

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL MEETING/WORK SESSION

Tuesday, February 19, 2002

Pursuant to notice given to *The Register-Guard* for publication on February 14, 2002, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a special meeting/work session on Tuesday, February 19, 2002, at 5:30 p.m. in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Gerry Gaydos, Vice President  
Patricia Hocken  
Dave Kleger, Treasurer  
Virginia Lauritsen, Secretary  
Robert Melnick  
Hillary Wylie, President, presiding  
Ken Hamm, General Manager  
Jo Sullivan, Recording Secretary

Absent: (one vacant position)

**CALL TO ORDER:** The meeting was called to order at 5:40 p.m. by Board President Hillary Wylie. Ms. Lauritsen was not yet present.

**WORK SESSION**

**Long-range Financial Plan:** Finance Manager Diane Hellekson introduced the Long-range Financial Plan with a PowerPoint presentation. She discussed the purpose and the goals of the financial plan. She discussed the plan assumptions, which were included in the packet for the February 20 regular meeting in two pieces: the Capital Improvements Program (CIP) and the Long-range Financial Plan.

In discussing revenue enhancement opportunities, Ms. Wylie asked if any jurisdictions other than transportation used the payroll tax. Government Relations Manager Linda Lynch explained that the City of Portland and Multnomah County used a business income tax. Rogue Valley Transportation District was putting a measure on the ballot to give up its property tax base in order to have a payroll tax. Mr. Pangborn added that only LTD and Tri-Met in Portland were authorized under Oregon law to have a payroll tax that can be unilaterally applied by the Board. The transportation districts in the state would have to go to a vote to use a payroll tax. Ms. Hellekson then briefly discussed other possible revenue sources, such as an increased share of Surface Transportation Program (STP) funds or asking the legislature to allow LTD to expand the state in-lieu-of-payroll tax to other public agencies.

Ms. Hellekson talked about the measures LTD had taken to reduce the anticipated revenue shortfall, including fare increases, special service fare increases, service efficiencies, elimination of 13 administrative positions, and reduced employee events. The last category left for cost savings



was service reductions, and the Board had been discussing this issue. The plan assumed a \$1 million reduction in service in each of the next two years.

Ms. Hellekson discussed the components of the LRFP, including bus rapid transit (BRT), the Springfield Station, and a new RideSource facility. The plan assumed that a new segment of BRT would be ready every four years, and new stations would be added to anchor the additional segments. She used a PowerPoint chart to discuss operating revenue and expense trends and projections, and LTD's history of setting aside any surplus revenues for capital. Payroll tax revenues were assumed to be flat, so any modest growth would be very good news. Ms. Hellekson also called the Board's attention to a five-year summary for capital and operations found on page 45 of the February 20 agenda packet, and said that the Finance Committee had been working from that chart during its meetings.

Ms. Wylie asked where the additional \$2 million in additional revenue expected as a result of the local population growth to over 200,000 would be used. Ms. Hellekson said that money would be part of LTD's formula funds and designated for capital.

Ms. Hellekson said that the plan did balance; there was enough in this plan coming out of the operating fund to make the plan work. It was a fiscally-constrained plan for the 20-year period. Ms. Hellekson said that LTD would have had this challenge even without the recession, and was fairly well prepared for the recession because of the effort put into the plan over the years.

Ms. Lauritsen arrived at 6:15 p.m.

Ms. Hellekson said that community support for LTD's agenda had never been more important. In addition to project approvals, LTD now needed other agencies to contribute resources, and the local partners were in the same financial situation that LTD was. Mr. Melnick said that the first item regarding community support was about better delivery of the message about LTD to the general public. He was curious about the strategy for doing that—whether that was accomplished, or if the strategy still had to be developed. Ms. Hellekson said that the issue was to be proactive in telling people about the reasons for the BRT project on one hand and service cuts on the other. Ms. Lynch explained that a group of staff met with Jenny Ulum when her firm was under contract with LTD, and Andy Vobora had developed a good message strategy, and staff were working on that. The message about taking advantage of capital and being smart about operations was being included at every opportunity, including City Council meetings. Mr. Melnick thought that it would be interesting to have more of a public discussion regarding whether LTD was a public service agency or not, which was more a quality-of-life issue than a budget issue. Ms. Wylie said that she and Mr. Hamm and talked to the Springfield mayor with the message that BRT needed to be a community goal, and that BRT was the transportation strategy for the community, not just for LTD. Mr. Melnick said what he was looking for was that agenda for building the community support, because if LTD did not build it, it would not happen.

Mr. Pangborn said that this was one of the topics the staff tried to come back to each year at the Board retreat. He said that would be a good topic for the following fall because there would be more information about how the community was reacting to the things that LTD was doing. Mr. Gaydos said he would like the Board members to have a copy of Ms. Hellekson's presentation to help in talking to the public about being efficient and a good steward with the public funds.



