

MINUTES OF THE DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, October 15, 1997

Pursuant to notice given to *The Register-Guard* for publication on October 9, 1997, 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 15, 1997, at 7:00 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Kirk Bailey, Vice President
Patricia Hocken, President, presiding
Dave Kleger, Treasurer
Mary Murphy, Secretary
Roger Saydack
Hillary Wylie
Phyllis Loobey, General Manager
Susan Hekimoglu, Recording Secretary

Absent: Rob Bennett

CALL TO ORDER: The meeting was called to order at 7:03 p.m., by Board President Pat Hocken

EMPLOYEE OF THE MONTH: Ms. Hocken introduced the November Employee of the Month, Bus Operator Carol Kaminski. Ms. Kaminski was hired on February 26, 1996, and had received awards for one year of Safe Driving and one year of Correct Schedule Operation. In addition, Ms. Kaminski had worked in the Graphic Arts department for six weeks, to assist with the materials for the fall bid implementation in September. Several customers who appreciated her excellent service nominated her for this award. Ms. Hocken presented Ms. Kaminski with her certificate of appreciation and a monetary award. Ms. Kaminski thanked the Board and stated that she felt very honored to be chosen Employee of the Month. She said that with a company of this size, it was quite nice to be given this award.

INTRODUCTION OF LTD'S APTA INTERNATIONAL BUS ROADEO CONTESTANT: Ms. Hocken introduced Bus Operator Ron Andersen, who was this year's winner of the LTD Bus Roadeo and had gone on to compete in the International Roadeo held at the APTA Conference in Chicago. Mr. Andersen described the International Roadeo as being quite different from the LTD Roadeo. He had competed at that level in 1989, and it had changed quite a bit. The various obstacles were scrambled and the dimensions were changed. He explained that the course was kept a secret until the Drivers' meeting the day before the competition. The drivers were given one practice session prior to competing. In addition, Mr. Andersen explained that the buses used in the competition were different than LTD buses. He believed that he learned enough about the

process that he could help LTD do a better job with its next Rodeo. He stated that the neatest thing about being there was meeting all the participants from all over the country, and the camaraderie was great. He stated that he met the driver from Portland who would like to set up a state Rodeo competition. The evening after the competition was fun when all the participants held a swap meet to trade pins, patches, and other items. He showed the Board his display of pins that he had been given. Ms. Hocken thanked Mr. Andersen for his participation and expressed the Board's pride in him as an employee and bus operator.

AUDIENCE PARTICIPATION: There were no audience members who wished to address the Board.

Motion

Vote

CONSENT CALENDAR: Mr. Bailey moved that the Board adopt the following resolution: "It is hereby resolved that the Consent Calendar for October 15, 1997, is approved as presented." Mr. Kleger seconded the motion, and the Consent Calendar was approved by unanimous vote, 6 to 0, with Bailey, Hocken, Kleger, Murphy, Saydack, and Wylie voting in favor and none opposed. The Consent Calendar consisted of the minutes of the September 9, 1997, joint meeting with the Lane County Board of Commissioners; Minutes of the September 17, 1997, regular Board meeting; and the reappointment of Gerry Gaydos to the LTD Budget Committee.

REVISED DEFERRED COMPENSATION PLAN: Mr. Everett Moreland of the law offices of Hershner, Hunter, et.al., and Human Resources Manager Edmund Rutledge were present to discuss the revised Deferred Compensation Plan with the Board. Mr. Rutledge explained that revisions to the plan primarily were due to revisions in the Internal Revenue Service (IRS) Code, which required that the assets of a deferred compensation plan be held in trust no later than January 1, 1999. He noted that LTD had a relatively high participation rate; approximately 40 percent of LTD employees participated. The revisions to the plan included the establishment of the trust that was required. Staff were proposing an early implementation by January 1, 1998. Through this plan, the employer would become the trustee, and as a result, a transfer of funds to the trust would occur on December 31, 1997. Currently, the employer held the funds, and now those funds would be transferred to the trust. The Deferred Compensation Advisory Committee met and had approved the changes to the plan. The Board action would facilitate the transfer of the funds. There were other changes that resulted from the Internal Revenue regulations. For example, the contribution level in the Deferred Compensation Plan would now be indexed to the Consumer Price Index (CPI) in \$500.00 increments. Mr. Rutledge explained that the current level was \$7,500, and it had been that way for a number of years, so there was some wisdom in making that change with continued inflation, although it would now take a number of years to get to the next level, since the CPI was not rising at a great rate. Another thing that could happen, due to the IRS regulations, was what was called in-service distributions. In other words, for a person who was involved in the plan and wanted a distribution for some reason, those distributions could now occur in amounts up to \$5,000.00. There also was language in the plan that defined how members of the Deferred Compensation Committee could be removed from that committee. Mr. Rutledge stated that the restated Plan was prepared with a lot of assistance from Mr. Moreland.

MOTION

Mr. Kleger moved that the Board adopt the following resolution: "Be it resolved that the LTD Board of Directors hereby revises the LTD Deferred Compensation Plan in

accordance with the resolution of the Deferred Compensation Advisory Committee dated October 7, 1997, and the attached Draft Restated Plan." Ms. Murphy seconded the motion.

Mr. Saydack asked Mr. Moreland about the trustee provision. The Plan provided that LTD would be the Trustee and it acted through either the General Manager, the Assistant General Manager, or another person designated by those two. Mr. Saydack asked what latitude the District had in selecting who was to act on behalf of the Trust. Mr. Moreland replied that the District had full discretion, and could select anyone. Mr. Saydack asked what the rationale was in selecting the General Manager and Assistant General Manager. Mr. Moreland replied that LTD itself was the Trustee, and the General Manager and Assistant General Manager were the positions in charge that were constant. Mr. Rutledge added that other options had been considered, and both he and Mr. Moreland agreed that this option provided a certain amount of stability, realizing that the General Manager was the employee of the Board. He further explained that there was a level of control from the Board, in that if the Board was not satisfied with what was going on with the Plan, it had a certain amount of leverage with the General Manager to cause something to happen with the Plan. In addition, Mr. Rutledge noted that, in turn, that leverage became more direct because one of the other changes was that members of the Deferred Compensation Advisory Committee could be removed by the General Manager for cause or for no cause at all.

