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MINUTES OF BUDGET COMMITTEE MEETING

LANE TRANSIT DISTRICT

Wednesday, April 26, 2000

Pursuant to notice given to *The Register-Guard* for publication on April 21, 2000, and April 24, 2000, and distributed to persons on the mailing list of the District, a meeting of the Budget Committee of the Lane Transit District (LTD) was held on Wednesday, April 26, 2000, at 6:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Members:

Board Members	Appointed Members
Rob Bennett	Russ Brink
Gerry Gaydos	Betsy Boyd
Pat Hocken	Pamela Papp
Dave Kleger	Elaine Guard
Dean Kortge	George Rode
Virginia Lauritsen	Michael Bean

Staff
Ken Hamm, General Manager
Mark Pangborn, Assistant General Manager
Diane Hellekson, Budget Officer
Susan Hekimoglu, Recording Secretary

Absent: Hillary Wylie, LTD Board President
Gino Grimaldi, Appointed Member

CALL TO ORDER: Board Vice President Rob Bennett called the meeting to order at 6:35 p.m. Mr. Bennett said that LTD had some very important initiatives out in the community. His view of the bus rapid transit (BRT) initiative was that it was at the top of the list of most important things that LTD had ever attempted. Getting the BRT system off the drawing board, giving it a reasonable chance to succeed, and getting the routing system in place on an implementation basis was a critical part of LTD's work and a critical part of the future of this community. Other important initiatives included the Springfield Station, Park & Ride system, and comprehensive service redesign (CSR). Those initiatives were being deliberated and discussed in the community.

The budget process would be much more important because of those important initiatives. LTD needed to be viewed as an organization that was put together well, had a good management team, had a budget that could stand the test of time, and that was accountable to the community.

Mr. Bennett was hopeful that the non-Board members of the Committee would take a very close and serious look at LTD so that when the final budget was adopted and put into place, it would have had the appropriate review.

COMMITTEE AND STAFF INTRODUCTIONS: Committee members and staff introduced themselves. Mr. Bennett welcomed Ms. Boyd as the newest Committee member.

ELECTION OF OFFICERS: Mr. Kortge nominated Mr. Rode for the position of Committee Chair. Mr. Kleger seconded the nomination. There was no further discussion or nomination. A vote was taken by acclamation, and Mr. Rode unanimously was elected to chair the Committee.

NOMINATION
ELECTION

Ms. Lauritsen nominated Mr. Bean for the position of Committee Secretary. Mr. Bean declined as he would not be able to attend the second Committee meeting. Mr. Bean nominated Ms. Boyd for the position of Committee Secretary. Mr. Kortge seconded the nomination, and Ms. Boyd was elected Committee Secretary unanimously by acclamation.

NOMINATION
ELECTION

PUBLIC COMMENT: There were no members of the audience who wished to address the Committee.

MOTION
VOTE

APPROVAL OF MINUTES: Mr. Kortge moved the approval of the minutes of the April 28, 1999, and April 29, 1999, minutes of the Budget Committee. Mr. Kleger seconded the motion, which passed unanimously by acclamation.

PAST, PRESENT, AND FUTURE VISIONS: Mr. Hamm welcomed and thanked the Committee members for voluntarily taking the time to enter into the budget review process for LTD. Mr. Hamm said that he had been LTD's general manager for just under one month, and he was proud of the collaborative efforts of staff in putting the budget together.

Fiscal year 2000-01 promised to be an exciting year for LTD. There would be many challenges. He reflected upon the foundation of LTD. He thought that the most important resource was the people who made up the family at LTD. LTD had a great team in place, and that team would continue to focus on strengthening itself. The Committee would see, throughout the budget presentation, that an emphasis was being placed on training and team building to strengthen that team effort.

Mr. Hamm had come to LTD not only because of the great people but because LTD was ranked as one of the top 25 systems in the nation in terms of performance. That was not a statistic to rest on but was a solid foundation to build on. Staff, at the Board's direction, had been pursuing an analysis of the fixed-route services that LTD offered. The budget would include a reshaping of some of that service.

In addition, Mr. Hamm said that LTD had an excellent fleet and an excellent base of facilities. The LTD team would continue to focus on the best equipment that was sensitive to the environment, made common sense, and had a proven record in the industry. LTD would continue to maximize the potential of the investments that already had been made, including the facilities.

