MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, November 17, 2004

Pursuant to notice given to *The Register-Guard* for publication on November 11, 2004, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held its regular monthly meeting on Wednesday, November 17, 2004, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Gerry Gaydos, President
Susan Ban, Vice President
Pat Hocken
Virginia Lauritsen
Dave Kleger
Hillary Wylie
Ken Hamm, General Manager
Jo Sullivan, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: David Gant

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

ROLL CALL - General Manager Ken Hamm called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Mr. Gaydos observed that the past two months had been quite busy. He said the Springfield Station dedication was a wonderful event and he had been receiving many positive comments from the community about the facility. He thanked Ms. Ban for her dedication as vice president of the Board and Mr. Hamm for his testimony at a joint meeting of the Springfield City Council and Planning Commission.

ANNOUNCEMENTS AND ADDITIONS TO AGENDA – There were none.

BOARD CALENDARS – Ms Ban asked that dates for the January Board retreat be determined as soon as possible so members could get them on their schedules.

Mr. Hamm noted that LTD's administrative offices would be closed on the day following Thanksgiving.

WORK SESSION

A. Franklin Corridor EmX Status Budget Report – Assistant General Manager Mark Pangborn stated that a preliminary review of the budget at the end of design and beginning of construction indicated that the estimated cost of the project exceeded the budget by approximately $2.5 million. He said that budget overruns could be addressed either by cutting the budget or reallocating funds from other projects; staff had explored a number of options and were recommending an approach that incorporated design changes with budget increases. He said the recommendations were developed in consultation with project engineers, architects, traffic engineers, and LTD staff and included examination of 29 options that were costed out and reduced to the final set of recommendations. He said those would be reviewed with the Board and the Board's direction would be shared with project partners such as the Federal Transit Administration (FTA), Springfield, Eugene, Lane County, and the Oregon Department of Transportation (ODOT); their input would be provided to the Board at its December 2005 meeting, at which time the Board would be asked to make a decision.

Mr. Pangborn distributed and reviewed a spreadsheet entitled "EmX Franklin Corridor Project Budget: Recommended Budget/Scope Changes." He pointed out that the current project scope totaled $20,491,750, with $17,926,987 budgeted. The recommended adjustments would result in a project scope that totaled $18,720,063, with $18,864,487 budgeted. He listed the recommended design changes and budget increases and explained the impact of each:

- Eliminate Main Street exclusive EmX lane $ 153,000 net savings
- Glenwood/Lexington stations curbside 948,252 net savings
- Eliminate fare machines 510,000 net savings
- Eliminate concrete crosswalks 160,435 net savings
- Reprogrammed federal funds 937,500 budget increase

Mr. Pangborn used an aerial photograph to illustrate aspects of eliminating the Main Street exclusive transit lane. He noted that traffic signals along westbound Main Street were on a timed sequence and traffic flowed smoothly. There was no great benefit to an exclusive lane, since a portion of it had to be shared with left-turning vehicles and traffic engineers had determined that it would lack an adequate turn radius to accommodate trucks. He said that an exclusive lane would not provide a time gain and would present some serious traffic problems; therefore, elimination of the lane would not compromise service.

Ms. Hocken asked if a left-turn pocket at intersections would prevent left-turning vehicles from holding up traffic. Mr. Pangborn replied that it would be an advantage only if cars were backed up on the cross street, which was seldom the case, and a left-turn pocket could be added at a later date if necessary.

Mr. Gaydos emphasized the need to explain clearly to the public the rationale for conceding exclusive right-of-way beyond simply the cost-cutting issue and LTD's continued commitment to bus rapid transit (BRT) goals.

Ms. Hocken asked if a queue-jump lane at the eastern end of Main Street was feasible. Mr. Pangborn said that a queue-jump lane could present problems with timed signals and traffic flow.

Mr. Kleger cautioned that elimination of exclusive lanes that currently were not needed should include retention of the option for those lanes if needed in the future.

Ms. Wylie arrived at 6 p.m.

Mr. Pangborn illustrated on an aerial photograph the proposal for curbside instead of median stations at the Lexington Avenue/Franklin Boulevard and Glenwood Boulevard/Franklin Boulevard locations in Glenwood. He said that having raised platform curbside stations would avoid the dilemma of possibly having to relocate stations if Franklin Boulevard were straightened. They still would resemble BRT stations, provide good access from surrounding residential areas, and eliminate the need for property acquisition and addition of a traffic signal. He said the stations were movable and could be relocated if necessary as part of Glenwood redevelopment activities; exclusive right-of-way and median stations remained long-term BRT strategies for the Glenwood area.