Mr. Saydack asked about the relationship between the Advisory Committee and the Trustee. Mr. Rutledge replied that the Advisory Committee governed the direction and decisions of the Plan. The Trustee requested Board action and held the funds.

Mr. Saydack asked what kinds of decisions the Advisory Committee made. Mr. Rutledge replied that it would make decisions about distributions. If an employee asked for an in-service distribution, the Advisory Committee would review that request and make a decision whether or not to allow the distribution. He further stated that the Advisory Committee did not make direct decisions about investment opportunities. The employees made their own decisions about investments according to a set menu of choices. The Advisory Committee could make decisions about the vendor who managed the investments.

Mr. Saydack asked if this was a common structure where the General Manager acted for the Trustee. Mr. Moreland replied that in all government deferred compensation plans that he worked with, the General Manager or CEO acted on behalf of the Trustee.

Ms. Hocken added as a point of clarification that the District-funded pension plan for the salaried employees was owned by LTD and had a Board member on the Board of Trustees. The employees owned the Deferred Compensation Plan, so it did not seem necessary to have a Board member sit on the Board of Trustees for that Plan. She asked if there was an Oregon budget law issue in terms of transferring the money to the Trust. Finance Manager Diane Hellekson replied that there was no issue. Deferred Compensation transfers were exempt from statutes governing transfers of other moneys.

There being no further questions or comments, the Board adopted the resolution as presented by a unanimous vote of 6 to 0, with Bailey, Hocken, Kleger, Murphy, Saydack, and Wylie voting in favor and none opposed.

VOTE

BOARD COMPENSATION COMMITTEE RECOMMENDATION: REVISED SALARY ADMINISTRATION POLICY: Mr. Rutledge, speaking on behalf of the Board Compensation Committee, discussed the changes to the policy. The Committee met on October 7, 1997, to consider revisions to the LTD Policy III-M, the Salary Administration Policy. These revisions included an update of obsolete terms in the policy and added text about salary administration for all non-bargaining employees, including the General Manager. The Board Compensation Committee recommended adoption of the revised policy.

Ms. Murphy stated that the review of the policy took several meetings, and the Committee reviewed the revision in great detail. The Committee reviewed the Moss-Adams report, and believed that some employees were working out of their salary ranges and classes. The Compensation Committee recommended a structure where those salary ranges and classes could be reviewed by the position supervisors with ultimate approval of changes to be made by the General Manager.

Ms. Hocken asked if that information was in the general salary guidelines section. Mr. Rutledge replied that this policy had covered every non-bargaining unit position except the position of General Manager, which had been corrected. Now there was a policy that covered every employee of the District for salary administration; the Labor Contract covered the bargaining unit, and the Salary Administration Policy covered every non-bargaining unit position.

MOTION

There being no further discussion, Ms. Murphy moved that the Board adopt the following resolution: "It is hereby resolved that LTD Policy III-M, Salary Administration Policy, be revised as recommended by the Board Compensation Committee." Mr. Saydack seconded the motion, which carried by a unanimous vote of 6 to 0, with Bailey, Hocken, Kleger, Murphy, Saydack, and Wylie voting in favor, and none opposed.

VOTE

BOARD COMPENSATION COMMITTEE RECOMMENDATION: GENERAL MANAGER'S COMPENSATION FOR FY 97-98: Ms. Murphy reported that the Compensation Committee also had considered the salary of the General Manager, and was recommending that the Board approve a 3.2 percent increase in the General Manager's base salary, retroactive to July 1, 1997. Mr. Saydack asked what the basis was for the 3.2 percent. Ms. Murphy replied that the Committee had looked at the raise that was given to the bargaining unit employees, and agreed that the compensation issue should not exceed above or below what was given to the bargaining unit. This was a salary alignment raise.

Ms. Wylie asked if a job performance evaluation of the General Manager had been performed. Ms. Hocken replied that the evaluation would occur during the next two-month period. Ms. Murphy replied that it was discussed during the Compensation Committee meeting, and Mr. Bennett had suggested that this evaluation be a face-to-face, personal group evaluation. Ms. Murphy added that she wanted to see written notes that could be made a part of Ms. Loobey's file.

Ms. Loobey clarified that the intent was to have the full Board conduct the evaluation, and that it would hold a performance dialogue. Mr. Bennett did not like the previously used evaluation form in that it was too stilted and lacked flexibility and creativity

and lost something in the translation. It had been discussed in previous Compensation Committee meetings, and the thought was that a dialogue would be tried this time to see how it fit or did not fit the needs of the members of the Board. Ms. Hocken agreed that she had trouble getting her thoughts across on the form. She stated that she assumed that the Board would conduct the evaluation in executive session, and asked if it would be held in November. Ms. Wylie asked if Ms. Loobey had the opportunity to give input to the process, to which Ms. Loobey replied that she had. Ms. Wylie asked if the salary increase was similar for other administrative staff as well, and Ms. Loobey replied that all non-bargaining unit employees received 3.2 percent on July 1, 1997, as well. In addition, Ms. Wylie asked if the salary increase that the Board was now considering could be modified following the evaluation, if the Board deemed it necessary to do so. Ms. Loobey replied that it could be changed at that time.

Mr. Bailey asked when the last evaluation had taken place. Ms. Loobey replied that it had been two years. The conversation for an oral evaluation was held at that time. Ms. Loobey researched other Districts and other local units of government and was unable to locate a similar evaluation process for General Managers or other Chief Executive Officers. The LTD Board would be breaking ground with this type of dialogue performance review.

Ms. Hocken asked if the Compensation Committee would meet to outline the process. Ms. Murphy replied that Mr. Bennett introduced this late in the meeting, and the thought was that the Committee would meet again to discuss the process. Mr. Saydack added that the Committee would appreciate any thoughts and suggestions the rest of the Board members might have for the structure and categories for the evaluation.