LTD was a significant participant in the livability of Lane County and the communities within it that LTD served. Mr. Hamm believed that in the future LTD would continue to partner in land use planning and participate in joint development. LTD would be a player in creating seamless travel, meeting other modes, and looking at its connection with the regional transportation system. LTD also would be a player in economic development and a partner with public and private agencies for quality environment.

Last year, retired General Manager Phyllis Loobey had mentioned that often people got caught up in how they viewed LTD on the streets, and not in what LTD was doing behind the scenes, and what LTD was planning for the future. Sometimes that focus tended to be on farebox ratios and empty buses. The team would work hard to change that focus and to communicate how LTD participated with its partners in other objectives throughout the area.

As the new general manager, Mr. Hamm had begun a journey with the members of the LTD team. The team would be assessing itself during the coming year to update the strategic plan and to have a better-defined force. LTD also would challenge the communities we served to help shape the future.

Staff would concentrate on innovation, commitment to the community, LTD's image, efficiencies, and about being the best transit system in America, which meant being courteous, comfortable, convenient, etc.

Mr. Hamm said that there could be a request later in the fiscal year to reshape the budget as he continued to work with the team to reshape the future, and some funds might need to be reallocated as a result of his first six months on the job. He wanted the Board, the Committee, and staff to participate together in something special, which was the future. He thought LTD was something special and was on the verge of tremendous change in the livability of the region.

Fiscal year 2000-01 had many challenges. BRT was at the top of the list, but it also included vehicle acquisitions, corporate image, Springfield Station, a RideSource facility, intermodal considerations, and TransPlan. Internally, there were policy considerations and labor negotiations that would take place. Staff would be sharing all of those issues with the Committee throughout the meetings.

Mr. Hamm said that he was very excited about the next year and about being at LTD. He believed that LTD was at the beginning of something new and special.

PRESENTATION FORMAT AND LOGISTICS: Ms. Hellekson welcomed the Committee members and said that she appreciated and enjoyed the annual opportunity to interact with the members. She reviewed the general logistics for the meeting, which included asking questions at any time, meeting times, refreshments, and an emergency phone number. It also included a review of the Committee meeting goals and an overview of how the LTD budget was presented for review and approval.

BUDGET PRESENTATION

Broad Overview: Mr. Pangborn said that there were two budget themes for FY 2000-01. One was to improve productivity of current services and increase market share; the other was to ensure success of the system in the future through implementation of bus rapid transit (BRT).

One of the goals for the fiscal year was to increase ridership. Mr. Pangborn reviewed the ridership statistics for the past four years. Staff were working on a comprehensive service redesign (CSR), which was expected to result in service that would better meet the needs of the community, thereby increasing ridership. In addition, staff would continue to maintain LTD facilities, including the Eugene, Thurston, River Road, and Seneca Stations. Very modest service changes would be made in FY 2000-01 in anticipation of the CSR changes that would be made in FY 2001-02. Staff also would prepare for the integration of BRT.

Staff would be requesting an increase in staffing of 3.0 full-time employees (FTE). An annual wage increase of 3 percent for administrative employees was included in the budget. The wage increase for contract employees would be determine by a new contract that currently was being negotiated. Mr. Pangborn also reported that medical benefits would increase by 20 percent.

With regard to the BRT planning and implementation, Mr. Pangborn said that LTD would support the TransPlan approval, currently scheduled for December 2000. Staff would continue community education and involvement in BRT corridor planning; solidify local, state, and federal support and funding; and continue preliminary engineering of the BRT pilot corridor. Technological innovations for the BRT project would include automated and prepaid fare collections, advanced bus/passenger communications, and signal prioritization.

Staff also would continue to work toward determining the future of the Springfield Station.

Ms. Papp asked if the hold up on the Springfield Station was tied to the BRT pilot corridor decision. Mr. Pangborn said that the Springfield Station Steering Committee currently was considering two sites and was working closely with the community to locate a site for the station.

Financial Summary: Ms. Hellekson noted that a replacement page 2 was provided to the members of the Committee for the Revenue and Expense Summary section of the agenda packet. The correction was to the percent change section at the bottom of page 2.

