

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, April 15, 2015

Pursuant to notice given to *The Register-Guard* for publication on April 9, 2015, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a regular board meeting on Wednesday, April 15, 2015, beginning at 5:30 p.m., at the LTD Board Room, 3500 E. 17<sup>th</sup> Avenue, Eugene, Oregon.

Present: Gary Wildish, President  
Carl Yeh, Vice President  
Julie Grossman, Secretary  
Ed Necker, Treasurer  
Gary Gillespie  
Angelynn Pierce

Ron Kilcoyne, General Manager  
Jeanne Schapper, Clerk of the Board  
Lynn Taylor, Minutes Recorder

Vacant: Position 3

**CALL TO ORDER/ROLL CALL:** Mr. Wildish convened the meeting and called the roll at 5:34 p.m.

**PRELIMINARY REMARKS BY BOARD PRESIDENT:** Mr. Wildish welcomed those present.

**COMMENTS FROM THE GENERAL MANAGER:** Mr. Kilcoyne stated that legislation, sponsored by Representative John Lively, for a pilot project to restore the youth bus pass program for two years has moved from the House Transportation Committee to the Ways and Means Committee, which is a positive sign.

**ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA:** Mr. Wildish announced that an item relating to the General Manager Retirement Agreement had been added to item XI., Items for Action at this Meeting. The related agenda materials were distributed at the meeting.

**BOARD CALENDARS:** Mr. Kilcoyne reviewed the Board meetings in May and June, along with other scheduled events.

**EMPLOYEES OF THE MONTHS — APRIL AND MAY 2015:** The Board recognized Customer Service Representative Gail Beasley as the April Employee of the Month and

Operations Supervisor Shawn Mercer as the May Employee of the Month. Mr. Wildish presented both employees with their awards and thanked them for their outstanding service and dedication to LTD's mission. Ms. Beasley and Mr. Mercer thanked the Board for their awards.

**EGAN WARMING CENTER PRESENTATION:** Director of Customer Services and Planning Andy Vobora explained that LTD had begun a working relationship with Egan Warming Center when it was established in the community to provide shelter for homeless people during extreme cold weather. He introduced Bill Winkley, Egan Warming Center volunteer coordinator.

Mr. Winkley thanked LTD on behalf of the organization and the hundreds of guests that it served during winter months at locations in Eugene and Springfield. He said that LTD was a critical component by providing free transportation to one of the centers in the area to anyone requesting the service. He said that LTD also provided bus passes that the centers could give to overnight guests during activation periods to help them with transportation the following morning. He said that this winter had been relatively mild and that the centers were only activated for nine nights. He emphasized that LTD's services were critical during those periods. He complimented LTD's bus drivers who were very helpful in spreading the word of Egan Warming Center services in the community, which was greatly appreciated.

Mr. Winkley described a program in Salt Lake City that was being used to virtually eliminate homelessness. He said that the City's Housing First Program provided homeless people with a home and a case worker and that this was much less expensive than supporting those individuals with services on the street. He said that Oregon was considering a similar pilot project in Albany and the Eugene-Springfield area if funding was approved by the legislature. He introduced Shelley Corteville, who would be serving as the next Egan Warming Center volunteer coordinator.

Mr. Wildish expressed his appreciation for the services that the Egan Warming Center provided for homeless people in the community. He added that he had participated as a volunteer during activation periods and witnessed the Center's good works first hand.

Mr. Kilcoyne thanked Mr. Winkley for sharing the story of LTD's partnership with Egan Warming Center during a recent visit to the legislature in Salem.

**AUDIENCE PARTICIPATION:** Mr. Wildish explained the procedures for offering comments to the Board.

**Don Nordin**, Eugene, said that he was a long-time member of the LTD Budget Committee. He suggested that when the necessary work was done to the roof at LTD's Glenwood campus, it would be an opportunity to install solar panels on the south-facing roofs to provide power for a future generation of LTD's bus fleet. He said that he felt that the public would be supportive of using ambient energy to improve the system.

**Bob Macherione**, Eugene, representing Our Money, Our Transit ((OMOT), noted that Mr. Kilcoyne was retiring and said that he hoped that the next general manager would do a better job and be willing to meet with him. He said that OMOT was not opposed to transit; it wanted basic bus service to be a priority and to be maintained. He said that his requests to restore

service to low-income housing had resulted in only lifeline service. He said that he did not feel that the Board was well informed and added that most of the members had been on the Board less than two years. He said LTD had spent \$300,000 defending against an OMOT lawsuit and that he was not certain what information was being provided to the Board because he was unable to attend executive sessions related to legal matters.

