MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, February 21, 2001

Pursuant to notice given to *The Register-Guard* for publication on February 15, 2001, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held its regular monthly meeting on Wednesday, February 21, 2001, at 5:30 p.m. in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present:	Hillary Wylie, President, presiding Rob Bennett, Vice President Gerry Gaydos Dave Kleger, Treasurer Pat Hocken Virginia Lauritsen, Secretary Ken Hamm, General Manager Susan Hekimoglu, Recording Secretary
Absent:	Robert Melnick

CALL TO ORDER: Board President Hillary Wylie called the meeting to order at 5:42 p.m.

PRELIMINARY REMARKS BY BOARD PRESIDENT: Ms. Wylie said that she had no preliminary remarks to make.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: Ms. Hocken said that she hoped that during Board Member reports, someone would make a report on the recent Joint Elected Officials meeting.

WORK SESSION – FARE POLICY AND PRICING: Assistant General Manager Mark Pangborn said that each year, the Board reviewed current fares and made decisions about raising fares, and there was a Fare Policy that drove that effort. The policy had been followed since the early 1980s, but had not been reviewed or revised. Very few transit agencies had a fare policy; their fares mostly were driven by local politics. LTD's policy had served it well, but staff recently had reviewed the Fare Policy with the Board Finance Committee.

There were three issues to be addressed. One was to approve changes to the Fare Policy; another was to begin the process for approving the fare for next year; and the third was to discuss a 25 percent farebox recovery ratio.

There were three fundamental service and fare questions to be addressed. One was to identify the overall goals of the transportation system for the community. It was important to find the balance between being a mass transit service and a social service and to find the balance between coverage and productivity. The second question was in regard to availability of sources of funding. Transit was a highly subsidized service, and at some point, fares became a plug number driven by political considerations. The third question was what services should be provided given those sources of financing.

The three components to Fare Policy included service, available subsidies, and farebox recovery. Service and Fare Policies were driven by financial and economic considerations, operational goals, social goals, and environmental goals, each of which had a different impact.

Financial goals could include maximizing farebox recovery, minimizing unit operating costs, preserving flexibility to meet market demands or revenue targets, encouraging efficient use of scarce resources, and encouraging system productivity. Operational goals could include improving system efficiency or productivity, reducing fare evasion and fraud, reducing overcrowding during peak travel periods, and encouraging the use of spare bus capacity at off-peak times. Social goals could include improving transportation services to the transit dependent, redistributing income, and revitalizing urban or other areas. Environmental goals could include encouraging effective land-use planning, reducing traffic congestion and air pollution, and encouraging travel to or from certain areas.

The objectives of LTD's Fare Policy were to promote fixed-route ridership by making the fare structure attractive to users, improve the farebox recovery ratio, improve the efficiency of fare collection, and promote equity of fare payment among patrons. The Fare Policy could be constrained by economic considerations, political considerations, and technological considerations.

Staff were recommending four changes to the Fare Policy. In order to improve farebox recovery and promote fare equity, staff were proposing that the group pass rates change from fare neutral to fare positive. This would be effective with the January 1, 2002 contracts, except the University of Oregon's, which would be effective on January 1, 2003. In addition, staff were proposing that the provision prohibiting ticket book discounts for RideSource be eliminated to conform to actual practice.

The third recommendation was to modify the guidelines for maximum fixed-route returns from 20 percent to 25 percent to improve farebox recovery and to reflect actual increases in operating expense. Staff also recommended eliminating the guideline restricting multiple instrument price changes in the same year and that price increases for cash, passes, and tokens occur in different years to allow flexibility.

Mr. Pangborn then reviewed the Pricing proposal for FY 2001-02. Staff were proposing to raise the adult cash fare from $1.00 to $1.25, which would be the largest increase in the cash fare since the early 1980s, and to raise the youth, child, reduced, and senior fares from $0.50 to $0.60. Monthly and multi-monthly pass prices would remain the same. The Day Pass would increase from $2.00 to $2.50. Token prices would remain the same. The Freedom Pass had been discontinued with last year's reduction in the youth fare. The Group Pass price was being proposed to increase from 3.2 percent to 4.1 percent.

Service Planning Manager Andy Vobora added that staff had learned through elasticity modeling research that for every 10 percent increase in transit fare, the transit agency would lose about 4 percent in ridership, so it was an aggressive move to increase the cash fares by 25 percent. However, only 30 percent of LTD's ridership used cash fares, and he expected that LTD would lose some of those riders. Because LTD did not increase all fares at the same time, and the pass price would remain the same, LTD was creating the real differential between cash and passes.