Ms. Hellekson reviewed the General Fund resources summary. The Net Working Capital carried forward accumulated reserve funds from the previous year. Passenger fare revenue was being proposed to increase by 4 percent. Payroll taxes were expected to increase by 5 percent. The self-employment tax was reaching maturity, and more modest revenues were expected due to the healthy economy. Other Governmental Aid represented a state-in-lieu voluntary assessment that was equal to the amount of the payroll tax on state wages earned within the payroll tax district.

Ms. Hellekson noted that all of the tables that would be presented throughout the presentation would be consistent. Actuals would be compared to actuals, and budgets would be compared to budgets. The estimated year-end actual for FY 1999-2000 would be 6 percent higher than the actual FY 1998-99 budget. Staff were proposing an 8.5 percent increase over the current-year budget. The reason it was higher than normal was because payroll tax revenues for FY 1999-2000 had been higher than expected.

In reviewing the General Fund Obligations, Ms. Hellekson said that the largest source of expense for LTD was in Personnel Services. The proposed budget assumed a 6.1 percent increase in total Personnel Services. It included expected adjustments that would be made as a result of the union contract negotiations, an administrative staff annual adjustment, and an expected increase in the cost of providing health benefits. A relatively modest increase was proposed in the Materials and Services category. In addition, staff were expecting a decrease in Insurance and Risk Services because LTD was doing a better job of controlling risk through training and accident prevention and safety awareness, and because LTD had changed insurance carriers.

Staff were proposing an 8.5 percent increase in both resources and obligations. In the FY 1999-2000 estimated budget totals, the total resources were estimated to grow by 6.0 percent, while the total obligations were expected to grow by 8.5 percent. Ms. Hellekson said that there was an opportunity to bring those two items more into alignment. As a long-term trend, it was not a good idea to have expenses growing faster then revenues. As a short-term condition, it was not a source of major concern because LTD had such a strong series of years. For the Personnel-FTE, the percent increases reflected the percent increases in bodies and not in dollars. Last year, the increase totaled 3.1 percent, and staff were proposing a 0.9 percent increase for FY 2000-01.

Ms. Hellekson said that the combination of payroll and self-employment taxes made up 70 percent of the total revenue received, while Other Governmental Aid (state-in-lieu) made up 6 percent, Passenger Fares made up 17 percent, and interest and other operating revenues made up 7 percent.

The Farebox recovery generally was at 20 percent of the total revenue, which was the target that was included in the Strategic Plan and was a healthy number for smaller transit districts, like LTD. There was no statewide mandate for farebox recovery. Staff typically budgeted farebox revenues conservatively. The whole issue of fare policy and farebox recovery was closely tied to the comprehensive service redesign (CSR), which currently was underway with implementation slated for September 2001. If LTD moved to more productive service through the CSR, it was a given that farebox ratios would improve.

Ms. Hellekson said that 65 percent of the General Fund appropriations was represented by Personnel Services, two-thirds of which went to bus operators. Materials and Services accounted for 18 percent of the appropriations, while Capital, Special Transportation, and Insurance and Risk appropriations made up the remaining 17 percent.

With regard to personnel allocations, Ms. Hellekson said that 66 percent of all LTD employees worked in the Transit Operations department, which included more than 200 bus operators and support staff. Fleet Services accounted for 14 percent of the employees, and Facilities Services, Support Services, Guest Services, and Service Planning and Marketing made up the remaining 20 percent. Mr. Rode asked how the personnel allocations compared with peer transit agencies. Ms. Hellekson said that the Support Services number was slightly higher, and the Service Planning and Marketing number tended to be slightly lower. LTD had been very aggressive in terms of moving into new technologies and in making an investment in future productivity. It was expected that the numbers would shift back to more normal levels. She added that the Support Services number had ranged from 9 to 11 percent during the past 10-year period.

Ms. Hellekson reviewed the General Fund materials and services appropriations by department. Fleet Services used the bulk of the appropriations at 43 percent, which mostly was comprised of fuel, parts, and other necessities to keep the buses operating in good order. Facilities Services made up 11 percent of the appropriations, which included keeping the facilities in good shape and contracts for cleaning services. Insurance costs made up 12 percent, while Support Services made up 20 percent. Support Services included maintenance agreements and contracts for professional services, such as legal and audit services. Service Planning and Marketing and Transit Operations made up the remaining 14 percent.

