

MINUTES OF THE DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, March 18, 1998

Pursuant to notice given to *The Register-Guard* for publication on March 12, 1998, 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, March 18, 1998, 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
Dean Kortge
Mary Murphy, Secretary
Hillary Wylie
Phyllis Loobey, General Manager
Susan Hekimoglu, Recording Secretary

Absent: Rob Bennett

CALL TO ORDER: Board President Pat Hocken called the meeting to order at 7:02 p.m. Mr. Kortge was not yet present.

EMPLOYEE OF THE MONTH: Ms. Hocken introduced Bus Operator Don Matney as the April 1998 Employee of the Month. Mr. Matney was hired on August 3, 1987, and had achieved ten years of safe driving and ten years of correct schedule operation (CSO). A co-worker nominated Mr. Matney in recognition of his selfless commitment to and support of the District, its employees, and its customers. The co-worker noted Mr. Matney's responsible management of the Employee Benefit Fund and his success in managing the picnic kitchen crew for many years; and that Mr. Matney demonstrated superb customer service. In addition, it was noted that Mr. Matney motivated, encouraged, and supported employee fitness, and was willing to take unpopular stands on issues, revealing an open-minded, big-picture thinker.

Field Supervisor Dan Budd added that Mr. Matney was dedicated to providing his customers with the best service possible; looking out for their safety and needs was part of his daily routine. During his tenure at LTD, Mr. Matney had participated in a number of LTD events, volunteering a lot of time and energy to ensure

successful results. Mr. Matney was well liked and respected at LTD, by employees and customers, alike.

Ms. Hocken presented a letter of congratulations, a framed plaque of his achievement, and a monetary award to Mr. Matney.

Board member Dean Kortge arrived at 7:09 p.m.

Mr. Matney stated that he appreciated what had been said about him. He enjoyed his job and liked the people he worked with. He said that he tried to treat his customers the way he liked to be treated. He then thanked the Board and LTD.

AUDIENCE PARTICIPATION: Ms. Hocken invited members of the audience who wished to address the Board concerning issues unrelated to the Fiscal Year 1998-99 Service Recommendations and Pricing Plan, as the Board would hold public hearings on both of those topics later in the meeting.

- 1) LTD Bus Operator and Amalgamated Transit Union (ATU) Executive Board Officer Paul Headley spoke about the proposed smoking policy at the Eugene Station. Mr. Headley stated that he represented the 193 drivers, mechanics, and customer service representatives at LTD. He also was a member of the ATU Executive Board in Portland that represented 3,800 members in Oregon and Washington. It had come to the attention of the ATU that possibly the Board would take action at this meeting on a proposed smoking policy at the Eugene Station.

Mr. Headley stated that another part of his 29 years of employment with the District was that he had hauled four generations of people from one family in the Barger area. He thought that gave him the right to say that he had a vast knowledge of the passengers who used LTD buses for transportation. The employees and passengers in this community previously had a direct input with the design of the Eugene Station, and with that input came a degree of ownership that they were proud to have. They also were proud to have a part in the design of a bus company and transportation in this community that began as a liability and had become a viable part of this community that could not be done without.

It was his understanding that the issue of smoking at the station was being presented to the Board by a Steering Committee. The bus operators and some of the passengers were concerned about the possibility of action being taken on this issue without the gathering of input from both the employees and customers. He stated that the issue was on the agenda for the Labor-Management Council meeting, which was scheduled for 9:30 a.m. on Thursday, March 19.

He was asking the Board not to take action on the proposal for a smoke-free environment at this meeting, but to wait until a later date after more input could be gathered.

There was no further participation from the audience.

MOTION

CONSENT CALENDAR: Mr. Bailey moved that the Board adopt the following resolution: "It is hereby resolved that the Consent Calendar for March 18, 1998, is approved as presented." The Consent Calendar consisted of the minutes of the February 18, 1998, regular Board meeting; an amendment to the LTD Family Medical Leave Policy; and a Resolution to change the time of the regular monthly Board meetings to 5:30 p.m. Mr. Kleger seconded the motion, which passed by unanimous vote of 6 to 0, with Bailey, Hocken, Kleger, Kortge, Murphy, and Wylie voting in favor; none opposed.

VOTE

FISCAL YEAR 1998-99 SERVICE RECOMMENDATIONS: Service Planning and Marketing Manager Andy Vobora stated that there were a few changes to the recommended service package that the Board reviewed at its February 18, 1998, regular meeting. He stated that he would address each item and discuss any changes that had occurred as a result of the February Board discussion and public input.