**Capital Improvements Program:** Assistant General Manager Mark Pangborn called the Board's attention to pages 37 and 38 of the February 20 agenda packet. He discussed expenditures and revenues for capital projects, and talked a little more about why LTD was spending money on capital while cutting service. He explained that the majority of capital funds were from federal funds, with about a 20 percent local match. He said that the federal government was not interested in supporting the operations of transportation, especially for communities with a population over 200,000, which the Eugene/Springfield area now was. Federal capital money was people's tax dollars coming back to the community, and had to be spent on capital if the District wanted to spend it.

Mr. Pangborn also discussed the capital projects summary and provided some detail about projects that were planned and those that were postponed. Mr. Melnick asked about two projects that were not funded in the plan: right-of-way acquisition and a BRT guideway sweeper. Mr. Pangborn said that staff's research showed that the District should be able to operate without the guideway sweeper. Mr. Hamm stated that LTD could contract for some periodic services, if needed. Mr. Pangborn stated that right-of-way was different, and the guidance system chosen for BRT would make a difference in the kind of right-of-way that would be needed.

Mr. Melnick asked Mr. Viggiano to comment on the fact that right-of-way was an issue for Eugene City Councilors. Mr. Viggiano said that Councilor David Kelly had said that right-of-way would be nice to have if the opportunity existed, and Councilor Scott Meisner had suggested that there be a line-item for Glenwood right-of-way. Mr. Viggiano said that if there were some right-of-way that seemed important, staff would bring that to the Board with a plan for how to finance it. Mr. Pangborn added that LTD would be forced to use federal funding for this right-of-way, so would need to reprioritize and reallocate funds from other projects. Mr. Hamm added that in some cases, if other businesses provided right-of-way, LTD could use that as the in-kind match. This kind of agreement could be reached with businesses such as Peace Health.

Mr. Gaydos said that the Board had said that it wanted exclusive right-of-way whenever possible. He was concerned that this capital plan was sending the message that right-of-way was not important. Second, he said, there were other ways to get that acquisition. LTD needed to be flexible but also to be convincing other entities and businesses to find creative ways to do this. He said that LTD needed to find a way to talk about this so it did not appear that it was not a concern to LTD. He said he agreed with Councilor Meisner. Mr. Pangborn said that staff clearly understood that right-of-way was important, and that they would find a way to make it happen. He said it would be helpful to have even a small amount (\$100,000 or \$200,000) the budget, and Mr. Kleger, Mr. Melnick, and Mr. Gaydos all agreed that LTD needed a placeholder for right-of-way. Ms. Hellekson said that this would have to be in local funds because LTD could not acquire property with federal funds just because it was available. She explained that staff had showed \$100,000 per year for right-of-way in the past and could do that again. Mr. Pangborn said it was useful to show the money for right-of-way because it got other people thinking about the concept in coordination with other projects. Mr. Viggiano added that there were right-of-way costs built into the BRT costs. This additional right-of-way would be for speculative costs, so it was suggested that it be labeled something "right-of-way for unspecified future segments."

Mr. Kleger asked about the automated traveler information system, and said he had been asked how a sight-impaired person could find out about bus service when Guest Services was closed. Mr. Pangborn said that there currently was no way other than by telephone during Guest Services hours. Staff hoped to have interactive kiosks at the larger stations, but were not sure how



far those had been perfected. He said that Seattle had an automated telephone system. LTD did not plan to start such a system until 2003-04, after the automated vehicle locator (AVL) system would be in place. Mr. Melnick said he agreed with Mr. Kleger, and thought that staff should contact the vendor to see what could be worked on for four or five years in the future. Ms. Wylie thought there could be an answering system like the one at movie theatres to tell callers what times movies began. And Mr. Kleger said that this was a service equivalency issue for the Americans with Disabilities Act (ADA).

Mr. Pangborn continued with a discussion of the elements of the CIP, including the Springfield Station project, revenue vehicles, passenger boarding improvements, and facilities. He said that on Wednesday staff would hand out a revised CIP showing the additional right-of-way acquisition.

Mr. Melnick noted that dollar amounts often were best estimates, and asked about staff's level of confidence in the \$102 million amount. Assistant Finance Manager Carol James said that she had asked department managers for their estimates, and Mr. Pangborn said that they were able to use the actual price of some items. Ms. James said that the numbers for the following year were solid numbers, and that nothing was built in for inflation, design changes, etc., in future years, except for the inclusion of a substantial contingency fund for BRT. Mr. Hamm said that staff looked at what the District was anticipating and what the industry was experiencing, but the farther out in the CIP, the numbers became placeholder numbers that were somewhere in the ballpark. Mr. Pangborn stated that he thought these CIP budget numbers were the most accurate staff had ever been, and were based on staff's projections and experiences.

Ms. Hocken said that LTD had had a lot of public press about reducing operating expenses. She asked what had been cut out of the capital budget, and thought that would be a good number to put before the public, to show people how that compared with the reductions in service. Mr. Melnick suggested looking at this retrospectively and seeing what had been projected three years before.