Mr. Kleger stated that he shared the frustration with filling out the evaluation form, but the advantage to the form was that it would ensure that nothing was left out of the evaluation. He thought it would be useful to at least have a catalogue of subjects and categories to help focus the Board's thoughts. However, he was in favor of the free-flowing discussion.

Mr. Bailey stated that he preferred a hybrid instrument that would set direction, to ensure that issues were not left out, even though it was quite possible that during the course of the conversation, other issues might be introduced.

Ms. Wylie asked that Ms. Loobey supply the Board members with a job description, work plan, and goals, as well as a list of her job highlights and accomplishments for the past year, so the Board could have some tools to ensure that there was full coverage of all aspects of the job.

Mr. Saydack asked if Mr. Rutledge would be willing to help the committee. Mr. Rutledge replied that he thought that a hybrid type of process would be appropriate for a CEO-type position. He believed that the incumbent in any position would need to have an understanding of what criteria were being used in order to facilitate an articulate conversation. That process lent itself well to some type of form or format. For a CEO-type position, Mr. Rutledge stated, there also needed to be an honest dialogue between the parties, not only to be just evaluative, but also to share information between the parties as

to goals and perspectives for coming years. He stated that he would get some materials together for the Compensation Committee.

It was decided that the Compensation Committee could hold an interim meeting, then the Board could review the materials and process in November and conduct the evaluation in December. Ms. Hocken thought a Monday night dinner work session could be devoted to the review and discussion of the evaluation process, then the evaluation would be conducted during the regular business session.

MOTION

VOTE

There being no further discussion, Mr. Kleger moved the following resolution: "The Board of Directors hereby resolves that the general manager's base salary for Fiscal Year 1997-98 shall be increased by 3.2 percent effective July 1, 1997, 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." Ms. Murphy seconded the motion, which then carried by unanimous vote of 6 to 0, with Bailey, Hocken, Kleger, Murphy, Saydack, and Wylie voting in favor, and none opposed.

BOARD MEMBER REPORTS: a) MPC: Ms. Hocken reported that there were no transportation issues on the October MPC agenda, so LTD did not attend that meeting. b) BOARD WALKABOUT: Mr. Kleger reported that he had attended an open house sponsored by Congressman Peter DeFazio, and he had a chance to thank the Congressman for his continued support of Lane Transit District. Congressman DeFazio had indicated that he would continue his support at the federal level. Mr. Bailey reported that he had attended a Southeast Neighborhood Association meeting with Public Affairs Manager Ed Bergeron. The meeting had gone well, and the attendees had good questions about LTD's current operations and about BRT. c) LIVABILITY FORUM: Ms. Hocken reported that the Livability Forum would meet on October 30, 1997, and she would attend that meeting and report back to the Board in November. d) SPRINGFIELD SUMMIT: Ms. Murphy, Ms. Wylie, and Mr. Bailey had attended the Springfield Summit on September 26, 1997. Ms. Murphy stated that 60 local business and civic leaders gathered at the Summit to acknowledge the strong economic growth in Springfield and to discuss a vision for the future. Also discussed were issues such as youth, education, and transportation. The summit members identified ways the community could join in the economic market, not just regionally, but also nationally and globally. The keynote speaker was John Menville, the author of *Grassroots Economy*, from Palo Alto, California. Ms. Murphy further reported that Congressman DeFazio was unable to attend the Summit, but from his town hall meeting came the following quote: "Transportation, education, clean and abundant water, and affordable power should never be taken for granted in Springfield. We need to preserve, protect, and seek to improve them always."

Ms. Wylie thought that the Summit had been a good opportunity for networking for both she and Ms. Murphy. Mr. Bailey added that there was much discussion about what was going to happen with downtown Springfield, and he thought that most people there had it in their minds that LTD was a part of those discussions. Ms. Hocken thanked the Board members for attending the Summit.

REVIEW OF JOINT MEETING WITH EUGENE CITY COUNCIL: The Board met with the Eugene City Council on October 13. Ms. Hocken asked the Board for comments on that meeting.

Mr. Kleger stated that he thought it was the best session that the two jurisdictions had together in a long time. The response by the Councilors to the Eugene Station tour was very favorable. Ms. Wylie thought it was a very good environment for the Board to work in, and the Board needed to utilize the knowledge that the Council supported BRT as it moved forward on that project. Mr. Bailey stated that he thought it had been an excellent meeting. He thought the Board and staff handled very well the discussion of area-wide project development, in which the Council had asked some questions that would take the region and area in some interesting directions that he thought LTD did not necessarily want to go in.

Ms. Murphy noted that she was pleased with the Council's willingness to work with the Springfield City Council and that the discussion focused on the group as a team rather than "us vs. them." Ms. Wylie thought that once the concept that BRT could be accomplished in pieces was understood, such as mixing with traffic where needed and having a dedicated lane where possible, LTD would gain more support. Mr. Saydack stated that the Council's support was very clear and gratifying. He thought that LTD's perspective differed from the Council's, but that the Council was behind what LTD was doing. He stated, however, that he was not sure how the City Manager felt about LTD and the project.

Ms. Loobey stated that she was pleased that the meeting had been held and that the Council seemed to be so very supportive. She thought that if LTD could help be the bridge between the two communities, that would be a good forum for LTD. LTD had the opportunity to work through the Metropolitan Policy Committee (MPC). She cited the example of the equivalent to MPC in the Tri-Counties area, called JPAC, which was the joint planning and advisory committee that addressed only transportation issues and which had served as a bridge amongst the three counties and the various jurisdictions within those counties. All of the transportation funding decisions were made by that group for the Tri-County area. And, although the state participated, federal money went directly to that area; whereas federal transportation money that was directed toward areas with a population of fewer than 200,000 in the urbanized areas went through the state. In other words, Ms. Loobey explained, JPAC, because it was making all the transportation decisions that related to the multiplicity of jurisdictions, received transportation money directly from the federal government. In the forum of JPAC, some of the multi-jurisdictional barriers had been broken down. Ms. Loobey thought that MPC gave LTD an ongoing forum to help break down the perceived barriers.