Mr. Hamm added that in most of the elasticity models he had seen, the ridership would take a hit in the beginning, but it did tend to climb back up over time. Mr. Vobora said that the elasticity models really did not fit at LTD because of the fact that all fares were never raised at the same time. The past practice had been to raise cash fares and pre-paid fares on alternate years. Mr. Pangborn noted that the value of the cash fare had increased tremendously in September 2000, when LTD had discontinued the transfer program and instituted the day-pass program. Bus riders now paid their round-trip fare and were given a day pass that was good for unlimited riding all day long.

Ms. Hocken asked about the youth fare. Mr. Pangborn said that it would increase, but still would be one-half the price of the adult fare. Mr. Vobora added that Youth Pass sales had been stronger than the previous year, and youth ridership had increased 8 to 9 percent for the year.

Ms. Hocken said that increases, particularly to the group pass price, could be attributed to increases in operating costs. Fuel prices were driving operating costs much higher than anticipated.

Ms. Wylie asked when the last time was that the adult cash fare was raised. Mr. Vobora said that all fares were on a three-year cycle. Pass prices were raised one year, tokens the next, then cash fares were raised the third year. Three years ago, the Board had raised the cash fare from $0.80 to $1.00.

Staff were expecting to make a recommendation on the RideSource fares. The Special Transportation Fund Advisory Committee (STFAC) had recommended raising the Regular RideSource fare and the Escort fare from $1.75 to $2.00, but not raising the fares for the Shopper or the ticket books.

Sales outlet discounts would remain the same.

Mr. Pangborn discussed some of the characteristics of transit systems that had high farebox recovery ratios, including a captive ridership; dense population; lower vehicle maintenance and service standards; fewer facilities and amenities; limited or restricted service expansion; and limited subsidy sources. He added that the transit systems that had the higher farebox recovery ratios tended to be larger, urban systems or simple systems targeted to specific users.

Ms. Wylie asked Mr. Pangborn to discuss the mandated farebox ratios that were required in some states. Mr. Pangborn discussed the California-mandated farebox-to-operating-cost recovery ratio. He said that it varied by city according to the population of the city, but it reached as high as 30 percent in some of the larger cities. He then reviewed the list of transit agencies surveyed for their approximate farebox recovery ratios. Reno, Nevada, had a very high ratio with 48 percent, while Corpus Christi, Texas, which was supported by a sales tax, had a low ratio with 8 percent. LTD's farebox recovery ratio was 21 percent.

Mr. Pangborn continued by discussing what it would take for LTD to achieve a 25 percent farebox-to-operating-cost ratio. LTD's current fare budget was $4.1 million, while the operating expense budget was at $21.5 million, which made the budgeted recovery ratio 19.24 percent. In order to achieve a 25 percent ratio, LTD would need an additional $1.2 million in farebox revenues, which represented a 30 percent increase in passenger fare revenues. Adding in fare elasticity figures, (for every 10 percent increase in fares, the District would experience a 4 percent ridership decrease) to a 30 percent increase would result in an additional 12 percent ridership decrease, resulting in a net effective fare total of $4.5 million and a net percent increase of 10 percent. The net farebox recovery after a 30 percent fare increase would be approximately 21.17 percent. Due to the elasticity model, farebox recovery would remain relatively flat even while raising the fares.

Staff believed that the only way to improve the farebox recovery ratio was to improve operating efficiency and control operating expenses; raise the fares appropriately; and implement BRT to raise system productivity.

Mr. Vobora added that two other issues had been brought before the Board Finance Committee. The youth fare had been a pilot project, and staff had requested to keep the youth fare at one-half the adult fare for one more year for evaluation purposes. In addition, staff were recommending increasing the price of the LCC Term Pass Program, the cost of which would be shared by the College as a subsidy and the students in the form of a price increase.

Ms. Hocken asked if staff had met with LCC officials. Mr. Vobora said that staff had met with LCC President Moskus and incoming President Mary Spildy. Ms. Spildy was provided with the background on the program. The money to subsidize the pass had been budgeted. LCC was experiencing some budget concerns and in the future would seek partnerships. He thought it had been a good meeting.

Mr. Bennett asked if the fare issue would be discussed again. Ms. Wylie said that there would be further discussion later in the meeting as part of the public hearing process. Ms. Hocken said that a public hearing would be held later in the meeting, but that the first reading of the Fare Ordinance would not be read until March, so there would be additional opportunities to discuss the issue.

MARCH 2001 EMPLOYEE OF THE MONTH: Transit Operations Manager Mark Johnson introduced Transit Operations Coordinator Michelle Gilles, who had been selected as the March 2001 Employee of the Month. Ms. Gilles was hired by the District in 1994 and previously was selected as Employee of the Month for August 1996. She was nominated by the bus operators who worked with her on a daily basis, out of appreciation for the support she provided to all the employees in the Transit Operations department. The operators were particularly appreciative of Michelle's efforts with regard to the recent change in their uniforms. Mr. Johnson said that Ms. Gilles accomplished her job with great spirit and attitude, and she took the District's image to heart.

