breakage might be expected annually, including in years two and three.

Gary Yamamura of Delerrok said the New York City Transit Authority was the largest transit agency in North America. Its system was primarily based on stored value, but also offered daily, weekly, and month passes. Historically breakage was 15 percent. While LTD was a considerably smaller agency, size was not necessarily an issue; the main factor was customer convenience using stored value. He said fare capping would make that more convenient. He said typically as customers became familiar with and recognized the benefits of stored value, the amount of stored value would continue to rise. He said it was difficult to predict the impact on revenue because fare capping was relatively new and offered several examples based on how it was implemented.

Mr. Yett asked what the estimated float for an agency of LTD's size would be once the new system had been in place for a year or two. Mr. Yamamura said that would depend on how LTD promoted stored value versus passes, pricing of passes, number of users, and other factors. He said the best estimate to apply was that approximately half the money that was invested would not be spent immediately.

Ms. Reid said that she thought that fare capping could help revenue if those using the low-income subsidy program did not need to ask for additional passes. She said she wanted LTD's new system to be dependable so customers knew on a monthly basis how much they would pay.

Mr. Nordin said that he favored fare capping. He said LTD's goals were to increase ridership and provide mobility services to the community. Fares represent only 15 percent of the budget and any revenue loss as a result would have minimal impact.

Mr. Yeh asked if staff recommended fare capping on a calendar month or rolling 30-day period. Ms. Mayall said if fare capping was implemented it would be on a calendar basis as it would be very difficult to calculate on a rolling 30-day pass and fare capping.

Ms. Jackson said a proposed fare structure would be developed and made available for public comment. A public hearing would be held at the next Board meeting and the Board could potentially make a decision in June based on information provided by staff and feedback from the public.

Mr. Yeh asked that a passback policy be included.

Ms. Jackson said the Board would be asked to approve a fare structure. Separately, rules for implementing that structure would be developed. She said initially the rules might allow passback and based on what was learned from system operations, the rules might be more tightly drawn. She said the new system had many features, but how those would function in LTD's environment were still unknown.

Ms. Mayall said fare capping could preclude certain types of passbacks.

Mr. Nordin asked if TouchPass could be used in conjunction with contracted services like mobility on demand, Florence to Eugene service, Diamond Express, and Rhody Express. Ms. Rees said the pilot program in Cottage Grove was collecting fares or riders were showing passes. Because the program was a pilot, handheld validation units would be purchased for fare checking instead of installing one on the vehicle. The handheld units could also be used for fare collection.

Mr. Skov said the revenue associated with 10-ride ticket books sold to youth would disappear when the student pass program was implemented. He said it would be important to talk to the community about how the new fare structure and policies would save people money.

Ms. Reid said loss of revenue as a result of the youth pass program had been accounted for during the planning process and application for STIF funds. She asked if eliminating the 10-ride ticket book would be a problem for community partners for whom paper passes were convenient and flexible. Ms. Mayall said the system would have the ability to accept single ride paper tickets if that was a necessity and there were options that did not require the 10-ride ticket book.

WRITTEN REPORTS

Financial Report - February — Ms. Shew said the FY19 budget for 10-ride ticket books was \$361,000. She said the monthly financial report showed cash fares and passes, which was about eight percent of revenues, if working capital was excluded.

Monthly Cash Disbursements - March — There were no questions.

Quarterly Grant Report (presented in March, June, September, December) — There were no questions.

Monthly Performance Reports - February — There were no questions.

Monthly Department Reports - April — There were no questions.

ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING - REQUESTED BY THE BOARD —

Ms. Reid asked when a legislative report would be available. Ms. Jackson said that could be provided at the next Board meeting. She said to date there had not been legislation that had a strong impact on LTD, although there were some bills of interest.

In response to a question from Mr. Nordin about a town hall meeting, Ms. Jackson said it would be helpful to hear what Representative Peter DeFazio wanted to accomplish in the coming year.

Mr. Yeh asked for an implementation schedule for the student pass program and fare management system.


ADJOURNMENT

Mr. Yeh adjourned the meeting at 8:05 p.m.

LANE TRANSIT DISTRICT:

ATTEST:


Josh Skov
Board Secretary


Camille Gandolfi
Clerk of the Board

Date Approved: 5/15/19