

MINUTES OF DIRECTORS MEETING
LANE TRANSIT DISTRICT BOARD OF DIRECTORS
STRATEGIC PLANNING WORK SESSION

January 11-13, 1991

Pursuant to notice given to *The Register-Guard* for publication on January 10, 1991, the Lane Transit District Board of Directors held a strategic planning work session at the Hotel Newport in Newport, Oregon, from Friday evening, January 11, to Sunday, January 13, 1991.

Present: Peter Brandt, Treasurer
Janet Calvert
Tammy Fitch
Herbert Herzberg
Keith Parks

Staff: Phyllis Loobey, General Manager
Mark Pangborn, Director of Administrative Services
Tim Dallas, Director of Operations
Jo Sullivan, Recording Secretary

Absent: Thomas Montgomery
(one vacancy, subdistrict 5)

During the first part of the work session, consultant John Martz discussed personality differences and communication styles with the Board. Board and staff members' preferred styles of communicating and making decisions were discussed and compared. The Board members also agreed on norms for conducting meetings.

During the second part of the work session, the Board discussed strategic planning with consultant Jeff Luke, and began discussing the first of four strategic issue position papers prepared by staff. The group agreed to use the P.R.E.S. approach during discussions, which meant that each member would present his or her position or point of view, rationale or logic, an example, and a summary of the position or point of view.

In discussing why the Board was participating in strategic planning, Ms. Loobey said that policy decisions could be made with an operational focus or a long-range, policy focus. Staff preferred to bring issues to the Board for discussion early, so there were no surprises. Mr. Brandt said he wasn't sure the four issues presented by staff were the issues the Board should be discussing, so staff asked the Board to think about additional issues they would like to discuss.

LTD's Role in Encouraging Transit Use: Mr. Brandt said he thought the District was doing about as much as it should in encouraging transit use, and to some degree, did too much. He had questioned in the past how much marketing was being done, and what was being accomplished with that marketing. He thought the District's role was to be informative

to the community, to provide top-notch bus service, and to make people aware of what is available, but not necessarily to promote the use of transit.

Ms. Calvert said that to her, transportation was a necessity for people and, primarily in the United States, that necessity has been filled through the use of cars. She said it did not seem reasonable to have mass transportation sitting around ready for people when they need special services, such as during snowy weather. For mass transit to be effective, she thought, LTD needed to look into the future and seize the moment, to look far enough ahead to have necessary services there for people to use, and also to promote it as an alternative to the car. She said that transit in Eugene was not yet convenient for everyone because the service was not often enough; maybe 10-minute service would be better. She said there had been a steady state of growth over the years, which had been relatively significant in Eugene/Springfield, and the District needed to plan for that growth and be proactive in promoting transit use. She thought that using the taxpayers' money to get the buses full was what the District was all about.

Ms. Fitch said her thoughts were much like those of Ms. Calvert. She thought the District should be watching business trends and what was happening in society. Children and the nation were becoming conscious of the ecology, and LTD had a mode of transportation available that was good for the present and the future. If the Board believed it had a viable and good solution, then she thought they should promote it. She said she did not always ride the bus, but believed it to be a good alternative, along with bicycles and other alternative modes of transportation.

Mr. Herzberg said that the Eugene/Springfield community had to have mass transit. There were certain groups of people the District needed to reach, to encourage them to ride the bus. He did not believe that people would give up their cars until they were priced completely out of them. He said he did not ride the bus as much as he should, but he did more since he had retired. He thought the District was going to have to sell people on the idea that mass transit might be good for them. He also thought the District might work toward the idea that fewer parking spaces might be required if mass transit were used more. He said that people were living in the "fast lane," and needed their cars for shopping after work, etc., in order to save time, and were teaching their children the same attitudes. When he came on the Board, he had said that mass transit helped the elderly more than the middle class. He thought the District would need to continue to promote mass transit to the people, but the people would have to come to the District to say they wanted it.

Mr. Parks said that mass transit is a public utility that has been designed to act as a mover of people from one place to another. The size of the community makes a difference in ridership. A good segment of the local population did not drive cars and had only the bus for transportation, especially the senior citizens and those who could not afford or drive a car. Riding the bus enabled them to stay active in the community. However, there were still a lot of people in the community who were not bus riders, but some of them did ride for special occasions, such as sports shuttles, which promote the bus as an easier way to get there. He thought that the people using the system probably gave the District the best promotion. He said LTD should have a plan and a fixed formula to guarantee that taxpayers would not pay for services for employers, such as the group pass program. Mr. Parks said the publicity programs were hard for him to take a first, but he found some of them were really doing the job. He also thought the District needed to work with governmental bodies, such as those who

control traffic, etc., and make sure they keep the District in mind. He said the District could only influence certain decisions, but could not make things happen; had the power to tax, but not to set its own destiny as far as the laws were concerned. The District needed to work with legislatures and those with political influence in order to influence its destiny, but could not go out and "change the world."