The Special Transportation Fund was the second of LTD's budget funds, which funded demand-response transportation for those who were unable to use the fixed-route service. The state provided funding according to legislative appropriations, and LTD made up the difference. LTD's contribution had grown steadily over the years because of declining state funding. However, during the last legislative session, more funding had been made available, and LTD's contribution had not increased. It also caused a jump in the funding available to provide the demand-response services. It was hoped that level of funding would be maintained during the next legislative session.

Ms. Hellekson reviewed the history of Capital expenditures. She noted that for FY 2000-01, a dramatic jump was projected in capital spending. LTD had a very aggressive capital agenda that included purchasing vehicles for the bus rapid transit (BRT) project, purchasing vehicles for the proposed downtown shuttle service, fleet replacement bus purchases, the siting and property acquisition of the Springfield Station, and a new LCC Station project.

General Administration: Mr. Pangborn said that the General Administration department supported the Board and the entire organization in establishing and implementing LTD's Strategic Plan priorities, which included the approval of Phase 1 implementation of the BRT pilot corridor, approval of TransPlan with BRT, identifying additional funding for BRT, assisting the Board in selecting a viable design for BRT and the downtown shuttle vehicles, approval of the comprehensive service redesign (CSR), approval of the downtown Eugene shuttle, and maintaining LTD's high national performance ranking among transit systems. LTD had a major agenda in terms of purchasing new vehicles, and it was hoped that the bus manufacturing industry was caught up enough to begin making the shift to new propulsion and design vehicles.

The General Administration department was proposing no significant changes in Personnel Services. Two major expenditures were being proposed in the Materials and Services budget. Staff were proposing $34,000 to fund a Travel and Training budget increase for all departments and $20,000 to create a unified image/theme for LTD vehicles, uniforms, and materials.

Mr. Kortge asked about the increase in training and travel. Mr. Pangborn said that staff approached it as a one-time expenditure. Because the budget mostly was prepared before Mr. Hamm began as general manager, staff put aside some funding that Mr. Hamm could use under his direction to be allocated for training and team building.

Mr. Kortge asked about professional services. Mr. Pangborn said that there would be additional legal costs associated with the enforcement of Ordinance 36. Ordinance 36 was drafted to manage behavior at LTD facilities, particularly at the Eugene Station. The American Civil Liberties Union (ACLU) was challenging the ordinance as being too restrictive, and there was a fairly high probability that the District would be sued.

Ms. Papp asked Mr. Pangborn to further explain the challenge to the ordinance. Mr. Pangborn said that the U.S. and Oregon Constitutions guaranteed certain rights. One of the most important rights was the right to free speech. One of the issues at the Eugene Station was the restriction of all activities that were not related to being a bus passenger. In a sense, LTD banned what could be considered constitutionally protected activities, such as free speech and the right of assembly. There were cases where people who were collecting signatures for initiative petitions had come onto the Eugene Station facility to intercept bus passengers for signatures. Through Ordinance 36, LTD had banned those types of activities, including signature gathering, panhandling, and loitering. Field supervisors were present at the Eugene Station to ask people who were engaged in banned activities to leave the station. In addition, Downtown Mall Guides were hired to cover the platforms at times when field supervisors were not available. LTD believed that banning those activities was justified to facilitate operational efficiency and safety of both employees and passengers. The issue boiled down to what was called public forums. A public sidewalk was owned by the public and, therefore, was considered a public forum. People had the right to exercise all of their constitutionally protected rights. LTD was arguing that the Eugene Station was not a public forum, so those types of activities can be regulated. The ACLU was challenging whether or not the station was a public forum. Ms. Hellekson added that those activities had not been banned completely from the station but have been given designated areas away from the passenger boarding, deboarding, and transferring areas. Mr. Bennett said that the banned areas were the areas where people wanted to conduct the banned activities, such as signature gathering, because that was where the people were.

Ms. Papp asked what the Board members believed was the right balance of allowing those activities versus keeping the platforms safe. Mr. Kortge said that it was somewhat of a judgement call. The Board's main concern was the protection and comfort of the bus passengers. The Board disagreed with the ACLU's position. Ms. Papp said that it was a disappointment from a citizen's point of view, as people had waited years for a safer downtown.

