

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, March 15, 1995

Pursuant to notice given to *The Register-Guard* for publication on February 9, 1995, and distributed to persons on the mailing list of the District, the regular monthly meeting of the Board of Directors of the Lane Transit District was held on Wednesday, February 15, 1995, at 7:30 p.m. in the LTD Board Room at 3500 E. 17th Avenue, Eugene.

Present: Pat Hocken, President, presiding
Dave Kleger, Treasurer
Kirk Bailey, Vice President
Thom Montgomery, Secretary
Roger Saydack
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary
Kimberly Young, Minutes Recorder

Absent: Rob Bennett
(one vacancy)

CALL TO ORDER: Ms. Hocken called the meeting to order.

ROLL CALL: Ms. Loobey called the roll.

INTRODUCTORY REMARKS BY BOARD PRESIDENT: Ms. Hocken briefly reviewed the agenda.

AUDIENCE PARTICIPATION: There were no requests to speak.

EMPLOYEE OF THE MONTH: The March employee of the month was Bus Operator Wil Harlan. Mr. Harlan was hired on April 23, 1991, and promoted to full-time on August 4, 1992, and had a three-year safe-driving record. He was nominated by a customer for his excellence in providing accessible bus service to customers with disabilities. The customer said that if the driver of her bus was not on the bus when she arrived, Mr. Harlan would get off his bus, board hers, and lower the lift so she did not have to wait. One day, she said, he assisted two other people in wheelchairs besides her. She added that he always had a smile for everyone. When asked what made Mr. Harlan a good employee, Transportation Administrator Patricia Hansen noted that in addition to his safe driving record and outstanding attendance, his customers and supervisors recognized and appreciated his willingness to lend a hand when called upon, and to frequently go that extra little step to provide quality customer service, particularly for LTD's customers with disabilities.

Mr. Harlan received a letter of congratulations from the District, a plaque, and a financial bonus. He thanked the Board.

Ms. Loobey reported that Patricia Hansen had been appointed to the position of as Transportation Administrator, after serving for a period as acting administrator.

ITEMS FOR ACTION AT THIS MEETING

MOTION **CONSENT CALENDAR:** Mr. Kleger moved, seconded by Mr. Montgomery, to approve the Consent Calendar for March 15, 1995. The Consent Calendar included the February 15, 1995, meeting minutes and the corporate investment authorization. The motion passed
VOTE unanimously, 5:0.

ANNUAL ROUTE REVIEW/FISCAL YEAR 1995-96 SERVICE PLAN

Staff Presentation: Stefano Viggiano, Planning Administrator, referred the Board to the meeting packet and briefly reviewed the service additions table on page 40, noting changes to routes 79, 40, and 92 recommended by staff in response to public testimony.

Mr. Montgomery asked if the extension of route 40 to Woodland Park would involve the use of a remote gate opener. Mr. Viggiano clarified that the last trip occurred before the gate was closed and a remote opener would not be needed by drivers. Greg Stewart introduced himself as the owner of Woodland Park and confirmed Mr. Viggiano's remarks.

Responding to a question from Mr. Montgomery, Mr. Viggiano said that the net annual cost included both service deletions and adjustments.

Opening of Public Hearing by Board President: Ms. Hocken opened the public hearing on the annual route review and fiscal year 1995-96 service plan.

Jennifer Hall, a resident of the Thurston area, acknowledged vandalism problems at the bus shelter located at 54th and Main streets but said that riders would like to see glass or plastic installed at the shelter again. Ms. Hall also requested improved connections between the Gateway and Thurston areas and asked that the current connection between Centennial and Thurston be retained. Additionally, Ms. Hall said, the Gateway and Thurston connection sometimes had a 20-minute wait, particularly in the evenings, before the outbound bus traveled to Thurston. She asked if that wait could be shortened. Ms. Hall endorsed the 5:50 p.m. Thurston route addition, adding that another express bus, similar to the 11X, would be nice. Ms. Hall said that most bus drivers were polite but others needed improvement because they were rude or unfamiliar with the route they were driving. She said that often drivers referred passengers to the Rider's Digest, but did not have copies available and did not attempt to secure copies. Ms. Hall also suggested that most popular routes, such as Thurston and Gateway, be augmented by the addition of extra hours.

