

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR BOARD MEETING

Wednesday, July 15, 2015

Pursuant to notice given to *The Register-Guard* for publication on June 9, 2015, 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, July 15, 2015, beginning at 5:30 p.m., at the LTD Board Room, 3500 E. 17th Avenue, Eugene, Oregon.

Present: Gary Wildish, President
Carl Yeh, Vice President
Ed Necker, Treasurer
Gary Gillespie
Don Nordin
Angelynn Pierce

Ron Kilcoyne, General Manager
Jeanne Schapper, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: Julie Grossman, Secretary

CALL TO ORDER/ROLL CALL: Mr. Wildish convened the meeting and called the roll at 5:37 p.m.

PRELIMINARY REMARKS BY BOARD PRESIDENT: Mr. Wildish thanked staff for the quick conversion of the Board Room following an earlier meeting in the space.

COMMENTS FROM THE GENERAL MANAGER: There were no comments.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: Mr. Nordin requested time later on the agenda to discuss an issue. There were no objections.

BOARD CALENDARS: Mr. Kilcoyne reviewed the upcoming Board meetings and other scheduled events. It was determined that the Board preferred to hold its August meeting on the regular date of August 19, 2015.

EMPLOYEE OF THE MONTH — AUGUST 2015: The Board recognized Bus Operator Nikki Franco as the August Employee of the Month. Mr. Wildish presented Ms. Franco with an award and thanked her for her outstanding service and dedication to LTD's mission. Ms. Franco thanked the Board for her award. She said that she appreciated her job at LTD, and she thanked the customer who had nominated her.

AUDIENCE PARTICIPATION: Mr. Wildish explained the procedures for offering comments to the Board.

Bob Macherione, Eugene, representing Our Money Our Transit (OMOT), stated that he had been attending Board meetings for six years and was escorted out at the last meeting he attended. He said he missed the last couple of meetings because he has been very busy at work. He said that his issue was general disrespect for the public from the general manager and certain members of the LTD organization. He objected to being described in a federal court brief as "selling used sports cars in a strip mall." He stated that he felt that someone owed him an apology. He said that he has brought a lot of issues before the Board, all of them valid. He explained that he was the spokesman for OMOT because others feared being targeted as he was; he was not afraid of LTD or the City of Eugene, and he said he was well-liked in the community. He said that some of his issues include the desire for LTD to be more open and transparent, the protection of basic bus service before engaging in EmX projects, restoration of full service to low-income housing on his street, and stopping conflicts of interest on Stakeholder Advisory Committees that prevent meaningful public input early in projects. He said that the Stakeholder Advisory Committee in Springfield had the president of Wildish Lane and Development Company as a member, and the Board should object.

Jozef Siekiel-Zdzienicki, Eugene, thanked the Board for inviting him to the KL2 Connects meetings. He commented that he seemed to be the only representative of the public as most participants had a past or present connection with LTD, were government officials or University students, and so on. He noted that all of the discussion groups identified humility as a critical characteristic of the new general manager. He said that another important characteristic was the ability to listen to and understand the community, not just react to it. He urged the Board to keep those two characteristics in mind as they searched for a new general manager.

ITEMS FOR ACTION AT THIS MEETING:

MOTION **Consent Calendar:** Ms. Pierce moved that the Board adopt the following resolution: LTD Resolution No. 2015-029: It is hereby resolved that the Consent Calendar for July 15, 2015, is approved as presented. Mr. Necker provided the second. The Consent Calendar consisted of the Minutes of the May 11, 2015, Special Joint Meeting/Work Session with Eugene City Council; Minutes of the June 17, 2015, Regular Board Meeting; and Minutes of the June 22, 2015, Special Board Meeting/Work Session.

VOTE The resolution was approved as follows:
AYES: Gillespie, Necker, Nordin, Pierce, Wildish, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Grossman (1)

Disadvantaged Business Enterprise (DBE) Policy Update: Purchasing Manager Mary Talentinow said that the policy had been updated at the request of the Federal Transit Administration (FTA) to identify the DBE liaison officer within the organization as the Director of Administrative Services Roland Hoskins to avoid any conflict of interest.

Ms. Talentinow explained that the purpose of the DBE program was to encourage participation of minority and disadvantaged businesses in federally funded projects. She said

that LTD encouraged participation in federally and locally funded projects by DBE, Minority Business Enterprise (MBE), Women-owned Business Enterprise (WBE) and Emerging Small Businesses (ESB), although only DBE participation was officially recognized by and reported to the FTA. She said that DBE participation was reported twice a year as a percentage of LTD's contracted work during each six-month period. She added that LTD had aspirational goals; establishing a specific numeric goal required that an organization conduct a disparity study, which most organizations in Oregon had not done. LTD's goal was aspirational and gender-neutral.

