

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL MEETING

Tuesday, November 18, 1986

Pursuant to notice given to *The Register-Guard* for publication on November 15, 1986, a special meeting of the Board of Directors of the Lane Transit District was held on Tuesday, November 18, 1986 at 7:30 p.m. at the Eugene City Hall.

Present: Janet Calvert, President, presiding
Keith Parks
Gus Pusateri, Secretary
Dean Runyan
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: Peter Brandt, Treasurer
Janice Eberly, Vice President
Rich Smith

OATH OF OFFICE FOR TWO NEW BOARD MEMBERS: Dick Bryson, District Counsel, was present to administer the oath of office to two new Board members who had been confirmed by the Senate on November 6, 1986. The two new members, Keith Parks and Dean Runyan, then took their places at the table as full members of the Board.

CALL TO ORDER: Ms. Calvert called the meeting to order at 7:30 p.m. She welcomed Mr. Parks and Mr. Runyan, and said they had been attending Board meetings for several months and that she knew they would make a valuable contribution to LTD.

BUS RIDER OF THE MONTH: Ms. Calvert introduced Andy Vobora, Customer Service Manager, who explained the new Bus Rider of the Month program. He said that the program had been designed by Marketing Representative Ronnel Curry to honor and recognize bus riders in the same manner as the Employee of the Month program. Nominations are received from patrons and employees, and a committee selects a candidate each month. Mr. Vobora then introduced Sandy Hartford, Customer Service Representative, who is a member of the selection committee with him, and said that a third member, bus operator Will Mueller, could not be present that evening.

Mr. Vobora then introduced Jose Lopez, who had been chosen as the first Bus Rider of the Month in October. He said that Mr. Lopez is a frequent bus rider who was nominated by nine drivers, and had already received his lapel pin.

Next, Mr. Vobora introduced Paul Bonney, the November Bus Rider of the Month, who is already known to the Board because he is a member of the

District's Budget Committee and usually attends Board meetings, as well. He presented Mr. Bonney with a certificate of appreciation in testimony of LTD's appreciation for Mr. Bonney's support, and a certificate for one month's bus pass. Mr. Bonney stated that he was gratified to see bus riding increasing all the time.

EMPLOYEE OF THE MONTH: The November Employee of the Month, Lanier Lobdell, was present to be introduced to the Board. Ms. Lobdell has been a part-time driver for LTD for approximately 18 months and has earned her one-year safe driving award. Her attendance has also been excellent. Ms. Calvert congratulated Ms. Lobdell on her selection, and stated that it was nice to be able to honor one of the newer drivers, after having met a number of drivers who had been working for longer periods of time. She added that Ms. Lobdell had been nominated by patrons, which is a tribute to her as a bus operator.

AUDIENCE PARTICIPATION: No member of the audience wished to participate at this time.

MOTION

APPROVAL OF MINUTES: Mr. Pusateri moved that the Board approve the minutes of the October 13, 1986 special meeting and the October 15, 1986 regular meeting as distributed. The motion was seconded by Mr. Parks, and the minutes were approved by unanimous vote.

VOTE

OREGON TRANSIT FINANCE STUDY: Ms. Calvert introduced this topic by stating that Ms. Loobey would be making comments and then asking the Board for direction. Ms. Loobey explained that the Oregon Transit Finance Study was done at the request of the Oregon Transit Association (OTA) more than a year ago, in cooperation with the Oregon Public Transit Division (OPTD), and was funded by the Urban Mass Transportation (80 percent) and OPTD (20 percent). It documents the needs of transit in the entire state, and makes a series of recommendations regarding transit financing.

Ms. Loobey stated that her concerns are not with the technical process of the study, but with the process by which the study is to be taken to the Oregon Legislature. At the last OTA Board meeting, Ms. Loobey raised her concerns that it is not appropriate for OTA to take a position on the recommendations before they are reviewed and commented upon by the governing boards of the state's transit districts. The Executive Committee of the OTA was scheduled to meet the following Friday to discuss the recommendations and priorities for political action. She said she believed it was important for the Board to review and understand some of the implications of the study. Additionally, since the study has implications for the entire state, she thought it was important for the boards of directors for the major transit districts in the state to have an opportunity to comment.

Ms. Loobey stated that the Oregon Transit Finance Study is not a document which is complete and final. She thought it was very important for OTA to list the recommendations in priority order, and to determine barriers for success and then a plan of action. She added that it was

important to understand that the recommendations are listed as possible alternatives for action, not as a list of actions to be taken in their entirety, and the transit districts should seek those which are mutually acceptable.

