

MINUTES OF DIRECTORS MEETING  
LANE TRANSIT DISTRICT

REGULAR MEETING

January 15, 1985

Pursuant to notice given to the Register-Guard for publication on January 10, 1985, and distributed to persons on the mailing list of the District, the regular monthly meeting of the Board of Directors of the Lane Transit District was held on Tuesday, January 15, 1985 at 7:30 p.m. in the Eugene City Hall.

Present: Janet Calvert, President, presiding  
Janice Eberly, Vice President  
Joyce Nichols  
Larry Parducci, Secretary  
Gus Pusateri  
Phyllis Loobey, General Manager  
Jo Sullivan, Recording Secretary

News Media Representatives:

John Selix, KUGN Radio  
Shelly Kurtz, KVAL-TV  
Carolyn Donnelly, KMIR-TV  
Patty Mantia, The Register-Guard

Absent: Peter Brandt, Treasurer  
Velma Scheve

INTRODUCTORY REMARKS BY BOARD PRESIDENT: Ms. Calvert announced that the Eugene Chamber of Commerce had chosen to honor LTD in its "Salute to Commerce" program in March, and a banquet has been tentatively set for March 26. LTD is the first public agency to be so honored. More information will be distributed to Board members before March.

OATH OF OFFICE: Richard Bryson, District Counsel, was present to administer the oath of office to Joyce Nichols, who was recently appointed to the Board by Governor Atiyeh. After introductions by Ms. Calvert, Ms. Nichols stated that she has been a resident of Eugene for ten years and presently works at Weyerhaeuser as a public affairs manager. Before that she worked with Lane County and Lane Community College in community relations. Her interest in community relations, she said, is one of the reasons she was interested in serving on the LTD Board of Directors. After signing the oath of office, Ms. Nichols became a full member of the Board.

AUDIENCE PARTICIPATION: Ms. Calvert asked for comments from the audience on items of a general nature, and requested that anyone with comments on a specific issue on the agenda wait until that item came up for Board discussion. There was no audience participation at this point.

EMPLOYEE OF THE MONTH: Ms. Calvert stated that for the past few months, the employees selected as Employee of the Month through a staff selection process had been coming to the Board meetings to receive their awards and be introduced to the Board. She introduced Paul Kraft, who had been chosen as the January Employee of the Month. Mr. Kraft has been employed as a bus operator at LTD for 10 years, with an excellent attendance record and a four-year safe driving record. Mr. Kraft stated that it has been a pleasure working at Lane Transit, and Ms. Loobey conveyed the staff's appreciation of his service. Ms. Calvert then introduced Bill Moore, the February Employee of the Month. Mr. Moore was employed in 1959 by Emerald Transportation, Eugene's privately owned bus company, and continued employment through the change to public transportation with LTD in 1970. He worked at different times as a driver and mechanic, before becoming a full-time journeyman mechanic in 1964. He was promoted to Leadman in 1975 and to Maintenance Supervisor in 1984. His attendance has been excellent and he has received a 13-year No Time Loss Accident Safety Award. Ms. Calvert thanked Mr. Moore for his 25 years of faithful service to LTD, to which he replied that he has enjoyed working at and being a part of LTD.

APPROVAL OF MINUTES: Ms. Eberly moved that the minutes of the November 27, 1984 adjourned meeting be approved as circulated. After seconding by Mr. Parducci, the motion passed by unanimous vote.

FARE INCREASE: Mark Pangborn, Director of Administrative Services, made the staff presentation on this issue. He restated three existing policies: (1) passenger fares will at least keep pace with inflationary increases in the economy; (2) in order to minimize the loss of ridership that occurs with fare increases, increases would occur more frequently and in smaller amounts; and (3) a balance should be kept between cash fares and passes and tokens, with increases occurring at alternate times. He explained that smaller, periodic increases in cash fares had proved to be more acceptable to the public than large increases which are spaced farther apart. Additionally, riders had responded more positively when cash fares were increased at different times than passes and tokens, since that left them with the option to switch to the other type of payment if it proved to be more economical for them.

Mr. Pangborn stated that the last fare increase was in 1983, with cash fares increasing from 50 cents to 55 cents (a 10% increase) in February, 1983, and passes and tokens increasing by 11% the following September. He also explained two significant reasons that ridership had increased but revenues had declined in the last six months. The first was a policy decision by Adult and Family Services (AFS) to discontinue the purchase of monthly passes for its clients, and to purchase tokens and day passes instead. This had cost the District almost \$9,000 in six months, which was at least half of the District's revenue loss for that period. The revenue decline was also attributed to special promotions such as the 25-cent weekend fare, free Fair service, the 25-cent football shuttles, the downtown shuttle, and the program of free fares for seniors over eighty. According to a staff analysis, he said, if those promotions had

not been offered, revenues would have increased about 6%, but ridership would have increased only 3.5% instead of 8%.

