

MINUTES OF DIRECTORS MEETING
LANE TRANSIT DISTRICT
STRATEGIC PLANNING WORK SESSION

Friday, March 11, 2016

Pursuant to notice given to *The Register-Guard* for publication on March 6, 2016, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a strategic planning work session on Friday, March 11, 2016, beginning at 9:00 a.m., at the Oregon Trail Council - Boy Scouts of America Conference Room, 2525 Martin Luther King, Jr. Boulevard, Eugene, Oregon.

Present: Gary Wildish, President
Carl Yeh, Vice President
Julie Grossman, Secretary
Donald Nordin
Angelynn Pierce
A.J. Jackson, General Manager
Jeanne Schapper, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: Gary Gillespie
Ed Necker

CALL TO ORDER/ROLL CALL: Mr. Wildish called the meeting of the Lane Transit District (LTD) Board of Directors to order at 9:40 a.m. and called the roll.

WELCOME: Ms. Jackson reviewed the agenda and asked the Board if members wished to also receive an update on the Trillium proposal.

Mr. Wildish determined there was consensus to receive the Trillium update following the LTD *Road Map* presentation.

ROLE OF THE BOARD:

General Overview: Attorney Dwight Purdy, of Thorp Purdy Jewett Urness, distributed the following documents: *The Role of the Board, Public Meetings Law, and Contracting Authority Comparisons*. Mr. Purdy said that LTD is a special purpose district providing mass transit service, and the Board is the governing body with the responsibility and authority over all District operations. He stressed that the Board is not just a "policy" body; it has a fiduciary responsibility to the public to assure that the District is operating appropriately. He said that typically, Boards are not involved in day-to-day operations but have much broader powers.

Mr. Purdy gave examples of oversight exercised by comparable governing bodies in the region, including degree of involvement in operations, providing direction to staff, and requesting information and reports on activities of the organization.

Mr. Wildish commented that the Board does receive regular reports on projects but not necessarily details regarding whether or not those projects are meeting schedule and budget targets. Mr. Purdy replied that every Board should establish its own level of involvement in areas of operation appropriate to its fiduciary responsibility to the public for operation of the agency.

Ms. Grossman observed that the District is a very complex organization run by very competent people. There was a tendency to feel that staff could handle issues and keep the Board better apprised of them. She said that her learning curve as a newer Board member is to identify issues with which to become more engaged and determine what questions the Board should be asking in order to complement staff work. The challenge is to achieve the right balance between providing oversight that supported and helped the organization and becoming too involved in operational details.

Mr. Purdy said that each board and organization is different, and it is within the Board's power to proactively determine where that line is.

Ms. Grossman said that she was pleased with Ms. Jackson's efforts to inform and involve the Board in District operations.

Mr. Nordin expressed respect for LTD and its innovative approach to providing transit services. He said that he was an advocate for transportation and that he felt that all of Lane County was not being served as well as it could be. He expressed that he was interested in finding ways to do a better job. He said that he felt it was important that the Board speak with one voice and deliver a consistent message to the community. He stated that he hoped for more discussion of a carbon tax and installation of solar panels on the agency's facilities; and while that was not necessarily the role of a bus company, it was the role of a public agency to use tools to create a better life for everyone in Lane County.

Board Communications: Mr. Purdy agreed that as a general rule, the Board should speak with one voice. He said that typically, boards establish policies regarding communications with the media, other organizations, and the public on behalf of the agency, although it was not a required policy.

Mr. Purdy reminded the Board that Oregon's Public Meeting Law had changed. He explained that previously, board's needed to be concerned about having a quorum of members present at any event. The law was now expanded to include serial communications where a quorum of the Board appear to be deliberating towards a decision. He said that general discussions among members were okay, but individual serial communications among members regarding an issue on which the Board would take action was considered deliberating towards a decision and, therefore, a violation of the law.