Ms. Loobey said that most of the document is clearly a case for Tri-Met, since Tri-Met's capital needs far outweigh other transit districts' in an ongoing process, and that there is a difference in magnitude of scale between Tri-Met and the rest of the state. She stated that LTD has a great deal of credibility with the Legislature, and is also in a better financial position than Tri-Met. Her aim is for OTA to develop an agenda which is beneficial and equitable to transit districts in the state.

Mr. Runyan asked for help in identifying the true recommendations and what Ms. Loobey sees as priorities. The heart of the recommendations involves enhancement of state programs financed by other funds: (1) an additional one-cent per gallon cigarette tax for special transportation; (2) increased lottery funds for economic development and leveraging federal funds; (3) a new dedicated revenue source for transit (a wide range was examined, but the study did not focus on any specific revenue sources); and (4) a joint transportation fund.

Ms. Calvert stated that she was not convinced that the additional one-cent cigarette tax for the Special Transportation Fund was a higher priority than some of transit's other needs.

In response to a question from Ms. Calvert about leveraging federal funds, Ms. Loobey explained that transit districts would receive from the State 20 percent of capital grant needs to supply the local match to receive federal funds. A number of years ago, the State did provide half of the local match, but that program was discontinued because the bulk of the money was going to Tri-Met, and the program was not seen as equitable. In looking for a new way to provide funds throughout the state, the Legislature created the State In-Lieu-Of Payroll Tax program, in which a tax of six-tenths of one percent is levied on state payrolls within a service area. Ms. Loobey stated that this program has worked well for LTD, and has taken away some of the inequity of the old program.

Ms. Loobey stated that if she were to suggest to the Board a direction, it would be that, under the auspices of OTA, the transit districts go through the process of review and prioritization she had suggested, and in the process of setting priorities, look at examining whether the transit districts should try for additional capital match funds in place of lottery funds. She reiterated that transit was not going to get everything on the list, and said that the number one priority for her is for the transit community to work for a dedicated source of revenue. She explained that this might mean looking at an income tax mechanism or motor vehicle fees or taxes, which, in turn would require a constitutional amendment. In the latter case, transit districts would have to form a coalition with highway interests, and would have to be able to apportion

funds so that counties without mass transit could use the money for roads and highways, etc.

Ms. Loobey said she would also suggest that through funding for the cigarette tax fund, there is a growing body of support from nonprofit agencies receiving funds that is capable of lobbying for their own money. Therefore, she would rather lobby for long-term financial support than for the additional penny cigarette tax.

Mr. Runyan thought OTA needed to develop a package of recommendations very soon, before the Legislature convenes. Mr. Pusateri wondered about the possibility of involving highway interests in the next six weeks. Ms. Loobey stated that since the study was done in cooperation with the Oregon Department of Transportation's Public Transit Division, Highway staff are aware of the study, and ODOT representatives sat on the committee, so the recommendations are not a surprise to them. However, she said, the OTA does need to take a position, and talk with ODOT from that position.

Mr. Parks said he was a little nervous about taking any direct action, and thought LTD would have to be more specific about what it wanted rather than taking a list from a report. Mr. Runyan wondered if it was necessary to have OTA's concerns developed before the legislative session, or if it could be done partly during the session. Ms. Loobey replied that she believed it to be important to have a position as quickly as possible, so OTA can take a bold agenda to the new Governor and seek his support. Ms. Calvert said she would be comfortable in directing the General Manager to pursue this issue, knowing that the Board is somewhat uneasy about all four items being listed equally, and to develop a priority order which will benefit transit statewide.

Ms. Loobey said she would like to come back to the Board in December with a tentative plan of action to be developed within the OTA Board of Directors, which is made up of staff members from various transit properties across the state. She added that she would like to see the policy makers have some kind of forum for getting together to talk about this, although it is difficult to schedule anything with the Tri-Met Board at this time. The Tri-Met President and Vice President have both moved out of their subdistricts, so there are two vacancies on that Board.

Mr. Runyan, Mr. Pusateri, and Mr. Parks agreed that they were comfortable with Ms. Loobey proceeding and coming back to the Board with a draft plan. The Board took no formal action, but stated that this agreement was direction to the General Manager to proceed.

