

MINUTES OF DIRECTORS MEETING  
LANE COUNTY MASS TRANSIT DISTRICT

October 10, 1974

An emergency meeting of the board of directors of Lane County Mass Transit District was held at the Eugene Hotel in Eugene, Oregon, at 7:30 a.m. on October 10, 1974, pursuant to call of all the members.

Present were:

Richard A. Booth  
Gary Buell  
Jack J. Craig, Treasurer  
Daniel M. Herbert, President, presiding  
Kenneth H. Kohnen, Vice President  
Glenn E. Randall, Secretary  
Ruth Shepherd  
Fred Dyer, General Manager  
Richard Bryson, Counsel.

Absent:

None.

Mr. Herbert announced that the meeting had been called at the request of the general manager as an emergency had arisen due to an unexpected shortage of funds to meet current payroll and other expenses.

Mr. Dyer explained that the district is experiencing a cash flow shortage which will probably continue until tax receipts come in next February and March. He felt that in order to be able to operate without further borrowing authority until next February or March would probably require approximately \$1,500,000, but if the board would prefer to authorize him to borrow enough to carry for a month or six weeks, he would need to borrow at this time approximately \$500,000.

It was then moved and seconded that the following resolutions be adopted:

"RESOLVED that, for the purpose of meeting current expenses for which provision has been made in the duly adopted budget of this district, Daniel M. Herbert, President, and either Jack J. Craig, treasurer, or Fred Dyer, General Manager, acting for and on behalf of this District as its act and deed, be and they hereby are authorized and empowered:

(a) To borrow from Citizens Bank, Eugene, Oregon, at such interest rate not exceeding five percent per annum as may be agreed upon between them and the said bank, such sum or sums of money as in their judgment should be borrowed for the purpose of meeting current budgeted expenses of the said District, not exceeding the aggregate amount of \$500,000, including all indebtedness now outstanding evidenced by warrants or promissory notes issued pursuant to previous resolutions of this Board of Directors and all indebtedness hereafter incurred pursuant to this resolution.

(b) To execute and deliver to said bank the promissory note or notes of the said District, without definite due dates, on forms which may be approved by said bank; or in the alternative, to execute and deliver to said bank the interest-bearing warrant or warrants of said District without definite due dates on forms approved by said bank.

(c) To provide to said bank such further evidences and documents as it shall require and to do and perform such other acts and things and to execute and deliver such other documents as may in their discretion appear reasonably necessary or proper in order to carry into effect any of the provisions hereof.

BE IT FURTHER RESOLVED that, concurrently with any borrowing authorized by these resolutions, there be created a special fund to be known as the short-term note sinking fund in which revenues shall be placed and from which notes issued pursuant to these resolutions shall be paid as provided by ORS 287.410, or in the alternative a warrant sinking fund in which revenues shall be placed and from which said warrants shall be paid as provided in ORS 267.335(2).

BE IT FURTHER RESOLVED that it is hereby found and determined that the amount of revenue which this District estimates will be received from sources other than ad valorem taxes upon real and personal property during the unexpired portion of the current fiscal year is the sum of \$2,500,000, and that the estimated annual gross revenue for operation of the mass transit system for the next ensuing year is \$3,500,000."

Mr. Buell expressed displeasure with the fiscal planning and requested that the general manager submit his resignation.

Mr. Craig pointed out what a difficult job the general manager had and how much of it was pioneering in new fields and said that he felt Mr. Dyer had done an excellent job and should be congratulated. Mrs. Shepherd suggested that the matter of Mr. Dyer's performance be taken up at a later time in executive session. Mr. Herbert requested that the discussion henceforth be confined to the subject of the motion, and advised Mr. Buell that a motion on his request would be in order at the regular board meeting on October 15th.

Mr. Booth asked how much is already owing by the district to which Mr. Dyer replied that the district now owes \$200,000 on a warrant to Citizens Bank, issued pursuant to authority granted at the board meeting of October 2, 1974. Mr. Booth asked why the general manager is now requesting authority to borrow \$500,000. Mr. Bryson explained that he had suggested that Mr. Dyer borrow enough this time to get by for more than a week or two and should at least submit a figure which he felt would last at least a month or six weeks.

Mr. Kohnen said we should recognize that borrowing is a normal business practice and the important thing is whether the district stays within its budget.

Craig Robinson, president of Citizens Bank which is ready to make the requested loan to the district, said that the bank is making its commitment on the basis of the budget and the good faith of the board of directors in living within that budget in order to help the district over the highs and lows inherent in the nature of the payroll tax receipts.

Mr. Booth inquired whether the district is still operating within its budget to which Mr. Dyer replied that the district is spending less than authorized in the budget and is receiving less than anticipated in the budget.

Mr. Booth and Mr. Kohnen then both asked the general manager to prepare and bring to the monthly meetings a cash flow projection showing both the budgeted revenues and actual revenues as well as the projected revenues. Mr. Dyer said that he expected to bring a new cash flow projection to the next meeting adjusted for the board's change in the extension of service area and tax.

Mr. Herbert called for comments from the public. Leonard Wildish, former member of the board of directors, cautioned the board as to the need for care in cash flow projection.

There being no further comments from the audience, Mr. Herbert declared the public comment portion of the meeting closed.

The motion was then brought to a vote and carried with no dissenting vote.

Meeting adjourned.

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Secretary