

MINUTES OF DIRECTORS MEETING

LANE COUNTY MASS TRANSIT DISTRICT

February 18, 1975

The board of directors of Lane County Mass Transit District met on February 18, 1975 at 7:30 p.m. at the City Hall in Eugene, Oregon.

Present:

Richard A. Booth
Jack J. Craig, Treasurer
W. Gene Davis
Daniel M. Herbert, President, presiding
Kenneth H. Kohnen, Vice President
Ruth Shepherd
Fred C. Dyer, General Manager
Richard Bryson, Counsel

Absent:

Glenn E. Randall, Secretary

Mavis Skipworth, administrative secretary, served as recording secretary for the meeting.

Reading of the minutes of the meetings of January 21, January 29, and February 6, 1975 was dispensed with as copies had been distributed to all members of the board. On motion duly seconded, the board voted to approve the minutes of those meetings.

EXTERNAL SERVICE: Mr. Dyer reported that Phyllis Loobey attended a conference in San Francisco sponsored by UMTA on the guidelines for S.386 operating and capital assistance funding. He projected an allocation this year of \$279,000, increasing each year, for a total of \$3,695,000.

Mr. Dyer stated that the district has been advised that Congress has advanced the application deadline for FHWA Rural Demonstration Projects for another 60 days beyond February 1, 1975. This action will delay receipts of the funds until the first quarter of fiscal year 1975-76 and costs incurred for operating expenses by the district prior to grant approval are not reimbursable. He added that the Cash Flow for this month reflects the later receipt of the funds. The FHWA grant will be in the amount of \$133,000. The guidelines have not as yet been published.

Mr. Dyer referred to copies distributed to board members, as requested, of the testimony he presented to the Senate Transportation Committee on January 22nd and the House Transportation Committee on January 23rd. He also called attention to the summary on the status of LTD legislative proposals that Bean McFadden had distributed earlier in the day.

Mrs. Shepherd spoke of the current legislative proposal for inter-city transit, and suggested that under the Legislative Committee's proposal No. 5,

the district can support in concept the need for some kind of rapid service to link the valley cities and LTD service. Mr. Craig moved that the Legislative Committee meet Friday morning, February 21 to study pending transit legislation and make recommendations, and that following completion of the present agenda, the board adjourn to meet Wednesday morning, 7:30 a.m., February 26th, at the Eugene Hotel to receive the recommendations of the subcommittee. Mr. Davis seconded the motion and it carried.

In reference to the APTA bulletin, ridership table and graph received by the members, Mr. Dyer said that ridership has reached a seasonal plateau and will probably follow the same line until the new service begins in late March.

Mrs. Shepherd asked if it had not been established that for a certain number of free rides, a number of paying customers could be anticipated. Mr. Dyer replied that a person with a pass would encourage another person to pay a fare to accompany them, and that a free rider can become a paid rider after becoming accustomed to using the bus.

Mr. Dyer noted that just revenue passengers, and not transfers or free rides, are included in the ridership data given to the APTA bulletin.

Mr. Dyer reported that the eight suburban buses have been shipped from Baltimore and are presently in Missouri.

PLANNING: Mr. Dyer stated that, at the request of the board, the agenda material includes a report prepared by the Planning Department entitled "Ridership Calculation" showing the methodology used to compute the average weekday person trips. He further called attention to the distributed report from the Planning Department entitled "Relative Cost & Value" comparing anticipated costs and receipts for the inclusion of Junction City School District 66J into the service area.

CITIZENS ADVISORY COMMITTEE: Darrell Smith reported on the February 3 meeting of the Citizens Advisory Committee, at which meeting he and Irene Trippett were elected co-chairmen. He felt that the committee has not been serving in the capacity that it should, and this year's goal is to make it more viable. The committee will pursue neighborhood communities' participation. He encouraged the board to appoint CAC members on its committees. He expressed appreciation to the board members for their attendance at CAC meetings and for keeping the committee informed. He said the committee's purpose is to advise the board in any way it can, and he requested the board's charge. Mr. Craig moved the board give approval for the adoption of the by-laws. He said the advisory committee can do a lot for the board and the entire system, and believes the board should, at every opportunity, utilize their good service. The motion was duly seconded and carried.

As Bill Clark was not yet present, Mr. Herbert then stated that, with the permission of the board, he would ask that the discussion of the Alternative Transportation Project be taken up after Insurance discussion.

FINANCE: David Gault of Derickson & Gault, Certified Public Accountants, spoke briefly on the 1973-74 audit report, copies of which had been distributed to each board member.

With reference to paragraph 2 of the audit report, Mr. Bryson told the board that when funds are changed from one category of the budget to another, it is advisable to have a formal resolution stating the reasons for the change and that he would have such a resolution ready for presentation at the next board meeting.

In response to a question from the board concerning the possibility of a need for a supplemental budget whenever the district borrows funds against anticipated and budgeted revenues to pay budgeted expenses, Mr. Bryson assured the board that confirming his previous advice to them, no supplemental budget was required in such cases. Mr. Bryson also said that he would confer further with the state budget authorities, the staff and Mr. Gault to make sure than no changes are needed in the district's budget practices.

Discussion of the cash flow and working budget followed, and Mr. Dyer advised that receipts are coming in as projected. Mr. Herbert asked if rides on the extended service can be computed separately from the present service, and Mr. Dyer believed this was possible only through manual monitoring. David Rynerson said there will be a record of zone fare tickets. Mr. Kohnen noted that the working budget shows January expenditures exceeding resources, and asked if the gap will be closed. Mr. Dyer replied that the effect of the new tax rate and new boundary will make this possible by June 30, 1975.