Mr. Macherione stated that the lawsuit had been filed because LTD would not listen. He said that public input was requested and then LTD did the opposite. He said that thousands of people signed a petition opposed to the West Eugene EmX project and that LTD changed its story. He said that the project had started and that LTD should be paying for construction easements. He said that LTD's general disrespect to the public, which paid for its wages and retirement, showed in its response brief where he was referred to as "selling used sports cars in a strip mall." He said that was extremely insulting and if LTD was going to insult him publicly, then it had to listen to him. He warned the Board not to bite the hand that fed it or to motivate its opponents.

**William Mueller**, Eugene, stated that he had worked for and retired from LTD after 28 years of service, first as a bus operator, then as a transit planner, and finally as the service planning manager. He took exception with some of Mr. Macherione's comments. He said that he believed that Mr. Macherione did want a better transit system and said that he felt that he had been listened to and treated with respect by LTD staff. He described numerous meetings with Mr. Macherione and how his concerns had often been discussed at staff meetings. He said that Mr. Macherione's concerns regarding service to low-income housing related to service in the Cal Young neighborhood and Brewer Lane specifically. He said that up until the late 1990s, four buses per hour served that area and ridership along that route was extremely low, which was why the service was cut in the early 2000s during the budget crunch.

Mr. Mueller said that the decision to cut that service was not done lightly. He said that one of his daughters previously lived in that housing complex, and most of the residents owned automobiles and seldom rode the bus. He said that only five or six riders per day came from the complex and that was not sufficient to support the route in that area.

Mr. Mueller stated that based on his years of experience in transit planning and service management, with the exception of Mr. Macherione, most OMOT members did not have LTD's best interests at heart. He referred to a recent opinion piece in *The Register-Guard*, authored by Mr. Macherione, which insisted OMOT should have a place at the table during selection of the next LTD general manager. He questioned why that would be appropriate when a majority of OMOT members did not support LTD. He said that he felt that OMOT members were primarily concerned about an increase in the payroll taxes that supported public transit in the Eugene-Springfield area and that the opposition to the West Eugene EmX project was a red herring.

**PUBLIC HEARING: FY 2016-2015 CAPITAL IMPROVEMENTS PROGRAM (CIP):** Finance Manager/CFO Todd Lipkin provided a brief overview of the 10-year CIP. He said that the public comment period would be open until May 10, 2015, to provide further opportunity for public input. He said that all of the comments received would be included in the agenda packet for the Board's regular meeting in May, at which time approval of the CIP would be requested. He pointed out that the agenda item summary included in the agenda packet

identified four funding tiers for classifying projects as were used in the CIP last year; those had actually been reduced to three tiers for the current CIP because the third and fourth tiers were virtually identical.

Mr. Wildish opened the public hearing and explained the procedure for providing testimony. He determined there was no one wishing to speak and closed the hearing.

Mr. Yeh asked if the solar panels suggested by Mr. Nordin could be included in the CIP. Mr. Lipkin said that he would discuss the possibility of solar panels with Facilities staff when they began planning the roof project.

Mr. Gillespie commented that the addition of solar panels could make LTD eligible for tax credits.

**ITEMS FOR ACTION AT THIS MEETING:**

**Fiscal Year 2016-2025 Long-Range Financial Plan (LRFP):** Mr. Lipkin said that as the economy recovered from the recession, LTD's payroll tax revenue began to increase incrementally. He said that the proposed LRFP assumed a 5 percent annual increase in that base. He said that LTD's reserves continue to build due to conservative budgeting that was high on costs and low on revenues. He said that Oregon's unemployment rate was now below the national average. He said that the plan assumed an increase to the payroll tax rate effective January 1, 2017, going from .007 percent to .0071 percent. The increase would support an increased investment in the community.

**MOTION** Mr. Necker moved the following resolution: LTD Resolution No. 2015-011: Resolved, that the LTD Board of Directors approves the FY 2016-2025 Long-Range Financial Plan as presented. Ms. Pierce provided the second.

**VOTE** The resolution was approved as follows:  
AYES: Gillespie, Grossman, Necker, Pierce, Wildish, Yeh (6)  
NAYS: None  
ABSTENTIONS: None  
EXCUSED: None

**Annual Route Review (ARR): Fiscal Year 2015-16 Service Proposal:** Planning and Development Manager Tom Schwetz provided a summary of the planning efforts, Board reviews, outreach activities, and responses that went into developing the FY 2015-16 service proposal. He used a slide presentation to highlight recommendations in the areas of service span, frequency, system maintenance, and service to the new Veterans Administration Clinic on Chad Drive. He said that the total program, to be implemented in October 2015, would cost \$800,000.

