

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL BOARD MEETING/WORK SESSION

Tuesday, September 19, 2006

Pursuant to notice given to *The Register-Guard* for publication on September 14, 2006, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a special Board meeting on Tuesday, September 19, 2006, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Gerry Gaydos, President, presiding
Susan Ban, Vice President
Mike Eyster
Dean Kortge, Secretary
Mark Pangborn, General Manager
Jo Sullivan, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: David Gant
Debbie Davis, Treasurer
(One vacancy, Subdistrict 6)

CALL TO ORDER/ROLL CALL – Mr. Gaydos called the meeting to order and called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Mr. Gaydos announced that David Grant had indicated he would not apply for a second term on the Board. He said there were some individuals who were interested in being appointed and he hoped to have two new members after the first of the year.

Mr. Kortge said the Cottage Grove City Council had discussed candidates from that area to replace Mr. Gant.

Mr. Gaydos thanked Board members for their efforts as ambassadors for the District.

ANNOUNCEMENTS AND ADDITIONS TO AGENDA – Mr. Pangborn asked that two resolutions be added to action items to designate Stefano Viggiano as general manager pro tempore and himself at the Lane Transit District (LTD) registered agent. There were no objections to the additions.

BOARD CALENDARS – Ms. Ban noted that the next Metropolitan Policy Committee (MPC) meeting was scheduled for October 12, 2006, at 5:30 p.m. and would be a joint meeting with the Citizen Advisory Committee (CAC).

Mr. Pangborn announced that the City of Springfield was planning a grand opening for the Martin Luther King Boulevard extension roundabout on October 4, 2006, at 10 a.m. and Mr. Eyster had

volunteered to speak on behalf of LTD. He invited all Board members to attend and reminded them that tours of the RiverBend complex were available.

Mr. Pangborn said that a retirement party for Linda Lynch would be held on September 25 at 5 p.m.

Mr. Kortge asked if another joint meeting with the Springfield City Council was scheduled. Assistant General Manager Stefano Viggiano replied that the council would meet on November 6 to discuss the Pioneer Parkway project but no joint meeting was planned.

Mr. Pangborn polled Board members and determined that a December 20, 2006, meeting was acceptable. He said the Board's strategic planning retreat was scheduled on November 10-11 and a schedule and agenda items would be discussed later in the meeting.

WORK SESSION

November 2006 Ballot Measures – Doug Barber of the Ulum Group discussed measures on the November ballot that could impact LTD. He said Measure 39, related to eminent domain/condemnation, was originally thought to exclude transportation projects. He said another provision was discovered that would subject those projects, including transit projects, to the requirement to pay the property owner's costs and attorney fees if the case went to court and the court ruled for any amount above the original written offer.

Mr. Barber indicated that under that scenario most parties were likely to take a case to court and given the time between when the initial offer was made and the court ruled it was probable that property values would have increased and the ruling would be higher than that first offer. He said that jurisdictions would be paying appraisal costs and attorney fees in most cases; the estimated cost to the State annually would be \$8 million to \$17 million and to local governments between \$8 million and \$13 million a year. He said it would be difficult to mount a campaign to defeat the ballot measure at this point, but because it was a statute and not a constitutional amendment, the Legislature could be asked to fix the problem or a legal challenge could be made.

Mr. Barber said there were two significant measures attacking the State's funding stream: Measure 41 dealt with revenue and Measure 48 dealt with expenditures. He explained that Measure 41 would allow people to substitute their federal personal tax exemption instead of using the State deduction, which would cost the State approximately \$800 million in the next biennium. He said Measure 48 would impose spending limits by establishing a formula based on population and inflation. He said a similar law was passed in Colorado in the 1990s and two years ago was repealed because of the devastating impact on necessary infrastructure. He said the estimate was that spending in the next biennium would be reduced by \$2.2 billion and if the courts determined that the law applied to the current biennium, spending would be reduced by \$2.5 billion in the current biennium and \$4.9 billion in the next biennium.

Mr. Barber said that Measure 48 would have a direct impact on LTD as all State spending was covered and funds for transportation would be reduced. He briefly reviewed several other measures that were of interest but had no direct impact on LTD, including Measure 45 related to term limits and measures 46 and 47 related to campaign contributions, Measure 42 related to insurance rates and Measure 40 related to electing judges. He indicated that there was no

polling data on ballot measures yet but that he would forward that information when it was available.