Item A, which addressed the deletion of one trip of the #27 Fairmont route and two trips of the #61s Oakway route, was unchanged. Item B, which addressed the deletion of the #63 VRC/Delta route, was unchanged. In response to public input, staff would review the morning commuter trip of the #63 Delta/VRC route to see if an accommodation could be made for the high ridership of that trip. Item C, which addressed the deletion of a segment of the #92 Lowell/LCC route, was unchanged. In response to public testimony, staff had again traveled that route, and it was still believed that 15 to 20 minutes could be saved with that deletion. Item D, which addressed the deletion of the airport service segment of the #95 Junction City route, was unchanged. Staff would seek a solution to serving the airport area in another way.

Item E, which addressed the addition of peak timepoints to various routes, was unchanged. Item F, which added a contingency for trippers, was changed from 1,200 hours to 2,000 in order for staff to further evaluate the airport service. Item G, which added service on the #11 Thurston route, was changed to reflect the actual service hours and cost of that addition. Mr. Vobora explained that LTD already paid for extra buses that had been put into service as trippers on that route to address overloads, so the cost that LTD already had absorbed was removed from the previous version's cost of adding service to that route.

Item H, which revised the #77 UO/Westmoreland route to include the new Seneca Park & Ride location, was unchanged. Item I, adding new express service via Highway 99 to Junction City, was unchanged. Item J, which extended peak service from 6:30 p.m. to 7:00 p.m., was unchanged. Item K, which added service to

the Chad Drive area, was unchanged. Staff continued to discuss service issues on Chad Drive with the *Register-Guard* staff. Item L, which proposed a new route to 32nd, 42nd, and the Jasper Road area in Springfield, was modified to circle through the neighborhood in that area to reduce the walking distance. That route would run in conjunction with the #14 Fairview route. There was concern expressed about the ability of the street to carry the buses. Staff were working on that issue with City of Springfield staff.

In summary, Mr. Vobora stated that the final recommendation was for fewer hours of service, which changed the net cost. Staff were now recommending a 1.88 percent increase in service, rather than the 2.2 percent increase that was previously recommended, for a net cost of \$112,600.

Ms. Murphy asked if it would be helpful for her to attend the meetings with Springfield City staff regarding the concerns about road conditions on 32nd Street. Mr. Vobora thought it would be helpful.

Mr. Vobora addressed the issue previously brought up by Ms. Hocken of informing customers about mid-year service changes. He stated that the biggest service change was made in the fall and coincided with the production of the Rider's Digest and System Map. However, there was a need to make adjustments mid-year. Generally, information was posted on bus stops, and direct mail information was sent to people in the affected areas. There were times when some people were missed, but staff believed that changes were made to accommodate current riders, who would receive the information.

Mr. Bennett had asked about substandard routes, and Mr. Vobora had prepared information that would address Mr. Bennett's concern. While there were routes that fell below the standard, there were characteristics of those routes that warranted their continuance. As an example, Mr. Vobora discussed the #1 Market District route. This route left the Eugene Station and looped around downtown Eugene, serving the 5th Street Market area, Amtrak, and Greyhound. This route performed at 19.7 rides per hour, which was below the standard. If the route were cut, the annual savings would be approximately \$48,000. The concern staff would have about deleting this route, would be the loss of service to several senior centers, including Campbell Senior Center and Ya-Po-Ah Terrace. There were several routes that fell into the category of lifeline service, and even though they performed below the standard, staff believed that deleting those would cause hardship for many people. In addition, Mr. Vobora noted that staff also considered the proximity of those substandard routes to other routes, and how those deletions would affect the rest of the system.

Ms. Murphy stated that she had looked over the correspondence packet that staff had provided in the agenda packet, and she appreciated each and every person who took the time to write and telephone their comments regarding the proposed service package, as well as those who attended the Board meeting to

testify before the Board. She also appreciated the responses that staff sent to those people who testified at the February Board meeting.

Mr. Vobora reviewed the evaluation of the service that was added in the fall of 1997, found on page 52 of the agenda packet.

Public Hearing: Ms. Hocken opened the public hearing regarding the Fiscal Year 1998-99 Service Recommendations.

- 1) Corey Switzfigger of Eugene spoke regarding the deletion of the #63 Delta/VRC route. He stated that there was a large amount of development going on in the areas that would be affected by this deletion. He believed that ridership would increase on the #63 route with the expansion of homes, apartments, and businesses in the area. He asked if there would be any time added to the remaining service along Goodpasture Island Road. With the deletion of the #63 route, there would be a 40-minute gap between buses along Goodpasture Island.
- 2) Paul Bonney of Eugene spoke concerning the deletion of service to the airport. He stated that he was a long-time bus rider. He was in favor of continuing service to the airport.