Mr. Gillespie said that he had requested over the past two years consideration of changing departure times from the Eugene Station in order to better meet the needs of choice riders by removing the disconnect between the end of workdays and the times buses departed. He hoped that issue would be addressed during the next ARR and encouraged planners to revisit the 8:45 p.m. departure time. He said that departure times at the quarter and three-quarter hour would be a better fit than the current hour and half-hour times.

Mr. Necker noted that the issue had been somewhat addressed by increased frequency of service on core routes, but agreed with Mr. Gillespie's suggestion.

Mr. Yeh concurred with Mr. Gillespie's comments regarding adjustments in the next ARR in order to capture more choice riders. He said that he appreciated the ARR feedback provided by customers.

Mr. Wildish acknowledged the challenges of service planning and commended the efforts of LTD's planners. He said that he was pleased to see increased frequency on route Nos. 41/43, which provide more convenient service in a needed area.

**MOTION** Mr. Yeh moved the following resolution: Resolution No. 2015-12: It is hereby resolved that the LTD Board of Directors approve the FY 2015-16 service recommendation as presented on April 15, 2015. Ms. Grossman provided the second.

**VOTE** The resolution was approved as follows:  
AYES: Gillespie, Grossman, Necker, Pierce, Wildish, Yeh (6)  
NAYS: None  
ABSTENTIONS: None  
EXCUSED: None

**Environmental and Sustainability Management System (ESMS):** Mr. Vobora provided an overview of the Federal Transit Administration's (FTA) ESMS program in which LTD was selected to participate in 2013. He said that the District's ESMS Environmental Commitment document set forth the environmental stewardship and sustainability practices that LTD instituted under the program. He said that the entire Glenwood facility was chosen as the footprint for LTD's ESMS project to ensure that all employees were part of the program. He described the five significant aspects on which LTD focused:

1. Reduction of electricity use
2. Proper aerosol can disposal
3. Reduction of water use
4. Reduction of diesel fuel consumption
5. Fuel spill prevention

Mr. Vobora said that an audit of the ESMS program by Virginia Tech University resulted in a score for LTD of 94 percent, which was an extremely good score. Because the program was based on a continuous improvement cycle, a 100 percent score would not be met. He said that the District was moving toward third-party certification and had selected ABS Quality Evaluations as the third party auditor. A Stage 1 audit would occur in July 2015 and the Stage 2 audit would be conducted in September 2015. Staff felt that the audit process would ultimately result in ISO 14001 certification. He noted that LTD also was in the American Public Transportation Association (APTA) sustainability program and expected to move from the silver to gold level in that program during the next year.

Mr. Vobora asked Board members to approve updated language to the Objectives section of the ESMS Environmental Commitment to reflect the District's updated strategic plan.

Ms. Grossman asked which of the goals and benchmarks had been most difficult to achieve. Mr. Vobora said that the program provided a great foundation for the entire organization in terms of process improvement strategies, and the most challenging part was documentation. He said the ESMS program's greatest value to the organization was establishing and documenting processes for continuous improvement.

In response to a question from Mr. Yeh, Mr. Vobora said that the three-year certification process would cost \$18,000 for the third-party certification. At the end of that period, the District could decide whether to continue with third-party certification or simply self-certify.

Mr. Yeh asked what impact the move to all electric buses would have on the goal to reduce electricity consumption. Mr. Vobora said that when the fleet moved to electric buses, that goal would need to be revisited; but there would be significant achievements in the goals related to diesel fuel consumption, fuel spills, and greenhouse gas emissions.

Mr. Gillespie said that he had been impressed with the changes LTD had made during his tenure on the Board and felt that \$18,000 was probably less than the District would spend to clean up a fuel spill. He was pleased with the total commitment throughout the organization to stewardship and sustainability.

**MOTION** Mr. Necker moved the following resolution: Resolution 2015-013: Be it resolved that the LTD Board of Directors hereby adopts the Lane Transit District Environmental and Sustainability Commitment. Mr. Yeh provided the second.

**VOTE** The resolution was approved as follows:  
AYES: Gillespie, Grossman, Necker, Pierce, Wildish, Yeh (6)  
NAYS: None  
ABSTENTIONS: None  
EXCUSED: None

**General Manager Retirement Agreement:** Director of Administrative Services Roland Hoskins stated that the Board Human Relations (HR) Committee had forwarded its recommendation for the General Manager Retirement Agreement to the full Board for its review and approval. He said that a copy of the agreement was provided in the agenda materials.

