

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

WEDNESDAY, MAY 19, 2004

Pursuant to notice given to *The Register-Guard* for publication on May 13, 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, May 19, 2004, beginning at 5:30 p.m., in the Lane Transit District Board Room, 3500 East 17<sup>th</sup> Avenue, Eugene.

Present: Hillary Wylie, President, presiding  
Gerry Gaydos, Vice President  
Susan Ban  
David Gant  
Dave Kleger  
Ken Hamm, General Manager  
Jo Sullivan, Clerk of the Board

Absent: Pat Hocken, Secretary  
Virginia Lauritsen, Treasurer

**CALL TO ORDER** - Ms. Wylie called the meeting to order at 5:33 p.m.

**ROLL CALL** – Mr. Hamm called the roll. Mr. Gaydos was not yet present.

**PRELIMINARY REMARKS BY BOARD PRESIDENT** – Ms. Wylie noted that the agenda was not crowded and would allow time for discussion.

**ANNOUNCEMENTS AND ADDITIONS TO AGENDA** – There were no additions for announcements.

Mr. Gaydos arrived at 5:35 p.m.

**BOARD CALENDARS** – Ms. Wylie reviewed the calendars and noted that the joint meeting with the Springfield City Council had been moved to July 12, 2004.

Mr. Hamm said that a joint meeting with the County regarding the MLK Parkway BRT (bus rapid transit) section needed to be scheduled. He proposed June 9, 2004, at noon and that date was acceptable to Board members.

Mr. Gaydos commented that labor negotiations would begin the next day and likely would continue into the summer. He said it was important that Board members be reachable during that time.

**WORK SESSION ON LTD EMPLOYEE BENEFIT PACKAGE** – Director of Human Resources and Risk Management Mary Neidig provided a briefing on the employee benefit package. She said the subject would be discussed in two parts; the first part was the key cost drivers and the second part, to be discussed in June, would include other benefits. She said that for purposes of

her presentation, the term "insurance" referred to a package of benefits that included medical, dental, vision, life, disability, and employee assistance. She distributed and reviewed a document entitled *Employee Benefits Overview* that contained data relating to the total cost of benefits, premium trends, and comparison of LTD employee benefits to those of other transit districts and local employers. She said that the predicted increase in the medical premiums for administrative employees appeared to be about 17 percent.

Ms. Wylie asked if the premiums were for an employee or an employee and family. Ms. Neidig replied that the premium cost shown in the document was an average for all employees and LTD covered the full cost of the premium whether it was for the employee only or included family.

Ms. Neidig said that the premium increase for dental was much smaller at 5.7 percent, and no increase was anticipated in the vision premium. She also reviewed the pension rate increase, which was part of the labor contract, and noted that the current rate was much more competitive in the marketplace. She said that the pension trusts for Amalgamated Transit Union (ATU) employees and administrative employees were managed by separate boards of trustees. She distributed a description of benefits available to ATU and administrative employees.

Mr. Gant asked if LTD had considered negotiating for a group long-term care policy. Director of Finance & Information Technology Diane Hellekson replied that it had been discussed, but LTD was not in a position to offer additional benefits. Mr. Gant said that the employees paid for the policy and the employer had minimal administrative costs. Ms. Neidig agreed that there was a benefit to offering long-term care coverage.

Ms. Ban asked if LTD had considered self-insuring for dental or vision. Ms. Neidig said that typically an organization of LTD's size was too small to self-insure, particularly if the group size was further reduced by the need to separate union and nonunion employees.

Mr. Kleger said that in the past there had been some discussion of organizing an insurance-buying consortium among local governments, transit districts, and other agencies. Ms. Neidig replied that an insurance consortium for medium-sized companies was being developed in the Portland area. She said the consortium was interested in creating buying power for prescription drugs and perhaps other pieces of a plan, but not creating an entire plan. She said she would be investigating whether LTD could benefit from an association with the consortium and also may become involved in discussions of a trust for health care benefits among transit districts.