Ms. Wylie presented Ms. Gilles with a letter of congratulations, a certificate of appreciation, a lapel pin, and a monetary reward. Ms. Gilles said that she appreciated the honor, and she did not think it was a difficult task to do a good job when working for a company like LTD. She believed LTD was a good company and a great place to work, and she enjoyed working with so many good people.

AUDIENCE PARTICIPATION: 1) Mr. N. Christopher Phillips of Eugene spoke with regard to the bus rapid transit (BRT) project. He asked the Board to ensure that BRT really did speed up transit use. He asked that the Board to not allow the people who did not want any trees cut down to prevent BRT from doing its job. If BRT did not reduce the riding time and reduce it reliably, it was not worth doing. He asked the Board to make sure to not let the obstructionists block the project and cause LTD to build something that did not help.

2) Mr. James Creith of Eugene spoke about the Comprehensive Service Redesign (CSR). He was concerned about the possibility that the #61 could travel on Coburg Road to Cal Young, and he asked if the #67 was going to remain on the same routing. Mr. Vobora said that the #67 routing would remain the same.

With regard to fares, Mr. Creith asked about the proposed reduced fare increase and if it applied to the monthly reduced fare pass. Mr. Vobora said that the reduced cash fare was proposed to increase by $0.10 to $0.60, but there would be no increase in the cost of reduced fare passes.

Mr. Creith then asked if LTD had taken any action regarding the shelter on Coburg Road that he had spoken about during the January 2001 Board meeting. Mr. Vobora responded that the shelter was on the list of priorities, but had not yet been installed.

MOTION

VOTE

CONSENT CALENDAR: Mr. Kleger moved for adoption of the following resolution: "It is hereby resolved that the Consent Calendar for February 21, 2001, is approved as presented." Ms. Lauritsen seconded the motion, which carried unanimously by acclamation. The February 21, 2001, Consent Calendar consisted of the minutes of the January 17, 2001, regular Board meeting and the minutes of the January 19-20, 2001, Board strategic planning work session.

PUBLIC HEARING ON FY 2001-02 FARE RECOMMENDATION:

Staff Presentation: There was no further information to add to the earlier presentation.

Public Hearing: 1) Misha Seymour of Eugene said that last year LTD had discussed possibly offering free service, and now there was no longer even a transfer system. Instead, riders were being asked to pay twice the cash fare just to make a transfer to another bus. Mr. Seymour asked the Board to return to the transfer system. In Portland, there were free buses in certain places downtown.

Mr. Seymour then discussed how the riders were treated. At Gateway, someone decided to put in the beautiful seats, but they were not very comfortable. Additionally, Mr. Seymour said that someone had told him that there were 10 toilets for staff downtown, yet only one for customers. In addition, he said that the mirror was removed from the men's restroom at the Eugene Station.

Mr. Seymour said that 5-year-old children had to pay $14 per month to ride, and he asked where LTD thought those children were supposed to get the money to pay the fare.

He thought that LTD could do better with the fares and do better treating people in a more caring way. He said that LTD belonged to the people and should be made more comfortable for the customers.

Board Discussion: There were no further audience members who wished to address the Board, and there was no further discussion among the Board members. Ms. Wylie noted that another public hearing and the first reading of the Fare Ordinance would be held during the March Board meeting.

COMPREHENSIVE SERVICE REDESIGN (CSR): Mr. Vobora said that staff were recommending a 5.44 percent increase in service. Staff believed that the proposed package represented the best opportunity to meet the needs of the growing metro area but also recognized that the package did not respond to the continuing growth in both the housing and commercial sectors. The proposed package included many of the essential services and would meet the productivity standards set by the Board.

Ms. Hocken noted that the information contained in the Board agenda packet included only the service over and above a 1.4 percent increase and did not represent the entire service package. Mr. Vobora added that the Board previously had reviewed the actual recommended route design and structure, which was included in the 1.4 percent base package. The base service package also included the new downtown shuttle operating at 10-minute frequency during the weekdays.

Mr. Kleger noted that service increases and decreases referred to the total service hours on the road.

Public Hearing: 1) Kevin Lively of Eugene said he was concerned about the proposed elimination of service and removal of stops on his loop near the Sequoia Apartments. The removal of service also would remove six stops, including two covered stops. He believed that those stops were very important for the people, including seniors, students, workers, and particularly people who had disabilities, who lived in the four complexes served on the loop. He was concerned about the large number of seniors on the loop who were not informed about the proposed loss of service and, subsequently, who were not at the public hearing to testify on their own behalf. He asked LTD to reconsider and maintain the service on the loop and those stops.

