

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, April 17, 2002

Pursuant to notice given to *The Register-Guard* for publication on April 11, 2002, 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, April 17, 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
Robert Melnick
Hillary Wylie, President, presiding
Ken Hamm, General Manager
Jo Sullivan, Recording Secretary

Absent: Virginia Lauritsen, Secretary
(one vacant position)

CALL TO ORDER: The meeting was called to order at 5:38 p.m. by Board President Hillary Wylie. Mr. Melnick was not yet present.

ANNOUNCEMENTS AND ADDITIONS TO AGENDA: Ms. Wylie announced that Governor Kitzhaber had appointed Susan Ban to fill the position vacated by former Board member Rob Bennett. Ms. Ban had not yet been confirmed by the Senate; her confirmation hearing was scheduled for the next day. Ms. Wylie said she had known Ms. Ban for a long time and was impressed by her work in the community, and Mr. Kleger said he had enjoyed working with Ms. Ban on the City Club board. Ms. Wylie added a special presentation of the Government Finance Achievement Award to the agenda for 6:30 p.m.

Mr. Melnick arrived at this time.

MOTION **EXECUTIVE SESSION:** Mr. Kleger moved that the Board meet in Executive Session pursuant to ORS 192.660(1)(h), to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed, and pursuant to ORS 40.225, lawyer-client privilege, to hear an opinion of counsel. Mr. Melnick seconded, and the **VOTE** motion passed unanimously by voice vote, 5 to 0, with Gaydos, Hocken, Kleger, Melnick, and Wylie voting in favor and none opposed. The Executive Session began at 5:40 p.m. District Counsel Roger Saydack was present for this discussion with the Board.

RETURN TO REGULAR SESSION: Following a motion and seconding by Mr. Kleger and Mr. Melnick, the Board unanimously returned to regular session at 6:20 p.m. The Board took a break from 6:20 p.m. to 6:30 p.m.

MOTION **DIRECTION TO STAFF:** Mr. Kleger moved that the Board authorize the general manager to work with Board counsel and District counsel to take such steps as are necessary, including any appropriate litigation, to protect the Board and District management's prerogatives to administer and manage the District. Mr. Gaydos seconded. Ms. Hocken asked if the motion should have any specifics, as well, because it was not limited to the current initiatives and referendums. Mr. Kleger said that was why he made the motion very broad, so it would cover just about anything that could be done. By saying "litigation," he meant current or future, because new litigation could occur on short notice, and he wanted the attorneys and the manager to have the capacity to respond in a timely way. The motion carried by unanimous vote, 5 to 0, with Gaydos, Hocken, Kleger, Melnick, and Wylie voting in favor and none opposed.

VOTE

Mr. Kleger stated for the record that the he was not thrilled by the need to do what he had just moved that the Board do, but he thought that to preserve the District against the rather high likelihood of finding itself in conflict with the Oregon constitution and existing statewide law, the Board had to do whatever it could to prevent that. He thought that if LTD ended up in such a conflict, it could end with the demise of the District, and he was not willing to take that risk.

GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARD: Ms. Wylie noted that the District had received this award for achievement in excellence for the sixth year. She wanted to publicly thank Finance Manager Diane Hellekson for getting the finance department to a place where this award could be achieved. She said it made her very pleased to be a Board member of an agency where this was done. Ms. Hocken said that many municipal governments received the certificate, and in many cases it was because their auditors did all the work to make the report eligible for the certificate. She said that LTD's staff did the work for this award, which showed a real accomplishment.

EMPLOYEE OF THE MONTH: Director of Transit Operations Mark Johnson introduced Bus Operator Kay Christopher as the May 2002 Employee of the Month. He said that she went out of her way to help others, and talked about her achievements of 11 years' safe driving and correct schedule operation, and as an instructor who had helped build LTD's training program, which was reflected in the excellent performance of the operators. He also read the comments about her from the agenda packet. Ms. Wylie presented Ms. Christopher with her plaque, pin, letter, and monetary award. Ms. Christopher said that she appreciated the award; that she had worked hard in a sometimes thankless job. She said that when people got on her bus grumpy or with an attitude, she looked for ways to think about their behavior in a more positive way, so she could find compassion for them. She added that there were a lot of drivers who appreciated the Board and Mr. Hamm tremendously and loved the team spirit at LTD.

