MINUTES OF THE DIRECTORS' MEETING

LANE TRANSIT DISTRICT
SPECIAL BOARD MEETING / WORK SESSION

Tuesday, January 20, 1998
6:00 p.m.

Pursuant to notice given to *The Register-Guard* for publication on January 16, 1998, and distributed to persons on the mailing list of the District, a special meeting/work session of the Board of Directors of the Lane Transit District was held on Tuesday, January 20, 1998, at 6:00 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

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

Absent: Roger Saydack

CALL TO ORDER: Board President Pat Hocken called the meeting to order at 6:05 p.m. She announced that Dean Kortge was present and would sit with the Board as a guest. Mr. Kortge was appointed by the Governor to fill Mr. Saydack's Board position, and the confirmation hearing was set for January 28, 1998. Ms. Hocken then asked Ms. Loobey to report on her recent trip to Washington D.C.

Ms. Loobey stated that she and Planning and Development Manager Stefano Viggiano had traveled to Washington, D.C., to make a presentation about LTD's plans for Bus Rapid Transit (BRT) at a Federal Transit Administration (FTA) workshop. There were approximately 150 people in attendance. The purpose of the workshop was to discuss transit applications other than light or heavy rail. There also was discussion about the context of the setting in Oregon with statewide land use planning, and where LTD was in the process and in the elements of the BRT program. Ms. Loobey stated that it was a profitable trip from the standpoint of spending time with FTA Administrator Gordon Linton and Associate Administrator for Research, Demonstration, and Innovation Edward Thomas. Mr. Viggiano added that the FTA had very hastily called this meeting because there had been so much interest generated in the BRT concept. The FTA had been showing the video of the BRT system in Curitiba, Brazil, and it had generated a great deal of interest, and people wanted to learn more about BRT. This session had been put together over a three-week period.

WORK SESSION ON LTD'S PERFORMANCE MEASURES: Finance Manager Diane Hellekson was present to review some of the ways that LTD kept a report card on itself and how other agencies viewed LTD's performance. Transit districts counted just about everything, and the vast amount of collected data was organized in a way that made sense. Staff then interpreted the data in terms of internal and external performance goals.

One of the tools that had been valuable to the District during the past few years was the University of North Carolina, Charlotte (UNCC) nationwide study of 129 transit properties. That material was analyzed from performance indicators that the UNCC developed based on how they viewed the big picture of transit, service delivery, and financial performance. That data was drawn from information the transit properties filed annually with the FTA.

There were many opportunities to gather information. Ms. Hellekson stated that she would be providing an overview of what that information meant to LTD. She noted that she would not present information related to the Annual Route Review, which was more route specific and would be presented to the Board at a later date.

Ms. Hellekson stated that there were many consumers of performance information, including the LTD staff and Board, stakeholders, and oversight agencies. Stakeholders included bus riders, taxpayers, community partners, grant agencies, and service-area residents. The oversight agencies were the granting agencies, such as the Federal Transit Administration (FTA).

The financial performance factors were based on overall results, comparisons, and trends, while operational performance factors included service productivity, operating costs, comparisons, and trends. In addition, national and peer group comparisons ranked performance indicators, performance consistency, and trends.

Ms. Hellekson presented the financial results, beginning with the operating deficit over a twelve-year period. The operating deficit was the different between the total operating expenses and farebox revenue. She then compared the annual service hours with the operating deficit. She stated that operating loses and subsidies had grown during the last twelve years, but the growth was the result of service increases, which were the result of population growth and ridership increases. Ms. Hocken asked Ms. Hellekson to clarify what was included in the operating deficit figures. Ms. Hellekson replied that for purposes of the performance analysis, only the fare revenue was used to show just how much the fare revenue contributed to the total operating cost.

Ms. Hellekson discussed the tax revenue. She stated that during most of the last twelve-year period, the tax revenue was made up of two revenue sources, the employer payroll tax and the state payroll assessment. However, during the last two years, the self-employment tax was added.