2) Matthew Brakefield and Kimberly Schneider of Eugene, who also lived in the same area as Mr. Lively, stated their concerns about the proposed loss of service and stops on Lindale Drive. Mr. Brakefield said that for those who worked late shifts, it was not a very nice neighborhood to have to walk through at night if the service were eliminated. There were no street lights, which posed a danger to people. If the service were eliminated, most people would have to walk at least three blocks from the nearest bus service to get home.

Ms. Schneider added that she and Mr. Brakefield worked different hours, and the elimination of bus service would mean that she would be forced to walk through the neighborhood alone after dark.

3) Tony Myers of Eugene said that he was concerned about the proposed changes in service to the 5th Street Market district. LTD had proposed to cut back the market district service to once per hour and to eliminate the #66 route from cutting through the market district on its way downtown. Most of the residents from Parkview Terrace and Ya-Po-Ah Terrace were seniors or disabled, and cutting the service by 75 percent would limit their ability to travel too much. He asked the Board to maintain an adequate level of service to the market district.

4) Mike DeEstrada of Eugene said that he also lived in the Pheasant and Lindale area where LTD proposed to cut service. He thought that the reasons LTD proposed to cut the service could be worked out, such as too many cars parked along the sides of the street, etc. It was a scary neighborhood to walk in after dark.

5) Mark Fetter of Eugene said that he was the apartment manager for the Sequoia Apartments. A large population of bus riders lived in his complex. He believed that the Sequoia Apartments would lose some of its tenants if bus service were eliminated. There were six stops being serviced in the proposed elimination area. He said he could understand if LTD eliminated some of those stops, but not all of them. He thought that if the reason for eliminating the service was due to difficulty of the buses to maneuver within the loop, traffic controls could be added to assist the bus operators.

6) Christopher Phillips of Eugene said that he purposely had purchased a house located on the bus route. He worked at the University and did not purchase a campus parking permit. He thanked the Board for preserving the rush-hour service to his neighborhood and said that he would continue to use the bus services.

7) Misha Seymour of Eugene said that he thought it was nice that the #11 Thurston operated every 10 minutes for the people who could use that frequent service. He thought routes #25 Amazon and #24 Donald also should operate more often. There were many people who would use those routes if they operated more often. He thought that money that was being spent to tear down roads should be spent on buses instead.

Mr. Seymour expressed his opinion that since the LTD Board was not an elected Board, the Board members did not represent the people. He thought the members were doing the best that they could, but the Board meetings should be televised so the Board members would be more responsible.

He said that the #40 Royal route should be added to, rather than cut from. He asked how many LTD Board members and managers actually rode the bus.

He asked that the Board consider 10-minute service to routes #24 Amazon and #25 Donald.

Board Deliberation and Decision: Ms. Wylie said that the Board appreciated all the people who attended the meeting to testify. The Board listened to what was said, and the staff took notes. There were many factors that went into the decisions that were made about bus service. The Board earlier had discussed the fares and the cost of operations. There were not many options to raise fares and/or cut routes. There were not many options to pay for increases in service, which included the costs for more operators, more buses, increased fuel prices, etc. The Board cared very much that the needs of the community were met, and it did its best to balance all the needs with the costs of operations. She again thanked the speakers and reiterated that the Board heard what was said.

Mr. Kleger said that he had talked with several residents of the Ya-Po-Ah Terrace who indicated that they could not be present for the public hearing but were concerned and stressed about the proposed reduction in service to the #1 Market District route. He wanted to make sure that the new downtown shuttle service would be marketed very well to residents of the 5th Street Market district. Even with the shuttle, though, the residents would have a steep hill to climb to reach their homes, which would be a hardship for most of them.

Mr. Hamm noted that the Board had received a handout of written testimony that had been received. During the Comprehensive Service Redesign (CSR) process, staff had held public workshops and had placed permanent displays of design alternatives at the Eugene Station. Those activities had generated a great deal of public comment. While new public comment had been received during the public hearing, it had to be tempered with all the other public testimony that had been received during the two-year process of the CSR. LTD did appreciate the time that people took to participate because the system did belong to the citizens of Lane County. It was important to LTD to provide the best possible product for the investment that was made.

Mr. Hamm cautioned about what stage the CSR process was in. Discussions had been held with the Board and the Board Finance Committee about the slowing economy along with LTD's very aggressive agenda and how the confluence of those things drove a different financial picture for LTD than at any time in LTD's history. When annual revenue increases went from 6 percent to near 0 percent, it had a big impact on what could be done. The CSR was ahead of the budget curve.

A slow-growth projections forecast was distributed to the Board members at the meeting. Mr. Hamm said that the forecast suggested that if the aggressive agenda were pursued, LTD would experience a negative cash flow in the fourth of the next five years. The forecast included debt financing and projected revenue and operational increases. Mr. Hamm was concerned that the decision on the CSR was out of sync with what was going on but was part of a bigger picture that Mr. Hamm wanted to ensure that the Board members were aware of.