Mr. Gaydos encouraged people to consider seriously whether they wanted to vote in favor of Measure 40. He said one of the concepts of the judiciary was that they were impartial, unbiased and did not represent a particular interest or area. He said that would be undercut by requiring regional judges and limit voters' ability to vote for all judges.

Franklin EmX Update – Facility Services Manager Charlie Simmons provided an update on the Franklin EmX corridor construction. He said that construction was about 98 percent complete. He used drawings to illustrate retrofitting of the Eugene Station and expected it to be completed within a week. He said a cost reduction exercise two years ago removed a number of shelters but a recent budget review indicated that most of the project's contingency was unused and so the shelters were added back, including at the Hilyard, Walnut, Dad's Gate, Agate, and McVay Stations. He said the capability for real-time information at some future point was also being added and he anticipated that close to \$250,000 would remain in the budget once the additions were completed.

Mr. Simmons said that a 60-foot vehicle was taken through the transit lanes on a test run. He said it went extremely well and only one change—to the curb alignment at the Hilyard Station—would be made as a result of the test run. He showed a short video of the run.

Continuing, Mr. Simmons said that a total of 25 trees over two segments of the route were removed during the project and LTD was working with the City to identify opportunities to add trees. He said that development of signal software, to control signal priority and the block signaling, was close to being completed and staff were pushing to implement it by the end of September 2006. He anticipated that real-time information to be in place in 2007.

Mr. Pangborn stated that New Flyer had informed the District that it was behind schedule on production of the EmX vehicles. He said the first vehicle would come off the production line on September 26 and staff would travel to the New Flyer facility to inspect the vehicle. He said the major concern was how quickly the remaining vehicles could be produced and cautioned that service startup on December 17, 2006, might not be achievable. He said that the dedication would still occur on January 4, 2007.

Director of Maintenance George Trauger said the partnership with New Flyer was a new experience for the company as well as the District. He showed photographs of the New Flyer production line and an EmX vehicle being assembled. He anticipated conducting an audit review October 2-3 and accepting delivery of the first bus between October 10 and 12, 2006. He said once the vehicle was delivered, a post-delivery inspection would be conducted, remaining interior and exterior logos applied, and a vehicle signal priority transponder installed. He said that operator and maintenance training was scheduled to begin October 22.

Mr. Eyster asked about the status of Altoona testing and what the original delivery date had been. Mr. Trauger replied that Altoona testing was about 57 percent completed. Mr. Pangborn said the first bus was originally scheduled to be delivered on June 12, that date slipped to August 21, and it now was October 10. He added that New Flyer's normal production of an articulated bus was one per week, but New Flyer had informed LTD that the EmX vehicles would be completed every two weeks.

Director of Service Planning, Accessibility, and Marketing Andy Vobora said he would conclude the presentation at a later point in the meeting so the Board could take up the next agenda item.

EMPLOYEE OF THE MONTH – Transit Operations Manager Mark Johnson introduced Bus Operator Dawn Wrigley, October 2006 Employee of the Month. He said that Ms. Wrigley was hired by LTD in February 2004 and had received an award for two years of safe driving. She was nominated for Employee of the Month by a co-worker because her positive and caring attitude was such an asset in the workplace.

Ms. Wrigley thanked the Board for her award. She told the Board that its recognition of employees through the Employee of the Month program was greatly appreciated and those employees who received the award were very proud of it.

AUDIENCE PARTICIPATION – There was no one wishing to speak

Franklin EmX Update (continued) – Mr. Vobora demonstrated LTD's advertising campaign "Powered by the People." He said the campaign's objectives were to reinforce LTD's strengths in the community and establish a foundation for a successful launch of EmX. He said the target audiences included:

- General public
- Bus riders and potential riders
- Key EmX potential customers such as University of Oregon and PeaceHealth employees
- EmX key stakeholders
- Business community
- Payroll taxpayers
- Elected officials
- Media

Mr. Vobora reviewed the campaign materials and indicated that television and newspapers were relied upon heavily. He said a major media initiative was planned for the December EmX launch but timing would depend upon the actual EmX start date. He said there were a number of events that would generate media coverage such as art in stations, unveiling the EmX vehicle, testing, and the dedication ceremony.

Mr. Gaydos suggested that previous Board members and others who had been involved in the EmX project over the years should be invited to the dedication. Mr. Vobora said that staff were developing an extensive invitation list.

There were no objections to Mr. Pangborn's request to take up the West Eugene Transportation Study before proceeding to action items.

