

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING/PUBLIC HEARING

Wednesday, June 21, 2017

Pursuant to notice given to *The Register-Guard* for publication on June 15, 2017, 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/public hearing on Wednesday, June 21, 2017, beginning at 5:50 p.m., at the Lane Transit District (LTD) Board Room, 3500 East 17th Avenue, Eugene, Oregon.

Present: Gary Wildish, President
Gary Gillespie, Vice President
Ed Necker, Secretary
Don Nordin, Treasurer
Kate Reid
Carl Yeh
Steven Yett
A.J. Jackson, General Manager
Dwight Purdy, General Counsel
Camille Straub, Clerk of the Board

CALL TO ORDER/ROLL CALL: Mr. Wildish convened the meeting and called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT: Mr. Wildish welcomed Steven Yett, newly appointed Board member representing Subdistrict 1 (East Springfield to McKenzie Bridge area), to his first Board meeting.

COMMENTS FROM THE GENERAL MANAGER: Ms. Jackson offered to show the SharePoint video to any interested Board members after the meeting had adjourned.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: There were no announcements or additions.

BOARD CALENDARS: Ms. Jackson briefly reviewed future Board activities. She noted that the August LTD Board meeting was cancelled. Ms. Jackson asked Board members to reserve Sunday, September 17, 2017 on their calendars to attend the grand opening for EmX West.

Ms. Reid said that she planned to attend the Metropolitan Planning Commission for Mr. Gillespie. When she asked why there was no Strategic Planning Committee meeting on the calendar, Mr. Yeh clarified it was scheduled in August.

Mr. Nordin added that LaneACT was not meeting in July or August.

EMPLOYEE OF THE MONTH – JULY: The Board recognized EmX Operator Dick Ellis as the July Employee of the Month. Mr. Wildish presented Mr. Ellis with his award and thanked

him for his outstanding service and dedication to LTD's mission. Mr. Ellis thanked the Board for his award and said he was proud of his career at LTD.

AUDIENCE PARTICIPATION: Mr. Wildish explained the procedures for providing testimony to the Board.

Dr. Don Addison, Eugene, expressed concerns regarding the proposed new vendor to provide RideSource services. He said that he hoped they neither raised fares nor lessened the quality of service. Dr. Addison also advocated for the new vendor to hire the current drivers, as they were exceptional.

Joshua Skov, Eugene, Board president of Better Eugene-Springfield Transportation (BEST) and member of the LTD Strategic Planning Committee, requested that LTD staff accelerate their work on the operations analysis. He said that he thought the data was critical to informing the Moving Ahead decisions.

Rob Zako, Eugene, BEST Executive Director, also advocated for a quicker timeline for the operations analysis. He said that he had heard concerns from some in the community regarding LTD's major capital investments. He said that if the operations analysis showed higher bus utilization rates, it would improve the return on investment for the capital projects and public opinion.

ITEMS FOR ACTION AT THIS MEETING:

MOTION **Consent Calendar:** Mr. Necker moved to remove the Minutes of the May 17, 2017, Special Board Meeting/Work Session from the Consent Calendar. Mr. Yeh seconded.

VOTE The motion to remove the Minutes of the May 17, 2017 Special Board Meeting/Work Session from the Consent Calendar was approved as follows:
 AYES: Gillespie, Necker, Nordin, Reid, Wildish, Yeh (6)
 NAYS: None
 ABSTENTIONS: Yett (1)
 EXCUSED: None

Mr. Nordin requested an amendment on page 4, paragraph five:

"Mr. Nordin suggested a small scale first mile/last mile project that could be funded through a public/private partnership. He gave the example of a cargo bike project to allow constituents of the Relief Nursery to get to and from ~~the Springfield Station~~ **Main Street**.

MOTION **Consent Calendar:** Mr. Yeh moved to approve the Minutes of the May 17, 2017, Special Board Meeting/Work Session as amended. Mr. Gillespie seconded.

VOTE The motion to approve the Minutes of the May 17, 2017 Special Board Meeting/Work Session as amended was approved as follows:
 AYES: Gillespie, Necker, Nordin, Reid, Wildish, Yeh (6)
 NAYS: None
 ABSTENTIONS: Yett (1)
 EXCUSED: None

MOTION **Consent Calendar:** Mr. Yeh moved to remove the Minutes of the Regular Board Meeting of May 17, 2017, from the Consent Calendar. Mr. Gillespie seconded.

