

## MINUTES OF DIRECTORS MEETING

### LANE TRANSIT DISTRICT

### REGULAR BOARD MEETING

Wednesday, May 16, 2001

Pursuant to notice given to *The Register-Guard* for publication on May 10, 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, May 16, 2001, at 5:30 p.m., in the LTD Board Room at 3500 East 17<sup>th</sup> Avenue, Eugene.

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

Absent: None

**CALL TO ORDER:** Board President Hillary Wylie called the meeting to order at 5:48 p.m.

**PRELIMINARY REMARKS BY BOARD PRESIDENT:** Ms. Wylie thanked that Board members and staff members for all the efforts that had gone into gaining the recent approvals from the Eugene City Council and the Board of County Commissioners for the bus rapid transit (BRT) pilot corridor. The Springfield City Council had given preliminary approval, with formal approval expected at its June 4 meeting. Ms. Wylie said that she was well aware that everyone who had been involved, including staff and Board members, had worked extremely hard. She said that this was a pinnacle and a starting point, and she was proud of the tremendous effort that was made to build relationships and to reach accord with many diverse people with different opinions. LTD was attempting to bring a vision for the future to the community, and she again thanked all those who had been involved.

**ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA:** Ms. Hocken said that she understood that the City of Eugene would be hosting a summit workshop in mid-June about the West Eugene Parkway, and she asked if LTD planned to be a part of it. Transit Operations Manager Mark Johnson said that he was a member of the Eugene Chamber of Commerce task force for the West Eugene Parkway, who would be involved in the summit.

Mr. Kleger said that he had received a mailed request for input regarding the State Transportation Improvement program (STIP). He asked that in the near future, the Board discuss the STIP and come to a common response. He thought it would be good policy for

the Board to unite on the issue. The timeline for responding was August 12, 2001. Ms. Wylie asked that the subject be placed on the June work session agenda.

**WORK SESSION – DISCUSSION WITH EDWARD THOMAS:** Ms. Wylie introduced Edward Thomas, Associate Administrator for Research, Demonstration, and Innovation at the Washington, D.C., headquarters office of the Federal Transit Administration (FTA). Ms. Wylie said that LTD had the pleasure of working with Mr. Thomas during the past few years through the BRT consortium. She added that Mr. Thomas was a person who was easy to talk with and who provided encouragement to the District in its efforts.

Mr. Thomas thanked the Board and staff for the opportunity to visit the community. It was important to him to establish relationships with the transit agencies in order to do his job. His job was to help the industry incorporate some of the available innovations, in terms of technology, new ideas, and new methods and techniques for the purpose of making transit systems safer and more environmentally friendly, as well as to improve the overall mobility and access to public transportation.

Mr. Thomas said that LTD had done a tremendous job in getting where it was with the BRT project in a fairly short period of time. It always was good, from the federal standpoint, to know that a community had its act together, which facilitated federal effectiveness. Those communities that could reach a level of consensus, through collaborative efforts, tended to be the most successful.

Mr. Kleger said that he was quite concerned about issues pertaining to accessibility for people with disabilities. BRT would depend partially on the prepayment of fares in order to be as efficient as possible. For people who used monthly passes, it would not be a problem, but Mr. Kleger had been concerned for some time about the practicality of fare vending machines at stations for people who had limited hand functions. He asked if the FTA had found any effective strategies for addressing that concern. Mr. Thomas replied that fare collection techniques was an issue that LTD would sort out locally as it arrived at the more detailed work stage of the BRT planning process. There were many techniques being used across the country. Some used a more technological approach, while others used more of an infrastructure approach. The objective was to find the quickest way to load the vehicle. The FTA would be able to assist with researching the various fare collection techniques and could provide information about where those techniques were in use and how they were working.

Ms. Wylie said that European transit systems did not use wheelchair tie-downs, but American systems did, and asked if it would be an issue if European vehicles were used for BRT. Mr. Thomas said that the FTA was researching some alternatives, such as clip-ons. The FTA had held workshops to discuss some of those issues, such as the difference between the BRT vehicle and a rail vehicle. There was one set of standards for securement for rail vehicles, while there was another standard set for buses. If the BRT vehicle was more rail-like, maybe the European approach could be followed. It would constitute a change, and Eugene would not be alone in addressing the issue. He said that there would be a national response. The BRT cities had put the issue on the table, and its resolution would benefit the entire industry.

Mr. Thomas said that at the national level, other things were happening to address the issue of accessibility. President Bush had a small transportation item on his platform, which many did not know much about. It was called the New Freedoms Initiative to increase access for people with disabilities, and was comprised of two parts with respect to transit. The first part was a \$45 million program to find more innovative ways to improve access to jobs for persons with disabilities. The second was a \$100 million competitive grant program for states and local governments to enhance what already was being done to improve access. It was an interesting program, and could have connections to BRT.

