

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

ADJOURNED WORK SESSION

Tuesday, June 10, 1986

Pursuant to notice given to *The Register-Guard* for publication on June 5, 1986, an adjourned meeting of the Board of Directors of the Lane Transit District was held on Tuesday, June 10, 1986 at 6:00 p.m. at the Red Lion Motor Hotel, Springfield.

Present: Janet Calvert, President, presiding
Peter Brandt, Treasurer
Janice Eberly, Vice President
Gus Pusateri
Rich Smith
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: Joyce Nichols
Larry Parducci, Secretary

CALL TO ORDER: The meeting began at 6:00 p.m. with dinner and a staff introduction of topics to be discussed. Ms. Loobey introduced Roger Martin, Executive Director of the Oregon Transit Association, the District's lobbyist in Salem.

OREGON STATE LEGISLATIVE AGENDA: Mr. Martin talked about his background and the lobbying activities of the Oregon Transit Association (OTA). He stated that Ms. Loobey had been president of the OTA several times, and that the organization likes having her as president when the Legislature is in session because she is very good at speaking to legislative committees.

Mr. Martin talked about a transit needs study done by the State Public Transit Division, for which OTA paid 20 percent of the costs. One of the major issues facing public transit is financing, which will be an important issue for discussion in the next legislative session.

With the election of a new Governor next fall, new transportation directors will also be appointed. Mr. Martin thought that the gubernatorial candidates seem to have a more positive outlook toward transit, and their appointees will probably share that philosophy.

Ms. Loobey said there were three issues of concern to transit which will be addressed during the next legislative session. They are: (1) an attempt to make the Tri-Met Board of Directors elected instead of appointed; (2) mandatory binding interest arbitration; and (3) local

financing. Mr. Martin said he did not foresee any attempts to change the payroll tax base, especially since Tri-Met lost in its latest taxing issue.

Mr. Martin stated that he is spending about half of his time on the issue of tort liability. He thought that the legislators would listen to transit leaders like Phyllis more than they would to people such as bank presidents, etc., on this issue.

Mr. Martin explained that he is an independent lobbyist. OTA is the largest group for which he lobbies; United Grocers, circuit court judges, and the metropolitan service district are others.

Dr. Smith asked what the Board members could do to support issues which are good for transit. Mr. Martin replied that the most important thing the Board could do would be to contact legislators when they are about to vote on an issue, since the voice from back home is the most influential voice they will listen to. He said that Ms. Loobey had been very good about this kind of contact, but that it would be helpful if the Board members were involved, as well. He added that another possible way to help would be to hold a meeting with the Tri-Met Board of Directors, to discuss issues of mutual importance and to help an all-new board see how a cooperative, smoothly-running board can work.

Ms. Loobey explained that the LTD Board of Directors had assigned to her the day-to-day monitoring of the legislature, which she does to a large extent through OTA. She sometimes calls Board members to see how they feel about certain issues and Ms. Calvert has occasionally gone to Salem to testify, or talked to legislators on the telephone, but, for the most part, the Board has not been active in the day-to-day legislative activities.

JOINT MEETING WITH TRI-MET BOARD OF DIRECTORS: Ms. Loobey said that she had talked to Ms. Calvert and Mr. Martin about the possibility of a joint meeting with the Tri-Met Board of Directors. She thought it would make sense to discuss legislative issues which are important to both transit districts, to be sure that they agree on the issues as much as possible when testifying before the Legislature. Mr. Martin suggested a weekend retreat, in which the Board members could get to know each other on a social as well as a business level. He thought it could begin on Friday evening with a social hour, meetings on Saturday, with dinner supplied by OTA, and departure for home on Sunday. The meeting would include Sherm Flogstad from Medford, who is the president of OTA, and who made the original request for a joint meeting, and Mr. Martin would also hope to include one or two general managers from Vancouver or Seattle, to aid in the discussion. He said that the general manager of Tri-Met, Jim Cowan, and the chairman of the Tri-Met board are both interested in such a meeting. Mr. Martin asked if the Board could meet as early as the last weekend in June, because of the importance of the issues and the newness of the Tri-Met board. However, the LTD Board members who were present stated that they would agree to participate in such a meeting only if

there were a clear-cut agenda and a neutral facilitator, and if the LTD Board members were more prepared regarding the issues. It was decided that a meeting in late summer or early fall would be more reasonable. The agenda will be developed by Ms. Loobey, Mr. Martin, and Mr. Flogstad. Ms. Loobey said that Les White, of Vancouver, Washington, would be a good neutral facilitator if he is available. The meeting would be actually organized and convened through the auspices of OTA, for the benefit of transit in the state. It would be public information that OTA would be sponsoring a retreat for new members to talk about the role of long-range planning in a public entity.

Ms. Eberly wondered if the Board's attention should be directed toward the Legislature rather than Tri-Met on specific issues. Ms. Loobey replied that, if the two boards are totally opposed on specific issues, then the LTD Board can direct her to testify in a specific way to the Legislature. However, if the two boards are in agreement, then a united policy direction from both boards can be directed toward the legislators. She added that Tri-Met and LTD have been on the opposite sides of issues before the Legislature before, and they have agreed that they disagreed and presented their own sides to the Legislature. There have been instances in the past where Tri-Met has asked LTD to testify in favor of issues which do not affect LTD, so there is a history of that kind of cooperation. Since all seven Tri-Met Board members are newly appointed, part of the retreat can be to show them that there is a transit district 100 miles away that deals with similar issues, as well as how the LTD Board has dealt with certain kinds of issues, and to help them understand that what they do has a potential impact on LTD.

The Board members were in favor of Mr. Martin checking with Tri-Met to see if there is enough support for the idea of a joint meeting to make it successful, and preparing an agenda for discussion. Ms. Loobey said that staff would keep the Board informed about these issues.

