

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

ADJOURNED MEETING

Wednesday, April 29, 1987

Pursuant to notice given to *The Register-Guard* for publication on April 9 and 23, 1987, the regular monthly meeting of the Board of Directors of the Lane Transit District was held on Wednesday, April 29, 1987 at 7:30 p.m. at the Eugene City Hall.

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

Absent: Keith Parks  
Gus Pusateri, Secretary

**CALL TO ORDER:** Ms. Calvert called the meeting to order at 7:40 p.m. Dr. Smith was not yet present.

**BUS RIDER OF THE MONTH:** The April Bus Rider of the Month, Jean Fisher, was not able to attend the meeting to be introduced to the Board and receive her certificate and lapel pin.

**EMPLOYEE OF THE MONTH:** The April Employee of the Month, bus operator R.L. Montgomery, attended the meeting and received his certificate and check. R.L. began at LTD as a bus operator in September, 1978, has an excellent attendance record, and has received his six-year safe driving award. Board President Janet Calvert mentioned that R.L. and his wife, Joan, both are bus operators at LTD, and said she had heard that R.L. likes to travel and exercise and is an avid walker. She thanked him for all that he does for the District. R.L. thanked the Board, in return, for all that they do, as well.

**AUDIENCE PARTICIPATION:** No members of the public were present at the meeting.

MOTION

**APPROVAL OF MINUTES:** Mr. Brandt moved that the minutes of the March 18, 1987 regular meeting and the April 15, 1987 regular meeting be approved as distributed. Ms. Eberly seconded the motion, and the minutes were unanimously approved as distributed.

VOTE

**CHANGE IN FISCAL YEAR 1987-88 FARE ADJUSTMENTS:** Ms. Calvert called the Board's attention to the memo on page 25 of the agenda packet, and said that it was an oversight on staff's part that the recommendation to

change the day pass price increase from September 1, 1987 to June 14, 1987 did not also include a recommendation to implement the volume discount for day passes at the same time.

**Public Hearing:** Ms. Calvert opened the public hearing on the change in fare adjustments. There was no public testimony, and the public hearing was closed.

MOTION

Mr. Brandt moved that the Board approve the staff recommendation to implement the day pass volume discount, previously approved by the Board, on June 14, 1987 rather than September 1, 1987. Ms. Eberly seconded the motion, which then passed by unanimous vote. (Dr. Smith was not yet present at the meeting.)

VOTE

**APPROVAL OF DESIGN FOR NEW OPERATIONS FACILITY:** Ms. Calvert called the Board's attention to page 26 of the agenda packet. She said that the Board Facilities Committee had met several times to review the design, and recommended that the full Board approve the design which resulted from the design development phase.

Stefano Viggiano, Planning Administrator, stated that the facility project is still fairly close to the schedule outlined in January 1986. The predesign phase was finished in June 1986; the schematic design was approved in December 1986; and the design development phase is in process at this time. Preparation of the construction documents and construction bid will follow. The project should go out to bid in February 1988, with construction beginning the following April. The move-in date is still tentatively scheduled for July 1989. However, if land acquisition and site work are not completed on schedule, the move-in date may be delayed until September 1989.

Included with the agenda packets for the Board members was a booklet on the design development phase. Mr. Viggiano cautioned that the cost estimate in the booklet only included construction costs. Other costs were included in the agenda packet for that evening. The booklet contains drawings, furniture plans, etc., and can be used as a reference document.

Mr. Viggiano had brought to the meeting a model of the site and buildings, to give the Board an idea of the proportions of the buildings and site, and what the facility will look like when completed.

Although staff were asking for approval of the design, Mr. Viggiano stated that the design is not set in stone. A Value Engineering team will be reviewing the process during the first week in May, and staff will continue to review the design. He said that staff were asking for approval that the design work is heading in the right direction and that the cost is appropriate for the facility.

Eric Gunderson, project architect, said that four key questions were kept in mind during the design development phase: whether the facility will function well, be economical, be a good place to work, and be a good

neighbor. Many details have been discussed during this phase, including landscaping, mechanical needs, room furnishings, etc.

