

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

WEDNESDAY, APRIL 21, 2004

Pursuant to notice given to *The Register-Guard* for publication on April 15, 2004, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a meeting on Wednesday, April 21, 2004, beginning at 5:30 p.m., in the Lane Transit District Board Room, 3500 East 17th Avenue, Eugene.

Present: Gerry Gaydos, Vice President, presiding
Susan Ban
David Gant
Pat Hocken, Secretary
Dave Kleger
Virginia Lauritsen, Treasurer
Ken Hamm, General Manager
Jo Sullivan, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: Hillary Wylie, President

CALL TO ORDER - Mr. Gaydos called the meeting to order at 5:37 p.m.

ROLL CALL - Mr. Hamm called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT - Mr. Gaydos thanked Board members for attending the Monday night meeting and the regular meeting. He noted that on Monday there was insufficient time for Board discussion on bus rapid transit (BRT). He suggested a meeting for purposes of a BRT discussion and resolution. He said his perception was that if the Board was supportive of BRT it was important to find ways to better communicate that to the community. He said that on Monday the Board had discussed the possibility of eliminating its standing Board committees and meeting as a full Board, instead.

Mr. Hamm suggested that the Board could try holding two regular meetings per month on a trial basis. He said the format for those meetings could be similar, with a study session and action items, and that would allow for shorter meetings and the study session for one meeting would prepare for those items to be acted upon at the next meeting and allow staff time to develop whatever material or information was required. Otherwise, the Board, on a case-by-case basis, could use the additional meeting as a work session only, or could hold special meetings in order to vote on specific issues.

Mr. Kleger said that was acceptable to him as long as the second meeting was not on a Wednesday as he had a prior commitment on Wednesdays. Ms. Lauritsen said she did not see the need for a change as typically no business was so urgent it could not be addressed the following month. Ms. Ban said that she had an existing commitment on the third Monday of every other month.

Mr. Gant said that two Wednesdays each month would be difficult and suggested that the second meeting be on a different day of the week. Mr. Hamm replied that the regular third Wednesday of the month meeting was established by ordinance. He said that another date each month could be identified as a "special" meeting for a trial period.

Ms. Hocken said she was comfortable with whatever scheduled worked for the other Board members. Ms. Lauritsen said she preferred to keep the first week of the month free.

Board members agreed with Mr. Gaydos' suggestion of a second-Monday and third-Wednesday schedule for Board meetings in order to have fewer committee meetings and meet more frequently as a whole. He also suggested that the BRT discussion could be held at a May 10, 2004, meeting.

ANNOUNCEMENTS AND ADDITIONS TO AGENDA – Ms. Lauritsen announced that a tour of the articulated bus that had been burned would be conducted during the meeting break.

BOARD CALENDARS - Mr. Gaydos noted that the new meeting schedule would require changes to the Board calendars and staff would assist with the transition.

WORK SESSION

A. Payroll Tax Rate Increase – Government Relations Manager Linda Lynch asked for Board direction to the Finance staff so that the proposed-budget notebooks could be completed. She reviewed information from the Oregon Revenue Forecast from March 2004, including employment and personnel income forecasts. She said that the Budget Committee had raised the question of Lane County statistics relative to the rest of the state and referred to data that demonstrated that Lane County had a lower unemployment rate than the state overall.

Ms. Lynch summarized the choices available to the Board:

- No increase presently and no direction to increase for purposes of budget preparation, or
- Increase the rate by 0.01 in January 2005, or
- Increase the rate by 0.02 in January 2006.

Director of Finance and Information Technology Diane Hellekson reminded the Board of timelines for options, noting that the January 2005 timeline would be compressed and a good faith effort to talk to stakeholders and businesses would be difficult. She indicated that January 2006 had an opportunity cost if the Board felt the economic indicators warranted an increase, but did offer advantages in terms of the timeline for ordinance revisions and public outreach. She said that the Board still could decide to abandon an increase if it believed that economic indicators were not moving in the right direction prior to actual implementation.

Mr. Kleger said he was troubled by the subject and although he was satisfied that economic improvement was happening, he was concerned that recovery was not as strong or reliable as it should be. He stated a preference for the January 2006 option.