Brent (no last name given) suggested that two hours be added to popular routes on Sunday, rather than only one hour. He said that some popular routes had standing room only on Sunday, such as the 7:30 p.m. outbound Thurston bus. In addition, he said, many people

who worked night shifts and rode the Thurston bus had to leave for work 4-1/2 hours early because they could not get a later bus.

Anita Larson said she was a parent of a South Eugene crew member. She supported the addition of a 3:40 p.m. bus on route 92 to Lowell. She said that the route would benefit both the crew and larger community. Ms. Larson said that South Eugene's crew included both male and female rowers of all ages and was the only high school crew club in Oregon. She said that the club's largest expense was for transportation. If students could ride LTD buses, it would lower the club's costs, and get students in the habit of riding the bus when the rowing season is over. Ms. Larson encouraged the Board to support the route. She said that if the bus service could be provided by LTD, the club will lower rowers' fees to involve more students and could offer scholarships to those who needed them.

Petra Moreland said she represented 30 residents living on 5th Avenue between Polk and Blair streets. She said that residents had an ongoing problem with the bus route on 5th Avenue as currently configured. Ms. Moreland noted previous requests by residents that the bus route on 5th Avenue be removed, requests that the District declined. She asked that a portion of the bus route on 5th Avenue between Polk and Blair streets be removed because of congestion created by parked vehicles and the on-street bicycle lane. Ms. Moreland asserted that the road was dangerous when buses were present. She said that the route had traveled down the street long enough, and other local area residents should share the responsibility.

Tracy Lynn, a resident of 5th Avenue who lived between Polk and Blair streets, concurred with Ms. Moreland's remarks. She said that the street was narrowed at its western entrance, which made it difficult for cars to turn when the bus was waiting at the intersection. Ms. Lynn asserted that LTD bus drivers tended to speed down 5th Avenue and, given the frequency of service, presented a hazard to local area children. She noted that truck traffic was forbidden to use 5th Avenue at Polk Street.

John William said he was a strong believer in alternative modes of travel, but he agreed with Ms. Moreland and Ms. Lynn that the use of 5th Avenue by LTD buses was dangerous. He said that a bicyclist could get struck in the head by the rear view mirrors of buses. Mr. Williams suggested that buses be routed down Blair Boulevard to 4th Avenue, which was a wider street, or routed down 2nd Avenue. Mr. William presented the Board with a petition in support of his position containing 29 signatures.

Chris Hanley, Lane Community College, encouraged the Board to approve additional bus routes to Lane Community College. He believed more college employees would ride the bus if they did not have additional pressure to get off work earlier to catch the bus before the hour.

Paul Reed, Director of Facilities at Sacred Heart Hospital, said that two general categories of riders should be considered; those who must take the bus because they have no other transportation and those who must be persuaded to ride the bus. He said that Sacred Heart wanted more hospital employees to ride the bus. Mr. Reed endorsed the changes before the Board but encouraged it to set its sights higher. Mr. Reed said that people told him that they need more early and more late service to be persuaded to ride the bus. He

suggested that more convenient scheduling required an examination of the downtown transfer system. People would prefer not to wait for long periods of time to transfer to another bus. Mr. Reed called for improved control over downtown connections.

Mr. Reed also said that often shelters, particularly in Springfield, are just posts next to the road. They are intimidating when it is dark and raining. He recommended that the board ~~postpone purchasing buses to install new bus shelters and increase maintenance at bus stops.~~ Mr. Reed said that personal safety was a major issue with people, particularly when it came to transit use. He added that the Board should focus less on students and more on the year-round needs of others.

Dave Cohan introduced himself as a frequent bus rider, and talked about the #25 route. He said that sometimes he had to wait for an outbound bus at Willamette Plaza for up to nine minutes, particularly during midday and late afternoon. Mr. Cohan asked why the schedule indicated that there was a five-minute lapse between downtown and the bus' arrival at Willamette Plaza no matter the time of day. He suggested that the Rider's Digest be altered to reflect time-of-day delays. Mr. Cohan said ridership was not encouraged if patrons must wait for eight or nine minutes. Such delays do not give riders a sense of being valued.