Passenger Revenues were shown for the past five fiscal years. They included pass sales, the University of Oregon group pass, other group passes, farebox cash, and token sales. While all passenger revenue categories had shown increases, the largest increase was in pass sales, not including the group pass sales.

Ms. Hellekson then discussed the farebox recovery ratio. LTD had a standard farebox recovery ratio of approximately 20 percent, which was below the national average of 25 percent. She stated that in some states, farebox recovery ratios were mandated by state regulation. In addition, Ms. Hellekson discussed the extent to which farebox recovery was a matter of policy, a function of available subsidy, influenced by local economy, driven by ridership demographics and community needs, defined by state regulation, and pushed by developments in the land use planning arena. All of those factors together influenced the farebox recovery discussions and what was an acceptable standard for LTD and the community. LTD had reviewed the effect of price increases on potential ridership. If LTD were to attempt to dramatically increase farebox recovery, many riders would be forced off the bus as it would compare unfavorably with the cost of operating a personal automobile. Also, it would hurt those who could not afford to travel any other way. In addition, the State Transportation Planning Rule, which mandated a 20-percent cut in vehicle miles traveled (VMTs) during the next twenty years, needed to be considered. LTD cash fares had been increased every other year during the past twelve years, and those increases had not had a dramatic effect on farebox recovery ratios, suggesting that those increases had been adequate to meet the inflationary costs of LTD's operation.

Operating expenses during the past twelve years had increased from $7 million to $15 million. The difference between the total revenue and operating expense was invested in capital projects as 20 percent match and in reserves. When operating expenses were adjusted for inflation, they currently were at $10 million. Operating expenses per service hour during the last twelve years ranged from $36.73 to $55.37. When adjusted for inflation, they ranged from $34.63 to $35.10. Operating expenses would be closely watched when they began an upward trend that was not related to inflation.

Operating expenses per vehicle revenue hour, or an hour that a bus actually was in service, rated slightly higher than the national average. Operating expenses per vehicle revenue mile were lower than the national average, as were operating expenses per unlinked passenger trip, or each time a person boarded a bus regardless of whether that person was transferring from another bus. Ms. Hellekson noted that operating expenses were increasing, but the increases were a result of service increases, which were, in turn, the result of population increases and ridership growth.

Ms. Hellekson discussed ridership, service, and service area population from 1970 through June 1997. During LTD's formative years, the population increased at a much higher rate than did ridership. However, during the last several years, ridership increased at a rate higher than population. This suggested that service had kept pace with demand, and that the VMT growth had been slowed.

Annual lift rides had increased during the last ten years from 22,000 to 68,000 boardings. During its first full year of operation with bike racks, LTD had carried nearly 100,000 bicycles.

Ms. Hellekson stated that in a recent random telephone survey, 75 percent of the people surveyed thought that LTD was doing a good or excellent job, while only 4 percent thought LTD was doing a poor job. Ms. Murphy asked about the number of people surveyed. Ms. Hellekson replied that 400 people were surveyed.

Ms. Hellekson then presented the national comparisons of transit agencies with LTD on population per vehicle in maximum service and population per unlinked passenger trip. LTD was above the national average in both cases. In total revenue per population, LTD was at the national average. In fare revenue per unlinked passenger trip, LTD ranked above the national average. She noted that the UNCC study materials were two years old.

Ms. Hellekson stated that there was a lot of information, but still there was some information that LTD did not have. LTD needed new evaluation tools to measure performance, including farebox technology, which may improve operating efficiency, reduce operating expense, and significantly improve ridership information. Another new tool was the UNCC ridership prediction model in which LTD had invested. Another new evaluation tool that had yet to be determined was needed to predict and measure the effect of service on VMTs.

To summarize, Ms. Hellekson stated that currently, LTD was strong and consistent in financial performance, ridership growth was in excess of population growth, operating expenses were under control, and LTD compared favorably with other transit agencies. Opportunities for improvement existed in operating subsidy/expense control, operating efficiency, progress toward strategic goals and plans, and progress toward meeting state goals.