POLICE SUBSTATION IN THE EUGENE STATION: Ms. Loobey explained that early on in the planning of the Eugene Station, the Board and staff held fairly serious conversations about locating a police substation on the Eugene Station site. Recently, the concept arose again in a more serious vein following discussions by various members of the community about the youth activities in the area. Those discussions took LTD to the next step of reviewing the plans for 1099 Olive Street, or the Southwest Corner Building, to see if there was an opportunity for LTD to broach that idea again. Several staff and Board members had met with City Manager Vicki Elmer, Mayor Jim Torrey, and Chief of Police Leonard Cook to discuss the idea of a substation. That concept now had a lot of enthusiasm and momentum behind it. Staff were now waiting for a proposal from Chief Cook that was expected in the next week. Ms. Loobey stated that at the joint meeting with the City Council, the issues of safety and security at the Station were brought up, and the

project appeared to get bigger than what was originally thought, in the regard that the City was discussing the space to house more than a community service officer. Chief Cook toured the space and was excited enough about it that he was considering staffing a watch command officer there.

Ms. Loobey explained that LTD currently contributed about \$25,000, as did Downtown Eugene, Inc., to fund two-thirds of a police officer position with the City of Eugene. The community service officer was not a sworn officer, but could take complaints, file complaints, and respond to citizen inquiries. Ms. Loobey stated that she was expecting a proposal from Chief Cook at this level.

Ms. Loobey further stated that the notion of a police substation at the Eugene Station was a good one. LTD had been plagued by the perception that the station was not safe and because of constitutional guarantees and the case law, LTD did not have absolute authority over what happened on the Station site as it was still considered a public place. Staff were working on a set of ordinances to address behaviors on the station proper, and the City of Eugene was adopting ordinances governing behaviors on the mall. If these ordinances were coordinated, the City would be more likely to enforce the issues that were important to LTD than if LTD had a stand-alone ordinance. LTD could be drafting what were called "shadow ordinances" to the City's ordinances, and LTD's legal counsel currently were working with the City's legal counsel on those issues. Ms. Loobey further stated that having a community service officer present in the 1099 Olive building would not only serve LTD well, but also the surrounding neighborhood. She thought it was important for LTD to have in place from the very beginning the tools that it would need to impact the perception that the Eugene Station was not a safe place. It was important to acknowledge that enforcement and maintenance were important, but the other important point that had been made during discussions of this issue was that the community truly needed to deal with the bigger issues, such as the homeless youth on the mall.

Ms. Loobey stated that LTD would have more information on this issue when it received more information from Chief Cook, which she thought would be within the following week.

Ms. Hocken stated that the Board Eugene Station Committee had met prior to the regular Board meeting, so those members had the opportunity to ask questions and discuss this issue at length. She asked if any other Board members had questions or comments.

Ms. Murphy stated that she was not against policing or public safety, and her intent was to reaffirm LTD's goal and what it was about. LTD was about providing transportation. She acknowledged that LTD's customers needed to be in a safe environment, but again she stated that LTD was about public transportation. As a Board member, she stated that she was not in favor of supplementing the Eugene police department's public safety budget, any more than she would be for the fire or EMS departments, based on perceived or possible problems. When payroll tax monies come from outside the Eugene area, and \$50,000 is spent on the Mall Guides, which LTD wanted to continue, added to the \$25,000 for one-third of a community service officer, that put LTD at the \$75,000 mark to help secure safety at the Eugene downtown station. She recommended that a symbiotic relationship be created that allowed the police department to be a part of the LTD downtown station and allow them to use that space as intergovernment agencies. She was

concerned about such large amounts of money being put forth to supplement a budget to provide safety.

She requested that staff research other alternatives, including providing security through a private security firm or LTD adding staff who could fulfill that requirement. She wanted to hear more about the flexibility and control once LTD entered into a contract with the Eugene police department and what kind of input the Board would have on that contract; for instance, whether LTD could back out of it if it were not meeting the need. She wanted to look at other alternatives and have a fair appraisal of the amount of money that would be requested for that. Ms. Murphy stated that the actual figure for the Mall Guides was \$57,000, and she had brought that issue up at a Board meeting last spring.

Mr. Saydack asked if staff had ever looked into the cost of hiring security staff. Ms. Loobey replied that some very large transit systems had their own transit police, such as New York City. The only transit property in the state of Oregon that had experience with its own transit police was Tri-Met in Portland. For a period of time, Tri-Met had its own sworn officers, and for a variety of reasons, Tri-Met had opted to get out of that business, and now it contracted with the City of Portland and the Sheriff's Department. Mr. Saydack stated that it would be interesting to find out what Tri-Met's experience had been. Ms. Loobey said that it was important to know what expectations the Board had. If, for instance, simply housing a community service officer would make it easy to make a police presence there, it did not necessarily mean that what that person would be doing as part of his/her job was patrolling, but rather that location would act as a community center where people could come in to file complaints and ask questions. In addition, it would provide the opportunity for sworn officers to have a presence there to pick up a complaint. LTD did use the Mall Guides to intervene and assist an operator who had a problem person on the bus or at the Station, in non-violent situations. More than anything, the notion of a substation, or community precinct, was not to buy a community service officer for LTD's purposes, but to establish a presence on that side of the mall and also going into the mid-town business community.

Ms. Wylie stated that there were several things that needed to be considered. She thought that the liaison with the City was advantageous, and she thought it was a reasonable price to pay. She also stated that the Eugene center was key to ridership and people must feel safe there, and if that helped make it feel open and comfortable for all riders, ridership would increase, which she added was what she thought LTD was about as well. She stated that her company used a private security firm whose officers were not armed and had its own patrol, but there was no backup in case something major happened. What was nice about having a community service officer at the Station was the whole Eugene Police Department would be available for backup. Ms. Wylie stated that she was supportive of what Ms. Murphy had said, and should safety and security become a problem at the Springfield Station, she would want the same level of support and consideration there.

Transit Operations Manager Patricia Hansen stated that with regard to the importance of the liaison with the other agencies, her experience in talking with other transit districts that used private security was that it was less than successful. She thought that was because some of the population that was present at the Eugene Station was well known by the social service agencies, such as the police, as well as by LTD's field

supervisors. There was a connectiveness of information that went around that area. A private firm would not have that connection or be a part of that loop of information. She stated that she would prefer LTD's own supervisors to a private company.