Mr. Pangborn said that the case likely would extend over a two-year period, if it were to occur. Mr. Bennett said that he thought staff had budgeted a significant amount to plan for the eventuality. He added that the Board had made an honest effort to try to find a balance by designating areas for free-speech activities. In order to more effectively compete with the automobile, it was imperative that operations at the station run smoothly. The situation at the station changed very rapidly from very few people to many people moving from one bus to another. Mr. Kortge added that the ACLU had presented the issue of protected free-speech activities as it applied to petition signature gathering; however, along with that right, came other protected rights, such as preaching, vending, music playing, etc.

Mr. Kleger added that the policy not only was written for current activities but also for the future, when it was hoped that the station usage would be more than double what it was today. Mr. Pangborn added that once the station was opened up to those activities, it could never be closed, which was why LTD had been particularly cautious to have policies in place with the opening of the station. The budgeted request for this issue was $50,000.

Ms. Lauritsen asked what the other $86,000 was for. Mr. Pangborn said that he did not bring the breakdown but would provide the information at the April 27 meeting. Ms. Lauritsen asked for further clarification of the Training and Travel and the General

Business Expense budgets. Mr. Pangborn said he also would provide the breakdown of those budget items at the next meeting. Ms. Hellekson noted that the Government Relations budget, which included all lobbying costs, was included in the General Administration budget.

Government Relations: Government Relations Manager Linda Lynch said that her department was responsible for developing LTD's federal agenda each year. She also coordinated LTD's agenda with the two cities and Lane County for presentation to federal officials. Both the cities and the county contracted with LTD to have Ms. Lynch provide the staff support in that area. A single document was prepared of the regional federal priorities, and Ms. Lynch led a coalition to Washington, D.C., to meet with the Oregon delegation.

In addition, the Government Relations department assisted the Board and general manager with local, state, and federal legislative and administrative issues and would work to secure discretionary federal funding for the new bus purchase and the bus rapid transit project. The budget for the department was predicated on the success of federal lobbying efforts. Last fiscal year, LTD had secured $4.4 million in federal funding.

Ms. Lauritsen asked what the General Business Expense request of $52,450 included. Ms. Lynch said that the largest part of that expense was LTD's memberships in the Oregon Transportation Association (OTA) and the American Public Transportation Association (APTA).

Ms. Lynch noted that 2001 was a state legislative session year, which would mean additional lobbying efforts and funding. During the 1999 legislative session, the Legislature appropriated $9 million in state general funds for elderly and disabled special transportation services and identified $10 million in flexible federal funds to go to capital needs of elderly and disabled transportation services. For 2001, LTD's primary agenda would be to keep that level of funding. It was hoped to have those services institutionalized in the state budget. If successful, it would begin to build a base from which to encourage the state to show some interest in the fixed-route systems.

Ms. Lynch said that during the legislative session, she reviewed the vast array of House and Senate bills as they were introduced. The bills that may pertain to LTD were distributed to the appropriate staff and legal counsel for comment and returned to Ms. Lynch. She said she paid particular attention to governance issues, tax issues, and implementation of any ballot measures, etc.

The proposed budget for Government Relations included increased lobbying expenses at both the state and federal level and proposed funding for statewide transit industry coalition expenses, which included $6,000 for continued participation on the statewide federal earmark request and $6,000 for participation in an APTA national marketing program. At the national level, the five-year goal was to better position transit for the Transportation Equity Act (TEA-21) reauthorization. Mr. Hamm added that the ability to obtain opportunity through the Federal Transit Administration (FTA) through the earmarking process depended on the skills of people like Ms. Lynch and the national lobbying firm that was hired. If a static environment was desired, it also was important to maintain the memberships in the state and national organizations.

The total budget request for Government Relations resulted in a 14.6 percent increase.

Public Affairs: Public Affairs Manager Ed Bergeron said that the goals and objectives of the Public Affairs department included strengthening LTD's partnerships within the local community, assisting the general manager and Board with LTD community outreach activities, and assisting the general manager and government relations manager with legislative issues. One of the key objectives of the Public Affairs department was to continue to secure community support for BRT. In addition, the department's goals included strengthening LTD news media relationships and marketing strategies, supporting Commuter Solutions activities, and improving LTD's internal and external communications.