Mr. Brandt said he was the only one who had mentioned any specifics. He didn't agree that the District was going to be able to change how anyone thought, especially their social values, and should not spend any money to try to.

Ms. Calvert thought promotion should be done at the level where decisions were made, such as land use issues, so it would be easy and practical to use the bus. She thought that playing more of an advocate role for transit before roads were built was an area in which the District could promote the most effectively. She thought there had to be someone to keep saying that transit should be involved. Mr. Brandt thought, however, that taxpayers would object to spending their money in this way. He said LTD should be positive about mass transit, but being proactive in the political arena would alienate the taxpayers. He said he would like to know sometime just how much time staff were spending on long-term development and community development on a two-month basis.

Ms. Loobey said that 15 years ago staff had no involvement in community development, but it had grown over time. She asked the Board if there was a bill before the legislature that said that something specific would be done for transit, or one that said LTD would have to assume more costs, should she not be there talking about those issues? Mr. Brandt said he may not have understood how much the staff were doing, and he thought the position paper said staff wanted to do more.

Ms. Calvert recalled that during the last legislative session there were some bills that Ms. Loobey was going to be testifying about, and the Board had some discussion about whether she should be doing that as the LTD General Manager or as the President of OTA. Mr. Brandt said the Board never said they didn't want her to be involved and to know what was going on and report to the Board. Ms. Loobey said she could not actually separate the fact that she was the General Manager of LTD from the fact that she was testifying as the President of the Oregon Transit Association. She wondered if that kind of participation violated Mr. Brandt's restrictions on involvement, and whether it was okay for her to participate, or should come before the Board and ask as issues arose. Mr. Parks thought that since there was a divergence of opinion among Board members and Ms. Loobey could not get a consensus to be comfortable with, these questions should be settled by vote.

Mr. Brandt wondered if the new facility was giving staff the impression that the community was behind the District, so it had the right to do whatever it wanted. He also wondered if the Executive Committee members were getting bored with their jobs and wanted more exciting things to happen. Ms. Calvert asked Mr. Brandt if he would have been content for his own business to be exactly the same as it was five years ago. He said he would not, but they did not have to be innovators, and his firm had waited and learned from the mistakes of others. He did not want LTD to lose focus that Eugene/Springfield was an area of 150,000 people. Mr. Dallas said that staff were certainly not bored; rather, they were concerned and a little frightened of the implications of some of the strategic issues brought to the Board for discussion. Ms. Loobey said she believed that you create your own destiny; you can either wait for

it, or go out and meet and manage it. She said she believed in transit and felt committed to it as a job, and that there were a million challenges in transit, which was a global issue.

Mr. Luke commented that Ms. Loobey's preferred style was for long-range planning, and that it was in her nature to worry about it. He added that someone at a high staff level needed to do that. Mr. Brandt had the lowest need or desire for long-range planning, with the rest of the Board members having a stronger sense of the need for long-term planning than Mr. Brandt. He said they would not be able to come to consensus on long-range or short-range planning that day.

Ms. Fitch said she would like to know from the Executive Committee what the District was involved in, so the Board could respond with whether or not they thought it was appropriate. Mr. Parks stated that the District should spend money on protecting its own interests, especially in communicating with legislators on certain committees, etc. Mr. Brandt said that he did business a lot different than the other Board members, and his decisions were based on input, comments he heard, etc. So far, the input regarding Ms. Loobey's activities had been positive, but he thought the Board should know exactly what she and the staff were doing. He thought the best promotion of the buses was that they were clean and that "respectable" people were riding them.

The Board members agreed that more information was needed about the following: (1) what the District was currently doing in the community to promote transit; (2) what Ms. Loobey's plans for the 1991 legislative session were; (3) what the District was doing to stay in touch with taxpayers; and (4) how much time staff were spending in promoting--a simple list of what was being done, as well as a definition of marketing strategy and political promotion.

Broadening LTD's Funding Base: Mr. Parks thought that the cost of social issues should be spread out over an entire group, so it bothered him to have LTD's major revenues coming from a particular group. He thought the tire and battery tax should be pursued in the legislature since it related directly to transit. He said the District should have two plans: how to get by the best it could with what it already had, and how to broaden the base. He said he was concerned about the loss of federal funds, but also about getting into the fight for more money with everyone else, due to Measure 5, and would like to see a contingency plan for what would happen if the District received half of what it currently received. However, the District also needed to be careful about cutting services, so it didn't start losing riders in a spiral effect. He said the best thing LTD could do would be to keep its public image as clean and good as it possibly could. If the District sat by and did nothing, then that would be an important decision that LTD was willing to accept what was handed down. He said he would rather have the District's hand in the discussions first.

Mr. Herzberg stated that a new tax would not pass by vote, and he knew the construction industry would oppose a new tax. He thought a sales tax would not pass in Oregon, even though one may be needed. If fares were increased, the District might lose riders, but maybe more people would ride if fuel prices kept increasing. He said the people he had talked with were not sold on transit yet, and thought the legislature would not be ready to help LTD with its funding issues at that time.