Ms. Hocken asked if LTD would lose control of monitoring security if there was a contract with the Eugene Police Department for a community service officer, and what recourse would LTD have if it did not receive the services that were expected. Ms. Loobey replied that with any contract, there were performance requirements, and typically, whether an intergovernmental agreement or a contract with a vendor, both sides signing the contract had the ability to get out of a contract.

Ms. Murphy stated that she was not against the Eugene Police Department, and she did believe in the intergovernment agencies' ability to create that symbiotic relationship. She was in favor of providing a space and a place; but her concern was for adding to the budget using money that came from different areas. Ms. Murphy agreed that LTD needed to keep a safe place, and she realized that the people from those other areas would use the space; but she stated that she had an expectation of Chief Cook and his agency in protecting that space with or without the money from LTD. She did not believe that LTD should totally fund or pay for that service.

Mr. Bailey stated his assumption that when the proposal was received from the City, the Board would have an opportunity to review the topic. He stated that he also wanted the answers to some of Ms. Murphy's questions, and he wanted to see the information as it was gathered to further the Board's discussion of this issue. Ms. Hocken stated that she thought the City Council was very interested in reviewing material as it was presented as well, and she recognized that security at the Eugene Station was part of a bigger issue, and there would be many more discussions to come.

SERVICE PLANNING DECISION MATRIX: Service Planning and Marketing Manager Andy Vobora presented a decision matrix that outlined the Annual Route Review (ARR) process by which staff evaluated requests for new service and reductions in service. He discussed the next couple of reviews, stating that staff were beginning to recognize that LTD's bus system had become very complex and more difficult for users and employees to understand. Staff thought that the current system had been modified enough, and it was nearing the time to perform a Comprehensive Service Redesign (CSR). Staff most likely would be recommending that during the next few years, staff would take a minimalist view of the ARR and just fix what really needed to be fixed to keep the system operating as it was, while preparing for a CSR in the year 2000. Staff wanted to bank a couple of years of service increases, then present a redesign for the year 2000 that would address the whole system and the growth experienced in both ridership and in traffic congestion in the community.

The Service Decision Matrix that was presented in the Board packet, beginning on page 99, was a document in progress that staff had prepared to address the Board's interest in knowing what factors staff used to make decisions to add or change existing service. The issue of revenue-based decision making was not addressed because, at this time, it was a very costly factor to arrive at, due to the way the routes were paired together. Mr. Vobora explained that a typical run for a bus operator might include up to ten different

routes per day. That particular bus traveled throughout the system, making it very difficult, time consuming, and costly to track revenue for a particular route.

Mr. Vobora directed the Board's attention to the matrix and again stated that it was a work in progress. There were some areas where the low, medium, and high ratings had not yet been given a value. Staff purposely had resisted giving numeric scores at this point because some of the categories could become restrictive if all the influencing factors were not considered.

Mr. Vobora then reviewed the matrix for the Board. Mr. Kleger asked why a low rating was given to household income of \$30,000, as he thought there were many people who had much lower household incomes than that. Mr. Vobora explained that the low rating for \$30,000 was given to represent a household that was less likely to utilize transit services, whereas the high rating for less than \$15,000 per year represented the household that most likely was transit dependent.

Mr. Bailey asked how staff wanted to gain Board input on the matrix. Mr. Vobora replied that he was inviting comments from the Board. Mr. Bailey asked if staff were already collecting the basic rider demographics, such as age, gender, etc., as they would relate to transit service. Mr. Vobora replied that staff had that basic information from the LTD Origin and Destination survey as well as from transportation analysis zone data from the 1990 census. In some areas, the Lane Council of Governments had updated the data from that census.

Mr. Saydack asked about the lack of information regarding revenue. He stated that LTD did track ridership, and he asked if by revenue, staff meant how much money those riders actually generated as opposed to using group passes, etc. Mr. Vobora replied that staff could determine from the origin and destination data the percentage of riders who paid cash fares, etc., and that could be applied to a particular route, but it would not be accurate in many cases. The only way to get specific route information would be to sample particular routes throughout the day. Mr. Saydack asked if ridership per route and the cost of each route would be known. Mr. Vobora replied that was correct.

Mr. Saydack then brought up the topic of weighing and assessing a route that was to be continued. Mr. Vobora replied that staff referred back to the Board's goals and vision, and while sometimes it was a difficult decision, staff would seek direction from the Board in those decisions. Mr. Saydack asked if staff would be able to point to the various factors on the matrix when presenting the route review adjustments to the Board to justify the reasons for making the various route changes, and would the decision factors vary in weight by route. Mr. Vobora stated that staff had done that in the past, but not in this level of detail.

Ms. Hocken asked why it was important to measure how people were paying the fare. She thought the whole idea of the group pass program was that the employer was to replace the fare to make it revenue neutral. She regarded all the fares and thought an average fare would work to measure those factors. Mr. Vobora replied that staff did use an average fare when proposing new service and estimating what the ridership might be. Mr. Saydack added that when Mr. Vobora earlier in his presentation had discussed the missing revenue piece, he used the example of a route where 99 percent of the riders might

be group pass participants. He asked why that would make a difference if the group pass was to be revenue neutral.

Mr. Vobora replied that a set amount was received from the University of Oregon, and if staff were to look at adding another route to the University, that new route might be packed with riders, but it would not necessarily generate new revenue. Mr. Saydack stated that it seemed that the economic information that the Board needed to have was if the proposed new route would generate new revenue, if the Board was to look at cost as a factor.

Ms. Hocken stated that she understood what Mr. Vobora was saying, but she thought that the whole idea of the group pass program was to get more people to ride the bus. There was a limited ability to go back and renegotiate group pass contracts, which was an issue that had been of concern to her. She thought that the group pass should be used as a tool to get more people to use alternative modes of transportation because of other missions. Even though the revenue would be the same, it did not cost LTD any more to operate the route. Mr. Saydack stated that he agreed with Ms. Hocken, but that constituted weighting the factors. What he had said was that the Board needed to have the factors identified and then they could be weighted. Cost recovery was a factor that the Board should know about.