Mr. Thomas said that the competitive grant program proposal being considered would function very similarly to the Section 5310 elderly and handicapped program, which was managed by individual states. It was a formula-based program in terms of how funds were allocated. The FTA was proposing to use that mechanism for the \$100 million competitive grant program. The \$45 million pilot program, as proposed, would be distributed on a discretionary basis, based on certain criteria, including coordination and collaboration at the local level and knowing the market and where the needs and gaps were. Mr. Thomas added that the timing was excellent, and it was a logical extension to the Americans with Disabilities Act (ADA). There already had been some experience with the ADA, and there remained some issues to be dealt with. This proposal would facilitate addressing those issues without compromising existing services. The FTA was in the early discussion phase of that proposal. Ms. Wylie said that it sounded good, because it cost so much money to operate those systems, leaving little money available for innovative improvements.

Ms. Wylie asked Mr. Thomas to provide an update on the BRT vehicle design research. Mr. Thomas said that the FTA received 58 proposals for different types of vehicle designs. Mr. Thomas had reviewed the designs in terms of art, but being an analyst, he also viewed the 58 concepts in terms of what the authors were trying to communicate to transportation officials through their designs. One of the overall messages was to make sure the system was flexible. Because there was not a need for the same capacity for each segment of each trip, the vehicles should have the capability of being broken down into smaller vehicles. There were concepts about modularity to make the vehicle simple and easy to operate, such as being able to operate the vehicle both from the front and the rear. There were a variety of sleek looking, rail-type vehicles. There were vehicles designed with safety and access in mind, and many other concepts that addressed the functionality of the vehicle. The 58 conceptual designs had undergone a technical review to determine which ones could be eliminated. For instance, one of the designs featured a "mother ship," with many smaller vehicles that disengaged to take smaller groups of people off into their neighborhoods. Many of the concepts depicted vehicles that manufacturers just would not build, and LTD would not buy.

On June 17, an awards ceremony would be held. A jury that included automobile and transit experts was judging the designs, and three awards (first, second, and third) would be given in two categories. The first category would be based on concept, and the second category would be based on how the vehicle related to the rest of system. Mr. Thomas said that this had not been an exercise to re-engineer the transit industry, but to respond to an industry that was asking for research. It was hoped that the concepts would make sense. On June 18, awards of \$30,000 to \$70,000 would be given to winners of the two categories for further development with vehicle manufacturers.

Ms. Wylie asked if FTA funds were available to assist bus manufacturers in retooling to produce a new-design bus. Mr. Thomas said that there was a financing mechanism available within the Department of Transportation (DOT), under the Transportation Innovative Finance Infrastructure Act (TIFIA) to assist agencies, including private sector companies, that would be participating in large infrastructure-based projects, like highways and transit new starts, etc. It was a credit-based program, where participants could borrow at low interest rates. A \$35 million technology component was included in the TIFIA statute and could be available both to the private and public sectors. Transit dollars in TIFIA were required to go to an eligible recipient, such as a transit agency, local government, state DOT, etc., and were not available to the private sector.

Ms. Hocken asked about the New Starts program. Mr. Thomas said that the New Starts program was part of the FTA discretionary program, and there were two types of funding that would be available. One was formula based and was allocated based on population and service area, in which the recipients fairly routinely received funding. The other funding mechanism was a capital investment program, which was discretionary and was available in three tiers, including bus, fixed-guideway modernization, and new starts. The capital investment program had a bit more than \$1 billion per year available.

The fixed-guideway modernization tier, while it was in the discretionary pool, was more of a formula-based allocation, based on a percentage contained in the statute. It was somewhat like earmarking.

The New Starts allocation was quite different. That funding was earmarked during the authorization or reauthorization of a transportation act, such as the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21). Congress selected the projects to be funded, however, the law stated that a new start planning process must be in place prior to funding.

The competition for new start funding was fierce, with 60 percent of the funds already spoken for. The entire balance would be allocated between proposals made for Fiscal Year 2001 and recommendations made in the budget for Fiscal Year 2002. Approximately \$8 billion already was allocated through the authorization that would expire on September 30, 2003. The whole process of reauthorizing surface transportation programs already was underway.

What occurred during this reauthorization was what LTD needed to be concerned with, unless someone in the current authorization happened to drop out. Mr. Thomas cited an incident in Honolulu, Hawaii, where that actually had happened. Money already had been appropriated for a project, but had to be reallocated because the project was dropped.

Mr. Thomas said that the funding would be based on the question of LTD's readiness and how far along LTD was in the process, and if those eventualities occurred in the next 1.5 years, LTD would be ready to compete. Those who would be able to compete most likely would be funded. The probability was around 85 percent certain that those projects that had made it as far as preliminary engineering would end up being built.

Ms. Hocken asked what the local match expectation was for the New Starts funding. Mr. Thomas said that the budget proposal of the current administration was to increase local

share from 20 percent to 50 percent. Doing so would give some relief in terms of getting more projects funded. That fact alone could cause some cities to drop out of the program.