Mr. Gunderson explained that the architects had looked at various configurations for roofs and ways to increase the amount of natural light in the buildings. They strove for consistency in materials and the shape of the two main buildings. A key feature of the office building design is the sloping roof, which is more economical to build than some other shapes and fits in well in the neighborhood. The sloping roof will be used for mechanical equipment; and higher ceilings will be built in some areas to break up the ceiling line of the large building. However, the design was kept simple to save money. Another key feature is the use of light shelves, which let a lot of natural light into the building, with the possibility of reducing air conditioning costs and the number of lights on in the building, and thus saving electricity. The light shelves bounce the light deeper into the room and help shade the lower window. They cut off sun at a 45 degree angle.

Life-cycle costing discussions included how to get power, lights, etc. to the entire building, especially in the open work areas, and still allow work spaces to be moved over time. That led to a decision to use wood flooring rather than concrete slabs. The wood flooring is approximately \$1 per square foot less expensive than concrete slab. Mechanical equipment can be housed under the floor, and all return air ducts will be returned to the crawl space under the floor. This will help ventilate the crawl space without the additional cost of a special ventilating system.

A third area of interest, which also provides for a transition to the other buildings, is the selection of the building materials. Mr. Gunderson stated that brick veneer is being considered at this time. The brick would be used on the lower walls, with metal being used for the upper walls and roof. In these decisions, insulation and durability were major considerations. The metal system which is being considered has a 20-year paint guarantee. The roofing also has concealed fasteners, which increase its strength and durability.

Because buses back into the maintenance stalls and much work is done in the center of the Maintenance building, natural light is a key feature of the design for the new Maintenance building, and white walls will be used for reflection. The light provided by the window is the equivalent of 20-foot candles free for the life of the building.

Mr. Runyan wondered if there were precedents for using the crawl space for new air. He asked what problems that might create and how the building would be protected from fire through the floors. He also wondered about the possibility of moisture, dust, and vermin in the crawl spaces.

Mr. Gunderson replied that he was convinced that this is a good way to use the crawl space. He said he did not know of office buildings that

use crawl space for return air, but he did know of residences, including the "Good Cents" homes. Air will circulate continuously, so there should be no problem with moisture. Heavy flooring will be used, but holes will be punched through the flooring to allow wiring to pass through. An L-shaped boot will be placed on each hole, to act as a fire damper and to cut down on sound transmission. The architects spoke several times with the fire marshall to be sure that this system will be safe. The crawl space will not have sprinklers because of the one-hour fire protected rating of the floor, and the fact that there will be very few sources for starting a fire in that space.

Mr. Runyan also asked why the architect recommended light shelves to minimize heat gain in a building when there are only two or three months each year when heat is a problem. Mr. Gunderson explained that office buildings, unlike homes, normally use the cooling system about eight months each year, during the times when the occupants are present. The high angle of the summer sun will be cut off, but the low angle of the winter sun will get into the building, including in the courtyard and the south elevation. Blinds will also be mounted about seven feet high to control light on work surfaces, but the upper windows will not have blinds.

Mr. Runyan then asked if Mr. Gunderson had investigated using gas heat in the facility. Mr. Gunderson replied that the Maintenance building will use predominately gas heat, but the office building will use electric heat. Earlier, it had been thought that a boiler would provide heat to both buildings, but that did not show adequate payback to justify the initial cost. In Maintenance, the most economical system is to use a gas-fired duct heater system. The Administration building will use a heat pump with some resistance heating in certain areas. Temperatures can be controlled in small areas rather than having the whole building remain at one temperature.

Mr. Runyan asked how long the 20-year roof would really last, and how it could be repaired after that time. Mr. Gunderson said the roof would be guaranteed for 20 years, and that is an appearance standard. The undercoating will have layers of galvanizing and then steel. He said that metal can be field painted, but his expectation is that the roof will last more like twice the anticipated 20 years, and then the metal would be taken off and replaced.