ITEMS FOR INFORMATION AT THIS MEETING

West Eugene Transportation Study – Mr. Viggiano said that following the termination of the West Eugene Parkway (WEP) project, the Eugene City Council had directed its staff to review West Eugene transportation issues again. He said that City and LTD staff agreed that the District should be a part of that study to explore a multi-modal solution through the West 11th

Avenue corridor. He reminded the Board that an extensive process for selecting the third EmX corridor had been agreed to with the Eugene City Council and the question now was how the transportation study would fit into that process. He said there were three options:

1. The City Council and LTD Board select the West Eugene corridor to be the next EmX corridor and decide not to go through a corridor selection process.
2. The City Council and LTD Board proceed with the EmX corridor selection process, and if the selected corridor is not West Eugene, pursue the different corridor instead.
3. The City Council and LTD Board proceed with the EmX corridor selection process, and if the selected corridor is not West Eugene, pursue that corridor and the West Eugene corridor.

Mr. Viggiano pointed out that the third option was not realistic because of lack of resources, so the viable options were 1 and 2. He said the Eugene City Council would discuss the issue at its September 25, 2006, meeting and staff were suggesting that the Council recommend West 11th Avenue to LTD as the third EmX corridor. He indicated that any thoughts the Board had on the subject could be carried forward to the Council.

Eugene City Engineer Mark Schoening stated that the Council's direction to staff was to come back with transportation priorities for North and West Eugene, including both capital projects, regulation, and a corridor study that would integrate EmX corridor planning along with system planning that the Oregon Department of Transportation typically did for West 11th Avenue between Terry Street and Greenhill Road and the overall corridor from the Eugene Station to Greenhill Road.

Mr. Eyster asked if it was likely that the Council would choose West 11th Avenue as the next EmX corridor and noted that it would be a very challenging route because of the intense commercial development along it. Mr. Schoening replied that West 11th Avenue was the recommendation from the city manager.

Mr. Ban asked why West 11th Avenue had not been chosen as a corridor previously. Mr. Viggiano explained that the earlier process had gone through the Planning Commission and included public comment. He said the Commission recommended three corridors for further study: West 11th Avenue, Coburg Road, and Highway 99. He said the Council eliminated West 11th Avenue from consideration when the matter came before it. He mentioned that the District had begun some planning work in West Eugene four or five years earlier and identified some good options to get as far west as Chambers Street or Garfield Street, but it would be challenging to proceed west beyond Garfield Street.

Mr. Eyster questioned how much support there would be from the City Council for a West 11th Avenue corridor and expressed concern that LTD would be attempting to sell it to the public, particularly the business community, without the City's participation.

Mr. Gaydos pointed out that the corridor did not need to be limited to West 11th Avenue and could be broader. He agreed that it was important to have a long-term commitment from the City that was formalized in a written agreement, as the project would not be implemented for 10 to 12 years.

Ms. Ban commented that there was also the issue of the City's contribution to matching funds. She said councilors had discussed the need for other jurisdictions to invest in transportation solutions and suggested that be a part of the study.

Mr. Gaydos said that conceptually West 11th Avenue made sense as it provided an east/west route, which was why it was explored earlier.

Ms. Ban said that the corridor selection criteria that were in place would be useful to help Board members articulate why a particular corridor was chosen. She was also concerned that the partnership relationship with the jurisdiction was clear that there was shared accountability for the project.

Mr. Gaydos urged City staff to share the corridor selection criteria with the Council.

Mr. Pangborn summarized the following elements of the Board's discussion:

- Emphasize partnership with the City
- Need for a long-term commitment from the City
- Determine costs and contributions of financial support

Mr. Schoening asked if cost sharing related to the transportation study. Mr. Viggiano indicated that the study cost could be shared by LTD but local match for construction was the biggest cost-sharing issue.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar** – Ms. Ban moved adoption of LTD Board Resolution No. 2006-027: "It is hereby resolved that the Consent Calendar for September 19, 2006, is approved as presented." Mr. Eyster provided the second. The Consent Calendar consisted of the minutes of the June 12, 2006, special Board meeting; June 21, 2006, regular Board meeting; July 10, 2006, special Board meeting/work session with the Springfield City Council; July 10, 2006, special Board meeting; July 19, 2006, canceled Board meeting; August 16, 2006, canceled Board meeting; and FY 2006-07 Disadvantaged Business Enterprise Policy and Program.