VOTE The motion to remove the Minutes of the May 17, 2017 Regular Board Meeting from the Consent Calendar was approved as follows:
 AYES: Gillespie, Necker, Nordin, Reid, Wildish, Yeh (6)
 NAYS: None
 ABSTENTIONS: Yett (1)
 EXCUSED: None

MOTION **Consent Calendar:** Mr. Yeh moved to amend the Minutes of the May 17, 2017, Regular Board Meeting. On page 4, LTD Resolution No. 2017-05-17-21, the Contract No. referred to as 2017-1 should be corrected to 2017-05. Mr. Nordin seconded.

VOTE The motion to approve the Minutes of the May 17, 2017 Regular Board Meeting as corrected was approved as follows:
 AYES: Gillespie, Necker, Nordin, Reid, Wildish, Yeh (6)
 NAYS: None
 ABSTENTIONS: Yett (1)
 EXCUSED: None

Ms. Reid recused herself from voting on the Consent Calendar because she was an employee of the Willamalane Park and Recreation District.

MOTION **Consent Calendar:** Mr. Yeh moved adoption of the following resolution: LTD Resolution No. 2017-06-21-024; It is hereby resolved that the Consent Calendar for June 21, 2017 is approved as amended. Mr. Nordin provided the second.

The Consent Calendar consisted of: Minutes of the May 16, 2017, Special Board Meeting/Public Hearing; Intergovernmental Agreements—Safe Route to School Program; Contract Amendment—2007-12 Accessible Services RideSource, Oakridge, and Call Center Operations; Contract Amendment—2013-19 Community Transportation Services, Florence-Rhody Express; Intergovernmental Agreement—2014-43 City of Florence; Contract 2017-35 Purchase of New and Replacement Vehicles for Accessible and Customer Services; Intergovernmental Agreement—Willamalane Park and Recreation District; Intergovernmental Agreement—2002-25 Volunteer Escort Program with Lane Council of Governments; Intergovernmental Agreement—2006-42 Diamond Express; Vehicle Lease—2011-36 South Lane Wheels; Contract Amendment—2006-45 Pearl Buck Center; Intergovernmental Agreement—2010-34 City of Eugene/Hilyard Community Center; Intergovernmental Agreement—2011-30 City of Cottage Grove; Contract Amendment—2013-18 White Bird Clinic; and Contract Amendment—2013-20 Fixed-Route Transit Host and Associated Services.

VOTE The resolution was approved as follows:
 AYES: Gillespie, Necker, Nordin, Wildish, Yeh (5)
 NAYS: None
 ABSTENTIONS: Reid, Yett (2)
 EXCUSED: None

Contract 2017-01 Accessible and Customer Services RideSource Call Center and Special Transportation Fleet Operation: Human Services Transportation Coordinator Kris Lyon reviewed the procurement process which had resulted in the selection of Medical Transportation Management, Inc. (MTM). She highlighted MTM had scored 96 out of 110

points and the price proposal was more than \$1 million less than the current provider, Special Mobility Services (SMS).

When Ms. Reid asked how MTM was able to provide the services for so much less money, Ms. Lyon explained that the savings was achieved through use of the Novus software to increase efficiency. Procurement Manager Collina Washington clarified that staff had asked MTM the same question as part of the interview process. Because MTM used Novus at other sites, they were able to estimate the cost savings and build that into their bid.

Responding to Mr. Gillespie's question regarding Medstar's proposal being half as strong but more money, Ms. Washington explained their proposal did not address all the bid requirements. Given the low score, staff had not conducted a price analysis.

Ms. Reid referenced the earlier public input and asked about the SMS drivers being hired by MTM and the stability of the RideSource fares.

Ms. Lyon commented that MTM had conducted outreach to the existing drivers and open positions were currently posted on MTM's website. She noted that RideSource fares were set by the LTD Board, not MTM.

Mr. Wildish added that people already familiar with the vehicles and the geographic areas were at a competitive advantage to get jobs with MTM.