**MOTION** Ms. Grossman moved the following resolution: Resolution 2015-0015: It is hereby resolved that the LTD Board of Directors accepts the retirement of LTD's general manager as provided in the attached Voluntary Retirement Agreement. Mr. Necker provided the second.

**VOTE** The resolution was approved as follows:  
AYES: Gillespie, Grossman, Necker, Pierce, Wildish, Yeh (6)  
NAYS: None  
ABSTENTIONS: None  
EXCUSED: None

**General Manager Selection Process:** Mr. Hoskins asked the Board to review and approve the proposed timeline for the selection of a new general manager and to appoint a subcommittee to focus on the selection process. He said that the goal was to have

the general manager hired by early November 2015 in order to avoid delays over the holiday season.

Ms. Pierce asked what protocols would be in place to cover the gap between Mr. Kilcoyne's departure, scheduled for September 2015, and the start date of December 1 for a new general manager. Mr. Hoskins said that the HR Committee had discussed that issue, and the retirement agreement with Mr. Kilcoyne, and decided that a month-to-month extension of his employment would be allowed, if necessary. He said that other options would be presented to the Board at a future meeting.

**MOTION** Mr. Yeh moved approval of LTD Resolution 2015-014: Be it resolved that the LTD Board of Directors hereby approves the timeline for the selection of the next LTD general manager as stated in the attached General Manager Selection Process Proposed Timeline, and that the Board appoint a subcommittee to focus on the selection process. Ms. Grossman provided the second.

**VOTE** The resolution was approved as follows:  
AYES: Gillespie, Grossman, Necker, Pierce, Wildish, Yeh (6)  
NAYS: None  
ABSTENTIONS: None  
EXCUSED: None

Mr. Hoskins said that there were several options for the Board and the public's participation in the selection process, including developing desirable characteristics and qualities desired in a general manager. He asked for Board feedback on which aspects of the process should involve the subcommittee and which aspects should involve the full Board.

Mr. Necker commented that the last selection process had been effective, with the HR Committee narrowing the field of applicants to the top candidates; those candidates then met with the full Board. He asked if a recruitment firm had been selected. Mr. Hoskins said that the request for proposals (RFP) had been developed and was being reviewed by legal counsel. He said that the RFP was based on the last selection process RFP, with some minor modifications.

Mr. Hoskins said that during the last selection process, the HR Committee defined the scope of community outreach and proposed some interview questions to the Board. He said that the selection subcommittee was involved in checking references and conducted phone interviews and site visits.

Mr. Kilcoyne said that in the last selection process, there were no interviews of applicants, except by the recruitment firm, until the final candidates came to meet with the full Board. He said that was very unusual.

Ms. Grossman emphasized the importance of having the full Board identify important qualities and characteristics of a general manager before the search process begins.

Mr. Hoskins said that the Board has a number of options for conducting the executive search, ranging from allowing the recruitment firm to do a majority of the work to having the Board more involved. He said that he felt that the recruitment process would be more

manageable, given the aggressive timeline, if a Board subcommittee was appointed to work with staff and the recruitment firm. He said that the process would involve a number of meetings and that it would be easier to schedule those with a subset of the Board rather than the full Board.

Mr. Gillespie said that the full Board could be informed on the process with a standing agenda item on monthly Board meeting agendas.

Mr. Hoskins commented that the general manager criteria were not well-defined with respect to behavioral characteristics. He said that the criteria should be related to what the Board wanted the general manager to accomplish and that the application/interview questions should be focused on what the Board wanted a general manager to be to the agency. He said that the new general manager should be good for the agency, good for the community, and able to grow the organization consistent with the Board's intent. He said that LTD's leverage in the community was based on community relationships and the ability to make things happen with other organizations through connecting services, such as its partnership with the Egan Warming Center.

As an example of characteristics the Board might consider, Mr. Hoskins noted Mr. Kilcoyne's connection to transit organizations and leaders at the national level, which gave LTD more influence at that level. He said that the downside was that a general manager strongly involved at the national level might be less involved locally. He said that the Board needed to be clear about what it wanted for the agency and what type of general manager could achieve that.

Mr. Wildish encouraged Board members to participate as fully in the process as they could because the selection of a new general manager was a critical decision for LTD.

Mr. Kilcoyne said that a special Board work session would be scheduled in the near future to identify characteristics and further refine the selection process.

