

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, November 19, 2003

Pursuant to notice given to *The Register-Guard* for publication on November 13, 2003, 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, November 19, 2003, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Hillary Wylie, President
Gerry Gaydos, Vice President
Susan Ban
Patricia Hocken, Secretary
David Gant (via telephone)
Dave Kleger
Virginia Lauritsen
Ken Hamm, General Manager
Jo Sullivan, Recording Secretary/Clerk of the Board
Kimberly Young, Minutes Recorder

CALL TO ORDER - Ms. Wylie called the meeting to order at 5:35 p.m.

ROLL CALL - General Manager Ken Hamm called the roll. Mr. Gant was not yet present, but would be present via telephone a little later in the meeting.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Ms. Wylie had no remarks.

ANNOUNCEMENTS AND ADDITIONS TO AGENDA – Ms. Wylie determined there were no additions to the agenda or Board announcements.

BOARD CALENDARS – Mr. Hamm called the Board's attention to calendars of coming Board-related events. He explained that Ms. Sullivan prepared the calendars to provide the Board with the date and location of meetings and who was attending, for the sake of better coordination. He invited comments on the format. Mr. Hamm reviewed the calendar, and asked the Board to reserve the time scheduled for the Springfield Station media event on December 17.

Responding to a question from Ms. Wylie, Mr. Hamm anticipated that contract negotiations would commence after January 1, 2004, depending on the approach agreed to by the union.

Ms. Hocken noted that she would be going off the Board in 2004, and suggested that Board members begin to give thought to replacing her on the Metropolitan Policy Committee, on which she was an alternate.

BOARD DESIGNATION OF PERSONS TO NEGOTIATE REAL PROPERTY TRANSACTIONS ON BEHALF OF LTD – Assistant General Manager Mark Pangborn provided background on the item, noting that past practice was to delegate authority for negotiating such transactions to the

General Manager. He said that staff were recommending that the Board also delegate such authority to Universal Field Services (UFS), a specialist in negotiating such purchases for public agencies because of the increasing complexity of such purchases, particularly those associated with the bus rapid transit (BRT) project. He termed the action a formality.

In response to a concern expressed by Ms. Wylie, Mr. Pangborn assured her that the wording of the staff-proposed motion only empowered UFS to do what it had contracted to do with LTD.

In response to a question from Mr. Gaydos about LTD's interactions with property owners in the first phases of the project, Mr. Pangborn acknowledged that some issues had arisen, generally issues of miscommunication. He said that LTD was working to improve communications with property owners about the project, but that did not mean the property owners were happy. Staff were drafting a public response plan and would provide the Board with copies.

At the request of Mr. Gaydos, Mr. Pangborn reviewed the process through which properties were identified and eventually acquired. Frequently several parties were involved in the negotiations, which could involve, for example, driveway access, which was under the purview of the City of Eugene or the Oregon Department of Transportation (ODOT).

Responding to a question from Ms. Wylie, Mr. Pangborn said that LTD had heard no complaints about the UFS representatives' behavior or attitude; the complaints received were about the amount of property being proposed for acquisition or new limits on access.

WORK SESSION

- a. Executive Session Pursuant to ORS 192.660(1)(h); regarding current or pending litigation; Ors 192.660(1)(f), to consider records that are exempt by law from public inspection, and ORS 40.225, lawyer-client privilege**

This item was canceled.

- b. Presentation of Comprehensive Annual Financial Report**

Mr. Gant joined the Board via speakerphone at 6 p.m.

Director of Finance and Technology Manager Diane Hellekson presented this item. She introduced Charles Swank and Devin Esh of the audit firm Grove, Miller, and Swank. She noted that the independent audit was required by law and was used by LTD to create its Comprehensive Annual Financial Report. She asked the Board to disregard page 42 of the report as it replicated data on page 43, and indicated that the error would be corrected before the document was released to the public.

Ms. Hellekson called the Board's attention to the executive summary of the report, commencing on page 10 of the meeting packet. She termed fiscal year 2003 difficult but reported that after service cuts, revenues and expenditures had been brought into balance. LTD did not have to employ its reserves. She said that farebox recovery was up and was about where it should be for a system of LTD's size.

Ms. Hellekson commended Accounting Manager Carol James for her work on the document.

Mr. Swank briefly reviewed the audit process for the benefit of the Board, and emphasized that it was a system approach that relied on the tools the District had in place. He also commended Ms. James for her work on the document. He further commended the LTD Board for taking responsibility for the document. He briefly outlined the contents of the audit document, copies of which were provided to the Board members in their meeting packets.