The requested budget for FY 2000-01 included shifting image advertising from the Service Planning and Marketing (SP&M) department to Public Affairs, conducting market research to analyze LTD's market position and strengthen future promotions, and establishing LTD employee and community newsletters and an "LTD 30th Anniversary Community Report."

Mr. Bergeron noted that during the past five years, money had been shifted between the Public Affairs and SP&M departments, as well as from the Public Affairs department to the newly formed Government Relations department. The total request for FY 2000-01 reflected a 280.9 percent increase, mostly due to shifted funds from SP&M.

Mr. Bean asked what LTD did about safety and how it responded to negative publicity. Mr. Bergeron said that there were a number of programs in place that addressed operator safety, and staff were looking at ways internally to share LTD's successes with the community and others.

Mr. Bean then asked how LTD planned to measure the effectiveness of the Public Affairs budget. Mr. Bergeron said that conducting market research was the best measurement of success.

Mr. Brink asked who conducted the research. Mr. Bergeron said that most research was outsourced, while some costs were kept in house. Mr. Brink then asked if the budget for Personnel Services included all costs. He thought it was a bit low, considering the number of employees in the department. Mr. Bergeron said that some of the costs were charged to the BRT grant. For instance, the entire cost of the Public Affairs Specialist was covered by the BRT grant funding, as were portions of other staff costs.

Commuter Solutions: Commuter Solutions Coordinator Connie Williams said that the goals and objectives of her department were to continue to respond to businesses and organizations that expressed interest in alternate transportation programs and services. In addition, her department would coordinate the Coburg Industrial and Gateway Transportation programs, maintain and expand intergovernmental and regional relationships, develop a comprehensive community-wide strategic Transportation Demand Management (TDM) plan, coordinate local TDM funding requests for State Transportation Improvement Projects (STIP), continue to develop regional alternative mode strategies and networks, and complete STIP grant-funded projects allocated to Commuter Solutions for FY 2000-01.

Ms. Williams noted that the Commuter Solutions budget had grown tremendously during the past five years due to increased funding from the state; however, that funding had been decreased last year, and the expectation was that it would continue to decrease. Her overall budget request resulted in a 28.7 percent decrease.

Ms. Papp asked what the ramifications would be if one of the larger Group Pass participants, such as HMT Technologies, left the program. Ms. Williams said that loss of the revenue from the payroll tax would be more significant to the District than would the loss of revenue through the Group Pass program.

Finance: Ms. Hellekson said that hers was a very traditional finance department with the exception of the farebox counting responsibilities. She said that the department had purchased some new farebox counting equipment that had reduced the counting time by eight hours per week.

The goals of the Finance department included continuing to assist in the BRT project with contract, grant, and accounting support; continuing to improve performance reporting systems for external and internal users; and completing conversion of all financial systems to increase staff productivity, improve access to information, and to improve accounting controls. In addition, the Finance Department would participate in the District's scheduling system project and would continue to participate in the Government Finance Officials Association's (GFOA) Certificate of Excellence program for the Comprehensive Annual Financial Report.

Ms. Hellekson said that the proposed budget for the department included a decrease of 1 FTE employee and would result in a 2.7 percent decrease overall.

Information Services: Information Services (IS) Manager Steve Parrott said that his department was actively involved in the promotion and advancement of technology as a tool for accomplishing planned improvements. The IS department was requesting an increase in the FY 2000-01 budget in order to accomplish many things. One was to add one full-time staff person who would oversee and support the various database applications that the District had. The requested increase in Materials and Services included increased telecommunications, Internet, and regional network services costs; an increase in funding allocated for IS and LTD staff technical training; and an increase in annual software support contracts. The overall budget request for IS resulted in a 30.8 percent increase over the previous year.

Mr. Kleger asked about the new radio system. Mr. Parrott said that it was working, but LTD was not yet realizing all of the functions of the system.

Mr. Rode noted that the increase in Personnel Services was more than $100,000. Mr. Parrott said that the salary and benefits cost of the new staff member would be about $100,000. IS personnel currently were in high demand, and the salary needed to be competitive.

