

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL MEETING

Wednesday, November 14, 1990

Pursuant to notice given to *The Register-Guard* for publication on November 8, 1990, and distributed to persons on the mailing list of the District, a special meeting of the Board of Directors of the Lane Transit District was held on Wednesday, November 14, 1990, at 7:30 p.m. in the LTD Board Room at 3500 E. 17th Avenue, Eugene.

Present: H. Thomas Andersen, President, presiding
Tammy Fitch, Secretary
Thomas Montgomery
Keith Parks, Vice President
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: Peter Brandt, Treasurer
Janet Calvert
Herbert Herzberg

CALL TO ORDER: The meeting was called to order at 7:30 p.m.

INTRODUCTORY REMARKS BY BOARD PRESIDENT: Mr. Andersen observed that many of the issues the Board would be discussing at that meeting and in the future were just one of the many signs that LTD was not a little bus company anymore. With the move to the new facility, whether by coincidence or the "chicken and the egg" question, there were a lot of other developments taking place that indicated to him that, in some sense, the Board and certainly the staff were going to be outward looking as well as inward looking at "how do we build our building and how do we build up what we have," and were at the point that, when LTD's new buses arrive, the District will fall into the category of a big bus district, with over 100 buses. He referred to a handout, numbered as page 46 of the agenda packet, which showed ridership, based on studies and statistics, that by the coming February LTD would be 11 percent over the previous February, and have 19,000 trips per day, which was a large percentage of the population served by the District, and with that growth would come added responsibilities on the part of the Board and the staff, and on the staff as it deals with other governmental agencies with which LTD interfaces.

AUDIENCE PARTICIPATION: Donna Riddle, a St. Vincent DePaul employee and manager of the Homeless Family Service Center in Glenwood, said she was coming before the Board with a desperate need for help with transportation. That evening, the program was housing 21 people at a church, 14 of whom had no way to get there. She had paid from her own pocket for Emerald Taxi to take six of them; she had driven four, and other homeless families with cars took the rest. The families could only stay in the churches at night and had to move all their belongings to the Homeless Family Service Center each day, so needed transportation to the Friends Church on 18th Avenue (that week) at 5:45 p.m. and from there

to Glenwood at 7:30 a.m. The churches were trying to form a volunteer driver pool, but Ms. Riddle said that if only one volunteer did not show up, they would have a crisis on their hands. She had checked into discounted bus tokens through area agencies, but said that Catholic Community Services' tokens last less than two weeks, and other agencies run out soon. She wondered if there was a solution that her agency and the Board could work out together.

Mr. Andersen said she had mentioned a church trying to form the volunteer pool. He wondered if this was considered by the City when they made their decision to use the churches and the Service Center. Ms. Riddle said that St. Vincent DePaul had still not received one cent from the City, and was operating the program on St. Vincent DePaul's narrow operating budget. She said she was hired by St. Vincent DePaul a couple of weeks ago and the Center was opened the following Monday. It did have furniture and a telephone, and showers were being installed. She said the program had been doing what was necessary to get the families from one place to another, but needed some help. She explained that when Terry McDonald had gotten a commitment from the churches to participate in the program, the churches wanted to begin right away. St. Jude's Catholic Church had started with a promise that there would be a place for the homeless families during the day. Ms. Riddle said that every day the process got a little better, but it was still a stressful time.

Mr. Andersen asked if transportation on the relief driver shuttle vans and discount services were the two things Ms. Riddle was looking for from the Board. She said those were the two major areas, and they also would like to have display racks for bus information and other materials.

Mr. Parks asked if she was looking for a short-term or permanent solution. Ms. Riddle said she would be happy with any help she could get. Transportation would solve a lot of problems, especially help until June, when the City and church commitment ends. She explained that this program would end in June because people could camp out in the summer, and there is an attempt to build more housing for the homeless.

Mr. Parks asked about operating funds for the program. Ms. Riddle said that at some point the program is supposed to have \$58,000 to do everything, including \$700 per month for rent, plus staffing, utilities, etc.

Mr. Andersen asked how many tokens LTD contributed to Catholic Community Services. Mark Pangborn, Director of Administrative Services, stated that LTD donated approximately 200 to 300 tokens per month. Those tokens were supposed to serve all of the social service agencies in Eugene/Springfield with clients with transportation needs, and were distributed to clients on an as-needed basis. Catholic Community Services consistently says that those tokens are not enough, but LTD has not been able to contribute more.

Mr. Andersen asked if anyone from the City staff had talked to LTD about this problem. Mr. Pangborn said that Richie Weinman had visited the shelter the previous day and asked if LTD could work out a solution, with the essential need being transportation. Mr. Pangborn said that LTD has buses that go by the shelter in Glenwood to all the churches in which people might be staying, and the families could probably ride the regular service, using tokens or day passes. Mr. Weinman had told Mr. Pangborn that the City had some funds which they could

allocate for tokens or day passes. The problem with using the regular service, said Ms. Riddle, was that mothers with children have personal belongings which they have to move between the church and the shelter each morning and evening, as well as babies in strollers, etc. She thought that carrying the strollers and belongs on and off the buses would be difficult for the families and would probably delay the service, but they would use this option if it was the only one available to them.