Mr. Pangborn stated that, in order to avoid having to make a substantial fare increase in the future, planning for a fare increase should begin now. He explained that the Portland Consumer Price Index (CPI) had increased 6.7% since LTD's last fare increase. Since the smallest reasonable cash fare increase is five cents, or a 9.1% increase, staff recommended that the Board approve a cash fare increase effective September 1, 1985, when the percentage would be more in line with the CPI increase (anticipated to be 9% by September). Mr. Pangborn called the Board's attention to page 22 of the agenda packet, which listed additional reasons for the recommendation to postpone an increase in cash fares until September. The Districts new service, offered last September, has attracted many new riders, and would not want to discourage them from taking the bus at this point. Since most new riders pay with cash, staff would like to let them become consistent riders before the fare is raised. By making a decision now to raise fares in September, the revenue figures can be built into the budget, so the impact of the increase will be known.

Public Hearing on Proposed Fare Increase: Ms. Calvert opened the public hearing on the proposed cash fare increase. Paul Bonney, of 587 Antelope Way, Eugene, stated that he had no argument against the fare increase, but would hate to see it happen. He thought Mr. Pangborn's arguments in favor of the increase were reasonable ones. Mr. Bonney added that he thought it was interesting that football shuttle fares were lowered but revenues increased; he liked to see that happen. Ms. Calvert then read testimony called to the office by Mrs. Houchen, who usually attends the meetings as a representative of the League of Women Voters but wanted to make a statement as a private citizen. Mrs. Houchen had said that she was against the fare increase because of the area's present economy, and she was afraid that such an increase would bring a decrease in ridership. She stated that she had supported LTD for some time, and would hate to see the District's ridership hurt by a fare increase. Hearing no further testimony, Ms. Calvert closed the public hearing.

Ms. Calvert commented that the timing in September was important because of the promotional sequence. Mr. Pangborn explained that fall service begins at the end of September, and that, by raising fares at the end of the summer and before students go back to school, the fare will be in place when school starts, and will allow the District ample opportunity for marketing the fares. Mr. Parducci asked if all fares would be raised. Mr. Pangborn replied that all cash fares would increase proportionally; Reduced Fare patrons and seniors, who pay half-fare, would pay 30 cents instead of 25 cents, but special promotions would depend upon the promotion and the activity, and staff will propose that the 25-cent weekend fare would increase to 30 cents. That fare has had a very positive response, and is seen as a good way to get patrons on the buses

at a minimal cost, since buses are running then, anyway. Fares on the downtown shuttle, which runs on weekdays, would also increase to 30 cents.

Mr. Pangborn stated that staff would concur with Mr. Bonney in being reluctant to raise fares. However, there is a concern that if it is not done, the District would lag behind the increase in inflation and would have to increase fares more than five cents or ten cents. Ms. Loobey added that the District's experience with waiting too long and then increasing fares dramatically, as was done in 1981, was devastating, with a 30% drop in ridership. She added that it had taken three years to bring ridership back up to 1981 productivity levels.

With no further discussion, Mr. Parducci moved that the Board accept the staff recommendation to increase cash fares from 55 cents to 60 cents, effective September 1, 1985, with corresponding increases in the cash fare schedule. After seconding by Mr. Pusateri, the motion passed by unanimous vote.

FACILITIES SUBCOMMITTEE RECOMMENDATION: Ms. Calvert called the Board's attention to the Subcommittee recommendation found on page 23 of the agenda packet, and opened the meeting for audience participation on this topic. Dan Herbert, of 1913 Potter, Eugene, explained that he had been President of the LTD Board during the time when planning had begun for acquiring the kinds of maintenance and administrative facilities which the District ought to have. Because of that involvement, he said, it was becoming exciting to him as it approached reality. Mr. Herbert then also identified himself as an architect associated with Brockmeyer McDonnell Architects. He said he had read the agenda materials on the facilities issue and, although he had not seen the technical documents, he was impressed with the substance of the report and wanted to support it very strongly. He told the Board that the issue of locating a site to minimize deadhead time was very important, and they should not let solid technical reasons be swayed by political pressures. The possibility of saving 10% of operational costs for the life of the facility should be a high priority in choosing a site, he said. He stated that he did support the study and hoped the Board would go ahead to the next stage of planning.