There were pieces of the CSR that he did not believe LTD could back away from in terms of the September 2001 implementation, but there were other pieces that could be reviewed. Staff had recommended the full service increase of 5.44 percent, but he wanted the Board members to understand that their decision about the CSR could drive decisions about what might not be able to be accomplished in the Capital Improvements Program. It might be prudent to take a more conservative approach to service growth at this time in order to see what would happen with the economy.

Mr. Hamm said that no single person, activity, or occurrence had brought LTD to this point, but it was a combination of many things, including the CSR, fleet replacement, the Springfield Station, and BRT. Some or all of those projects would need to be adjusted somehow to prevent the negative cash flow from happening several years from now.

Staff had been given clear instructions in the Fiscal Year 2001-02 budget process to be frugal, to look for efficiencies, and to look for a higher level of productivity for the investment, and had been told that every investment made was required to have an outcome that was defendable.

It was the recommendation of staff to proceed with the CSR, but to do so cautiously. When there was a good economic outlook, Mr. Hamm said that he would be the first to agree to providing service to accommodate every need within the community; however, when the outlook was not so good, he believed that the community expected LTD to be good stewards of the public trust. Mr. Hamm said that he supported the 5.44 percent increase in service if there was a willingness to pull something out of the capital plan or make some other adjustment.

Ms. Hocken asked about the service for the Ya-Po-Ah Terrace and how it related to the new downtown shuttle. Mr. Vobora said that the downtown shuttle would provide a limited amount of help. The shuttle would travel on 5th Avenue to serve the 5th Street Market and then would travel south on Pearl Street. It would not provide service between 3rd and 5th Avenues, and the residents of Ya-Po-Ah would need to travel a few blocks to the bus stop.

Ms. Hocken then asked about the service to the Lindale/Pheasant area that had been addressed during the public hearing. Mr. Vobora said that the area was situated along the #12 Gateway route. The bus had to make difficult maneuvers to turn on and off of Harlow Road to make the Lindale/Pheasant loop. Staff were recommending that the #12 Gateway travel northbound on Harlow Road and remain on the main arterials rather than dropping into the small neighborhood. It would require people to walk to the main streets for bus service. The bus also would travel on Game Farm Road, so it would be within walking distance. He agreed with the concerns that LTD had no control over, such as the lack of street lighting. LTD also was recommending eliminating service to Laura Street in the same neighborhood, and there were no sidewalks on Laura Street. He had spoken with City of Springfield planning staff about those concerns. Even though LTD could not always provide service into particular neighborhoods, he thought it was important that pedestrian amenities be in place in order for people to have access to the system on the major streets. In addition to the difficult maneuvering, the timing on the #12 Gateway needed to be trimmed somewhat in order to serve the growing Gateway industrial area.

Mr. Bennett asked what recommendation the Board Finance Committee had for the Board following its review of the CSR. Ms. Hocken said that the Committee had not actually selected a percentage increase for recommendation. However, increasing service by only 1.4 percent did not seem appropriate to the Committee due to the fact that modest increases had occurred in both the past two years in anticipation of the CSR. Ms. Hocken said that her preference was to increase the service by at least 4 percent.

Ms. Wylie said that she supported the recommendation because LTD's primary business was to provide fixed-route transit service to the communities. She also thought the

Board should be mindful of the budget and pursue any and all avenues to increase revenues.

Mr. Kleger said that if it were practical, he would be inclined to support a lesser service expansion and wait to see the proposed budget before recommending any further changes. However, he believed that in order to produce the service to begin in September, staff needed the longer timeframe and it would not wait until the end of the budget process.

With regard to service in Mr. Kleger's neighborhood, he said that he rode the bus nearly every day and talked to other riders. He said that people generally were very pleased with the improved neighborhood circulation routing but were displeased with the need to make the transfer from the neighborhood circulator to the main-line buses. Mr. Kleger thought that having the ability to get from Barger Avenue to Royal Avenue without having to travel all the way downtown and transferring was a major improvement and worth the minor inconvenience of a timed-meet transfer. He emphasized that the timed-meet transfers needed to be consistent.

Mr. Bennett asked if Ms. Hocken would support a 4 percent increase in service. Ms. Hocken said that she had thought about historical trends of an average 3 percent annual increase, except for the past two years when the increases were much less, in anticipation of the CSR, and in terms of the need to increase service hours to account for the increased congestion in town. She believed that a 4 percent increase would meet all those goals. She would like to be able to support the 5.4 percent recommended increase, but there were trade-offs. She did not think a 4 percent increase was unreasonable.