Mr. Hamm said that there had been some dialogue at the American Public Transportation Association (APTA) reauthorization committee meetings about the uniqueness of BRT. There was discussion about the New Starts program potentially developing a tiered evaluation system, so that BRT would not be competing directly against pure fixed-guideway proposals. He asked how real some of those ideas were, at that point in time, in terms of restructuring the 40/40/20 allocation split and including BRT somewhere in the mix. Mr. Thomas said that he believed BRT projects would be competitive. The FTA currently was working with 9 of the 11 BRT projects in the New Starts process. There was a process, and Mr. Thomas believed LTD was well positioned to compete. The definition piece of BRT needed to be finalized in order to figure where it fit for funding consideration; for instance, if it should be considered a bus project or a fixed-guideway project.

Mr. Thomas said that it was a stroke of genius on LTD's part to get the Phase 1 BRT pilot project funded through the bus program. Whether it was intentional or not, it was very interesting. There were \$567 million per year available under the bus funding program. When the local match and highway transfers were added to that, it was quite likely that there were more than \$1 billion per year being spent on buses and bus-related facilities. By including BRT funding in the bus program, LTD sent a message to the nation to be a bit more rational about how money was allocated. LTD upped the bar on how bus money was spent, because LTD had all the of the planning and coordination processes already behind its project. Someone at the federal level would have to realize that a very innovative and competitive project was funded out of the bus program, and a determination would need to be made as to whether the bus program should continue to fund those types of projects. It seemed as though something like a new starts program should be included within the bus program.

Mr. Thomas said that LTD needed to consider whether to continue with BRT in the bus program, or whether to move the BRT project to the new starts program. Bus program funds were allocated according to Congressional discretion, while new starts funding was more structured.

Ms. Wylie said that LTD had lead time to do the planning in order to get in line for the TEA-21 reauthorization. By then, a piece of BRT would be built and would be used as a demonstration.

Mr. Hamm said that the Board and staff were considering what to purchase as the BRT vehicle. The dilemma was to find a vehicle that had curbside appeal and at the same time honored the commitment to the community to honor the environment. He asked where the technology was today, and where it might be in two years.

Mr. Thomas said that an expectation had been created that a BRT vehicle would be sexy looking and would be a green vehicle. A visual preference study had been conducted regarding transit vehicles. Generally, the respondents thought that buses were not safe, and they did not like the design, either externally or internally. Most people did not like transit buses. The people surveyed came from all walks of life, and the survey findings were

consistent, and it was a very valid survey instrument that could be used for more than just the design of transit vehicles.

One of the issues that was identified by the BRT consortium cities was the look and feel of the BRT vehicle, which was key to the success of any BRT project. The vehicle had to be something new looking, with a brand name that people could recognize. The challenge of new technology was that it had to be electrically driven, the systems had to be well integrated, and it needed to have enough power to do what it needed to do. There were risks, and systems should be in place to deal with them. Fleet maintenance personnel would have to do homework to understand the programs involved in the vehicle. Risk management techniques would need to be in place to test, get good data, and evaluate results. How to procure the vehicle was another important issue. It would be desirable to have a vendor and manufacturers who would be around at least beyond the warranties and long enough to get needed data. The Federal Transit Statute included leasing and lease maintenance. A leveraged lease with maintenance incorporated into the lease was a legitimate transit process.

The Tax Reform Act was amended to include qualified technology equipment to accelerate the depreciation of technology. The procurement and financing techniques could be part of the risk management.

Mr. Thomas added that it was probable that electrical engineers currently were not maintaining buses, but buses of the future would be "high tech" and would need a different level of maintenance expertise.

Ms. Wylie asked if Mr. Thomas knew where the CiViS bus currently was in the Altuna testing process. Mr. Thomas said that the Altuna Testing Center was being retrofitted to handle BRT. The CiViS vehicle had not been tested because it had not yet been delivered. The Las Vegas transit agency had ordered CiViS buses, and Mr. Thomas suggested that LTD work closely with the Las Vegas transit agency, and, in fact, that Las Vegas should be one of LTD's close partners. If Las Vegas received six CiViS vehicles, for instance, maybe they would loan one to LTD to test, or LTD should get involved with Las Vegas' testing process. LTD also might want to take a look at the CiViS contract to see how testing was dealt with. Apparently CiViS had plans to set up shop in United States; otherwise, transit agencies would need a Buy America waiver. European bus manufacturers had requested a workshop with the U.S. BRT properties. They were interested in sponsoring BRT workshops around the U.S. The European Union had replicated the FTA's demonstration program and had made it more extensive. It was likely that those workshops would take place.

Ms. Wylie asked if Mr. Thomas knew if CiViS' desire to build in America would happen and if there was a timeline. Mr. Thomas said that Mantra, the corporation under which the CiViS was built, already had an office in New Jersey. The future of CiViS coming to America depended on the market.

Mr. Kleger asked about the number of American manufacturers who had corporate linkages with European manufacturers, and if any were developing into a wider range of selection in the U.S. market. Mr. Thomas said that the problem with the American manufacturers was that they were too customized, but they were getting the sense that things were changing in the American transit industry, and that it was a growing industry.

Secretary of Transportation Norman Mineta, during testimony before the House Appropriations Committee, had a discussion with a Congressman from Michigan. The Congressman had said that Detroit's Big Three manufacturers were interested in developing a new transit model. New technology already was being used in the American-made buses that were being sold to other countries. For instance, Ford buses were being used in Curitiba, Brazil. They were not being sold in America, because America's regulations were too constrictive.