Mr. Parks asked if Ms. Riddle was saying that only a specialized service would work. Mr. Montgomery said that the times the families would be traveling did not sound like peak hour times, especially in the direction they would be riding. Ms. Riddle said that every two weeks, the families would be going to a different church, and therefore on a different bus route, with transfers. She hoped that the next church might provide storage during the day, and said that some churches do have vans, so possibly they would provide some transportation.

Mr. Andersen asked what were the staff-level discussions with City staff. Mr. Pangborn said that the discussion was basically a statement that the City would explore discount purchases within their budget, to meet the families' transportation needs. He added that the problems with using relief drivers was that many times the shuttle vans were full; that the District is paying driver wages during this non-revenue transportation time; and that the van sometimes stays awhile at the downtown station, with no one to drive it back until the next group of drivers get off the buses and go back to Glenwood. If the van and drivers were hired like charter service, that would be very expensive. Ms. Riddle said she would like staff to look at how expensive it would be for charter service, adding that she had paid \$10 out of her own pocket for transportation that evening. She said the program had a small transportation budget, but that was necessary in order to help people look for housing, as well as transport the families back and forth. She thought it would be a good use of the money to have a van provide regular service.

Mr. Andersen asked if the program would involve more than the 21 people who were at the church that evening. Ms. Riddle said there would be more, and she did not know how many would have their own cars. Thirty people would be the upper limit. That evening, they needed 14 people transported, and a pickup truck would have been helpful to transport some strollers and other possessions.

Ms. Fitch said it would be useful for staff to have a list of churches. Ms. Riddle said the next church was lined up, and had offers from some churches to provide housing for three families for one night, but the logistics of that were too difficult to work out. At that point, 20 churches were planning to participate.

Mr. Andersen stated that Ms. Riddle's proposal had caught the Board by surprise, and since it was the City's program and the City had started some level of discussion with staff, it was his view that the Board should encourage staff to continue those discussions with City staff, since the program would continue until June. Ms. Riddle asked that the staff include the program staff in those discussions, also.

Ms. Riddle stated that the current City program was better than having homeless families living out of their cars, and at least the families did not have to be separated, as they did in

the Opportunity Shelter. She said the current program had single fathers with children, two-parent families, and single-mother families.

Mr. Andersen said that the Board appreciated Ms. Riddle's time, and that they wished the best for Ms. Riddle and the people she was working with.

There were no other members of the public who wished to speak.

Board Discussion of Request for Transportation: Ms. Loobey said the issue of transportation for emergency purposes for a particular client population was not new to the District. She said she had personally been dealing with this issue as long as she had been with the District, and staff received some requests on a regular basis, from any number of programs across the metropolitan area. She said that the reason tokens are given to Catholic Community Services is that they agreed to be the conduit for the 200 to 300 tokens the District provides on a monthly basis, since they work with so many social service agencies. The fact was, she said, that at various times during the year they could use six to eight times the amount the District is able to provide. That would need to be budgeted, and there were legal restrictions on how LTD could give away service. Ms. Loobey said she always thought that raising money and purchasing additional tokens for agencies to distribute would be a wonderful service club project. If two or three service clubs provided tokens in addition to LTD's contribution, it would make a fairly good dent in the need for those tokens.

Ms. Loobey said that staff would continue to work with the City and Ms. Riddle regarding Ms. Riddle's request for transportation services. She added that it would be extremely difficult to provide charter service; it would be expensive for the program, because the rates were determined by federal regulations, to ensure that the District did not compete unfairly with the private sector. The easiest solution would be to work with the City and whatever funding they have available. She stated that the bus operator shuttles were not the answer to the program's transportation needs.

Ms. Fitch said she had been through this situation before; one of the area's women's service groups was working with Brethren Housing, which was buying tokens at a discount because they weren't receiving any from Catholic Community Services. She suggested that maybe the Board members needed to get the word out to other groups they belonged to, that there is a need for such a project.

Mr. Andersen said this was only one facet of a large and serious problem, and the Board members needed some information from staff to let them know what the District could and could not do. He mentioned the "slippery slope" or "floodgates" argument; that everyone would want the same kind of service or donation. The Board directed staff to work with the City staff, with the realization that the District had a lot of limitations, by law as well as by the other aspects of the problem, and asked for a report in December. Ms. Fitch said it would be interesting to discuss when the Board held its strategic planning work session, because these areas would be coming up in the future. Mr. Parks added that it would be good for the new Board members to have a list of the do's and don't's, because there was really very little that the District could do.