Ms. Hocken asked Mr. Swank to comment on the single audit opinions on the federal funds. Mr. Swank said that the federal government required the auditor to examine the district's compliance with laws and regulations that apply to it, and the District's controls over its preparation of financial reporting. He said that after examination, the auditor provided a "negative assurance opinion"; in other words, nothing came to the attention of the auditor that it needed to report in those areas. In addition, the auditor must provide an opinion that LTD complied with the federal laws and regulations related to the federal program dollars it received.

Ms. Lauritsen commended changes that had made the audit document more readable.

Ms. Wylie thanked Mr. Swank and Mr. Esch, and called for a brief meeting break.

EMPLOYEE OF THE MONTH - Mark Johnson, Director of Transit Operations, introduced Ricky Jennings, LTD's Employee of the Month. Mr. Johnson said that Mr. Jennings had a perfect attendance record and was known for his extra customer service. Mr. Jennings thanked the Board for the award and said he loved his job, which he believed showed in his work, and wished that everyone felt the same about their jobs that he did.

AUDIENCE PARTICIPATION – Ms. Wylie determined that there was no one wishing to speak.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar** – Mr. Kleger moved adoption of LTD Board Resolution No. 2003-045: "It is hereby resolved that the Consent Calendar for November 19, 2003, is approved as presented." Ms. Hocken provided the second. The Consent Calendar consisted of the minutes of the October 15, 2003, regular board meeting and Special Transportation Advisory Council membership appointments.

Ms. Hocken said that the remarks on page 9 under the Metropolitan Policy Committee report regarding Cascadia should be attributed to her, rather than to Ms. Ban.

VOTE The Consent Calendar was approved as amended as follows:
 AYES: Ban, Gant, Gaydos, Hocken, Kleger, Lauritsen, Wylie (7)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: None

Public Hearing on Public Transit Division Discretionary Grant Applications for FY 04 and FY 05 – Accessible Services Manager Terry Parker was present for the item. She called the Board's attention to the project list included in the meeting packet. She said the list had been submitted to the Oregon Department of Transportation (ODOT), and LTD was now required to hold a public hearing and forward any comments to ODOT.

Ms. Wylie opened the public hearing. There being no requests to speak, Ms. Wylie closed the public hearing.

Acceptance of Independent Audit Report for Fiscal Year Ending June 30, 2003 --
Ms. Hellekson asked the board to take action to accept the audit report.

MOTION Ms. Lauritsen moved adoption of LTD Resolution No. 2003-046: "Resolved, that the LTD Board of Directors accepts the Independent Audit Report for the fiscal year ending June 30, 2003." Ms. Ban provided the second.

VOTE The resolution was approved as follows:
AYES: Ban, Gant, Gaydos, Hocken, Kleger, Lauritsen, Wylie (7)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

MOTION **Board Designation of Persons to Negotiate Real Property Transactions on Behalf of LTD -**
Ms. Ban moved approval of LTD Resolution No. 2003-044: "It is hereby authorized that the LTD Board of Directors designates and authorizes employees of Universal Field Services and the LTD General Manager to negotiate real property transactions for the purchase and/or other acquisition of real property necessary for the construction of the EmX Franklin Corridor of the BRT Project." Mr. Kleger provided the second.

VOTE The resolution was approved as follows:
AYES: Ban, Gant, Gaydos, Hocken, Kleger, Lauritsen, Wylie (7)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

ITEMS FOR INFORMATION AT THIS MEETING

CURRENT ACTIVITIES

Board Member Reports

Metropolitan Policy Committee – There were no questions.

BRT Steering Committee and Board BRT Committee – The committee was scheduled to meet on December 2, 2003.

Springfield Station Design Review Committee – There were no questions.

Coburg Road Stakeholder Committee – There were no questions.

Board Finance Committee – There was no report.

Board Human Resources Committee – There were no questions at this time.

Region 2050 Policy Advisory Committee – Ms. Ban said the committee reviewed and approved the concepts behind the three growth scenarios. The committee would meet again in January and February to review the scenarios.

Statewide Livability Forum – There was no report.

Debrief Annual Board Strategic Planning Work Session – Board members briefly discussed the recent retreat. Mr. Hamm reported that consultant Don Murray had prepared some summary conclusions that staff would provide to the Board. Ms. Ban suggested the most substantive piece

of work to come out of the retreat was the work plan and related work plan items. She anticipated much discussion to come. Mr. Hamm agreed, and suggested that some of those items would impact the work of the Board's committees, such as the Finance Committee and Human Resources Committee. He invited Board comments for any follow-up to be included in the summary report.