Mr. Thomas said that if American manufacturers did not gear up, then the European and other nations' bus makers would take away American business. American manufacturers would respond, because of the economic benefit.

Mr. Hamm said that the procurement partnering process needed to be more inclusive of the manufacturer. Mr. Thomas said that a bus summit had been held that focused on procurement in terms of how it was related to planning, standards, and technology. He noted that the proceedings from that bus summit were available on the FTA Web site. The FTA planned to hold bus roundtable discussions throughout the country to follow up on the action items from the summit.

With regard to technology deployment, Mr. Thomas said that the new technology was driving some companies out of business. Those companies were making big investments in new technology, but were not recovering those investments, and this was recognized at the federal level to be a problem area. One of the vendors at the bus summit had mentioned that the federal government needed to partner with the manufacturers and transit in the new technology deployment to provide a better cushion for the manufacturers. For instance, such a partnership might assist a manufacturer that otherwise would be spending 100 percent of its money to provide LTD with a CiVis-type vehicle that still had \$50 million to \$60 million of research and development behind it that was virtually unrecoverable.

Ms. Wylie thought that part of the low-interest loan program could assist the manufacturers with recovering some of those costs. She then thanked Mr. Thomas for visiting with the Board. Mr. Thomas thanked the Board and said that it was good to spend time with the transit policy makers.

Ms. Lauritsen said that she found interesting the references Mr. Thomas had made to "part of his everyday job." She recently had attended a meeting of the Willamette Valley Livability Forum, which was a group that also was trying to do what he was doing on a daily basis, which was to anticipate issues associated with the expected doubling of the population in the Willamette Valley by the year 2050. Traffic congestion was expected to increase by 80 percent if nothing was done. All of those same issues were being discussed at the state level. Mr. Thomas said that the transit industry was sponsoring some research called "New Paradigms." Basically, the transit industry was saying that in the future, what we called public transportation today would not be exactly the way it looked today. Transit agencies would be managing and controlling their own assets, but also would be more focused on service. Transit would be doing things tomorrow that were not imaginable today. He added that it appeared that congestion was a top priority for Secretary Mineta, who might be the right person, at this point in time, to put a dent in congestion. Mr. Thomas suggested that LTD look into the Transportation Cooperative Research Program (TCRP) to learn more about the research and Secretary Mineta's agenda.

Again, Ms. Wylie thanked Mr. Thomas and said that she looked forward to his address at the Eugene City Club the next day.

**EMPLOYEE OF THE MONTH – JUNE 2001:** Bus Operator Shawn Bradley was selected as the June 2001 Employee of the Month. Mr. Bradley was hired on January 12, 1998, and had earned awards for two years of safe driving, two years of correct schedule operation (CSO), and exceptional attendance. In 2000, he also earned an accessible service award for excellence in service to persons with disabilities. Mr. Bradley was nominated by a group of people from Resurrection Community Church for his humor and thoughtfulness during a holiday lights tour through Springfield. The church members were so delighted with Mr. Bradley's service that they gave a donation to Bratton House, a facility for the needy, in lieu of a "tip," to express their gratefulness to Mr. Bradley and LTD.

Transit Operations Manager Mark Johnson said that he never tired of recognizing good employees and introduced Mr. Bradley to the Board. Mr. Johnson said that people recognized special people, and LTD's guests appreciated the service Mr. Bradley provided. Mr. Bradley had been employed with the District for only 2.5 years and had an excellent record. Mr. Bradley had served on several employee committees and was a transportation coordinator for special events. Mr. Bradley's supervisor had recognized Mr. Bradley for doing a good job. His colleagues, other transportation coordinators, were present earlier to lend their support for Mr. Bradley's selection as Employee of the Month and had wanted the Board to know how much they enjoyed working with Mr. Bradley.

Mr. Hamm added that sometimes when working in an organization, one gets to know people in different ways. Mr. Hamm had met Mr. Bradley one day, shortly after Mr. Hamm arrived at the District, and had developed a very fun relationship with him. Mr. Hamm said that it was that type of camaraderie that built teams. He told Mr. Bradley that it was a pleasure to work with him.

Ms. Wylie congratulated Mr. Bradley and presented him with an Employee of the Month lapel pin, a plaque, a letter of commendation, and a monetary award. She said that when someone described a person like Mr. Bradley to her, she recognized that person as a leader. She thanked Mr. Bradley for his excellent service to LTD and its guests. Mr. Bradley thanked the Board, the general manager, the operations manager, and his fellow employees for their support. He appreciated the recognition and enjoyed working at LTD.

**AUDIENCE PARTICIPATION:** No one from the audience wished to address the Board.

**CONSENT CALENDAR:** Mr. Kleger moved adoption of the following resolution:, "LTD Resolution No. 2001-017: It is hereby resolved that the Consent Calendar for May 16, 2001, is approved as presented." Mr. Bennett seconded the motion, which carried by six votes in favor (Bennett, Gaydos, Hocken, Kleger, Lauritsen, Melnick, and Wylie), and one abstention. Ms. Hocken abstained because she had not attended the April meeting. The May 16, 2001, Consent Calendar consisted of the minutes of the April 18, 2001, regular Board meeting.

