

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING/WORK SESSION

Wednesday, September 21, 2005

Pursuant to notice given to *The Register-Guard* for publication on September 15, 2005, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a regular board meeting on Wednesday, September 21, 2005, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17<sup>th</sup> Avenue, Eugene.

Present: Susan Ban, Vice President, presiding  
Debbie Davis  
Mike Eyster  
David Gant, Secretary  
Dave Kleger, Treasurer  
Dean Kortge  
Ken Hamm, General Manager  
Lynn Taylor, Minutes Recorder

Absent: Gerry Gaydos, President

**CALL TO ORDER** – Ms. Ban called the meeting to order.

**ROLL CALL** – General Manager Ken Hamm called the roll.

**PRELIMINARY REMARKS BY BOARD PRESIDENT** – Ms. Ban announced that Mr. Gaydos was attending the Eugene Chamber of Commerce Emerald Awards event as his firm had been nominated for a community service award.

**ANNOUNCEMENTS AND ADDITIONS TO AGENDA** – Mr. Eyster asked if the Board would have an opportunity to discuss the Interstate 5 (I-5)/Franklin Boulevard interchange. Ms. Ban replied that she had materials from a recent presentation on the subject and a discussion would be added to the Reports section of the agenda. She noted that the Region 2050 project was holding community information meetings and urged Board members to attend.

**BOARD CALENDARS** – Ms. Ban determined there were no objections to scheduling a Board work session on November 14, 2005, the same week as the November 16 regular meeting.

**WORK SESSION**

**Office of Medical Assistance Programs Transportation Brokerage** – Accessible Services Manager Terry Parker related that LTD had been asked by the State's Office of Medical Assistance Programs (OMAP) to be the lead agency to establish a call center and transportation brokerage in Lane County. She explained that brokerages existed throughout the state to perform that function and Lane County was the only area without a brokerage to date, in part

because several years ago the Lane County of Government's (LCOG) Senior & Disabled Services (S&DS) division had developed its own software program and functioned as a brokerage. She said what S&DS did not do was manage the providers in the community, which required the State to assume that oversight function. She said the State recognized it lacked the capacity to perform adequate oversight or monitor how funds were spent and preferred brokerages to attain the necessary accountability. She said the State preferred that LTD administer the brokerage because it had extensive coordination experience, management capabilities, and an infrastructure. She acknowledged that there were risks, which she had highlighted in the agenda packet material. She said the brokerage would be a large piece of work, with \$3 million to \$4 million per year passing through to Lane County medical transportation providers for persons eligible for Medicaid whose medical transportation was paid for by the State. She said that providers included taxis, ambulances, non-emergency ambulances and others; some trips were local and some were out-of-area. She noted that *RideSource* provided few of the trips in part because of capacity and that medical transport represented the primary source of revenue for many providers.

Mr. Eyster asked if most trips were scheduled or emergencies. Ms. Parker replied that most trips were scheduled and there were fairly strict rules regarding scheduling; emergency calls for ambulances did not fall into the medical transportation category.

Mr. Kortge asked if OMAP felt the lack of a brokerage resulted in excessive charges to the program. Ms. Parker replied that OMAP felt the Lane County providers had colluded in setting rates across all providers at the maximum allowed. She said that brokerages helped to level the playing field and offer access to smaller providers that were not able to use OMAP's electronic billing system. She said the advantages to LTD of managing the brokerage were a better quality of service for clients and some economy of scale by including the *RideSource* contract.

Mr. Kortge asked if the brokerage would result in angry providers descending on LTD's offices. Ms. Parker replied that OMAP would place negotiating rates with providers in the hands of the brokerage. She said that OMAP reimbursed a brokerage at an established per ride rate and that rate would be based on all of the rates negotiated with all of the individual providers and the risk was that the brokerage did not establish the rate or number of rides appropriately. She said that the experiences of other brokerages had been mostly positive.

In response to a question from Mr. Eyster, Ms. Parker explained that the brokerage was the business function and the call center was the interface with the consumer where eligibility was determined and services dispatched. She said that the brokerage would manage costs and look for the most appropriate, least costly ride.

Mr. Eyster asked if there were standards for response times. Ms. Parker said that those standards were established when the brokerage was developed. She said the question before the Board was whether staff should take the first step to establish an agreement with the State that met mutual interests and enter a development phase. She said that if an agreement was reached, a development contract would be executed and would include building the necessary capacity for a brokerage.