Mr. Nordin asked how DBE and ESB first were defined and identified. Ms. Talentinow explained that a business had to apply to the State of Oregon's certification program, which evaluated the application to determine if it met the criteria for DBE or ESB certification.

Mr. Wildish commented that the State's certification program conducted a thorough evaluation of a business before granting certification and placing a business on the list of eligible businesses. Ms. Talentinow added that the State maintained a database of certified firms.

Ms. Pierce added that the certification process was rigorous.

MOTION Mr. Gillespie moved LTD Resolution No. 2015-030: Resolved, the LTD Board of Directors hereby adopts a Revised Disadvantaged Business Enterprise Policy and Program, effective July 15, 2015. Mr. Nordin provided the second.

VOTE The resolution was approved as follows:
AYES: Gillespie, Necker, Nordin, Pierce, Wildish, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Grossman (1)

Donation of Property for Veterans' Housing Project: Planning and Development Manager Tom Schwetz explained that the title company had requested the Board's confirmation of the general manager's decision to donate a piece of the recent River Road property purchase for veterans' housing in order to transfer the title to St. Vincent de Paul. He said that background information on the matter was included in the agenda packet, along with a letter from Mr. Kilcoyne to St. Vincent de Paul donating the property at 101 Green Lane.

Mr. Gillespie commended the donation, which was in alignment with the Board's direction to use and evaluate the property in order to benefit the entire community.

MOTION Ms. Pierce moved approval of Resolution No. 2015-031: It is hereby resolved that the LTD Board of Directors concurs with the general manager's decision to donate the property located at 101 Green Lane to the St. Vincent de Paul Society of Lane County to be used as part of its Veterans' Housing Project as stated in the attached resolution. Mr. Necker provided the second.

VOTE The resolution was approved as follows:
AYES: Gillespie, Necker, Nordin, Pierce, Wildish, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Grossman (1)

Mr. Schwetz said that Board members were welcome to assist with the veterans' housing project and he would provide additional information as it became available.

ITEMS FOR INFORMATION AT THIS MEETING:

Board Member Reports: There were no questions or additional comments.

2015 Legislative Session Report: Governments Relations Manager Edward McGlone said that the legislative session was disappointing with regards to transportation issues. He highlighted the three top LTD legislative priorities:

1. Transportation package - The Oregon Transportation Forum (OTF), of which LTD was a member, developed a broad package of transportation investments spanning all modes. Mr. McGlone explained that the legislature took on a number of other important issues, one of which was the clean fuels standards; and consequently, there was little discussion of a transportation package until the last few weeks of the session. A group was convened by the governor to negotiate a transportation package, but major points of contention included how much to raise the gas tax and what to do about the newly enacted clean fuel standards. He said that the proposed package had a number of carbon-cutting offsets which would lead to the repeal of clean fuel standards. Environmentalists saw the package as a big loss and there were serious errors in calculating carbon reductions, at which point the package died. He said that while the outcome was not successful, the process did bring agreement on the need for a comprehensive transportation funding package, including transit funding. He stated that the OTF would develop another proposal for the February 2016 Legislative Session, or possibly the 2017 session.
2. Elderly and disabled funding – He said that the goal was \$15 million, but no less than the current \$12 million funding level. Only \$9.2 million was approved, but that could grow somewhat during ensuing sessions and with meetings of the Emergency Board. He noted that LTD's current budget was based on a \$9 million funding level assumption, so there was little impact.
3. Youth transit pass – He said that the goal was to have youth transit pass funding included in the "Christmas Tree" bill; however, funding for the program was not included in that bill and LTD should explore local funding options if support for the program was not provided in future sessions.

Mr. McGlone explained that the *Connect Oregon* competitive grant program, under which LTD had received \$3 million for bike and pedestrian improvements as part of the West Eugene EmX Extension, was funded at \$45 million, representing a \$3 million increase over the previous biennium. He would provide a more detailed report at a later date.

Mr. Necker commented that the February 2016 legislative session would be primarily focused on budget adjustments, and he asked if it was possible for a transportation package

to be considered. Mr. McGlone replied that a full transportation package was possible but not likely. It would be easier to achieve budget adjustments in specific areas.

Mr. Gillespie commented that he hoped that the legislature would develop some type of transportation proposal. He thanked Mr. McGlone for his efforts.

Ms. Pierce thanked Mr. McGlone for the information he provided and asked that she be kept apprised about the issue of personal payroll taxes. She said that the Springfield City Council was particularly concerned with the impact on residents, many of whom were low-income and could ill afford an additional tax.

