

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, November 19, 2008

Pursuant to notice given to *The Register-Guard* for publication on November 13, 2008, 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, November 19, 2008, beginning at 5:30 p.m., in the LTD Board Room, 3500 East 17th Avenue, Eugene, Oregon.

Present: Mike Eyster, President
Greg Evans, Vice President
Michael Dubick
Dean Kortge
Ed Necker
Doris Towery
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board

Absent: Gerry Gaydos

CALL TO ORDER/ROLL CALL – Mr. Eyster called the meeting to order at 5:32 p.m. and called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT – Mr. Eyster thanked the Board and staff for their recent work on the proposed service reductions. He recognized that the nature of the service reductions was unfortunate and felt that the Board and staff had done a remarkable job in making the cuts as painless as possible.

ANNOUNCEMENTS AND ADDITIONS TO AGENDA – Mr. Eyster noted no announcements or additions to the Board meeting agenda.

BOARD CALENDARS – Mr. Pangborn noted an upcoming LTD strategic planning session on December 5, 2008, at 8:00 a.m. at PacificSource headquarters and also noted that LTD administrative offices would be closed on December 26 and January 2.

WORK SESSION

A. West Eugene EmX Extension Project Update

Planning and Development Director Tom Schwetz gave an update on the West Eugene EmX Extension (WEEE) project, noting the recent successful completion of an October 20, 2008, open house regarding the project.

Mr. Schwetz commented on the recent collaborations between LTD and the Federal Transit Administration (FTA) in the review of analyses related to the WEEE. He directed the Board to a

list of Environmental Disciplines listed in the agenda item summary describing elements related to the collaborations.

Mr. Schwetz noted that the WEEE Corridor Committee would be meeting to discuss the LTD/FTA analyses in greater detail and subsequently draft an environmental impact statement for the Board by June 2009.

Mr. Schwetz directed the Board to the Public Involvement and Agency Coordination Strategy – Alternatives Analysis//Draft Environmental Impact Statement (AA/DEIS) phase statement from the AIS and explained the elements therein for the benefit of the LTD Board.

Board member Doris Towery arrived at 5:40 p.m.

Responding to a question from Mr. Necker, Mr. Schwetz explained the functions of the Project Management Group (PMG) related to the WEEE, noting that the PMG was made up of representatives of the City of Eugene, the Lane Council of Governments (LCOG), and LTD.

B. Accessible Services Fall Training

Accessible Services Manager Terry Parker reported on the recent LTD Fall Training efforts for the benefit of the Board. Ms. Parker added that the training efforts had been received very favorably by the participants involved.

Ms. Parker displayed video presentations from the Fall Training sessions titled "What It Takes" and "Just Like You," which highlighted recent LTD accessibility efforts.

Mr. Pangborn commented that the video materials had been displayed at a recent conference for the Oregon Transit Association and had received extremely positive feedback.

C. 2009 Service Reduction Package

Service Planning, Accessibility, and Marketing Director Andy Vobora reported on the various elements of the LTD 2009 Service Reduction Package.

Mr. Vobora proceeded to brief the Board on the service reduction options for LTD express routes, which he noted had been determined after the conclusion of LTD public hearings conducted in October and earlier in November. He noted that the options before the Board included the elimination of express routes, a reduced express route package, and a reduced route package that made use of premium fares.

Mr. Vobora noted that premium fares for express service were not unusual in larger public transit systems and that such an initiative might work well for LTD as a pilot program that could generate as much as \$61,000 annually.

Mr. Vobora, responding to a question from Mr. Kortge, commented that the service reduction options being discussed as part of his presentation pertained only to express routes.

Mr. Kortge commented that implementation of an express route premium fare would cost approximately \$14,000 per year according to current ridership figures.

Mr. Evans asked if a premium fare express route option could make use of additional stickers, as opposed to an additional cash fare for LTD pass holders, in order to make use of express routes. Mr. Vobora answered that such an option would be feasible.

