

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING/WORK SESSION

Wednesday, February 21, 2007

Pursuant to notice given to *The Register-Guard* for publication on February 15, 2007, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held its regular monthly meeting on Wednesday, February 21, 2007, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Gerry Gaydos, President, presiding
Debbie Davis, Treasurer
Michael Dubick
Greg Evans
Mike Eyster
Dean Kortge, Secretary
Mark Pangborn, General Manager
Jo Sullivan, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: Susan Ban, Vice President

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

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA – There were no announcements or additions to the agenda.

BOARD CALENDARS – There were no questions.

EmX PLAQUE PRESENTATION – Mr. Pangborn presented plaques commemorating the inauguration of EmX service to Board members. Facilities Services Manager Charlie Simmons presented plaques to others involved in designing and implementing EmX and other transit services, including Harriet Cherry and Kari Greene of PIVOT Architecture; Brian McCarthy of Cameron McCarthy-Gilbert & Scheibe Landscape Architects; Mike Ware of Balzhiser & Hubbard Engineers, Vicky Bourcier of Hohbach-Lewin Inc. Structural Engineers; and Mark Pangborn and Stefano Viggiano of LTD.

UO ARCHITECTURE STUDENTS' PRESENTATION ON MULTI-WAY BOULEVARD CONCEPTS FOR FRANKLIN BOULEVARD – Director of Development Services Tom Schwetz introduced former American Institute of Architects (AIA) Eugene Chapter President Art Paz to begin the discussion of the multi-way boulevard concept. He said that Mr. Paz was instrumental in obtaining a grant from the national AIA organization for the project.

Mr. Paz said that the grant application had resonated with the national AIA office as it coincided with a desire to look into the future of architecture as the organization celebrated its 150th anniversary. He explained that AIA was interested in promoting community visioning to improve

safety, health and sustainability, and stakeholder ownership of the visioning process. He said the grant identified the University of Oregon and LTD as partners and the application was supported by the cities of Eugene and Springfield. He stated that a \$15,000 grant was awarded for the project and described the activities to date. He said the relationship with the University had been pivotal to the project's success. He noted that this would be the first comprehensive planning effort along the corridor from the new federal courthouse to Springfield. He said that a second design charrette (workshop) was scheduled for April 13-14, 2007. He thanked LTD for its participation in the project.

Architecture professor Mark Gillem introduced students from the University's urban design studios who had conducted research into design concepts. He said a number of clear design issues emerged from a recent workshop, including:

- o the riverfront should be a public area with a connected bike system
- o there should be green "fingers" extending from the river into the heart of the city
- o densities should be increased
- o Franklin Boulevard should be converted from an arterial to a multi-way boulevard

Mr. Gillem said the grant had provided an opportunity for students to conduct onsite research of multi-way boulevards in other cities. He explained that a multi-way boulevard was one that could accommodate transit, through traffic, local traffic, bicycles, and pedestrians. Students presented details of the following boulevard design alternatives:

- o Octavia Boulevard, San Francisco, California
- o Shattuck Avenue, Berkeley, California
- o The Esplanade, Chico, California

Students also presented design concepts for Franklin Boulevard that would promote the use of transit and improve pedestrian safety, and explained the design criteria that were used.

Mr. Gaydos commended the project and thanked everyone for their efforts and enthusiasm.

Mr. Pangborn thanked Mr. Gillem and his students for an interesting presentation and design concepts that embodied the EmX vision.

Mr. Schwetz said the Eugene Planning Commission was considering criteria that would support the design concepts presented for Franklin Boulevard, which recognized the need for two dedicated transit lanes that ran in direct lines instead of weaving in and out of traffic.

Mr. Dubick commented that Commonwealth Boulevard in Boston encompassed many of the design concepts discussed by the students.

Mr. Gaydos asked Mr. Gillem to brief LTD staff on any communications he and his students had with property owners along the corridor.

In response to a question from Mr. Eyster, Mr. Gillem said that the importance of two transit lanes along the corridor was explained to the public in terms of facilitating transit, access, and pedestrian safety. He thought that people were beginning to understand the need for two lanes and straight lanes.

REVIEW OF ANNUAL ROUTE REVIEW AND PRICING PLAN TESTIMONY – Director of Service Planning, Accessibility, and Marketing Andy Vobora noted that the sound system at the Eugene Public Library had not worked well and LTD would take its own system for future hearings. He asked if the Board preferred a hearing format in which questions from those testifying were addressed at the end of the hearing or after each speaker.

Mr. Kortge preferred to have questions answered at the end of testimony instead of engaging in a mini-debate with each person who spoke. He commended Mr. Vobora for his responses to testimony at the hearing.

