MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, October 16, 1996

Pursuant to notice given to *The Register-Guard* for publication on October 11, 1996, 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, October 16, 1996, at 7:00 p.m. in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Kirk Bailey, Vice President, presiding
Rob Bennett
Dave Kleger, Treasurer
Thomas Montgomery, Secretary
Mary Murphy
Roger Saydack
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: Patricia Hocken, President

CALL TO ORDER: The meeting was called to order at 7:10 p.m. by Board Vice President Kirk Bailey.

AUDIENCE PARTICIPATION: Mr. Bailey opened the meeting for audience participation. Daniel Boone of 4105 Pearl Street, Eugene, said that LTD was a good bus system--the best he had known in all the cities he had lived in--but there was always room for improvement. He explained that his first problem occurred after the summer bid. He said that as part of his job he picked up two developmentally disabled adults at the Eugene Station after their jobs. He did not know that the buses would change until the day the change went into effect, and he did not realize that the bus numbers, etc., would change. He gave CSC staff the previous bus number and asked what time it would arrive and where it would come from. He said that he was given three different bus number times and stations, one of which was correct. He had to report a missing person, and luckily, an individual from that person's work took him to the correct bus. After the fall bid, the bus he used to ride was deleted from service, so he now had five minutes to complete the transfer, which was fine. The bus was supposed to arrive at Section A but did not; it went to Section D. The CSC staff did not seem to know about a shuttle that got the employees there earlier in the day. Mr. Boone said that all these problems with the CSC he relayed to the CSC Supervisor, Angie Sifuentez, and he said she was a great help. He had problems with different people at LTD. He said that one bus operator wanted to see one man's three-month bus pass every time he got on the bus, and Mr. Boone saw a lack of politeness. He was concerned that maybe LTD had violated the Americans with Disabilities Act (ADA). He said he respected LTD and felt that the problems could be worked out.

Mr. Bailey thanked Mr. Boone for speaking to the Board. He said that the Board and the organization had a great deal of pride in its ADA compliance, and he appreciated that the community took it seriously, as well.

EMPLOYEE OF THE MONTH: Mr. Bailey introduced the October Employee of the Month, Bus Operator Paul Burgett. Mr. Burgett was hired on January 3, 1985, and had nine years of safe driving and eleven years of correct schedule operation (CSO), as well as exceptional attendance. He previously was the Employee of the Month in July 1990, and the 1990 Employee of the Year. He was nominated by a customer, who praised the way Mr. Burgett dealt with a rude and obnoxious customer, saying that Mr. Burgett's actions should have been taped and used for a training film. The customer thought that Mr. Burgett went above and beyond what anyone should expect, and was truly professional.

When describing what made Mr. Burgett a good employee, Transit Projects Administrator Rick Bailor said that Mr. Burgett had always been an enjoyable person to work with. He was known for wearing a big smile and for possessing a friendly and cooperative attitude, and his supervisors relied on his positive attitude and dependability. They also considered him to be a man of integrity and a natural leader. He was very knowledgeable of the system and willing to share this knowledge with others. He was well respected by his supervisors, co-workers, and customers, and demonstrated the kind of professionalism that gave the District its great reputation.

Mr. Bailey presented Mr. Burgett with his certificate and monetary award. Mr. Burgett said that he could not really express himself regarding the employees he worked with; he couldn't say enough about the drivers, supervisors, and excellent mechanics. He added that he liked being around people, and his job had been enjoyable.

Mr. Bailey next introduced the November Employee of the Month, Bus Operator Will Gaunt. Mr. Gaunt was hired on June 19, 1995, and promoted to full-time on September 20, 1996. He had earned awards for one-year safe driving and one-year CSO. He was nominated by three bus riders who had many positive comments to make about him. One stated that she rode the bus to work five days a week, and Mr. Gaunt was one of the nicest drivers she ever rode with--he had a sunny disposition and always a kind word to cheer people up; he was very personable to all riders regardless of their age; and he was always very helpful to riders with disabilities, truly not treating them differently than he treated others. Another rider said that Mr. Gaunt always took the time to listen carefully to questions and comments and answered them thoughtfully, and took care to see that the bus did not get underway until the infirm, elderly, and disabled were safely in their seats, yet was always on time. When there were problems, she said, Mr. Gaunt handled them quietly, with tact and understanding for all involved, and most of the time other passengers were unaware that there had even been something wrong. She said that his driving was outstanding--smooth and careful--and his smile and good humor made the day much brighter for his passengers. The third customer wrote a grateful letter about LTD's terrific group of drivers, and Mr. Gaunt, specifically, for helping resolve a transportation problem that developed after they rode the football shuttle service.