Mr. Runyan asked also for a description of the cost estimating discount. Mr. Viggiano stated that staff had used the UMTA approved rate, in which the initial cost is multiplied by 9.98, which give a 20-year discounted rate.

Mr. Runyan then asked the Facility Committee members if they were satisfied with this kind of thinking regarding a roof. He thought that a 20-year roof was not enough, and that it would not be easy to re-roof. Mr. Gunderson said he did not know how long it would last, but that the aluminum roof used on the Public Works building had a lifetime guarantee,

and he would be surprised if the proposed metal roof for the facility did not last a very long time. Ms. Calvert stated that the committee was satisfied, and she thought the Value Engineering team would be looking at this issue, as well.

Mr. Runyan questioned whether the discount rate had been improperly applied by UMTA. He thought that public sector investments should not use discount rates, since it could be argued that any cost past the discount time would not matter.

Mr. Brandt expressed concern about the appearance of a metal roof, and said a wooden building would seem more appropriate for Oregon. Mr. Gunderson said that the building will have a wooden frame, with a one-inch air space and 3-1/2" brick on the lower part. Ms. Eberly stated that the Committee discussed the importance of using wood, and that, in addition to the wood frame, a lot of wood would be used inside the building. Mr. Gunderson also discussed the colors available in metal roofs, and said they can be quite attractive. Although the initial cost of a shake roof would be comparable to a metal roof, the shake roof would be very expensive to maintain, and the fire rating would be quite high. The new SAIF and other buildings on Country Club Road have metal roofs, and have an attractive appearance. Mr. Viggiano said he could have the Value Engineering team specifically review the details about the roof.

Mr. Viggiano then discussed the cost estimates found on page 28 of the agenda packet.

Dr. Smith arrived at this point in the meeting.

Mr. Gunderson explained the three-part method of contracting being considered. A site work contract will cover everything outside the building, including dirt, pavement, fences, etc. Normally, the general contractors hire subcontractors to do the site work and apply a mark-up cost, because they have to manage the work. The second part of the contracting will be for the buildings themselves. Third, all furnishings will be contracted separately.

Mr. Gunderson then explained the market adjustment factor, which increased since the first estimate. Two of the larger construction projects in the community, at Sacred Heart Hospital and the University of Oregon, are way behind schedule. The danger is that they will go out to bid just ahead of LTD, which ties up contractors and subcontractors, who will not be able to bid on LTD's project. With less competition, the cost is expected to increase about 3 percent, or nearly \$.25 million over the original estimate. One more estimate will be done at the end of the working drawings phase, to make sure the facility is still on track with the budget. Ms. Calvert commented that she was pleased to see that the cost estimate did not increase since the last estimate.

MOTION Mr. Brandt moved that the Board approve the design resulting from the design development phase as presented. Ms. Eberly seconded, and the  
 VOTE motion carried unanimously, with Dr. Smith now present to vote.

**SECTION 3 GRANT AMENDMENT:**

**Public Hearing on Section 3 Grant Amendment:** Ms. Calvert opened the public hearing on the District's proposed amendment to the Section 3 grant application. Hearing no comment from the audience, Ms. Calvert closed the public hearing.

MOTION Mr. Brandt moved that the Board authorize the General Manager to submit an amended Section 3 grant application for funding of a new operations facility in the amount of \$6,174,187 in federal funds. After  
 VOTE seconding by Mr. Runyan, the motion carried by unanimous vote.

**SALARY COMMITTEE RECOMMENDATION FOR ADMINISTRATIVE SALARIES:** The Salary Committee Chairman, Rich Smith, summarized the process by which the administrative salaries and benefits were reviewed. Last fall, the Salary Committee hired an outside consultant to evaluate the pay grades of administrative personnel and to make sure the District was paying salaries at a good market average. The study showed that the current internal alignment of grades is done equitably. The concern remains that the lower end of the scale is being paid above market average and the higher grades are being paid lower than market average. Dr. Smith mentioned the larger geographic area for recruitment for the higher pay grades.

