

MINUTES OF DIRECTORS MEETING
LANE TRANSIT DISTRICT
STRATEGIC PLANNING WORK SESSION

Monday, April 22, 2013

Pursuant to notice given to *The Register-Guard* for publication on April 18, 2013, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held a strategic planning work session on Monday, April 22, 2013, beginning at 8:00 a.m., at the Springfield Justice Center, 230 4th Street, Springfield, Oregon.

Present:

Board

Doris Towery, President
Gary Gillespie, Vice President
Ed Necker, Treasurer
Martha Reilly
Carl Yeh

Staff

Ron Kilcoyne, General Manager
Andy Vobora, Director of Customer Services and Planning
George Trauger, Director of Maintenance
Diane Hellekson, Director of Finance and Information
Technology
Mary Adams, Director of Human Resources and Risk
Management
Tom Schwetz, Planning and Development Manager
Steve Parrott, Information Technology Manager
Joe McCormack, Facilities Manager
Jeanne Schapper, Administrative Services Manager/Clerk
of the Board

Absent:

Michael Dubick, Secretary

Guest:

Randy Harrington

Lynn Taylor, Minutes Recorder

CALL TO ORDER/ROLL CALL: Ms. Towery convened the meeting and called the roll at 8:15 a.m.

WELCOME BY BOARD PRESIDENT: Ms. Towery welcomed Board members and staff to the District's strategic planning discussions.

CONNECTING THE DOTS: General Manager Ron Kilcoyne began the strategic planning work session with the history of Lane Transit District (LTD): Why LTD exists; why the agency collects payroll taxes, and why the agency is of value to the communities it serves. He said that transit provides many benefits, including an environmental benefit through the reduction of greenhouse gases, and an economic benefit through jobs and labor pool access. Transit also provides a social benefit through improved mobility and accessibility and a reduction of parking requirements, thereby making land available for other uses. He said that those benefits could only be provided if ridership continues to increase, and the issue is how to grow per capita ridership.

Mr. Kilcoyne stated that LTD's productivity data placed it at No. 22 out of more than 500 transit districts across the country, with an average of 45 boardings per hour of service over the course of a year. He

said that the surgical cuts to service have contributed to that high productivity rate, but that the more important statistic is per capita transit usage. He said that the need for transit service is greater than what is being provided. He noted that LTD provides other services and benefits, including RideSource, coordination and brokerage of transportation services, and Point2point programs that minimize single occupancy vehicle trips. This holistic approach provides the community with transportation choices and freedom from automobile ownership.

Mr. Kilcoyne said that there are three aspects to increasing ridership: product design, marketing and promotion, and basic operations. These are part of a larger picture that encompasses the complete door-to-door trip. LTD does not have control over all of these elements, but LTD is able to foster strong partnerships with entities that control these other aspects in order to provide a complete trip. A robust transit system composed of many transportation modes and options enhances a community's quality of life and provides the ultimate choice in freedom, mobility, and accessibility.

Mr. Kilcoyne said that although LTD's productivity is high, an examination of the system demonstrates that previous service reductions resulted in a loss of ridership in certain areas. EmX ridership has tended to mask what is occurring in other parts of the system, and it is clear that LTD is not meeting the latent demand for service. He said that appropriate level of service issues to consider during strategic planning are "donut holes" or areas of the community with little or no transit service, dense residential development, and populations with low automobile ownership. Paradoxically, these areas tend to have low ridership and are vulnerable when service cuts occur.

Mr. Kilcoyne observed that LTD does not control its revenue stream, which is based on the economy and the number of jobs within the taxing District. He said that it is important to articulate to the community quantitatively or qualitatively the benefits LTD provides and the impact of current and future services. He said that the District also should examine as an organization whether everything it does adds value and is as efficient as possible. The District should examine other opportunities to streamline operations and increase flexibility. The purpose of the work session is to engage the Board and the organization to develop and achieve strategic goals.