AUDIENCE PARTICIPATION: There was no one present who wished to speak to the Board.

MOTION **CONSENT CALENDAR:** Mr. Kleger moved that the Board adopt LTD Resolution No. 2002-011: "It is hereby resolved that the Consent Calendar for April 20, 2002, is approved as presented."

VOTE Mr. Gaydos seconded, and the resolution passed by unanimous vote, 5 to 0, with Gaydos, Hocken, Kleger, Melnick, and Wylie voting in favor and none opposed. The Consent Calendar consisted of the minutes of the March 18, 2002, special Board meeting/work session, and the March 20, 2002, regular Board meeting.

AMENDED FARE ORDINANCE: Mr. Vobora called the Board's attention to page 24 of the agenda packet. The Board was being asked to hold the second reading and adopt the ordinance,

which then would go into effect in thirty days. He noted that none of the outlets had pulled out of the program so far as a result of the reduction in the discount.

MOTION Mr. Kleger moved that the Eleventh Amended Ordinance No. 35 be read by title only.
VOTE Mr. Gaydos seconded and the motion carried by unanimous vote, 5 to 0, with Gaydos, Hocken, Kleger, Melnick, and Wylie voting in favor and none opposed. Ms. Wylie then read the title, "Lane Transit District Eleventh Amended Ordinance No. 35, An Ordinance Setting Fares for Use of District Services." Copies of the full ordinance were available for anyone who wished to have one.

MOTION Mr. Kleger then moved LTD Resolution No. 2002012: "Be it resolved that the LTD Board of Directors hereby adopts Lane Transit District Eleventh Amended Ordinance No. 35, An Ordinance Setting Fares for Use of District Services." Mr. Gaydos seconded and the resolution carried by unanimous vote, 5 to 0, with Gaydos, Hocken, Kleger, Melnick, and Wylie voting in favor and none opposed. Ms. Wylie stated that the amended ordinance had been adopted.

GROUP PASS PRICING ADJUSTMENT: Mr. Vobora noted that the group pass price was separate from the fare ordinance. Staff were recommending an increase of 6 percent in the rate for the following calendar year. He said it was figured on a rolling rate of increases in the cost to the District. He called attention to the Group Pass Program on page 30 of the agenda packet, and section one on page 31, concerning base rates. Last year the Board had increased base rates 4 percent. The base rate had a large impact on some organizations that had been below the base rate; for instance, PeaceHealth actually had increased 17.5 percent in its per-participant price, to get to the base rate. The ASUO contract was negotiated separately, and their rates went up 10 percent for the current school year and probably would increase significantly over the next five years to cover some of their direct service costs. The other organizations' rates mostly had been standardized following the Board's action the previous year. The recommendation was for a 6 percent increase beginning in January 2003. That was slightly higher than the increase in LTD's operating costs over the last year. Ms. Hellekson explained that LTD had been using a rolling average over the years in an attempt to keep the fares revenue-neutral. Last year the revenue-neutral requirement had been removed from the policy so the District could begin recovering more of its costs, based on anticipated inflation rates. This was the next phase in standardizing rates and renewal dates. Ms. Hocken said that the policy still said that the District was using the rolling average of operating costs, so that should be changed if that was not what was still being done. Ms. Hellekson said she thought that had been removed from the policy.

Ms. Wylie asked if the increase in the group pass program matched the increase in other fares. Mr. Vobora said that it was difficult to compare the two, and explained the differences in the programs.

Ms. Hocken requested that approval be postponed until the written policy was updated, since the changes would not take effect until the following January. Mr. Kleger agreed, noting that on page 2 of the policy, in item number 1, it looked like the rolling average reference was included, and he thought that had been removed the previous year. He said he would rather not act on this that evening and restore something that had been removed before. Mr. Vobora thought that maybe the wrong version of the policy had been printed in the packet, so he would check that before the next meeting.

Ms. Hocken said she remembered taking out the revenue-neutral requirement, but did not remember what was in the policy as to how the increases were to be calculated. She thought there should be some method or some choice of methods in the policy.

There was no action by the Board on this item. The Board asked staff to put it on the agenda again in May.