When asked what made Mr. Gaunt a good employee, System Supervisor Dan Budd said that Mr. Gaunt had charm and charisma, was well-respected by co-workers and customers, and set a very good example for others. He was poised and handled customers well, and represented LTD in a very positive manner.

Mr. Bailey presented Mr. Gaunt with his certificate and monetary award. Mr. Gaunt said that he was very proud to be part of the LTD family, and that he was just doing what he was trained and paid to do.

MOTION
VOTE

CONSENT CALENDAR: Mr. Kleger moved adoption of the Consent Calendar for October 16, 1996. Mr. Bennett seconded, and the Consent Calendar was adopted by unanimous vote (Bailey, Bennett, Kleger, Montgomery, Murphy, Saydack in favor; none opposed). Included in the October 16, 1996, Consent Calendar were minutes of the September 18, 1996, special Board meeting/work session and the September 18, 1996, regular Board meeting.

BOARD COMPENSATION COMMITTEE RECOMMENDATIONS: Since Mr. Bennett, the Board Compensation Committee chair, needed to leave the meeting early that evening, Mr. Bailey asked the Board's permission to move these items forward on the agenda.

Resolution to Void the Effects of Measure 8: Ms. Loobey reviewed the background of this issue, which began with the passage of Ballot Measure 8. Ballot Measure 8 required the District to modify the salaried employees' retirement plan to comply with the requirement that public employees had to contribute 6 percent of their salaries for retirement purposes. That 6 percent had been fully paid by the District prior to that time. In modifying the retirement plan, the Board chose to keep the employees whole in regard to salary. Therefore, the entire salary schedule for administrative employees was increased by 6 percent and then 6 percent was deducted and contributed to the salaried trust in their names. Since then, a court decision held that Ballot Measure 8 was unconstitutional; thus, the Board Compensation Committee was recommending that the Board reverse its action regarding Measure 8.

Mr. Bennett said that the only issue requiring some discussion by the committee was the date of the Board's action to reverse the prior action. Finance Manager Diane Hellekson explained that the trust attorney had thought that the action should be effective June 21, the date of the Supreme Court's decision. However, that action would affect salaries paid during the prior year and the previous calendar quarter. She did not want staff to have to inform the IRS that money reported as income really was not income, nor did staff want to redo all of the grant quarterly reports and the audit. July 1 was considered, as the beginning of the next pay period after the court decision, but a question of due process arose; specifically, whether it was fair to employees to retroactively decrease their gross pay, even though there would be no out-of-pocket costs to them. Also, staff would have had to recalculate the payroll since that time. The total savings to the District for using the July 1 date would have been just under $2,800, which would have been more than offset by overtime in recalculating payroll or from any potential litigation from employees. Staff believed that being prospective with this change would be appropriate, so were recommending the first day of the first pay period after the Board action that evening.

Employees could be informed about the change and the effect of the change before the salary reductions were made. Staff did not anticipate any protests from salaried employees, and there would be no out-of-pocket administrative costs to make the change.

Ms. Loobey explained that Ballot Measure 8 did not impact bargaining unit employees as it did the administrative employees because the labor agreement was in full force and effect. The District did negotiate the same retirement plan change for the bargaining unit employees if the decision had not been forthcoming prior to the expiration of the current labor agreement. The Board would have put into effect the arrangement negotiated with the ATU, in which the salary scale would have increased 6 percent and the same amount deducted from bargaining unit employee wages and contributed to the joint trust, but avoided having to do so because of the timing of the decision on Ballot Measure 8.

MOTION Mr. Saydack moved adoption of the following resolution: "Resolved, that the Resolution to Void the Effects of Measure 8 is hereby adopted, and that the First Amendment to the Restated Lane Transit District Salaried Employees Retirement Plan is

VOTE approved as presented." Mr. Kleger seconded, and the resolution passed by unanimous vote (Bailey, Bennett, Kleger, Montgomery, Murphy, Saydack in favor; none opposed).