MOTION Mr. Yeh moved the following resolution: LTD Resolution No. 2017-06-21-030; Be it resolved that the LTD Board of Directors approves Contract 2017-01 and authorized the General Manager, or designee, to: (a) negotiate and enter into a contract with Medical Transportation Management, Inc., for the purpose of the operation of the Lane Transit District's RideSource Call Center and Special Transportation Fleet; and (b) as needed, execute amendments to the contract not to exceed a cumulative total of 10% of the initial contract price or \$150,000, whichever is less. Mr. Nordin provided the second.

VOTE The resolution was approved as follows:
 AYES: Gillespie, Necker, Nordin, Reid, Wildish, Yeh (6)
 NAYS: None
 ABSTENTIONS: Yett (1)
 EXCUSED: None

FY2017-2026 Capital Improvements Program (CIP): Director of Finance Christina Shew described the process to date. She noted that there had been no additional public comments received since those shared with the Board on May 17, 2017.

MOTION Mr. Necker moved the following resolution: LTD Resolution No. 2017-06-21-025; It is hereby resolved that the Fiscal Year 2017-2026 Capital Improvements Program is approved as presented. Ms. Reid provided the second.

VOTE The resolution was approved as follows:
 AYES: Gillespie, Necker, Nordin, Reid, Wildish, Yeh (6)
 NAYS: None
 ABSTENTIONS: Yett (1)
 EXCUSED: None

FY2017-2026 Long-Range Financial Plan (LRFP): Ms. Shew referenced the Long-Range Financial Plan Budget Assumptions and FY2017-2026 Long Range Plan in the agenda packet. In response to her query if the Board had questions, there were none.

MOTION Ms. Reid moved the following resolution: LTD Resolution No. 2017-06-21-026; It is hereby resolved that the Fiscal Year 2017-2026 Long Range Plan is approved as presented. Mr. Necker provided the second.

VOTE The resolution was approved as follows:
 AYES: Gillespie, Necker, Nordin, Reid, Wildish, Yeh (6)
 NAYS: None
 ABSTENTIONS: Yett (1)
 EXCUSED: None

Comprehensive Annual Financial Report (CAFR) and Audit Report for Fiscal Year Ending June 30, 2015 Presentation of CAFR and Audit Report: Ryan Pasquarella of Grove, Mueller & Swank, P. C. represented the independent auditor. He explained that Oregon statute set the requirements for the CAFR. The Federal government determined the Audit Report parameters. Mr. Pasquarella reviewed the contents of the CAFR: the narrative introduction, the financial section, the statistical section, and the independent auditor's report. Focusing on the audit, he discussed two types of deficiencies in internal controls, a material weakness and a significant deficiency. Material weaknesses were identified in the CAFR: modified accrual basis of accounting; financial records preparation and maintenance. In the Federal Audit Report, a significant deficiency was identified in procurement. Because the Federal audit was submitted more than nine months past the deadline, LTD had been deemed a high risk agency for the next two years. Audit requirements were greater for agencies at high risk.

Mr. Wildish said that the findings were troubling. They demonstrated the challenges being addressed in the Finance Department.

Mr. Gillespie described the audit as "unnerving". He said that he had thought issues in Finance Operations had been stabilized several years ago but that was not the case.

Ms. Jackson noted that the Board had directed her to tighten controls on LTD's finances. Corrective actions had been taken to address the audit findings. She said that the issue was not one of staffing or culture, but rather the need to standardize processes. Ms. Jackson assured the Board that the Finance Department was moving in the right direction.

Ms. Reid thanks Ms. Shew and her staff for their efforts.

MOTION Mr. Necker moved the following resolution: LTD Resolution No. 2017-06-21-027; It is hereby resolved that the LTD Board of Directors received the independent audit for Fiscal Year 2015-2016 and accepts the independent auditor's reports contained in the Comprehensive Annual Financial Report and Single Audit for the fiscal year ending June 30, 2016. Mr. Yeh provided the second.

VOTE The resolution was approved as follows:
 AYES: Gillespie, Necker, Nordin, Reid, Wildish, Yeh (6)
 NAYS: None
 ABSTENTIONS: Yett (1)

EXCUSED: None

Procurement Policy: Ms. Washington discussed the Federal Transit Administration's (FTA) Procurement System Review. Subsequent to the review, LTD staff and general council drafted revisions to four elements of LTD's Purchasing Policy and Rules. She reviewed the changes to Elements (7), (11), (14), and (56). Ms. Washington noted that LTD followed Oregon Administrative Rules when they were more restrictive than those of the FTA. The proposed revisions also updated the language to reflect the creation of the procurement division within LTD.