Mr. Pangborn commented that he had only heard from a fraction of express route riders that they would be willing to pay a premium fare for the service. He noted that it would be better to test out a premium fare for express routes as a pilot program rather than as a fully adopted policy.

Mr. Necker felt that an express fare sticker would not generate as much revenue as a cash fare for premium fare express routes.

Mr. Vobora and Service Planning Manager Will Mueller noted that a recent survey of group pass organizations had indicated that more riders used the express routes to go to work early in the day than they did to go home in the evening.

Mr. Mueller commented that it might be worthwhile to conduct a pilot program for premium fares for about two months and then return to the Board with the results of the pilot program at its April Board meeting to determine if the program should be expanded or revised.

Mr. Necker added that implementing a premium fare pilot program for express routes in February would provide ample time to determine if premium fares were indeed a good idea. Mr. Mueller agreed with Mr. Necker's comment.

Ms. Towery asked if the second public hearing session had indicated strong support for premium fare express routes. Mr. Evans believed that it had and expressed his support for a premium fare pilot program.

Mr. Kortge said that LTD should be cautious with any premium fare pilot program they chose to implement. Mr. Kortge said that he was nervous that the 14.5 percent service reduction target might not be sufficient to address LTD's budgetary concerns and was worried that they might have to make more cuts in the near future. Mr. Vobora responded that implementing service reduction options in February of 2009 would give the District time to determine whether or not the service reductions were sufficient. Mr. Evans concurred with Mr. Vobora's assessment.

Mr. Pangborn noted that the original premise in cutting or curtailing express route service was that there would still be alternative transit routes for people living in the express route areas.

Mr. Kortge noted that he had heard comments from express route users that indicated they might not have alternative route options should their usual express routes be cut.

Mr. Dubick offered that the reason express routes were being considered for service reductions was that their productivity had been statistically low in relation to the costs necessary to provide them. He noted that instituting a premium fare for express routes could make the routes more cost-effective should a pilot program prove successful.

Mr. Vobora stated that instituting a premium fare for express routes might encourage LTD riders to use other regular bus routes rather than the express buses.

Mr. Evans inquired about a premium fare pilot program. Mr. Vobora responded that should a premium fare pilot program prove successful for only certain express routes, then most likely the other express routes that did not succeed with a premium fare might be eliminated.

Mr. Kortge asked how they would determine if a premium fare express route pilot program had been successful. Mr. Necker added that one measure of a pilot program's success would be how much ridership versus automobile usage had increased.

In response to a comment from Mr. Necker, Mr. Vobora noted that LTD would be re-aligning the No. 12 bus route to help cover areas of Springfield that might be affected by the Gateway EmX Extension.

Mr. Vobora added that the proposed service revisions to the No. 43 bus route in the Highway 99 sector were dependent upon the City of Eugene constructing a sidewalk along the roadway at the intersection of Roosevelt and Danebo. He also noted that revisions to the No. 43 route had been suggested by community members in order to provide greater coverage in the area.

Mr. Evans added that the routes and connections within the Highway 99 sector were critical to the community. He noted that Eugene City Council member Jennifer Solomon had been particularly interested in LTD's plans for that area.

Mr. Vobora, in response to a question from Mr. Dubick, noted that the No. 44 connector bus route would not be used if the public's suggestions for the sector were implemented.

Mr. Pangborn added that the revisions to the Highway 99 sector were such that they would allow LTD to make further cuts in other sectors if they become necessary.

Mr. Evans asked for further information on premium fares. Mr. Vobora answered that it might be prohibitively difficult to offer premium fares for regular bus routes in the manner that was being suggested for express bus routes. Mr. Mueller added that any premium fares offered on regular bus routes would need to be substantially higher than those offered on express routes in order to make them cost-effective.

Mr. Pangborn commented that it would be exceedingly complicated to make premium fares available for regular routes in the same manner as was being proposed for express routes.