General Manager's Performance Evaluation and Salary Adjustment for Fiscal Year 1996-97: Mr. Bennett explained that the Board Compensation Committee had met to discuss the annual review and salary of the General Manager. He stated that the agenda item summary on page 81 was a good summary of the committee's discussion and recommendation. Essentially, the committee believed that it was an unusual year for the District, since LTD was in a period of reorganizing certain areas of administrative responsibility, had undergone significant changes in administrative personnel, was considering and developing serious new initiatives, and was managing additional sources of income. The committee believed that it was too early in these processes to provide a meaningful evaluation, and therefore recommended that the Board express its confidence in the general manager but wait until early 1997 to formally evaluate her performance and the possibility of a merit increase. Before that time, the committee would recommend changes to the current evaluation form and procedures.

In recommending to renew the general manager's employment contract, the committee wished to express its strong support of and confidence in the general manager in her efforts to successfully integrate new key administrative personnel, efficiently utilize the new sources of revenue, and balance the new initiatives with the other important, ongoing responsibilities of the District.

The committee recommended that the general manager's compensation for Fiscal Year 1996-97 be increased by 3 percent against her base salary. This increase would match the 3 percent increase approved by the Board for the administrative salary scale for FY 96-97. The committee also recommended continuation of the general manager's employment contract with the Board of Directors.

MOTION Mr. Saydack moved the following resolution: "The Board of Directors hereby resolves that the general manager's base salary for Fiscal Year 1995-96 shall be increased by 3 percent effective July 1, 1996, and that the general manager's employment contract with the Board of Directors shall be continued upon all other terms and conditions as in the present contract." Mr. Kleger seconded, and the resolution was passed by unanimous vote (Bailey, Bennett, Kleger, Montgomery, Murphy, Saydack in favor; none opposed).

VOTE

AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30,1996: Ms. Hellekson explained that normally the audit and a comprehensive financial report were presented at the same time. This year, because the staff required the Board's action on several time-constrained projects at the October meeting, the staff presentation of the comprehensive annual financial report was being postponed to a later meeting. Forrest Arnold and Mike Lewis of Jones & Roth, P.C., the District's independent auditors, were present to discuss the audit process and results with the Board.

Mr. Lewis stated that he viewed the presentation to the Board as one of the most important aspects of the audit process. As auditors, their responsibility was directly to the Board to present any findings and results, as well as to present their opinion on the financial statements. He acknowledged Ms. Hellekson and Assistant Finance Manager Roy Burling for their help, saying that they had all worked as a team and that he appreciated the help from the District.

Mr. Lewis stated that there were several reports in the financial statements issued by Jones and Roth. One was the unqualified report on the financial statement. They also issued several reports on internal accounting control in compliance with laws and regulations, required by the State Division of Audits and by governmental auditing standards. When federal money was received, the auditors tested the controls in several areas, including civil rights and discrimination, revenues, political activity, and cash management. Mr. Lewis said that Jones & Roth had no significant findings to be brought to the Board's attention, either in the report or in a management letter. They would be having some discussions with the finance manager regarding the report and its presentation, but the Board should feel really good about the systems and financial report.

Mr. Lewis said that the auditors tried to look at areas that the Board may want them to review, even though those areas may have no significance to the audit itself. He called the Board's attention to the Statements of Revenues, Expenses, and Changes in Retained Earnings on page 42 of the agenda packet, and said that there were some interesting things that spoke well for the District. He noted that operating revenues had increased from $3,400,000 to $3,900,000, a 14.5 percent increase. Operating expenses had increased by only 4.7 percent, which he said was a good ratio. The bottom line was that the District had $889,000 in net income. If the loss on disposal of assets because of the sale of the Garfield property was removed, that was a significant improvement in the total bottom line. Payroll taxes and the self-employment tax revenues were part of the additional revenue to make up for losses in revenues.

Mr. Lewis encouraged the Board to read the notes in the financial statement, because they provided more detail about the significant accounting policies.

Mr. Saydack asked whether the significant net increase in cash and cash equivalents was because LTD was generating a lot more operating revenue. Mr. Lewis replied that it was, although it was not just operating. Comparing 1995 and 1996, net cash used by operating activity went from a negative $12 million to a negative $10 million. That was a significant increase in cash, because that was $2 million less deficit being funded by other sources. Cash from non-capital financing activities went from $12,600,000 to $13,400,000. This included payroll and self-employment taxes and grant moneys.

