

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL BOARD MEETING

Monday, November 8, 2010

Pursuant to notice given to *The Register-Guard* for publication on November 4, 2010, 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 Monday, November 8, 2010, beginning at 5:30 p.m., in the LTD Board Room at 3500 East 17<sup>th</sup> Avenue, Eugene.

Present: Mike Eyster, President  
Greg Evans, Vice President  
Dean Kortge, Secretary  
Ed Necker, Treasurer  
Gary Gillespie  
Michael Dubick  
Mark Pangborn, General Manager  
Jeanne Schapper, Clerk of the Board  
Wade Hicks, Minutes Recorder

Absent: Doris Towery

**CALL TO ORDER:** Mr. Eyster convened the meeting of the LTD Board of Directors at 5:32 p.m. and called the roll. With the exception of Mr. Gillespie, all Board members were present.

**PRELIMINARY REMARKS BY BOARD PRESIDENT:** Mr. Eyster noted that LTD's "Let's Talk Transit" event would be held on Tuesday, November 9, at 7:30 p.m. at the Eugene Hilton Conference Center. Mr. Pangborn added that he anticipated that opposition groups would be protesting outside the event.

Mr. Gillespie arrived at the meeting at 5:33 p.m.

**ANNOUNCEMENTS AND ADDITIONS TO AGENDA:** Mr. Eyster announced that the Joint Locally Preferred Alternative (LPA) Committee had recently held its first meeting. He noted that he would provide information regarding that meeting later in the agenda.

Mr. Pangborn noted that he, Mr. Kortge, and Director of Human Resources Mary Adams had planned to attend an upcoming pension trust conference.

**BOARD CALENDARS:** Mr. Pangborn said that an open house regarding the West Eugene EmX Extension (WEEE) Alternatives Analysis Report had been scheduled for November 9 from 11:00 a.m. to 2:00 p.m. at the Eugene Faith Center.

Mr. Pangborn reported that the LTD Leadership Council had scheduled its annual strategic planning retreat for November 22. This is in preparation for the LTD Board retreat, which is scheduled for December 10 from 8:00 a.m. to 5:00 at the Northwest Community Credit Union building on International Way in Springfield. Mr. Pangborn stated that the strategic planning session might be rescheduled to begin at 8:30 a.m.

Mr. Pangborn stated that LTD bus services would not be operating on Thursday, November 25, in observance of the Thanksgiving holiday and that on Friday, November 26, the buses would run on the Saturday bus service schedule. He added that LTD shuttle bus services would be offered for the University of Oregon football game on November 26.

Director of Planning and Development Tom Schwetz noted that while LTD staff had considered holding a joint meeting of the EmX Steering Committee and the West Eugene EmX Extension Corridor Committee (WEECC); the WEECC had been scheduled to meet on December 1, and the Steering Committee had been scheduled to meet on December 7. He noted that each group had been requested to conduct values exercises at their respective meetings.

Mr. Vobora said that staff had not yet received confirmation regarding Congressman Peter DeFazio's availability for the Gateway EmX opening activities. Mr. Pangborn stated that he hoped that Congressman DeFazio's participation in the Gateway EmX opening activities would be similar to his participation in the opening activities of the Franklin Avenue EmX line.

## WORK SESSION

**Investing in Transit, presented by Utah Transit Authority (UTA) CEO John English:** Mr. Pangborn introduced Utah Transit Authority (UTA) CEO John English and said that he would be the keynote speaker for the "Let's Talk Transit" event to be held on November 9. Mr. Pangborn added that Mr. English had been invited to attend the Board meeting in order to provide his input and feedback regarding Salt Lake City's ambitious transportation program of public transit enhancements.

Mr. English described his experience and background in public transportation and discussed his perceptions of how public transportation had been developed in many American cities. He then described how various rail and roadway transportation systems had been developed in the Salt Lake City area. Mr. English said that the *Envision Utah* initiative had been very important in the determination of how transportation systems may be developed in order to deal with the area's robust population increases. He noted that the initiative had involved the use of various modeling and scenario tools to investigate how bus rapid transit and light rail systems may be utilized to benefit the community. Mr. English explained how referendums had been passed to initiate the development of five separate public transit rail lines in the Salt Lake City area.