Mr. Gaydos asked what options existed for reducing benefit costs. Ms. Neidig said that maintaining the benefits package for another six months would allow time to bargain the contract. She related that during the six months LTD also would examine a health care delivery model called an HRA (health reimbursement account) for administrative employees that had a high-deductible basic plan and individual employee accounts were created that could be drawn from to cover benefits not covered under the high-deductible plan. She said that other cost reduction options being considered by other employers were to reduce the benefits provided to employees, pass on premium increases to employees, or reduce benefits for employees with double coverage. She stated that all these options could be considered for administrative employees, but would have to be discussed and bargained with ATU employees.

Ms. Neidig explained that the HRA model involved purchase of a high-deductible health care plan with lower coverage for certain types of services, which would cost LTD less for the package. She said that LTD could then deposit the difference between the cost of the current

plan and the HRA plan into a health savings account for each individual employee, which could be used by an employee to pay for services not covered by the plan. Mr. Hamm added that an employee also could contribute to his or her account if a major health care expense was anticipated.

Ms. Neidig said that comparison of retirement plans was difficult because of the number of variables among plans, although LTD's rates were in the middle range. Ms. Hellekson commented that the retirement plan features had not changed; the increase in contribution rate primarily was due to the stock market.

Ms. Neidig commented that the average age for LTD employees was slightly under 51 years and the average age for comparable employers was 46 years, and that had an actuarial impact. She introduced Human Resource Department staff members Sue Latham and Linda Wood, who were very involved in the benefit plans, and thanked them for their efforts.

Mr. Gant asked about the impacts of changes to the benefits package. Ms. Neidig said the key was education and discussions with employees, and those efforts were ongoing. She said that each employee would have access to information about their health care utilization from the previous year to help them assess the impact. She said that an HRA plan would cover an unexpected catastrophic event and that employees could roll over benefits each year and accrue a larger base.

**ANNOUNCEMENT** - Ms. Wylie announced that the annual LTD picnic would be held on Sunday, August 29, 2004, and the annual bus rodeo was scheduled for July 18, 2004.

The Board took a brief break, from 6:20 to 6:35 p.m.

**EMPLOYEE OF THE MONTH** – Director of Transit Operations Mark Johnson introduced Bus Operator Gary Whitten, who was selected as the June 2004 Employee of the Month. Mr. Johnson praised Mr. Whitten's work ethic and kindness toward guests, and noted that LTD had received no complaints about Mr. Whitten's performance since he was hired in July 2001. Mr. Whitten expressed his gratitude for the award and attributed his selection to the quality of LTD as an organization and its employee training and orientation programs.

**AUDIENCE PARTICIPATION** – There was no one wishing to speak.

#### **ITEMS FOR ACTION AT THIS MEETING**

**MOTION** **A. Consent Calendar** – Mr. Kleger moved adoption of LTD Board Resolution No. 2004-018: It is hereby resolved that the Consent Calendar for May 19, 2004, is approved as presented. Mr. Gaydos provided the second.

**VOTE** The Consent Calendar was approved as follows:  
 AYES: Ban, Gant, Gaydos, Kleger, Wylie (5)  
 NAYS: None  
 ABSTENTIONS: None  
 EXCUSED: Hocken, Lauritsen (2)

**B. Second Reading and Adoption – LTD Twelfth Amended Ordinance No. 35, Setting Fares for Use of District Services** – Service Planning and Marketing Manager Andy Vobora referred the Board to the amended ordinance on page 25 of the agenda packet and noted the changes that were made as a result of the Board's direction to staff.

MOTION Mr. Kleger moved that Twelfth Amended Ordinance No. 35 be read by title only. Mr. Gaydos provided the second. Mr. Gant requested a roll call vote.

VOTE The motion was approved as follows:  
AYES: Ban, Gaydos, Kleger, Wylie (4)  
NAYS: Gant (1)  
ABSTENTIONS: None  
EXCUSED: Hocken, Lauritsen (2)

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

MOTION Ms. Ban moved LTD resolution No. 2004-019: Be it resolved that the LTD Board of Directors hereby adopts Lane Transit District Twelfth Amended Ordinance No. 35, An Ordinance Setting Fares for Use of District Services. Mr. Kleger provided the second. Mr. Gant requested a roll call vote.