Mr. Vobora stated that LTD staff would look at a revision of that service, so it would be different, but not necessarily deleted.

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

Board Discussion: Mr. Bailey asked Mr. Vobora to discuss the deletion of the #63 Delta/VRC route and possible revisions to other routes in that area. Mr. Vobora replied that the most heavily used trip of the #63 route was the morning commute trip, and staff would consider a possible revision to the #62 route to meet those morning commuters' needs. Another possibility would be specific commuter service to that area; however, the cost to use peak service buses was high. The entire area would be evaluated during a Comprehensive Service Redesign in 1999-2000.

Ms. Hocken asked if staff were now considering a separate route for airport service. Mr. Vobora replied that was correct. Staff had met with the business owners and employees along Airport Road, and those people said that if LTD could meet their shift times, they would ride. Staff currently were analyzing shift times, and would look at service that would be dedicated to those businesses as well as traveling into the airport.

Ms. Hocken asked about a petition for express service to Junction City that was received from the riders of the Junction City route. Mr. Vobora stated that the primary reason for the proposed Junction City Express route was to accommodate

businesses along Highway 99 as well as to connect with the shift times at Country Coach and Guaranty Chevrolet.

MOTION

There being no further Board discussion, Mr. Kleger moved the following resolution: "It is hereby resolved that the LTD Board of Directors approves the Fiscal Year 1998-99 service recommendations as presented." Ms. Wylie seconded the motion, which passed by unanimous vote of 6 to 0, with Bailey, Hocken, Kleger, Kortge, Murphy, and Wylie voting in favor; and none opposed.

VOTE

FISCAL YEAR 1998-99 PRICING PLAN: Planning & Development Manager Stefano Viggiano stated that each year at this time, the staff and the Board considered changes to the LTD fare structure for the following fiscal year. The changes that staff were recommending would be effective from July 1, 1998, through June 31, 1999. Following the staff presentation and public hearing, staff would ask for Board direction on changes to be included in an amendment to Ordinance #35, An Ordinance Setting Fares for Use of District Services. The change in the ordinance required two readings, which would occur at the April and May Board meetings. The ordinance would take effect 30 days after the Board adopted the revisions, but the actual fare changes were programmed to occur at different times during the next fiscal year.

Mr. Viggiano noted that the Pricing Plan spreadsheet that was on page 74 of the Board agenda packet was incorrect, but a corrected version had been distributed to each Board member, staff, and the public who were in attendance at the meeting. In addition, Mr. Viggiano pointed out that the responsibility for fare changes would be shifted from the Planning and Development department to the Finance department. He also mentioned that this year, for the first time, staff considered changes in the RideSource fare as well as the fixed-route fare all as part of the same public hearing process. The fare policy had been changed to reflect guidelines for changes in the RideSource fare. The revised fare policy was in the agenda packet.

Mr. Viggiano stated that when considering changes to the fare structure, staff first looked at trends. The most significant trends during the past year were a low inflation rate of about 1.7 percent and low gas prices. Farebox revenue was at about 6 percent for the year, and ridership was down 2 percent. One factor influencing ridership would be the low gas prices. In addition, LTD had been fairly aggressive with fare increases during the past several years. Last September, the cash fare had been increased from \$0.80 to \$1.00, which increased passenger revenue by 8 percent, and caused ridership to decrease by approximately 2 percent.

The price for a Freedom Pass, a summer youth pass, also was increased for FY 1997-98, but because it would not go on sale until May, 1998, it was a change that would occur mostly during the next fiscal year. There would be no information regarding the impact of that change until late summer.

The third change was an increase in the group pass rate, which increased every year by an inflationary rate that was calculated as the average of three years

of LTD operating cost increases. No group dropped out of the program as a result of that increase.

This year, staff were recommending an increase in the cost of tokens from \$0.65 to \$0.75. The other recommendation was for an increase in the group pass rate of 4.8 percent.

In addition, staff were proposing three increases in the *RideSource* fares. Mr. Viggiano provided a history of the *RideSource* fare. In the early 1990s, the policy was to price the *RideSource* fare the same as the reduced fare. In 1993, it was decided to price the *RideSource* fare the same as the fixed-route adult cash fare. This was accomplished during a two-year period. However, in the past two years, because of the higher cost to operate *RideSource* and to create an incentive for people to use the fixed-route service, the *RideSource* fare actually was priced higher than the fixed-route adult cash fare. Staff were proposing to increase the *RideSource* fare from \$1.00 to \$1.30. By law, the fare for *RideSource* could be double the fixed-route adult cash fare.