Mr. English described the project development of UTA's five rail lines and noted that each of them were expected to be in operation by 2015. He noted that the final phases of the project would involve the networking of each of the five lines with existing transportation mechanisms. He stated that UTA currently plans to create a bike and pedestrian authority to oversee the networking of bike/pedestrian transportation systems with the region's developing light rail system.

Mr. English added that the transportation infrastructure developed by UTA had prompted a host of economic redevelopment strategies in many areas of Salt Lake City.

Mr. English noted that he had joined UTA with the expectation that he would research and investigate how other transit systems all over the world had been developed. He added that he had joined the International Association of Public Transport (UITP) as part of his research into other transit systems. He further noted that he had recently been appointed as the first American chairperson of the UITP's sustainability commission.

Mr. English briefly described how developing American transit systems compared with those of their European counterparts.

Mr. Dubick asked Mr. English to provide input on how community support might be gathered for the creation and enhancement of public transit systems such as bus rapid transit and light rail. Mr. English responded that community support often was generated by demonstrating the practical benefits of such systems, whether by actually building them or by monetizing the urban sprawl that could be offset by the development of transit systems.

Mr. English, responding to a question from Mr. Necker, stated that the primary sources of funding for UTA were local sales taxes that had been gradually increased through a series of public referendums. He briefly described the manner in which the local sales taxes had been applied in the six-county service area of UTA. He noted that UTA utilized a series of modeling strategies to demonstrate to the community how the local sales taxes had been applied in an equitable fashion. He described how the revenues generated by the local sales taxes that funded UTA had affected the amount of services provided by UTA.

Mr. English, responding to a question from Mr. Kortge, stated that the Salt Lake City region had a population of approximately two million people. He added that the five-line rail system under development by UTA had a projected cost of approximately \$3 billion.

Mr. Kortge asked how Mr. English's input on transit system development might be applied to relatively smaller communities such as Eugene-Springfield. Mr. English commented that he felt that LTD had been correct in its assumptions of the current size and anticipated growth for Eugene and surrounding areas with respect to transit system development. Mr. English described how Eugene was similarly scaled to the northern and southern UTA service areas.

Mr. Gillespie asked Mr. English for information regarding how feeder routes were used in conjunction with UTA's primary transportation system routes. Mr. English described how UTA's light rail systems had been developed in a manner that had shortened associated bus routes to the point where they operated more as shuttles to the light rail lines rather than as feeder routes for the entire UTA system.

Mr. English said UTA had used a statistical system known as a Net Promoter score in order to measure the public's consideration of UTA's regular bus services. He noted that the Net Promoter scores for UTA's inner city bus service and its BRT lines often were as high as those for UTA's light rail lines.

Mr. Pangborn referred to Mr. English's previous comment and suggested that LTD's computer modeling tools could be used to more accurately reflect the public's anticipated usage of BRT systems such as the EmX.

Responding to a question from Mr. Gillespie, Mr. English said that approximately 20 percent of UTA's overall revenues came through the use of fare boxes at UTA stations. That percentage of overall revenue was expected to increase significantly with the completion of the five UTA light rail lines.

Mr. English briefly described elements of the fare system used by UTA for its light rail and regular bus services. He further noted that UTA had recently implemented the use of an electronic fare collection system. He added that the electronic fare collection system might ultimately enable UTA to implement more distance-based fare structures.

Mr. English commented on the nature of fare collections with respect to public transportation systems, and he suggested that the basic structure of such systems needed to be transitioned from a social service role to that of a public utility. He further suggested that it was imperative for local public transportation systems to find ways to become more financially sustainable and to develop infrastructures accordingly.

Mr. Evans asked Mr. English to describe the manner in which UTA had or had not developed community-wide and comprehensive environmental impact studies concurrent to the development of UTA's five light rail lines. Mr. English replied that UTA had conducted separate environmental impact statements for each of the five light rail lines. He further noted that while two of the five lines had been federally funded, and therefore required environmental impact statements to satisfy NEPA requirements, UTA had chosen to adopt an internal policy that called for the creation of environmental impact statements for the remaining three lines. He noted that the internal policy had allowed UTA to cut through a significant amount of red tape for the development of the remaining three light rail lines.