In response to a question from Mr. Nordin, Mr. Purdy said that the subject does not have to be a formal agenda item but could be something on which the Board would be making a decision at a future date. He emphasized that the law was not intended to prevent Board members from talking to each other; it only applies to discussions that would result in a decision affecting the agency. Those discussions had to take place at a public meeting. He said that talking to other Board members about the idea of solar panels in general and communicating information about the technology was acceptable; discussions to determine

how members would vote when the Board was going to take action on whether to install panels would cross the line.

Fiduciary Best Practices: Mr. Purdy reviewed a table comparing the contracting authority among transit districts in the state, including LTD, and local jurisdictions. He said that the practice of boards establishing contracting authority limits was common, and the level of staff authority varied from organization to organization. This matter was presented at the request of some Board members who had expressed concern that LTD does not have a contract level at which Board action is required. He said that he felt it was a sound idea that allows the Board to have greater awareness of District operations, particularly large contracts.

Point2point Program Manager Theresa Brand asked the Board to consider the number and nature of LTD's contracts when deciding the level of authority they wished to establish for staff. If the level was too low, it could result in a cumbersome process that might result in lost opportunities.

In response to a question from Ms. Grossman, Finance Manager Todd Lipkin said that LTD has approximately 100 contracts in a year, with 20-40 exceeding \$100,000 over the term of the contract. That amount is the federal authority level that requires a full solicitation rather than three quotes from bidders. He said that there are high dollar contracts for things such as insurance and security. In 2015, for example, there were 98 new contracts, 14 of which were initially over \$100,000. There were other contracts in place that had been executed in previous years and were ongoing. He explained the various levels at which certain types of solicitation and competition are required under federal law.

Mr. Yeh agreed with Ms. Brand that the Board does not want to impose cumbersome restrictions but does need to establish some contract oversight.

Mr. Purdy said that the Board's review of contracts would likely be a high-level look at risks and financial implications for the agency; it would rely on staff to implement and manage the contracts.

Mr. Wildish and Ms. Grossman agreed that it is important for the Board to be aware of contracts and have a bigger picture of how LTD was doing business, but it is unnecessary to become involved in the minutiae of contract administration.

Mr. Purdy said that his firm, at Ms. Jackson's request, was reviewing LTD's contracts and developing standardized language and a contract template, which would streamline contract review for both staff and Board members. The Board would determine the contract authority levels it wanted to establish and decide how it wanted contract information to be provided. He reminded the Board that it was a policy decision and could be modified at any time to adjust to changing circumstances.

Mr. Lipkin said that a number of standard templates were now being used and Mr. Purdy's firm was developing contract language specifically for LTD that would afford it better protection, particularly for larger contracts.

Mr. Wildish added that his concern was less with the scope of work than the liability and *Hold Harmless* provisions of contracts.

Ms. Jackson asked for information on different approaches to contracting authority and contract review so that a new LTD process would not delay contracts or incur additional costs. Mr. Purdy said that it was common for a Board to give the general manager authority to sign or negotiate and sign a contract so it did not need to come back to the Board. He gave the Trillium contract as an example of that type of direction to staff from the Board.

Planning and Development Manager Tom Schwetz said that from a project management perspective, staff are dealing with the issues of scope, schedule, and budget for projects. He said that the most critical aspect of the Board's oversight is to provide certainty about a contract as soon as possible. There are a number of projects moving forward at the same time, so this certainty is an important issue.

Mr. Lipkin asked how a contracting authority policy would be enacted. Mr. Purdy said that a Board resolution should be used to establish contract authority limitations. Mr. Lipkin added that the policy also could be incorporated into LTD's purchasing policy to establish the actual mechanism for contract review.

Regarding check writing, Mr. Purdy said that LTD currently uses electronic signatures without co-signing or limitations on amounts. He reviewed the approaches used by other districts and jurisdictions included in the comparison table.

Mr. Lipkin said that LTD does not require a secondary signature; but all checks are reviewed by the controller, and that process is assessed during the agency's annual audit.

RECESS: The Board was in recess from 10:49 a.m. to 11:00 a.m.