Update on Lane Community College Fares: Mr. Vobora discussed one other issue related to fares. The LCC Board had seen a couple of options, weaving in a pass program and a parking transportation fee program for the College. LCC had established a working group to consider how to institute a transportation program college-wide, so that everyone who signed up for a class would pay a transportation fee. The group would decide whether the fee would remove the subsidy for the term pass program, enhance it and buy out the cost, or move LCC to a group pass program. LTD staff felt confident that at a minimum the current pass program would be maintained and possibly enhanced, and that LCC might move to a group pass program. If that happened, it might require some tripper buses to carry the additional riders.

Ms. Gaydos suggested that the Board Finance Committee look at the group pass pricing structure at its next meeting and bring that back to the Board.

BUS RAPID TRANSIT GOALS AND PERFORMANCE OBJECTIVES: Director of Development Services Stefano Viggiano discussed the five goals found in Bus Rapid Transit Goals and Performance Objectives, April 2002, beginning on page 33 of the agenda packet. These goals were an update of the goals used for Phase 1 of the BRT project. Some wording had been changed so they could be used for the entire BRT project.

Ms. Hocken caught one place, under design elements, where "pilot corridor" still was used. She also suggested saying something about wheelchair accessibility. Mr. Viggiano explained that since LTD was required by the federal Americans with Disabilities Act (ADA) to do certain things, staff had stopped stating them in individual policies. However, if the Board members wanted to include that wording, staff would add it. Mr. Kleger said he was not sure he wanted to, and Ms. Hocken said that LTD did not need a higher standard than the ADA.

Ms. Hocken asked about bullet six under Goal 1, on page 34 of the agenda packet ("Reduce vehicle emissions along BRT corridors compared with levels that would have occurred without BRT"). Mr. Viggiano explained that the objective was just to say that vehicle emissions would be less than without BRT, without trying to quantify it. The more important part would be done by reducing automobile travel and even improving traffic flow.

Mr. Melnick asked if this was achieved by some kind of modeling. Mr. Viggiano said that it was. It was difficult to assess how accurate it was. It was based primarily on the number of vehicles on the road and what the delay was.

Ms. Hocken asked about goal 5 and bike parking at the BRT stops. She wondered if LTD should add that the District wanted to move bikes on its vehicles. Mr. Viggiano said that could be added to the first bullet on the last page, with vehicle capacity. Mr. Gaydos suggested adding "where feasible." Ms. Hocken wanted to be sure that "utility upgrades" included the undergrounding issue. She also had a philosophical comment about the bullet to "minimize right-of-way acquisition." She said that this was stated in many other ways, so maybe this one should be

removed. Mr. Gaydos said he thought all the "minimizes" in that section were stronger than they should be. It was agreed that the modifiers in each statement would be removed. Mr. Viggiano said that the document as amended by the Board would be taken to the BRT Steering Committee for approval, and would be brought back to the Board after that.

BOARD HUMAN RESOURCES COMMITTEE RECOMMENDATION: Mr. Gaydos, chair of the Board HR Committee, explained that the American Public Transportation Association (APTA) had developed a form for evaluation of the general manager, which the committee had decided to use for the annual performance review. He said that although the Board had an excellent relationship with the current general manager, it was important to have long-term procedures that could be used over time. He explained some of the elements of the evaluation tool, and said that Mr. Hamm and Ms. Wylie had agreed on some goals for the current year, with which the Board had informally agreed, but there was no formal action on annual goals for the general manager. Therefore, the committee was recommending that the Board and general manager formally set annual goals. The committee also wanted to develop a committee charge. Mr. Gaydos said that the committee was recommending that the senior LTD staff fill out the evaluation tool, and the goal for future years would be for others to participate, as well. The committee had talked with Ms. Hellekson and determined that there was some room in the budget for a salary adjustment. The committee was asking the Board to approve the process as outlined in the agenda item summary handed out that evening.

Mr. Gaydos added that the committee believed that the Board also should consider setting annual goals for LTD in general, not just for the general manager, which could be done at the annual strategic planning retreat. That was not part of the recommendation that evening.