Mr. Yeh asked why youth transit pass funding was not on the list for the "Christmas Tree" bill. Mr. McGlone said that he had been informed that funding requests in excess of \$500,000 were not included; LTD's request was for \$2 million. He said that staff had recalculated to determine if it was possible to scale down the request and still meet the intended purpose, and concluded that was not feasible. He added that the request would be put forward again in the February 2016 session.

Timing of Payroll Tax Implementation: Mr. McGlone said that LTD was funded through payroll taxes. The tax rate change under discussion was approved by the legislature in 2009 with the understanding that once the economy had recovered, the community would need better transit to continue to grow. He explained that the Board had considered in 2014 whether it was the right time to implement a rate increase; and after consultation with many community interests, had determined that it wanted to include investments in service in the Long-Range Financial Plan (LRFP). He noted that this was with an expectation that the tax rate change would be implemented in January 2017. He stated that, subsequently, local economic performance was stronger than expected and provided an opportunity to improve service at an earlier date. The Board then directed staff to research the impact of a January 2016 implementation date.

Mr. McGlone said that in Spring 2015, the Board approved a service package under the Annual Route Review. The Board also approved an LRFP with the budget calling for a January 2017 implementation date. He explained that doing so would allow the Board to invest \$800,000 in service this year, \$700,000 in the next year and approximately \$1.1 million in 2017. He added that a January 2016 implementation date would increase the investment in 2016 from \$700,000 to \$1.2 million. He noted that the proposed investments were discussed with the business community by both staff and Board members. He said a community investment work group composed of 17 members representing large and small taxpayers, key stakeholder groups, and chambers of commerce within the service area have been discussing the issue for quite some time. He said that while some were strongly opposed to paying more tax, the majority reluctantly accepted that the tax rate would increase and did not have a strong preference on whether that should occur in 2016 or 2017.

Mr. McGlone said that the next step was for staff to receive direction from the Board on whether the payroll tax implementation date should be January 2016 or January 2017 in order to develop the ordinance and conduct a public hearing at the Board's August 2015 meeting.

Mr. Gillespie said that he tended to support the earlier implementation date and did not see any major issues with the economy that would prevent that. He was excited about the increased service that the tax increase would provide.

Mr. Nordin said that he agreed with Mr. Gillespie that an earlier implementation date would allow LTD to increase its investment in service.

Ms. Pierce said that having been a small business owner, she did not favor a tax increase. She agreed that from a service perspective, the increase would be good; but from a public relations perspective, it would be difficult for the public to digest. She said that she did not feel strongly either way, but would prefer a later implementation date.

Mr. McGlone distributed a handout titled *Estimated Annual Payroll Tax Rates* that demonstrated the impact of an annual tax increase on employers based on their annual payroll. He said that an employer with a payroll of \$140,000 would experience a tax increase each year of \$14.

In response to a question from Mr. Yeh, Mr. McGlone said that even if the Board decided on a January 2017 implementation, staff advised passing the ordinance this year to give businesses time to prepare for the increase. He noted that the Board had already taken the required legal action by making a finding of economic recovery. He said that if there was a drastic or unexpected change in the local economy prior to the implementation date, the Board had the authority to modify its decision.

Ms. Pierce said that staff and the Board had been working hard to demonstrate to the community that LTD is a service organization. She commented that many people did not make the association between better service and higher taxes, and she wanted to be cautious about how the increase was handled. She said that she felt that a longer period before implementation would be better.

Mr. Yeh said that he supported a January 2016 implementation date.

Mr. Wildish observed that most people did not want to pay more taxes, and most of the employers in the community were smaller businesses who would feel a greater impact; but that should be weighed against LTD's efforts to restore services that had been cut in preceding years and service increases that would be realized from a January 2016 implementation date. He said that LTD needed more resources than it currently had, and the legislature gave the District the tool to raise the tax rate in 2009. The increase was delayed because of the poor economy and the ensuing long recovery time.

Mr. Wildish polled the Board and determined there were no objections to the January 1, 2016, implementation date.

Mr. McGlone said that an ordinance would be prepared for a public hearing to be held during the August Board meeting, with Board action planned for the September 2015 meeting.

General Manager Recruitment Update: Director of Administrative Services Roland Hoskins reported that there had been good participation and feedback from the community on the characteristics and skills desired in the new general manager. He said that recruiting firm, KL2 Connects, was now moving forward with the recruitment process. The position was

posted on July 2, 2015, with the goal of conducting interviews with finalists in early September. He said that the Board's Human Relations Committee would meet on July 27, 2015, to determine the next steps in the process. He believed there had been approximately 20 applications submitted to date, with most of those from viable candidates.

Mr. Necker asked if KL2 would be responsible for screening and reducing the pool of applicants. Mr. Hoskins said that would be decided at the Human Relations Committee meeting.