Mr. English, responding to a question from Mr. Evans, stated that the environmental impact statements for the three light rail lines under UTA's internal policy had been financed through the use of local and dedicated funds provided by referendum.

Mr. Kortge asked if UTA had needed to condemn any right-of-way properties as its five light rail lines were developed. Mr. English responded that UTA was one of the only transit agencies in the world that did not have powers of condemnation. Mr. English continued to describe how UTA's lack of condemnation powers had actually benefited the agency in that it had forced them to take a more active and considered role in transit-oriented property development.

Mr. English noted that the Utah State Legislature had recently approved a bill allowing UTA to enter into agreements with property developers as UTA's transit systems were planned and developed.

Responding to a question from Mr. Necker, Mr. English said that UTA did not typically sell any of its properties for development, but rather encouraged the use of long-term ground leases in order to maximize the revenues generated by commercial enterprises on UTA property.

Mr. English noted that other entities such as the Utah Department of Transportation and the City of Salt Lake were empowered to condemn properties on UTA's behalf.

Mr. English, responding to a question from Mr. Eyster, described how UTA streetcars were not considered an antiquated means of public transportation but rather had been developed to operate on rails in regular traffic. He further described how streetcars had been modernized and developed for use in a variety of public transportation systems.

Mr. English added that the cost of constructing a public streetcar system was cheaper than constructing a light rail system.

**West Eugene EmX Extension (WEEE) Update:** Mr. Schwetz presented information on the myriad of public input sessions that were recently conducted regarding the WEEE project.

Mr. Schwetz said that two open house events recently had been conducted regarding the Alternatives Analysis Report for the WEEE project and that a third open house was scheduled for November 9 at the Eugene Faith Center. He noted that the open house events already held had been relatively well

attended and that a number of good questions had been asked.

Mr. Schwetz reported that a Jefferson Westside Neighborhood Association panel also was scheduled for November 9. Mr. Pangborn had agreed to serve on the panel along with Ilona Kolesar, Rob Inerfeld, Josh Skov, and Bob Macherione.

Mr. Pangborn noted that LTD staff were scheduled to attend a meeting of the River Road Community Council on right after this Board meeting to speak regarding that area's desire to become the next EmX corridor.

Mr. Schwetz said that the first Joint LPA Committee meeting had been conducted and that the members and support staff had been attempting to schedule the next several committee meetings. He noted that the Committee's process was expected to result in an alignment alternative recommendation to the Eugene City Council and the Metropolitan Policy Committee (MPC) sometime in January or February of 2011.

Mr. Schwetz said that LTD staff continued to work with representatives from the West Eugene Collaborative (WEC) as the WEC worked to compile and present information to the Eugene City Council regarding the development of the West Eugene corridor.

Mr. Schwetz stated that LTD staff and representatives from the Jefferson Westside, Whiteaker, Far Side, and Churchill neighborhood associations were attempting to plan a joint meeting to discuss the WEEE project. He stated that LTD staff may meet individually with those groups in the event that a joint meeting could not be scheduled.

Mr. Schwetz added that LTD staff continued to conduct one-on-one meetings with various West Eugene business owners regarding the WEEE project.

Mr. Schwetz said that LTD staff planned to present to the Central Lane Metropolitan Planning Organization Citizen Advisory Committee at its November meeting. He noted that LTD staff also planned to present to the City of Eugene's Coordinated Land Use Action Committee (CLUAC). Mr. Schwetz said that the CLUAC had been working with both City of Eugene staff and the City's Sustainability Commission to examine the Alternatives Analysis Report in comparison with the City's triple bottom line assessment sustainability models.

Mr. Schwetz noted that LTD planned to schedule another joint meeting of its EmX Steering Committee and West Eugene EmX Corridor Committee at the beginning of December. He noted that the Steering Committee and the Corridor Committee were scheduled to meet on December 1 and 7, respectively, to finalize their recommendations to the LTD Board.

Senior Project Manager John Evans conveyed the mitigation concepts currently under development by LTD staff, and he maintained that it soon would be necessary to stop the design refinement process in order to move forward.