LTD ROAD MAP:

General Overview: Ms. Jackson said that her first actions as the new general manager were to become familiar with the organization, its services, and the community. She and the Board had discussed how the Board could support and assist staff and the agency to better serve the community. *The LTD Road Map*, adopted in June 2016, could serve as a starting point for that conversation. She said that the *Road Map*, which functioned as LTD's strategic plan, incorporated the agency's "Why" statement and provided a way to acknowledge accomplishments, measure current services, and identify future direction in terms of performance. Staff use the *Road Map* to establish outcomes and performance goals. She cited some areas in which actual outcomes were below targets and said that did not reflect poorly on the agency; it meant that factors had changed in ways that were not anticipated when the *Road Map* was adopted. She said that a plan should recognize that all goals would not necessarily align with changes in how the agency operated, and the document should allow LTD to maintain high standards as it grows. It should express LTD's values and desire to maintain a high level of service in all aspects of its operations.

TransitStat: Business Intelligence Analyst Shawna Bigelow explained that TransitStat was a software program developed by the Cleveland transit district to manage its operations. She said that Cleveland, which was a much larger transit agency, uses the program to achieve efficiencies that have resulted in a savings of \$55 million over a five-year period. Cleveland was providing LTD with technical advice and assistance in implementing the program. She described the staffing structure that managed TransitStat information.

Ms. Bigelow explained that LTD had identified two initial projects using TransitStat: 1) stand (nonproductive) time; and 2) miles between road calls (maintenance calls when a bus brakes down). She said that TransitStat had saved LTD an average of 300 hours of stand time per month and increased the miles between road calls from about 5,700 to 8,300 miles. She said that because TransitStat had proven to be very effective, it made sense to incorporate it into *The LTD Road Map*. That incorporation would require a structure to identify, measure, monitor, and report progress in operational areas where improvements could be made. She explained how staff teams identified those areas and proposed TransitStat projects to improve operations, and she illustrated how performance results could be accessed.

Director of Operations and Customer Satisfaction Mark Johnson said that the Board would receive a presentation on benchmarking and performance measures at its next meeting. He said that TransitStat involves everyone in the organization, establishes accountability, and encourages staff to achieve results.

Mr. Wildish said that he was pleased to have measurable results. Marketing Manager Meg Kester said that the TransitStat program was useful in telling LTD's story to the community and gaining credibility, as well as for planning efforts.

In response to a question from Ms. Grossman, Ms. Bigelow said that the initial TransitStat projects were selected because they were low hanging fruit: clearly defined, measurable areas in which improvements could be realized. Future projects would be based on the *Road Map*.

Director of Administrative Services Roland Hoskins said that some future TransitStat projects would involve business problems, and staff were working on how those could be translated into measurable data. He said that LTD spends considerable effort developing the *Road Map*, and TransitStat would make it relevant to everyone in the organization and would involve staff in achieving the District's goals. He said that staff enjoy participating in the program and getting a broader understanding of the organization. TransitStat is a complex process that involves learning and knowledge-building.

Ms. Jackson added that LTD was widely recognized for its achievements in many areas, and TransitStat would help in continuing to monitor performance, compare with other agencies, document results, and inform decision-making. She said that she hoped the *Road Map* would be a document that the Board felt reflected how LTD operated and the engagement of employees and the Board in achieving results. She invited the Board to suggest performance measures for future TransitStat projects.

Mr. Wildish indicated interest in point-to-point trip times, as that was a potential measure of transit as a viable, competitive transportation option for the community.

Ms. Grossman said that she appreciated TransitStat as a guiding infrastructure for performance management, and she commended staff for their desire to foster continuing improvement in the organization. She said that she hoped the Board would see quarterly updates on TransitStat projects and performance results.

Ms. Jackson said that *The LTD Road Map* and TransitStat would help to keep the Board engaged in maintaining high standards for the organization, establishing direction for the agency, and speaking with one voice about LTD, its operations, and its goals.