Ms. Hocken observed that delaying implementation until January 2006 would result in the loss of approximately \$160,000 in FY 2004-05 and about the same amount in FY 2005-06. She said a

delay of one year did not represent a significant amount of money and it was very important to have a conversation with the community before implementing an increase in the payroll tax. She felt the economic indicators justified the increase, but it was critical to obtain stakeholder feedback, including on the indicators.

Mr. Gant agreed with Ms. Hocken and noted that the indicators used were the minimum required under the statute. He said that community perception of recovery might not agree with the indicators and talking to the community was very important.

Ms. Lauritsen cited Department of Commerce statistics that 80 percent of new businesses failed within the first five years. She said it would be difficult to sell an increase to small businesses and urged that outreach efforts present information clearly. She said it was essential to obtain a modicum of approval from stakeholders and she was prepared to wait on a decision until feedback was available.

Mr. Gaydos asked if Mr. Gant and Ms. Lauritsen were willing to support a January 2006 increase.

Mr. Gant said he was unwilling to support an increase in the near term and would prefer to wait a year to make a decision. He indicated that a negative public relations response was not worth \$160,000 in revenue.

Ms. Lauritsen declared it would be negative to LTD's image to announce a January 2006 increase and then reverse its position. She preferred to discuss the options with the community before making a decision.

Ms. Hocken agreed with Ms. Lauritsen and said it appeared the Board did not want to see an increase in the FY 2004-05 budget. She said it was important to begin the discussion with the community now instead of waiting until next year.

Mr. Hamm said that staff would work with a public relations firm to develop an engagement process for the community that would provide the Board with the feedback it wanted prior to making a decision on the increase. He said that a proposed plan with a calendar and outreach strategies would be developed and presented to the Board.

Mr. Kleger urged that major efforts be made to engage the smallest businesses in the conversation with LTD.

Mr. Gaydos encouraged staff to continue developing economic indicators.

Ms. Hellekson said a payroll tax increase was closely linked to Long-range Financial Plan development and asked if the Board wanted a range of possibilities for balancing the budget in the event it decided against an increase. Mr. Gaydos agreed that staff should develop budget balancing scenarios.

B. Long-Range Financial Plan and Capital Improvements Program – Ms. Hellekson stated that there was little new information in the materials the Board received. She said there were two versions of the Long-range Financial Plan because staff wanted to cover options. She noted Board direction on holding personnel services expense growth to 4 percent and delay of a payroll tax increase, as well as votes on the capital projects that dominated the Capital Improvements

Program (CIP). She said that uncertainties about BRT costs and funding sources still were not resolved. She indicated that the payroll tax was linked to sustainable fixed-route service and LTD could reach a point in the future, if some assumptions did not turn out as hoped, that service would be cut again in the face of strong community need for it. She said the Legislature enacted the tax increase with the expectation that LTD and TriMet eventually would make use of it; it was a critical tool for the future.

Ms. Hellekson remarked that the financial information before the Board was prepared before new information about the BRT Franklin corridor cost was available, but that was not critical because a majority of the project would occur in FY 2005-06.

Mr. Gant said a long-range financial plan was a planning tool to assist the Board to manage the budget process over time and that many of the uncertainties surrounding BRT degraded the ability to project costs and manage the budget long term.

Ms. Hocken commented that there was always a level of uncertainty when dealing with large capital projects and it was difficult to project costs in the out years. She asked if the CIP contained funds for the third BRT corridor. Ms. Hellekson referred to the Long-Range Capital Projects Summary in the agenda packet that included EmX planning funds in each year.

The Board took a break from 6:25 to 6:40 p.m.

EMPLOYEE OF THE MONTH – Transit Operations Manager Mark Johnson introduced the May 2004 Employee of the Month Armando Reyes. He asserted that Mr. Reyes was one of LTD's stellar employees and had twice received the General Manager's annual Award for Excellence during his five years of employment. Mr. Hamm thanked Mr. Reyes for his exceptional service. Mr. Gaydos congratulated Mr. Reyes on his awards, and Mr. Reyes expressed his appreciation to LTD and the Board.

AUDIENCE PARTICIPATION – Mr. Gaydos outlined the procedures for audience participation.