Mr. Melnick added that the committee also talked about completing the evaluation now and then in the fall of 2003, in order to begin the process early enough in the year to have a recommendation for the following year's budget. It also seemed to be a logical task for the Board to do in the fall, when it was not involved in a lot of other budget issues and route and fare adjustments. Ms. Wylie had concerns about completing the evaluation in the fall, which did not coincide with a salary adjustment effective July 1. Mr. Melnick said that the committee agreed with the fiscal year adjustment, and the evaluation possibly could be done in the winter; the committee just wanted to finish it early enough to be part of the budgeting process. Mr. Gaydos said that with the committee's recommendation there would be a gap until the fall of 2003, so the Board possibly could do an abbreviated process earlier, with just the Board and senior management staff again, and a fuller evaluation in the fall. The committee's real goal was to have other participants in a fuller evaluation. Ms. Hocken suggested that the Board could just make an inflationary adjustment earlier and hold the full evaluation in the fall.

Mr. Melnick stated that part of the committee's goal was to regularize the process and timeline, so that the process was clear to everyone.

Mr. Hamm expressed a concern that there needed to be a transitional plan that the Board and general manager would agree to that took into consideration the evaluation and financial consideration. He noted that his hiring anniversary date was the first of March. He liked the idea of a consistent process and timeline, as well as correlation with the budget. Mr. Kleger said that the committee wanted the Board to start a process it would stick with, and their assessment was that if it were done in the fall, it would be more likely to be done consistently. Ms. Wylie proposed that when the Board completed the process, they look at the timelines Mr. Hamm referred to and make

an appropriate compensation adjustment through the current fiscal year and the following, until the next evaluation in the fall of 2003. She thought this would be appropriate since the District had union contracts that went two years, and that could be negotiated after the evaluation. Mr. Melnick said that another important consideration was that the Board would change in the future, and the general manager also could change in the future, so the committee wanted to put something in place for a long time.

MOTION Mr. Gaydos said that the recommended motion did not prohibit what the Board had been discussing. He moved approval of LTD Resolution No. 2002-015: "It is hereby resolved that the LTD Board of Directors accepts the proposal of the Board HR Committee for the recommended general manager evaluation and compensation process, development of goals and objectives for the general manager for the next year, and development of a committee charge." Mr. Melnick

VOTE seconded. There was no further discussion, and the resolution was adopted by unanimous vote, 5 to 0, with Gaydos, Hocken, Kleger, Melnick, and Wylie voting in favor and none opposed.

ITEMS FOR INFORMATION AT THIS MEETING:

Board Member Reports: Mr. Gaydos reported that the Metropolitan Policy Committee had discussed the bypass policy. No action had been taken, and he and staff would work on a letter to submit something in writing about allowing buses to be in the high-occupancy vehicle (HOV) lanes, and several other smaller points. LTD would pay attention to this issue, but nothing had been discussed that would hurt or benefit LTD. Ms. Wylie noted that the BRT Steering Committee did not meet in April; there was no Statewide Livability Forum report; and the April Springfield Station Design Review Committee meeting had been canceled.

General Manager's Report: Mr. Hamm added an item to the list of future dates on page 39, saying that it was highly likely that the LTD Board and Springfield City Council would have a joint meeting on June 17, to try to solidify the Springfield Council's commitment to or interest in some projects, such as joint development at the Springfield Station, the Parkway corridor, etc. He also called attention to some opportunities for Board educational opportunities. One was the APTA Board and Support workshop in San Diego in July. Another opportunity, which he saw as an even greater opportunity for the Board because it was more industry specific rather than board specific, was the APTA International Expo and Annual Meeting in Las Vegas in September. He described it as an opportunity to walk the floor and kick tires with the staff; to look at the positives and negatives of equipment, software, and other technology; and to participate in a board member track of workshops. Mr. Hamm said that staff had cut some other things from the budget in order to focus on getting staff to this Expo, because it was a good opportunity for staff as well as for the Board. Staff were looking for special rates on hotels and travel well in advance, to try to maximize participation among staff and the Board. He asked Board members to let staff know if they were interested in one or both of these events.

Ms. Wylie said she had gone to an APTA Expo and an Annual Meeting, and had learned a lot about transit and transportation issues. She encouraged the Board members to participate if they could. Ms. Hocken noted that Las Vegas was doing a BRT project and wondered if their system or buses would be available to see. Mr. Hamm said that their buses would not be on the road until sometime next year, but there would be one CiViS bus on the floor at the show. Mr. Gaydos commented that it was an interesting mass transit town, with a monorail and other types of transportation.