Mr. Saydack asked if the District anticipated additional revenues from self-employment tax collections. Ms. Hellekson replied that the District had received an additional amount since June 30. Self-employment tax revenues were $695,000 at year end, and by September 9, an additional $56,000 had been received. That amount was right on budget, just not all received during the 1995-96 fiscal year. Mr. Lewis added that the District could be receiving additional self-employment tax revenues from 1995 because the tax deadline was October 15.

MOTION

VOTE

The Board thanked Mr. Lewis for the presentation of the audit. Mr. Saydack then moved the following resolution: "Resolved, that the Board accepts the Independent Audit Report for the fiscal year ending June 30, 1996." The motion was seconded by Mr. Montgomery and carried by unanimous vote (Bailey, Bennett, Kleger, Montgomery, Murphy, Saydack in favor; none opposed).

1997 SECTION 9 FEDERAL GRANT APPLICATION: Assistant General Manager Mark Pangborn handed out a revised page 61 for the agenda packet because the actual numbers had been revised. He said that staff were asking the Board to do something a little different with regard to the Section 9 grant. He explained that the Section 9 grant was the District's annual federal grant allocation that could be used for capital or operating expenses, and the amount had fluctuated in the past from as little as $1.2 million to as much as $2.5 million. The current amount was in the area of about $1.5 million. The funds were allocated on a formula basis, and this was the money that staff had anticipated would slowly diminish over time to zero, because of the federal deficit. However, this year the money came in at about the same amount as the previous year. Mr. Pangborn stated that the District no longer used any of this money for operating expenses because of the number of federal regulations attached to operating grants; this grant was scheduled entirely for capital.

Mr. Pangborn stated that the Board normally adopted a budget with a Capital Improvement Program (CIP), and the CIP was funded with federal capital money. Staff were asking the Board to approve the addition of three more buses in the current bus purchase. Those additional buses had not been included in the CIP for the current fiscal year.

Mr. Pangborn explained the categories and dollar amounts included on pages 61 and 62, including the need for the three additional buses. He said that last year the Board approved the purchase of six smaller buses for the first time. Because of federal bidding requirements, it was only two months ago that staff opened bids on those buses. Gillig was the successful bidder, with a good price. It was always part of the option to add buses on bids. Sometimes smaller systems tacked on to an order by a larger district, in order to obtain the same purchase price. Corvallis and Albany were doing so with LTD's current bus purchase. The District also could exercise that option.

Mr. Pangborn explained that the District had begun running up against a crunch in the number of buses. Hyundai was moving faster than anticipated, and the order length for buses had been extended because there were only two or three manufacturers in the United States. Staff decided to exercise the option to purchase additional buses, but wanted larger ones. The Federal Transit Administration (FTA) said that the District could do that, but would only allow the purchase of three large buses on this bus order.

Staff were proposing to amend the CIP and request federal funding to buy three 40-foot buses similar to those in the current fleet. Since the District would be using $690,000 in resources, staff wanted to be sure that the buses were needed and there were no other options. Mr. Pangborn reminded the Board that Ms. Loobey and Mr. Bailey had gone to Washington, D.C., to ask for $9 million federal funding for 35 new buses to replace the District's oldest vehicles. Instead of $9 million, LTD would be granted a little over $3 million, which meant that the District would be seriously short of buses with the next purchase.

Transit Planner Paul Zvonkovic reviewed the current peak bus situation and the need for additional buses. He said that staff believed it to be important to add the three buses, for both immediate and near-future service needs, especially for running buses during the peak hour. He explained that the District currently used 85 buses during the peak, out of a fleet of 102 buses. Eighteen of those were GMC buses from 1980; they were still good buses and the Fleet Services department was doing a good job of keeping them on the road. However, they did have reduced capacity to carry passengers and their mechanical capability was less than the newer buses. They were not used for long distances, on big hills, or for the heavy passenger-load trips. On a day-to-day basis, only the 700-series buses were available for spares. A spares ratio of 20 percent was about the industry standard, but because LTD's spares ratio was made up of older buses, LTD was "skating on the operational edge." The District would receive six smaller buses during the summer of 1997, and those would be put into service. A study of Annual Route Review information showed that the District probably could replace one or two peak buses with smaller buses. The other small buses would be used for feeder route service for bus rapid transit (BRT). They would take people to the main lines or transfer stations, and these first small buses would provide a good test for BRT.