Mr. Vobora said that staff were investigating some of the suggestions and comments made during the hearing, such as beginning the #28 and #36 route changes in the summer.

In response to a question from Mr. Evans, Mr. Vobora said that staff were checking into concerns raised about delays along Centennial Boulevard because of the large number of students boarding on that route. He said that they would report back to the Board on criteria such as density and trip generators to guide future development.

Mr. Pangborn determined that the Board was satisfied with the hearing format.

EMPLOYEE OF THE MONTH – Mr. Vobora introduced Administrative Secretary Eileen Mugglewortz. He said that Ms. Mugglewortz was nominated by co-workers because of the quantity and quality of her work and her positive attitude in the workplace.

Ms. Mugglewortz thanked the Board for her award and said that her 30 years of service with LTD had been very gratifying. She also expressed her appreciation for her co-workers.

AUDIENCE PARTICIPATION – Mr. Gaydos determined that there was no one wishing to speak.

ITEMS FOR ACTION AT THIS MEETING

MOTION **Consent Calendar** – Mr. Kortge moved adoption of LTD Resolution 2007-008: “It is hereby resolved that the Consent Calendar for February 21, 2007, is approved as presented.” Ms. Davis provided the second. The Consent Calendar consisted of the minutes of the January 17, 2007, regular Board meeting and the Budget Committee nomination of B. Dean Huber.

VOTE The Consent Calendar was approved as follows:
 AYES: Davis, Dubick, Evans, Eyster, Gaydos, Kortge (6)
 NAYS: None
 ABSENTIONS: None
 EXCUSED: Ban (1)

Capital Improvements Program Adoption – Director of Finance & Information Technology Diane Hellekson explained that the Board had begun discussion of the Capital Improvements Program (CIP) at its November 2006 work session and at that time directed staff to present the proposed revised CIP to the Board Finance Committee. She said that had occurred in January 2007 and the Finance Committee approved the revised CIP; however, subsequent notification that LTD had been named in the New Starts legislation for funding of 80 percent of the Pioneer Parkway corridor resulted in removal of debt from the CIP. She said that the Finance Committee

approved the updated CIP on February 7, 2007. She added that in addition to removal of debt, the updated CIP reinitiated transfers from the Operating Fund sooner than previously anticipated as a prudent way to avoid debt.

Mr. Dubick, as a member of the Finance Committee, urged approval of the CIP.

MOTION Mr. Eyster moved approval of LTD Resolution 2007-009: "It is hereby resolved that the revised Capital Improvements Program is approved as presented." Mr. Evans provided the second.

VOTE The resolution was approved as follows:
AYES: Davis, Dubick, Evans, Eyster, Gaydos, Kortge (6)
NAYS: None
ABSENTIONS: None
EXCUSED: Ban (1)

ITEMS FOR INFORMATION AT THIS MEETING

House Bill 2537/Legislative Update – Mr. Pangborn noted that the first hearing on Senate Bill 476 (the bill to change the governance structure of the LTD Board) was scheduled for February 22, 2007, and Ms. Ban would represent the Board.

Regarding House Bill 2537, a bill that would prohibit transit employees from striking, Mr. Gaydos said that the presentation would be informational and the Board could choose to support, oppose, or remain neutral on the bill, or take no action.

Director of Human Resources and Risk Management Mary Adams provided an overview of the practical implications if the bill did pass and discussed the advantages and disadvantages of the legislation. She said the Amalgamated Transit Union (ATU) requested the bill and the Oregon Transit Association (OTA) had taken a position opposing it, and Tri-Met and Salem Transit had significant concerns. She said that the language had been in Oregon Revised Statutes (ORS) for some time and the bill would add transit workers to the existing language. She said the good news was that other employers had been using binding arbitration for some time and LTD could draw on that experience. She said that binding arbitration added a level of complexity and cost to labor negotiations that LTD did not currently experience.

Ms. Adams reviewed the language of the bill and said that the practical impact was that LTD would still go through all of the steps to bargain in good faith and if impasse was reached a request would be made to the Employee Relations Board to go into binding arbitration; an arbitrator would be selected from a list of names. She said the arbitrator would choose between the final, best offers from both parties and could make the agreement effective retroactively to the end of the last contract.

Ms. Adams stated that an advantage of binding arbitration was the prevention of strikes; another advantage was that when impasse was reached, the matter was referred to a third party instead of continuing to cause conflict between the bargaining entities. She said disadvantages were that both parties lost control of the final decision and the process was expensive, although the actual cost was split equally between the parties. She said that other costs included the time and resources needed to go through the arbitration process and employees were kept in limbo longer.