MOTION  
VOTE

**PRIORITIZATION OF PROJECTS – FISCAL YEARS 2002 AND 2003 PUBLIC TRANSIT DISCRETIONARY GRANT PROGRAM:** Special Transportation Program Administrator Terry Parker said that in previous years, this review likely was covered in Consent Calendars. This year, her move to LTD as an in-house position created an



interesting situation. LTD will serve as both the Special Transportation Fund (STF) governing body as well as an applicant and a recipient of Public Transit's discretionary grants. Applications for FY 2002-03 are standard vehicle requests, with the exception of project #2. The State has considered the maintenance of services and the replacement of vehicles its highest priority. For this reason, the RideSource facility project was listed in the second position.

The facilities project was one that staff knew would use federal money, and because federal funding would be used, a site selection process and an environmental review needed to be undertaken. Due to the FTA requirements for site selection, the grant request was for full project funding, as though a site would need to be purchased for \$1.5 million and a facility built from the ground up, which currently was not anticipated. The project ranking recommendations were being submitted to the Board from the Special Transportation Fund (STF) Advisory Committee.

**MOTION** Ms. Hocken moved the following resolution: "Lane Transit District Resolution No. 2001-018: It is hereby resolved that the LTD Board of Directors authorizes the submittal of the Governing Body's Information and Certification and Consolidated Application Ranking Sheet for Special Transportation Proposals for Fiscal Years 2001-02 and 2002-03 to ODOT Public Transit Division." Mr. Kleger seconded the motion, which carried by unanimous voice vote, with Bennett, Gaydos, Hocken, Kleger, Lauritsen, Melnick, and Wylie voting in favor, and none opposed.

**VOTE**

**SPECIAL TRANSPORTATION FUND ADVISORY COMMITTEE RECOMMENDATIONS FOR STF ALLOCATIONS FOR SPECIAL TRANSPORTATION SERVICE/ OPERATIONS CONTRACTS FOR FISCAL YEAR 2002:** Ms. Parker said that the Board also had seen parts of this item in past years. The allocations by contract already were known. Ms. Parker provided more detailed information about the various contracts for service within the District boundaries and for service outside the District boundaries.

Mr. Hamm reminded the Board about the transition of the Special Transportation Program from the Lane Council of Governments (LCOG) to LTD on July 1, 2001. Some detail of this transition had not appeared before the LTD Board. LTD previously had funded the program through an agreement with LCOG. In future years, the Board would be seeing the Special Transportation Program (STP) proposals as part of its regular meeting agendas.

**MOTION** Mr. Kleger moved the following resolution: "Lane Transit District Resolution No. 2001-019: Be it resolved that the LTD Board of Directors approves the recommendation of the STF Advisory Committee to distribute funds to the providers named and in the amounts listed in the Draft FY 2001-02 STF Formula Allocations for Lane County Special Transportation Operations." Ms. Hocken seconded the motion, which carried by unanimous voice vote, with Bennett, Gaydos, Hocken, Kleger, Lauritsen, Melnick, and Wylie voting in favor, and none opposed.

**VOTE**

Ms. Hocken asked about legislation with regard to elderly and disabled services that President Bush was proposing. Government Relations Manager Linda Lynch said that not much was known at this time, and she did not know what Congress would do with the President's proposal. She said that she could not remember if there was a plan to take money from another pot to fund the proposed legislation, but she would research the issue

and provide a better answer at a future Board meeting. Ms. Parker added that she received a biweekly newsletter from the Community Transportation Association of America, and when the issue was highlighted more, she would begin making more inquiries. Ms. Wylie said that from what Mr. Thomas had said, it sounded as if the \$100 million would be used for block grants to states, and that the \$45 million would be discretionary grants, so there could be an opportunity for LTD.

**FOLLOW-UP DISCUSSION ON FISCAL YEAR 2001-02 BUDGET APPROVED BY LTD BUDGET COMMITTEE ON APRIL 26, 2001:** Mr. Melnick expressed his disappointment with the precipitous vote that occurred at the end of the second Budget Committee meeting, which took several Board members by surprise. Following the excellent staff presentation and the listing of four major discussion questions, Mr. Melnick said that he had anticipated some conversation among the Committee members. He thought that the Board should hold the discussion before voting on the budget in June. At the very least, he believed that the Board should commend the staff for the tremendous job in presenting the budget, and at the most, he thought the Board should have the discussion to decide whether or not the proposed budget was one the Board could live with. Mr. Melnick said that he viewed the budget as a vehicle for achieving goals and implementing values. The budget in and of itself was not as important as the purpose of the budget and what LTD was trying to achieve with the budget and whether or not, as a Board, the right big-picture decisions were being made.