NEGOTIATIONS WITH TRILLIUM:

Mr. Lipkin summarized the Board's discussion at its March 4, 2016, meeting regarding the operating deficit LTD was experiencing under the current Trillium contract, its direction to staff to negotiate a six-month contract with a long-term goal of continuing the working relationship with Trillium, and assuring the payment structure covered LTD's costs. He used a chart to illustrate how costs had exceeded the current \$7.00 per member per month (PMPM) rate. He said that Trillium had proposed a six-month contract that increased the rate by 20 percent to \$8.40 PMPM, with negotiations to continue on a longer-term contract that would include utilization protections for LTD. He illustrated how an \$8.40 PMPM rate, if in effect for the current contract, would have allowed LTD to build a reserve to protect against unexpected increases in utilization in the future.

Mr. Wildish commented that the Trillium proposal does not accomplish everything he wanted to see, but it does address the present financial concerns. He said that the arrangement with Trillium does include risks to LTD, and he hoped that negotiations would result in a mutually beneficial contract for both parties. He said that he felt that LTD should give 90-day notification to Trillium in order to prevent future losses.

Ms. Jackson said that she told Trillium's chief executive officer that LTD needed to achieve cost recovery under a contract; and while the proposed increase in the PMPM rate would seem to do that, there had to be long-term contract language to that effect. She said that staff have done everything they can to maximize the efficiency of service provision, but the collaboration on information and coordination of transportation could be improved, particularly on Trillium's part. Both parties had something to gain by mandating their respective staff to develop tighter service policies to control costs.

Ms. Pierce asked if Trillium's proposal included any contract changes beyond the increased PMPM rate. Ms. Jackson said that only the increased PMPM rate was proposed. LTD was seeking a longer term contract that would include other protections. She said that if negotiations on protections were not productive by the end of March, the 90-day termination notice would allow LTD to conclude its contractual relationship with no further financial loss. She stressed that even if a 90-day notice was given, it would be with the intention to continue to negotiate with Trillium during the remaining 90 days of the contract.

Ms. Pierce expressed concern that a 90-day notice given shortly after LTD had accepted Trillium's proposal for an increased PMPM rate would create hard feelings.

Ms. Jackson said that she would accept Trillium's proposal on Monday, March 14, 2016, making the new PMPM rate effective retroactive to January 1, 2016.

RECESS: The Board was in recess for lunch from 11:50 a.m. to 12:26 p.m.

EXECUTIVE (NON-PUBLIC) SESSION: Mr. Wildish announced that the Board would now meet in executive session pursuant to ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

MOTION Ms. Pierce moved that the LTD Board of Directors meet in Executive Session pursuant to ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Mr. Yeh provided the second.

VOTE The motion was approved as follows:

AYES:	Grossman, Wildish, Yeh, Pierce, Nordin (5)
NAYS:	None
ABSTENTIONS:	None
EXCUSED:	Gillespie, Necker (2)

The Board entered executive session at 12:27 p.m. LTD staff also present for the executive session included Mr. Hoskins, Mr. Schwetz, Mr. Johnson, and Human Resources Manager David Collier.

RETURN TO REGULAR (PUBLIC) SESSION: The Board returned to open session at 1:02 p.m.

LONG-RANGE TRANSIT PLAN (LRTP): Ms. Jackson said that the LRTP represents a 20-year vision for LTD. It provides a clear understanding of existing conditions and the District's responsibilities; identifies future uncertainties affecting operations and services; establishes a framework of goals, policies, and strategies to address those challenges; and provides performance measures to track progress.

Mr. Schwetz noted that the LRTP was LTD's first long-range plan; previously its long-range elements were embedded in the Regional Transit Plan (TransPlan). It was developed with the long-range plans of regional partners, and all plans included components related to the frequent transit network (FTN).

Ms. Jackson said that all four sections of the LRTP were still relevant and provide guiding principles for the agency for high-level decisions. It was not clear, however, in providing direction for daily decision-making and implementation activities. She listed the plans LTD currently had in place:

- Long-Range Transit Plan (20 years)
- *LTD Road Map*
- Capital Improvement Program (10 years)
- Long-Range Financial Plan (10 years)

Ms. Jackson said that other internal plans included the System Safety Program Plan, Point2point Strategic Plan, and Lane Coordinated Public Transit-Human Services Transportation Plan. She said the plans did not contradict each other, but they were not well aligned, and it was difficult to tie them to each other. External plans with which the District needed to coordinate included the Oregon Transportation Plan, the Oregon Public Transportation Plan, the Statewide Transportation Strategy, the State Transportation Improvement Program, the Transportation Planning Rule, TransPlan, the Regional

Transportation Plan, and the Metropolitan Transportation Improvement Program, with the associated Unified Planning Work Program, Transportation System Plan, and Capital Improvement Program.