EMPLOYEE OF THE MONTH

IT Manager Steve Parrott introduced Gabe McGinnis as the LTD December 2008 Employee of the Month and noted his exemplary efforts and achievements on behalf of LTD since he came to the District in August 2007. Mr. Parrott commented that Mr. McGinnis had been hired in an effort to provide a more personal touch with regard to the information technology concerns of LTD. Mr. Parrott expressed the Mr. McGinnis served as a positive example of what LTD could look for in its next generation of employees.

Mr. McGinnis accepted the award and thanked the Board members for their comments and support.

AUDIENCE PARTICIPATION

Jozef Siekiel-Zdzienicki, 1025 Taylor Street, Eugene, distributed documents to the Board from an October 1, 2008, West Eugene Collaborative (WEC) outreach workshop that reflected plans for the areas of West Eugene along 11th and 7th avenues. He noted that he had asked at the workshop why there was no BRT bus planned for the area, and asked Mr. Gaydos and Mr. Schwetz for an explanation.

Mr. Eyster responded that no final decisions had been made with respect to the WEC.

Mr. Schwetz noted that the WEC had been focusing its efforts on a multi-way boulevard concept along West 11th Avenue from Garfield to Bailey Hill Road that would incorporate a bus rapid transit system.

Mr. Siekiel-Zdzienicki stated his opinion that the WEC had been fairly disorganized and not particularly forthcoming regarding its planning process. Mr. Schwetz noted that the WEC was an autonomous group that did not necessarily have the resources to conduct any type of quantitative analysis that might provide for greater disclosure.

Mr. Siekiel-Zdzienicki, in response to a request for clarification from Mr. Kortge, noted that it was neither Mr. Gaydos nor Mr. Schwetz who had indicated any LTD plans for West 11th Avenue.

ITEMS FOR ACTION

- A. Consent Calendar** – The Consent Calendar consisted of minutes of the September 17, 2008, regular Board meeting.

MOTION Mr. Kortge moved adoption of LTD Resolution 2008-037: It is hereby resolved that the Consent Calendar for November 19, 2008, is approved as presented. Mr. Dubick provided the second.

VOTE The Consent Calendar was approved as follows:
 AYES: Towery, Dubick, Kortge, Evans, Necker, Eyster (6)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: None

B. 2009 Service Reduction Package

Mr. Vobora presented a slide demonstrating the Title VI Analysis of the proposed service reduction package, noting that the analysis had been performed with the assistance of LCOG and which examined the potential impacts of LTD service reduction on minority, low income, and senior citizen populations in the area.

Mr. Vobora commented that the analysis indicated current LTD overall community coverage at between 72 percent and 78 percent.

Mr. Necker asked if 72 percent was an acceptable coverage figure. Mr. Vobora responded that LTD had no current coverage standards with which to measure the analysis results against.

Mr. Vobora directed the Board to the 2008 LTD Service Redesign Outreach Plan summary provided in the Board packet materials.

Mr. Eyster asked if the proposed motion as listed in the agenda item summary included the express route service reductions previously discussed. Mr. Vobora answered that staff would be looking to the Board for specific direction if that were to be the case.

Mr. Eyster thanked Mr. Vobora for his efforts with regard to the proposed service reductions.

Mr. Necker believed that providing premium fares for certain express routes was a good idea, particularly if such a plan was enacted through a carefully overseen pilot program.

Ms. Towery was concerned that it was still uncertain as to whether or not the 14.5 percent targeted service reductions would be sufficient to address LTD's budgetary concerns, particularly in light of rising unemployment rates in the area.

Mr. Dubick agreed with Ms. Towery's concerns and further noted that both the LTD Board and staff had been attempting to address the public's concerns about the service reductions as much as possible.

Mr. Evans noted that it would be important for LTD to communicate effectively and honestly with the community as part of its public outreach efforts surrounding the service reductions in order to maintain the integrity of the LTD system itself.

Mr. Kortge said that he had read the report from Finance & Information Technology Director Diane Hellekson and felt that it falsely assumed a growth in payroll tax revenue for LTD. He indicated that he would be voting against the motion. He shared Ms. Towery and Mr. Dubick's concerns that the targeted service reductions might not be sufficient.