Mr. Cohan questioned why the inbound #25 bus trip length was 13 minutes longer than the outbound trip length of 5 minutes. He said that when the #25 bus was inbound and returned to the Amazon station, it often waited there for up to 4 minutes, but nobody got on or off the bus. He suggested that the bus wait at the Pearl Buck Center instead.

Closure of Public Hearing: There being no further testimony from the audience, Ms. Hocken closed the public hearing.

Staff Response: Mr. Viggiano responded to testimony. He said that there would be no change to the connection from Thurston to Centennial. Regarding complaints about long waits between the Gateway and Thurston buses, Mr. Viggiano said that staff would examine the issue.

Brent clarified that the Gateway and Thurston buses leave for their destinations at the same time, and the Thurston bus leaves downtown Springfield about five minutes before the Gateway bus arrived downtown. Ms. Hall added that the Gateway bus used the Pheasant Park Loop, and she believed that loop could be eliminated from the route for some runs during the evening because of low ridership. That would eliminate travel time and the dangerous intersection at Pheasant Park Loop.

Regarding the issue of replacement glass at bus shelters, Mr. Viggiano said that when shelters were repeatedly vandalized, the District stopped replacing glass, but did leave glass on the roof for rain. He said that staff were working on a more vandal-resistant shelter design for use in such locations.

Regarding the suggestion to extend service for two hours rather than one hour on Sunday night on fewer routes, Mr. Viggiano said that was an interesting idea that staff would consider, although he was concerned that extending service hours on fewer buses would

mean large sections of the community would not enjoy the same level of service. Mr. Viggiano believed it was necessary to extend the extra hour of service to all the proposed routes to make service workable. He said that ridership may be limited if hours were extended on some routes and not others.

Mr. Viggiano said that the issue of buses on 5th Avenue between Polk and Blair streets had been raised some years previously. At that time, the intersections were narrowed because of traffic problems to discourage travel through the area. He said that staff looked at alternatives such as routing buses down 4th Avenue and held two neighborhood meetings to discuss the possibility. There was general neighborhood consensus to leave the bus on 5th Avenue. Mr. Viggiano said that staff would reexamine the issue and possibly hold another meeting with neighbors.

Regarding Mr. Cohan's concerns about the accuracy of the Rider's Digest during mid-day periods, Mr. Viggiano agreed it was difficult for the bus to travel to Willamette Plaza from downtown in the middle of the day, although it might be possible during lower traffic times. He said that the District encountered that problem increasingly as the community grew, and that maintaining bus schedules at consistent times meant that people always knew when they had to be at the bus stop. Mr. Viggiano said that if times varied, people would have to remember different times. He acknowledged that larger systems had variable time points, and the District had begun to move in that direction on some routes.

Mr. Bailey asked about bus ridership levels at Sacred Heart. Connie Bloom Williams, Commuter Resources Coordinator, said that the District was currently surveying the hospital's employees to determine employees' attitudes and awareness about the bus and the number who currently used the bus. Staff would use that information to identify issues that kept people off the bus and determine how best to communicate with employees to promote bus use and motivate them to use the bus. Service-related issues, such as Mr. Reed's concerns about downtown transfer connections, were referred to District planners for a response.

Ms. Loobey observed that Mr. Reed worked hard to persuade Sacred Heart employees of the benefits of bus use.

Ms. Hocken asked Ms. Williams to provide the Board with the results of the survey.

Mr. Saydack asked about the justification for extending route 79, given its high cost. Mr. Viggiano said that the bus served the Gateway and Centennial areas, two parts of the community experiencing significant residential growth, particularly in the Centennial area. He recollected that the District had added two trips last year, which were heavily used. Mr. Viggiano said that the route was instituted at a fairly limited scale and was experiencing normal maturation. He believed that eventually the route could travel both ways all day.