He stated that the study results show that LTD's pay is very close to what is being paid in the market place for the low end of the scale, that the benefits are in the normal range, and that certain positions needed to be adjusted in order to function well administratively. The full recommendation from the consultant was that the salary scale be raised an average of 9.5 percent, but the Salary Committee was not comfortable with that increase. Therefore, the Committee recommended implementing half of the recommendation, for an average cost of 5 percent, which they felt to be politically and economically advisable at this time. He said that those at the higher end of the scale would receive higher pay raises than those at the lower end of the scale. He added that administrative salaries would still not be at market parity, except at the low end of the scale. Dr. Smith stated that it is important to staff, to the Salary Committee, and to the Board that LTD maintain quality staff, and if the pay for the lower end of the scale is slightly above market, it helps the District administratively. He added that this pay in the lower grades does not involve a lot of money.

Dr. Smith said that the Salary Committee had met three times with the consultant, and were happy about the results of the study. He thought that David Harrison, Personnel Administrator, should feel more comfortable about the smaller salary surveys that he performs each year. Dr. Smith added that he personally would like to see the future increases to bring

the higher end of the salary scale to market parity happen sooner rather than later.

Mr. Runyan asked about the pay changes for staff at grade 4. Ms. Loobey explained that the employees in grade 4 are currently a little more than 1 percent above market average. It has been the District's practice to pay a little higher than market average, so the recommendation was to continue that policy. With the salary committee recommendation, the employees at grade 4 will be at 3 percent over the current market, which means that the actual increase is approximately 2 percent. Dr. Smith added that no changes to the benefits are being recommended.

Mr. Runyan then asked the same question for grade 15. Tim Dallas, Director of Operations, stated that the increase for grade 15 would be 4.7 percent. Ms. Eberly then asked how much below market average grade 15 would remain. Mr. Dallas replied that it would remain 4.7 percent below market average.

Mr. Runyan asked what changes caused the overall increase to be 5 percent. Dr. Smith replied that one position had moved several grades. In response to another question from Mr. Runyan, Dr. Smith stated that grades 5-11 are close to the market average, and that the amount being paid above market average at the lower end of the scale does not involve a lot of money and is important to staff in order to maintain professionalism in the pay grade.

Ms. Eberly asked if the recommended salary adjustments had been included in the proposed budget for FY 87-88. Dr. Smith replied that they had been, but the budget could still be changed.

Mr. Runyan asked if the District had trouble during the hiring process for the planner positions which were just filled. Mr. Harrison replied that when the job had been advertised as a senior planner position with a higher technical level, the salary level was not commensurate with other transit districts and the District only received one or two applications. When recruitment was changed to a transit planner position, more applications were received and two positions were filled.

Mr. Runyan then stated that he thought the District had a very good staff and that he would like to pay them as much as possible. However, he thought that the District had been successful in developing that staff without paying market salaries. One reason for that, he said, is that LTD is a good place to work and Eugene is a great place to live. He said that the people at the bottom end of the scale are more in a survival mode, and it was his sense that the District can have very good staff by paying the types of salaries that have been paid at the upper end of the salary scale. He said he would like to see LTD be a very good employer for those at the lower end of the scale. Mr. Brandt thought that the District was already doing so, but Mr. Runyan stated that it was being done only by 2 percent.

Mr. Brandt thought the local market should be considered. Mr. Runyan said that the people at the upper end of the salary scale are more able to make decisions about whether or not to live in Eugene and accept market wages. He thought that paying a few percentage points below market might not be inappropriate for those people. Dr. Smith stated that the District was not getting to parity by offering these raises. He said that grade 18 is currently 15 percent below market average, and we are offering half of that as an increase at this point. Mr. Runyan suggested that the District could increase the top at 5 percent and the bottom by 3 or 4 percent, rather than making the increases an either/or situation. Ms. Calvert stated that one reason for the study was to maintain relative consistency between grades. If the Board members agree with the concept of correct pay for different levels, then they should not try to choose which ones they want to increase. Dr. Smith added that the Salary Committee had recommended approval of half of the consultant's recommendation because it seemed fiscally prudent at this time.