The second recommendation was to increase the *RideSource* round-trip shopper fare from \$1.00 to \$1.75. This service provided shopping services to qualified users and took them from their home to a shopping area and back to their home again.

The third recommendation was to implement a 10-ride ticket book that could be purchased at 8 percent below the regular fare, or \$1.20 per ride. It would be a prepaid fare. Staff believed that this would soften the increased fare for *RideSource* customers, and it would be a prepaid fare, which would result in more efficient boardings. Also, it would reduce the occurrence of fare evasion.

Mr. Viggiano stated that since 1981-82, inflation had increased by 67.2 percent, and the average fixed-route fare since 1988-89 had increased by 73.3 percent. The cash price had doubled during the 18 years since 1982, and the token price, with the recommended increase, rose by 87.5 percent. Passes had increased by 44 percent, which was below the inflation rate and was a conscious policy to try to encourage people to use passes. Currently only about 30 percent of LTD's customers paid the cash fare.

Ms. Wiley asked what the total net revenue expectation was from the *RideSource* increases. Terry Parker, from Lane Council of Governments, replied that the increases were expected to result in an additional \$16,000 in fare revenue as well as to maintain a 5 percent cost recovery.

Mr. Bailey asked what was expected in fare increases as LTD approached implementation of BRT. Mr. Viggiano replied that currently staff were not anticipating that BRT would result in a change in the fare structure.

Ms. Murphy asked what instrument high school students were able to purchase at discounts. Mr. Viggiano replied that the Youth Pass was purchased in bulk at a discounted rate by the high schools, and those savings were passed on to the students who purchased their passes at school.

Public Hearing: Ms. Hocken opened the public hearing regarding the Fiscal Year 1998-99 Pricing Plan.

- 1) Paul McGuire of Eugene stated that he used both the fixed-route and RideSource services. He used the fixed-route service during the daylight hours and RideSource at night because he could not see well at night. His parents lived on a steep hill, and LTD did not go close enough to their house. He stated that if RideSource were cut, he did not know how he would travel to his parents' house. He thought the increase was a bad idea, and he wished that LTD could go more places at night.

Ms. Wylie stated that LTD was not considering cutting RideSource, but just an increase in the fare.

- 2) Ed Necker of Eugene stated that he currently used RideSource, but soon would be a fixed-route user. He was a member of the Special Transportation Fund (STF) Advisory Committee and was familiar with the funding for RideSource. Last February, the fare increased from \$0.80 to \$1.00, a 25 percent increase, which went well. He predicted that the proposed increase to \$1.30 also would go well. The proposed increase would not improve the percentage of fare recovery, but it would maintain the ratio between the cost of service and fare recovery. The higher fare also was a good incentive to use the fixed route and encouraged user responsibility. He supported the increase, and he believed he spoke for many people.
- 3) Linda Reynolds of Eugene stated that she had been polling other RideSource users, and believed that about 50 percent of those polled supported the increase. She also attended the STF Committee meetings and knew how much it cost to operate RideSource, and she was in favor of the increase.
- 4) Russ Matthews of Eugene also was a member of the STF Committee. He supported the increase and thought it was reasonable considering the cost per trip and hours of operation. He thought \$1.30 was still a good deal. As an STF Committee member, representing the physically disabled, and because RideSource was a valuable service, he was definitely in support of an increase. He had participated in advocacy and lobbying in Salem during the last year to generate funding. The Committee had been faithful to trying to find funding. He

believed that maintaining the 5 percent farebox recovery ratio was respectable.

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

Board Discussion: Mr. Kleger stated that the special transportation program had an extremely high operating cost because of the limited ability to share rides. The fixed-route bus could carry 30 people, while RideSource vehicles carried 4 or 5 people, and often 1 or 2. The net effect of that was no where near as efficient on a person-mile basis as the fixed-route service costs. The 5 percent farebox recovery ratio was terrible compared with the 20 percent expectation on the fixed-route service, but it was good for paratransit service. Mr. Kleger was pleased by the number of people who had expressed support for an increase that would not be easy to pay for many of the users. He thought it was remarkable that such a high number of people who had limited resources supported the increase to the RideSource fare.

Ms. Murphy thanked the people who made the effort to attend the meeting and share their feelings, their experiences with RideSource, and their transition to fixed-route service.