Mr. Kleger said that the staff presentation struck him as reflecting very well on what the Board had advised and taken action on during the past few years. He thought the past few days of BRT approvals by the Eugene City Council and the County Commissioners gave reason to believe LTD was doing something right. Despite very vocal opposition, LTD had managed to win the approval of its partner jurisdictions. His views also depended upon seeing the results of the Comprehensive Service Redesign (CSR) implementation in September. There were elements of the CSR that Mr. Kleger hoped worked well, as he did not see any other way to increase productivity, but it would not be known until it was implemented. Staff had worked diligently to seek ways to improve productivity. Mr. Kleger did not have any particular suggestions for improvement in next year's budget presentation, as the particular format of the budget presentation rarely made much difference to him. He generally read through the materials thoroughly and was quite familiar with LTD's operations.

Ms. Wylie said that she had assigned the Board Finance Committee to work with staff on the presentation and meeting format for next year. With regard to the process, she thought that Mr. Melnick had joined the Board just before the annual strategic planning work session, in which in-depth discussions were held about major issues, which then were translated into the proposed budget. For instance, all the work on the CSR with regard to productivity issues was a result of the previous year's strategic planning work session discussion.

Ms. Hocken said that she agreed with Mr. Kleger. She had been unable to attend the first evening's budget presentation, and wondered what the difference had been about this budget process compared with the previous one. She thought the Budget Committee had been presented a more macro level than in the past. The budget was a policy document, and while there were line items in the budget, the Board appropriated it at a higher level. At some point, the macro look was appropriate; however, this year, not much time was spent

discussing general fund expenditures. There was much detail about capital expenditures, and a certain amount of time was spent on general fund revenues, but the general fund expenditures were missed. If that had been included, plus the overview and discussion, the budget meetings would have taken three nights to complete instead of two. If the objective was to keep the meetings to two nights, the format would need to be changed somewhat. Ms. Hocken said that she was not sure what the answer was, but the Board Finance Committee would be reviewing the process.

Ms. Wylie said that the Board would vote on the budget at its June meeting. She asked if Board members wanted staff to make a more in-depth presentation before the vote. The members did not believe more presentation was necessary. Ms. Lauritsen thought the frustration was from the lack of discussion at the Budget Committee level.

Mr. Gaydos agreed. He said that people did become fatigued from two nights in a row, but the LTD staff was known as a quality staff who were proactive in responding to issues. Sometimes there was a sense of "this is okay," and he thought that could have been the case with the Budget Committee. Specifically, there were "gut checks" in the budget that did not get discussed, one of which was borrowing money, which had been discussed at a certain level but needed more in-depth discussion. Mr. Gaydos said that he was comfortable with debt financing, but was nervous about the new concept.

Mr. Gaydos said that another "gut check" issue was that LTD was at the legal limit on both the payroll and self-employment tax rates, which was one reason that debt financing was being introduced. There remained a level of anger in the community about the taxes and those types of issues. When talking with people about the general acceptance of BRT, Mr. Gaydos was not sure that there also was general acceptance of LTD and how it was funded. Rising expenses also were discomfoting, but it appeared that LTD was doing all it could do to be efficient with the operations and budget. He believed that LTD was a good steward of public dollars.

Mr. Gaydos further said that he believed that efforts to increase system productivity were appropriate, but what did it mean to be productive? He thought LTD was on the right track, and he generally felt good about the proposed budget and, therefore, did not feel a need for discussion at the Budget Committee.

Mr. Melnick said that he appreciated all the comments. He asked for a short presentation of the major budget issues at the June meeting prior to the vote on the budget. For instance, he would appreciate a presentation followed by Board discussion about what debt financing would mean for the District. Debt financing was a big change, and LTD was changing. It was not just business as usual.

Ms. Hocken said that she had been disappointed in the rapid vote because in the past, the Board frequently received very good information from the Budget Committee's citizen members through the discussion process. Mr. Kleger said that the lack of discussion was due, in part, to the chairman having moved to a vote too quickly. It was common practice to have a motion on the table prior to discussion.

Ms. Lauritsen said that during the Board Finance Committee meeting, she intended to make some proposals for future Budget Committee meetings. She liked the two-night

format, but because LTD was required to have a Budget Committee, there needed to be more participation. One suggestion was to have the staff presentation at the preliminary meeting that was held for only the citizen members of the Budget Committee, as the Board was fairly familiar with the issues. Then, the Budget Committee might be more efficient in discussing an issue-type agenda in a roundtable discussion. The City of Springfield budget had passed in four nights, and the only thing Ms. Lauritsen would have done to change that process would have been to cut the staff presentations down on both the second and third nights, because the entire fourth night was spent in discussion.

Mr. Bennett said that because the Board discussed the budget issues throughout the year, he had been prepared for discussion of the budget with the Budget Committee.

Mr. Melnick said that this was the type of conversation he had desired.

Mr. Bennett said that he thought the Board should discuss the role and expectations of the Budget Committee and the budget review process. He said that, by design, LTD had handled the budget committee process with purpose but possibly not as seriously as some other budget committees might; that is, two or three meetings do not allow discussion in very much detail. A person might make the argument that the Board should engage the non-Board members of the Budget Committee differently, and that was the discussion he would like to have. His concern was not about a lack of information or understanding as a Board member. It was hard to know the worst case scenario for capital, BRT and other new initiatives, or payroll tax revenues. He thought it might have been good to have more discussion about that, because some of those were having a negative impact on the budget. Other than that, however, he felt that he as a Board member was kept very much up to date and that the financial work done at LTD was very strong.