Clark Winston Cox, Jr., of Eugene, commented that the increase in the group pass discount fare was not too detrimental. He expressed concern about the fire on the articulated bus because it was built by New Flyer, which was also the vendor for the EmX vehicles. He urged LTD to look carefully at safety issues. He also expressed support for EmX and hoped that groundbreaking would proceed on schedule.

Mr. Cox related comments he had heard that Salt Lake City's light rail system's traffic signals had resulted in a number of fatal accidents and asked that the matter be explored before similar signals were used for the EmX queue-jumper lanes.

ITEMS FOR ACTION AT THIS MEETING

MOTION A. Consent Calendar – Ms. Hocken moved adoption of LTD Board Resolution No. 2004-011: It is hereby resolved that the Consent Calendar for April 21, 2004, is approved as presented. Mr. Kleger provided the second.

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

Mr. Gaydos asked permission to move the Salaried Employees' Retirement Plan Investment Smoothing Method to the next item on the agenda. There were no objections

B. Salaried Employees' Retirement Plan Investment Smoothing Method – Director of Human Resources and Risk Management Mary Neidig stated that pension plans used various methods to determine the value of the plan's investments. She said that the downturn in the investment market had a negative impact on LTD's retirement investments and the value of the LTD Salaried Employee Retirement Plan had dropped to the point where the contribution LTD made on behalf of each covered employee needed to be increased. She said smoothing, a typical practice in the pension industry, would allow the drop in market value to be spread over a longer period of time and reduce the amount of the increase. The trustees were recommending that the Board approve a three-year smoothing mechanism. She said that without smoothing, the rate would increase from 11.6 percent to 14.3 percent; with smoothing it would increase only to 13.3 percent.

In response a question from Mr. Gant, Ms. Neidig stated the trustees for the salaried employees' retirement plan trust were Ken Hamm, Mark Pangborn, and Hillary Wylie.

Mr. Gant asked why the Board was approving the change if the trustees were responsible for the pension fund. Plan attorney Everett Moreland replied that the trustees did not have the authority to tell LTD to change its contribution; the Board must make that decision. Assistant General Manager Mark Pangborn added that LTD's contribution to the plan had changed over time and the contribution was embedded in the benefits section of the annual budget, so the Board did approve the contribution each year for both pension plans. He said this change was based on a change in the method of calculating the contribution.

Ms. Hocken confirmed that the benefits to employees would not change, only the method of funding the benefit. She asked why a three-year period instead of a five-year period was selected for smoothing. Ms. Neidig replied that the trustees had preferred the more conservative approach represented by the three-year period. Mr. Pangborn said the smoothing method recommended was a more predictable way to calculate the cost to LTD over a period of time.

Mr. Gant asked what would happen if LTD over-contributed. Ms. Hellekson replied that the rate would decrease.

Ms. Lauritsen asked if there was a cap on the rate of LTD's contribution. Mr. Moreland replied that the actuarial assumed an 8 percent annual return as the plan goal when setting the contribution rate, which was significantly less than the actual return. Mr. Hamm stated that any increase would have to be approved by the Board as part of the budget. He said that the trustees were reviewing whether the investment advice being received was obtaining the best return on the money or whether other investment groups were getting better results.

Ms. Ban commented that any increase necessary to continue the return rate would represent a change in policy regarding LTD's contribution and have to come before the Board for approval.

Ms. Hocken observed that the plan was a defined benefit plan and the plan document set out what benefits employees would receive when they retired. Once that was agreed to, the management of the plan was somewhat mechanical. She said if ultimately the Board determined that the plan was too expensive, it would have to return to the plan document and reconsider the benefits.

Mr. Gant expressed concern over maintaining a guaranteed return of 8 percent over the next five years.

Mr. Moreland related that the City of Portland had a police and fire pension plan that had no assets. He said that when benefits were paid, the City levied taxes. He said that by comparison, LTD was ahead of the game.

MOTION Ms. Ban moved adoption of the following resolution: LTD Resolution No. 2004-013: It is hereby resolved that the LTD Board of Directors approves the recommendation to implement a three-year smoothing methodology for purposes of valuing investments in LTD's Salaried Employees' Retirement Plan." Mr. Gant provided the second.

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

Ms. Lauritsen asked how much money was represented by the percentage increase in LTD's contribution. Ms. Hellekson replied that she would provide that information to the Board.