Mr. Evans noted that LTD staff had, to date, met with more than 85 property owners regarding the mitigation concepts associated with each of the alignment alternatives. He added that on the West 13<sup>th</sup>/11<sup>th</sup> Avenue alignment alternative, the current mitigation concepts to avoid adverse property impacts had called for 75 percent exclusive bus lanes and 25 percent mixed traffic. He added that the West 13<sup>th</sup>/11<sup>th</sup> Avenue mitigation concept also currently called for 80 partial property acquisitions and no full property acquisitions.

Mr. Evans stated his belief that in December, and after the next Joint LPA Committee meeting, LTD staff would be in a position to look at whether or not the Board wished to promote a preferred alternative based on the mitigation concepts that had been developed.

Mr. Evans, responding to question from Mr. Eyster, stated that staff had met with the majority of business owners along West 11<sup>th</sup> Avenue. Mr. Evans added that although some of the business owners lived out of state and had not yet been formally contacted.

Mr. Evans, responding to a question from Mr. Kortge, briefly talked about how West Eugene property owners had been conferred with regarding the partial property acquisitions described in the current mitigation concepts.

**EMPLOYEES OF THE MONTHS:** Director of Transit Operations Mark Johnson introduced Bus Operator Mary York as LTD's Employee of the Month for November 2010. He said that Ms. York had joined LTD in 1997 and noted her exceptional job performance.

Mr. Eyster presented Ms. York with her award and thanked her for her service to the District.

Ms. York thanked Mr. Eyster and the LTD Board members.

Director of Maintenance George Trauger announced that Inside Cleaners Mary Braun, Carolyn Hodges, Joyce Allen, Anna Banks, and Sherry Tillett were collectively selected as the LTD Employees of the Month for December 2010. He then introduced Ms. Braun and Ms. Hodges who were in attendance. He noted that Ms. Braun, Ms. Hodges, Ms. Allen, Ms. Banks, and Ms. Tillett had been nominated for their exceptional work in keeping the LTD buses clean. Mr. Trauger commended them for their more than 95 years of combined experience working for LTD.

Mr. Eyster presented Ms. Braun and Ms. Hodges with their awards and thanked them for their service to the District. The other Inside Cleaners were presented their awards at another time.

Ms. Hodges said that she was the lead detailer for the cleaning crew and stated that she was proud that her team continued to work very hard to keep the LTD buses clean.

**AUDIENCE PARTICIPATION:** Mr. Eyster confirmed that there were no members of the public who wished to offer comment.

**ITEMS FOR ACTION AT THIS MEETING**

Mr. Eyster requested that the minutes of the September 13, 2010, Board meeting be pulled from the Consent Calendar.

**MOTION** **Consent Calendar:** Mr. Kortge moved adoption of LTD Resolution 2010-033: It is hereby resolved that the Consent Calendar for November 8, 2010, is approved as presented. Mr. Necker provided the second. The Consent Calendar consisted of the minutes of the June 16, 2010, Regular Board Meeting and the Budget Committee Nominations for Peter Davidson and Jon Hinds.

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

Mr. Eyster referred to the minutes of the September 13, 2010, Special Board Meeting and asked that the section referring to, "the Board's involvement in the General Manager Selection process" be revised to "whether all Board members or a subset of the Board should form a search committee." He further recollected that both Ed Necker and Dean Kortge had not wished to participate on the search committee and asked that language be added to the minutes reflecting the same. He further asked that a phrase be added reading, "an Executive Search Committee of the Board was formed comprised of Mike Dubick, Doris Towery, Gary Gillespie, Greg Evans, and Mike Eyster; and staffed by David Collier."

**MOTION** Mr. Gillespie moved to approve the minutes of the September 13, 2010, Special Board Meeting as amended. Mr. Kortge provided the second.

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

**Purchasing Policy Rules Update:** Purchasing Manager Jeanette Bailor briefed the Board on the updated Purchasing Policy and Rules as described in the agenda item summary materials. Ms. Bailor noted that the updated purchasing policy was the result of the LTD's first ever procurement system review by the Federal Transit Administration (FTA). Ms. Bailor noted that she had learned a great deal regarding the various updates to federal purchasing regulations and noted that LTD's policy had been revised accordingly. Ms. Bailor described the changes and noted that they primarily addressed additional contract administration policies and procedures as well as additional documentation to contract files necessary for compliance with federal regulations.