Mr. Zvonkovic said that staff believed there was enough service demand and community growth to require the additional three larger buses. The demand was in part caused by a reduction in operating speed due to traffic congestion, the growth of development, and additions to and expansion of the group pass program, which was the most effective tool for reducing vehicle miles traveled (VMTs) in Lane County. The group pass programs formed a core constituency of students and employers with a great demand for efficient and express services. Current group pass holders were experiencing ridership increases and looking for more service, especially in light of parking restrictions. Sacred Heart Hospital was providing LTD with additional funding for some earlier trips for the earlier nurses' shifts. Staff also anticipated adding more service for group pass organizations in the future. Hyundai already had signed a group pass contract, and staff thought that would spark other companies and other large employers in that area to join the program.

Mr. Zvonkovic discussed projected peak bus needs projections from 1997 through 2003. He said that staff expected pressure to expand in new areas, and wanted to be ready to meet those opportunities. He stated that it would be possible to hold off and not purchase the three additional buses. However, that would mean reducing the spares ratio, and it was difficult to maintain pull-outs with a reduced number of spares, which could result in a negative reaction from discretionary riders, who were the riders the District was working hard to attract and keep.

Transit Planner Will Mueller said that another way to deal with the shortage of buses would be to delete some current service. He discussed updated productivity measurements from the winter 1996 bid, which ran from February to June, 1996. Currently in the urban area, the average was 32.3 rides per hour. The standard was 67 percent of the urban average, so for weekdays, the standard was 21.6 rides per hour. That was somewhat of an arbitrary number that was considered in determining whether a route was successful or not. The standard for express service was 25 rides per trip, or 1.25 times the urban peak average, and the standard for rural service was an average 20 boardings per round trip.

Mr. Bennett said he was interested in knowing how the District arrived at 67 percent for the urban route productivity average, and wondered how full a bus was at 32.3 rides per hour. Mr. Mueller said that 32 rides per hour was between one-half and two-thirds full for most of the trip of an hourly route. That might be compared with 20 to 25 people boarding on the outbound trip and 10 people on the inbound trip. The coaches would be full with 40 to 45 people. Mr. Bennett wondered, however, why that was a number on which to base productivity minimums. Mr. Mueller replied that it was a relational standard; the District was comparing itself to itself, so had to look at other systems to see if those numbers were acceptable. That was done through the University of North Carolina, Charlotte (UNCC) Study. Mr. Pangborn added that he was not sure the District had a standard in 1982 when he was hired, but that was not atypical for publicly-subsidized service, and the District had been created initially in 1972 as a public service, to maintain service for the too-old, the too-young, the disabled, and the poor. What drove service and productivity was the availability of resources. During the fuel crisis, there was high productivity, and when the local community experienced a recession, service was cut. After that, the District concentrated on keeping expenses down and increasing productivity. The Board started talking about LTD as a business, so the District began developing productivity standards to give a basis or foundation for making decisions about adding service or lowering tax rates. The standard started at 50 percent of average, which was an arbitrary number. The standard was raised to 67 percent in response to the current Board's more focused attention to the issue of productivity. In the area of productivity, LTD performed well when compared with other systems of the same size; the District had a lot of service on the road, but carried a lot of people in relation to other systems.

Ms. Murphy asked if that was a measurement standard to measure how LTD was doing as an organization. Mr. Pangborn replied that it was a tool that the service planners used each year during the Annual Route Review process--they received a list of requested service, and considered what should or could be done the following year. Mr. Mueller added that as the District became more successful in carrying more people, its standards were rising.

Mr. Mueller explained that LTD had 12 or 13 buses equipped with automatic passenger counting equipment, and those buses were circulated throughout the system, taking counts every day. As a result of the current standard of 21.6 rides per week, several routes had been deleted and a couple had been revised.

Mr. Mueller discussed what would happen if the standard were raised to 75 percent. A few more routes would fall below standard, but cutting them would start to get into the "meat and potatoes" routes of the system. During peak hours, those routes were well above the standard.

Mr. Bennett asked about revising the schedule so those routes did not run as much. Mr. Mueller said that could be done up to a point, but if service were offered less than once every half-hour, it would ruin the viability of some routes, especially in terms of service to Gateway and Lane Community College (LCC). The routes could not be reduced to one time per hour during peak times, and staff were having a difficult time determining what peak service should or could be deleted without interfering with the system.