VOTE The Consent Calendar was approved as follows:
 AYES: Ban, Eyster, Gaydos, Kortge (4)
 NAYS: None
 ABSENTIONS: None
 EXCUSED: Davis, Gant

EmX Vehicle Debt Resolution – Director of Finance & Information Technology Diane Hellekson directed the Board's attention to the background information provided in the Agenda Item Summary. She said to protect the District's liquidity it was necessary to borrow up to \$6 million on a short-term basis to finance the EmX vehicles and the debt would be retired as early as possible in 2007. She explained that the Altoona report would not be available until January 2007 at the earliest and, while the Federal Transit Administration had approved putting the vehicles into service in advance of receipt of the report, grant reimbursement could not be made

until after the report was received, although the District would be required to pay for the vehicles before delivery under the terms of the New Flyer contract.

Mr. Kortge stressed the importance of making it clear that the need to borrow funds for the EmX vehicles was not the District's fault.

MOTION Mr. Kortge moved approval of LTD Board Resolution 2006-029, authorizing debt financing of six Franklin EmX corridor vehicles. Mr. Eyster provided the second.

VOTE The resolution was approved as follows:
 AYES: Ban, Eyster, Gaydos, Kortge (4)
 NAYS: None
 ABSECTIONS: None
 EXCUSED: Davis, Gant

Not-for-Profit Discount Program Update – Mr. Vobora said the impetus for bringing the proposed revisions to the Board was to index the monthly dollar limit on token purchases to token price increases so that the buying power of agencies remained the same. He said the \$20,000 received from the City of Eugene under its homeless initiative was intended to get more tokens and passes into the system to serve more people but the way the policy was written meant that agencies could buy same amount of tokens but pay less. The revisions to the policy emphasized the amount that could be spent, not the value of the fare instruments, and provided the District with greater flexibility while accomplishing the program's objective.

In response to a question from Mr. Kortge, Ms. Ban said that when the cap was identified by the dollar amount, agencies could not buy as many tokens when the price was increased.

Mr. Pangborn said the program was a real success; before it existed, agencies had come to the District for discounts for their clients but there was no process for responding equitably to those requests. He said the program not only established a uniform cap, but it also brought agencies in to share the cost, creating a shared responsibility for the program.

Ms. Ban said another benefit of the program was that agencies' clients were not using other transportation resources like taxis and ride services as long as people could use the bus. She said tokens were used to get people to doctor appointments and interviews, take children to day care, and participate in other essential activities.

MOTION Mr. Eyster moved approval of LTD Board Resolution 2006-030: "Be it resolved that the LTD Board of Directors hereby adopts revisions to the Not-for-Profit Program as presented on September 19, 2006." Mr. Kortge provided the second.

VOTE The resolution was approved as follows:
 AYES: Ban, Eyster, Gaydos, Kortge (4)
 NAYS: None
 ABSECTIONS: None
 EXCUSED: Davis, Gant

Mr. Vobora explained that the City of Eugene had made homelessness a priority and allocated \$50,000 for transportation assistance. He said that LTD had suggested putting \$20,000 into the

Not-for-Profit Program and the City identified agencies to use those resources. He said the remaining \$30,000 was being withheld for purposes of leveraging other grants in order to expand the program. He hoped the City would continue to allocate funds to the program.

MOTION Designation of LTD Registered Agent – Ms. Ban moved approval of LTD Board Resolution 2006-032, designating LTD General Manager Mark Pangborn as the Registered Agent for Lane Transit District. Mr. Eyster provided the second.

VOTE The resolution was approved as follows:
 AYES: Ban, Eyster, Gaydos, Kortge (4)
 NAYS: None
 ABSENTIONS: None
 EXCUSED: Davis, Gant

MOTION Designation of General Manager Pro Tempore – Mr. Kortge moved approval of LTD Board Resolution 2006-031, designating LTD Assistant General Manager Stefano Viggiano as the general manager pro tempore for Lane Transit District. Mr. Eyster provided the second.

VOTE The resolution was approved as follows:
 AYES: Ban, Eyster, Gaydos, Kortge (4)
 NAYS: None
 ABSENTIONS: None
 EXCUSED: Davis, Gant

ITEMS FOR INFORMATION AT THIS MEETING (continued)

Board Member Reports

Metropolitan Policy Committee – Mr. Gaydos reported that the MPC was developing a website that would assist the public to understand transportation projects in their neighborhood or routes of travel. He said the MPC's Citizen Advisory Council (CAC) was involved in making recommendations for better ways to involve the public in transportation planning and had provided input on the website design. He said the CAC had also developed a Public Participation Plan that was out for public comment and suggested the Board review the document at its retreat.