Mr. Kleger said that he had thought about other budget committee processes that he had observed and participated in. LTD had a fairly narrowly focused activity with few flexibility factors, which was part of reason for the rapid meetings. He was surprised at how few critical questions had come from the citizen members of the Budget Committee. It surprised him each year, but he thought it really was a compliment.

Mr. Hamm said that he viewed the budget as a work in progress that began with a best guess based on various factors. The Board had a more frequent engagement with the staff. As the environment presented highs and lows, LTD had to make adjustments as stewards of the budget. Calling in some citizenry once each year for a two-day presentation may not be the best way to approach the budget. It might be better to hold quarterly meetings, so that those members were continually included in building the strategy of the District. The citizen members were stakeholders as well, and possibly should be more engaged in those discussions.

Mr. Melnick said that the Board received a monthly update of the budget, so he agreed that the Board members were kept abreast of the budget issues and were not just presented with the budget once each year, as the citizen members were. He thought it would be interesting to hear what would happen if the Board decided it was not going to go into debt and how that decision would have effected the budget. Those were the types of options in a budget discussion that the members should be presented with. Staff could present their recommendations, and if the Board did not agree, staff then could present alternatives.

Ms. Wylie said that some of those types of "what if" issues had been discussed at the retreat. This whole discussion was valid and one that needed to be followed up on.

Mr. Kleger said that he heard mentioned earlier that the Board had not held an in-depth discussion about debt financing. He thought it might be useful to put together some work sessions on that subject and invite the citizen members of the Budget Committee to join in those discussions in order to get a more broad-based look.

Finance Manager Diane Hellekson said that the Board would spend some time discussing debt financing at the June meeting when it would be asked to approve the debt policies.

Ms. Hocken said that even though debt financing was in the budget, the Board was not committed to it and no decisions had been made; however, the Board was obligated to pass the budget in June. Ms. Hellekson said that while no decisions had been made, if there was any intent to use debt financing, then it needed to be appropriated in the proposed budget, and a decision could be made at a later date.

**BOARD MEMBER REPORTS:** a) **Metropolitan Policy Committee (MPC):**

Ms. Hocken said a most interesting thing occurred at the MPC level: MPC had resolved all the unresolved issues in TransPlan. LCOG was putting together the new draft and it would be circulated to the governing bodies. Adoption of TransPlan was expected in the next three to four months. The LTD Board could be taking action as early as the July Board meeting.

b) **BRT Steering Committee and Board BRT Committee:** The Committee had not met and there was nothing new to report. The next BRT Steering Committee meeting was scheduled for June 5. Planning and Development Manager Stefano Viggiano said that the June 5 agenda would include a discussion about the role of the BRT Steering Committee as BRT moved forward into Phase 2, and whether or not the same group should stay together for future phases. The emphasis of the BRT Steering Committee would shift more to planning for future phases, rather than the construction of Phase 1. The Committee also would discuss the process for selecting the location of future phases. Mr. Bennett thought the LTD Board should discuss whether the same Board members should remain on the Steering Committee.

c) **Statewide Livability Forum:** Ms. Lauritsen reported that she had attended a meeting on April 25. She passed a book of charts around for Board members to look at, and provided several interesting facts from the book. For instance, it took the state approximately 30 years to complete Interstate 5, which was a reminder of how long it took to change anything. The group would meet again in 6 months, and, the book was available for purchase.

Ms. Lauritsen added that while in Calgary for an APTA conference, she had come across a hotel mission statement that she liked: "We will earn the loyalty of our guests by exceeding their expectations." She thought that at some point it would be good to revisit the LTD mission statement.

d) **Eugene City Council Meeting:** Ms. Hocken reported that the Eugene City Council voted 6-2 to support the BRT Phase 1 pilot corridor and added a few amendments to the

staff resolution. The last amendment made was that LTD make a good faith effort to meet the schedule that was put together for completion of Phase 1 and the design and building of future phases.

Mr. Hamm said that Ms. Hocken did an excellent job representing LTD at the Council meeting. He added that he had received a congratulatory email message from Eugene Mayor Jim Torrey, thanking the Board and staff for their efforts.