Mr. Herbert then asked what was the policy of the Board with respect to selection of architects for design of the facilities. Tim Dallas, Director of Operations, replied that it would be handled like any other personal services contract, in which Requests for Proposals would be sent to architects, a screening process would narrow the field to two or three, and selection would probably be made, as is usual, by staff. Mr. Herbert then commented that the District might want to consider separating the projects for the maintenance and administrative facilities. Ms. Calvert thanked Mr. Herbert for his positive comments.

Ms. Calvert then stated that the Board Facilities Subcommittee had met two times and heard complete presentations. The members of the Subcommittee are Ms. Calvert, Ms. Eberly, and Mr. Parducci, with Jim Ivory and Bruce Hall as community representatives chosen through the Chambers of

Commerce. She also stated that the Board should keep in mind that this is long-term planning, and that part of the reason that the District is working well now is that staff and the Board had planned ahead for the future. She added that there were some concerns among Subcommittee members that these decisions about facilities had to be made at the same time that there was a possibility of having to move some of the District's facilities due to the opening of Willamette Street between 10th and 11th. She then introduced Eric Gunderson, of Wilson Bryant Gunderson Seider, who was the architect involved in the facilities study.

Mr. Gunderson first reviewed the findings of the study. He explained that the forecast in fleet size for the year 2005 was based on steady growth in conjunction with a projected 3.2% growth in the community, with no major increases in service or ridership. ECO Northwest, a company which specializes in economic forecasting, projected a fleet size of 136 for 2005. Fleet Maintenance Consultants, a company specializing in maintenance facilities, projected that a bus facility capable of handling 160 buses would be of maximum efficiency for a community this size. Growth to more buses would best be handled by satellite facilities, which would be more central to the route structure. Two facilities would enable the District to handle the numbers stated in the T-2000 goals. According to the study, the District would need 11.4 acres by 2005, which is roughly a growth in size of 2-1/2 to 3 times the present facility.

Mr. Gunderson also summarized the problems with the present facility, including: (1) the need to lease land on which to park new buses which are now arriving in Eugene; (2) the need to lease a trailer for expanded office space for the present administration building; (3) the cramped parking area, with increased hazards in maneuvering buses on the site and the need for additional work hours for fueling, maintenance, etc., because of the way buses need to be moved around the site for those functions; and (4) a maintenance facility which is lacking a needed three bus bays already. He stated that the study's recommendations were solutions to long-term problems and were not a "bandaid" approach. The recommended steps, he said, would allow the District to build in phases toward the final 2005 goals.

Mr. Gunderson then outlined the four steps which were being recommended that evening. The Board was being asked to adopt the findings and recommendations of the first two phases of the study and authorize phases 3, 4 and 5. Included in those three phases are the analysis of alternative sites, budgeting, beginning design work, and application for federal funds. If the District hopes to maintain the proposed timeline, application for federal funds needs to be done now, since it is a lengthy process. After Board review and approval of plans developed by an architect, construction would be undertaken, and the new facilities would be occupied in late 1987 or early 1988. Mr. Gunderson stressed the need to keep to the timeline because, with 88 buses now, there is already a problem with parking space. By the time new facilities are occupied, the District will have 94 buses. In 1990 six more buses are scheduled to be

purchased; those could possibly be articulated buses, which would mean additional problems with maneuvering the buses on the property.

Before asking for questions, Mr. Gunderson invited the members of the Board to review the technical information from the study which he would make available to them. Ms. Nichols stated that all the material presented had been new to her but that she thought it had all been well thought out. She asked how much of the total cost would be eligible for federal funds. Ms. Loobey replied that currently 80% is eligible, but in the future it could be cut to 75%. Ms. Calvert added that the money for phases 3, 4, and 5 has been budgeted in the present year's budget.

Ms. Eberly then moved that the Board adopt the findings and recommendations in phases 1 and 2 and authorize phases 3, 4, and 5 of the facilities study. Mr. Parducci seconded the motion.

Ms. Eberly asked if a decision would be made at budget time and if the subcommittee would remain active on this issue. The reply to both questions was affirmative.

With no further discussion, the motion carried by unanimous vote. Ms. Calvert then thanked Mr. Gunderson for his presentation.

STRATEGIC PLANNING PROCESS: Ms. Loobey called the Board's attention to pages 32 and 33 of the agenda packet. She stated that staff were recommending that the Board set a work session before the February meeting, in order to discuss a wide variety of issues which could or should impact the District in its future. The issues suggested for discussion had not previously been discussed by the Board in a long-range way. This process would give staff direction for the next three fiscal years. Ms. Loobey said that she envisioned at least one work session, and possibly two, to finalize the work that staff had begun on this project. It was decided that the Board and staff would meet for a dinner meeting at 6:30 p.m. on Tuesday, February 12, for approximately two hours.