C. First Reading – LTD Twelfth Amended Ordinance No. 35, Setting Fares for Use of District Services – Service Planning and Marketing Manager Andy Vobora referred the Board to materials in the agenda packet that summarized its previous discussions. He said that public testimony regarding the elimination of general public token sales had prompted the Leadership Council to recommend a compromise that would address some of the administrative costs and still offer tokens to the general public. That change was reflected in the updated ordinance.

Mr. Kleger noted that language in Section 1.02(d) did not appear to reflect that tokens would be available to the general public. Mr. Vobora said the language did not specifically state tokens were available to the general public, but did not preclude that.

Mr. Kleger suggested that the second sentence in Section 1.02(d) be amended to add the phrase "and in LTD vending machines" to the end of the sentence.

Ms. Hocken commented that it was unclear to what the effective date of June 24, 2002, in Section 1.02(b) referred.

Mr. Gaydos suggested the section be reworded to clarify that one date applied to monthly passes and another date applied to 3-month passes.

MOTION Mr. Kleger moved that the Twelfth Amended Ordinance No. 35, as amended, be read by title only. Ms. Lauritsen provided the second.

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

Mr. Gaydos read the ordinance title: Twelfth Amended Ordinance No. 35, An Ordinance Setting Fares for Use of District Services.

D. FY 2004 Section 5307 Federal Grant Application – Grant Accountant Todd Lipkin described the application for federal funds in the amount of \$6,429,364. He said the grant was primarily to reimburse LTD for the purchase of 18 Gillig buses and 5 New Flyer articulated buses, plus station improvements and miscellaneous hardware and software.

In response to a question from Mr. Gant, Mr. Lipkin stated that none of the funds were for BRT expenses.

Public Hearing: Mr. Gaydos opened the public hearing and invited testimony from those present. There was no one wishing to speak. Mr. Gaydos closed the public hearing.

MOTION Mr. Kleger moved adoption of the following resolution: LTD resolution No. 2004-012: "Be it resolved that the LTD Board of Directors approves the proposed Section 5307 federal grant application for \$6,429,364 in federal funds and authorizes the general manager to submit this application to the Federal Transit Administration for approval. Ms. Hocken provided the second.

Mr. Kleger reminded the Board that LTD would have to provide a 20 percent match for the federal funds.

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

E. Lane Community College FastPass – Mr. Vobora explained that adoption of the resolution would eliminate the Lane Community College (LCC) FastPass special pricing option in favor of a group pass program.

Mr. Kleger asked if regular pass sales would be offered through LCC in addition to the group pass. Mr. Vobora said that the LCC bookstore would continue to sell monthly passes.

Mr. Gant asked if LTD had obtained input from students about elimination of the FastPass. Mr. Vobora said there was an advisory committee composed of staff and student body representatives who reported to the LCC President, and that group was consulted.

MOTION Ms. Ban moved adoption of the following resolution: LTD resolution 2004-014: Be it resolved that the LTD Board of Directors hereby eliminates the Lane Community College FastPass as a discounted fare option, effective September 1, 2004. Mr. Kleger provided the second.

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

F. Joint Development Policy – Director of Development Services Stefano Viggiano presented the Joint Development Policy that was developed by staff at the direction of the Board. He explained that the policy addressed joint development in or adjacent to transit stations. Revisions suggested by a Board committee who had reviewed a draft of the policy had been incorporated. He said that the policy had been subjected to a legal review as well. He summarized the four joint development goals, one of which must be met by a project in order for joint development to be considered:

- Provide goods or services at transit stations that benefit transit users
- Create development that adds activity to the area and a heightened sense of safety and security
- Offset the District's costs and/or generate revenue
- Be a catalyst for additional economic development in the area surrounding the station

Mr. Viggiano reviewed the types of joint development, decision factors, the decision process, and joint development management included in the policy.

Ms. Ban asked if joint development projects required local jurisdiction approval. Mr. Viggiano replied that approval would not be required as long as the development was consistent with a local plan. If it was not, LTD would not pursue the project.

Mr. Gant asked what the advantage of having a policy was and whether there were any negative legal consequences. Mr. Viggiano replied that the policy provided a decision-making framework and consistency for each project. Mr. Hamm said that the review by legal counsel did not identify any negative consequences to the policy.