Ms. Hocken added that she had been at the Council meeting only to answer questions, but the positive vote was more a result of all the Board members having spent time talking to people in the community, and the marvelous work of staff. There had been an intense effort to discredit the process during the past few weeks, but staff were quick to respond to those efforts. One of the core values for the District was tenacity, and Ms. Hocken thought that was what the Board and staff had exhibited in this process. Mr. Hamm said that much of the help behind the scenes came from the City of Eugene staff. They always had been partners who were committed to the project, and they continued to be excited about it.

e) **Joint LTD Board/Springfield City Council Meeting**: Ms. Wylie said that the joint meeting had been an excellent and very cordial meeting. The Council had asked good questions and had good discussions about the BRT project. The Board and staff had worked hard to build relationships with Springfield, which had paid off. Both jurisdictions were working together on common goals.

f) **APTA Bus and Paratransit Conference**: Ms. Lauritsen had attended the conference in Calgary. She said that she had enjoyed seeing all of the technology and other bus applications that had been discussed at Board meetings.

g) **Land Conservation and Development Commission (LCDC) Testimony**: Ms. Hocken said that she had talked earlier about TransPlan and how it was her expectation that it would be adopted within the next four months. The Transportation Planning Rule (TPR), which was put forward by the LCDC, required local governments to reduce vehicle miles traveled (VMTs) per capita by 5 percent over the next 20 years. In adopting the TPR, the LCDC also allowed local jurisdictions to define a set of alternative measures that would demonstrate how the region was reducing reliance on the automobile, which was the goal of the TPR. The Eugene/Springfield metropolitan area had put together a set of seven alternative measures to use in TransPlan, and those measures had to be approved by the LCDC before TransPlan could be finalized. The LCDC approved the alternative measures that were developed by an MPC subcommittee and later adopted by all the jurisdictions. There were a couple of conditions, primarily measurement issues that would result in a better way to count non-auto trips. The LCDC staff made a recommendation for additional guidance to be given to the local area, primarily in nodal development. Those were just guidelines, not conditions. The LCDC wanted those items incorporated into TransPlan, and MPC had added them to the implementation chapter of TransPlan.

Ms. Hocken had been asked to attend the LCDC meeting to testify, along with representatives from the Cities of Eugene and Springfield and from LCOG. Testimony also was given from the Friends of Eugene (FoE) and others. Bob Cortright from LCDC previously had come to Eugene and attended some of the meetings of the MPC

subcommittee, and he was aware that there had been discussions of substance about what would make TransPlan work.

h) **Lane County Commissioners Meeting:** Mr. Kleger said that Commissioner Sorenson, who also had served on the BRT Steering Committee, had done a good job in presenting the Phase 1 BRT project for approval, and the Commissioners had voted 4 to 1 to approve the project.

**GENERAL MANAGER'S REPORT:** Mr. Hamm highlighted the Bus Roadeo, which would be held on July 22, and the annual team LTD picnic, which would be held on July 29 at Jasper Park. Board members were invited to participate in both events. He noted that Salem Transit would be participating in the Bus Roadeo along with LTD.

**MONTHLY FINANCIAL REPORT – APRIL 2001 FINANCIAL STATEMENTS:** Ms. Hellekson noted that both ridership and revenue were up and had more than met expectations. It appeared to be a beginning of a stronger cash fare trend for LTD. LTD was experiencing record numbers of trips taken, and the payroll tax was back on budget for the year-to-date. The self-employment tax was strong as well. Staff also had brought the projected overrun in personnel services under control by offsetting contract overruns with administrative services. The Board Finance Committee would meet on May 29 to debrief the budget process, to review another version of the draft debt policy, and to discuss the next round of BRT financing.

Mr. Bennett asked staff to comment on why passenger fares were down while ridership was up. Ms. Hellekson said that the youth fare project was a factor. There were larger numbers of youth riding, but they were paying less, which resulted in a net loss in revenue. The fare per ride also dropped when more people used prepaid fare instruments.

Mr. Bennett asked about the effects of the fare increase. Ms. Hellekson said that 30 percent of LTD riders used cash fares, and those 30 percent would be affected by the fare increase scheduled for July 1. It generally took one to two years to realize the full effect of a fare increase. Mr. Kleger said that he also was seeing very heavy use of day passes by youth. Some were buying a day pass every day on Fridays, Saturdays, and Sundays. He thought that also was a factor in the increased ridership and depressed fare revenue.

**BUS RAPID TRANSIT UPDATE:** Mr. Viggiano said that he had nothing to add to what was written in the agenda packet.

**SPRINGFIELD STATION UPDATE:** There was nothing to add to the agenda materials that were presented.

**TRANSPLAN UPDATE:** There was nothing to add to this agenda item.

**BOARD ACTIVITY CALENDARS – SCHEDULE FALL STRATEGIC PLANNING WORK SESSION:** Ms. Wylie noted that there was a calendar included in the agenda packet to assist the Board in deciding on a date for the fall strategic planning work session. She asked the Board members to be prepared to select the date at the June meeting.

**CORRESPONDENCE:** Ms. Wylie asked the Board to read the materials in the Board packet with regard to correspondence, the monthly performance group report, and the monthly LTD performance report. She said that even though these items typically were not discussed at the Board meetings, they provided information that the Board had requested.

**MONTHLY PERFORMANCE GROUP REPORT:** There was no discussion on this topic.

**MONTHLY PERFORMANCE REPORT (APRIL 2001):** Mr. Hamm asked the Board to pay attention to the ridership recap on page 77 for both the fixed-route and the RideSource services. LTD was nearing 1 million rides per month in its combined toolbox of services.

**ADJOURNMENT:** There were no further discussions, and Ms. Wylie adjourned the meeting at 8:43 p.m.



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Board Secretary

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