Ms. Bailor described the two recommended policy changes to the definitions of procurements to match the federal definitions and monetary limits. She then described how the monetary purchasing limits classifications had been revised with respect to both micro and small purchases for LTD.

Ms. Bailor, responding to a question from Mr. Eyster, described examples of micro and small purchases. She further noted that while not necessarily required for small purchases, it often was to LTD's advantage to engage in competitive bid processes for them.

Ms. Bailor, responding to a question from Mr. Necker, stated that all of LTD's purchasing agreement processes were documented in writing and that verbal agreements were not used.

Ms. Bailor, responding to a question from Mr. Gillespie, commented that the LTD Purchasing Policy and Rules were last updated in 2005. She noted that in March 2009, the FTA had updated its purchasing policy regulations but had only just recently started to provide training classes regarding the regulations.

**MOTION** Mr. Evans moved adoption of LTD Resolution 2010-034: Resolved, the LTD Board of Directors hereby adopts the Purchasing Policy and Rules as revised on November 8, 2010. Mr. Gillespie provided the second.

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

#### **ITEMS FOR INFORMATION AT THIS MEETING**

**Board Member Reports:** Director of Finance and Information Technology Diane Hellekson said that the Finance Committee had met on October 12 to discuss the unfunded liability of the two LTD pension plans. She noted that a robust discussion had taken place at the meeting and that two of the Finance Committee members also served on LTD's Human Resources Committee. She commented that the unfunded liability of the hourly pension plan was much too high, although the administrative plan was slightly better. She noted that it was generally recognized that defined benefit plans were becoming unviable and that it would be necessary to adopt a different pension plan model that would allow LTD to control costs in the future.

Mr. Dubick noted that the Human Resources Committee also had met on October 12. Ms. Adams added that the Committee had discussed the two LTD pension plans but had focused their discussions more on the policy aspects of the plans than the financial elements.

Mr. Necker reported that the Long-Range Transit Plan (LRTP) Project Advisory Committee met on October 13. The Committee had continued its scenario discussion process with an emphasis on using the driving forces identified in earlier committee meetings.

Regarding the Metropolitan Policy Committee (MPC), Mr. Pangborn stated that there were no items of significance to report with the exception of the Area Commission on Transportation that had recently been formed by the MPC.

Mr. Schwetz suggested that LTD staff and representatives would need to be prepared for the review of the Regional Transportation Plan project list at the MPC's December meeting.



Mr. Eyster added that the LTD representatives had made a short presentation regarding the WEEE project at the October 14 MPC meeting.

Mr. Gillespie said that Mr. Pangborn and Mr. Evans had made an extensive presentation regarding the WEEE project to the Metropolitan Planning Organization's Citizen Advisory Committee (MPO CAC) at its October 21 meeting. He noted that the meeting also included comments and questions from the public. The MPO CAC had specified that any subsequent responses to the public comments and questions come from LTD support staff rather than the MPO CAC members.

Mr. Eyster stated that the Joint Locally Preferred Alternative Committee's first meeting had been held on October 29. At that meeting the group reviewed Committee roles and set the context for the decision-making process for the WEEE project. They reviewed the design process, results from the Alternatives Analysis Report, and proposed mitigations.

Mr. Kortge commented on the West Eugene EmX Extension Corridor Committee's joint meeting with the EmX Steering Committee on November 3. He said that a more meaningful articulation of the need for the West Eugene EmX Extension project was needed. He said he believed that the need statement for the project, in relation to the Regional Transportation Plan (RTP), had become almost irrelevant.

Mr. Schwetz agreed with Mr. Kortge's comment and maintained that simply saying LTD intended to execute the WEEE project because it had been adopted into the RTP did not convey any substantive information regarding the true need for the project. He said he hoped that the RTP itself could be presented in a more proactive manner in order to make the regional transportation vision of the plan more readily apparent.

Mr. Kortge said that he hoped that additional ridership data may be used to demonstrate the viability of the WEEE project to the public.

The Board members briefly discussed how various data sets might be presented to the community in order to generate public support for the WEEE project.

Mr. Schwetz said that LTD staff would continue to articulate to the community many of the emerging transportation problems that could be solved by the WEEE project.

Mr. Gillespie suggested that it would be helpful to remind the WEEE Corridor Committee members of the charge of that group. Mr. Gillespie noted his encouragement that both the community and Steering Committee members had been receptive to the answers provided by LTD staff at the November 3 meeting.