EMPLOYEE OF THE MONTH: Mr. Andersen introduced Bus Operator Ron Gilstrap, the November Employee of the Month. He said he was happy to see a bus operator as Employee of the Month, and that Ron had been nominated by a co-worker because of an excellent job. He mentioned some of the statements made about Mr. Gilstrap in the nomination, including that he was neatly attired and well-groomed, and had good attendance and safety records. Mr. Andersen told Mr. Gilstrap that those were important for him as a front-line employee, giving people the image they have of the District, and that Mr. Gilstrap had been representing the District extremely professionally and well. Mr. Andersen presented Mr. Gilstrap with a check and certificate of appreciation.

Mr. Gilstrap said it was nice to be appreciated for trying to do a good job. Mr. Andersen said he was glad to have Mr. Gilstrap working for LTD and presenting the image that he did.

APPROVAL OF MINUTES: Mr. Andersen said that he would like to make a correction on page 5 of the October 17, 1990, minutes. The next-to-the-last sentence on that page read, "Mr. Andersen stated that, for a number of reasons, the Board was in consensus that it did not want to take a position on Ballot Measure 5." However, Mr. Andersen said that he believed he had said that for a number of reasons, the Board members could not reach a consensus on what position the Board would take on Ballot Measure #5, because there was a split of opinion among the members, and for that reason, it was not appropriate in his view to take a position, for that reason among other reasons. He said he wanted to correct that statement because the General Manager had been absent. Also, on the last page of the same minutes, regarding the SAIF refund, Mr. Andersen said the word "monetary" should be added to the last sentence of the first paragraph, to read, "...it was not a conflict of interest because there is no mention of monetary gain for him (Mr. Andersen)." He said that was what the conflict is, and that he had some financial interest in one position that could have the potential to be adversely or positively affected by some decision he made in the other arena.

MOTION There were no other corrections to the minutes. Ms. Fitch moved that the minutes of the October 17, 1990, regular meeting minutes be approved as corrected, and that the October 29, 1990, special meeting minutes be approved as distributed. The motion was seconded and carried by unanimous vote.

BOARD FINANCE COMMITTEE RECOMMENDATIONS: Ms. Loobey explained for new members that an annual audit is performed by an independent auditing firm. The Board Finance Committee selects the auditing firm, by contractual arrangement on a three- to five-year interval, and negotiates the fee. Each year, with the audit, a management letter is received under separate cover and directs a number of actions that the CPA firm may have found and considered to be important. The current audit report had a number of issues which the auditors had asked the District to take care of. Those issues were outlined in the agenda packet, and many of them had already been taken care of.

On page 22 of the agenda packet, the auditors recommendations for check-signing were discussed. The recommended changes were made for a number of reasons, including the efficacy of trying to obtain a dual signature when one or more of the check-signers are not available. For the Board's information, Ms. Loobey gave a brief history of the check-signing process, to provide some understanding of the intent of the process. She said that when the District first began operation, there were part-time office staff. Initially, the Board determined

that there needed to be two signers, but there were only a General Manager and Board members. When there were more people on the staff, there was a period of time when the payroll tax revenues, received quarterly, did not cover all operating costs, so the District was operating on warrants written by the bank, and the bank required dual signatures. At that time, LTD also did not have the kind of payroll or operating expenses it currently had, so the limits for check-signing authority were set at a relatively low level. The limits for check-signing authority had been with the District as part of LTD's institutional life, and the auditors had determined that the process was no longer efficient.

The current members of the Finance Committee were Mr. Parks, Mr. Brandt, and Mr. Herzberg. Mr. Parks, who was the only member of the Committee present that evening, said that the Committee saw the recommended changes as a very practical thing for the District to do. He thought the current practice was a very round-about way to have checks signed, especially since it was often hard to get in touch with Board members. Mr. Andersen said that one accountant (Mr. Brandt), as a member of the Committee, had reviewed another accountant's work, and the Committee had developed recommendations. Mr. Andersen said he thought that a lot of the work done in committees should be done in committees, so the Board should consider their recommendations.

MOTION Ms. Fitch moved the resolution on page 25 of the agenda packet. Mr. Montgomery
VOTE seconded, and the motion carried unanimously.

Ms. Fitch said she was impressed that this much was accomplished since the last Board meeting, when the auditor presented the report. Mr. Andersen complimented the staff and the committee for their good work.

ITEMS FOR INFORMATION AT THIS MEETING:

Downtown Station Site Selection Update: Mr. Andersen stated that the Downtown Station Site Selection Committee would be meeting the following morning, and that he would be the only one of LTD's three members able to attend, since Ms. Calvert was on vacation and Mr. Brandt was ill. Mr. Andersen had spoken with Mr. Brandt that day about the meeting.