Ms. Wylie asked if staff had studied the effect of changing fares. Mr. Viggiano replied that there was an economic term called elasticity of demand. When transit fares were increased by 10 percent, it was expected that there would be a 3 percent loss in ridership. He explained that because LTD had never increased all fares at one time, there had not been a significant impact in terms of ridership when certain fares were increased. However, when LTD had reduced weekend and evening fares by 50 percent, ridership during that time grew by 25 percent.

Ms. Wylie then asked if there was an explanation for why farebox recovery was lower than the national average. Ms. Hellekson stated that it had to do with the policy decision that the fare be affordable to meet the needs of riders who depended on transit. In addition, the availability of a very stable funding source also was a factor.

Ms. Wylie also asked about the fares in San Francisco, California, and if they were subsidized. Ms. Hellekson replied that in California, farebox recovery ratios were mandated by the state. Ms. Loobey added that those ratios were determined by the size of the transit property and demographics, but that also there were subsidies in the form of taxes.

Mr. Bennett asked what the mandated farebox recovery range was in California. Ms. Hellekson replied that typically it was 30 to 50 percent. Assistant General Manager Mark Pangborn added that the smaller transit properties were mandated at 20 percent, so the mandate was adjusted according to the size of the property. Ms. Hellekson stated that research had been done to compare properties of similar size and demographics with LTD's, and a 20 percent farebox recovery rate was quite normal.

Ms. Murphy asked if RideSource rates were mandated to be a percentage of the standard transit fare. Mr. Pangborn replied that the federal Americans with Disabilities Act (ADA) mandated that the fare for RideSource could be no more than twice the standard transit fare. Ms. Murphy stated that she had asked the question because in places like Wilsonville, where the fixed-route service was free, she wondered how the ADA rule would apply to the demand-response service. Ms. Loobey stated that

Portland's Tri-Met provided the demand-response service to Wilsonville, so the fare could be as high as twice the normal Tri-Met fixed-route fare.

There being no further Board discussion, Ms. Loobey stated that staff wanted to gain feedback from the Board regarding the materials presented, and whether or not the Board members found them useful or productive. This presentation was meant to give as broad a view of the organization as possible. Mr. Bailey stated that he thought the presented materials were very helpful and informative. He asked staff to provide the Board members with copies of the actual charts that were presented. Ms. Hocken stated that the graphic depiction was very useful. Mr. Kleger stated that he found the presentation very valuable and appreciated getting all of the information at once. Ms. Murphy stated her appreciation of the graphs and the comparison of the very successful and not so successful transit properties. She further stated that she would like to have the transit properties that were compared with LTD identified on the graphs. Ms. Hellekson stated that the Board would be provided with the materials with the additional information that Ms. Murphy requested.

Ms. Hocken asked when the Board should hold a discussion about what the farebox recovery should be. Ms. Loobey thought that would be a good discussion for the Board retreat.

Ms. Hocken asked if the figures presented in the performance measures had included RideSource figures. Ms. Hellekson stated that they did not; however, the UNCC transit comparison graphs did include figures for demand-response services.

WORK SESSION ON RIDESOURCE: Mr. Pangborn stated that the objective of this work session was to provide background information on the RideSource program; provide information on future issues and where the program was headed; and to address concerns and questions about RideSource. He noted that a RideSource revenue and expense status report and two RideSource brochures were included with the Board member's packets for additional information.

Mr. Pangborn stated that the RideSource program was important to LTD because it filled an important community transportation need, it was legally required by the ADA, the costs of providing the service were rising, and there was a projected increase of elderly people who would need the service.

RideSource was curb-to-curb public transportation for persons with disabilities in the Eugene-Springfield metropolitan area who were unable to use LTD buses due to their disabilities. Other RideSource transportation services included RideSource Escort service, which was door-to-door medical transportation for frail seniors and mileage reimbursement for senior companion transportation, and the RideSource Shopper, which provided food shopping services one time per week. Lane Council of Governments managed RideSource and the associated contracted services, yet as an organization, LTD maintained the legal responsibility for the service because of the ADA requirements.