ITEMS FOR ACTION AT THIS MEETING:

Operations Facility Project Update: Ms. Calvert stated that the Facilities Committee of the Board had received a thorough briefing about the project's progress and process, and the members felt they needed time to look at the current issues even more thoroughly.

Ms. Loobey stated that it had been some time since the Board had heard a review of the project, and said that there were some critical issues to decide in the near future. Ms. Calvert stated that comments from the audience on this issue would be welcome after the staff presentation. She then introduced Stefano Viggiano, Planning Administrator and Project Manager, who stated that the key Board decisions which should occur in the next four to five months are approval of the schematic design and the land acquisition process.

Mr. Viggiano first gave an overview of the project so far, including development of a program and site selection, application for a capital grant, selection of the architect, pre-design or programming of the facility (what will go into the facility and how much space is needed, and the present phase, schematic design, which makes the components of the facility into a floor plan). At this time, staff are also developing the first cost estimate since April, 1985, which was made before any design work began. Future phases will be design development, which includes materials, mechanical, electrical, heating, ventilating systems, etc.; construction documents, including specifications and plans to be used by contractors in submitting bids; and facility construction.

Key Board decisions are anticipated on December 10, for approval of the schematic design and current budget; January or February, 1987, for approval to proceed with the site purchase; and April, 1987, for approval of an amended Section 3 grant application. The original was submitted in mid-1985, and UMTA has informed the District that April of 1987 is the last date to submit an amendment in time to begin construction. Staff are working to have an accurate estimate as possible to submit to UMTA.

Mr. Viggiano explained that no decisions were asked of the Board that evening. Rather, staff were providing information to the Board because there is a great deal of information to absorb, and staff thought it would be helpful for the Board to be able to absorb some of that information without having to feel pressured to interpret it into some sort of decision.

Mr. Viggiano also explained that the schematic design review process is one of the most important design phases, since the location of things within the buildings and on the site will have a great effect on how the facility will ultimately operate. He stated that the initial design had been subjected to a great deal of internal scrutiny by staff and the Facilities Committee, as well as external scrutiny from two groups in a value engineering review and a peer group review. Staff review has been and will continue to be an ongoing process. Input from the internal and external review processes resulted in a redesign of the plans and a revised cost estimate, which were both discussed with the Facilities Committee during the previous week.

UMTA staff have also been involved in review of the process to this point, but their review will not be complete before the Facilities Committee and full Board review of the design and cost estimate. If UMTA

recommends major changes, staff will come back to the Facilities Committee and Board to discuss those recommendations.

The Facilities Committee did not complete their review of the schematic design at the last meeting. They discussed the design but not the cost estimate, and staff are preparing further information for the Committee's review. After the Facilities Committee review the cost estimate on December 2, that will also be brought to the full Board for discussion. Mr. Viggiano stated that the cost estimate is higher by \$1.3 million than the 1985 estimate. Some reasons for that increase are: (1) inflation, caused by adding an additional year before completion, from 1988 to 1989, which causes an anticipated 3 percent increase in construction costs; (2) market adjustments that the cost estimator believes to be necessary, based on the fact that next year increased construction in the Eugene/Springfield area will make the market less competitive than was anticipated in 1985, adding another \$266,000 to the construction cost; (3) additional regulations which have been implemented, which staff were not aware of as applying to LTD in 1985; for example, new EPA regulations now require that all fuel tanks must have double-walled construction; and (4) life-cycle costs, which involve initially higher capital costs which lead to lower operating costs in the future, such as whether or not LTD should purchase its own transformer and receive lower rates on power.

Eric Gunderson, of Wilson Bryant Gunderson Seider, the architects for the project, stated that the design process is about 20 percent complete, and it will take another year before construction goes out to bid. He discussed the location of the project, which is called the Glenwood Drive-In site. There is a residential area to the south and east, but the predominant land use is industrial and commercial.

Mr. Gunderson then talked about some of the major goals which were brought to the design of the building. The main goal, that of life-cycle costing, cannot be overestimated, he said, because it involves the durability of the facility and lower maintenance and operating costs in the future. Another main goal is that of flexibility, in both the site plan and in the building, for future growth. The current design will accommodate LTD's growth for 10 years, with a master plan and room for 20 years. Flexibility is also important in dealing with future events that cannot be anticipated at this time.