Mr. Kortge asked if there was a difference between *RideSource* and OMAP clientele. Ms. Parker replied there was overlap and *RideSource* currently provided Medicaid non-medical services through a contract with the State, but because Medicaid did not pay full costs for those clients

LTD received only a 50 percent reimbursement instead of the 100 percent reimbursement under Medicaid's medical program. She said there were also a large number of clients whom LTD did not currently serve and she expected to see an increase in ridership through the brokerage.

Mr. Kortge expressed apprehension about LTD becoming involved in a brokerage and said it appeared that OMAP clients were a different population.

Mr. Gant observed that if LTD did not operate the brokerage it likely would be managed remotely from another county.

Ms. Parker remarked that S&DS did 80 percent of the Medicaid transportation in Lane County and those were LTD's clients. She said in considering why LTD would want to assume the brokerage she looked at the increase in RideSource demand and LTD's inability to pool that resource to its maximum potential. She said currently there were 80,000 rides on RideSource that LTD tried to maximize on a fleet of vehicles and the efficiency was 2.5 rides per hour; a pool of 200,000 rides in a central call center could increase efficiency by putting as many as possible into the RideSource fleet and making the best use of public resources before using other providers.

Mr. Gant asked if a brokerage that was remotely managed would be likely to coordinate with RideSource. Ms. Parker replied that there would be no incentive for coordination. She said the State was interested in having LTD manage the brokerage because of the ability to coordinate virtually all of the S&DS trips in Lane County. She said a remote manager would be interested in doing a Medicaid brokerage only; LTD's interest was in a brokerage that would pool all resources in a fully coordinated environment.

Mr. Eyster asked if the medical trips required specialized driver training or skills. Ms. Parker commented that RideSource operators were probably better trained than the operators who were currently providing trips. She said that under a brokerage there could be an increase in requirements, but not to the extent that it would put small taxis out of business as they provided an important service to the community as a whole. She said the challenge was to build quality within other providers and build quality and capacity in the system.

Mr. Kortge expressed concern that a brokerage would take rides away from other providers. Ms. Parker said that the system would retain the same capacity, but trips would be redistributed so that the public fleet could be better used. She indicated that providers who lost trips would be those whose services were very poor and a brokerage would correct those problems.

Ms. Ban confirmed that some current providers were unreliable and that posed significant problems for clients.

Mr. Kleger remarked that a brokerage presented the real possibility of obtaining more results for the taxpayers' money and a smaller possibility it would not work because the State dumped other costs on LTD. He did not see a significant change in the amount of funds going into the private sector, although it could be distributed differently among private sector providers based upon qualifications and quality of service because there would be more attention paid to those issues. He related his personal experience with the unpredictable quality of service from private providers and said there was no effective way for consumers to address bad service. He was

inclined to direct staff to pursue discussions with OMAP to negotiate an agreement with the ability to suspend negotiations if an arrangement that was satisfactory to LTD was not reached.

Mr. Eyster asked if LTD would be able to back out of the negotiations. Ms. Parker said the Board would only authorize staff to begin the negotiations; there would not be a signed contract.

Mr. Gant asked if LCOG had an interest in operating the brokerage. Ms. Parker replied that LCOG had indicated it was not interested in the brokerage.

Mr. Hamm asked Ms. Parker to explain how LTD administrative costs would be covered. Ms. Parker declared that the State had been very forthcoming about urging LTD to develop a budget that would cover the costs of managing the service and build that into the rate so it could be funded. She noted that the State was very cooperative about paying for staffing to operate the brokerage. She said there were a number of options to consider when developing a budget.

Ms. Ban determined that it was the consensus of the Board to direct staff to proceed cautiously to negotiate with the State and closely monitor costs.

**Triennial Review Final Report** – Purchasing Manager Jeanette Bailor explained that LTD's federal funding required a review by the Federal Transit Administration (FTA) every three years. She said the review considered 22 areas and noted 5 in which some corrective action was necessary in order for LTD to remain compliant. She said LTD must provide follow-up information by October 8, 2005. She highlighted the 5 corrective action areas:

- *Public Comment Process for Fare and Service Changes* – develop written procedure for considering public comments once they were received. Those procedures were incorporated into First Amended Ordinance No. 33.
- *Half Fare* – update bus fare placards and the *Rider's Digest* to more clearly reflect the half-fare rules. Those updates had been completed.
- *Procurement* – establish a formal process for cost analyses on change orders. The process had been incorporated into the procurement policy and submitted to the FTA.
- *Facilities Maintenance Program* – supplement the electronic facilities and equipment maintenance program, MAXIMO, with a written plan that identified the steps involved in adding new equipment, facilities, warranty procedures, warranty claim follow-up, and preventive maintenance checklist development. The plan and policies were almost completed and would be submitted by the due date.
- *Fleet Maintenance* – revise the plan and policies to include goals and objectives, a definition of how goals and objectives are to be achieved; develop new checklists and more closely monitor adherence to the preventive maintenance program. A formal plan was being developed and LTD would be required to submit monthly reports for three months.