Mr. Saydack asked, if the District were to delete service as a way of saving buses, how much would have to be deleted in order to alleviate the need for three additional buses. Mr. Mueller said that there were many unknowns because staff currently did not know about the numbers needed for Hyundai, LCC, or other groups. He thought that four or five peak buses might have to be eliminated, because just adding peak timepoints in the current year had necessitated two additional peak buses. No additional buses were listed for Cottage Grove and Creswell, which begged the question of what the District would do if they voted to ask for service. Eliminating a route that took an hour and was served by two buses would save two buses.

Mr. Mueller said that the District was beginning to try to establish premium services for discretionary riders. Some of the Sacred Heart Hospital service was not meeting standards, but that service was just being established and needed more time for better results.

Mr. Bennett said it was difficult for him to know the route system well enough to know what schedules had a reasonable likelihood of increasing, and therefore it made sense to hold the line with the potential that it might increase the market share. The issue of the area around the hospital and University of Oregon (UO) should not be ignored, and maybe Gateway was in the same camp. He wanted people to think about the fact that in the future the District may not have all the options that currently were available and may have to make some hard choices. He said that if the District could rise to the next level, it would be because it increased its market share and been a real force in the transportation plan. He thought it would be critical for LTD to sell its service as aggressively as possible and go into the next century as part of a phased plan. He commented that LTD might need all the self-employment tax revenue for capital; the payroll tax rate was at its statutory limit; and there may be additional decreases in federal funding.

Mr. Bennett said he hoped staff were looking at all the possibilities, because the District might not be able to do everything it wanted to. He wanted staff to be inventive and creative to get what it needed without jeopardizing the areas where it wanted and needed to grow.

Mr. Mueller said he thought that staff currently were milking the system very hard, in terms of designing schedules and variations of what parts of service could be combined. He stated that efficiency was important to staff, and the District currently was right up against the fleet needs.

Mr. Bennett said that if he had a choice, he would never buy another bus like the current buses. He did not think that was the future or what would get people's attention. However, staff were saying that there essentially was no choice except to buy three buses just like the current fleet. He mentioned the constraints of the federal requirements to test buses, and said that if he went to Washington, D.C., he would place a lot of emphasis on that issue.

Ms. Loobey commented that the District was going through its puberty, and in some cases had more success than it could handle. The corollary to getting new buses was to replace a 700-series bus; with the older buses, the District had less of a chance to increase its market share. Mr. Kleger noted that some people avoided riding on the 700s. Ms. Loobey stated that Mr. Bennett was right: LTD needed to look different. However, when searching the market for buses that had gone through the required testing, the District was not going to be able to find the bus of its dreams. Even the low-floor buses used in Calgary looked like LTD's current fleet. A new Gillig would be manufactured with a new look, but the District would have to go through an entire bidding process of 12 to 24 months in order to purchase any of those.

Ms. Loobey stated that staff were not waiting for BRT to try to reduce VMTs. The group pass programs were prime conduits to get people to ride the bus. Mr. Bennett said that the issue about the group pass programs was important; he did not want to ignore that, but said he would continue to lobby hard to get a different look.

Mr. Bennett asked staff to show him the inroads the District was making into reductions in VMTs. He was very encouraged because ridership was increasing, but until LTD could become a bigger player, he thought it was destined to do what many other communities continued to do. He thought that if LTD did not push as hard as it could every day, it would never get people to take it seriously. If staff told him that, based on group pass programs, needs, compact urban growth, etc., LTD could significantly increase its market share, then that was what they should do. But he did not think he was hearing that the kind of bus did not matter. Ms. Loobey agreed, but stated that the current problem was that the District was tied to federal regulations in terms of bus purchases.

Ms. Saydack said he thought that staff had made a good case for the additional three buses. The frustrating thing was that from the Board's position, it felt like a status quo type of decision. With the Board's goals, the three buses were not nearly enough, and those would be the same kind of bus that people currently did not want to ride.

Mr. Bailey said he agreed with Mr. Saydack and Mr. Bennett, but thought that maybe they were carrying some assumptions that might not be accurate. He said he rode from downtown to the UO, and the newer buses were more comfortable and pleasant. The newest buses would replace the ugly, old buses that people did not want to ride. While this order may be the status quo, he said, it was not necessarily true that people did not want to ride them. He agreed with the vision and the need to go wholeheartedly forward. He noted that LTD was the first to comply with the Americans with Disabilities Act (ADA) and was making inroads with VMT reduction. Grace Crunican, the former assistant transportation secretary, had made it clear that LTD was way out in front of other transit districts in what it wanted to do.