Board Human Resource Committee – Mr. Gaydos congratulated Director of Human Resources and Risk Management Mary (Neidig) Adams on her recent marriage and wished her and her husband well.

Board Two-Day Strategic Planning Work Session – Mr. Viggiano referred to the draft work session agenda and background materials provided in the agenda packet and suggested that issues the Board wished to discuss be framed in the context of the Strategic Plan goals. He said that topics were listed under the individual goals. He said another purpose of the work session was to develop budget priorities for the next year. He reviewed the proposed topics and asked for comments.

Mr. Gaydos indicated an interest in discussing productivity vs. coverage under Goal 1. He said that there had been discussion of service to outlying communities such as Veneta, Junction City, and Florence and it was important to have a policy framework for making those decisions. He was not certain that productivity vs. coverage was suited to that purpose. Mr. Viggiano agreed that there could be a work session on that issue.

Ms. Ban asked if demographics played a role in coverage or whether that was a separate factor. Mr. Viggiano said that a productivity model meant that service was put where it carried the most people; that meant that some areas might not be served at all. He said a coverage model attempted to provide coverage to as much of the area as possible even though service might not be good because resources were spread too thinly; however, everyone had the option to take transit. He said the Board's current position was to focus on productivity but not ignore coverage.

Mr. Vobora said the Leadership Council was discussing the same issue.

Mr. Eyster suggested that a work session on the issue be postponed until the new members had joined the Board. Mr. Pangborn asked that the Board have an initial discussion at the strategic planning workshop to give staff direction.

Mr. Gaydos requested a discussion of the different levels of service from basic to EmX under Goal 2. He said Goal 2 could include a discussion of how to involve other jurisdictions. He said that Goal 4 would be an appropriate place to discuss the citizen involvement component and review some of the recommendations from the Metropolitan Policy Committee (MPC) Citizen Advisory Committee (CAC). He commented that the City of Eugene was asking significantly more of LTD on the West 11th Avenue issue and it was important for the District to give some consideration to what partnerships meant, including funding and accountability.

Ms. Ban agreed that it was important to assure that all partners were sending a consistent message. She said it would be worthwhile to review some of the recommendations and implications of Region 2050 transportation planning efforts.

Mr. Gaydos asked to have a discussion of the condition of the District's fleet during the strategic planning work session. Mr. Eyster expressed interest in the ramifications of the last service adjustments. These topics actually would be covered at the October Board meeting.

Mr. Gaydos also encouraged a discussion of sustainability and comparison of LTD's efforts to those of other public entities.

Following a discussion, Mr. Pangborn determined that there was agreement with the following schedule for the Strategic Planning Work session:

Friday, November 10, 2006 – 11 a.m. to 5:30 or 6 p.m. with a working lunch
Saturday, November 11, 2006 – 8 a.m. to noon

Mr. Kortge asked if the communications audit under Goal 5 would include an update on the status of union negotiations and labor relations. Mr. Pangborn said that this would be a separate discussion.

Following a general discussion of cultural privilege training under Goal 5, there was consensus to focus the strategic planning work session in November on planning activities and consider another work session, perhaps to discuss broader philosophical issues, in February or March after new Board members had been appointed.

LTD Sustainability Plan – Mr. Pangborn related that the District was working with the City of Eugene on its Sustainable Business Initiative. He said while LTD had always attempted to be “green,” it had not developed a formal sustainability plan. He said staff would present the Board with information, including cost vs. benefit, to help it decide whether the resources should be committed to sustainability.

Monthly Financial Report – Ms. Hellekson noted that the July and August 2006 financial statements were provided in an addendum to the agenda packet. She cautioned that fuel costs were still a concern but starting to move down; everything else was on target. She said that fare revenues were up in part because of the infusion of \$20,000 for homeless fares.

Ms. Hellekson alerted the Board to a Department of Revenue collection program initiated by TriMet aimed at insurance agents. She said insurance agents by statute were exempt from self-employment taxes but the definition of insurance agent was not clear. She said there were instances where individuals who claimed to be insurance agents did not pay taxes and the collection efforts were aimed at them. She was attempting to get as much information from the State as possible to be able to respond to inquiries. She estimated that 300 people in Lane County could be affected and it was important to point out that Lane Transit District had not prompted the collections.

Mr. Pangborn remarked that the effort was driven by TriMet and could involve hundreds of thousands of dollars in revenue.

ADJOURNMENT: The meeting adjourned at 7:55 p.m.



Board Secretary