Mr. Bailey reiterated that LTD had no intention whatsoever to strike the RideSource program. He was disappointed in the legislature that did not approve additional funding for the program that resulted in LTD having to increase the fare, but he appreciated the work of the community and hoped for more support in Salem during the next legislative session.

MOTION

Mr. Kleger moved the following resolution: "It is hereby resolved that the Board direct staff to prepare amendments to Ordinance #35, an Ordinance Setting Fares for Use of District Services, consistent with the recommendations of the Draft FY 1998-99 Pricing Plan included in the March 18, 1998, agenda packet." Mr. Bailey seconded the motion, which passed by unanimous vote of 6 to 0, with Bailey, Hocken, Kleger, Kortge, Murphy, and Wylie voting in favor, and none opposed.

VOTE

LCC GROUP PASS PRICE: Mr. Vobora introduced LCC Director of Purchasing Mr. Lloyd Rain and LCC Board member Dr. Kathleen Shelley. Mr. Vobora stated that an LTD task group had continued to work with Lane Community College (LCC) staff and Board members on a proposal to institute a two-year group pass test project.

In January, the LTD Board approved, in concept, a price of \$10.00 per student, per term for full-time students at the main campus. Since that time, the program proposal had changed in three ways. First, the group was expanded to include all students registering through the LCC Classline system (approximately 45,000 annually) and would include students at both the main campus and the downtown center. Second, the inclusion of additional groups resulted in a lower price per student. Third, the fee would be administered as a college-instituted fee

and would therefore not require a student vote. Because of the expanded group, the proposed revised price was \$8.39 per registrant.

Mr. Vobora said that the task group felt comfortable with the price, as it was consistent with other group pass prices in the area, and it would be acceptable to the students. The task group was asking for clear direction from the Board regarding the price proposal so that the LCC Board could continue to consider the proposal at its meeting in April.

Mr. Kortge asked where the original price of \$10.00 had come from. Mr. Vobora replied that the price was calculated as close as possible to the actual current farebox recovery and the cost of additional service that would be added to accommodate the group. The actual price that was calculated was higher than \$10.00; however, the students had been surveyed about what price they would feel comfortable with, and \$10.00 was the most they indicated they would be willing to pay.

Ms. Hocken stated that it was her idea to reduce the original calculation from \$11.20 to \$10.00. She participated on the task group. A survey was taken and two-thirds of the respondents said that \$10.00 was acceptable. The task group tried to build on that response. There was a concern about the overall student fees at LCC. Students currently had assessed themselves more than \$20.00 in fees, and the price of the group pass had been an issue right from the beginning.

In previous accreditation visits, the accreditors were concerned about the fact that the students paid such high fees. For a full-time student, the fees were about 6 percent of the total cost. However, there were other expensive programs, such as nursing and air flight technology, that had college-imposed fees in addition to the student body fees.

Mr. Kortge stated that he was concerned about offering a program for less than its true cost. Ms. Hocken stated that there were several different populations to be considered. Originally, the group pass fee was to be self-assessed by the students through a vote; however, only the regular students at the main campus paid student body fees, and in order to address the other students, such as the downtown students, the task group had to devise a different mechanism to assess those fees. The LCC Board had directed the task group to include all students, except those attending in Cottage Grove and Florence. All students would pay the same fee, but the actual service would cost less for the downtown center students than for the main campus students, so the fee was reduced.

Mr. Vobora added that this proposal was for a two-year demonstration project, and a plan was built in to conduct research during the second year to establish actual numbers.

Ms. Hocken added that it had been discovered that getting an absolute accurate number of students was not possible. LCC had never accumulated

information in that form. One of the goals of the demonstration project would be to get an accurate count of students and to determine the demographics of where students lived to better design the service.

Ms. Wylie stated that it was exciting to see that the cost would be less than originally thought.

MOTION

Mr. Bailey moved the following resolution: "It is hereby resolved that the LTD Board of Directors adopts an LCC group pass rate of \$8.39 per registrant for the length of the two-year contract. Mr. Kortge seconded the motion.

Ms. Murphy asked if there had been discussions about certified and classified staff participating in the program. Mr. Vobora replied that they would be included if they took classes. Anyone who paid the LCC Classline fee would participate. Including the LCC staff had been discussed, but the focus for this demonstration project was to get the students on board.

Mr. Bailey added that this same process had been used at the University of Oregon, and by implementing the program for the students first, it helped to get that initial sense of how the program would work. He believed the same thing would happen at LCC.