Mr. Gillespie commented that the "donut holes" in the Coburg Road and South Eugene areas are due in part to problems with reliability and times of service, connections with other routes, and confusion about how to connect with EmX.

Ms. Towery commented that the Long-Range Financial Plan (LRFP) projected a gradually improving economy. She asked if that meant that the District would consider adding service that had been cut and filling gaps in the system. She said that the LRFP includes an increase in the payroll tax rate in 2015, and the District needs to prepare for that by initiating a conversation with the community in addition to engaging the Board and staff in strategic planning. She said that a part of the District's strategic goals should be engagement with the community so that people feel that they are involved in the decision-making process.

Mr. Necker said that there is a large gap between what LTD is doing and how that is perceived by the public. He stated that issues of productivity and coverage have little meaning to the public; people are most interested in the impact on them personally. He suggested using neighborhood associations to help increase route ridership and productivity. He wished to avoid cuts in service.

Mr. Gillespie asked if there was a correlation between loss of Business Energy Tax Credit (BETC) funds and the decrease in South Eugene ridership when student pass programs were discontinued. He stated that ways to replace those funds and programs could be addressed during strategic planning.

Ms. Reilly said that there are few routes in her district, and that increasing ridership would require promoting park and ride facilities and demonstrating their benefits. She stated that it is difficult to convince someone to drive a car two miles, and then to abandon the vehicle to use transit, particularly when parking is available at the other end of the trip. She said that it is necessary to promote lifelong transit users by recruiting riders when they are young. She urged the District to develop a mobile version of the LTD website to help people plan routes.

Mr. Gillespie stated a concern that the more widely spaced EmX stops could present problems for those with mobility challenges, and could raise questions about the interconnection with a feeder system.

Mr. Yeh added that University of Oregon ridership could be increased. He agreed that it is difficult to compete with automobiles when fuel prices and parking are not always factors in choice. He said that LTD needed to demonstrate the economic feasibility of using transit instead of driving to a destination. He said that often people do not complain when service cuts occur; they just adapt to the changes.

STRATEGIC THEMES: Planning and Development Manager Tom Schwetz asked the Board to consider uncertainties as an element of strategic planning, and to consider the importance of interpreting signals and making connections. The sheer number of moving parts in scenario planning creates ambiguity and the need for a clear set of strategies for reaching goals. He said that the primary uncertainties facing LTD are organized into two broad strategic themes:

- *Resources* - revenue, cost management, labor availability, and partnerships.
- *Community Connections* - riders and emerging markets, other transportation modes, and coordination of transit investments with broader community visions.

Mr. Schwetz said that actions related to these themes should not focus on daily operations to the exclusion of a long-range vision. He said that being a flexible organization capable of adapting meant reading and interpreting signals of change, having the ability to prototype frequently and rapidly, managing complex and interconnected systems of multiple stakeholders, and motivating employees and partners. Mr. Schwetz stressed that while the world was uncertain and unpredictable, that was not a reason for being unprepared.

Ms. Towery commented that decisions being made now would continue to have impact many years into the future. She said that what had been learned in the past could help inform those decisions; but the world was rapidly changing, and operations will look very different in the future.

BUILDING A SHARED VISION FOR LTD: Mr. Schwetz introduced Consultant Randy Harrington who described strategic planning as a dynamic, ongoing process that is inclusive, builds momentum, and achieves goals. He commended Mr. Kilcoyne and LTD's leadership team for their willingness to pursue new approaches. He said that improvements always represent change, and change could be perceived as a threat. Communicating with the public, obtaining input from as many stakeholders as possible, and marketing information about changes are integral parts of any plan of action.