Ms. Hocken confirmed with Mr. Hamm that the timeline viewed by the Board at the retreat would be provided to the Board members after staff review.

General Manager's Report – Mr. Hamm reported that \$6 million had been set aside in Congress for two LTD projects, the Springfield Station (\$4 million) and future BRT corridors (\$2 million).

Monthly Financial Report – Ms. Hellekson invited questions. She said that LTD was "holding its own" through the first four months of the year and should know more about total payroll tax projections in December. She said that staff would share those projections with the Board in December.

BRT Update – Mr. Pangborn provided an update, saying that LTD was working with ODOT on an intergovernmental agreement for use of ODOT facilities. Staff continued to work on property acquisitions. Undergrounding of utilities was proceeding. He said that there were many issues remaining to be resolved, and staff attempted to address them one by one.

Ms. Hocken asked what a "protected purchase" was. Director of Planning & Development Stefano Viggiano said that the Federal Transit Administration rules allowed LTD to spend money on property before all approvals were secured in order to secure property that would be unavailable or much more expensive at a later date. Ms. Hocken asked if there was a risk the Springfield corridor would not be approved when the environmental assessments were completed. Mr. Viggiano said there was always that risk, and LTD must convince the FTA that the risk was worth taking. He believed that LTD would be able to resell any excess right-of-way it acquired through the protected purchase. Seeking approval to purchase the property would not commit LTD to actually proceeding with the purchase of the property. That would be a separate Board decision.

Mr. Viggiano reported that the Coburg corridor report had been revised and mailed to members of the Coburg Stakeholders Group, which was scheduled to meet on December 10.

Springfield Station Update – Charlie Simmons, Facilities Services manager, reported that the project was on schedule. The roof had been installed. He thanked LTD Board members for attending the site tour conducted October 31. He noted that another site tour was scheduled for November 21, and invited all Board members to attend. In addition, a media event was planned on December 17 to help market the commercial space at the site.

Monthly Department Reports – Ms. Hocken asked staff to comment on a report in the monthly union newsletter regarding the use of the Automated Passenger Counter (APC) data. Andy Vobora, Service Planning and Marketing manager, said that none of the protocols regarding the use of the data had been set in place and there was no agreement on the reports that would be produced. However, rumors were being circulated about how it would be used, which staff were attempting to address. Mr. Johnson concurred, saying that there was an ongoing labor-management discussion to work through those issues.

Mr. Kleger encouraged management staff to provide union members with information about the process that was occurring.

Monthly Performance Reports – There were no questions.

EXECUTIVE SESSION – Upon a motion by Ms. Hocken and seconding by Ms. Ban, the Board entered into executive session at 7:15 p.m. pursuant to ORS 192.660(1)(i), to evaluate the employment-related performance of the general manager. General Manager Ken Hamm, Director of Human Resources Mary Neidig, and Clerk of the Board Jo Sullivan were present with the Board.

RETURN TO REGULAR SESSION – The Board returned to open session at 7:30 p.m.

MOTION **APPROVAL OF GENERAL MANAGER GOALS AND OBJECTIVES FOR 2003-04** – Ms. Hocken moved, seconded by Mr. Gaydos, that the Board adopt LTD Resolution No. 2003-047: “It is hereby resolved that the LTD Board of Directors approves the proposed General Manager Goals and Objectives for 2003-2004 as presented.”

VOTE The resolution was approved as follows:
AYES: Ban, Gant, Gaydos, Hocken, Kleger, Lauritsen, Wylie (7)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

Mr. Kleger expressed appreciation to Mr. Hamm for the outstanding job Mr. Hamm was doing. Mr. Kleger observed that the external comments the Board had received about Mr. Hamm’s performance were remarkably similar to the Board’s comments, which told him that they were doing something right. He thought that Mr. Hamm had done a good job of responding to a whole slew of bad news during the year, handling things in such a good way and working with the Board to respond and make some hard choices. He said he appreciated Mr. Hamm’s work very much.

Ms. Wylie added that she wanted to express the Board’s appreciation for Mr. Hamm’s work, for the record, and said that she looked forward to a long and continuing working relationship.

ADJOURNMENT -- There was no further discussion and the meeting was adjourned at 7:35 p.m. Following the meeting, the Board watched the FISH! program video.


Board Secretary

(Recorded by Kimberly Young)

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