Mr. Kortge noted that it was not the purpose of the WEEE Corridor Committee to take a vote or reach consensus but was rather to provide a forum for community discussion regarding the WEEE project.

Mr. Eyster said that he found it difficult to believe that a transit system that would move large numbers of people in and around the West Eugene area could be discouraging to business owners.

Mr. Evans asked the Board and staff for clarification regarding the ultimate goals of the Corridor Committee's process. Mr. Schwetz replied that the Corridor Committee had been specifically formed to consolidate the feedback of the Steering Committee members with that of stakeholder representatives from the West Eugene Corridor. He noted that LTD was ultimately asking the Corridor Committee to

give its final advice regarding the WEEE project even though that advice might not be indicative of the collective will of the Corridor Committee.

Mr. Schwetz pointed out that only the EmX Steering Committee was charged with making a formal recommendation to the LTD Board regarding the WEEE project.

Mr. Evans suggested that it would be important for the Corridor Committee to revisit its original mission at its next several meetings since it appeared that there were several members of the Committee who did not believe that LTD would support Build alternatives.

Mr. Evans talked about the need for the Corridor Committee to refocus its efforts to reflect the original charge of the group. Mr. Schwetz confirmed that LTD staff would work to re-emphasize the original goals of the WEEE Corridor Committee. Mr. Evans said his primary concern as a member of the Corridor Committee was to facilitate the meetings of the Committee. He said he hoped that the Committee's assessment would be more clearly articulated so that an effective recommendation may ultimately be made to the Eugene City Council.

Mr. Gillespie said he hoped that the Corridor Committee's discussions would reveal the values that the opinions of the individual members were based upon.

Mr. Gillespie suggested that he may serve as chair for any joint meetings of the Corridor and Steering Committees. Mr. Evans and Mr. Pangborn confirmed that he would be entitled to do so as a member of the LTD Board of Directors.

Mr. Evans stated that the primary duty for the Chair of both the Corridor Committee and Steering Committee was to facilitate productive discussions within those groups.

Mr. Necker responded to Mr. Evans' comments and suggested that the Corridor Committee might include in its meeting agendas a purpose and needs element to help that group refocus its efforts.

Mr. Dubick stated his belief that the expectations for the Corridor Committee needed to be clarified. He further that the Corridor Committee may need to function similar to a focus group so that the individual opinions of the Committee members could be considered more fully.

Mr. Gillespie referred to previous Corridor Committee discussions regarding the mitigation processes proposed for the WEEE project, and he stated that it would be highly important for LTD to clearly define what, if any, role the Committee was entitled to play with regard to the development and review of the proposed mitigation process. He stated his belief that certain Corridor Committee members had assumed that they were entitled to take on an active role in the development of the mitigation processes.

Mr. Eyster responded to Mr. Gillespie's comment and maintained that several of the Corridor Committee members may not be able to reach a conclusion without information regarding the mitigation processes. Mr. Eyster further noted that the Corridor Committee members were not a formal component of the development of the mitigation processes and that such matters were between LTD and the individual property owners in the West Eugene area.

Mr. Evans stated that many elements of the mitigation processes for the WEEE project would remain unknown until the project was further along in its development and construction.

Mr. Schwetz stated that LTD's intent with respect to the Joint LPA Committee was that it would be entitled to consider certain elements of the potential mitigation strategies as part of its overall basis for the final selection of the Locally Preferred Alternative.

Regarding the Executive Search Committee, Mr. Eyster clarified that the Committee had received proposals from eight search firms. Committee members, Mr. Kortge and Mr. Necker, had confirmed that they preferred that the Committee select the firm. Mr. Eyster, responding to a question from Mr. Necker, noted that a motion reflecting the Executive Search Committee's course of action was not necessary and that he merely wanted to have a sense of the Board's intentions regarding the matter.

Mr. Evans reported that he had been elected to serve as a member of the APTA Board of Directors and that he planned to attend the APTA Board's upcoming retreat in New Orleans. He anticipated that the retreat would involve various legislative discussions relating to the recent mid-term elections.

Mr. Evans stated his belief that the changing membership on congressional transportation committees could represent a window of opportunity for LTD to move forward on a number of overall transit issues.