Mr. Gunderson explained that, during the review process, it became clear that if the District continued with the concept of fueling in place, it would not be able to recover the higher initial cost over the 20-year life of the facility. This is due to new Environmental Protection Agency regulations, the cost of a covered fuel lane, etc. The change to a traditional bus fueling system has serious effects on how the site is laid out and on the acquisition of the property. The circulation pattern of buses on the property has been changed, and results in increased noise and the need for a different entry location, which is more central to farebox pulling and bus parking. Initial construction costs in this area are reduced by \$1 million by switching to a more traditional fueling system.

Mr. Gunderson also discussed site safety and security, with a gate between the employee parking area and the bus parking area, and showed how the buildings can be expanded in the future, as necessary. He then explained the impact of the value engineering recommendations on the two buildings. The maintenance building area has been reduced by nearly 5,000 square feet. In the administration building, the driver and support areas have been reduced by approximately 600 square feet. Both buildings are below the original square footage in the program.

Mr. Gunderson expressed the importance of having confidence in this process to this point, before looking at a design for the facility, as well as confidence in the goals of life cycle costing and flexibility.

In discussing possible changes to the site layout as a result of the increased bus movement and noise, Mr. Gunderson showed that an 11-foot wall may need to be built along one side of the property, with a six-foot wall on another side.

Mr. Viggiano then reviewed the land acquisition process to that date. As background, he said that four sites had been chosen according to specific criteria, and those four had been subjected to rigorous analysis, which resulted in the Glenwood Drive-In site as the final choice. The single most important variable turned out to be operational costs, and the reduction of unproductive driving time to the end of the routes, the downtown station, etc. The Glenwood Drive-In site was found to be approximately \$400,000 cheaper than the next best site. A grant application for federal capital funds was submitted. Because the site has adjacent residential areas, UMTA required an environmental assessment, and the noise level was considered the only problem area. For this reason, the District will not be allowed to use Henderson Boulevard for bus traffic, and a noise barrier must be erected between the facility and the residential area. Now that it has been decided that the District will not use a fueling-in-place system, staff have been looking at ways to mitigate the additional noise caused by the more traditional fueling and cleaning system. Two options are being considered: (1) The design team recommended that the site be moved approximately 250 feet to the west, which would require the purchase of approximately two-thirds of the Moyer property and most of the Spicer property; and (2) using the drive-in parcel with Glenwood Boulevard access across the Spicer property directly west of the drive-in, and erection of a higher sound barrier between the facility and the residential area.

Mr. Moyer has indicated a willingness to sell, and would rather sell more of his property than the reduced parcel being considered. The Spicers at this point are not willing to sell, although they have indicated a willingness to work with LTD on the use of a panhandle across their property. Mr. Viggiano added that, at this time, there is no staff recommendation. It is expected that a recommendation will be made to the Facilities Committee in January or February, and to the full Board after that time. Before making a recommendation, staff will have the results of

the land appraisal, land costs, and other costs, and the Board should be able to make a decision to proceed at that time.

Audience Participation: Mr. Spicer and his attorney, Tom Hoyt, were in the audience. Mr. Hoyt said that the Spicers are sensitive to the threat of condemnation, and do not want to sell their property. Their preference would be to keep the property in the family, build an industrial building, and receive an income from their investment. They asked the District to consider using the Burlington Northern site in West Eugene. Mr. Hoyt said he had looked briefly at the cost comparisons from 1985, and he encouraged the Board to review those numbers, especially those for operational costs. He thought it looked as if it would be more efficient to operate out of the Burlington Northern site than the Glenwood Drive-In site. He added that, if LTD eventually wants to vacate the easement now on the Moyer property, the District will have to pay for two land-locked parcels, and needs to add that kind of ultimate acquisition cost into the budget for the facility. He thought that by using the Burlington Northern site, the District would avoid those kinds of cost considerations, and may avoid taking property from unwilling land owners.

Additionally, he said, the noise consideration was of substantial concern to the Spicers. He said he has worked on the seventh, eighth, and ninth floors of the Citizens Bank Building and can hear the buses when they turn the corner, and could therefore attest that a concrete barrier is not soundproof. Mr. Hoyt also stated that having LTD on the Drive-In site would mean that 48.5 of the allowable 50 decibels from 10:00 p.m. to 7:00 a.m. would be used, leaving only 1.5 decibels for future industrial development on the Spicer property.

Mr. Runyan asked about the present use of the northern portion of the Spicer's property. Mr. Hoyt replied that approximately one acre is leased to the Case Co., and the rest is in wheat on a farm deferral.