Mr. Necker left the meeting at 7:20 p.m.

Mr. Gillespie recognized staff's work.

MOTION Mr. Yeh moved the following resolution: LTD Resolution No. 2017-06-21-043; Be it resolved that the Lane Transit District Board of Directors adopt the LTD Procurement Policy as presented. Ms. Reid provided the second.

VOTE The resolution was approved as follows:
 AYES: Gillespie, Nordin, Reid, Wildish, Yeh (5)
 NAYS: None
 ABSTENTIONS: Yett (1)
 EXCUSED: Necker (1)

Board Committee Member Appointments: Mr. Wildish directed the Board members to the LTD Board of Directors Committees and Special Assignments, Updated March 06, 2017 document in the agenda packet. He recommended that Mr. Nordin fill the vacant position on the MovingAhead Oversight Committee, and Mr. Yett replace Mr. Nordin on the Main Street-McVay Governance Committee.

Mr. Yeh asked about the Service Committee. He noted that the three-person committee already had one vacant position and Mr. Gillespie was leaving the Board before the next route review. Mr. Yeh posited the Strategic Planning Committee might fulfill the function now done by the Service Committee.

Ms. Jackson said that Planning and Development Manager Tom Schwetz gave the same presentation to the LTD Board as he did to the Service Committee.

Mr. Gillespie shared that he thought the Service Committee was a better forum to delve into the details about route changes and other service adjustments, e.g., transfer options.

MOTION Mr. Yeh moved the following resolution: LTD Resolution No. 2017-06-21-044; Be it resolved that the Lane Transit District Board of Directors approves the committees and special assignments as presented. Mr. Nordin provided the second.

VOTE The resolution was approved as follows:
 AYES: Gillespie, Nordin, Reid, Wildish, Yeh (5)
 NAYS: None
 ABSTENTIONS: Yett (1)
 EXCUSED: Necker (1)

Selection of Pension Trustee-elect: Mr. Wildish emphasized the importance of the position.

Mr. Gillespie noted the Pension Trust committee was a good example of strong collaboration between labor and management. When Ms. Reid requested more frequent reports from the Trustee, Mr. Gillespie assured her he was bringing a report to the September 15, 2017 meeting.

MOTION Mr. Yeh moved the following resolution: LTD Resolution No. 2017-06-21-045; The LTD Board of Directors hereby approves the appointment of Board Member Steven Yett to the position of pension trustee-elect, as defined in this document. Mr. Wildish provided the second.

VOTE The resolution was approved as follows:
 AYES: Gillespie, Nordin, Reid, Wildish, Yeh, Yett (6)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: Necker (1)

Board Packet Materials – Contracts: Mr. Wildish suggested that the Board receives sufficient information about contracts, contract amendments, and Intergovernmental Agreements (IGAs) in the associated Agenda Items Summaries (AIS). He also indicated that the boilerplate language used in the contracts was repetitive. He recommended that only the AIS be presented in the Board packet, not the actual contracts or IGAs.

When Mr. Nordin asked if a Board member was able to request a contract or IGA should s/he be interested in seeing it, Mr. Wildish assured him that was possible.

Ms. Reid observed that LTD staff had done a good job at noting any issues for the Board. She concurred with Mr. Wildish's proposal.

ITEMS FOR INFORMATION AT THIS MEETING:

Board Member Reports: Mr. Nordin discussed the Oregon Public Transportation Plan presentation at the June LaneACT meeting.

Ms. Reid announced that the Main Street-McVay Governance Committee planned to reconvene in the fall. The City of Springfield and the Oregon Department of Transportation (ODOT) needed to resolve some issues in the meantime.

Ms. Jackson described an earlier conversation with Mr. Yeh regarding the Strategic Planning Committee members' support for reinstatement of the Student Transit Pass program. The \$1 million program provided bus passes to students in grades 6-12.

Mr. Yeh concurred. When he raised the issue of whether or not the program should be funded by LTD if not included in the final version of the Transportation Funding Package, Mr. Nordin observed the recent RideSource contract netted about the amount needed to fund the program.