Mr. Andersen said that in one area, the Committee was coming to an end of the work, but the District was also just beginning a long process that would take a lot of cooperation among all parties. Stefano Viggiano, Planning Administrator, stated that there was not a great deal to report, because there had been no Committee meeting since the last Board meeting. He said that the Committee would be discussing a preliminary traffic report on the question of closing a portion of 10th Avenue, which was one of the key issues relating to the Firestone site. Staff also had been collecting information on the Elections Lot, and had developed some site plans and a land cost estimate, and had discussed the parking issues. He said that staff would recommend to the Committee that emphasis be placed on the Elections Lot. Decreasing the sites to one would have a fairly significant impact on the project.

Mr. Andersen stated that the Committee was a site selection committee, as opposed to a design review committee. The group's function was to make a recommendation to the Board. Many of the issues the Committee would be discussing the following day were things that really related to what the Board and staff should be doing if they chose to take the action

recommended by the Committee. Under the original plan, he said, the Committee would have been through the public hearing process by that time, and ready to make some final determination. The events at the last meeting had moved quickly. Mr. Andersen explained that the committee was comprised of three LTD Board members (Ms. Calvert, Mr. Brandt, and himself; and one representative each from the City Council, the Eugene Planning Commission, the Eugene Downtown Commission (an advisory board to the City Council), and the Board of County Commissioners.

Mr. Parks asked if the County Commissioners had agreed to sell the Elections Lot and were willing to negotiate. Mr. Viggiano said the County Commissioners had said they were willing to consider this sale under the right circumstances. Mr. Parks said that decreasing the options to one would mean that all pressure and emotion would be directed against the District on that one site. He thought it would be good for the Board to have a couple of sites to choose from, rather than having "all its marbles in one basket."

Mr. Andersen agreed, but that part of the reason for narrowing the options to one site was a result of work done by the Committee and the groundwork already performed. The end result, he said, was that the Board would have to make a decision one way or another, and he thought there would be pressure about any site. He thought there would be negative or positive pressure, equally on each side, so the Board should look at the site's suitability and what would meet the District's needs, and try to factor out the political pressures at the site selection level.

Mr. Parks asked if public hearings would be held before or after the Board made its decision. Mr. Andersen said it was his understanding that the Board would receive a recommendation from the Committee, and then could decide how to act on that recommendation, so could make its decision either before or after public hearings, or not at all. Mr. Viggiano stated that applying for a public grant requires a public hearing.

Ms. Fitch asked about the indication from the County Commissioners. Ms. Loobey said that in a conversation, they said they would be willing to talk about two locations if particular criteria were met. For the Butterfly Lot, the issue was parking replacement; and for the Elections Lot, the issues were staff relocation and parking replacement. Ms. Fitch then asked if the County was relatively in support of the new downtown station. Mr. Parks stated that the County did not own all of the Elections lot; there would be some private dealings, and possibly eminent domain to acquire part of the property. Mr. Viggiano said the Elections Lot was half privately owned and half owned by Lane County.

Ms. Loobey said that this was not the first time LTD had looked at the issue of the location for the downtown station; rather, it was about the fourth attempt to find a permanent location. When LTD refurbished the current station along 10th Avenue, it was a joint project with the City, and called a temporary solution to a long-term problem. The issue had arisen again partly from the City's and LTD's agendas, and partly by some downtown business owners co-located with the station. Mr. Parks added that the current station was not a good place to be in the first place, to which Mr. Andersen added that it was technically not a good site. Ms. Loobey stated that the 10th Avenue station had worked "okay" for all these years, but had not been ideal.

Ms. Loobey said that the City Council's position on the move was much more assertive, with a commitment to participate in the whole process. The County Commissioners, however, were brand new to the process, and did not have the same concerns. They had recently been included in the Committee process because two of the sites were all or partly County-owned. Mr. Andersen stated that the City had said it was not willing to sell its property to LTD at any price, so that was one of the reasons that the number of sites was narrowed down. Mr. Parks said he thought that if the City would accept a report from their representative on the Committee, and the Commissioners, those things lead toward the reason we have to be there. He added that the District would need a good reason or would not be able to use eminent domain.

Ms. Loobey stated that the downtown station relocation project was programmed in the Capital Improvements Program for 1992-93. However, the project's selection and attention had accelerated faster than staff had anticipated. A great deal of interest had been expressed to Ms. Loobey by the private sector regarding relocation to the Elections Lot, and most comments had been favorable. By the time LTD accommodates the number of buses it anticipated needing at the downtown station for each pulse, a half-block was simply not of significant size, and would definitely leave no room for a joint venture and parking replacement. Trying to find another 3/4 block or whole block that would accommodate the station would be very difficult.

Mr. Andersen said there were two conclusions about what the District needed to serve its needs and the needs of everyone else in the downtown area. The first would be for the Board to discuss the issue rather than the Committee, and the second was that the process was moving faster and money and staff time were being spent earlier than anticipated. He said he would expect that staff should and would be coming back to the Board and saying they needed to spend money on the station earlier than originally anticipated.