Mr. Harrington said that requesting input from stakeholders requires producing a framework as well as guidance for determining a vision for the future. He said that developing that framework includes an inclusive, ongoing strategic conversation that gives everyone in the organization an opportunity to express an opinion on strategic goals. It also means a clear, manageable annual calendar with regular

opportunities for strategic engagement within LTD. The process would yield practical solutions, innovations, efficiencies and strategic clarity about where to focus time and resources. He said that it is essential that the outcomes of the process filter throughout the organization before soliciting input from the community.

Mr. Harrington said that the nature of LTD's workforce, a majority of which are bus operators, presents a challenge to initiate an internal strategic planning process because of the complexity of work schedules, little organizational history or culture of strategic conversations, and lack of a robust intranet to facilitate communications. The keys to success are:

- A slow, steady approach to change.
- A consistent message regarding priorities.
- Identifying key opinion leaders within the organization and using them to tap into other employees' ideas and opinions.
- Extremely clear, relevant strategic priorities.

Mr. Harrington said that LTD's priorities should be clear enough within the organization that the community understands them and customers become marketing tools by promoting the organization's services. He asked for feedback from the Board on how to expand the strategic planning process internally and externally.

Mr. Necker remarked that the question was how to communicate a strategic plan to the community in sufficient detail to create public opinion. He said that the community did not, at this point, view LTD as putting its customers first.

Mr. Gillespie suggested using a term other than "strategic plan" in communications with the public. He said that the question for him was how effectively the plan would drive the organization's agenda.

Mr. Necker suggested using the terms "vision" or "mission."

Ms. Towery stated that strategic planning should be a living, breathing tool that guides an organization's operations and decisions. Effectively communicating clarity of vision, values, and benefit to the community would create advocates and supporters for LTD. She stated that she does not feel the majority of residents have a negative view of LTD; those that do are very vocal, and supporters are not being as vocal.

Mr. Gillespie asked how LTD could define the added benefit when the payroll tax rate increases.

Ms. Towery said that the issue is how to define LTD's benefit to the community, and how it complements the community's values and vision for the future.

Mr. Harrington agreed that LTD's benefit should be defined beyond transporting people in the community, as Mr. Kilcoyne had noted in his opening remarks. He asked if the Board felt it had the opportunity to truly explore a vision for LTD in 2025.

Ms. Reilly commended the orientation provided to her and Mr. Yeh as new Board members. She said that the orientation was comprehensive and enthusiastic, and staff displayed passion for, and involvement in, the organization. She said that bus operators represent a large pool of talent for LTD,

and there should be opportunities to obtain feedback and insight from them on customer and community relations. She urged LTD to find ways to more fully involve operators in strategic planning activities. She noted that Facebook had been used successfully to foster a sense of community among members of a group to which she belonged, and she suggested that electronic communications could be a tool for internal conversations.

Mr. Kilcoyne said that the bus operators' work environment presented challenges to establish that engagement. Mr. Harrington said that LTD would need to develop an approach that was tailored to its unique needs, but it was possible. He asked the Board to focus its attention on creating a vision for the organization and mandating that the process include an ongoing, internal strategic conversation.

Ms. Towery agreed that operators have the most public contact and represent the best opportunity to be advocates and communicate LTD's message. She said that it was about building relationships, both internally and among stakeholders in the community.

Mr. Harrington said that it would require a disciplined approach to continuously and consistently communicate LTD's message across a wide range of media platforms. He polled the Board and determined there was generally strong support for a strategic planning process that included all LTD employees.

Mr. Necker questioned the Board's ability to look 25 years into the future and form an opinion when faced with the need to focus on the business of daily life. He said that it was a matter of being willing and able to participate in strategic planning.

Mr. Yeh cautioned that it was essential to make the strategic planning process relevant to individuals of whom the organization wants to be involved, whether employees or members of the public.

Ms. Towery commented that employees are stretched very thinly as LTD has downsized and reorganized, and the issue is how to achieve a laser focus in the process without overwhelming those who would be implementing the plan. In order to be successful, it is important that employees understand the need for a plan to guide future decisions and operations.