**Bus Rapid Transit Vehicles:** Mr. Hamm and Maintenance Manager Ron Berkshire used a PowerPoint presentation to discuss the vehicles they had seen in France (the CiViS) and The Netherlands (the Phileas), and to discuss the key attributes of those vehicles and the desired attributes for BRT. They discussed the features of both buses, and said that both manufacturers were working with American manufacturers. Mr. Hamm discussed the possibility of a waiver of the federal Buy American and Altoona testing regulations. He said that Las Vegas had received a waiver to purchase five CiViS vehicles, which had been extended to ten vehicles and designated as a demonstration project. He said that the CiViS had been the only one of these two vehicles available at that time.

Mr. Hamm stated that staff believed that the Phileas met most of LTD's requirements and that there was a window of opportunity to become a demonstration project with that bus. He said that these two manufacturers were the only two who could deliver a vehicle on LTD's time schedule.

Mr. Hamm said that the local "united front" lobbying trip to Washington, D.C., would be held the first week of March, and the American Public Transportation Association (APTA) Legislative Conference would be held the following week in D.C. LTD was setting up a meeting to make the pitch for this demonstration project. Staff were assembling the background materials and both





domestic and foreign agreements. He stated that he was asking the Board whether they supported this process, which he said would help keep the District on schedule with the BRT project. He was not asking for formal action at that time.

Ms. Lauritsen asked about the price of the buses. Mr. Hamm said that CiViS said that 10 buses would cost approximately \$900,000 each. Phileas buses were estimated at a top price of \$1 million each. He said that he believed that the life cost of the Phileas would be substantially less for maintenance, fuel, and standard parts.

Ms. Hocken asked, if LTD obtained a waiver to purchase these buses and they did not go through the Altoona testing required of American-made buses, what the risks would be for LTD and how they would be mitigated. Mr. Hamm said he thought there were some risks with both vehicles. The waiver would affect LTD's initial buses, but future vehicles purchased in the U.S. would have to meet testing or safety standards. He said that the reality was that they would have to meet testing and Buy American requirements at some point, or coordinate European testing with American requirements.

Ms. Hocken then asked about safety features and durability. She wondered how LTD could get some of the information on these buses that was a valuable result of Altoona testing. Mr. Berkshire said that there were some European testing requirements, and that the buses would have to meet all U.S. federal safety standards before they could be sold in the U.S. or before LTD could put them on the street. The manufacturer was working on those, and any differences were fairly minor. Mr. Hamm said that LTD would be able to obtain information on their test results.

Mr. Kleger expressed an interest in the vehicle frame life span experience. Mr. Berkshire said that the Phileas buses were 20-year vehicles, which compared favorably with the 12-year life span of the standard American model.

Mr. Melnick raised a note of caution regarding standards. He said that LTD had just gone through this experience with the Breeze bus, where it met certain standards but did not meet what he described as local expectations. He wanted to be sure that whatever bus LTD bought not only met the base, or federal, standards, but also local standards in general, including local expectations regarding accessibility. Mr. Hamm said that he believed the Phileas would be a step up in product, because of features such as its unique docking system and the wide doors at any place in the vehicle.

Mr. Gaydos said that one of the things LTD had been talking with downtown people about, regarding 10<sup>th</sup> Avenue, was saving capital costs if able to have doors on both sides, to avoid having two stations at a stop. He said that the Phileas obviously would allow that, but he was not sure what that would do to the configuration inside the bus, especially the ability to have passengers in the bus. One thing he wanted staff to think about was the ability to save capital money without giving up much passenger room. He thought that if saving substantial capital, that was a true benefit to the second choice, too. Mr. Hamm said that both the CiViS and the Phileas had the ability to have doors on both sides; however, CiViS did not have the same flexibility as the modular system of the Phileas, which could be built basically any way LTD wanted. Phileas representatives had told Mr. Hamm that they needed to know by September at the latest, for delivery early in 2004. Staff planned to discuss the floor plan with members of the disabled community, the bike community, and other community groups who had an interest in the bus. He said that some seating space would be lost when incorporating different interests into the floor plan, but this typically was a



route that would have a lot of on-and-off activity and would run faster in terms of timing, so people would spend less time on these vehicles. Staff believed that people would not mind standing for these kinds of distances.

Ms. Hocken asked when some operators would be able to be in these vehicles. Mr. Hamm replied that the only way to do that would be to send them to the manufacturer. Ms. Hocken thought that would be a good idea; it had been seen from the viewpoint of repairs and maintenance, so now it seemed like a good idea to have a couple of the operators go look at it, also. Mr. Hamm, who had been a bus operator during his career, said that LTD would be looking at some standard equipment and amenities, such as seats already used in the U.S. Mr. Melnick said he was thinking of a simulation of driving the vehicle. Mr. Kleger also suggested a simulation to test various entryways and floor plan options to test negotiation by people with disabilities, possibly by laying out floor plans and surface patterns.

The Board members agreed that they had reached consensus to pursue the waiver and demonstration project with the Phileas bus.

**ADJOURNMENT:** There was no further discussion, and the meeting was adjourned at 7:55 p.m.

  
Board Secretary

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