Mr. Pangborn said that in November staff planned to show the Board what types of buses were available. Fleet Services Manager Ron Berkshire had attended a bus conference and looked at the latest equipment, and would be making recommendations to the Board. He added that the District would be making hard choices about spending its capital money on Park and Ride lots or buses.

Mr. Montgomery commented that the staff were only talking about three buses, which were not going to do anything for BRT. He thought that if the District did not purchase these three buses, it would not even be able to offer the status quo.

Public Hearing on Grant Application: Mr. Bailey opened the public hearing on the District's application for federal Section 9 grant funding. Bus operator Tim Leberman stated that he drove 700s, 800s, 900s and the new 100s, and had found that he could not get from point A to point B fast enough in the old 700-series buses. Occasional breakdowns frustrated the drivers and the public, and the mechanics complained that they could not get parts. It was a frustration of wanting to serve the public and not being able to.

Closure of Public Hearing: There was no further testimony, and Mr. Bailey closed the public hearing.

MOTION **Board Discussion and Decision**: Mr. Kleger moved the following resolution: "The Board hereby resolves that the Board approve the proposed 1997 Section 9 federal grant application for $1,485,814 in federal funds and authorize the General Manager to submit this application to the Federal Transit Administration for approval." The motion was
VOTE seconded and carried by unanimous vote (Bailey, Bennett, Kleger, Montgomery, Murphy, Saydack in favor; none opposed).

Mr. Bennett left the meeting at this point.

DOWNTOWN CONSTRUCTION SHUTTLE DELETION: Service Planning & Marketing Manager Andy Vobora explained that the construction shuttle that had been created to help downtown employees and LCC downtown students and employees travel to work and classes during several major construction projects downtown had not been successful in attracting riders. Staff waited until the last possible moment to recommend deletion, and ridership did not grow, even with resumption of LCC classes. Staff recommended that this service be reallocated to areas where there were overloads. They believed that the half-price pass for downtown riders, which was growing in use, provided the necessary mitigation for parking removal for Eugene Station construction.

Mr. Kleger asked if staff had consulted with LCC. Mr. Vobora said they had, and had explained that four buses an hour in regular service were still going by the Park and Ride at the Fairgrounds, and LCC representatives believed that to be acceptable.

MOTION Mr. Kleger moved the following resolution: "Resolved, the LTD Board approves the elimination of service provided by the downtown construction shuttle effective October 19,

VOTE 1996." Mr. Montgomery seconded, and the motion carried unanimously (Bailey, Kleger, Montgomery, Murphy, Saydack in favor; none opposed).

ITEMS FOR INFORMATION AT THIS MEETING

Response to Fair Manager's Transportation Recommendations: Mr. Bailey commented that the Board had not discussed Mr. Gleason's recommendations at the September meeting, and asked if they wanted to do so. Mr. Kleger thought that the staff materials in the agenda packet were more than adequate in expressing an appropriate response. Mr. Saydack agreed, and thought it was important that the response be a part of the record. Ms. Loobey said that staff would work with Mr. Gleason on these issues. Additionally, LTD's public affairs manager, Ed Bergeron, was the current president of the board of the convention and visitors bureau, so would continue to explore ways to have a productive, cooperative future.

Board Reports: Metropolitan Policy Committee: Ms. Loobey stated that the main issue for the MPC the previous week had been the siting of a prison. There was no discussion about transportation for employees or visitors, and LTD staff thought it would be useful to write a letter to the Governor and MPC to say that one of the important parts of the infrastructure would be transportation to the site. TransPlan: Mr. Bailey and Mr. Kleger had no report. Mr. Viggiano said that there had been some staff work to begin putting together a draft plan. Oregon Transportation Initiative Base System Working Group: Ms. Loobey stated that Ms. Hocken was not at the meeting that evening because she was in Portland and would be attending a meeting of the OTI financing committee. The base system work group had been defining a base system for transit and roads. Fred Miller, chairman of the Financing Committee, did not like the way the base system for transit had been defined (elderly and handicapped, fixed-route plus an allowance for growth, plus all the initiatives transit was trying to do as part of the solution to VMTs, etc.). Ms. Loobey commented that Ms. Hocken would have her work cut out for her on the committee.