Ms. Towery expressed that the public outreach efforts surrounding the service reductions had been very favorable and felt that the public's concerns had been addressed as best as possible. She questioned if it would be advisable to delay the service reduction process for much longer in light of a potentially worsening economic climate.

Mr. Eyster asked Ms. Hellekson to give a brief overview of her report regarding the financial outlook for LTD. Ms. Hellekson replied that she was quite concerned about the ongoing economic recession and how it would adversely affect unemployment rates and pension benefits portfolios. She further noted that the \$2.5 million savings provided by the proposed service reductions would not be enough to offset a payroll tax revenue shortfall that potentially could be as much as \$4 million. She added that the budget crisis currently faced by LTD was much worse than a similar crisis the District faced in 2001/2002.

Mr. Eyster asked the Board members to indicate their respective opinions as to the option of making a premium fare available on certain express routes. Mr. Evans, Mr. Dubick, and Mr. Necker indicated their support of the option, while Mr. Kortge, Ms. Towery and Mr. Eyster indicated their opposition.

Mr. Vobora and Mr. Eyster noted that the previously mentioned adjustments to the No. 43 bus route would need to be amended into the motion before the Board made its decision regarding the service reduction package.

MOTION Mr. Kortge moved adoption of LTD Resolution 2008-038: Be it resolved that the LTD Board of Directors hereby adopts the 2009 Service Reduction Package, including the revision of Route No. 43 as presented. Ms. Towery provided the second.

VOTE The motion was approved as follows:
 AYES: Dubick, Kortge, Towery, Eyster (4)
 NAYS: None
 ABSTENTIONS: Evans, Necker
 EXCUSED: None

C. Public Hearing, Federal Transit Administration Grant Applications

Ms. Hellekson provided an overview of the Federal Transit Administration (FTA) grant application and subsequent public hearing process.

Mr. Dubick asked if the funds awarded through the 5307 FTA formula program provided for articulated buses. Ms. Hellekson said that they did not.

MOTION Mr. Evans moved adoption of LTD Resolution 2008-039: It is hereby resolved that the LTD Board of Directors approves the proposed grant application, which totals \$15,990,174 in federal funds and authorizes the General Manager to submit the Federal Transit Administration Grant Application, November 2008 to the Federal Transit Administration for approval. Mr. Necker provided the second.

Mr. Eyster opened the public hearing. No members of the public were present to speak regarding the motion. Mr. Eyster subsequently closed the public hearing.

Ms. Hellekson, responding to a question from Mr. Eyster, confirmed that the 5309 Small Starts Funding related to the FTA grant application applied only to the Gateway EmX Extension project.

VOTE The motion was approved as follows:
 AYES: Dubick, Kortge, Towery, Eyster, Evans, Necker (6)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: None

D. Special Service Policy

Mr. Vobora briefed the Board on the proposed Special Service Policy Revision, noting that the proposed action would revise the pricing for special LTD charter services to use the fully allocated rate for all occurrences in light of new charter regulations mandated by the FTA and the District's current economic situation.

Mr. Vobora expressed that the revised Special Service Policy would simplify the process for contract services by charging the fully allocated rate, and would also ensure that all LTD costs regarding special charter services would be fully recouped.

Mr. Vobora commented that LTD had contacted numerous event organizers to inform them of the proposed policy revisions.

Mr. Necker noted that the Oregon Country Fair Association (OCF) had requested to make a presentation regarding the Special Service Policy at the LTD Board's meeting in January.

Mr. Pangborn suggested that the Board decide on a course of action regarding the pricing structure within the Special Service Policy before allowing the OCF or any other organization to come in and request an exception to a revised special service policy.

Mr. Vobora, in response to a question from Mr. Evans regarding other transit agencies' special event service policies, commented that some agencies such as Tri-Met in Portland did not provide any such event services, while other agencies occasionally offer free special event services. He added that many transit agencies were choosing to go to the fully allocated rate for special event services in response to deteriorating economic conditions.

Mr. Pangborn did not recommend making exceptions for special event services in the future, such as the Olympic Trials. He maintained that allowing exceptions to a fully allocated rate policy would be problematic for LTD.