Mr. Hamm also drew attention to the second page of his report, where he had written about the positive trends in the operations department.

Monthly Financial Report: Ms. Hellekson called attention to the report on page 41 of the agenda packet. She noted that the District had not seen a worsening of the payroll tax condition because LTD did not normally expect to receive any revenues in March, and in fact had to return some revenues that were distributed to LTD in error. She stated that administrative wages were growing below 4 percent per year, which was the goal of the adjustments made in November. There was an increase in operator wage growth, which was attributed to the need for increased overtime. Vacant positions were not being filled, and schedules had not yet been reduced. She commented that this growth was indicative of the problem LTD faced in balancing the budget—when administrative wages were growing at less than 4 percent per year and operator wages were growing in excess of 11 percent per year, there was not much opportunity to find the additional money needed from the 4 percent growth group, which was a very small percentage of the total.

M. Hocken asked if LTD had received a large Special Transportation Fund payment that month, noting that LTD was way over budget; LTD had budgeted \$650,000 and had collected about \$900,000. Ms. Hellekson explained that the District received the entire first nine months of revenue at one time, and that at the time of the transition of the program from LCOG to LTD, staff had not been sure what would go to LTD and what would go to LCOG and had been wrong about some of the pass-through money. Special Transportation Program Manager Terry Parker said she thought that the state actually had sent the entire annual budget for the STF funds in one payment, so that might start to balance out a little. Ms. Hellekson said that LTD would end up with slightly more money than budgeted, although it was pass-through money for out-of-district activities, so LTD would not have more money to spend.

Update on BRT Construction Management/General Contractor CM/GC Process: Assistant General Manager Mark Pangborn called the Board's attention to a schedule for selecting the CM/GC for Phase 1 of BRT, found on page 53 of the agenda packet. He explained the process and asked if any Board members were interested in participating on the committee to select the contractor. Mr. Melnick expressed an interest.


Fare Policy Update—Private Non-Profit Agency Program: Mr. Pangborn explained the program, which was described beginning on page 54 of the agenda packet. He stated that it was indexed to increases in the normal cash fare. It did not result in cash out of LTD's pocket; rather, LTD would receive approximately \$4,800 and the agencies received half-price fares. Ms. Wylie noted that her agency participated for its indigent clients. Her agency did fundraising to pay for the half-fares, and bought tokens so clients could get to treatment. Mr. Melnick thought it was a very good program. Mr. Pangborn said it allowed discount fares for people who really needed them, through an accredited agency. That way, LTD did not have to screen people for need, and United Way screened new agencies for the District.

Springfield Station Update: Mr. Pangborn said that the Springfield Station project was moving ahead, and the budget estimate was right on target. If LTD received the additional \$2.8 million in federal funding, it would be able to build the basic package, without joint development. If LTD did not receive the full funding, a couple of other options would be brought to the Board for discussion. Staff were working with the City of Springfield's community development and economic development staff to put together a package for joint development.

Bus Rapid Transit (BRT) Update: Mr. Pangborn reported that the design of Franklin from the University of Oregon east was moving along. Staff were working on Pioneer Parkway, as well, and had held the second workshop along one section, where the participants looked at some designs and made some excellent constructive comments. The project was going through preliminary environmental screening. The bike path was not put in as a "rails to trails" program, but might be considered parks space, so a 4F process might need to be done, and LTD would need to demonstrate that there were not other viable options to taking parks space. Also, this corridor would go through the Washburne historic district, and there were some waterways to be crossed, so staff were looking at those impacts.

Ms. Hocken wondered if LTD periodically should be giving Senator Smith's office a heads-up because of his staff's concerns about the trees in Eugene. Government Relations Manager Linda Lynch said that it was not time yet to talk about the issues, but staff had discussed how to communicate with local and federal elected officials, and this was an important point.

ADJOURNMENT: There was no further discussion and the meeting was adjourned at 7:45 p.m.



Board Secretary

Q:\Reference\Board Packet\2002\05\Regular Mtg\BDMN 04-17-02.doc