Mr. Harrington agreed that launching a process with great fanfare, then having it fizzle out, would result in a loss of trust and reluctance to participate in future efforts. He said that any process should proceed at a reasonable, balanced, and manageable pace until momentum is achieved.

In response to a question from Ms. Reilly, Mr. Harrington indicated that the leadership team includes department, program, and project managers within LTD.

Mr. Gillespie said that his only concern with the process is the ability to fully involve line staff, and to avoid a "top down" approach that imposes a plan created by management.

Ms. Towery said that a laser strategic focus would eliminate those tasks that are not essential and pare the process to critical and relevant elements necessary to achieve results.

Mr. Harrington asked Board members what they liked about LTD's strategic planning process to date.

Mr. Necker cited cooperation between the Board and the leadership team, and the leadership team's efficiency in carrying out the Board's directives. He found the process well thought out and functional.

Ms. Towery observed that many of the Board members are new and have not been involved in earlier strategic planning efforts. She suggested reviewing information from previous planning activities and incorporating what was still relevant in the new strategic planning process.

Mr. Gillespie voiced concern about buy-in from Operations and Customer Service. He said that LTD's construction program required that it plan and budget three to five years ahead, so that it was compelled to engage in strategic planning to a greater extent than most businesses.

Ms. Towery added that the Board's interaction with, and input from, the leadership team was a valuable part of the long-range planning process. That depth of knowledge and experience helped the Board to make better decisions.

Mr. Harrington asked if LTD's relationships with regional partners were effective, and if those relationships placed LTD at the table at appropriate levels in regional planning efforts.

Mr. Kilcoyne said that the relationships are generally effective, but there is always room for improvement. He gave several examples of working relationships with partners, both formal and informal, that promote regional collaboration and coordinate multiple planning initiatives. He said that there is an infrastructure in place that makes it easier to maintain and expand relationships.

Ms. Towery agreed that there is room for improvement, particularly in thinking regionally across jurisdictional lines. She cited the example of locating a new Veterans Administration Clinic where there is no bus service. LTD could do a better job of raising the issue of transit as a critical component of land use planning and development decisions, and not as an afterthought.

Ms. Reilly asked if LTD could engage directly with the entities making decisions regarding the location of facilities and development. Director of Customer Services and Planning Andy Vobora replied that the federal site selection process for the Veterans Administration Clinic was not accessible to most local jurisdictions, but there are better opportunities to interact with local and regional decision-makers.

Mr. Vobora voiced his concern as to whether or not EmX still represents LTD's strategic plan. He said that the system was initially envisioned as a network of routes to be developed over a 25-year period; but that meant that the District's resources were dedicated to building out that system, leaving little nimbleness to respond to other emerging needs in the region. He said that there should be a conversation about whether or not that is still consistent with LTD's evolving strategic vision.

Ms. Towery stated that a full array of options could be presented to the community so that they could understand the implications of various choices on future activities. She said that scenarios could explain costs and impacts on future services, such as the cost of building out and operating the EmX system compared with the cost of adding many more buses and lines to the fixed-route system.

Mr. Harrington liked the concept of using a scenario framework to explain the costs and implications of various transit options. Board members indicated there would be value in having the leadership team develop several scenarios around a 10- to 20-year planning horizon.

Mr. Kilcoyne said that scenarios could help to understand whether EmX is the goal, or the means to achieve a goal. He agreed that there should be a conversation about the capital and operating costs of expanding EmX versus putting more buses everywhere, and LTD's vision for a menu of services in the future.

Ms. Towery agreed that it would be helpful to see how EmX layers onto the full system and the feeder lines that could expand access. She said that might dampen some of the opposition to EmX if the public better understands how it is part of the overall system, and the opportunities that LTD is exploring to provide as much service as possible to the entire community. It is important that the public recognize that LTD is attempting to seek input from the community and to be responsive to those needs.