Ms. Hocken expressed concern that the political record indicated clearly that full BRT development in Glenwood was still the plan and foregoing median stations and exclusive right-of-way were interim and temporary strategies.

Mr. Hamm stated that LTD needed to be a full and active member of any group working on a Glenwood redevelopment plan so that transit was a prominent element in the urban renewal district.

Ms. Lauritsen asked if costs had been estimated for eventually replacing the dropped BRT elements. Mr. Pangborn replied that constructing elements later would be more expensive due to inflation; the current cost of the Glenwood Boulevard station was $700,000, although a portion of that was due to property acquisition. Mr. Hamm added that full BRT development with exclusive right-of-way and median stations at the time of Glenwood redevelopment was likely to cost approximately $5 million to $6 million per mile and would require $4 million to $5 million in federal funds with a 20 percent local match.

Ms. Hocken said the most compelling argument for eliminating the median stations was the potential relocation of Franklin Boulevard.

Facility Services Manager Charlie Simmons said that a full BRT design in unison with redevelopment in the area would help share the costs. Senior Strategic Planner Lisa Gardner added that FTA funds would have to be reimbursed if expended on a project with less than a 20-year use. She said that LTD's participation on the Metropolitan Policy Committee (MPC) afforded it an opportunity to discuss funding with local planning partners.

Mr. Pangborn said the initial design called for two fare machines per station to avoid onboard fare collection that would slow transit vehicles; however, most riders in the Franklin corridor either had fare instruments or were through-passengers who paid their fares elsewhere. He said that if the system were free in the corridor, the only people who likely would ride for free would live in the corridor and had a destination within the corridor. He pointed out that eliminating the fare machines also avoided the cost of maintenance, repairs, and fare checking.

Mr. Kleger asked if installing a fare machine at the Springfield Station or having a tenant sell fare instruments had been considered. He said a significant number of people boarded in the University of Oregon area and rode to Glenwood; a fare instruments at the University station also could be helpful. Mr. Simmons said that those options would be explored further.

Mr. Kleger urged that anything resulting in a free fare situation should be identified as temporary; otherwise, people would be unhappy when fares were collected.

Ms. Hocken said it could also be helpful to have fare monitors available if the machines were eliminated in order to determine what percentage of riders did not pay fares, not for enforcement purposes.

Mr. Pangborn said the final cost-cutting suggestion was elimination of concrete crosswalks that were designed into stations as a "branding element" to designate access and to be a visual cue to the community.

Mr. Pangborn said that the revenue increase was based on a discretionary federal grant, plus local match, that was not anticipated in the budget and added $937,500 to the revenue stream. The budget increase plus cost-cutting measures resulted in a balanced budget.

Ms. Hocken commented that safety concerns had been raised regarding median stations and it was important to assure that whatever crosswalk treatment was used in lieu of concrete did not present safety problems. Mr. Pangborn acknowledged that concrete crosswalks were the most difficult item to recommend cutting and staff could explore ways to return it to the budget if that was the wish of the Board. Mr. Simmons said that any extra contingency during the project could be used to add back elements and that concrete crosswalks were a good example.

Mr. Kleger suggested a crosswalk treatment that was more intense than a typical crosswalk but within the budget, with the understanding that the more permanent design of concrete crosswalks would be implemented when funds became available.

Ms. Wylie agreed with the concept of fare machines at the Springfield Station. Mr. Simmons said that the possibility of selling fares also would be discussed with tenants at the station. He said that Burrito Boy was the first tenant in the new station.

Mr. Gaydos asked if the Board wanted to review any of the other cost-cutting measures considered by staff that were not part of the recommendation. Board members indicated that they were satisfied with the staff review and recommendation.

EMPLOYEE OF THE MONTH - Transit Operations Manager Mark Johnson introduced Bus Operator Kevin Kenworthy, who was selected as the December 2004 Employee of the Month. He said that Mr. Kenworthy's nomination was based on going beyond the call of duty to help his guests. Mr. Kenworthy thanked LTD and the Board for the award.

Mr. Hamm acknowledged Human Resource staff member Steve Rayack, Bus Operator Lisa Nicholson, and Bus Operator Carl Faddis for their efforts in organizing the LTD United Way Drive.

AUDIENCE PARTICIPATION – There was no one wishing to speak.

ITEMS FOR ACTION AT THIS MEETING

MOTION **A. Consent Calendar** – Mr. Kleger moved adoption of LTD Board Resolution No. 2004-033: "It is hereby resolved that the Consent Calendar for November 17, 2004, is approved as presented." Ms. Hocken provided the second. The Consent Calendar consisted of the minutes of the

October 11, 2004, special Board meeting and the October 20, 2004, regular Board meeting, and LTD Disadvantaged Business Enterprise (DBE) Program and Policy.