Mr. Eyster asked if FTA had written standards that LTD should be following to avoid corrective action. Ms. Bailor replied there were no specific guidelines, but FTA expected LTD to develop a maintenance program that would care for vehicles, facilities, and equipment in a manner that met warranty requirements and protected FTA interests.

Mr. Kleger pointed out that most of the issues in the review related to the need to write down what LTD already was doing. He noted that fleet maintenance issues were addressed in

previous reviews and asked if FTA requirements had been as specific in the past. Ms. Bailor replied that FTA had not been as specific in its requirements for updates to program and policies. She noted that each triennial review targeted a specific area and this review had focused on maintenance.

Mr. Kleger asked if there would be any serious problems in meeting maintenance requirements. Director of Maintenance Sam Marra replied that he and his staff already had been working on many of the issues noted by FTA and that he did not anticipate any problems with following through and staying timely on maintenance procedures.

**Applications for Surface Transportation Program Funds** – Director of Finance and Information Technology Diane Hellekson reported that LTD had withdrawn its applications for Surface Transportation Program – Urban (STP-U) funds as there were limited funds and higher priority projects, although they could be resubmitted at a later date. She noted that withdrawing the applications would not prevent LTD from proceeding with the projects with other funding options, depending on how they were prioritized in the Capital Improvements Program process.

**EMPLOYEES OF THE MONTH** – Transit Services Manager Sue Quick introduced August 2005 Employee of the Month Bus Operator Rick Remior, September 2005 Employee of the Month Customer Service Representative Tony Zacchino, and October 2005 Employee of the Month Bus Operator Kiyoshi Clark. She listed the employees' accomplishments and the outstanding qualities that earned them the awards.

Ms. Ban congratulated each employee, thanked them all for their service, and presented the awards.

**AUDIENCE PARTICIPATION** – Jody Hubbell, LTD employee, presented three proposals to the Board and asked for members' responses. He thanked the Board on behalf of senior riders for lowering the age to qualify for free ridership. He offered the following proposals:

- Currently monthly bus passes expired at the end of the month and it was difficult for many of the low income riders to budget for a pass when their checks did not arrive until the third of the month. He said there was inconsistency in handling the problem and proposed having passes expire on the third of the month and publicize that in the monthly newsletter.
- There was a conflict between the schedule for Board and union meetings, which were on the third Wednesday following the first Tuesday. He asked that Board meetings be rescheduled to allow union members to attend.
- Allow union members greater access to Board members, perhaps through private meetings that assured a degree of anonymity, to enhance communications and avoid some of the problems in the past.

Ms. Ban said that the Board would certainly discuss the bus pass proposal. She assured Mr. Hubbell that the Board was committed to finding a way to be more available to employees and was developing a plan to improve the relationship with employees.

Mr. Hamm commented that State statutes required that if two or more Board members were in a meeting it was subject to open meeting requirements and had to be publicized and open to the public. He said the Board was exploring ways to work with employees.

Mr. Kleger added that executive sessions were allowed only in very specific situations concerned with legal strategies related to property acquisition, lawsuits, and personnel actions.

Mr. Gant thanked Mr. Hubbell for taking the time to come to the meeting and make proposals to the Board.

#### ITEMS FOR ACTION AT THIS MEETING

**Consent Calendar** – Ms. Ban noted that Mr. Kortge was referred to in the June 13, 2005, minutes as *Ms. Kortge*.

**MOTION** Mr. Kleger moved adoption of LTD Board Resolution No. 2005-024: “It is hereby resolved that the Consent Calendar for September 21, 2005, is approved as corrected.” Mr. Kortge provided the second. The Consent Calendar consisted of the minutes of the June 13, 2005, Special Board Meeting; June 15, 2005, Regular Board Meeting; July 20, 2005, Canceled Board Meeting; August 8, 2005, Special Board Meeting; August 17, 2005, Canceled Board Meeting; Special Transportation Advisory Council Bylaws revisions; and Fiscal Year 2005-06 Disadvantaged Business Enterprise (DBE) Policy and Program.