MOTION Mr. Kleger moved adoption of the following resolution: LTD Resolution No. 2004-015: It is hereby resolved that the LTD Board of Directors adopts the Joint Development Policy as drafted by staff. Ms. Hocken provided the second.

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

G. Long-Range Financial Plan – Ms. Hellekson stated that the Long-Range Financial Plan was a rolling twenty-year plan and while the initial focus was the first five years, it was necessary to extend that focus to eight years as the capital agenda became more aggressive. She said the

plan was reviewed and updated annually and it was not a budget document nor did it obligate the Board to expend funds; it was strictly for planning purposes. She explained that the Board's decision regarding the pension plan smoothing method would change the budget by an increment of \$73,800. She indicated that the Board could approve an updated plan by amending the resolution to specifically address page 57 of the agenda packet as the approved version. She said that version did include a payroll tax increase in January 2006, but that did not obligate the Board and could be revised during next year's plan review and update.

Mr. Gant expressed concern with the political ramifications of leaving the payroll tax increase in the plan. Ms. Hellekson said if it was removed the plan would not balance and there had been no discussion about where to make adjustments.

Ms. Hocken asked that it be made clear that the payroll tax increase was only an assumption for planning purposes and the Board had not taken action on it.

MOTION Ms. Hocken moved adoption of the following resolution: LTD Resolution No. 2004-016: It is hereby resolved that the proposed Long-Range Financial Plan for fiscal years 2004-2005 through 2023-2024 is approved as presented in the version labeled 11.2006 with the assumption of a payroll tax increase in January 2006. Mr. Kleger provided the second.

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

H. Capital Improvements Program – Ms. Hellekson indicated that the Capital Improvements Program (CIP) contained in the agenda packet reflected the direction previously given to staff by the Board. She reminded the Board that if LTD entered into a federally funded contract in any year, the entire value of the contract had to be appropriated even though it was unlikely to be spent.

MOTION Ms. Ban moved to approve the following resolution: LTD Resolution 2004-017: It is hereby resolved that the proposed Capital Improvements Program for fiscal years 2004-2005 through 2008-2009 is approved as presented. Ms. Hocken provided the second.

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

ITEMS FOR INFORMATION AT THIS MEETING

A. Current Activities

1. **Board Member Reports**
 - a. **Meetings Held or attended**

- 1) **Metropolitan Policy Committee** – In response to a question from Ms. Hocken regarding the public involvement plan, Mr. Gaydos responded that the Metropolitan Policy Committee (MPC) had responded to concerns from members and the public about the lack of public participation in the Metropolitan Planning Organization's (MPO) transportation planning process. He said to address those concerns a Citizen Advisory Committee was created.
- 2) **Cottage Grove Rotary** – No questions.
- 3) **Lane County Commissioners/Elected Officials** – No questions.
- 4) **Region 2050 Policy Advisory Committee** – No questions.

2. **General Manager's Report** – Mr. Hamm asked Ms. Neidig and Director of Maintenance Ron Berkshire to provide a report on the articulated bus fire.

Ms. Neidig reported that there were 25 passengers on board the articulated bus when it caught fire the previous evening. She said that the bus operator took immediate action and followed LTD emergency procedures, and all passengers were evacuated safely from the bus. She said that there were no immediate claims of injuries or follow-up from any of the passengers to date. She said the operator had returned to work and expressed satisfaction with her response to the emergency in an interview with LTD staff.

Ms. Neidig said that the incident confirmed the importance of the automated vehicle locator (AVL) system for locating buses and responding in an emergency situation. She related that the remaining articulated buses had been removed from service, pending an investigation.

Mr. Berkshire said that an investigation of the fire would be conducted by New Flyer representatives and their contracted investigator and LTD's insurance company and its third-party investigator. He said that it was likely to be three weeks before results of the investigation were available. He stated that the bus was under warranty and only had 5,000 miles on it and therefore LTD would not be responsible for repair or replacement; however, it was important to understand what caused the accident to ensure that the other buses in service would not experience the same problem. He said the other articulated buses would not be returned to service until the source of the problem was identified and corrected and LTD had received a certification from the manufacturer that the vehicles were safe to operate.