Ms. Hocken asked for clarification that when staff presented figures that represented how much fare would be generated, it was a very unsophisticated number, and it would be unknown as to whether the ridership would represent mostly group pass riders, which would mean that no new revenue would be generated. Mr. Vobora replied that was true in some cases, but he thought that staff could provide close estimates based on their knowledge of who the service was being designed for. For instance, staff knew when it added service on the #79 route, the ridership would consist mostly of University of Oregon group pass holders, whereas when the #8X Thurston Express route was introduced, staff could not make that same determination because the ridership could include University-, Sacred Heart-, and downtown-bound riders.

Ms. Murphy stated that with the decision matrix and as those revenue factors were broken down, then LTD would have more concrete data in hand to renegotiate those group pass price increases. Ms. Hocken added that LTD only had done that once with Sacred Heart as a quid pro quo.

Mr. Vobora stated that rather than going line by line through the matrix, he would answer any questions the Board had about the matrix. Mr. Saydack asked how staff defined productivity. Mr. Vobora replied that it was measured by current standard, which was two-thirds of the system average. Below standard would be below two-thirds, which currently was approximately 21 rides per hour. A medium would be 21 – 31 rides per hour, which was the system average, and the high standard would be above 31 rides. In addition, staff had developed a productivity frequency index, which was a new measure that had not yet been calculated for all LTD's routes, but could be. It related the frequency of service along a particular route to that route's productivity, which would give staff a good idea if a route was being over serviced. Mr. Vobora added that a ridership prediction model was being developed by the University of North Carolina at Charlotte (UNCC) that would take into consideration all the factors to produce an estimated ridership figure for proposed

new routes. Some tests of the model were conducted, and it looked as though it would be a very good tool.

Mr. Saydack asked if, in addition to productivity, which measured how many people boarded and deboarded, there was a way to measure how long people actually stayed on a bus or how many transfers were used. Mr. Vobora stated that there was a system-wide transfer rate that was calculated, but there was no trip-plan type of measurement that was used. Mr. Saydack asked why this measurement was called productivity, when it actually measured usage. Mr. Vobora replied that it was a standard way of gauging, in a specified time period, how many people used the system. In addition, maximum peak loads per given route was measured. Mr. Saydack asked if someone got on the McKenzie River bus at the downtown Eugene Station and rode all the way to McKenzie Bridge, was that considered one ride. Mr. Vobora replied that it was, and there were other measures, such as passengers per vehicle mile, that were taken into account when determining productivity.

Mr. Saydack stated that it appeared to him that productivity was not addressing how many people were getting out of their cars and onto the bus. If there were 21 people on the McKenzie River bus for one hour, that was the same productivity as the 21 people per hour on the urban route. Mr. Vobora concurred by saying that was the standardization for the urban routes; however, rural routes had a different standard, which was boardings per round trip.

Mr. Bailey added that what Mr. Saydack was discussing had a direct correlation with vehicle miles traveled (VMTs), and he did not see a VMT calculation included on the matrix. He asked, if the mandate was to reduce VMTs, could a reduction of VMTs be shown on a particular route. Mr. Vobora replied that the Lane Council of Governments had assembled data on the average commute trip length. If LTD assumed the same information per rider, it could calculate the VMT savings. Mr. Saydack asked, for instance, how many VMTs were saved with the football shuttles.

Ms. Hocken asked if there were five people for 50 miles on the McKenzie Route, would that be measured as 50 people saving five miles in VMTs. Mr. Saydack clarified that he thought of productivity as something of a more complex expression of goal achievement. Currently staff were looking at usage, but he wondered whether there was a way to rate impact on VMT reduction. Ms. Loobey replied that staff could get at VMT reduction in a more figurative sense than in a literal sense. From the Origination and Destination study, it was determined that approximately one-third of the riders had a car available for the trips they made. The problem with that was that it would need to be known how many trips that rider made.

Mr. Saydack asked if the information could be developed that would show what the potential VMT reduction could be per route. He asked if there were any other transit districts that might have a way to measure that. He thought it would be good to have that kind of information available. Ms. Loobey thought it might be more important than some of the other factors, but at some point, as the measuring devices became more sophisticated, those that really were useful would have to be focused on.

Mr. Saydack stated that by breaking down the factors into the matrix format, one could easily see all the factors that would impact VMTs. Ms. Hocken asked if riders per

mile was a measure that could be used to show the impact VMTs, because for every mile that rider was on the bus, that rider was not producing a vehicle mile. Ms. Loobey stated that not all riders took the same trip length, and staff would have to work on averages, for instance, if the average trip length were 20 minutes, how far would that bus travel in 20 minutes? Ms. Hocken clarified that she was referring to miles, not riders per trip. Mr. Kleger stated that it would be great to have that information, but he thought it would be intrusive and very expensive to get.

Mr. Vobora added that more of that type of information would be available with the implementation of the smart cards. Mr. Saydack asked if currently there were other districts that compiled that type of information. Mr. Vobora stated that calculating the VMT reduction for commute trips would be easier than calculating it for other types of trips. Ms. Hocken asked that staff attempt to present some sort of VMT data.

Mr. Bailey asked if the trip generator factor was an assessment of key origination and destination data, to which Mr. Vobora replied that it was. Mr. Bailey then suggested that the transfer rate be listed as a factor on the matrix as well. He thought it had to at least be a factor in the larger calculations. Ms. Loobey stated that the transfer rate depended on whether the transferring trip was counted as two trips or one trip. LTD counted it as one trip. Mr. Vobora added that LTD had statistics that showed rides versus trips taken.

Mr. Bailey then suggested that other environmental factors be included, such as air quality, which might factor into the analysis of a route's viability. Ms. Hocken thought that was a peripheral issue to the VMT issue, because was LTD doing better by reducing VMTs in congested areas where people were putting in stop lights, or were was it better to reduce VMTs in areas where people could drive freely at 55 miles per hour?

Mr. Saydack asked about the feeder route, and how the significance of the feeder route would be determined using the factors presented on the matrix. Mr. Vobora replied that staff would look at productivity to standardize it against the other routes in the system. A separate set of factors may be needed, and staff would know more as the feeder routes evolved. Mr. Saydack thought it made sense to have a different set of characteristics. Mr. Vobora concurred that all factors may not be used for each route.