Ms. Eberly asked if the study showed that the administrative staff benefits were comparable to those offered by public and private employers. Mr. Brandt said that public agencies were shown to be higher than private. Ms. Calvert stated that LTD's benefits are about in the middle when compared in the market place.

Ms. Loobey talked about the internal process to establish a relationship between classifications and to rate those positions within the classifications. She said the study showed that District had been using a good process, and only a few changes in the classifications of certain positions were recommended. She said that in her discussions with staff, it was apparent that staff feel it is important to belong to a peer group, or grade, based on how they see their functions and jobs within the District. If staff or the Board begin shifting around those classifications, she said, it would cause discomfort and distress among staff. She added that staff understand the process, and it gives them assurance regarding where they stand within the organization.

Mr. Runyan said he understood that the consultant recommended pay changes for each grade. Ms. Loobey said that he did, but on the basis of maintaining the slope based upon job factors, and then assessed that against the market. Ms. Calvert added that there was a lot of staff involvement, including interviews and questionnaires conducted by the consultant. Dr. Smith explained that the consultant identified what staff do; assigned points and a final score; ranked the positions into grades according to those scores; took into account a certain level of authority for specific jobs, which meant they fell into certain groups; compared the positions with jobs with equivalent points in the market place to see what they are paid; and showed where LTD stands in the market place. The results are that grades 11-18 are paid lower than market average.

## MOTION

Mr. Brandt moved that the Board adopt the Salary Committee recommendation as set forth on page 33 of the agenda packet--specifically, that the Board (1) implement 50 percent of the consultant's salary recommenda-



tions, for an average cost of 5 percent, with no adjustments in benefits; and (2) reaffirm the policy of moving toward and achieving market parity for LTD administrative salaries, and that full implementation of the study recommendations be considered in future years. Ms. Eberly seconded the motion. Mr. Brandt commented that this was a commitment to the future, and the Board members should not forget what the study said.

VOTE With no further discussion, the vote was taken. The motion carried by a vote of 4 to 1, with Mr. Runyan voting in opposition and all others in favor.

MOTION LTD CONTRACT REVIEW BOARD SESSION TO REVISE LTD CONTRACT REVIEW BOARD RULES: Ms. Eberly moved that the Board call a session of the Contract Review Board. The motion was seconded by Mr. Brandt, and the Board unanimously voted to adjourn to a session of the LTD Contract Review Board. After Ms. Calvert called the Contract Review Board session to order, Ms. Loobey introduced the newest member of the District's administrative staff, purchasing agent Johni Giralt, who had been at LTD about two months.

Ms. Giralt gave the Board a brief history of public contracting, stating that the State Public Contract Review Board had been established in the late 1960's to serve as a watchdog for public contracting, and to grant specific exemptions where appropriate. In 1984, the Public Contract Review Board was discontinued and its authority was transferred to the Department of General Services, which, in turn, gave authority to other public agencies to perform this "watchdog" function. In 1985, the LTD Contract Review Board was created and adopted its own rules.

The reason for revising the LTD/CRB rules at this time is in response to federal revisions in public contracting regulations. Significant changes to the rules are that: (1) the Oregon Preference has been deleted; (2) all contracts shall be competitively bid except items specifically exempt under the revised rules; and (3) contracts may be extended to a three-year contract period rather than a two-year period.

Mr. Runyan asked about the Oregon Preference. Ms. Giralt explained that Oregon State law allows awarding of a contract to an Oregon-based company if all other factors are equal. Federal law, however, says that this can no longer be done.

MOTION Mr. Brandt moved that the LTD Contract Review Board approve the resolution set forth on page 36 of the agenda packet, A Resolution Adopting the Rules of the LTD Contract Review Board. Dr. Smith seconded, and the motion carried by unanimous vote.