PRIVATIZATION: Mark Pangborn, Director of Administrative Services, talked about the new federal requirements for subcontracting. He stated that LTD does support subcontracting as a cost-effective tool in specific areas. Subcontracting is presently used for specialized expertise, such as legal services; limited needs, such as replacement of broken windows; specialized equipment, especially if the equipment is expensive, such as for wheel alignment; and when costs are lower, such as for shelter maintenance. Criteria used by the District for subcontracting are the availability of qualified and reliable contractors, and the needs of the operating system. Subcontracting amounts to 7 percent of the Fiscal Year 1986-87 budget. Examples in administration are legal counsel, audits, armored car service, market research, bus advertising, architect, and labor negotiations. Examples of subcontracting services being used in maintenance are building and ground maintenance, bus stop shelter maintenance, glass replacement, wheel alignment, and reupholstery. In the provision of service, service for the elderly and handicapped is subcontracted out because it is cheaper and more effective.

Mr. Pangborn stated that staff see little change from present policy for the next fiscal year, especially in the administrative area. In maintenance, the District will have to look at value engineering for the new maintenance facility. Federal officials say that LTD will need to look at subcontracting that the District is now doing and some areas that could be subcontracted, and a detailed study will need to be made of these activities in the new facility. Mr. Pangborn stated that for two years the District has been trying to put a subcontracted feeder loop system in Junction City. This issue will be going to arbitration with the Union in August; specifically, the issue is whether the present labor contract, as interpreted by an arbitrator, allows LTD to contract out service in low productivity areas.

Mr. Pangborn stated that the view of the Urban Mass Transportation Administration (UMTA) is that any activity can be subcontracted, and transit districts should push as much as they can to the private sector, without concern for service needs, etc. The federal position is otherwise unclear, however. The staff recommendation is that the District continue on the current course, making local decisions based on stated criteria. He asked if the Board had concerns regarding this process.

Dr. Smith wondered if UMTA was telling the District that a certain percentage of its operation has to be subcontracted. Mr. Pangborn stated that the initial UMTA directive was for 5 percent next year, 10 percent in FY 87-88, 15 percent in FY 88-89, and 20 percent in FY 89-90. He said that LTD will at least meet the 10 percent goal in the next two years. Dr. Smith then wondered what the penalty would be for noncompliance. Mr. Pangborn replied that UMTA could withhold or cut federal funding, and would probably delay funding, while applying intense political pressure. Ms. Loobey stated that the goals have no real basis, and that the reporting requirements are onerous in their level of detail. She added that UMTA is not recognizing what LTD has done to this point, and that the District has had to do a lot of additional reporting in regard to the facilities project. The regulations are not yet in place, but UMTA staff are not making the commitment with funding until they see that LTD is making a good faith effort in the area of subcontracting.

Ms. Loobey added that the Small Operations Committee of the American Public Transit Association (APTA), of which she is chairman, is opposed to the way the regulations are drafted, and feels that the additional requirements are onerous and costly.

Dr. Smith thought the District was on the right track. Mr. Brandt thought that more government agencies should be looking at privatization, because there is a lot of duplication of services and money is being wasted. Ms. Loobey said that the worst part of the issue is that the Eugene/Springfield area has the same requirements that east coast transit systems have, and the issues are different. Transit operators are unhappy with what the federal government is requiring them to do, when the guidelines for comparison are not yet known. The government has also not given transit districts any flexibility on the labor protection side, so

there are problems in trying to meet goals for the subcontracting of service while complying with past 13(c) agreements, which require protection of jobs of contract employees.

Mr. Brandt commented that the District should not spend a lot of time or money fighting this issue, but should try to meet the criteria. Mr. Pangborn stated that staff would continue to handle privatization as a local issue, and if privatization makes sense, based on the stated criteria, it will be done.

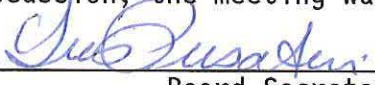
SURVEY OF THE BUSINESS COMMUNITY: Staff had distributed to the Board members copies of the results of a survey of the business community. Ms. Loobey stated that this is the first survey in which the District has just asked questions of the business community. Staff were continuing to analyze the significance of the survey results. Ed Bergeron, Marketing Administrator, stated that the business community is an important opinion group regarding transit issues. This is the first study which has been done to test how aware they are of what LTD is doing, as well as what kinds of issues are important to them. He said that, at a future meeting, staff will give the Board more information about what the results mean and where the District should go with the issues discussed in the survey.

Dr. Smith stated that the more he knows about LTD, the more impressed he is with how things are run. He thought that whether or not they were for or against public transportation was not a key issue for the business community, but whether or not the bus service was being run in a miserly enough fashion to suit their needs. He stated that more information on how the District is run, including productivity criteria, etc., should be distributed to the public through civic organizations. Mr. Brandt was surprised that fiscal management barely received an average rating.

The Board members asked to have a list of the survey respondents, without knowing what answers were given by each. They felt that there could be target industries which are paying taxes but not hearing about LTD. Mr. Brandt commented that the survey was taken while everyone was paying their taxes in early April. He was concerned that the smaller businesses are not as organized as with the Chambers of Commerce, and wondered how the District could reach them with more information. Ms. Eberly thought it was personal contact rather than a printed annual report which carried more information to the taxpayers.

EUGENE IN MOTION PRESS CONFERENCE: Ms. Loobey reminded the Board members that a press conference regarding the Eugene in Motion campaign would be held the following morning, and invited any of them to attend. Ms. Calvert was scheduled to speak at the press conference.

ADJOURNMENT: With no further discussion, the meeting was unanimously adjourned at 9:30 p.m.


Board Secretary