Mr. Bennett asked who currently was performing database management. Mr. Parrott said that the Senior Systems Analyst currently performed that function, but it was not his specialty. He worked primarily with department managers and staff to bring software systems together. Managing a database was a very technical and introverted type of operation, whereas analysis in project management was a very extroverted type of operation. To find those skill sets in one person and to keep that person's workload balanced was a difficult thing to do. LTD was at the point where demand on the databases was high enough to warrant another position that would work to keep those databases performing.

Human Resources: Human Resources (HR) Manager Dave Dickman said that his department was undergoing a reorganization to improve services to the District and employees. Currently, there were four employees in HR, one of whom would be retiring, which presented the opportunity to reorganize. The Risk and Safety Specialist position would be reclassified to HR Technician and another additional HR Technician position would be added. One of the technicians would report primarily to the Human Resources Specialist and would concentrate on employee services, while the other would report to the Human Resources Manager and would focus more on safety, risk, and workers' compensation issues.

The goals of the department included a review and revision of the administrative HR policies and procedures, development and implementation of a comprehensive criminal background checks program as has been mandated by the state legislature, improvement of communications about retirement plans for employees, and review and revision of current employee recognition and merit programs. The department also would conduct a complete risk management audit in cooperation with the insurance underwriters, and it would continue to improve the workers' compensation program by achieving a .65 mod rate, which was the modification rate that rated the amount paid for insurance for workers' compensation.

The department would experience a significant reduction in Materials and Services due to the prior year's one-time costs in the recruitment of a new general manager and other special projects. The overall budget proposal would result in a 9.4 percent reduction.

Mr. Dickman then reviewed the budget for Insurance and Liability costs. The proposed budget for Insurance and Liability resulted in a 5.5 percent decrease due to the reduction in losses, which resulted in lower insurance rates.

Ms. Boyd asked if the union contract negotiations had begun and whether it was following a path that was similar to previous negotiations. She was somewhat surprised with LTD being so close to the start of a new fiscal year and the contract not having been already settled. Mr. Dickman said that official negotiations had not started, but through initial meetings, he believed that the setting was very positive for negotiations. Mr. Hamm added that his coming on board as the new general manager had caused a slight delay in negotiations.

Ms. Papp asked about the reclassification and addition of the HR technician positions and how it might effect the futuristic approach in terms of recouping costs. Mr. Dickman said that HR could survive with paraprofessional level staffing, and in fact, he thought that HR was overstaffed at the professional level.

Mr. Bennett asked why LTD was responsible for conducting background criminal checks on all contracted providers, who had mandated it, and who would be paying for it. Mr. Dickman said that it had been mandated by a Senate bill that was adopted during the last legislative session and would be the cost of LTD. LTD was fully responsible for conducting the background checks. Ms. Lynch added that there was some interest in amending the bill during the next legislative session. The bill was introduced as a result of a tragedy at Tri-Met in Portland, and it would be difficult to amend the bill to only apply to Tri-Met because, in fact, LTD was providing 300,000 rides per year through RideSource. It was not known how it might be fixed, but there could be opportunities to streamline the mandate and reduce some of the burden of it.

Mr. Kleger asked what the District had been doing to so drastically reduce its losses, particularly with regard to prevention of injuries versus reducing the costs of the injuries. Mr. Dickman said that HR had been working to reduce losses after an injury by working with the employee towards an early return to work through providing alternative duty assignments, etc. In addition, prevention would be addressed through a more focused safety program, and proactive initiatives had resulted in greater loss prevention.

Planning and Development: Planning and Development Manager Stefano Viggiano said that his department primarily had been focusing on the BRT project and the new Springfield Station. Phase 1 of the BRT project, which included a line between downtown Eugene and downtown Springfield primarily along Franklin Boulevard, was nearly complete. Phase 2 planning and design work had begun. Phase 2 was the area west of downtown Eugene via 11^{th} and 13^{th} Avenues.

The goals and objectives of the department included obtaining approval of Phase 1 of the BRT project, completing final design and beginning construction for Phase 1, completing the environmental review for Phase 2, and obtaining partner agency approval for Phase 2. In addition, his department hoped to obtain funding and begin property acquisition and design for the new Springfield Station. His staff would investigate potential sites for new Park & Ride facilities and would work with partner agency staff and adopting agencies to complete the review and approval of TransPlan.