Selection of Compensation Study Vendor: Human Resources Manager Ed Ruttledge informed the Board that staff had decided to hire the management consulting firm of Moss-Adams of Seattle to perform the administrative compensation study, based on the selection and interview process. He said that their product and time lines were good, and they had some transit and private-sector experience. He explained that the consultants would meet with staff the following week to explain the process, and then meet with individual staff during the week of November 11. Mr. Ruttledge explained that the request for proposals had been designed to require an individualized study, in order to study each position after the internal reorganization. Some classification titles might no longer be accurate, and staff wanted to be sure there was an accurate description and comparison of positions. Staff expected to receive a report by the end of December.

Proposal to Increase RideSource Fares: Transit Planner Micki Kaplan explained that she managed the paratransit program, and Terry Parker of the Lane Council of Governments (LCOG) managed the day-to-day operations of the program. Ms. Kaplan reviewed the RideSource goals from the budget process, and stated that the Special Transportation Fund (STF) Advisory Committee believed the increase from $.80 to $1.00 per ride to be an adequate proposal. The Board would be asked to hold a public hearing and the first reading of the fare ordinance at the November meeting, and approve the ordinance in December. In the long-term, staff would like to see the fare brought to the ADA maximum, which was to not exceed two times the adult cash fare.

Ms. Parker said that staff had checked around the country to compare paratransit systems. Many systems did charge the full ADA-allowed fare. The recommended increase had received a positive response from small work groups. She said that a change needed to be made as soon as possible in order to have an effect on the current fiscal year's budget. The increase would mean $5,500 in additional revenues for the year. Establishing a higher rate than the fixed-route adult cash fare was being done to create an incentive to use the fixed-route service over RideSource for those who could. The maximum that could be charged over the LTD evening fare would be $1.00.

Ms. Parker said that there would be an informal fair in early November to discuss fares, eligibility, etc. Staff planned to look more closely at a Wisconsin system that had increased fares from $1.20 to $2.30, although LTD would plan to make that kind of change over time.

Mr. Kleger said that when paratransit service first began in Eugene, the rate had been set at $1.00 per ride, so this fare would just be going back to that rate. This idea had carried weight with a number of people.

Mr. Bailey asked if the Board members were comfortable with the recommended fare increase. There was agreement that they were.

UNCC Study Report: Assistant Finance Manager Roy Burling presented a brief update on the most recent UNCC Study. The national study involved 120 of the nation's largest bus systems, and an additional peer group study of similar-sized systems. LTD consistently ranked in the top one-fourth. Measures studied were resources, population per vehicle mile of service, operating efficiency, cost effectiveness per mile, etc.

LTD's peer group was made of systems of similar size and similar characteristics. LTD ranked fourth in that group this year. In four years, LTD had been ranked third, fifth, second, and fourth.

Ms. Murphy asked if the demographics included Eugene and Springfield, even though the study only mentioned Eugene. Ms. Loobey replied that Eugene was used because it was where LTD was headquartered, but the study covered the entire service area.

Eugene Station Update: Planning & Development Manager said that a pre-bid conference had been held that day, and bids were due October 30. Eight general contractors had picked up plans, and seven had come to the pre-bid conference.

Mr. Kleger said that he had been pleased with the rapidity with which Eugene Sand and Gravel had gotten the site work done. Mr. Viggiano agreed, saying that Eugene Sand and Gravel had been an excellent contractor to work with, and had done a good job.

Board Correspondence: Ms. Loobey commented on the letter from Senator Hatfield encouraging the District to be timely in expending its federal grant money. She said that in Washington, D.C., staff had asked for the money that had been left on the table for the station from prior appropriations. The Senator said he could support the money for the buses, but was not as forthcoming about the money for the station. Congress had set a ceiling for total appropriations. All of the projects in the State of Oregon except Tri-Met were cut by half before going to the appropriations committee. The conference committee cut all Oregon projects in half again, except for Tri-Met.

Oregon Transportation Conference: The annual Oregon Transportation Conference sponsored by the Oregon Transit Association was to be held at the end of the month. Mr. Kleger, Mr. Bailey, and Ms. Loobey all planned to attend.

ADJOURNMENT: There was no further discussion, and the meeting was unanimously adjourned at 9:30 p.m.

Board Secretary

C:\WPDATA\BDM1016R.DOC