Mr. Saydack then stated that the current ARR did not characterize the routes into feeder loop, arterial, or other types of routes, and he asked if there was a value in separating those routes by type. Mr. Vobora stated that staff did the separating by prioritization, and a feeder route could be included in any group of routes by priority. He thought there could be merit in separating the routes otherwise. Mr. Saydack thought that maybe a color coding by type could be used.

Mr. Kleger stated that in earlier discussions, the Board had talked about providing a heavier level of service during peak periods than in off-peak periods. It was his impression that ridership was averaged during the day with peak periods used to balance the numbers. He thought that it was difficult to predict what time of day that peak time per route would occur. Mr. Vobora stated that there were statistics to show various peaks throughout the day, such as the a.m. peak, the mid-day peak, and the p.m. peak periods.

Mr. Saydack asked if there was a way to evaluate productivity of other aspects of the system, such as Park & Ride lots and Station productivity. Mr. Vobora replied that there was no standard; however, staff performed periodic checks of the stations and Park & Ride lots. Mr. Saydack thought that would be worth developing over time, and that it would be useful for planning purposes to know something about the standards and successes when looking at new potential stations and lots. Ms. Hocken stated that possible statistics that could be used would include the number of spaces occupied per residence in the travel area, or number of cars parked there per cost of developments. Mr. Saydack added that it would be important to know the impact on VMTs by virtue of the use of the Park & Ride (for instance, the number of cars parked there all day for work commuters versus the number of cars that moved in and out of the Park & Ride throughout the day, and whether those numbers differed greatly from neighborhood to neighborhood). Mr. Vobora stated that assumptions were being made by the Planning and Development department to develop that data.

Ms. Murphy stated that the demographics with the 4J School District's use of LTD for its high school bus service was a factor that she did not see being made. She asked about the feeder routes and how they were established; i.e., through neighborhood lobbying, survey, or through a committee presentation, and once the feeder route was implemented, how long it would run before being evaluated. Mr. Vobora replied that the fall 1997 implementation of the new #38 and #39 routes were LTD's first true test of the feeder system. Staff had looked at the neighborhood and the high-frequency 18th Avenue corridor to test the feeder concept. He added that typically a route would operate for a full 18-month test period, which included the one year following the implementation and the following ARR process, where staff would make recommendations for that route, if necessary.

Ms. Murphy additionally asked about the lifeline factor. She cited a mother who had multiple sclerosis in the Bethel area who had addressed the Board regarding her need for public transportation closer to her home. She wanted to know what measures would fall under the lifeline factor. Mr. Vobora replied that the lifeline considerations were for neighborhoods that had no service coverage in the area, and whether LTD wanted to have a certain level of service to all areas. Currently staff were looking at a lifeline factor in the River Road area, and would be making a recommendation to the Board for that service. He stated that the two biggest factors that were considered for lifeline service were low income and the lack of other transportation.

Mr. Saydack asked if the productivity of the small buses was being evaluated in comparison to the larger buses. Mr. Vobora replied that the small buses that were in use for feeder service were not expected to have the productivity level of the larger buses, so different standards would be developed for that service. In the case of smaller buses running within the regular system, it was hard to gauge because, as he previously mentioned, any given bus will operate on several different routes throughout the day. Since the small buses were so new to LTD, the planning staff had not yet been able to craft a good combination of routes that would better utilize the smaller buses.

Ms. Hocken asked about the process for the matrix and when staff would present more information to the Board. Mr. Vobora stated that the intent was to put final candidates for service changes through the matrix to help staff make the final analysis. Staff would try to refine the matrix and present new factors as they were developed. Ms. Hocken stated

that a scoring system based on the matrix would be helpful to her. Mr. Vobora replied that staff would come back with a more refined rating system.

MONTHLY FINANCIAL REPORT – SEPTEMBER FINANCIAL STATEMENTS:

Finance Manager Diane Hellekson stated that the agenda packet summary on page 102 was larger than in recent months, partly because it was the end of a quarter. There were no adverse financial conditions to report, nor were any foreseen for the remainder of the current fiscal year. The fieldwork and most of the follow-up work associated with the audit had been completed, and there were no adverse conditions to report there.

A situation was created that made the year-to-year comparisons difficult to interpret. The comparisons would be off this year because it was one year ago, in October, that the effects of Measure 8 were rescinded. Ms. Hellekson explained that when \$6.00 was taken away from \$100, the amount was reduced by 6 percent, but when it was added to a benefit of \$12, the benefit was increased by 50 percent. She added that when using statistics for comparison, it was important to remember what the base was. Because of the Measure 8 benefit changes, the benefits category looked as though it had increased dramatically, when in fact it was in the plan to shift the retirement expense from salaries to the benefit category.

Other additions this year included an extensive advertising campaign that was substantially more than was spent in the past few years and an extensive community outreach campaign that had been funded. Those activities were included in the plan, so none of the news was adversarial.

Ms. Hellekson reported that the Board Finance Committee would be meeting in the fall, but had not been scheduled, since the requested extensive information on the self-employment tax had not yet been received from the State. In addition, the Board would receive the audit at its November Board meeting, and representatives from Jones & Roth, the auditing firm, would be present. Ms. Hellekson noted that this was the final year of the contract with Jones & Roth, and LTD would issue a Request for Proposals (RFP) as required. Ms. Hellekson had discussed the Board's expectations with Ms. Hocken, and the Board would be kept informed about the process on a monthly basis.

Ms. Hellekson said that the Oregon Transportation Infrastructure Bank (OTIB) loan contract would be presented to the Board in November. LTD was the first applicant to receive a finalized loan. An OTIB representative would be present at the November Board meeting.