Mr. Viggiano said that his department almost was entirely grant funded, and one staff position currently was vacant. His departmental budget would decrease by 14.9 percent for FY 2000-01.

Ms. Guard asked about Phase 2 of the BRT project and if 6^{th} and 7^{th} Avenues also were being considered. Mr. Viggiano said that staff were considering both an alignment using 13^{th} Avenue in both directions and an alignment using 6^{th} Avenue westbound and 7^{th} Avenue eastbound.

Mr. Bennett asked how long LTD had been working on the BRT project. Mr. Viggiano said that the concept was developed in FY 1994-95, and grant funding had been achieved in FY 1998-99. Mr. Bennett then asked what Mr. Viggiano's general sense was of the approval process for the project. Mr. Viggiano said that he was fairly optimistic. Staff had been working hard with the proposed BRT corridor neighbors and with area leaders to work out alignment issues.

Ms. Hocken asked Mr. Viggiano to discuss the BRT Consortium and the efforts that had been made to obtain a modern-looking vehicle. Mr. Viggiano said that the BRT Consortium was made up of 10 cities that currently were planning rapid transit projects. The Consortium was working with American bus manufacturers to determine if they could produce a more modern and sleek-looking vehicle.

Service Planning and Marketing: Service Planning and Marketing (SP&M) Manager Andy Vobora said that his department was responsible for service planning, most LTD marketing functions, graphics, and customer service.

The goals of the department included implementing a new youth fare and developing a targeted marketing campaign to attract additional youth riders. Mr. Vobora said that this would be a one-year project to create a new youth category for people ages 5 through 18. Reducing the youth fare would provide better access to transportation for area youth, would encourage alternative transportation habits at an earlier age, and would result in an increase in ridership. Staff were hoping to double the number of youth passes sold from 1,500 per month to 3,000 per month, which would result in a ridership increase of 10 to 15 percent.

In addition, SP&M planned to complete the public outreach, research, and design of new service as a result of the comprehensive service redesign (CSR) process. The CSR was slated to be implemented in Fall 2001 and would include the new downtown shuttle that would link the UO/Sacred Heart area, downtown Eugene, and Valley River Center.

The department also was responsible for implementing service packages for community events, including the Oregon Country Fair, Lane County Fair, UO sports shuttle service, the Scandinavian and Filbert Festivals, as well as to other events. In addition, during FY 2000-01, the SP&M department planned to complete installation, training, and testing of new route scheduling and run-cutting computer software and to implement a revised LCC Term Bus Pass program, which would reduce the price to LCC students and would make more passes available to LCC students.

SP&M proposed an increase in Personnel Services of an additional .5 FTE Distribution position to help with deliveries and other tasks and an increase of .2 FTE Graphic Artist position to cover the additional CSR graphics design work. In Materials and Services, the SP&M department had proposed $42,000 to be used for ridership surveyors, $50,000 for CSR public outreach and research, and to transfer media funds to the Public Affairs budget.

Ms. Guard asked if the ridership surveys could be done by light-duty employees. Mr. Vobora said that light-duty employees already filled in for these tasks, but that employee time could not be counted on. Ridership statistics were a requirement of the federal government, so random sampling had to be done on a fairly regular basis.

Overall, the SP&M proposed budget reflected an 11.5 percent decrease from the previous year.

Mr. Kleger asked about a ROSS grant that was referred to in the SP&M budget. Mr. Vobora said that the ROSS grant was received through the department of Housing and Urban Development (HUD) and targeted the low-income housing developments in the area for services to those people. Often people who lived in those facilities tended to fall through the cracks with some of the services that other people in more destitute situations received. This grant would provide some of those services back to those people. LTD submitted a grant application that would allow LTD to develop a group-pass program with those residential facilities. LTD had not yet heard back from HUD as to whether or not it was awarded the grant.

MOTION
VOTE

ADJOURNMENT: Mr. Kortge moved that the meeting be adjourned to 6:30 p.m., on Thursday, April 27, 2000, in the LTD Board room. Mr. Gaydos seconded the motion, which passed unanimously by acclamation.

Pamela Popp

Committee Secretary