VOTE The Consent Calendar was approved as follows:
AYES: Ban, Hocken, Gaydos, Kleger, Wylie, Lauritsen (6)
NAYS: None
ABSENTIONS: None
EXCUSED: Gant

B. Drug and Alcohol Program – Director of Human Resources and Risk Management Mary Neidig reported that the program, in accordance with the Board's direction, had been submitted for review by legal counsel, whose recommendations had been incorporated into the policy. She said that while the changes were not substantive, there were a sufficient number of them to warrant providing another copy to the Amalgamated Transit Union (ATU) representatives and FTA auditors before submitting a final version to the Board for review and approval. She recommended that the item be placed on the December 2004 regular meeting agenda.

Mr. Gaydos agreed with the recommendation.

C. Metropolitan Policy Committee (MPC) Adoption of the 2004 Regional Transportation Plan (RTP) Update – Mr. Gaydos stated that the important aspect of the RTP update was that it was a federal requirement that consisted of minor revisions to the current plan, and that there had been appropriate public involvement. He said the significant revisions from LTD's perspective were related to incremental BRT development and scaling down the extent and cost of corridor miles, which recognized that full BRT development would not be completed as quickly as originally assumed. He said that he and Ms. Ban had discussed the revisions to BRT development assumptions with local elected officials and that there seemed to be good understanding of and support for the changes. He said that the RTP update would need to be adopted by the MPC on or before December 12, 2004, in order to remain in compliance with federal requirements for a Metropolitan Planning Organization (MPO).

Ms. Gardner added that the Board was being asked to take action on a recommendation to the MPC to approve the update at its December 2004 meeting. She said that LTD was not legally required to adopt the update, but local governments were; however, Board direction to its MPC representatives would demonstrate support for the plan. She noted that a joint open house with ODOT was scheduled for December 1, 2004, for both the RTP update and the Surface Transportation Improvement Program (STIP) update for 2006-2009.

MOTION Ms. Hocken moved adoption of LTD Board Resolution No. 2004-035: "Resolved, that the Lane Transit District Board of Directors hereby recommends approval of the 2004 Regional Transportation Plan Update by the Metropolitan Policy Committee at the December 9, 2004, MPC meeting. Mr. Kleger provided the second.

VOTE The motion was approved as follows:
AYES: Ban, Hocken, Gaydos, Kleger, Wylie, Lauritsen (6)
NAYS: None
ABSENTIONS: None
EXCUSED: Gant

D. General Manager Compensation – Mr. Gaydos said the purpose of the discussion was to review materials requested by the Board and make a recommendation on any salary or benefits adjustments for the general manager so it could be incorporated in the budget process.

Ms. Neidig reviewed the materials provided to the Board, which included:

- A summary of the general manager's salary history
- A summary comparison of local chief executive officer (CEO) salaries and benefits
- Lane County Human Resource Association survey data results
- A comparison of the general manager's salary and benefits with CEO salaries and benefits of similarly sized transit districts

In response to a question from Ms. Wylie, Ms. Neidig said that a 1 percent cost of living allowance (COLA) increase was granted to administrative staff effective July 1, 2004.

Mr. Gaydos noted that a recent evaluation of the general manager had given his performance high marks.

Ms. Hocken commented that it was important to be sensitive to the increase given to administrative employees as well as what was being offered to union employees, even though the Board might wish to grant a larger increase to the general manager and employees. She pointed out the significant increase in the cost of health insurance.

Ms. Wylie agreed with Ms. Hocken's comments about the wish to grant an increase, but the need to be mindful of what was provided to other employees

Ms. Lauritsen commented that rather than looking at past increases and increases for other employees, the Board should remember the recent evaluation and consider the leadership and management skills of the general manager when determining compensation. She suggested that an increase could be retroactive to July 1, 2004, as the general manager had not received an increase at the same time that administrative staff did.

Ms. Hocken said she could support an increase retroactive to July 1, 2004, and an additional increase budgeted for next year.

Mr. Gaydos asked if there was any indication of what increase was considered for administrative staff for next year. Director of Finance and Information Technology Diane Hellekson said it was likely to be between 2 and 3.5 percent.

Ms. Hocken said she was not comfortable with offering more than 2 percent retroactively and then tying a raise next year to the percentage offered to administrative staff. Ms. Wylie concurred with Ms. Hocken's suggestion.