**VOTE** The Consent Calendar was approved as follows:  
 AYES: Ban, Davis, Grant, Eyster, Kleger, Kortge (6)  
 NAYS: None  
 ABSENTIONS: None  
 EXCUSED: Gaydos

**First Reading – First Amended Ordinance No. 33, An Ordinance Adopting Procedures Relating to Route, Schedule, and Fair Changes** – Assistant General Manager Mark Pangborn explained that the amended ordinance would codify the procedures on handling public input in accordance with the requirements of the Triennial Review. He referred to the new procedures, which were provided in legislative format in the agenda packet.

Mr. Kortge asked how he should handle an e-mail from a member of the public that he personally received. Mr. Pangborn replied that if the e-mail was a comment on a route or fare change or other LTD business it should be forwarded to Clerk of the Board Jo Sullivan, who would distribute it to all Board members. He said that any written materials should also be forwarded to Ms. Sullivan.

**MOTION** Mr. Kleger moved that the First Amended Ordinance No. 33 be read by title only. Mr. Kortge provided the second.

**VOTE** The motion was approved as follows:  
 AYES: Ban, Davis, Grant, Eyster, Kleger, Kortge (6)  
 NAYS: None  
 ABSENTIONS: None  
 EXCUSED: Gaydos

Mr. Kleger read the ordinance title: "First Amended Ordinance No. 33, An Ordinance Adopting Procedures Relating to Route, Schedule, and Fare Changes."

**Special Service Policy Update** – Mr. Pangborn related that the revisions to the Special Service Policy would enact written procedures that previously were approved by the Board.

**MOTION** Mr. Kleger moved the following resolution: LTD Resolution No. 2005-026: Resolved, that the LTD Special Service Policy is approved as revised and presented at the September 21, 2005, Board meeting. Ms. Davis provided the second.

**VOTE** The motion was approved as follows:  
AYES: Ban, Davis, Grant, Eyster, Kleger, Kortge (6)  
NAYS: None  
ABSENTIONS: None  
EXCUSED: Gaydos

**Board Committee Appointments** – Ms. Ban directed Board members' attention to the list of designated Board committee assignments contained in the agenda packet.

## ITEMS FOR INFORMATION AT THIS MEETING

### Board Member Reports

**Region 2050 Policy Advisory Board – June 22** – Ms. Ban reported that the Region 2050 project to identify a preferred growth scenario for the region was hosting a series of community reviews of possible growth scenarios and encouraged Board members to attend.

**Metropolitan Policy Committee – September 15** – Ms. Ban stated that the chief engineer for the Oregon Department of Transportation had made a presentation about the engineering challenges of an I-5/Franklin Boulevard interchange. She distributed sketches of various designs and said the process to identify locations, options, and implications for costs and access had begun. She indicated that LTD had not taken a position on the interchange and would require more information on benefits before weighing in on the project.

Mr. Kleger noted that the interchange could allow for more efficient express trips from the Gateway housing area to the University of Oregon as well as interface with the EmX line.

**General Manager's Report** – There were no questions or additional information to report.

**Monthly Financial Report** – Ms. Hellekson announced that payroll tax receipts were strong, due in part to the continued boom in construction, and the desired control of personnel services cost growth had been achieved during the past two months. She said the bad news was that fuel prices were terrible and there was not likely to be an improvement. She said that \$2.10 per gallon was budgeted and the average in the first two months was \$2.24 per gallon. She expected that price to increase in the aftermath of Hurricane Katrina and a supplemental budget

probably would be necessary at year-end. She said the cost of fuel also would be a driving factor in strategic planning.

**Student Transit Pass** – Commuter Solutions Program Manager Connie Williams reported that the program was proceeding in accordance with direction from the Board and had received the Business Energy Tax Credit (BETC) payment for the pilot project and pre-certification for the project from the Oregon Department of Energy, and had obtained Pacific Continental Bank as a pass-through partner for the 2005-06 transit pass program. She said that beginning October 1, 2005, LTD would provide free transit services to all students in grades 6 through 12 in both private and public school, adding 22,000 new potential riders.

Mr. Hamm referred to a story distributed by Lisa Van Winkle that demonstrated the benefit of the Student Pass Program and urged the Board to review it. He said it spoke to how the program served people with a different set of needs and trained riders for the future.

Mr. Kortge noted that a recent editorial about the program in the *Register-Guard* incorrectly stated that the program was paid for by taxpayers. Ms. Williams said it was difficult to explain the complexities of BETC program funding.

Mr. Kortge asked if reports were provided on the Disadvantaged Business Enterprise program. Ms. Bailor replied that she submitted semi-annual reports; the goal last year was 5.3 percent and LTD achieved 5.16 percent. She said that some years the goal was exceeded.

The meeting adjourned at 7:10 p.m.

  
Board Secretary

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