Mr. Bennett asked Mr. Vobora to explain why staff were recommending Sunday service on the new #43 Barger/Royal neighborhood connector service when the projected productivity level was so low. Mr. Vobora said that this was new service that LTD would be introducing, and staff had planned to bring a recommendation back to the Board for a new productivity standard for the neighborhood connector-type service because that service did not fit the urban-route standards.

Mr. Vobora further explained that adding Sunday service to the #18/19 Mohawk/Fairview routes was different because it was more of a coverage route that served some more traditional neighborhoods, including low-income housing, and it connected to some of the shopping areas. Mr. Bennett asked if staff believed that the projected ridership would grow. Mr. Vobora believed that some segments of the route would be used very heavily. This route would be the one to serve the new Wal-Mart when it opened. It also traveled past the hospital and the Mohawk shopping area. Other segments of the route were purely coverage or lifeline types of service.

Mr. Bennett asked if the Board Finance Committee had reviewed the capital plan for trade-offs for approving the entire 5.44 percent recommendation. Mr. Pangborn noted that the Board Finance Committee would not see the capital plan until early March. Mr. Vobora noted that this was what Mr. Hamm had referred to as the CSR decision being out of sync with the other processes. Historically, staff had presented the annual service recommendations to the Board ahead of the budget because the District had been in a financial situation where the service decision could be made independent of the budget process.

Ms. Wylie asked when it was anticipated that the #17 Pioneer Plaza route would begin serving the new Wal-Mart. Mr. Vobora said that the entire service package would be implemented in September 2001. Ms. Wylie noted that the Wal-Mart would not be open by then. Mr. Vobora said that the #17 Pioneer Plaza route also replaced some service, and it would need to travel past the Wal-Mart site anyway. Ms. Wylie said that being a Springfield representative on the Board, she supported the staff recommendations for the #17 Pioneer Plaza, which would serve a rapidly growing area. A large number of low-income people lived in east Springfield.

Mr. Vobora said that he had a conversation with Mr. Pangborn about holding off on some service implementations, particularly if within one year they would need to be cut due to budgetary constraints. Mr. Vobora believed that the package was structured in such a way as to meet the operational needs and was something to proceed with. He would prefer to lay the foundation for the service, and then cut service if the economy declined and some service needed to be cut. That way there would be a solid base in place that worked in terms of running times and meeting the needs of the community. If there were a need to cut service, low productivity could be evaluated or some frequency could be cut, leaving the coverage. Currently, there were many operational problems that needed to be addressed.

Ms. Wylie said that she and Mr. Hamm had spoken about finding a way to be more efficient, while reducing some of the costs. Mr. Vobora said that he believed that the proposed service package as a whole was more efficient than the current service package. Discussions had centered around an inefficiency factor, which was a factor based on historical numbers of how efficiently staff could put service together. Mr. Vobora noted that he was conducting a study of peer transit agencies to determine efficiency of service and to show where LTD fit into that group. Mr. Vobora would provide the results of that study to show the inefficiency levels of other transit properties. There were savings that could be had, but staff had not yet performed the run cut for the proposed service. Staff intended to use the new tools, such as the scheduling software, to help determine where efficiencies could be found. Some of the inefficiency was built into the system, and there was not much that could be done about it.

Mr. Bennett said that the Board was being asked to comment on what had been prepared to date. He was concerned about putting service in place that then would be cut following the budget process. He thought there was a risk in giving people a false sense of secure service. Mr. Vobora agreed that this was a concern, and said that the only service being proposed that would serve a new segment was the #17 Pioneer Plaza route in Springfield. The remaining routes would serve areas that currently had some level of service.

Mr. Hamm said that the software upgrades would assist staff in finding efficiencies in scheduling out the work to the operators. There were other software upgrades that would assist the service operations to be more efficient as well. The service planning staff already had pared down a large number of requests and had evaluated a large number of options to arrive at a service proposal that was believed to be the most efficient.

Ms. Hocken said that the small number of people who had turned out to testify was testimony to how much staff had listened to and tried to accommodate the needs of the community.

Mr. Vobora pointed out that the slow-growth projections did not have any further service growth or service fixes factored into the five-year period. Some contingency was built into the proposed CSR package.

Ms. Wylie thought that because the CSR decision came before the budget process, it would be important to aggressively pursue grant funding and pursue a public tax support increase. Debt financing also should be kept in the forefront as an option as well.

Mr. Bennett said that he would have a hard time voting on the CSR motion due to the capital issues. He had hoped for a more firm recommendation from the Board Finance Committee before making the decision. Mr. Bennett said that he respected the work that had been done on the fare analysis as presented earlier in the meeting. He would be hesitant to support a situation where fares could not be increased due to the elasticity factor, when it was expected that the ridership would come back and even increase.