Ms. Adams reported that some employers thought that binding arbitration in the area tended to favor employees and removed the threat of strike, which often provided an incentive to continue to bargain. She said the additional cost of binding arbitration also meant reductions elsewhere in the system and employers generally preferred the traditional process that did not include arbitration.

Mr. Kortge remarked that the current law seemed to be intended to apply to emergency services and he did not believe that transit was an emergency service.

Mr. Dubick expressed concern with subversion of the collective bargaining process and removal of the incentive to bargain if parties knew that eventually an arbitrator would make the decision. He worried that the collective bargaining process itself would become meaningless or at least less efficient.

Mr. Eyster said the right to strike was an important element in collective bargain because it forced the parties to continue to bargain in good faith. He was reluctant to change the process and remove that pressure. He was not inclined for the Board to take a position on the bill at the present time.

Mr. Evans concurred with Mr. Eyster. He said the Board's discussion tended to reflect lack of support for the bill, but since no organization was yet taking a lead on the legislation he thought would be premature to adopt a position.

Mr. Kortge observed that bills often could move quickly. He was comfortable with the Board's remarks being shared with the legislative committee responsible for the bill.

Mr. Dubick preferred to let OTA take the lead and adopt a Board position only if there was movement on the bill.

Mr. Kortge argued that it would be better to get a sense of the Board's opinion before the legislature as soon as possible.

Mr. Gaydos determined there was a consensus to take no action and possibly call for a special meeting if it became necessary for the Board to take a position.

Semi-Annual Performance Report – Mr. Pangborn said staff had developed a performance report to measure the District's progress on performance objectives associated with goals in the District's strategic plan. He asked for feedback from the Board about the usefulness of the report and appropriateness of progress measures.

Assistant General Manager Stefano Viggiano stated that the plan included five goals and each goal had associated performance goals. He provided a statistical report of progress on goals and performance objectives for the period July through December 2006:

Goal: Deliver Reliable Public Transportation Service

- Objective: Increase ridership by 3 percent
- Objective: Increase per capita ridership by 1 percent

- Objective: Increase system productivity by 1 percent per year
- Objective: Reach and maintain on-time performance of 90 percent at key time points systemwide

Mr. Viggiano reported that ridership had been increased by 3.8 percent for the first half of the fiscal year. He said that ridership was being measured by boardings, which was an imperfect performance measure as boardings could be affected without increasing the effectiveness of the system or improving service. He said a better measure was passenger miles and staff would explore reporting that data in the future.

Mr. Dubick said that having more than one measure of performance would also prevent incorrect assumptions.

Mr. Viggiano said that per capita ridership had increased by at least 1 percent each year since 1990 and the goal had been met or exceeded. He said that productivity was well above the goal at 3.7 percent and on-time performance had been met or exceeded in five of the six months of the period.

Mr. Viggiano pointed out that on-time performance tended to dip slightly following service changes as riders and operators adjusted.

Goal: Develop Innovative Service That Reduce Dependency on the Automobile

- Objective: Increase peak-hour transit ridership on congested corridors by 2 percent per year
- Objective: Increase ridership on the Franklin EmX by 10 percent in the first year of operation, when compared with ridership on the #11 Thurston prior to EmX
- Objective: Increase the number of "choice riders" (those who could have used automobiles for their trip) by 1 percent per year

Mr. Viggiano said that the objective related to increasing peak-hour ridership was also in TransPlan, but data was not available as it required a count of vehicles along the corridors and that was not collected on a regular basis. He said there was an effort underway to compile data from both the cities and Oregon Department of Transportation to provide that measure. He reviewed preliminary data and said it was too early to measure the Franklin EmX ridership accurately, but ridership through the first five weeks was very encouraging. He said it was also difficult to determine who was a "choice rider" for purposes of measurement, particularly since that term had been defined differently over the years. He said staff were trying to use a consistent question to determine choice rider status and by all measures it did appear to be increasing.

Goal: Maintain LTD's Fiscal Integrity

- Objective: Maintain or lower the current cost per mile (with adjustments for inflation)
- Objective: Maintain or lower the current cost per boarding (with adjustments for inflation)
- Objective: Maintain administrative overhead expenses at no more than 20 percent of the General Fund budget
- Objective: Obtain unqualified annual independent audits

Mr. Viggiano said historically it had been difficult to achieve the goal of maintaining or lowering the cost per mile and, ideally, there would be an inflation adjustment specific to transit that put the proper weight on factors such as fuel costs and the impact of traffic congestion.

Mr. Gaydos observed that the goal did not seem realistic and the District was setting itself up for failure with the volatility of fuel prices. He thought that a more realistic goal should be developed.