Ms. Calvert thanked Mr. Hoyt for his comments. Mr. Runyan asked for clarification of the issue of a budget for noise. Mr. Viggiano stated that the City's noise standards require a limit of 50 decibels infringing upon residential areas between 10:00 p.m. and 7:00 a.m. The present environmental noise level is 48.5 decibels, due primarily to traffic on Franklin and the freeway and trains, and the District is working with being able to increase the average during that period by 1.5 decibels. During the day, the standards are higher.

Mr. Viggiano stated that the community near the Glenwood Drive-In site is fairly supportive of LTD moving into the area; the drive-in is noisy at night, and the residents believe LTD will be a good neighbor, by using an aesthetic design and bringing an increase in the property value.

Regarding current zoning and use and the long-range plan, Mr. Viggiano stated that there is some commercial land along Franklin, as well as some industrial. The long-range metropolitan plan designation is for all the land in the area to be industrial, with the exception of the

commercial strip on Franklin. The Spicer property is presently zoned industrial but is in farm deferral.

Budget Committee Appointments: Ms. Calvert stated that three vacancies on the Budget Committee will occur in January, 1987. Board members can reappoint Budget Committee members, or can nominate other candidates. Dr. Smith will need to reappoint Dennis Strand or another member, and, by rotation, Mr. Parks and Mr. Runyan are the only Board members who have not nominated a current Budget Committee member. Therefore, they will be asked to either reappoint John Watkinson and Roger Smith or nominate a new candidate. Ms. Calvert stated that Budget Committee members do not have to be in the same subdistrict as the Board members who appoint them.

Freedom Pass Promotion Report: Ms. Calvert stated that she was pleased to see that the Freedom Pass promotion was terrifically successful this year. Mr. Pusateri wondered if the plans for next year would be similar, including keeping the price down. Ms. Loobey said the promotion and budget would be evaluated, and that after three years, staff have found the youth summer pass to be very well received by the community, and is being institutionalized. She added that youth pass sales are higher now than a year ago, and some of the summer pass buyers seem to be continuing their bus use. Mr. Viggiano added that retention is difficult to measure, but October youth pass sales were 22 percent, or about 100 passes, higher than October 1985.

Mr. Runyan asked about the total promotional cost. Mr. Bergeron stated that the advertising cost was approximately \$13,000, and the promotion brought in \$32,000 in revenue during the summer. To Mr. Runyan's question regarding whether this was a good ratio, Ms. Loobey said the staff had also been addressing that question, and explained that an up-front investment to institutionalize that kind of program is going to be higher than after the program has been in place several years. However, she said, it will require some continuing promotion each year as new students reach that age level. Mr. Runyan commented that, if the aim is to gain permanent riders, it may be worth the investment over time.

Workers' Compensation Self-Insurance: Ms. Calvert stated that she will be interested to hear the results of the study of whether the District should self-insure after January 1, 1987.

Letter Regarding Passenger Complaint: Ms. Calvert asked Tim Dallas, Director of Operations, to comment on the complaint about dirty seats on the buses. He stated that the problem the passenger wrote about is occasional but not persistent. Staff contacted the patron, who stated that most of the service is very good. The drivers on this particular route were also questioned, and did not believe this to be an ongoing problem. Mr. Dallas added that the District often receives compliments about the cleanliness of the buses.

Quarterly Operations Summary: Mr. Dallas mentioned that, because of a comment Mr. Brandt had made at the last meeting, the Operations Summary had been reviewed and corrected and included in the agenda packet for the Board's information.

Mid-Year Budget Committee Meeting: The mid-year Budget Committee meeting to review the Fiscal Year 1986-87 budget will be held at 7:00 p.m. on Wednesday, December 10 in City Hall. The Budget Committee is made up of the Board and seven lay members appointed by the Board.

Facilities Committee Meeting: The Facilities Committee will meet on Tuesday, December 2 to finalize the cost estimate and draft a recommendation for the full Board.

Acting General Manager: Ms. Loobey informed the Board that she would be on vacation during Thanksgiving week, and that Mark Pangborn would be Acting General Manager in her absence.

Special Services Report: In response to a question about the report, it was explained that Looking Glass held two separate charters on the same day.

Next Board Meeting: The Board will hold its December meeting immediately following the Budget Committee meeting on December 10.

ADJOURNMENT: It was moved and seconded that the meeting be adjourned. With no further discussion, the meeting was unanimously adjourned at 9:45 p.m.

MOTION
VOTE


Board Secretary