Mr. Kleger commended Mr. Hamm's performance and remarked that he would grant a 4 or 5 percent increase if the funds were available; however, he did not want to grant a larger increase than was being offered to employees and was in support of a 2 percent increase, although not retroactively. He noted it was important to synchronize the Board's action on the general manager's compensation with the budget cycle.

Ms. Wylie pointed out that the last increase to the general manager's salary was in April 2003 and a retroactive increase was justifiable.

In response to questions from Board members, Mr. Hamm said he had declined an increase in the 2004-05 budget and felt it was important to lead by example. He did not want to be treated differently when employees were being asked to make concessions. He indicated that he was not interested in a retroactive increase, but would consider an increase in the car allowance effective January 2005 and a salary increase in 2005 consistent with the percentage offered to employees, based on the Board's determination of whether an increase was merited.

MOTION Ms. Ban moved to increase the general manager's car allowance to $400 per month and increase compensation by 1 percent effective January 1, 2005, and tie the general manager's 2005-06 salary increase to the percentage increase granted to administrative staff. Mr. Kleger provided the second.

VOTE The motion was approved as follows:

AYES: Ban, Hocken, Gaydos, Kleger, Wylie, Lauritsen (6)
NAYS: None
ABSENTIONS: None
EXCUSED: Gant

Mr. Hamm pointed out 2005-06 goals he had drafted and suggested those could be reviewed at a meeting in the near future.

ITEMS FOR INFORMATION AT THIS MEETING

A. Current Activities

Board Member Reports – There were no questions or comments.

<u>Metropolitan Policy Committee</u> – November 18, 2004 meeting
<u>Salaried Employees Retirement Plan/ATU Pension Plan Trustees Meetings</u> – rescheduled to January 2005

General Manager's Report – Mr. Hamm commented that there was a demonstration project through the Commuter Solutions program called "Smart Ways to School" and more information was available upon request. He said the project provided youth passes through Lane Educational Service District (ESD) that could be tax credited to a corporation. He said the corporation would pay back ESD and ESD would pay LTD for the passes. He said the concept was to reduce the number of commuter trips made to deliver students to and from school by offering the passes and educating students and parents about available transit services. He said that the passes, funded through businesses, were available free to all students at participating schools, which included Willamette, North Eugene, and Thurston high schools and all alternative schools.

Monthly Financial Report – Ms. Hellekson noted that the Board should be cautious about the implications of percentage changes from year to year; the more relevant statistic was a comparison of actual to plan instead of actual to last year. She said that receipts were running about $190,000 ahead of plan in the current year, possibly because the major taxpayer with whom LTD was involved in litigation was now filing complete returns. She said there also were a number of major public construction projects under way and hoped that the Department of Revenue review would verify the revenue as belonging to LTD as it was needed to offset the fuel cost overrun.

Ms. Wylie asked if alternate ways to purchase fuel had been explored as a means of reducing the cost. Mr. Hamm replied that a consortium of properties in Washington and Oregon to purchase fuel in greater bulk had been discussed, but it was not certain that would significantly reduce LTD's costs; staff would continue to explore ways to lower costs. Ms. Hellekson added that LTD currently bought fuel in bulk and negotiated contracts for specific margins.

Pioneer Parkway Corridor Bus Rapid Transit Goals and Performance Objectives – There were no questions.

Health Care Comparison Data – There were no questions.

Correspondence – There were no questions.

B. Monthly Department Reports – Ms. Hocken asked for an update on problems with implementation of the APC/AVL project. IT Manager Steve Parrott said the project was to collect data and one of the data points was vehicle passenger counts. He said that the vendor had demonstrated at this point that to the best of its abilities it could reach a 92 percent accuracy of data on passenger counts while LTD required 95 percent accuracy. He said that more effort to increase the accuracy was unlikely to result in a benefit and it was probable that the system design at a lower accuracy rate would be acknowledged as the deliverable and compensation under the contract adjusted appropriately as the data was somewhat useful.

Ms. Hocken asked if the lower rate of accuracy was acceptable to the federal government. Mr. Parrott replied that 95 percent accuracy was required based on statistical survey processes, and that the FTA allowed for an alternate reporting method that required evidence of statistical accuracy through alternate sampling processes that met reporting requirements. He said that LTD had contracted with a statistician to develop an alternate sampling program that would meet federal requirements.

Ms. Hocken inquired as to the accuracy of Automatic Vehicle Location data provided by the Transit Master system. Mr. Parrott said that the AVL component of the software was working reliably and well.

Ms. Neidig reported that labor contract mediation was scheduled to begin November 22, 2004.

ADJOURNMENT: There was no further discussion, and the meeting was adjourned at 7:35 p.m.

Board Secretary

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