Mr. Viggiano noted that the cost per boarding statistic was a similar measure and the District's performance was better simply because of the increase in ridership that tended to lower the cost per boarding. He said while the District was still above the Consumer Price Index, it was lower than the average fare increases across the country.

Mr. Viggiano said that the District was consistently below the 20 percent goal for administrative expenses.

Mr. Eyster asked how the 20 percent goal had been established. Director of Finance & Information Technology Diane Hellekson explained that public organizations typically had overheads between 20 and 25 percent; the District's overhead was always below 25 percent so 20 percent was established as the goal.

Mr. Viggiano related that unqualified independent audits were achieved on a regular basis.

Goal: Provide Leadership for the Community's Transportation Needs

- Objective: Maintain or improve "good to excellent" ratings on LTD rider and community surveys
- Objective: Maintain or increase staff and Board involvement on key local committees

Mr. Viggiano said that onboard and community surveys were conducted every three to five years and included questions about how respondents would rate LTD. He said that community results were a combination of good and excellent, and riders tended to rate the District higher than the general community. He indicated that both surveys were planned within the next year or two. He reviewed a list of Board member and staff activities and said tracking and reporting those would be more formalized in the future.

Goal: Develop a Workplace Environment That Allows Employees to Succeed

- Objective: Reduce employee turnover
- Objective: Improve workplace safety by reducing the number of accidents, time loss days, and total cost of accidents
- Objective: Improve workplace morale as measured by internal opinion surveys

Mr. Viggiano presented statistics on turnover related to retirement and turnover for other reasons, with the goal to reduce the latter, although in any year turnover was less than 6 percent, which was regarded as good performance.

Mr. Kortge questioned why retirement statistics were included in the measurement and suggested eliminating them. He preferred a goal of reducing negative employee turnover. Ms. Adams explained that retirements were included to demonstrate that employees seldom left LTD for other reasons.

In response to a question from Mr. Evans, Ms. Adams said that she could provide a more detailed breakdown of the reasons employees left the District.

Mr. Viggiano said that a focus in 2006 on improving workplace safety resulted in a significant decrease in claims, time loss days, and claims costs.

Mr. Evans asked if a significant percent of problems was associated with operators' back injuries and muscle strains. Ms. Adams replied that muscle strains were the largest category of claims, and measures to reduce injuries had been implemented with the assistance of physical therapy consultants. She said that excellent data from SAIF allowed the District to focus on particular injuries.

Mr. Kortge asked if there were pre-work stretching and toning exercises that could be done. Ms. Adams replied that mechanics and operators had those types of exercises that were designed specifically for them. Mr. Johnson added that operator refresher training would address using opportunities for stretching exercises during their shifts.

Mr. Viggiano concluded the report by noting that employee surveys taken over the past two years had resulted in some changes and the results from a recent diversity survey were being compiled and would be used improve the workplace environment. He asked if the Board thought that the performance report was useful.

Mr. Gaydos said it was a good idea to provide the report every six months; a formal presentation was not necessary but staff could be available to respond to questions and comments.

Mr. Kortge asked if the performance report to the Board provided an opportunity for staff to be accountable. Mr. Viggiano said that staff on a regular or monthly basis already evaluated many of the measures; preparing the report was valuable in terms of looking at other measures that were not typically reviewed.

Mr. Dubick suggested staggering goals throughout the year instead of reporting on all of them at once.

Mr. Evans asked that a comprehensive measure of employee satisfaction be added and that could perhaps be evaluated through a survey.

Board Member Reports – There were no questions.

Monthly Financial Report – Ms. Hellekson reported that there had been serious technical problems and the monthly performance report was not available. She said for the first time in the current fiscal year the District was below budget in the average cost per gallon of fuel and she did not anticipate the same degree of negative variance experienced in prior years. She noted that a jump in personnel services was due to concentration in December and January on preparing for and implementing EmX, which resulted in overtime.

Ms. Hellekson said that an area of concern was payroll taxes, as expected revenues at that point in the year had not been seen. She said a University of Oregon honors class in economics was doing a special project with LTD focusing on identifying patterns of noncompliance in payroll receipts and developing a model for forecasting payroll tax receipts. She said the other area of concern was increase in the demand for Americans with Disabilities Act (ADA) services. She

saw no signs that those demands would decline and they had resulted in a deficit of \$180,000 in the Accessible Services Fund that required a transfer from the Operating Fund. She expected a larger amount by the end of the year and a need to increase the budget next year. She said that this eventually would divert funds from the fixed-route system.

Mr. Kortge commented that the award of New Starts funds would have a huge impact on the budget. Ms. Hellekson said the District had received half of the award and was scheduled to receive the other half next year. She said the United Front initiative would request award of the full amount in the first year.

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



3-21-07

Board Secretary

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