Mr. Kleger noted that this was part of the Board's long-term goal of increasing transit use and to get people accustomed to the idea of using transit on their recurring trips. These programs were necessary in order for LTD to reach its goals of reducing vehicle miles traveled (VMTs). Ms. Hocken added that just getting a bus pass into someone's hand would encourage that person to use the bus.

Mr. Rain stated that he was the Director of Purchasing at LCC, and the chair of the LCC group pass program task group. He said that the LTD representatives had been terrific to work with, and it was his hope to come back from the April Board meeting with good news. Ms. Shelley stated that she was very hopeful that the LCC Board would adopt the group pass program as well.

VOTE

Ms. Hocken called for a vote on the adoption of the LCC group pass rate of \$8.39 per registrant per term for the length of the two-year contract. The Board adopted the motion as presented by unanimous vote, with Bailey, Hocken, Kleger, Kortge, Murphy, and Wylie voting in favor, and none opposed.

LONG-RANGE FINANCIAL PLAN: Finance Manager Diane Hellekson stated that staff were asking the Board's approval of the Long-Range Financial Plan (LRFP). She stated that the LRFP covered a rolling twenty-year period, with emphasis on the first five years. The LRFP generally was driven by the Capital Improvements Program (CIP), which, in turn, had been determined by Lane Transit District's long-term goals, preservation of assets, and fleet requirements. Components of the LRFP were presented to the Board throughout the year.

Two years ago, the Board had made an effort to create a Long-Range Strategic Plan, which became the blueprint for the long-range plans of the District. Ms. Hellekson reviewed the highlights of the Long-Range Strategic Plan. The departmental action plans and strategies were tied into the visions of the Strategic Plan. Ms. Hellekson reviewed the Keys to LTD's Success that were developed as part of the draft Strategic Plan. It was this list that directed the way LTD prepared its long-term plan to do business, which included the capital plan, the long-term service plan, and the plan for BRT.

The Strategic Plan also included four visions, which Ms. Hellekson reviewed. The Board previously had created the policy direction and vision, and staff had generated a list of activities to accomplish those particular goals. These were the strategies to which the department action plans and the budget process would be tied. Ms. Hellekson demonstrated staff activities that were driven by the visions and keys to success that were developed by the Board.

The Board had approved the Long-Range Capital Improvement Plan (CIP), and Ms. Hellekson reviewed the 20-year summary that had developed from the rolling 5-year plan, which included expense summaries for buses, Bus Rapid Transit (BRT), Passenger Boarding Improvements (PBI), and other expenses, such as farebox technology, computer equipment, telephones, etc. The plan also included expected revenues from grants, local funds, and local match funds.

There were several assumptions built into the LRFP. One was an 80 percent assumption for federal funding. Those assumptions could change, and staff would keep the Board members updated on changes as they occurred. A 4.5 percent increase in payroll tax revenues was assumed for next year and 3.0 percent was assumed per year thereafter.

Ms. Murphy asked how the self-employment tax compliance investigation was going. Ms. Hellekson replied that a part-time intern had been hired last year to perform a pilot project to identify problems in the payroll tax compliance, and through the end of February, his efforts had generated \$44,000 in additional payroll tax revenue. Not only had that program had a positive effect on revenue, it had been a good public relations tool in the community, because it had shown that LTD was being very conscientious about an even-handed application of the tax. Once a potential problem was identified by the intern, it was turned over to a compliance officer at the Department of Revenue.

Ms. Hocken asked for an explanation of the Special Transportation Fund \$800,000 revenue beginning in the year 2000-01. Ms. Hellekson replied that the Oregon Transportation Initiative that had been discussed in the last legislative session had drawn much support, but was unfinished in that session. Staff were assuming that it would occur next legislative session.

Mr. Kortge asked about the FY 1998-99 bump in personnel services, and how much of that 9 percent bump was related to the Eugene Station. Ms. Hellekson

replied that a full-time facilities services position and two part-time custodians were added to personnel services directly related to the Eugene Station. Also, the Board had approved the addition of two temporary field supervisors for a period of six months. For the first six months of operation of the station, the equivalent of fewer than five positions was added. The rest of the addition in personnel services included an information services position, an intergovernmental relations position, a customer service representative, two mechanics, and a half-time secretarial position.

Ms. Hellekson further stated that an 8-percent increase was expected in medical expenses at the end of the three-year contract with the insurance company, then it was expected to level out at 3 percent per year.