Mr. Kleger said it appeared that the firewall between the engine and passenger compartments had fulfilled its purpose. Mr. Berkshire agreed and noted that although the fire was burning intensely, passengers at the back of the bus were unaware of it until after the fire had been detected by a motorist, yet still had time to exit the bus safely.

Ms. Lauritsen congratulated the District for its safety efforts.

Ms. Ban asked if a critical incident debriefing had been conducted. Ms. Neidig replied that both internal and external debriefings would be conducted. Mr. Berkshire said that when all of the information on the incident had been compiled, it would be forwarded to the Board.

Mr. Gant complimented LTD staff on handling the details associated with the event. He expressed concern about the firewall separation that prevented passengers from being aware of the problem and an apparent lack of sensors that would have alerted the driver. Mr. Berkshire

replied that there were fire alarms in the engine compartment and the fact that they did not sound an alarm would be part of the investigation.

Ms. Lauritsen asked if there was a plan to follow up with the media on news reports of the event. Mr. Vobora said that LTD was stressing safety as the major issue and the removal of articulated buses from service until the cause of the problem had been determined. He also indicated that no conclusions would be drawn until the investigation was concluded, and that LTD would cooperate fully throughout the process.

3. RideSource Facility Report – Senior Strategic Planner Lisa Gardner reviewed the status of the RideSource facility project. She said that a low bid was received from Essex General Construction, Inc., and a contract would be signed April 22, 2004, in the amount of \$2,349,000. She said construction would begin in the summer, with a ten-month construction window. She indicated that Facilities Services Manager Charlie Simmons would be the construction manager. She announced that an internal LTD groundbreaking event would be held for staff and Board members and include a field trip to the site. She presented a slide show of the facility design and site plan.

Ms. Ban asked why the groundbreaking event was internal, rather than including the disability community. Ms. Gardner replied that staff would be the primary users of the facility and when it was opened, a large public event would be held for the community. Accessible Services Program Manager Terry Parker added that the site prior to construction was not accessible and a celebration would be held when the facility opened and the site did not present accessibility hazards.

Ms. Hocken encouraged media involvement to demonstrate LTD's investment in a service that was expensive for the District to operate. Mr. Hamm agreed that the media should be made aware of the current operating environment and what was planned at the new facility to improve functionality.

4. Public Relations Plan Next Steps – Mr. Vobora referred to the agenda packet information that provided a brief update on public relations activities. He distributed a short brochure that was a combination of an annual report and plan for the future. He said the format would allow for annual updates and give Board members talking points and something to distribute to community groups.

Mr. Gant complimented staff on the high quality of the brochure, which was produced by LTD staff.

5. Monthly Financial Report – March 2004 – Ms. Hellekson commented that there had been an increase in ridership over the past several months and March had shown a significant improvement. She said that there was still no word on the payroll tax court case resolution and that fuel costs were increasing.

Ms. Lauritsen asked what LTD currently was paying for diesel. Ms. Hellekson said that the price was up to \$1.20 per gallon and was averaging \$.98 per gallon for the year, but LTD had budgeted \$.93. She indicated that the higher cost of fuel had been offset by other materials and services appropriations and \$200,000 had been added to next year's proposed budget for fuel expenses.

Ms. Hellekson noted a question at the April 19, 2004, meeting regarding the purchasing policy. She noted that the purchasing policy was a Board-adopted document last revised in 2002. She said it was a supplement to the state and federal procurement laws to which LTD was subject. She indicated that an overview of the organization's levels of purchasing authority could be provided as an information item at a future Board meeting.

Ms. Hocken asked about the use of contra accounts to shift the some of the cost of staff working on capital projects to the capital projects fund and the impact on operating expenses when those positions were shifted back to the operating budget. Ms. Hellekson replied that there were some permanent positions temporarily assigned to capital projects and positions that were created to work on specific projects. She said that the expectation was that those project-specific positions would be eliminated.

6. BRT (EmX) Update – There were no questions.

B. Monthly Department Reports – There were no questions.

C. Monthly Performance Reports – There were no questions.

Referring to the reading of the Twelfth Amended Ordinance No. 35, Ms. Ban clarified that she abstained from expressing an opinion on elimination of the 5 percent wholesale discount to public agencies.

ADJOURNMENT – The meeting adjourned at 8:05 p.m.



Board Secretary

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