Legislative Update: Director of Public Affairs Edward McGlone informed the Board on the most recent developments regarding the proposed Transportation Funding Package. He said that he thought it stalled in the legislature. The Democrats were unwilling to consider

changes to the Clean Fuel Program, a condition for Republican support of the bill. Mr. McGlone said that he expected the latest version of the bill (HB2017-4) to be published in the next few days. The final day the Oregon state legislature would be in session is July 10, 2017.

When Mr. Nordin asked what would happen were the bill not passed during the regular session, Mr. McGlone responded that it was possible the Governor would call a special session. He noted the transit funding portion was not controversial, but it was unlikely that it would be moved as a standalone bill.

Responding to Mr. Gillespie's question regarding the status of funding for passenger rail service (Amtrak), Mr. McGlone said that he was not optimistic.

Monthly Financial Report: Director of Finance Christina Shew reviewed the March 2017 Year-to-Date financial report provided in the agenda packet, noting key drivers for revenues and expenditures in the General Fund, Medicaid Fund, Accessible Services Fund, and Capital Projects Fund.

When Mr. Gillespie referenced the approximate \$20 million deficit in the Capital Projects Fund, Ms. Shew explained that the Board had previously approved a \$16 million General Fund transfer. The remaining gap was due to the drawdown process and project timing.

Responding to Mr. Nordin's question as to why Trillium reimbursement payments were always late, Ms. Jackson explained that LTD had added more checks and balances to the process which had both increased transparency and decreased timeliness. She said that she expected more efficiency gains. Assistant General Manager of Service Delivery Mark Johnson added that LTD had renegotiated its contract with Trillium last year and the payment timing had improved. There was still a lag, but ultimately Trillium reimbursed LTD all it was due.

Monthly Grants Report: There were no questions or comments.

Monthly Cash Disbursements – April: There were no questions or comments.

EmX West Launch Update: Mr. Wildish stated that the EmX West Launch event was scheduled for Saturday, September 17, 2017, from 11:00 a.m. to 3:00 p.m. The event included a ribbon-cutting to open the new bicycle/pedestrian bridges.

When Mr. Gillespie suggested LTD staff involve Skip from CD World on West 11th Avenue, Public Information Officer Therese Lange assured Mr. Gillespie she would do so.

Delegated Authority Report – April: There were no questions or comments.

Monthly Performance Reports: Mr. Wildish said that he was pleased to see the increase in ridership.

Monthly Department Reports: There were no questions or comments.

ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING:

Ms. Reid said that she had attended the Talking Transit forum sponsored by the Springfield Area Chamber of Commerce during which information from a 2015 report reflecting Gateway

ridership numbers, was discussed. She said that she had been asked by Springfield Mayor Lundberg for updated ridership data on the Gateway EmX. Ms. Reid offered to email the report to Board members.

Mr. Yett reported on a similar event at the Eugene Area Chamber of Commerce. He said that the report also compared the travel speed of a standard bus to EmX. He noted the report said the EmX was only one mile per hour faster than a standard bus.

Mr. Nordin advocated for LTD to develop a solar energy program to power their electric buses. He recommended developing an RFP to see if there was interest from banks and other vendors.

Ms. Reid described a future media event sponsored by Safe Lane Transportation Coalition to promote Vision Zero.

Mr. Nordin referred to the July Fourth celebration in Creswell, noting that it was a big event for the town. He suggested that LTD collect traffic and ridership data for the event in order to provide better bus service for it in future years.

Ms. Reid asked if LTD had done any planning for the future solar eclipse (August 21, 2017). She noted all the hotels in the area were fully booked. Some sources estimated a million people were coming to Oregon to view the eclipse. Those in the Eugene area need to go north to reach the path of totality. Ms. Reid thought a special event bus service should be considered.

ITEMS FOR ACTION/INFORMATION AT A FUTURE MEETING—REQUESTED BY THE BOARD:

The Disadvantaged Business Enterprise Policy and Program (Fall) would be coming before the Board Fall of 2017.

ADJOURNMENT: Mr. Wildish adjourned the meeting at 8:21 p.m.

LANE TRANSIT DISTRICT:

ATTEST:

Ed Necker
Board Secretary

Camille Straub
Clerk of the Board

Date Approved: _____