

## MINUTES OF DIRECTORS MEETING

### LANE TRANSIT DISTRICT

### SPECIAL BOARD MEETING

Monday, April 11, 2011

Pursuant to notice given to *The Register-Guard* for publication on April 7, 2011, 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/work session on Monday, April 11, 2011, 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  
Michael Dubick  
Doris Towery  
Gary Gillespie  
Mark Pangborn, General Manager  
Jeanne Schapper, Clerk of the Board  
Katie Dettman, Minutes Recorder

**CALL TO ORDER:** Mr. Eyster convened the meeting and called roll at 5:33 p.m.

#### **AUDIENCE PARTICIPATION**

**Bob Macherione**, 1994 Brewer, Eugene, stated that Our Money Our Transit (OMOT) was not the enemy of LTD just because the group felt that it needed to provide input and act as a watch dog. He had read the LTD Long-Range Financial Plan, and he said that it was difficult to forecast budgets this far into the future. Referring to the Ending Working Capital portion of the Plan, he noted that more than \$8 million would be spent over the next five years just trying to balance the budget. In this process some Accessible Services money would be lost. He noted that the budget assumed 5307 funds, which comprised a sizable portion of operating funds, were coming. These funds were used for preventative maintenance and comprised between \$3.5 million (in FY 2010-2011) and \$4.2 million (in FY 2018-2019) of the budget. However, if the Transportation Bill did not come out the way LTD anticipated, he said that a massive shortage would occur. He did not know if this would be recoverable or sustainable without more service reductions.

Mr. Macherione said that he wanted LTD to be fiscally responsible and sustainable into the future. He acknowledged that the West Eugene EmX numbers had been recalculated and were more accurate possibly in part because the numbers now anticipated fuel cost increases. He was concerned that with the new numbers, the West Eugene EmX seemed even a less viable, sustainable project. He thought that LTD had gotten the short end of the stick because it had been told to send the next EmX extension down W. 11<sup>th</sup>. He suggested consulting with businesses prior to making such a decision in the future. He noted that had this been done, LTD would have known that there was a lot of opposition to EmX's location on W. 11<sup>th</sup>, and then they could have shared this with the Eugene City Council. Another item that was not addressed in the

long-range planning was unfunded liabilities. He did not think that LTD could continue to ignore these liabilities, and he thought that the most important thing that LTD could focus on was maintaining service into the future in the most efficient, sustainable way.

Mr. Vobora noted that the 5307 funds listed on the Long-Range Financial Plan were only those funds that would go toward preventative maintenance. Not all 5307 funds were included on the document. Unless a large cut was made to 5307 funds, such as fifty percent, the preventative maintenance dollars would be maintained.

Mr. Macherione said that he understood, and then he noted that 5307 funds for operating purposes was a dangerous thing to rely upon.

### ITEMS FOR ACTION AT THIS MEETING

**General Manager Selection Process:** Senior Human Resources Analyst David Collier referred to the general manager position proposed timeline and noted that Mr. Pangborn's departure date had been changed from June 1 to June 30. Mr. Collier then referred to the Company Position Overview that had been provided by the Generator Group, which was based on input from community members, LTD staff, and Board members.

**MOTION** **LTD Resolution No. 2011-010:** Mr. Evans moved approval of LTD Resolution No. 2011-010, approving the standards, criteria, and policy directives for the next LTD general manager as described in the LTD General Manager Position Overview and LTD General Manager Success Profile. Mr. Dubick provided the second.

**VOTE** The motion was approved as follows:  
AYES: Dubick, Eyster, G. Evans, Gillespie, Necker, Kortge, Towery (7)  
NAYS: None  
ABSTENTIONS: None

### ITEMS FOR INFORMATION AT THIS MEETING

**Lane Transit District Boundaries:** Director of Service Planning, Accessibility, and Marketing Andy Vobora shared an LTD Boundary map with the Board and said that the LTD Finance Committee had discussed the LTD boundary at its last meeting.

A business person in Cottage Grove had recently asked how LTD set its boundaries, and Mr. Vobora stated that he was on the agenda for the Cottage Grove City Council meeting that night (on April 11) to provide an update on service and provide boundary information. This particular business person and the city manager both planned on being there to hear the presentation.