Mr. Harrington suggested using maps or transparencies to illustrate how the EmX and fixed-route systems are layered and how they can be interconnected with feeder lines.

Mr. Kilcoyne stated that scenario planning could provide the vehicle to determine the appropriate level of service for the entire District, including a discussion of funding, identifying community needs, and identifying what the community is willing to pay for.

He said efficiency has two goals, which could sometimes be in opposition of each other: 1) To free resources for service, and 2) To remove stress from people's lives by making processes more simple.

He said that the planning process should find a balance point between these goals. He acknowledged that there are ambiguities beyond LTD's control that make long-range forecasting difficult and which require the organization to be nimble.

Information Technology Manager Steve Parrott stated that EmX is part of the Regional Transportation Plan (RTP), which covers all jurisdictions within the District. He asked how committed jurisdictions were to aligning their land use planning and development decisions with that Plan.

Mr. Kilcoyne noted that in the RTP, the full EmX system includes the Veterans Administration Clinic site. Mr. Schwetz added that there was no regional discussion of the clinic's site; it was a competition between Springfield and Eugene and not necessarily related to the merits of the site.

Ms. Reilly stated that it would be useful if the Board found opportunities to inform the public that transit was not necessarily a consideration in selecting a site for the clinic, but that it should have been.

Mr. Schwetz said that he realized during his work with the EmX concept that those capital investments could be broken down into smaller elements, many of which are not exclusive to EmX. There are a range of investments that could improve LTD's operations and efficiency, such as signal priority.

GUIDANCE AND GOVERNANCE: Mr. Harrington stated that boards are not an incidental part of an organization; they exist to provide governance. And in an effective organization, a board provides clear guidance in shaping a long-range vision. He said that the Board has an opportunity to take LTD into the future. He asked the Board to react to the following guidance statements summarized from its previous discussion:

- The Board generally supports efforts to increase meaningful participation in the strategic planning process.
- The Board is mindful of challenges for building an inclusive planning process, and care must be taken to avoid fatigue or processes that bog down efforts for innovation and change.

- The Board seeks clear choice points or strategic scenarios that invite input and clarify trade-offs in service development.
- LTD should develop an EmX narrative that clarifies its value to the community now and into the future.

Mr. Harrington emphasized that the Board should be generating guidance statements during its meetings, and asked if that was occurring.

Mr. Necker said that the Board often instructed staff to develop information and scenarios for its consideration.

Mr. Harrington characterized guidance as a clear, informal summary that reflects a one-voice will of the Board following a vigorous debate of the issue. He said one voice could be achieved through consensus or vote. Guidance should provide clarity to staff about Board opinion and intent and include key performance indicators that provide accountability and measurement. An example of a performance indicator would be a specific increase in per capita ridership.

Mr. Gillespie commented that the Board was appointed by the governor, and LTD had no influence over the opinions and perspectives of appointees. Mr. Harrington agreed that the political appointment approach to the Board presented some unique challenges to speaking with one voice.

Mr. Necker said that people who applied for appointment to the Board were generally committed to community transportation options, and while members might have different opinions on how to reach a goal, there was agreement on common goals.

Mr. Harrington said that it was critical for the Board to work together on the major issues and be one voice in order to be advocates for LTD in the community. He asked what role the Board played in LTD governance with respect to policy development.

Mr. Necker said that the Board reviews existing policies and evaluates and approves staff policy proposals, rather than developing original policies. Mr. Harrington said that is a typical approach for boards. He used a graphic illustration to define the four areas in which a board's governance activities were centered:

- 1) Decisions about the Board's own governance: Expectations for education, attendance, participation, advocacy, etc. He recommended that those policies be reviewed periodically, and that they be updated, if necessary.
- 2) Decisions about linking governance to management: Controlling the organization through hiring, evaluating the general manager, and setting any other organization-wide policies.
- 3) Decisions about management: Establishing policies that impose specific limitations (shall nots) on executives, leaving anything not specifically prohibited as acceptable. He said very few boards were able to do this well.
- 4) Decisions about organizational goals: Establishing policies to achieve those goals.