Mr. Pangborn then presented the history of the RideSource service from its implementation in 1976 to the present. He then stated that the objectives in operating RideSource were to strike a balance between community need, service quality, managing costs, and legal requirements; to pool resources and coordinate the program; and to continue subcontracting the service.

In order to qualify to use RideSource services, a person had to be ADA eligible and program certified, and had to telephone RideSource in advance to request a ride. Mr. Pangborn stated that 80 percent of the RideSource ridership was made up of elderly, while 12 percent of the riders were physically disabled, 1 percent were mentally and emotionally disabled, and 7 percent were developmentally disabled.

In Fiscal Year 1996-97, 28 percent of the RideSource trips were taken for recreational/personal purposes, while 24 percent were to work and schools. The remainder of the trips were taken for medical, social services, therapy and adult day care, and shopping purposes.

Mr. Pangborn stated that LTD provided 57 percent of the funding for RideSource, the state Special Transportation Fund (STF) provided 29 percent, rider fares provided 6 percent, the Older Americans Act provided 1 percent, and 7 percent of the funding was provided by other sources. Mr. Pangborn noted that STF funds were decreasing while the program continued to grow. Wages and benefits accounted for 59 percent of the operating costs during Fiscal Year 1997-98. Administration, volunteer mileage, subcontracted taxi service, and vehicle expenses made up the remaining 41 percent of costs. He also reviewed the six-year revenue and cost summary. Mr. Pangborn explained that RideSource subcontracted for taxi rides when it was cheaper than sending a RideSource bus.

When paratransit services were first offered by LTD in 1976, LTD fully funded the program. During that year, 7.1 percent of LTD's general fund was used to pay for paratransit service. In Fiscal Year 1996-97, 7 percent of LTD's general fund was used to pay LTD's 57 percent portion of paratransit services. Mr. Pangborn noted that the program had been well managed to keep those percentage figures the same.

Mr. Pangborn discussed how RideSource compared with five other similar-sized transit districts. Paratransit expenses as a percentage of the fixed-route expenses were 7 percent for LTD, but ranged from 6 to 17 percent at the other five districts, which included Reno, Spokane, Santa Barbara, Bakersfield, and C-Tran in Vancouver, Washington. Lift ridership on the fixed-route was at 61,440 for LTD, and ranged from 10,500 to 14, 803 at the other properties. This large difference mostly was due to the fact that LTD had decided early on to concentrate on making the fixed-route service accessible. In addition, LTD compared favorably in operating expenses of paratransit.

The main factor that would drive RideSource in the future was the expected increase in the elderly population. It was projected that the number of elderly would increase by 70 percent by the year 2015. LTD should be prepared to anticipate that service need in the future.

Mr. Pangborn stated that revenue for RideSource also needed to be addressed. Fares were expected to be increased in February or March. STF funds, which were from a tax on tobacco, were declining, so a new revenue source would be required, thereby compelling the need for legislative advocacy.

Mr. Pangborn stated that there were capital needs as well. A larger operating facility, local match for new vehicles, and improved technology were being contemplated. Operational requirements included a program audit in Fiscal Year 1998-99 and management of RideSource employee turnover, which suggested that wage issues could become a significant issue. Eligibility needed to be more closely monitored, and ridership should be monitored and analyzed.

In summary, Mr. Pangborn stated that the efficiency of the service should be enhanced, cost effectiveness compared with other peer properties would be maintained, program oversight would continue on a more active basis, plans for future program needs would be made, and the search for new revenue sources would continue.

Mr. Bennett asked about the $2.00 maximum fare and who set that rule. Mr. Pangborn replied that the Board set the actual fare, and according to the ADA, the fare could be no more than twice the fare of the fixed-route system. Mr. Bennett asked if there could be a sliding scale fare based on income during the recertification process. LCOG Senior Services Specialist Terry Parker replied that it could be done, but most of the people who used RideSource were low income, and the cost to manage a sliding-fee scale might not offset the amount that was received in fares.