Mr. Parks asked if one-quarter of the County-owned site was used for parking. Mr. Viggiano replied that only a portion of the parking was required for the current building, so some negotiations about parking replacement may occur. He said LTD would need to discuss that with the County. If the elections building were to be moved, the parking requirements would move with the building. Mr. Viggiano stated that parking for the Fifth Pearl building and Station Square would need to be addressed as part of this project.

Ms. Loobey said that before the current facility was constructed, the District held a public information campaign in each Board member's subdistrict. The Board members participated in determining the needs and the factors for evaluating the suitability of any particular site. Ms. Loobey said it seemed to her that there was now time, because of the acceleration of the issue in the minds of the general public and the other actors, for the District to put together a public information campaign to begin talking to all the groups. She said she did not know that the Downtown Commission would have reached a different conclusion than was indicated by the deliberations at their meeting, but what they did not have was the facts, and they leapt to a decision without having sufficient information. However, she said, they are part of the constituency that had an interest in the facility. Ms. Loobey said that the District needed to be taking the story to the constituents that the facility would not only be a benefit to LTD, but to the community as well.

Mr. Parks commented that this station was an integral part of the whole planning process and the transportation part of the general plan. Mr. Andersen added that the District also needed to do some internal work with operators and staff members, to give them information and obtain their input, since they would be the ones using the station. Mr. Parks said that was why he was hopeful to have at least two sites for final discussion.

Ms. Fitch asked about having the public hearings before or after the Board made its final recommendations. Mr. Parks said he did not want to vote for a particular site until a public hearing had been held. Ms. Loobey said there were still some issues that needed to be resolved regarding the site, such as the possibility of test drilling, because there was a service station on the lot. Mr. Andersen said that the point was that the staff recommendation for the next day's Committee meeting was to continue to refine and study the site, but the Committee could decide to recommend to LTD that the Elections Lot was the site it wanted to recommend to LTD. If that happened, LTD would have a recommendation in front of it that it would need to react to. Or, the Committee could ask for more information before recommending any site. Ms. Loobey added that staff would not be recommending that the Committee choose a particular site at that Committee meeting, and Mr. Andersen said that the Committee did not always follow staff recommendations, especially since it was composed of different representatives who did not have LTD staff as their staff.

Mr. Andersen said he had discussed the coming Committee meeting with Mr. Brandt, and had discussed it in a little more detail than usual with the Board members because of the fact that he would be the only LTD representative at the meeting the next morning.

Ms. Loobey said that in December staff would bring to the Board a public information campaign. Also, she said, one of the District's "publics" was the Board, but that the Board had not been thoroughly briefed with all the information, conclusions, and rationale that had pointed the Site Selection Committee toward the Elections Lot site. She said she thought it was important for the Board to have that information before any public hearings were held.

Eugene Downtown Guides Program: Ms. Loobey stated that Russ Brink, Executive Director of Downtown Eugene, Inc., had approached LTD with the idea of Eugene Guides. When LTD was having some problems with security on the mall, LTD staff approached the Downtown Association to see if its security people could do more at 10th and Willamette. Mr. Brink asked if LTD would like to participate in the Guides program, and Ms. Loobey had asked him for more information.

A letter from Mr. Brink and some informational materials on the proposed Guides program were included in the agenda packet as an informational item. Staff were not suggesting that the District participate in this program during the current fiscal year, due to the uncertainty of the budget. However, staff would like to consider this issue further, for possible inclusion in next year's budget.

Ms. Loobey said that if the District constructs an off-street transit station, LTD may want to provide its own security people, since it could control what happens on a lot, as opposed to what happens on the street in the current station. She thought there might be some value in considering this idea during the budget process for FY 91-92.

Ms. Fitch said she would be interested in having staff research private security agencies that were already equipped to perform this kind of work. She said that administrative overhead would be a key item, and the District might get more for its money in using a local private business that is already set up to provide security. Ms. Loobey said she would be interested in having someone help the District's customers, as well as provide security. She said there were useful tasks such a person could perform, such as taking lost and found items from the buses to the Customer Service Center.

Current Status of the Fiscal Year 1990-91 Budget: Mark Pangborn, Director of Administrative Services, gave the Board a handout which had been discussed by the Board Finance Committee at its November 8 meeting, and which Mr. Pangborn described as a recap of what was known at that time about the current year's budget.

Revenues from several sources were anticipated to be \$350,000 greater than budgeted. The key amount in that estimate was \$162,000 received from SAIF Corporation as a dividend. However, there would be unbudgeted expenses, as well. Fuel costs were estimated to be as much as \$230,000 greater than budgeted. The recent settlement of the labor agreement resulted in costs of \$50,000 more than budgeted. Additional costs for medical premium payments for administrative staff, not covered in the labor agreement, amounted to \$13,000 for the year, and increased staffing for Administrative Secretaries, approved by the Board in October, added approximately \$11,000 in increased expenses. Additionally, because the District was without a Finance Administrator during part of the audit, Mr. Pangborn had arranged with Coopers & Lybrand for additional audit functions for \$2,800, and new bus operator uniforms had also added unbudgeted expenses in the amount of \$9,000.