FEDERAL FUNDING FOR BUSES AND RELATED EQUIPMENT: Ms. Loobey reported that \$2 million had been earmarked for buses and equipment. She directed the Board's attention to Representative Defazio's News Release on page 113 of the Board packet. Ms. Loobey stated that the report language came from the conference committee and had been voted on by the full House. It would now be taken to the full Senate, which had to vote on the entire package. The report language stated that \$1 million would be used for buses and related equipment and another \$1 million for the LTD system. Ms. Loobey stated that \$1 million clearly was for buses, and the other \$1 million was for BRT. The report language as stated contained a clerical error, and the \$1 million slated for the LTD system should have appeared under planning and not under capital acquisition.

The \$1 million for BRT would be used for planning and engineering and other things associated with BRT.

Ms. Hocken asked if that \$2 million was out of the \$10 million that LTD had requested. Ms. Loobey responded that any other money would come from the reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA). Ms. Murphy asked when the Senate would vote on the FTA package. Ms. Loobey replied that she did not have the exact date, but it was expected to occur soon.

EUGENE STATION UPDATE: Facilities Services Manager Charlie Simmons reported that the red oak tree would be planted in two weeks. Mr. Simmons also reiterated that the construction was on schedule and on budget. It was hoped that a substantial completion date would be decided on in the next week or two. Mr. Saydack asked about the tree size. Mr. Simmons replied that the tree would have a 10-inch trunk diameter, and the planter was about 8 feet by 5 feet deep. The tree was being brought in from the Big Trees Today tree farm in Portland. It would travel to Eugene on a flat-bed truck, and be lifted over the roof of the Station to be placed in the planter. Ms. Loobey mentioned that concerns had been brought up about the acorn production from the red oak and the hazards that dropped acorns would present on the Station floor. Staff had decided to remain with the red oak in the big planter, but the other trees that would be planted around the Station had been changed to green ash. Ms. Murphy asked if a tree-planting ceremony would be held to generate excitement about the Station. Ms. Hocken was concerned that a ceremony would interfere with the actual tree planting. It was suggested that LTD videotape the event and have a tape to share with the media.

COTTAGE GROVE SERVICE UPDATE: Ms. Loobey directed the Board's attention to the Agenda Item Summary on page 116 regarding the response to Cottage Grove bus service. She noted that service was going well, and there was a reverse commute on the first trip going out to Cottage Grove.

THURSTON AND AMAZON STATIONS PARK & RIDE UPDATE: Ms. Loobey stated that on page 117 of the packet, there was a summary update of how those stations were being utilized. Mr. Vobora had some slides of the Thurston Station that he shared with the Board. The Grand Opening of the Thurston Station would occur on October 20, 1997, at 9:30 a.m.

Ms. Loobey added that LTD had received the long-term agreement from Fred Meyer for the West 11th Park & Ride station.

MOHAWK BOULEVARD DEVELOPMENT PLAN UPDATE: Ms. Loobey reported that LTD had submitted comments to the Mohawk Plan Citizen Advisory Committee (CAC), which were favorably received.

DEFERRED COMPENSATION QUARTERLY REPORT: No change was reported, and the contracted administrator of the plan, Hartford Life Insurance Company, had maintained a B+ rating.

EUGENE CHAMBER BUSINESS AFTER HOURS: Ms. Loobey informed the Board members that the Eugene Chamber would hold a special Business After Hours on October

29, and the Board members were invited to attend. She stated that this would be a good "walkabout" opportunity. Interested Board members were to call LTD reception to make a reservation.

LOCAL GOVERNMENT COMMISSION/CENTER FOR LIVABLE COMMUNITIES – 4TH ANNUAL WESTERN STATES CONFERENCE ON LAND USE PLANNING AND MORE: Ms. Loobey discussed the conference, "Putting our Communities Back on their Feet: The Road Less Traveled," that would be held on November 14 and 15, 1997, in Los Angeles.

In addition, Ms. Loobey distributed a flyer for a conference on "Making the Connection: Vision and Tools for Creating Streets for People," that was to be held in Eugene on November 9 through 11, 1997, at the Eugene Hilton. The conference was sponsored by several agencies in Oregon, including the Oregon Department of Transportation, the Oregon Transit Association, the City of Eugene, and others.

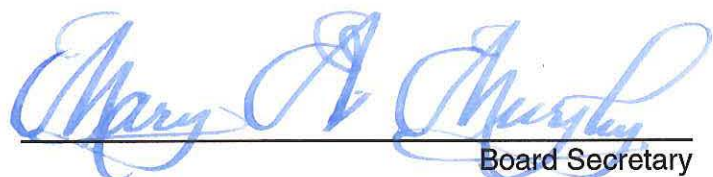
OREGON TRANSIT ASSOCIATION ANNUAL CONFERENCE: Ms. Loobey stated that the annual Oregon Transit Association (OTA) Conference would be held in Seaside, Oregon, on October 26 through 29, 1997. Mr. Bailey was planning to attend, along with several LTD staff members. Ms. Loobey asked the Board members to call Administrative Secretary Eileen Mugglewortz if they planned to attend.

CORRESPONDENCE: A letter addressed to the Board from Michele LeBlanc of Cottage Grove suggesting a change in the routing within Cottage Grove was included in the packet, along with a response letter from Mr. Vobora. *The Valley Forum* Newsletter was included in the packet, as was a Proclamation from the Governor declaring October 20 through 24, 1997, to be Rideshare Week.

MONTHLY STAFF REPORT: Ms. Loobey asked if the Board had any comments or questions about the staff reports that were included in the packet beginning on page 137.

Mr. Saydack asked about the Laidlaw School Buses that he saw at the University of Oregon Football Shuttle Park & Ride. Mr. Vobora replied that the University had contracted with Laidlaw to help provide post-game service back to the Park & Ride lots. LTD was unable to provide enough equipment on its own to provide return transportation to the people who would all be leaving Autzen Stadium at the same time. Mr. Vobora stated that it was believed that after LTD received its next shipment of new buses, next year, that LTD would be able to provide the complete pre- and post-game service. Ms. Hocken asked how that worked in terms of the fares. Mr. Vobora replied that the University was paying Laidlaw directly; whereas, LTD collected the entire pre-paid fare during the pre-game service. No fares were collected during the post-game service.

ADJOURNMENT: There being no further business, Ms. Hocken adjourned the meeting at 9:40 p.m.


Board Secretary