Ms. Wylie suggested that the Board approve a 4 percent increase for September and retain the remaining service request in the budget process for possible start-up in January 2002. Ms. Lauritsen thought it would be difficult to do as service was closely tied to the Rider's Digest.

MOTION Mr. Gaydos said that the full Board had the same discussion at the January work session, and even then the Board heard about the downturn in the economy. He believed that the service was needed and a way should be found to push forward to deliver the service. He trusted staff and thought staff had done a good job with the CSR project. If the compromise was 4.14 percent, then he moved that the Board approve the 4.14 percent increase, which would include all the proposed service except the addition of Sunday service on the #18 and #19 Mohawk/Fairview routes and additional weekday and weekend service on the #17 Pioneer Plaza route, and go forward with the proposed service with additional review to take place during the budget process. Mr. Gaydos said that one of the problems with projections was that they were projections based on assumptions. Ms. Hocken

VOTE seconded the motion, which passed unanimously by acclamation. Mr. Vobora would present additional cost information during the budget process with regard to adding the remaining 1 percent in January 2002.

Ms. Hocken said that she also would be interested to know what BRT efficiencies had been assumed in the projections that had been made.

Mr. Bennett said that in his view, the economic conditions that affected the payroll tax and self-employment revenue would not be good for some time. Even if they proved to be better than expected and assuming debt financing, it still appeared that LTD could have some difficulty in a few years. A case needed to be made to increase the tax base, and it should be made now. Ms. Wylie agreed. Ms. Hocken added that the Board Finance Committee would review the Capital Improvements Program (CIP) in early March, and the Board would be asked to adopt the CIP at its March Board meeting.

Mr. Bennett left the meeting at 8:07 p.m.

BOARD MEMBER REPORTS:

Joint Elected Officials (JEO) Meeting: Mr. Gaydos said that he had attended the JEO meeting on the West Eugene Parkway (WEP) project, and he thought it had been a relatively productive meeting. The new Oregon Department of Transportation (ODOT) Regional Manager Bob Pirrie gave a presentation and did a nice job of explaining the West Eugene Parkway project, its history, and how it would or would not function. There was a process then whereby each person was given an opportunity to ask questions. Mr. Gaydos thought the questions had been good. Most of the questions were about the funding issue and whether or not the funds could be retained.

Mr. Pirrie said that the funding most likely could not be retained, and it was difficult to predict whether or not the funds could be used for any other projects in the area. Those projects would have to compete individually for funding. There was discussion about how quickly some ideas that were presented could move forward, but it was thought that the bid process could not be completed in the short timeline.

Eventually, there was a motion made by Councilor David Kelly to give direction to the City Manager to investigate other alternatives to the west. Following the staff and JEO discussion, it was decided that a thorough response could not be accomplished.

Eugene Mayor Jim Torrey wanted the authority to lobby parts of the project to ODOT to see if there was anything that could be successfully funded. The original motion was amended to allow lobbying to occur, and that motion eventually was passed.

During the discussions, several people had to leave. The County Commission lost its quorum, and several city councilors left as well. No vote was taken as to whether or not the project would go forward. A vote was taken to review some alternatives without spending much time or money. It was not known how far that would go or what would happen.

Eugene City Councilor Gary Rayor had a motion that he previously had sent to other members via email, and his motion was for Parts 1A and 1B of the WEP. Councilor Rayor did not move forward with his motion at the meeting because several people had left.

Ms. Hocken asked if another meeting had been scheduled. Ms. Wylie also had attended the WEP meeting. She said that at the beginning of the meeting, each JEO member present had an opportunity to ask questions and make comments. Toward the end of the meeting, it became more of a City of Eugene meeting. Ms. Wylie hoped it was helpful to the City to have the other jurisdictions present at the meeting.

Metropolitan Policy Committee (MPC): Ms. Hocken reported that there were two outstanding Draft TransPlan issues that were to have been resolved at the last MPC meeting. The river crossing study was one issue, and MPC had agreed to omit a river crossing study from the Draft TransPlan. The other issue was the proposed addition of a finance policy with regard to the prioritization of spending on roads and other improvements. Even though there were five different options presented, the discussion was tabled for lack of agreement.

In addition, MPC began discussing a letter that had been received from Lane County Commissioner Peter Sorenson regarding some concerns he had about the Draft TransPlan. Some of the concerns already were being addressed.

MPC would discuss fiscal constraints at its March meeting.

Mr. Kleger asked if anyone had noticed that the proposed Finance Policy as written could put creating a new bike path that tied together two isolated segments at the bottom of the priority list. Ms. Hocken said that she did not think so, because alternative modes was mentioned in the first priority. She did not think that was the way the City of Eugene was interpreting the language, and she thought that was part of the reason LTD had chosen to support Option #5.