Mr. Pangborn stated that if the year went according to these projections, the District should end the year with a positive balance of approximately \$32,000, with an additional \$200,000 reserved as contingency. Mr. Andersen asked if there would still also be the budgeted transfer to Capital Reserve Fund. Mr. Pangborn replied that there would be a transfer of approximately \$400,000. If the anticipated revenues were not realized, the Board could reduce the amount of the transfer to capital reserves. Mr. Parks asked if the current year's transfer was needed for purchase of the new buses. Mr. Pangborn said it was not; the District already had enough money in the Capital Reserve Fund for the new buses. Mr. Andersen said another choice would be to take that money from contingency, and asked when the money would have to be transferred, and if money could be transferred back to the General Fund after it had been transferred to the Capital Reserve Fund. Mr. Pangborn said that those transfers were always made at the end of the fiscal year, so use of the money would be flexible before that time.

Mr. Pangborn stated that during the past few years, the District had not held a mid-year Budget Committee meeting, because the budget was essentially manageable and within bounds. However, the Board did have the option of convening the Budget Committee if it so desired. If a meeting were held, they could receive a presentation on the information that had just been shown to the Board. However, Mr. Pangborn said, staff did not have any hard data or projections in terms of what would happen with revenues and expenses next year, did not know what recommended service changes would be, etc. However, the Budget Committee needed to know that the District would have to make some hard decisions next year, due to what was happening with inflation, fuel costs, the growth of the payroll tax, etc. At the Finance

Committee meeting, Mr. Brandt thought it would not be necessary to convene the Budget Committee, but Mr. Parks had thought it would be useful for the Committee to meet. Mr. Parks said his point was that the Committee should receive some background information, since there were new Board and Budget Committee members.

Mr. Andersen said that Ms. Fitch and Mr. Montgomery had gone through the last budget process last spring. Mr. Andersen asked if any changes that might need to be made as a result of escalating fuel prices would be a Board or Budget Committee function, and whether using the contingency and making a transfer from that fund would be a Board function. Mr. Pangborn said that the Board had considerable flexibility within the current budget to transfer dollars around, and that such a transfer would be a Board function. He added that the Budget Committee would begin meeting in April to discuss the proposed budget for FY 91-92. However, if there were changes outside the authority of the Board to make, a supplemental budget process for the FY 90-91 budget could be held.

Mr. Pangborn said that the District had the flexibility of raising additional revenues. The most obvious source of revenue was the payroll tax. However, there are only certain times when taxes can be conveniently raised, because they are paid on a quarterly basis. The District was currently processing payments from June, July, and August, so raising taxes in April would be almost too late to make a difference in the current fiscal year.

Ms. Fitch said she would recommend that the Board convene the Budget Committee, possibly in connection with the January Board meeting. She said that if she were only on the Budget Committee, she would appreciate seeing the information the Board had seen that evening, prior to the beginning of FY 91-92 budget deliberations, in order to see the shifting that had gone on internally. She thought the Budget Committee would be better prepared that way. Also, in another month, staff may have different figures on fuel costs. Mr. Andersen commented that since he has been on the Board, the Budget Committee had not had to make any difficult decisions. Ms. Loobey agreed that the Budget Committee would need some time to consider these current issues, but wondered if January was the appropriate time.

From the standpoint of the year's budgeting cycle, Ms. Loobey explained that staff would soon begin the annual route review (ARR) process, which normally went to the Board for approval in March. She thought some information from the ARR regarding the status of service, including requests and needs assessment, would be helpful for the Budget Committee, so January may be too soon to hold a Budget Committee meeting. She said her preference would be to wait until after some information is available from the ARR process, but also to not wait until the FY 91-92 budget process begins in April.

Mr. Parks asked if staff had enough information to know what was happening with payroll tax revenues. Mr. Pangborn replied that staff would have two quarters' experience. The District budgeted a 4 percent increase in payroll tax revenues. In the first quarter, those revenues increased by 5 percent, and the second quarter revenues were at 4.2 percent and could reach 5 percent.

Mr. Andersen stated that, in the past, a packet of information had been mailed to Budget Committee members, in lieu of a mid-year budget meeting. He suggested that some written material could be sent to the Committee members, with a statement that the Committee might

meet in February to begin discussing current budget issues. Mr. Pangborn said that by mid-to late February, staff would have received third quarter tax revenue figures. It was the consensus of the Board that staff should arrange a Budget Committee meeting at the appropriate time, and send information to the Budget Committee prior to that time.

Mr. Parks asked if Portland's new option to go to a metropolitan service district and rely on property taxes would change LTD's relationship, or if the legislature would cause problems for LTD's payroll tax. Ms. Loobey said that Metro could already levy the property tax, but there was a legal question which had not been resolved in the last four legislative sessions about whether or not Metro can levy the payroll tax. Also, Tri-Met had bonded indebtedness, and its service boundaries were different than those of Metro, so there were many outstanding legal questions.