MOTION VOTE Mr. Bailey moved, seconded by Mr. Montgomery, that the Board approve the FY 95-96 Five-Year Service Plan. There was no further discussion, and the motion passed unanimously, 5:0.

FISCAL YEAR 1995-96 PRICING PLAN

Staff Presentation: Mr. Viggiano noted that the Board had the item on its February agenda, and there was an outstanding issue of the rate of inflation to be used for the group pass program. The Board had indicated its wish to use an LTD inflation rate rather than the Consumer Price Index rate. Mr. Viggiano said that staff examined and averaged direct service cost inflation over the past three years to reach the proposed rate of 3.6 percent.

Responding to a question from Mr. Montgomery, Mr. Viggiano said that the previous percentage employed in the plan was 2.9 percent.

Mr. Viggiano said that another issue raised by the Board during discussion in February was how the farebox recovery ratio could be improved. An analysis was included in the meeting packet, and it outlined three options for the Board: (1) increase revenues by raising rates; (2) decrease operating costs; and (3) increase ridership productivity. Mr. Viggiano said that increasing rates at a rate faster than inflation generally had the adverse effect of decreasing ridership. The District was always trying to decrease its costs, but Mr. Viggiano was unsure how much impact on farebox recovery ratios would result.

Mr. Viggiano believed that increasing ridership productivity was the most promising method of improving farebox recovery ratios. If ridership increased faster than services increased, that could translate into a proportional increase in farebox revenue at a faster rate than service costs. Mr. Viggiano said that during the last 15 years, the District's productivity had increased. He showed the Board an overhead entitled "Farebox Recovery Ratio" to illustrate his remarks.

Mr. Viggiano concluded his remarks by saying that the Board must be cautious if it chose to make increased farebox recovery ratio a top priority, because it would be at the expense of other performance measures.

Opening of Public Hearing by Board President: Ms. Hocken opened the public hearing on the Fiscal Year 1995-96 pricing plan.

Rick Barger said that he wished to make the Board aware of the dynamics faced by disabled community. Most in the disabled community depended on assistance from the federal government. The current atmosphere in Congress was not friendly to the disabled community, which was facing possible loss of cost-of-living increases in income as well as assumption of responsibility for a higher percentage of Medicare costs. Mr. Barger said that increases in reduced fares may mean that riding the bus would become a luxury for many disabled people.

Mr. Bailey asked Mr. Barger if the disabled community used one type of fare instrument more than another. Mr. Barger said that people use monthly passes more often than daily fares. He added that as incomes decreased, people might choose to save their business trips for one day, and rely more on daily fares to save the cost of a monthly pass. He said that could result in a loss of District revenue, as well as a loss of independence for the disabled community.

Closure of Public Hearing: There being no further testimony from the audience, Ms. Hocken closed the public hearing.

MOTION Mr. Kleger moved, seconded by Mr. Bailey, that the Third Amended Ordinance No. 35
VOTE be read by title only. The motion passed unanimously, 5:0.

Ms. Hocken read the title: "Lane Transit District Third Amended Ordinance No. 35, An Ordinance Setting Fares for Use of District Services."

BOARD COMPENSATION COMMITTEE RECOMMENDATIONS: Mr. Montgomery, Mr. Bennett, and Mr. Saydack were the members of the Board Compensation Committee. On behalf of the committee, Mr. Montgomery recommended a 3 percent salary increase for LTD administrative employees.

Responding to a question from Mr. Bailey, Ms. Loobey said that the salary adjustment in question was an annual adjustment to the salary scale. She recalled that in December, the Board had approved the implementation of the recommendation of a compensation study, something done every five or more years to adjust LTD salaries to market median.

Ms. Hocken observed that other public agencies were granting salary increases of less than 3 percent. Mr. Montgomery responded that the committee did not have a problem with the three-percent increase and believed it to be fair. Mr. Saydack emphasized that the increase was an annual adjustment to the salary schedule and seemed reasonable to the committee.

MOTION Mr. Bailey moved, seconded by Mr. Saydack, that the Board approve an increase of 3
VOTE percent to the administrative salary schedule for fiscal year 1995-96. The motion passed unanimously, 5:0.