Ms. Jackson said that she had reviewed those documents to determine how to manage the organization. She said that the District was doing a good job, but would continue to do the same job unless it thought about the future and, against the backdrop of the guiding plans and other documents, developed an implementation plan or blueprint for the future. She said the LRTP was good, but needed to incorporate internal documents and contain blueprints and measurement tools to determine if the organization was on track. The LRTP could be updated annually and adjusted on a three-year rolling basis. She suggested starting the discussion with a small group to determine if blueprints could actually help manage the District and make long-range decisions about investments, as well as support current needs and vision.

Mr. Schwetz used a chart to illustrate current District initiatives and timelines, including development action in response to community needs and organizational changes. He said that District activities should meet community needs and grow service; a tangible implementation plan could prepare for operational outcomes and future needs.

Ms. Jackson said that a blueprint would help the District plan for funding projects such as the multi-corridor developments being studied in MovingAhead and Main Street-McVay initiatives. It was important to link future projects and timelines to long-range financial planning and identify the amount of funds needed over a ten-year period. Having all the District's plans connected would help inform the Board's decision-making. She said that involving the public and advisory groups in developing a blueprint implementation plan for all District activities would help the public see the big picture and close the communications loop.

Ms. Brand observed that the plan also should consider how to meet rural transportation needs. Ms. Jackson said that an assessment of rural communities demonstrated the need to find a better way to provide public transportation. Even in those communities where the population and demand might not support transit service, LTD could take a leadership role in helping to identify how future needs could be met as development occurred in those smaller communities.

Ms. Grossman said that she appreciated the issues that Ms. Jackson raised. She said the list of documents and groups was daunting, and she liked Ms. Jackson's ideas for aligning and connecting them into a cohesive implementation plan for the future that would make the best use of resources, including the talented people serving on the District's advisory committees.

Ms. Pierce said that she felt it would be worthwhile for individual committees to schedule discussions at their next meetings about their purposes, missions, and duties.

Mr. Nordin commented that in order to perform the role established for LTD under its own internal plans and external plans, it would need to become a larger agency with more assets and more employees; a 10-year plan should anticipate that evolution. Ms. Jackson agreed that its plan should be flexible and able to adjust and adapt in order to meet communities' visions for a transit system in the face of competing needs and interests.

Mr. Wildish said that he was excited at the prospect of making LTD more competitive and well positioned to provide better, more attractive transportation options for people. He said that many neighborhoods were actively engaging in looking at their futures and identifying needs such as convenient and accessible transportation.

Mr. Schwetz demonstrated a service planning tool called Remix that allowed staff to see the impact of adjustments to service.

Ms. Brand suggested that various committees could do their own 10-year visioning around their particular topic to develop a vision of LTD's future from those perspectives, which could collectively inform the Board's planning and decision making.

Ms. Jackson said that one of the issues the Board would need to address is how to provide a framework for public engagement. The Board and staff need a way to assure that every decision is aligned with the District's 10-year vision and implementation blueprint.

Mr. Nordin said that it would be challenging to set forth a vision for the future if additional revenue was not available to support it. He asked if new funds would be available to LTD in the next year's legislative session. Governments Relations Manager Edward McGlone said that a transportation package would be introduced in the 2017 session and would include funding for transit. He listed several issues that could impact the political environment and transportation funding during the session.

Ms. Grossman commented that the challenge was how to integrate all of the issues being discussed into a blueprint to inform the Board's roll in shaping the vision for LTD. She said that many committees were eager to participate in that process.