Ms. Loobey said also that one issue for the Board's planned strategic planning work session was to discuss funding issues, and the fact that LTD did not currently levy the self-employment tax. Mr. Parks asked if that would include doctors and lawyers and other similar occupations. Ms. Loobey said that if those people were in a professional corporation (PC), they already paid the tax. The real estate brokers and agents did not pay on their commissions. Mr. Parks asked if there was a date certain to make a decision regarding an increase in the payroll tax. Mr. Pangborn replied that the Department of Revenue printed the tax forms for the calendar year toward the end of the year. Those would be sent out with a current rate. If LTD changed the rate, it would have to change in May or June, so the DOR could send a supplement to change the rate effective. Mr. Parks suggested that any change could be made during the regular budget process. Mr. Pangborn added that the payroll tax rate had been changed in mid-year before, but that revenues lag a quarter behind the current quarter.

SAIF Dividend: Ms. Loobey stated that the \$162,000 dividend from SAIF Corporation came suddenly. She said that at one time, LTD did not have this excellent kind of safety record, and had a loss record over 300 percent in 1974-75, which meant that for every dollar in premiums, \$3.00 were being paid in costs. At that time, SAIF said the next year's premium payment would be \$.5 million. Staff developed a light duty medical management program, and within a year, the District's loss ratio had turned around to less than 3 percent, or 3 cents in costs for every dollar in premiums.

Ms. Loobey said that part of what had contributed to that success were staff management of the program with light duty assignments, and changes in the labor agreement that affected workers' compensation. The effectiveness of this program, she said, had been a contribution on the part of the labor union, staff, and excellent service from SAIF.

In addition to the District's diligence in monitoring and managing the light duty program, additional programs, such as the Take Care wellness program, had also helped. Mr. Andersen stated that with the District's new workers' compensation plan, with a lower premium, this kind of dividend would not happen again.

Oregon Transportation Conference (OTC) Update: Ms. Loobey reported that Ms. Fitch had attended some of the OTC workshops, and Mr. Andersen and Mr. Parks had attended the reception held in the LTD Maintenance building. Four LTD staff members had key roles in planning the conference. Mark Pangborn and Marketing Representative Connie

Bloom Williams had developed the program, and Ms. Williams had also been responsible for planning the OTC awards dinner, at which Senator Mark Hatfield had been the featured speaker. Two Administrative Secretaries had also been involved; Cathy Feely-Evans had created the conference program on PageMaker, and Susan Hekimoglu had planned the reception at LTD. Ms. Lobey said she had heard from people that this was one of the best conferences sponsored by the Oregon Transit Association and the Public Transit Division. She also commented that the highlight of the conference was that Senator Hatfield was honored as transit legislator of the year. She thanked the Board members who were able to attend.

Holiday Lights Joy Ride Promotion: Mr. Andersen said that the number of buses for the Joy Ride had doubled this year, and that Board members were invited to ride. He encouraged Board members to make their arrangements by December 6, as discussed in the staff memorandum, since the Joy Ride had proved to be very popular in its first year last December.

System Ridership and Overloads: Mr. Viggiano referred to an overhead projection to show that October 1990 ridership was 12.3 percent higher than the previous October; total passenger revenues were up 18 percent; and farebox revenues had increased 12.5 percent, all higher than the District's goals, which had been projected at an increase of 4 percent. Mr. Viggiano discussed the reasons for the increases, including increasing fuel prices; record-high enrollment at Lane Community College (LCC); slightly higher enrollment at the University of Oregon (UO); and the District's new group pass programs, which included the City of Eugene, which joined in April, and Sacred Heart Hospital and the Lane Council of Governments (L-COG), which both joined in October. Actually, he said, the ridership increases began in September, before the UO, Sacred Heart, and L-COG began their programs. He thought, therefore, that increasing fuel prices had a great deal to do with the ridership and revenue increases, with new riders paying cash and using tokens.

Mr. Andersen said that there was a potential for revenues from the group pass programs to increase next year, after the individual programs are reviewed before renewal. Mr. Viggiano said that the UO's and City of Eugene's programs will be reviewed in March and April, and that Sacred Heart Hospital and L-COG were already using the District's new formula.

Mr. Viggiano further explained that the system capacity had been reached on parts of the system as the ridership increased. The District tracks three types of overload conditions--pass-bys, when the bus is too full to pick up passengers waiting at stops; white lines, when there are passengers standing in the aisle up to the white line on the floor of the bus, or about 1.5 times the seated load; and passengers standing on the bus for a long time. He referred to page 39 of the agenda packet to show how overloads are logged, noting that on one trip, one wheelchair was left at the stop because each bus can take only two wheelchairs at a time. The District tracks the number of minutes of waiting time for that person, until he or she can board the next bus. Mr. Viggiano said there was also a problem with running time, as shown in the last Annual Route Review. The buses have a harder time getting through traffic, or there are delays because more people are boarding and deboarding at more stops, and the dwell time at those stops increases. Trippers had been used to address that problem; two additional buses were being used in the morning, and one in the afternoon, to meet the additional ridership requirements. Mr. Viggiano said that those three trippers would most likely be used all year, but that this was really a Band-Aid solution. In the long run, the District would need to add service, and for running-time problems, would need to redesign routes. He added

that the District may be looking at service increases that were not anticipated a couple of months ago.