**Board Committee Assignments:** Mr. Pangborn noted that Mr. Evans would not be able to serve on the Transportation System Plan (TSP) Department Advisory Committee currently being formed by the City of Eugene. He noted that the City of Eugene hoped that Mr. Necker would be available to serve on that committee. Mr. Eyster added that Eugene City Planner Kurt Yeiter planned to contact Mr. Necker regarding the matter.

Mr. Pangborn noted that the TSP Department Advisory Committee would meet approximately eight times between November 2010 and August 2011.

Mr. Pangborn stated that in years past, Committee Assignments were done at the end of the calendar year. He expressed that it may make more sense to make changes to the various Board committee assignments in June 2011 at the end of the fiscal year. This also would bring the process into alignment with the election of officers, which occurs in June in even numbered years.

Mr. Dubick agreed with Mr. Pangborn's suggestion.

Mr. Kortge suggested that certain Board members and LTD staff serve in an informal mentorship capacity for Mr. Pangborn's replacement as general manager. Mr. Pangborn suggested that they might discuss the matter as the selection process for the general manager position moved forward in May 2011.

**FTA Drug and Alcohol Audit Compliance Letter:** Senior Human Resource Specialist David Collier stated that the Board had adopted the revisions to LTD's Drug and Alcohol Program in September 2010. The revisions had recently been approved by the FTA, and the letter was in the Board materials.

**EmX Fare Analysis:** Information Technology Manager Steve Parrott reviewed the fare revenue and performance figures for the first 13 months of operation of the EmX fare system. He briefly reported on the staff time that had been devoted to installation of the EmX fare system.

Mr. Parrott, responding to a question from Mr. Eyster, confirmed that the staff time for the installation of the fare system for the Gateway EmX extension would be significantly less than the staff time that had been used for the development of the fare system for the Franklin EmX route.

Mr. Parrott commented that LTD did not have the data collection mechanisms in place to determine if the EmX fare system was used by EmX riders only or if other LTD customers were using the EmX fare system to purchase passes for use on regular LTD buses.

Mr. Parrott noted that the Eugene and Springfield stations were the two biggest selling EmX fare locations and accounted for approximately 65 percent of the transactions in the EmX fare system. He added that the EmX fare terminals along the Gateway EmX route were active and that they had already recorded a number of sales even though the EmX route had not yet been activated.

Mr. Parrott stated that the models used by LTD staff showed that net revenue for the EmX fare collections was expected to increase significantly once the Gateway EmX route came online. He stated that the models used by LTD staff regarding the net revenue generated using the EmX fare system had been relatively accurate. He then provided detailed information regarding the fare sales for the EmX system for the 13-month period. He added that the use of credit and debit cards for EmX fare purchases had become more popular over the 13-month period.

Mr. Parrott reported on the operating costs for the EmX fare system and reported that bank and debit card fees accounted for only 3 percent of the operating costs. He noted that the staff time for support and maintenance of the fare system accounted for approximately 40 percent of the operating costs and that a significant portion of that percentage was for a dedicated technician to support the fare system.

Mr. Parrott noted that although the staff time necessary for the maintenance of the EmX fare system may require the addition or expansion of a full-time position, it was still much more cost effective for LTD to have a dedicated technician rather than contracting technicians from the Seattle or San Francisco areas.

Mr. Parrott described the collection services used for the EmX fare system and noted that an armored car service was used to collect at the 15 fare machines currently in operation on the Franklin EmX route. He noted that the fees for collection would increase with the full implementation of the 24 fare machines on the Gateway EmX route but those fees should be offset by increased revenues.

Responding to a question from Mr. Eyster, Mr. Parrott stated that the security personnel used for enforcement of the EmX fares had been incorporated in the staff time as part of the operating expenses.

Mr. Parrott demonstrated information reflecting the number of tickets from EmX fare vending machines that had been used for LTD's regular bus services. He further noted that approximately 77 percent of the EmX fare system's daily sales were made up of LTD day passes.

Director of Service Planning, Accessibility, and Marketing Andy Vobora presented information regarding the time and expenses involved in the enforcement of the EmX fare system.