VOTE The motion was approved as follows:  
AYES: Ban, Gaydos, Kleger, Wylie (4)  
NAYS: Gant (1)  
ABSTENTIONS: None  
EXCUSED: Hocken, Lauritsen (2)

**C. EmX Property Acquisition** – Assistant General Manager Mark Pangborn drew the Board's attention to replacement pages in the agenda packet that contained an amendment to the September 2003 resolution No. 2003-031 adopted by the LTD Board for property acquisition. He related that the acquisition had taken longer than anticipated because of changes necessary to meet Oregon Department of Transportation (ODOT) requirements.

Mr. Gant asked if an executive session was required to discuss the purchase of property. Mr. Pangborn replied that an executive session would occur if the legal ramifications of acquisition were discussed; the current resolution only began the process of negotiations.

MOTION Mr. Gaydos moved that the LTD Board of Directors adopt LTD Resolution No. 2004-020, a Resolution Authorizing the Lane Transit District to Acquire by Purchase or by the Exercise of the Power of Eminent Domain Certain Real Property Necessary for the Franklin Corridor Design of the Bus Rapid Transit Project. Ms. Ban provided the second. Mr. Gant requested a roll call vote.

VOTE The motion was approved as follows:  
AYES: Ban, Gaydos, Kleger, Wylie (4)  
NAYS: Gant (1)  
ABSTENTIONS: None  
EXCUSED: Hocken, Lauritsen (2)

Mr. Pangborn provided details of the acquisition process and expressed optimism that negotiations soon would be successfully concluded with the remaining property owners, with construction in the summer. He said in addition to LTD's property acquisition, other preliminary steps included relocation of power poles and routing of a new water line by Springfield Utility Board (SUB).

Mr. Gant asked what percent of sections between the Eugene and Springfield stations had not yet been acquired. Mr. Pangborn illustrated the remaining sections on a map and indicated that not all properties would need to be acquired; some would require only an easement. He said the largest piece of property still in negotiations was owned by the University of Oregon. He stated that a majority of the corridor already was within the existing right-of-way.

## ITEMS FOR INFORMATION AT THIS MEETING

### A. Current Activities

#### 1. Board Member Reports

##### a. Meetings Held or attended

- (1) **Metropolitan Policy Committee** – Ms. Ban reported that the committee heard a presentation on the Road User Fee Task Force (RUFTF) created by the Legislature in 2001 to design a new revenue system to ultimately replace the fuel tax on gasoline. She said that a pilot project in Lane County was being contemplated.
- (2) **Region 2050 Policy Advisory Board** – Ms. Ban said the Board continued to develop three regional growth management scenarios and staff met with school districts to determine scenario impacts on schools.
- (3) **Presentation to C-TRAN Board of Directors** – Ms. Ban reported that the C-TRAN Board also was addressing congestion issues and reviewing a variety of models such as rail and BRT. She said that a professor from the University of Washington was monitoring BRT application across the country and had a remarkable presentation, including statistical data. Mr. Hamm remarked that he would arrange for highlights from that presentation and others from the recent BRT conference to be provided to the LTD Board.

**2. General Manager's Report** – Mr. Hamm reported that he, Ms. Ban, and Mr. Gaydos met with officials from Lane County to discuss the MLK Parkway, and agreement was reached for an 86-foot right-of-way in exchange for protection of access to a mobile home park. He said the right-of-way was provided to the City of Springfield by the County and the arrangement would be formalized at the Board's joint meeting with the Lane County Commissioners. He said this would result in a right-of-way with north- and southbound queue lanes for BRT.

In response to a question from Mr. Kleger, Mr. Hamm asked Director of Maintenance Ron Berkshire to report on New Flyer's response to the articulated bus fire.

Mr. Berkshire stated that the investigation had determined that the fire was caused by failure of a hydraulic hose that allowed oil to spray onto the exhaust system. He said that those hoses had been removed from the remaining buses and sent to the manufacturer for testing. He indicated that it appeared the hose failure was an isolated case and related to an installation problem instead of a manufacturing flaw. He commented that the fire alarm had not sounded because the

heat sensors were improperly installed, and testing also had indicated that the sensors were not consistent for temperature sensing. He said that New Flyer had gone to a new manufacturer for fire alarms, higher decibel alarms would be installed in the vehicles, and the hydraulic hoses would be sleeved with a fire protection sleeve to mitigate the possibility of future problems. He reported that the remaining buses would be outfitted, tested, and back on the street within two weeks and the damaged bus was being rehabilitated by New Flyer and would be returned to LTD like a new zero mileage bus.