In response to a question from Mr. Wildish, Mr. Johnson said that the *Breeze* bus service was eliminated during the 2008 service reductions as it was determined that the service the *Breeze* provided could be covered by the Nos. 66/67 buses. Mr. Lipkin added that the guiding principle behind those service cuts was to preserve as much remaining service as possible. The *Breeze* could not cover the same area as route Nos. 66/67; it was seen as redundant service. Mr. Schwetz gave examples of areas in the system where similar decisions were made in the interests of maintaining as much coverage as possible.

Ms. Jackson said that the Board did not need to solve technical problems; it should provide high-level direction that would allow staff to implement the details to achieve long-range goals. She said that some transportation problems might be solved by other transportation options, rather than transit service.

Ms. Grossman observed that the Board's Service Advisory Committee would be an appropriate place for discussions of service details, based on the Board's direction to provide more convenient, faster service; and the Finance Committee should discuss how those service enhancements would be funded.

Mr. Schwetz described guiding principles that TriMet was using to engage its community in discussions on how to improve transit. Those included the ability to get from anywhere to anywhere in the Portland metro area using transit, making transit faster and more connected, and making it safer to walk to and wait for transit.

Ms. Brand added that transit also has a role as mobility manager, providing the best transportation options to meet an individual's needs.

In response to a question from Mr. Nordin, Mr. Schwetz said that the Metropolitan Planning Organization (MPO) compiled data that tracked mode shares over time, but he was not certain if that included associated costs.

Mr. Nordin said that having data available and educating the public about the cost of transportation, particularly personal transportation, could help people make decisions to shift from one mode to another.

Mr. Wildish commented that the Board needed to focus on providing guidance at a higher level. Ms. Grossman added that all of the conversations were important; and the Board should provide a structure within which conversations could occur, with that information being funneled into the District's blueprint.

Ms. Jackson said that the process she had proposed would provide an opportunity to tie all of the pieces together into a framework established by the Board that would better inform staff decision making.

Mr. Schwetz said that the LRTP was developed to provide goals and policies so that staff could interact and coordinate with agency partners, but there were not enough resources to engage the rest of the organization in creating an implementation blueprint.

Ms. Jackson said that the EmX Steering Committee could help develop a sketch of the blueprint for the 10-year plan. The Service Advisory Committee could look at the preliminary design and discuss what local connector community service might be. Those conversations could form the basis of moving forward with a blueprint for plan implementation.

Mr. Schwetz described the formation of the EmX Steering Committee, which focused on bus rapid transit. He commented that perhaps that focus was no longer necessary to that committee; it could function more as a planning committee in terms of making recommendations to the Board on a broad range of issues.

Ms. Grossman suggested that the name could be changed to Corridor Committee because LTD was now focused on developing major arteries with different service options and levels.

Ms. Pierce pointed out that the Main Street-McVay Committee was moving forward on the development of a corridor in Springfield.

Mr. Wildish observed that the discussion went beyond transit and included regional transportation options.

Ms. Jackson stated that a tight network of service was needed to make transit viable; and outside of that, other transportation options could provide access and mobility.

CONCLUSIONS AND NEXT STEPS:

Ms. Grossman said that she felt the time was right to revisit all of the issues that had been discussed, to work closely with partners, and to draw a blueprint to guide implementation.

Ms. Pierce said that she hoped to see some time available on the next meeting agenda to discuss how to move forward.

Mr. Wildish suggested that Board members review the current LRTP and consider whether or not the higher-level goals needed to be adjusted. Staff also could suggest areas that the Board could address at those levels. Those could be discussed over the next two or three Board meetings.


Mr. Johnson said that those discussions could become a standing agenda item for Board meetings.

Ms. Grossman commended Ms. Jackson for taking the initiative to engage the Board in a discussion of how to better plan for the future of LTD. She added that she had received very positive feedback from community members who had met Ms. Jackson.

Ms. Kester encouraged staff present to communicate to remaining District staff regarding what had been discussed during this meeting and the next steps in the process. Mr. Wildish concurred.


ADJOURNMENT: Mr. Wildish thanked everyone for their participation and adjourned the meeting at 2:35 p.m.

LANE TRANSIT DISTRICT:



Julie Grossman
Board Secretary

ATTEST:



Jeanne Schapper
Clerk of the Board

Date Approved: 4/25/16