Ms. Fitch said the District not only needed to look at broadening the tax base, but also where the shift would be in order to replace dwindling federal and state money. She agreed with Mr. Herzberg, that it would be a miracle to pass any new taxes. She said she would like to know the implications of using the self-employment tax as an alternative. She also wanted to see the other side--what the District would cut or not expend if it were not able to broaden the funding base.

Ms. Calvert said that funding was a perpetual problem. If the District could find another reliable source of funds, such as the tire and battery tax, that would be good. LTD could also increase the rate of the payroll tax. She said she supported the incremental way in which fares had been increased in the past. She recalled that the District had received no support when it wanted to levy the self-employment tax as a revenue-neutral tax, and thought there was no point in doing so if it were to be revenue-neutral, unless the business community supported it. If the District would have to increase fares and the payroll tax rate, there should be clear explanations that it was done due to increasing costs or loss of funding, not just due to expansion. She thought the tire and battery tax, as a stable source of revenue for transit statewide, should be pursued.

Mr. Brandt said he saw no problem with the District's funding. The uncollected portion of the payroll tax was the District's reserve, and LTD was in an envious position in that regard. He said LTD was financially sound with a lot of flexibility, and could raise \$1.5 million easily. He thought there would not be a lot of negative feedback about that if the increase were due to reduced federal funding. He said the District may have to make hard decisions for the short term, but not for the long term. The need for mass transit was becoming more critical than ever, and he thought there would be demands on the government for federal funding. He also stated that if the Eugene/Springfield area did not grow, then LTD should not grow, either. That was why he was concerned about the downtown station; it would take more money to maintain and operate and would not generate any additional money. He said LTD should wait until it was sure where the money for the station was coming from. He thought that advocating for a new tax, when LTD was not spending what it was able to collect, would be irresponsible and would just be helping Portland, not Eugene/Springfield. He said he would not advocate any additional taxes, because he did not think there was a problem.

Ms. Calvert said the District should be very careful that the group pass program continued to pay for itself as much as possible. She asked what percentage of service the payroll tax revenues from rural areas paid. Mr. Pangborn said that, on a general basis, payroll taxes from rural areas did not pay the same level of subsidy that urban areas did, but it varied by area.

Mr. Luke asked where the District should find increased funding in order to maintain the current level of service. Ms. Calvert listed the legislature, an increase in fares, and the payroll tax rate. Ms. Fitch said the group pass program fares should not be excluded, especially if those programs increased ridership beyond expected levels. She thought maybe the group pass programs needed to look at paying more, so the tax base was not a subsidy for those programs. Mr. Brandt was concerned about expending the capital base because of the ridership caused by group pass programs, in case those programs cancelled and the District was left with too much equipment.

Ms. Calvert asked if the Board could deny service to rural areas if the tax base from that area would not pay for the service. Ms. Loobey replied that the Board could determine not to expand the boundaries for any reason.

Ms. Loobey stated that a tire and battery tax would benefit all transit properties in the state, not just Portland or another area. She added that no transit system, by itself, could accomplish anything in the legislature, and that was why the Oregon Transit Association (OTA) had positions on a number of issues. She said that, as the President of OTA, she should be presenting the OTA's positions on those issues. However, she would only support an issue on behalf of LTD if she had presented it to the Board and had their approval.

Mr. Pangborn said he believed that LTD as an organization should support the tire and battery tax, because it would provide a stable source of funding for long-term capital, which could be used as local match for federal funds. He said that would be in the District's best financial interest, and disagreed with Mr. Brandt that it would exceed LTD's financial need. He said he would prefer to have a relatively permanent source of state funding so the District would not have to use payroll tax dollars for capital match. Mr. Brandt said he did not disagree with that reasoning, but did not want to advocate new taxes.


Mr. Luke summarized Mr. Brandt's concerns that the District should base its growth on demand and that Ms. Loobey not advocate new taxes if the Board didn't. Board members also wanted to re-evaluate the group pass program costs and charges. Also, the group pass program was listed as a possible strategic issue for the future.

The Board members were not able to discuss the strategic issues any further, and agreed to commit their time to finish these discussions. Mr. Brandt said that maybe it was the Board members' obligation and role to ask more questions, because he had gained some information about things he had previously not known about.

Future Plans: The Board members agreed that they should meet more often to discuss their role, mission, or mandate; the remaining strategic issues; specific issues, such as the group pass program, the downtown station, and promotions; and legislative issues. They agreed that work sessions may be helpful before the decision point on certain issues.

Mr. Luke reminded the Board to become impassioned, to remember the norms they had developed for meetings, and to draw out the people who needed to be drawn out, so that everyone had a chance to speak on an issue.

ADJOURNMENT: With no further discussion, the strategic planning work session was adjourned at 1:30 p.m. on Sunday, January 13, 1991.


Board Secretary