Mr. Montgomery reported that the committee recommended the reclassification of a secretarial position and an increase of .4 FTE in the secretarial support division. The request seemed reasonable to the committee because of increased demand on the Executive Secretary, and because of the need to ensure smooth operations during a time of increased workload.

Ms. Hocken asked why this issue was taken to the committee and Board for action and not just handled by staff. She also wondered why it required a budget adjustment. Tamara Weaver, Finance Administrator, responded that a current secretarial position was being classified to a higher position, and that any such position change required Board approval. Ms. Weaver said that normally staff would wait until the budget process to solicit approval for the reclassification. However, the position was empty at this time and the division was seriously understaffed.

Ms. Hocken asked if the General Fund appropriation for personal services would be overspent without the budget transfer. Ms. Weaver responded that the budget would be extremely tight because wages had been increased in response to Ballot Measure 8, which had not been anticipated in the budget.

MOTION Mr. Kleger moved, seconded by Mr. Saydack, move that the Board approve the reclassification of one administrative secretary position to a supervising secretary and the increase of .4 FTE secretarial staffing in the Administrative Services Division budget, effective April 3, 1995. The motion passed unanimously, 5:0.

MOTION Mr. Kleger moved, seconded by Mr. Saydack, to approve the adoption of the budget resolution transferring \$4,110 from General Fund Materials and Services (fuel) to General Fund Personal Services (General Administration). The motion passed unanimously, 5:0.

MOTION **EXECUTIVE SESSION PURSUANT TO ORS 192.660(1)(I):** Mr. Montgomery moved, seconded by Mr. Bailey, that the Board move into executive session pursuant to ORS 192.660(1)(i) to review and evaluate, pursuant to standards, criteria, and policy directives adopted by the Board, the employment-related performance of the LTD General Manager.

VOTE The motion passed unanimously, 5:0.

GENERAL MANAGER'S SALARY ADJUSTMENT FOR FISCAL YEAR 1994-95:

MOTION After returning to regular session, Mr. Bailey moved, seconded by Mr. Kleger, that the Board approve an increase in the General Manager's base salary in the amount of 3 percent, effective July 1, 1994, in conformance with the salary and wage adjustments for administrative and bargaining unit employees in July 1994.

Staff distributed updated information regarding the budget impact of the 3 percent increase. Responding to a question from Ms. Hocken, Ms. Loobey explained that the Compensation Committee had agreed it wanted to affect only the base salary until the remainder of her evaluation was completed, and also agreed not to consider or increase supplemental benefits such as extended life insurance and long-term disability at this point.

At the request of Mr. Saydack, Ms. Sullivan identified where changes in the proposed contract were, noting that they were generally underlined and included the date of the agreement and the salary amount and fiscal year in Section 4 on page 3.

AMEND Mr. Bailey and Mr. Kleger accepted a friendly amendment from Ms. Hocken to the motion, and agreed to add the phrase, "and authorize the Board President to sign an employment agreement for Fiscal Year 1994-95."

VOTE The amended motion passed unanimously, 5:0.

MOTION **SALARY CAP INITIATIVE PETITION:** Mr. Montgomery moved, seconded by Mr. Kleger, to direct legal counsel to file for a declaratory judgment or other appropriate legal action in the event the initiative petition, related to the salary of the General Manager, is certified. Mr. Kleger supported the motion, saying he believed that the use of the initiative process in this case was disturbing and inappropriate. He said that the setting administrative salaries was within the purview of the Board.

VOTE The motion passed unanimously, 5:0.

ITEMS FOR INFORMATION AT THIS MEETING

Eugene Station Update: Ms. Loobey reported that LTD had received the record of decision on the Environmental Impact Statement (EIS), so the District could begin to sign contracts. She said that would occur as soon as possible. Ms. Loobey said that she had advised LTD's Washington, D.C., lobbyists, Smith Dawson, of the news, and would send the firm copies of the first contracts for site preparation and soils testing. Representative Peter DeFazio's office had been sent descriptions of the contracts and signatory pages. Ms. Loobey said that the record of decision indicated that there was potential for a full funding agreement with the Federal Transit Administration (FTA). She said that might be standard language, but she believed it warranted further investigation. Any further funding would be dependent on whether the District could persuade the chair of the Transportation Subcommittee that the District was ready to proceed with the project.