Mr. Vobora commented that it was very likely that private transit providers would be organizing themselves and submitting competitive bids for special transit service contracts for the next time the Olympic Trials came to Eugene.

Mr. Kortge commented that the regular services provided by LTD should maintain priority over any special services that might be offered, and that as such he would not support any special service policy that might jeopardize or inhibit LTD's regular service efforts.

MOTION Mr. Dubick moved adoption of LTD Resolution 2008-040: Be it resolved that the LTD Board of Directors hereby adopts the revised Special Service Policy as the new Charter Service Policy. Mr. Evans provided the second.

VOTE The motion was approved as follows:
AYES: Dubick, Kortge, Towery, Eyster, Evans, Necker (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

ITEMS FOR INFORMATION AT THIS MEETING

A. Board Member Reports

Board Finance Committee: Mr. Kortge reported that during the November 4 Board Finance Committee meeting the Special Service Policy had been discussed as well as the topics described in the Board packet and the overall LTD financial projections.

Mr. Kortge commented that the worsening economic climate meant that the LTD Board would need to undertake a serious review of LTD's pension benefit policies.

Mr. Kortge reminded the Board that it was the duty of the LTD trustees to approve cost of living raises for LTD retiree pension benefits.

Metropolitan Policy Committee (MPC): Mr. Evans noted that there was not much to brief the Board on regarding the November 13 MPC meeting beyond what was reported in the Board packet. He added that two new representatives from Springfield, John Woodrow and Christine Lundberg, would soon be joining the MPC.

Lane County Commissioners & Springfield City Council: Mr. Eyster reported that he, Mr. Mueller, and Mr. Pangborn had recently met with the Lane County Board of Commissioners, the Springfield City Council, and the Eugene City Council to brief them on the proposed service reductions.

Mr. Eyster noted that he and Mr. Evans, and Mr. Vobora had recently given an interview for *The Eugene Weekly* in an effort to make the public more aware of the difficulties currently faced by the District.

Mr. Eyster commented that the transit system in Salem was cutting its Saturday service due to economic difficulties similar to those currently faced by LTD.

Mr. Evans commented that it was critical for LTD to maintain a healthy dialogue with the print media outlets in Lane County as part of its public outreach efforts.

B. Board Strategic Planning Session Draft Agenda

Assistant General Manager Stefano Viggiano briefed the Board on the draft agenda for the strategic planning session scheduled to be held on December 5.

Mr. Kortge asked that the agenda be revised to include a discussion of LTD pension benefit issues. Mr. Pangborn responded that issues regarding LTD pension plans would be discussed during the Assumptions for Key Budget Elements portion of the strategic planning session.

Mr. Kortge asked why the Long-Range Financial Plan scenarios agenda item had not been scheduled for earlier in the strategic planning session. Mr. Viggiano answered that it might not be prudent to undertake a discussion of the Long-Range Financial scenarios without a discussion of the budget element assumptions beforehand.

Mr. Evans asked if there would be a discussion of the next contract and collective bargaining agreement under the personnel topic from the Assumptions for Key Budget Elements portion of the strategic planning session. Mr. Pangborn and Mr. Viggiano confirmed that those topics would indeed be discussed.

Mr. Eyster, commenting on feedback he had received from his discussions with Lane County and the cities of Springfield and Eugene, noted that it would be important to have at least some discussion about the process for potential restoration of some service.

C. Monthly Financial Report

Ms. Hellekson briefed the Board on the October LTD financial information as listed in the Board packet. She noted that the recent fuel price decreases would result in an average fuel cost for the year of approximately \$2.80 per gallon, which would translate to a savings for the year of approximately \$900,000.

D. Federal Surface Transportation Bill Recommendations

Mr. Viggiano noted that there was no specific action required from the LTD Board regarding the current Federal Surface Transportation Bill recommendations, but that there might be some recommendations that would need to be acted upon in December.

ADJOURNMENT – The meeting adjourned at 7:49 p.m.



Board Secretary

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