Mr. Gillespie commented that at least two of the community panels had mentioned humility and integrity as important characteristics that should be noted.

MovingAhead Update: Transit Development Planner Sasha Luftig said that there is currently background technical work and meetings being conducted in preparation for the next major public outreach campaign. Presentations were being made to any interested community organizations, and staff would be present at many community events and activities over the summer to introduce people to the MovingAhead project. She said that by the end of August, high level design concepts based on feedback from community workshops would be completed for each alternative and would be presented to the public at a September 14, 2015, open house. She said that feedback would then be collected on which transit investment made sense. She explained that a joint work session between the Eugene City Council and LTD Board was scheduled for September 28, after which the City Council would identify which corridors to study further, followed by a recommendation by the LTD Board. She noted that an online tool for providing input would again be available to people who were unable to attend one of the workshops.

2015 Business Commute Challenge Report: Transportation Options Outreach and Events Coordinator Cammie Harris presented a summary of the 2015 Business Commute Challenge (BCC). She explained that the BCC is a week-long event in which businesses competed against each other to see which pool of employees used bikes, buses, carpooling, and walking most often to get to work during that particular week. She said that marketing efforts began in April to allow businesses to prepare for the May 9-15 competition. She listed the various strategies used to disseminate information throughout the community. She said that new features of the event included prize tiers based on the number of days of participation, and revamped kick-off/wrap-up parties. She noted that prizes were donated by local businesses.

Ms. Harris stated that there were 2,584 participants, which represented an increase of 34 percent over the previous year. She used a chart to illustrate the number of miles traveled in new modes by participants. She thanked two new championship sponsors that contributed cash awards and assisted with marketing: Pacific Source Health Plans and Umpqua Bank. She added that a six-month follow-up survey would be conducted to determine the duration and frequency of mode shifts among participants as a result of the Challenge.

Even though Ms. Grossman was not present, Mr. Gillespie commended her for her challenge to Board members to participate in the Business Commute Challenge.

ADDITION TO THE AGENDA: Mr. Nordin stated that he received correspondence from an LTD customer in Creswell complaining about service. He said that he had responded to the

customer, who then followed up with a number of questions and comments. The follow-up questions posed by the customer prompted Mr. Nordin to suggest to other Board members that a discussion may be due about the possibility of replacing the payroll tax with a comprehensive carbon tax. He sought advice from the Board on how to handle these types of inquiries from the community in a way that would stimulate productive conversations about transit service and funding, similar to the discussions being held as part of the MovingAhead project, including a broader conversation about transportation funding as a whole.

Mr. Gillespie said that he had experienced similar situations and relied on the expertise of LTD staff on how to communicate on LTD issues. He said that he agreed that the concept of carbon exchange was interesting and worthy of discussion as it had different implications in other regions of the country.

Mr. Nordin said that it was important to make policy decisions at the local and state levels to pursue options for reducing the use of petroleum and releasing of carbons into the atmosphere. He said that LTD was a wonderful, well-managed community resource for achieving those goals.

Mr. Yeh said that he agreed it was important to discuss all options for funding transit beyond reliance on the payroll tax.

In response to a question from Ms. Pierce, Mr. Nordin said that his intent was to seek advice on how to respond to these types of inquiries from the public.

Mr. Kilcoyne clarified that all correspondence should go through staff to assure that LTD was delivering a consistent message. He said that increasing the payroll tax was a down payment on investing in the desired level of service, but there was more that needed to be done because the tax was not sufficient to achieve the community's vision for transit services.

Monthly Financial Report: Mr. Lipkin pointed out that the agenda packet contained a final analysis of payroll taxes for the year. A chart demonstrated what would have happened if \$672,000 had not been erroneously paid by an employer. He reminded the Board that the overpayment impacted several aspects of budgeting, and he expected to be at 95.9 percent of budget at the end of the year. Without the payment mistake, the District would be ahead of budget for the year.

Mr. Lipkin said that the external auditors were onsite conducting initial field work and would return in September. He explained that there would not be a June financial report in the August Board meeting packet, but the Board would receive by the end of July a June financial report that met the 30-day statutory requirement. Nevertheless, he added, the June report would not contain complete information as end-of-the-year invoices were still being processed.

Monthly Engagement Report: There were no questions or comments.

Monthly Performance Reports: There were no questions or comments.

Monthly Grants Report: There were no questions or comments.

Monthly Department Reports: There were no questions or comments.

Mr. Wildish announced that he would make committee assignments at the August Board meeting.

ADJOURNMENT: Mr. Wildish adjourned the meeting at 7:17 p.m.

LANE TRANSIT DISTRICT:

ATTEST:

Julie Grossman
Board Secretary

Jeanne Schapper
Clerk of the Board

Date Approved: _____