Mr. Kleger asked about the significant increase in materials and services and asked if that also was related to the Eugene Station. Ms. Hellekson replied that it was. Materials and services included a wide variety of expenses, such as utilities, professional services, gas, etc. Assistant General Manager Mark Pangborn added that the LTD portion of the community policing station expense also was included in materials and services.

Mr. Bailey asked Ms. Hellekson to talk about the self-employment tax transfer to BRT. Ms. Hellekson replied that it had come from a conversation with the Board in early 1997. In addition to the payroll tax fairness issue, the self-employment tax originally was implemented to allow additional local revenue to support long-range capital projects. There was no legal obligation to dedicate that revenue to BRT, but the Board believed that there needed to be a compelling reason to impose the self-employment tax.

MOTION

Mr. Kortge moved that the Board approve the following resolution: "It is hereby resolved that the proposed Long-Range Financial Plan for fiscal years 1998-99 through 2017-18 is approved as presented." Mr. Kleger seconded the motion, which passed by unanimous vote, with Bailey, Hocken, Kleger, Kortge, Murphy, and Wylie voting in favor, and none opposed.

VOTE

BRT STEERING COMMITTEE: Ms. Hocken stated that this action item had been added to the agenda, and supporting documentation had been distributed at the meeting as page 128 of the agenda packet. Ms. Loobey reported on the formation of the BRT Steering Committee. All of the people had been contacted and had agreed to serve on the committee, except Maureen Maine, who Ms. Hocken would contact. Staff were asking the Board to affirm the appointments of Dave Jewitt and John Lively as the at-large members of the committee.

MOTION

Mr. Bailey moved that the Board approve the following resolution: "It is hereby resolved that John Lively and Dave Jewitt be selected to serve on the BRT Steering Committee." Ms. Murphy seconded the motion, which passed by unanimous vote, with Bailey, Hocken, Kleger, Kortge, Murphy, and Wylie voting in favor. None opposed.

VOTE

Ms. Loobey further reported that the Springfield Station Committee assignments had been made. Darlene Fisher, owner of Willamette Valley Awards, and Cindy Watson, owner of Patio Crafters, were the two at-large positions selected for the Springfield Station Committee. Ms. Loobey reported that she spoke with Ms. Fisher and Ms. Watson, both of whom were very pleased to have been asked to serve on this committee.

Ms. Murphy reported that Sean Wilson, of the Springfield Partnership for Progress and a Springfield business owner, and Don Lutes of the Springfield Planning Commission also would serve on the Springfield Station Committee and were very pleased about the prospect.

Mr. Viggiano stated that there had been a suggestion to add a third at-large position to the Springfield Station Committee. Staff were recommending Ken Gazowski, who was a planner with the City of Eugene, but who lived in downtown Springfield. Mr. Gazowski also was a regular bus rider. Staff thought it would be useful to have a resident of downtown Springfield, who was not a Springfield business owner, serve on the committee. The Board agreed with that recommendation.

ITEMS FOR INFORMATION: Board member Reports: Ms. Hocken stated that the recent Metropolitan Policy Committee (MPC) meetings had been centered on cable television issues, which LTD had not participated in. The transportation issues had related to the financing aspects of TransPlan.

The Statewide Livability Forum, which was a state committee appointed by the Governor, would hold a meeting in Salem on April 10, 1998, and Mr. Bailey would attend in Ms. Hocken's absence. The Committee was charged with preparing a strategic plan for the Willamette Valley.

Eugene Station Committee Report on Smoke-Free Environment: Mr. Kleger reported that the Committee had discussed this issue at great length. The desire was to provide a smoke-free environment at the station, and the Committee thought it was important to have a smoking rule in place when the station opened for operation. The Committee was aware that imposing a smoke-free environment rule could bring up a collective bargaining issue; however, the advantages, if LTD could successfully enforce no smoking on the platform, were worth doing it. The Committee voted to recommend a smoke-free environment, but wanted to ensure that it would not cause a labor-management problem. Mr. Kleger had heard from several drivers that some of those who smoked were quite upset by the decision, while others who smoked were not.

Ms. Hocken added that the Eugene Station Committee had not taken that stance just one year ago; however, more of the other agencies were moving in this direction. It appeared to be a good direction for LTD to take if it wanted to attract choice riders and give consideration to those who were allergic to cigarette smoke. LTD could not regulate smoking on the sidewalks surrounding the facility, so the

intent of the committee was to place ash receptacles on the outer perimeters of the facility.

Ms. Wylie stated that she appreciated that smoke was offensive to non-smokers; however, she did not want to see the LTD Board become punitive to those people who did smoke. She favored a designated smoking area within the station for the smoking customers.