Thistledown Farms, which was on River Road in Junction City just north of the Urban Growth Boundary (UGB), had contacted LTD to say that it no longer received bus service. Some of its employees and customers had used the bus line, and the owner stated that it was not equitable for the business to be charged a tax if it did not receive service.

Mr. Vobora said that when the boundaries were originally set, LTD was an urban system and existed only within Eugene-Springfield. Then in the mid-1970s, the District expanded to rural areas. Within Oregon Revised Statutes (ORS) rules, boundaries could be set using a variety of different lines. One of these was census tracts, and at one point LTD had used census tracts that extended to County lines. ORS stated that a mileage standard also may be used to set boundaries. Therefore, LTD had decided to use the mileage standard of 2.5 miles outside of a route, which was a reasonable distance for a person to bicycle or drive and park. Cottage Grove and Creswell joined the District in 2000, and the boundary line was aligned along the I-5 corridor, between Goshen and Cottage Grove/Creswell because bus service is inaccessible for bus riders along this section of the route. The boundary lines expand to align with the UGBs of Cottage Grove and Creswell. If LTD changed its boundaries, it would outline new buffered boundary lines, as shown on the map which was displayed for the Board's information. In the interest of accessibility, Service Planning staff had spoken with the LTD Finance Committee about what was a reasonable walking standard going down either side of the line at  $\frac{3}{4}$  of a mile or at  $\frac{1}{2}$  of a mile. Mr. Vobora asked the Board if the distance from a route should be  $\frac{1}{2}$ ,  $\frac{3}{4}$ , or  $2\frac{1}{2}$  miles, and should it be different in rural areas?

Mr. Vobora then referred to the map legend. LTD determined that if the boundary was at one mile, it would exclude any residents or businesses between the one mile and  $2\frac{1}{2}$ -mile boundaries. There were 196 total businesses identified through payroll tax records, and 132 of those were payroll tax-paying businesses. Some may have been self-employed people, but more analysis was needed to get a more refined number. In 2009 these 132 firms paid \$152,500 in payroll taxes. At  $\frac{3}{4}$  of a mile, the tax revenue went up to \$208,300. At  $\frac{1}{2}$  of a mile, it was \$570,600. He noted that the data did not account for outside businesses doing work along corridors within the boundary, for example, Portland businesses.

Mr. Vobora said that this issue came up every year around tax time. The Finance Committee had discussed that even within the urban area, businesses existed that did not have service. For example, Weyerhaeuser was a good distance from Main Street but was a big payroll contributor. He noted that all in the District paid payroll taxes so that the region could have good bus service. If the Board chose to change the boundary, LTD would go through a process beginning with a new ordinance. When the boundary line was set, staff would establish the new boundary based on a process of evaluating each property on a property to property basis; and this would take time. After that was done, readings of the ordinance would be done, and then the new boundary would be adopted. LTD would then notify the Department of Revenue, and the new boundary would take effect on January 1, 2012.

Mr. Dubick said that he thought it was a tough time to be examining a vehicle for reducing revenue. He stated that he was opposed to changing the entire boundary.

In response to a comment by Mr. Gillespie, Mr. Vobora said that Thistledown Farms was only  $1\frac{1}{2}$  miles from Spring Creek, where route 51 turned around to head back to the Eugene Station. Thistledown Farms was just outside the UGB.

Mr. Eyster said that it sounded as though there was not much interest in changing what was already in place. He said that he knew that staff analyzed the issue when it came up in order to determine if there was a special circumstance that the Board would want to take into consideration. He asked if this was what he was hearing from the other members of the Board.

The Board members expressed their agreement.

Mr. Dubick said that he understood Thistledown's position, but expressed that LTD had other responsibilities that it had to maintain at this point.

Mr. Pangborn said that LTD boundaries were less than were required by state law. Creating more restricted boundaries would be a judgment call about what was fair and reasonable.

**ADJOURNMENT:** Mr. Eyster adjourned the meeting at 5:54 p.m.

LANE TRANSIT DISTRICT

ATTEST

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Dean Kortge  
Board Secretary

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Jeanne Schapper  
Administrative Services Manager/  
Clerk of the Board

Date Approved: October 19, 2011