Mr. Parks asked why LTD was advertising for more riders. He thought the District would lose money with more riders. Ms. Loobey commented that much of the District's advertising was for image-building purposes. Mr. Parks said that fares could not be raised enough to pay for service, and that taxes might have to be raised because of all the riders. Tim Dallas, Director of Operations, said that most overloads occurred on UO and LCC service, and service out Main Street to Thurston. Mr. Andersen said that, if the District used trippers because of the UO ridership, the UO would start to pay for the extra service; however, just as with the payroll taxes, UO payments for service were at least a quarter behind.

Tim Dallas talked about the "white line" overloads, and the changes in the character of the service that LTD was delivering to its customers. The interface of that service was between the bus operators and the customers on the buses, where the most significant contacts were. There was less time for the bus operators to spend with their customers, and less time to answer route questions. Also, more time was needed to manage additional conflicts between passengers on the buses, due to crowded conditions. Short-term solutions include trippers and schedule adjustments; ongoing driver training, which this year included a half-day each on stress management and conflict resolution; and new buses and revised maintenance work schedules. Mr. Dallas said that all these issues had some strategic implications. LTD was not yet in a crisis, but there were some serious long- and short-term implications, so that LTD needed to be careful about how it managed those issues. The District's image in the community and the character of service were changing; LTD was no longer a small, personalized, hand-holding kind of system. Rather, the District was becoming a larger system that carried more people in a shorter amount of time. Mr. Dallas predicted that riders would have to be more proficient in understanding the system, and self-sufficient once on the bus. Mr. Andersen said this all went back to the fact that LTD was becoming a big bus company.

Ms. Loobey stated that not all of this was due to the group pass program, and that the Board would be grappling with real strategic issues at its work session in January.

According to page 46 of the packet, handed out at the meeting, January and February are typically the District's highest ridership months. The chart was a result of her request to staff to project out what they thought would happen in January and February of 1991, based on the District's experience in October through December 1990 and past history in January and February of each year. In 1988-89, there were 11 days of snow and ice in February. In 1989-90, there were about three days. These weather conditions normally added a lot more riders to the system. The difference in the projections for FY 91-92 were the higher ridership growth in FY 90-91, and the fact that any prolonged cold snap could increase ridership even more.

Ms. Loobey said staff were trying to provide the Board with an early alert that the District is nearing crush loads, and if the supply of fuel was interdicted in any way, the District would be in a difficult situation. All this would be discussed in more detail after the Annual Route Review process.

Board Strategic Planning Process Update: Mr. Andersen commented that several times that evening, staff and the Board had alluded to strategic planning and issues that needed to be discussed at the Board work session in January. He said he thought it was appropriate that the work session scheduled for November had been cancelled, due to the problems that led to not having close to a full count of Board members. He said he hoped that the Board members would be sure to set aside the weekend of January 11-13 for its strategic planning work session, and make every effort to be there. Mr. Parks added that this would be a critical time for Board decisions, and that some choices would cost a lot of money. Mr. Andersen said that the discussion would include some things which would be forced upon the District, and some things which were within the District's control. There would also be discussion of how to process the information and interact with each other.

Fuel Costs Update: Ms. Fitch commented that the graphs in the agenda packet showed that fuel costs had decreased slightly. Mr. Dallas stated that staff had seen a 6-cent fluctuation on the market, but still faced a \$200,000 shortfall in the fuel line item. Ms. Fitch said she appreciated the graphs and would like to see them continue. Mr. Dallas said a graph would be included in the packet each month, and if there were no drastic changes, staff would just answer questions rather than making a presentation to the Board.

New Television Ads: Mr. Bergeron said that the District's advertising was designed to let people who were not using LTD know what the system was like and who was already riding the bus. Overloads were occurring during peak hour service, so the current ads addressed off-peak ridership and the discretionary rider who could ride at other times during the day when there was excess capacity. He showed the Board the new television ads.

Introduction of New Staff Member: Ms. Loobey introduced Mike Cavender, the District's new Safety and Training Administrator, who had been hired after Gary Deverell resigned. She said that Mr. Cavender had previously been a risk manager for Clark County, Washington, and had been a consultant for a variety of companies in Oregon and Washington.

ADJOURNMENT: Mr. Parks moved, seconded by Ms. Fitch, that the meeting be adjourned. There was no further discussion, and the meeting was adjourned at 9:50 p.m.



Board Secretary