VOTE

MOTION RETURN TO REGULAR SESSION: Ms. Eberly moved that the Board return to regular session. Mr. Runyan seconded the motion, which then carried by unanimous vote.

VOTE

MOTION

**BUDGET TRANSFER:** Mr. Brandt moved that the Board approve the budget transfer resolution found on page 54 of the agenda packet, which authorized a reduction in appropriations for Administration--Contractual Services in the amount of \$3,500, for a total reduction of \$3,500, and an increase in appropriations for Administration--Personal Services in the amount of \$3,500, for a total increase of \$3,500. Ms. Eberly seconded the motion, and the resolution was approved by unanimous vote.

VOTE

**ITEMS FOR INFORMATION AT THIS MEETING:**

**Marketing Promotional Materials:** Ed Bergeron, Marketing Administrator, brought to the meeting copies of two television commercials which had been produced as part of an extensive umbrella campaign, and one which had been used last year in conjunction with the Freedom Pass promotion. He talked about this year's Freedom Pass promotion, which involves direct contact with 40 youth employers, 20 middle and high schools, and 30 adult employers. The Freedom Pass promotion is targeted toward youth aged 17 and under. Noon-hour events are scheduled at 21 out of 22 area middle and high schools, although the events at Eugene schools were to be delayed until after the teachers' strike, upon mutual agreement between the Eugene Education Association, school administrators, and LTD. Eighteen of the 30 adult employers have agreed to put information regarding the Freedom Passes in their newsletters, and all 30 will make LTD's printed Freedom Pass materials available to their employees. Ms. Eberly said that she would like to see a list of the employers.

**Review of Current Legislation:** Ms. Loobey stated that the Senate had passed the binding interest arbitration bill, and hearings in the House Labor Committee would occur in the next two weeks. SB 773, the payroll wage tax bill, passed the Senate on a vote of 20 to 9, and will now go to the House Revenue Committee. Ms. Loobey said that the binding interest arbitration bill was of the most immediate concern at that time. She is working with the General Manager at Tri-Met in Portland to lobby against the bill. They planned to meet with the Chairman of the House Labor committee the next day, and have had appointments with the other House committee members.

**Winter Route Segment Analysis:** Ms. Loobey stated that staff had been pleased with the performance of the system as shown on the Winter Route Segment Analysis (RSA). Ms. Calvert asked if non-urban routes had to meet the same standards as urban routes. Mr. Viggiano said they did not; non-urban routes had a different set of standards. He added that, according to the RSA, there are no substandard routes. An exception would be the one-day counts taken on the 11X Express, which only makes one trip each in the morning and evening. In order to more adequately evaluate the route, staff conducted additional counts for 10 days, and the route was shown to be doing better than the RSA had indicated. Riders were surveyed at the same time, and staff learned that about one-fourth of the riders were new riders who had not ridden before the Express route was implemented. Additionally, about one-third of the remaining 75 percent were riding more

than they previously had. Mr. Viggiano said that staff would be recommending another express route in June.

Mr. Runyan asked where holiday service would fit in the statistics. Mr. Viggiano replied that, when LTD ran service on Thanksgiving in the past, ridership was one-fourth to one-half of Sunday ridership, so the productivity would probably be 10 or 12 rides per hour. Staff are reviewing the issue of holiday service in conjunction with the Annual Route Review, and will have a recommendation for the Board in June.

MOTION

EXECUTIVE SESSION PURSUANT TO ORS 192.660(1)(i): Mr. Brandt moved that the Board move into Executive Session pursuant to ORS 192.660(1)(i) for the purpose of reviewing and evaluating the employment-related performance of the General Manager. Mr. Runyan seconded the motion, and the Board unanimously voted to move into Executive Session.

VOTE

RETURN TO REGULAR SESSION AND ADJOURNMENT: After returning to Regular Session, it was moved and seconded that the meeting be adjourned. With no further discussion, the meeting was unanimously adjourned at 10:15 p.m.



Board Secretary