Responding to a question from Ms. Hocken, Ms. Loobey confirmed that the approval was from Washington, D.C., not the FTA Region 10 office in Seattle.

Ms. Hocken asked that staff send copies of the EIS to Oregon's Congressional delegates. She asked when LTD would order an appraisal on the property it intended to acquire from the City. Ms. Loobey said that would occur as soon as she signed the contracts, which were being prepared.

Board Member Reports

Metropolitan Policy Committee (MPC): Ms. Hocken said that the committee voted to support a transportation funding package sponsored by a consortium of groups that included the Oregon Transit Association that would increase motor registration fees and dedicate the revenues to transit use. The package, if approved by the State legislature, could yield about \$4 million to LTD.

Metropolitan Valley Policy Advisory Committee on Transportation (VPACT): Ms. Hocken reported that V-PACT was nearing the end of its work and had two remaining meetings. She said that a major benefit of participation on the committee was that she had met people from all over the valley with shared concerns about transportation.

TransPlan Update Symposia Process: Mr. Kleger said that the Transportation Systems Improvement Task Force would not meet again until after the symposium to be held the next day because the information it needed would not be available for another month. The Urban Rail Feasibility Study Committee was meeting on Friday, March 18, to review and discuss the preliminary results of a survey it had considered two weeks previously.

Mr. Bailey reported that the Transportation Demand Management Task Force met once in preparation for the symposium.

Ms. Hocken asked Mr. Kleger to share information about Bus Rapid Transit (BRT) with the Urban Rail Feasibility Study Committee. Mr. Kleger said that he would present BRT as an interim step toward light rail, rather than an attempt to short-circuit rail proposals.

Ferry Street Corridor Citizen Advisory Committee: Mr. Bennett was not present to make a report. Mr. Kleger noted that he had attended the committee's public forum, held at Sheldon High School. Many residents of the area attended to complain about changes under consideration and to protest new connections.

Debriefing--March 13 LTD Board/Springfield City Council Meeting: Mr. Bailey said that he believed that there was much communicating that needed to be done between the Board and Springfield City Council. He asked Board members what the Board's next step should be. Ms. Hocken suggested that the Board consider one-on-one meetings with receptive Springfield councilors. Mr. Kleger said that in a subsequent conversation he had with Councilor Greg Shaver, Mr. Shaver indicated willingness to work with LTD on issues of mutual concern.

Mr. Bailey said that he felt that several councilors misunderstood or were unaware of the details of some of the Board's actions and process. He said that the Board could take steps to correct those misunderstandings.

Mr. Saydack said that it was important for the Board to be aware of the concerns raised at the meeting because they reflected, to some degree, the feelings and attitudes of other Springfield residents. The council had differences with the Board's policies and practices as well as a lack of understanding of or agreement with what the Board perceived as its mandate. Mr. Saydack asked Ms. Loobey how much of the discussion came as a surprise to staff. Ms. Loobey responded that staff had polled the councilors to find out what issues were important to them. Some of the issues raised in the discussion were not a surprise.

Ms. Loobey said that she intended to review the meeting minutes to identify the issues raised by Councilor Stu Burge. She said that she hoped a Board member could discuss those issues with Mr. Burge on a one-to-one basis. She would also identify issues raised by other councilors for the purpose of preparing a detailed response. Ms. Loobey said that she had hoped the joint meeting would result in an informal agreement that the two staffs would develop a work program to address the issue of service to rapidly developing areas such as Sony/Gateway and 52nd Avenue and Main Street. She would work with Mike Kelly, Springfield City Manager, to develop a proposal for review by the Board and the Council.

Mr. Saydack said that opportunities for the Board and Council to meet were rare and should be taken advantage of when possible. He said that it was important for the Board to know what to expect in such forums to be better prepared. Mr. Saydack did not think the meeting format was conducive to meaningful dialogue.