Mr. Vobora reported on the manner in which the Wackenhut security officers had been used to enforce the EmX fare system. He then talked about the various citation and compliance levels used as part of the fare enforcement strategies. He maintained that the overall fare enforcement strategy had been very effective.

Mr. Parrott stated that the citations issued by LTD for non-compliance were for denial of service and were not issued as a monetary fine.

Mr. Pangborn noted that there were pictures posted at the Eugene Station to alert LTD operators of those persons who had been denied service for non-compliance with the EmX fare policies.

Mr. Vobora demonstrated ridership figures for the four years that the EmX system had been in operation. He stated that the EmX system had set a record 166,157 boardings for October 2010, but that increase had been attributed to LTD's other recent service reductions.

Mr. Parrott, responding to a question from Mr. Evans, stated that LTD was approximately seven years away from being able to implement a virtual ticketing system that utilized smart phones and other mobile technologies. Mr. Parrott briefly described how other transit systems in the San Francisco, New Jersey, and Boston areas had implemented such systems. He noted that the national banking infrastructure did not yet have the capability to manage virtual payment systems such as Mr. Evans had described.

Mr. Vobora presented information describing LTD's EmX ridership in relation to the times of day that LTD customers utilized the EmX system. He noted that many of elements of the data corresponded to time-of-day usage in other parts of LTD's regular services.

Mr. Parrott commented on the customer feedback provided regarding the EmX fare system that included: 1) their support for the use of ticket vending machines on the EmX platforms; 2) the need for easier and more intuitive operating instructions for the ticket vending machines; and 3) requests to incorporate multiple ticket purchases into single ticket vending machine transactions.

Mr. Parrott commented on the customer feedback regarding the request for multiple ticket purchases and noted that the manufacturer for the EmX ticket vending machines had been attempting to implement that functionality. He noted that the EmX system might serve as a prototype market for multiple ticket purchases using the current ticket vending machines.

Mr. Parrott noted that very positive feedback and suggestions regarding the EmX fare system instructions also had been incorporated into the most recent edition of the LTD *Rider's Digest* publication.

Mr. Vobora noted that the lower cost ticket vending machines used on the EmX platforms seemed to fit the District's operational and budgetary needs quite well.

**Monthly Financial Report - October 2010:** Ms. Hellekson noted that the Board's November meeting schedule did not allow for staff to incorporate the report information into the other agenda item summary materials. She said that the October financial information was similar to the information received over the past several months and that payroll tax receipts were relatively close to staff projections.

Ms. Hellekson commented that, even with the accounting error from the previous fiscal year and subsequent rate increases, LTD's payroll tax receipts were relatively flat for the October period.

She said that staff's long-term plan projections have proved to be valid assumptions regarding fuel prices and other elements.

Ms. Hellekson stated that it was possible that there may be negative variances regarding LTD's fuel prices for the current year.

Ms. Hellekson stated that \$8.3 million in federal grant funding had recently been procured by LTD for future hybrid-propulsion bus purchases. She noted that the grants would have a very positive effect on LTD's Long-Range Financial Plan and Capital Improvement Program. She stated that the Leadership Retreat that was scheduled for November 22 and the Board Strategic Planning Session scheduled for December 10 would involve discussions of how the hybrid vehicle grants would ultimately affect LTD services.

Chief Accountant/Internal Auditor Carol James, responding to a question from Mr. Eyster, stated that a report recently drafted by Director of Oregon Economic Forum Tim Duy had concurred with the payroll tax receipt information contained in the October report. She further noted that Mr. Duy's report had indicated stronger employment figures based on temporary job number increases.

Mr. Eyster called a short recess at 7:59 p.m.

The meeting reconvened at 8:05 p.m.

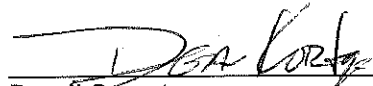
**MOTION EXECUTIVE (NON-PUBLIC) SESSION:** Mr. Dubick moved that the Board meet in Executive Session pursuant to ORS 192.660(2)(d), to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Mr. Kortge provided the second.

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

The Board entered Executive Session at 8:05 p.m.

**RETURN TO REGULAR SESSION:** The Board returned to regular session at 8:40 p.m.

**ADJOURNMENT:** There was no further discussion, and the meeting adjourned at 8:40 p.m.

  
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Board Secretary