Ms. Hocken stated that Human Resources Manager Ed Rutledge would address the issue on Thursday, March 19, at the Labor-Management Committee meeting. Mr. Rutledge added that the labor force had asked for the issue to be placed on the agenda. He said that the issue was a mandatory subject of bargaining, if a demand was made, based on changing past practices. However, the response from the employer could be that there had been no change in past practice, because past practice had been that smoking was allowed on the public right-of-way where the previous downtown station was located. If a demand was made, and the Board chose to accept it, there would be a ninety- (90) day period where past practice could not be changed.

Mr. Kleger stated that the Committee recognized that it would not be practical for the Board to take action at this meeting, but that the Board could be polled at a later date.

Ms. Murphy stated that she was concerned about loitering by adolescents and about LTD's private property being used by teens smoking illegally. The Eugene Station was a high-class facility. Pride of ownership told her that a new policy that established a standard would be favorable.

Ms. Loobey stated that it always was interesting to get the broad depth of perspectives from the Board members. She was concerned about rushing this decision through without consulting the people who would be impacted. She had major concerns about the public relations and education and the potential labor issues surrounding the policy. A very important part about the station was safety and security. The Board and staff had spent a lot of time and resources on this subject. Safety and security were secured by much thought, time, discussion, and input. It was a meritorious goal to have the station be smoke free, and Ms. Loobey thought it could be made smoke free. This issue had not been discussed in the employee committee that worked on the design and operational issues of the station, so now this issue was unexpected to them. If the issue was carefully crafted, and if a good public relations campaign was launched, the station could become smoke free over time.

Ms. Murphy asked if smoking could be designated to certain areas within the station. She was concerned as much for the rights of the smoker as for the rights of the non-smoker.

Ms. Hocken stated that the Board would take an overall look at all District facilities, such as Park & Ride stations. She said that Ms. Loobey had made some good points, and Ms. Murphy suggested a good interim solution. However, the Board should set up a process to review smoking at all LTD facilities.

Mr. Kleger stated that he would appreciate staff review of the issue and a recommendation for how to deal with it.

Ms. Wylie recommended a process that would provide an opportunity for input, and for the human resources staff to provide a platform for gathering that input.

Ms. Hocken stated that the Board needed to make a decision about smoking areas, because the Board would not meet again prior to the opening of the station, and she preferred a designated smoking area.

Mr. Kortge stated that he was in favor of a designated smoking area, but asked that the staff and Board consider a long-range plan for a smoke-free environment.

Mr. Bailey asked if the Board could take formal action at this meeting. He thought the Board was well within its right to take whatever steps were reasonable to manage the health, welfare, and general safety of the platform of the station. A regulation about where people could smoke was consistent with that general authority.

Ms. Loobey suggested that the Board, depending on the outcome of the Labor Management Committee meeting, agree to designate smoking areas and direct staff to place notices that smoking was not allowed on loading platforms. Then the Board could further consider how it would address smoking at District facilities.

Facilities Services Manager Charlie Simmons reported that the designated areas most likely would be located on the Olive platform near the entrance to the operator's lounge.

Ms. Hocken polled the Board, and a consensus was reached that there would be a designated smoking area at the Eugene Station, and the Board would continue to work on the issue in more depth. She directed Mr. Ruttledge to report the Board's decision to the Labor-Management Committee.

Mr. Kleger added that, on another note, he had heard comments from two City Club Board members about how well the design of the station fit in with the character of the neighborhood it was in.

Cottage Grove Update: Mr. Vobora reported that LTD was approaching the second quarterly report to the Cottage Grove City Council. Ridership on the Cottage

Grove route was high. The Lane Council of Governments was preparing the boundary map and potential tax revenue information that would include a buffer area of 2.5 miles surrounding where the buses operated. Staff would bring more information to the Board following the completion of the map.

Employee Awards Banquet: Ms. Hocken commented on the amazing array of sport talents within the workforce at LTD from the LTD Sports Icons contest that was held at the banquet. Board members would find the answers to the sports questions on page 110 of the Board packet.

Eugene Station Grand Opening: Customer Service Supervisor Angie Sifuentez was present to review the opening activities with the Board.

Ms. Wylie stated that she would be away from March 26, 1998, to April 24, 1998, and would miss the opening activities. She apologized for missing the events and congratulated staff on a beautiful station.

ADJOURNMENT: There being no further discussion, Ms. Hocken adjourned the meeting at 10:02 p.m.


Board Secretary