Mr. Gillespie questioned the role of the HR Committee if all aspects of the process came before the full Board.

Ms. Pierce related that she sat on the board of another organization and that board had 27 members. The organization had recently begun the search for a new executive director and all board members had input, which she felt was very valuable because the entire board was confident that the right person would be chosen.

Mr. Gillespie clarified that the HR Committee could handle reviewing responses to the RFP and making a recommendation on a recruitment firm to the entire Board.

Ms. Grossman agreed that the HR Committee could review RFP responses and make a recommendation to the full Board, so long as the Board was precise in what it was seeking.

Mr. Wildish summarized that the full Board would develop a list of desired characteristics for a new general manager in a special work session, and then the rest of the process could be divided among the HR Committee, Board subcommittee, and full Board as appropriate.



In response to a question from Mr. Necker, Mr. Hoskins said that the RFP could be issued prior to determining general manager characteristics as the RFP would be seeking a qualified recruitment firm; however, the characteristics should be developed by the full Board as soon as possible so that they would be available once a firm was hired and during the community engagement process. He said that the HR Committee could also direct the community engagement process and identify people or groups that staff should contact.

Mr. Hoskins spoke to options for filling the gap between Mr. Kilcoyne's retirement and hiring a new general manager. He said that the HR Committee was inclined toward the option that would continue Mr. Kilcoyne's employment on a month-to-month basis. He said that when an external person was hired to fill that gap, it often was because something in the organization needed to be corrected, which is not the case with LTD. He said that another option was to hire an internal person to act as general manager. He said that option tended to have a dampening effect on the pool of applicants because potential candidates might be unwilling to risk their current positions if there was a perception that an internal person was a viable candidate. He encouraged the Board to discuss its options and determine how it wanted to proceed during the gap period.

Mr. Gillespie affirmed that the HR Committee liked the option of extending Mr. Kilcoyne's employment on a month-to-month basis during the gap period.

#### **ITEMS FOR INFORMATION AT THIS MEETING:**

**Board Member Reports:** Mr. Gillespie reported that the Oregon Metropolitan Policy Organization Consortium (OMPOC) meeting was productive and that several members had expressed an interest in LTD's training programs and matching fund strategies. He said that the next meeting would be held in Bend.

**Monthly Financial Report:** Mr. Lipkin reported that there had been a final resolution on the state-in-lieu/University of Oregon matter. He said that the University had agreed to pay the payroll tax, although it would be a few months before LTD received that revenue because the University would need to revise its reporting methodology. He did not anticipate any problems.

**Monthly Engagement Reports:** There were no question or comments.

**Monthly Performance Reports:** Mr. Kilcoyne noted that ridership was down in January, February, and March. He said that despite the decrease in ridership, fare revenue had increased during the same period. He had asked staff to research the accuracy of ridership numbers. He said when a similar situation occurred at another district, he managed it was determined that ridership was being under-reported. He said that at a recent meeting of the Oregon Transit Association, there were mixed reports from around the state. He added that ridership had increased in some districts, decreased, or remained flat in others; and there did not seem to be a pattern.

**Monthly Grant Report:** There were no questions or comments.

**Monthly Department Reports:** There were no questions or comments.

**EXECUTIVE (NON-PUBLIC SESSION):** Mr. Wildish announced that the Board would now meet in executive session pursuant to ORS 192.660(2)(e), to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

**MOTION** Mr. Necker moved that the LTD Board of Directors meet in Executive Session pursuant to ORS 192.660(2)(e), to conduct deliberations with persons designated by the governing body to negotiate real property transactions. Mr. Yeh provided the second.

**VOTE** The motion was approved as follows:

AYES: Gillespie, Grossman, Necker, Pierce, Wildish, Yeh (6)  
NAYS: None  
ABSTENTIONS: None  
EXCUSED: None

The Board entered Executive Session at 7:26 p.m. LTD staff present during executive session included Service Planning Manager Tom Schwetz, Director of Customer Services and Planning Andy Vobora, Director of Administrative Services Roland Hoskins, Human Relations Manager David Collier, Director of Operations and Customer Satisfaction Mark Johnson, Internal Auditor Cheryl Munkus, and Finance Manager/CFO Todd Lipkin.

**RETURN TO REGULAR (OPEN) SESSION:** The Board returned to regular session at 7:45 p.m.

**ADJOURNMENT:** Mr. Wildish adjourned the meeting at 7:45 p.m.

LANE TRANSIT DISTRICT:

ATTEST:

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Julie Grossman  
Board Secretary

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Jeanne Schapper  
Clerk of the Board