Mr. Harrington suggested that the Board focus its attention on areas No. 1 and No. 4 in LTD's strategic planning process. He observed that the Board seemed comfortable with the concept of guidance and asked if members were equally comfortable with the concept of governance as it relates to policy.

Ms. Towery said that the Board has undertaken major policy matters with the EmX system.

Mr. Yeh stated that the Board has good governance capabilities; but as a new member, he would tend to defer at this point to longer term members and the leadership team until better informed on District issues.

Mr. Gillespie said that he was confident about internal policy matters; but when it came to regional transportation policies, there are sometimes partners with different ideas about those matters.

Mr. Necker commented that the Board was successful in establishing policies related to internal governance, such as the conducting of Board meetings and hiring and evaluating of a general manager. He said that he felt the Board was quite comfortable with governance.

Mr. Harrington said that from his perspective, the Board interacts well, members are comfortable with each other, and they have a good process for bringing new members on board. Board members' comments indicate there is an appetite for guidance, as needed; so that when there are discussions, they are resolved in a way that adds texture and clarity to directions to the general manager. He encouraged the Board to begin conversations regarding advocacy and to proceed mindfully so that the result is a well-planned, coordinated, and rehearsed message. Mr. Harrington asked what the Board needed from staff in order to achieve success during the next year.

Ms. Reilly said that she liked the concept of scenarios with options, financial costs, and political and community opinion ramifications.

Ms. Towery expressed her appreciation for Board members who asked difficult and challenging questions. She agreed with Ms. Reilly that scenarios are critical to generate informed discussions, particularly for new Board members.

Mr. Necker concurred with the value of scenario planning, but requested that information be presented to the public, not just to the Board. He would like the Board to work towards improving LTD's public image, and he welcomed ideas from staff.

Mr. Yeh would like to continue to build trust between the Board and staff.

Mr. Gillespie said that he sometimes struggles with contact with constituents, and having staff respond to an inquiry from his district, instead of responding himself. He would like the Board to discuss issues such as when to attend a neighborhood association meeting, whether or not LTD issues were on the agenda. He said that the relationship between the Board and staff is working very well.

Mr. Harrington said that there is a growing body of work on the subject of boards and cited *Boards that Make a Difference*, and *Reinventing Your Board*, by John and Miriam Carver as good resources.

CONCLUSIONS AND NEXT STEPS: Mr. Harrington asked the Board to look three to six months ahead, and to identify the issues they would like to see discussed and the progress made.

Mr. Gillespie said his thoughts are focused on the EmX Steering Committee, and he is encouraged about the potential of discussing various scenarios and feeder lines.

Mr. Necker requested a broader vision of more buses instead of a single-minded focus on developing the EmX system. He acknowledged that the EmX system did require focus and great effort, but he added that he hopes the discussion can be expanded to explore ways to enhance the fixed-route system as part of LTD's future plans.

Ms. Towery asked to receive information on the structure of the strategic planning process, such as a calendar of major components. She added that she wants to revisit the old strategic plan and identify those elements that might move forward into a new plan.

Mr. Schwetz said that there is an internal Road Map document and earlier scenario work that could feed into a new strategic planning process. He said that staff also would bring the Long-Range Transit Plan back to the Board for review.

Mr. Harrington thanked the Board for its work and the strong, clear directives it had provided to staff.

Ms. Towery thanked Mr. Harrington and LTD staff for organizing the strategic planning work session and thanked Board members for their participation.

Mr. Kilcoyne thanked everyone for a productive meeting that set the stage for progress in the future.

ADJOURNMENT: Ms. Towery adjourned the meeting at 1:10 p.m.

LANE TRANSIT DISTRICT

ATTEST:

Michael Dubick
Board Secretary

Jeanne Schapper
Clerk of the Board