Mr. Bennett asked if the senior incomes might offset the lower incomes of people with disabilities. Ms. Parker stated that she did not know the income of the senior population who used RideSource, but it could be tracked. However, she thought that the seniors who could afford a taxi would call a taxi rather than using RideSource. She stated that it was known how many rides originated from low-income facilities for the elderly, and there would be a way to determine whether that percentage was greater within the group served than would be expected in a larger population. She stated that she received calls from people who found the service difficult to use because it was not like a taxi in that rides to like areas were combined. Those people chose to take a taxi. Often when Ms. Parker let people know that RideSource may not be able to provide 100 percent of their rides and they may need to set aside a little money for a taxi ride once in a while, they replied that they could not afford a taxi. She stated that taxies in this area were quite affordable, so part of that response could be a perception about the cost of taxi service and part of it might be the cost to people on fixed incomes no matter what that income was. She also thought that an education piece with the community was needed about what the true cost of RideSource service was.

Mr. Bennett stated that he knew of many housing facilities that had their own vehicles, and he asked if RideSource coordinated or worked with those facilities. Ms. Parker replied that there could be good opportunities there, but that while many of those housing facilities had a vehicle, they did not have staff to drive it. The vehicles most likely were not used to their full potential. LCOG was involved in the granting process county-wide for special transportation vehicles, and grants for vehicles were not awarded to properties that would only use the vehicle for their own residents/clients. Granted vehicles had to be used to benefit the public, such as Meals on Wheels, etc.

Mr. Bennett then asked if most of the requests for RideSource services came from private residences as opposed to group housing facilities. Ms. Parker stated that those statistics currently were not compiled, but they could be. Special Mobility Services Assistant Manager David Braunschweiger added that he believed it was a mix of those.

Ms. Hocken asked if RideSource discounted fares for elderly and disabled, much like the fixed-route fares. Mr. Pangborn replied that the fare structure was different for RideSource. LTD encouraged people to use the fixed-route system if possible, by offering the reduced fare to persons with disabilities and the elderly.

Ms. Murphy asked what the private sector was charging for service to people with disabilities. Ms. Parker replied that she had heard that it could range from $30 to $50 one way. Ms. Murphy stated that she had some personal experience with needing transport to and from medical treatments, and because of all the paper work that had been involved, the decision had been made to use a private provider. She recalled that the one-way fare for that service was about $15.00, so she thought that the $2.00 fare for RideSource was extremely reasonable.

Ms. Murphy then asked about the refusal rate. Ms. Parker replied that the ADA stated that there could be no capacity constraints. Rides were pooled and scheduled the evening before, and if there were any rides that just did not fit the schedule, people were notified the evening prior to the trip. However, the ADA also specified that there could not be a pattern of ride refusals. The ride refusal rate at RideSource was less than 1 percent. Schedulers were very careful to ensure that a pattern of refusals was not established.

Mr. Bailey wondered if the fixed-route fare was fifty cents, or one-half of the regular fare, to what extent could efficiencies be created, such as with the neighborhood circulator routes. Mr. Pangborn replied that people with disabilities who were able to ride the fixed-route system would find BRT very useful, particularly with the pre-paid fares and low-floor buses. The circulator routes would provide better service to those who lived in the neighborhoods because it would get them to nearby shopping. There may be some who would not be close enough to the neighborhood circulator and would continue to use RideSource.

Ms. Hocken asked what range of hourly rates and benefits the RideSource operators received. Mr. Braunschweiger replied that the operators were hired at $6.00 per hour and moved quickly to $7.00 per hour. The top rate currently was at $8.00 per hour. The majority of the full-time operators had a medical/dental plan, vacation, etc. The part-time operators shared the same benefits as full-time, with the exception of the medical/dental insurance.