Mr. Gant asked if the buses were equipped with fire suppression. Mr. Berkshire replied that some buses did use fire suppression, but it was not useful in the type of fire that occurred. He said that users reported false releases and he did not recommend fire suppression mechanisms. He noted that the hydraulic fan drive in the bus was common among all bus manufacturers.

**3. Public Relations Plan – Tax Rate Outreach** – Mr. Vobora reviewed the plan for community outreach related to a possible increase in the payroll tax rate. He said that staff would develop materials and talking points over the summer and Board members would be involved in outreach efforts. He asked for suggestions of other outreach activities or opportunities.

Mr. Gant commented favorably on the planned mailing of information to taxpayers and encouraged efforts to reach those who likely would be opposed to an increase. He asked if it was possible to conduct sampling to determine community sentiment. Mr. Vobora replied that outreach would include a mix of one-on-one meetings, group presentations, hosted small gatherings, and distribution of informational materials. He said that a feedback loop similar to that used in the self-employment tax outreach effort would be used.

Ms. Wylie asked about the cost of polling. Mr. Vobora responded that it depended on the design elements of the poll and he would develop some cost estimates.

Mr. Kleger described previous outreach efforts by teams of Board and staff members to educate and obtain feedback. He said the effort was time-consuming but very worthwhile.

Ms. Wylie asked that the Board be provided with a bulleted list of talking points, rationale for the increase, and figures showing the impact of the increase so the Board was well-equipped to respond to questions.

Mr. Hamm related that he had spoken to Eugene City Manager Dennis Taylor and another round of one-on-one conversations between Board members and city councilors should be scheduled, particularly with those who were newly elected, to keep them informed about BRT and the status of other issues and projects.

**4. Monthly Financial Report** – Ms. Hellekson noted that the increasing cost of fuel presented a major concern for next year as \$1.13 per gallon had been budgeted, but the actual cost was substantially higher. She said that there was sufficient contingency in next year's budget to accommodate fuel costs on a one-time basis in the hope that prices would stabilize, and that the Board would be kept apprised. She directed the Board's attention to the addition of monthly labor trend data to the agenda packet.

**5. BRT (EmX) Update** – Mr. Pangborn reported that LTD had obtained the necessary utility easements, Eugene and ODOT had the final plan, and construction would begin in the summer.

He said that LTD was following the Cleveland transit district's lead on the contract for BRT vehicles, and once agreement was reached, it would take about four weeks to perform a cost analysis before signing the contract.

Mr. Pangborn stated that groundbreaking would occur when the final piece of property was in place and the contract for BRT vehicles signed, probably in middle to late June. He said the event would be coordinated with Congressman DeFazio's office.

Mr. Gant asked when schematics of the cosmetic improvements to the BRT vehicle would be available. Mr. Pangborn estimated that information would be available in late summer 2004, with a prototype available in the first quarter of 2005.

**6. Springfield Station Report** – Mr. Pangborn announced that the station project was on schedule, the building was 80 percent complete, canopies were painted, landscaping had begun, and paving would occur shortly.

Mr. Kleger commented that he visited the site weekly and the project was very impressive and elicited positive comments from passersby.

Ms. Wylie said that a tour would be conducted on Friday, May 28, 2004.

Mr. Hamm remarked that LTD was working with an agent to obtain tenants for the commercial space in the station.

**B. Monthly Department Reports** – Ms. Neidig announced that labor contract negotiations would open on May 20, 2004, and distributed an information sheet to Board members containing guidelines on communications between Board members and employees, the union, and the media during the negotiation process.

**C. Monthly Performance Reports** – There were no questions or comments.

**D. Monthly Labor Trends Reports** – There were no questions or comments.

**ADJOURNMENT** – The meeting adjourned at 7:40 p.m.

  
Board Secretary