Mr. Kleger observed that many local small businesses were resentful that the District's tax base was exclusively from business, and had no awareness that the Board had attempted to broaden its tax support structure and had been rejected by voters.

Ms. Hocken said that the Board needed to be prepared to refer to the current level of subsidy for the automobile, such as motorists who do not pay the full cost of constructing and maintaining roads. She did not believe that information was widely known, and thought that the District's funding structure would be buttressed if placed in that context.

Ms. Loobey reported that staff were working to schedule a joint meeting between the Board and Eugene City Council and the Board and the Lane County Board of Commissioners.

Operations Summary: Ms. Hocken referred members to the summary included in the meeting packet. Members had no questions about the summary.

Monthly Financial Report: Ms. Hocken asked members if they had questions about the report, which was included in the meeting packet. There were no questions.

Other: Director of Administrative Services Mark Pangborn reported on funding proposals being discussed at the federal level that would affect the District. He said that those changes could severely affect District funding. He discussed proposed changes to federal Section 9 and Section 3 funding. Regarding Section 9, Mr. Pangborn said that one of the problems was that the funding the District received from the federal government on an annual basis was primarily General Fund money without a dedicated revenue source, and such funds were most vulnerable. He said that there was a proposal to eliminate operational support for transit districts over a three-year period. He noted that the proposal had been made the previous year by the Clinton Administration but was not passed by Congress. However, the newly-elected Congress was seeking reductions, and Mr. Pangborn believed the funding would be phased out. He said that it could be that smaller cities, the most vulnerable to the loss of operational support, will be able to work together to retain some of the funding. Mr. Pangborn said that Congress was also considering a one-time reduction in capital support by 30 percent to 50 percent, and may also increase the local match requirements for capital projects from 20 percent to 50 percent.

Mr. Pangborn reviewed the impact of the proposed reductions on LTD. He reported that federal operational funding for FY 95 was \$897,000, which required a 50 percent local match. Federal capital funding totaled \$940,000 for FY 95, and required a 20 percent local match. Mr. Pangborn said that if the reduction proposals were approved, the District's federal funding would fall from a total of \$1,837,000 to \$1,220,000.

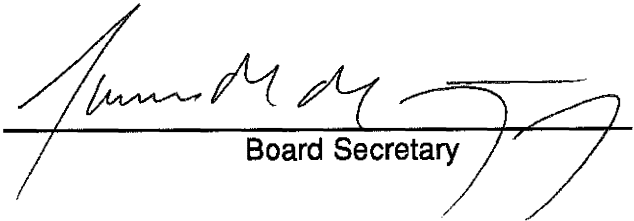
Mr. Pangborn reported that proposed changes to Section 3 funding would increase local match requirements from 20 percent to 50 percent. He noted that Section 3 funds were discretionary funds derived from the federal gas tax and were earmarked for transportation. However, Congress was discussing how best to make the funding go farther. Mr. Pangborn said that while the District would not lose Section 3 funding, it would have to increase its matching funds. Assuming that the District enjoyed the same success it had in the past in securing Section 3 funding, staff planned to purchase 63 new buses with Section 3 funds, at a total cost of \$15 million. Mr. Pangborn calculated that a 50 percent match would require the district to provide \$7.65 million, while a 20 percent match would require it to provide \$3.07 million, an increase of \$4.58 million over five years.

Mr. Pangborn concluded his remarks by saying that as staff prepared the budget, they were taking the possible reductions into account.

Mr. Montgomery asked if the proposed reductions would affect funding for the downtown station. Mr. Pangborn said that the funding could be affected by the proposed recessions bill, but not by the proposed reductions to Section 3 and Section 9.

Ms. Loobey asked the Board to consider scheduling a two- to three-hour work session to discuss partnership and legislative issues, and address policy issues at regular Board meetings. She also suggested the possibility that the Board meet twice a month rather than once, given the length of this and other Board meetings.

Adjournment: The meeting adjourned at 10:02 p.m.


Board Secretary