BUDGET: To replace vacancies on the Budget Committee, Mr. Herbert asked Mr. Kohnen and Mr. Randall to each nominate a member for a three-year term. He said this would be deferred to the February 26 meeting.

Mr. Craig moved that the board approve the monthly bills for January in the amount of \$246,976.85, which includes the \$137,000 to Hausman Bus Sales for the purchase of the eight suburban buses. There was discussion as to whether or not the board had given specific approval to purchase the buses and the question was resolved that it had. The motion was seconded and carried.

INSURANCE: Mr. Herbert introduced Bill Bowes and Jim Bennison from Fred S. James & Co. of Oregon. Mr. Bowes reviewed the present status of the district's insurance coverage, including basic liability covered by CNA Insurance Company and Fremont Indemnity; \$300,000 bodily injury and property damage. He said he has been discussing with the staff the need to go beyond this coverage and that he has attempted to locate a program to include Errors and Omissions and Wrongful Acts for the protection of the board of directors and management. He referred to a summary presented to the board showing the existing program and a suggested program. He said the intent of the modified Umbrella Program is (1) to increase the liability limits to \$1,000,000 principally for the protection of the officers and employees of Lane Transit, and (2) to broaden the scope of coverage available under general liability.

Mr. Craig moved that the board accept Mr. Bowes' recommendations, including an annual premium for liability for board members, for coverage of \$250,000 for one lawsuit, \$1,000,000 maximum and annual aggregate, subject to a deductible of \$5,000 per occurrence, to be issued as a three-year policy, payable on an annual basis of \$3,259. Following discussion regarding the

need for more extensive protection, Mr. Craig withdrew his motion.

Mr. Craig then moved that the board approve coverage of \$1,000,00 per occurrence, \$2,000,000 maximum and annual aggregate, subject to \$5,000 deductible per occurrence, to be effective immediately, issued as a three-year policy and payable on an annual basis of \$5,294. The motion was seconded. Mr. Davis expressed concern over how the district would pay for this additional coverage, and Mr. Dyer replied that it would require an internal adjustment.

Mr. Bryson reviewed the section Risks Excluded from an explanatory page attached to Mr. Bowes letter of December 18, 1974; any claim: based upon Insured's personal gain; in which dishonesty plays a part; insured by other insurance; for bodily injury or damage to tangible property; for false arrest, etc; alleging pollution. He advised the board to obtain the insurance. The question was put on Mr. Craig's motion and it carried.

Mr. Bennison commented that the present three year coverage will expire in May and he asked the board to consider the reference diagram showing a proposed Umbrella Liability Program. He spoke of the fine record of LTD drivers in the past, but for the protection of the employees, he recommended increasing the liability limits to \$1,000,000. Mr. Craig moved that the board adopt this recommendation to increase the coverage to \$1,000,000. The motion was duly seconded and carried.

Mr. Davis said he wished to go on record as expressing resentment that insurance companies' rates have gone up because of their bad investments. Mr. Herbert thanked Bill Bowes for his presentation.

ALTERNATIVE TRANSPORTATION: Bill Clark said that each board member has received the full copy of his report and asked if there were questions. Mr. Herbert noted that a very small number of those polled referred to the possibilities of a fuel crisis. Mr. Dyer said he was pleased with the results of the Alternative Transportation program, and that the title Carpool was a misnomer for the total scope in our regional activity. He noted that national programs are now saying exactly what this A.T. program was saying for this area a year ago. He added that there is a need to create awareness, before creating attitude change, before creating habit change, and that this program has been successful in creating an awareness in this community, and next we should show how it can be done. Mr. Kohnen asked if Mr. Dyer was recommending that this program be continued, and Mr. Dyer responded that he would like to see it continued regardless of who sponsors it.

Mr. Craig moved that the staff prepare a proposal for the board to examine for continuation of the project. Mr. Booth seconded the motion. Mr. Clark spoke of the possible difficulty in having a proposal adopted; that the federal level is interested in extending the scope to energy conservation, but some of this has not filtered down to the state level as yet. He stated that he would be willing to assist in starting the project, but would be unable to continue with it. The question was put on Mr. Craig's motion and it carried.

Mr. Herbert thanked Mrs. McDadden for her summary of pending legislation,

and said the legislative committee will study it. Mrs. McFadden offered to bring copies of any new bills to the Legislative Committee meeting.

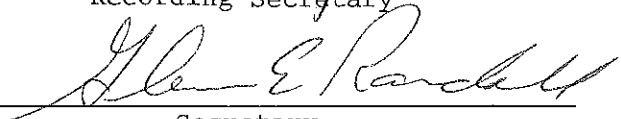
David Rynerson distributed copies of a report prepared by the LTD Planning Department entitled "Hand Assignment of 10% Transit Modal Split To Node To Node Network For Eugene-Springfield Area Transportation Study."

NEW BUSINESS: Mrs. Shepherd asked the board to consider the long-range relationship of LTD and the school districts. The staff will review the status and make a recommendation at a later date.

AUDIENCE PARTICIPATION: Paul Bonney complimented LTD on its fine service. He spoke of a derogatory letter to the Editor in the February 18 issue of the Guard and said he felt he should write a letter to the Editor counteracting it. Mr. Herbert thanked him for attending.

ADJOURNMENT: The meeting was adjourned to February 26, 1975 at 7:30 a.m. in the Eugene Hotel.


Recording Secretary


Secretary