INVESTMENT POLICY: Karen Rivenburg, Accountant, summarized the memo from the Budget Subcommittee found on page 37 of the agenda packet. She explained the types of investments allowed the District by Oregon statute and the Subcommittee's recommendation that LTD only invest in securities for which there is no risk of loss of principal. Ms. Calvert stated that Mr. Brandt was especially concerned that all investments be fully collateralized, so they had deleted some instruments allowed by law from their recommendation.

Mr. Pusateri moved, seconded by Ms. Nichols, that the Board adopt the investment policy as presented on pages 38 and 39 of the agenda packet, allowing investment in U.S. Treasury Bills and Notes, Time Certificates of Deposit up to \$100,000 per financial institution, Repurchase Agreements when collateralized by U.S. Treasury Bills and Notes, and the Local Government Investment Pool. With no further discussion, the motion passed by unanimous vote.

SUPPLEMENTAL BUDGET: Ms. Rivenburg stated that the issue of Safe Harbor Leasing was discussed at the November Budget Committee meeting. In explanation of Safe Harbor Leasing, she said that the District would sell tax credits, which it can't use, on the new buses presently being purchased. In order to do so, LTD must finance a certain percentage of the total cost. Staff had become aware of a private letter of ruling from the Internal Revenue Service recently received by the Washington Metropolitan Area Transit Authority (WMATA), which states that a district need only finance 1% of the total cost in order to qualify for the Safe Harbor Leasing program. The supplemental budget included creation of a short-term borrowing fund to provide \$50,000 for loan repayment. In response to a question, Ms. Rivenburg explained that the total in the Resolution Adopting the Supplemental Budget was \$100,000 because the General Fund appropriation of \$50,000 and the Short-term Borrowing Fund appropriation had to be added together for that purpose. The \$250,000 figure in the budget approved by the Budget Committee represented 5% which staff originally believed the District would have to borrow for this program. However, \$50,000 is the actual amount needed.

Public Hearing on the Supplemental Budget: Ms. Calvert then opened the public hearing on the supplemental budget. Hearing no testimony from the audience, she closed the public hearing.

Ms. Eberly then moved that the Board adopt the Resolution Adopting the Supplemental Budget, the Resolution Making Appropriations, and the Resolution authorizing the General Manager to borrow the funds, as found on pages 42 and 43 of the agenda packet. After seconding by Ms. Nichols, the motion carried by unanimous vote.

BUDGET COMMITTEE NOMINATIONS: Three positions on the Budget Committee had expired on January 1, 1985, but the incumbents had agreed to serve again. Mr. Parducci moved, seconded by Ms. Nichols, that the Board approve the nominations of Paul Bonney, Emerson Hamilton, and Robert O'Donnell to three-year terms on the Budget Committee. With no further discussion, the motion carried unanimously.

ITEMS FOR INFORMATION AT THIS MEETING:

Employee Awards Banquet: Ms. Loobey informed the Board that the annual Employee Awards Banquet would be held on Sunday, February 17, with no-host cocktails at 6:30 and dinner at 7:30 p.m. at the Valley River Inn. Ed Bergeron will act as Master of Ceremonies, and annual awards will be presented to the employees. All Board members were invited to attend and to bring a guest.

Budget Timeline: The Board's attention was called to the budget timeline in the agenda packet. The first meeting of the Budget Committee is scheduled for April 9. A second meeting will be held either on April 16 (the evening of the regular Board meeting) or on April 30. The final meetings have been scheduled for May 7 and May 28.

March 19 regular meeting, since it falls during the 4-J school district's spring vacation. Mr. Pusateri stated that he might not be in town, as well. Because the Eugene Chamber Salute to Commerce banquet is scheduled for March 26, the March Board meeting will probably be held on the second Tuesday, March 12. The February meeting will need to be adjourned to that date.

Ride on New Buses: Mr. Dallas explained that the new 800 series buses were still being fitted with accessories in order to enable the District to accept them from the manufacturer, so there would be no ride on the buses that evening. Staff will arrange the ride for a later meeting.

Ridership Figures: In commenting on the ridership figures for December, Ms. Loobey stated that there had been no snow in Eugene this year during December, but the ridership figures were being compared with ridership levels from last year, when it had snowed. Snow and ice conditions always create more ridership for short periods of time.

ADJOURNMENT: Ms. Eberly moved that the Board adjourn to a work session on Tuesday, February 12 at 6:30 p.m. at an area restaurant. After seconding, the motion carried unanimously and the meeting was adjourned at 8:55 p.m.

  
Secretary

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