BUS RAPID TRANSIT: ENGINEERING SERVICES SCOPE OF WORK: Mr. Viggiano stated that in November, staff presented to the Board a general work plan for BRT, which included information about the scope of services. Graham Carey had been hired at the staff level as the BRT engineer. Because of that, staff would reconsider the scope of work for consulting services. He asked the Board to consider the scope of work, and particularly the question of how to best implement exclusive busways along the corridor. Staff wanted to develop a plan for the corridor that would include 100 percent exclusive busways while recognizing that exclusive busways may not be built into the initial construction plan. The scope of work for the engineering study required that a plan for 100 percent exclusive busways be developed, along with an implementation plan that called for phased development of the corridor and the busways.

Mr. Viggiano stated that staff intended to issue a Request for Proposals for the engineering services in February, and it was anticipated that the study would begin in March.

Ms. Murphy stated that she thought the concerns of the officials in Springfield should be addressed prior to moving forward. Mr. Viggiano replied that the intent was to involve all the jurisdictions.

Ms. Hocken asked what the plan would look like and how it would fit in with some of the other strategies that had been discussed and what the plan for interim measures would be. Mr. Viggiano stated that the reason staff had for developing the full 100 percent approach was that if LTD began acquiring right-of-way, it would be done with the knowledge of exactly where the BRT corridor would be in the long run. It could be that a queue jumper temporarily would be placed at an intersection even though, in the long run, it would be known that it would not be a queue jumper. A decision may be made to implement short-term solutions to temporarily address particular traffic problems.

Mr. Bennett thought that staff should look at the comprehensive program as if it would be initially implemented, then go through the process to decide not to do it all at once, if need be. He wanted to be sure that the 100-percent plan could not be done first, because if it could be done, he would not approve a temporary investment, because that temporary investment would become a final solution in the eyes of many people in the community. He stated that he would rather lose time in the beginning with a phase-in approach, than place temporary solutions along the corridor. If the 100 percent plan could not be initially achieved, he would require a written phase-in timetable that would be reasonable in terms of getting 100 percent implementation. Mr. Viggiano stated that the proposed scope of work would allow LTD to do that because staff would first develop the 100 percent plan that would be presented to the community for support and then would develop an implementation plan that would include the phase-in timetable.

Mr. Bennett stated that he was hopeful that the BRT advisory group analysis would be helpful in gaining support and momentum for the BRT. Ms. Murphy stated that the concerns expressed by the Springfield City Council and others in the community were due to a lack of understanding about the project. She believed that more work needed to be done in the area of educating people about the project. Ms. Hocken stated that she was convinced by what Mr. Bennett said, and his approach was the right approach.

Ms. Murphy added that Ms. Loobey's and Mr. Viggiano's report about the national acceptance and interest in BRT could only lend more credence as the Board and staff met with appointed, elected, and administrative people and as the talk became more about the solution to a problem that might be there in the future. She thought that LTD should be careful to build a foundation and rapport as well as rely on the supporters of BRT to help.

Ms. Wylie asked about the time line. Mr. Viggiano replied that the Request for Proposals would be out in February, and the study would begin in April. It was expected that the study would be complete in June 2000. If it were structured so that the 100 percent plan was prepared first, that plan possibly could be completed within one year.

Ms. Wylie then asked about the time line for putting together the Springfield Station Steering Committee. Mr. Viggiano replied that the Board would take action at the January regular meeting to appoint Board members to that committee, the other appointments would occur within the following few weeks, and the initial meeting of that committee was expected to be in February. The study was expected to be complete within one year, unless extensive environmental studies needed to be done.

Ms. Hocken said that the Springfield Station location decision would be somewhat dependent upon the BRT alignment decision. She asked if the BRT alignment decision would be far enough along within the one-year period to meet the Springfield Station study deadline. Mr. Viggiano replied that the BRT alignment decision would be the first decision to be made, and he did not think there would be a timing conflict there.

ADJOURNMENT: There being no further discussion, Ms. Hocken adjourned the meeting at 8:05 p.m.

Mary A. Murphy

Board Secretary