Ms. Hocken said that also at the MPC meeting an MPC bylaws change had been approved to allow Willamalane to be part of the conversation when regional parks and open space issues were discussed. County Commissioner Bill Dwyer also asked for another bylaws change to limit the role that LTD played at MPC from discussions of transportation issues to discussion of transit-only issues. Ms. Hocken said it was questionable whether or not that language would satisfy the federal statute that required LTD to be part of the discussions about transportation issues. A case would be made to the MPC Board that it was not a minor language change, but a substantive change to the bylaws, which would result in noncompliance.

Capitol Grants Administrator Lisa Gardner said that Lane Council of Governments (LCOG) staff were working on the issue. The LCOG staff recognized that LTD was required by federal regulations to be part of the MPC discussions in regard to transportation issues. LCOG staff, as the staffing agency for MPC, would make a presentation to MPC reiterating that response.

BRT Steering Committee / Public Design Workshops / Walkabout Input: This information would be shared later in the meeting during the BRT Update agenda item.

Statewide Livability Forum: Ms. Lauritsen had nothing new to report.

Board Finance Committee: The information from the Board Finance Committee had been shared during discussions about fare increases and the CSR.

LTD GENERAL MANAGER'S REPORT: Mr. Hamm had nothing to add to his written report that was contained in the Board agenda packet.

JANUARY 2001 FINANCIAL STATEMENTS: Staff had nothing further to add to the agenda packet summary.

TRANSPLAN UPDATE: Capital Grants Administrator Lisa Gardner said that the information included in the Board agenda packet was intended as an informational item to let the Board know where the resolution process was for the unresolved issues. She said that at the next MPC meeting, the first item for discussion would be the letter from Commissioner Sorenson. At issue was the BRT Policy, which was a resolved issue in the Draft TransPlan.

Commissioner Sorenson's letter raised the question of whether or not the Phase 1 BRT project would do enough to effectively address the BRT Policy. Ms. Gardner thought there would be some discussion about BRT at the MPC meeting. She thought that some people may have confused the Phase 1 BRT implementation as being part of the Draft TransPlan approval process, which it was not.

Ms. Wylie added that one of the issues that had come up during one-on-one meetings with members of the other jurisdictions was that so much had been said about Phase 1 BRT, but not much had been mentioned about Phases 2 and 3.

Ms. Gardner added that the response to the discussion was that TransPlan provided the framework. The BRT Policy allowed for implementation of specific BRT phases, which were approved on a project-by-project basis. All the jurisdictions would have involvement and a voice in each phase of the project. TransPlan really was not about the approval of Phase 1 BRT.

BUS RAPID TRANSIT UPDATE: Planning and Development Manager Stefano Viggiano said that the Lane County Planning Commission and Roads Advisory Committee recently had recommended approval of the Glenwood segment to the Board of County Commissioners. They chose to focus on the parts that were outside of the city limits, and they recommended that the Board of Commissioners defer to the two cities any approvals for the parts of BRT that were located within their boundaries.

In addition, it recently was learned that the median on Franklin Boulevard, which had the potential of being designated a national historic site, actually would not be. The decision had not yet been made formal but was expected to be very soon. An historic designation would have meant a very lengthy study process.

A meeting with the Springfield Planning Commission had been scheduled for the next week, which most likely would be their last meeting to discuss BRT. The Planning Commission had opened its own public comment period, and it was expected that a recommendation would be made to the Springfield City Council following the closure of the public comment period.

On March 7, 2001, representatives of the CiViS bus would visit LTD. Elected officials were being invited as were some community leaders and key LTD partners to a presentation that CiViS would make to LTD about its buses. A meeting and dinner would be held with LTD Board members, and a noon-hour presentation would be made to LTD employees. Ms. Hocken suggested that staff also invite the people who had attended BRT workshops. Mr. Gaydos thought that representatives of the media also should be present.

Mr. Viggiano then discussed the timeline and process for working on Phase 2 of BRT.

ADMINISTRATION OF SPECIAL TRANSPORTATION SERVICES: Assistant General Manager Mark Pangborn said that he had nothing to add. The plan was moving ahead for the administration of the special transportation services to be brought in-house.

EMPLOYEE APPRECIATION BANQUET: Mr. Hamm noted that the Employee Appreciation Banquet would be held at the Valley River Inn on Sunday, March 18. All Board members were invited to attend and to bring a guest.

MONTHLY STAFF REPORT: Nothing was added to the reports contained in the agenda packet.

MONTHLY PERFORMANCE REPORTS (November and December 2000): Ms. Wylie said that the monthly performance report was a new addition to the Board agenda packet and was to be included monthly as an information-only item.

ADJOURNMENT: There being no further discussions, Ms. Wylie adjourned the meeting at 8:31 p.m.

V Lauritsen

Board Secretary