

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

September 17, 1985

Pursuant to notice given to *The Register-Guard* for publication on September 12, 1985 and distributed to persons on the mailing list of the District, the regular monthly meeting of the Lane Transit District Board of Directors was held on Tuesday, September 17, 1985 at 7:30 p.m. in the Eugene City Hall.

Present: Peter Brandt, Treasurer
Janet Calvert, President, presiding
Janice Eberly, Vice President
Larry Parducci, Secretary
Gus Pusateri
Richard Smith
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: Joyce Nichols

AUDIENCE PARTICIPATION: Ms. Calvert asked for comments from any member of the public. No one spoke at this time.

EMPLOYEE OF THE MONTH: The September Employee of the Month, Owen Frank, was on vacation and unable to attend the meeting.

MOTION
VOTE

APPROVAL OF MINUTES: Mr. Brandt moved that the minutes of the July 23 adjourned meeting and the August 20 regular meeting be approved as distributed. Mr. Parducci seconded, and the motion carried by unanimous vote.

GRANT APPLICATION FOR URBAN MASS TRANSPORTATION ADMINISTRATION (UMTA) SECTION 9 OPERATING AND CAPITAL ASSISTANCE: Mr. Pangborn explained that the Section 9 grant application is an annual process for applying for federal operating and capital support. LTD's fiscal year begins on July 1 each year, and the federal fiscal year begins on October 1. Normally by this time of the year, he said, the District knows how much it will receive in federal operating assistance, but this year, President Reagan and Congress are still negotiating transit funding. Because there is a formula system for allocating funds for transit systems throughout the nation, it may take some time and the District might not know its allocated amount until December or January. Mr. Pangborn stated that staff are proposing that LTD apply for federal funds now to begin the process, in order to obtain conditional approval from the regional office for everything but the actual amount of the allocation.

Mr. Pangborn called the Board's attention to page 34 of the agenda packet and explained staff's proposal that the District apply for the same amount it received last year in federal assistance. He stated that it is almost certain that LTD will not receive that amount, but the regional UMTA office will reduce the application depending on the amount appropriated for the District.

Mr. Pangborn then explained the amounts for specific areas in the grant application. The bulk of the grant, \$700,000, would be used to continue the design work and construction of the new maintenance and administrative facility. Also included are funds for items approved in the Capital Improvements Program (CIP) as part of the budget, including automatic passenger counters, passenger boarding improvements, a replacement vehicle for the field supervisors, furniture replacement, and computer software. In discussing the planning studies, Mr. Pangborn said that staff hope to be working with the City of Eugene on a long-term solution for off-street bus parking downtown. The costs for that study were basically an estimate at that time. He also explained that the contingency is 10 percent of the total and can be applied toward any of the other items in the grant. He closed by stating that, when the final amount of federal appropriations is known, staff will go back to the Board for final approval of what is in each category in the application.

Mr. Pusateri wondered if the federal officials could tell the District what the money could be spent on. Mr. Pangborn replied that they could only designate the amount of the appropriation, not on what money is to be spent. He further stated that the District had budgeted for a 15 percent reduction from what was applied for in the application, and staff still anticipated that this would be near the final federal appropriations level.

Mr. Pangborn then handed out copies of a letter from Dorsey Bus, who, with other carriers, had been afforded an opportunity to comment on the grant application. In response to this letter, Mr. Pangborn stated that the application does not in itself include funds for buses and transportation facilities, but the operational funds used for these services are 10 to 11 percent of the total operating budget. He added that District staff had been working with the UMTA regional office regarding the questions raised by Dorsey, but the funds requested in this application do not support the charter service.

Public Hearing on Grant Application: Ms. Calvert opened the public hearing on the application for federal Section 9 operating and capital assistance.

Rob Born of Dorsey Bus stated that he was representing Dorsey Bus for Rob Snyder, Executive Vice President. He said he was there to reiterate parts of the letter and express Dorsey Bus's concerns. It is the opinion of Dorsey Bus that the company has lost considerable charter business to LTD and that, based on their readings of the federal regulations, LTD's charter business should be very limited in scope. They wonder whether LTD

goes beyond the letter and spirit of the law in providing its charter service, and are puzzled about how LTD could have the facilities and resources necessary to undertake some of the charter business it has undertaken, such as the Oregon Country Fair. He said he knows there is a rolling stock plan which includes a spares ratio, but he was not prepared to talk authoritatively about it. Using Medford as an example, he said that the school bus service now offered by Dorsey may be picked up by Rogue Valley Transit.

In response to a question about charter service and free service asked by Dr. Smith, Mr. Pangborn stated that the Lane County Fair Board replaces lost farebox revenues in order to offer service which is free to patrons, which is not regarded as charter service by the regional UMTA office. The Oregon Country Fair found it too expensive to do that, and instead paid for special service to and from the fairgrounds.

Mr. Pangborn explained that charter service is defined as taking a select group of people from Point A to Point B without stopping to pick up people and let them off along the route. He said that LTD has run charters that have been handled by Dorsey in the past, and that staff would be preparing a letter to the regional office to clarify the issue. He said there are two sets of rules, and one allows the District to go outside the service area to provide charter service. However, for the most part, the District has operated within the service area and, as a matter of policy, that is what staff wish to do to avoid unfair competition. He further stated that at off-peak times, when LTD has equipment that is not being used, then the question becomes what is best for the District and the community. He said this is the issue the Board will be discussing.

There were no other comments from members of the public regarding this application for federal funds. Ms. Calvert closed the public hearing.

Board Discussion: Dr. Smith asked if he could have a copy of the UMTA regulations. Mr. Pangborn promised to send them to him, and said they were fairly complex and staff have discussed them with the regional office and would be explaining them when the Board discusses this issue in more detail.

MOTION

Mr. Brandt moved that the Board authorize the General Manager to submit a grant application for Section 9 operating and capital funds through the Urban Mass Transportation Administration, in the amount of \$1,911,003. After seconding, the motion carried by unanimous vote.

VOTE

Mr. Pusateri said he seemed to remember that at past Board meetings the issue of charters was brought up and that there was some communication between LTD and other transportation providers with which LTD's charter service might compete, and that they were apprised of what the District was doing with charters and they thought LTD was doing a good job. Mr. Pangborn stated that as a requirement in all grant applications in the

past, the District has sent communications to all local providers of local charter service, and that this is the first time in the two years he had been at LTD that any kind of comments had come back. He said the Board policy has been to do what the District does best, and not to travel significantly outside the service area. One reason for staying in the service area is to avoid unfair competition; another is that the District has no maintenance facilities outside the immediate service area and would not be able to handle breakdowns if they happened far away. LTD has always had good cooperation from O'Connell Bus and Trailways, among others, and Mr. Pangborn said that the Dorsey comments might have been made because of economic conditions at this time.

Mr. Pangborn further stated that the District has been working closely with the Eugene/Springfield Convention and Visitors Bureau, which is able to "sell" Eugene/Springfield to conventions partly because of the urban kinds of transportation services which LTD provides. It is staff's perspective that the District has been working with other service providers to provide a service to the community. Ms. Loobey stated that staff would be providing the Board with a history of the District's involvement in charters and a descriptive outline of how staff have been dealing with the Convention Bureau, how the routes are established, etc.

AUDIT REPORT--Fiscal Year Ending June 30, 1985: Ms. Loobey stated that, under State law, LTD is required to have an annual independent audit and that Derickson & Gault have been the District's auditors for ten years. She also said that it is normal practice for the Board to accept the audit report rather than to adopt it.

Karen Rivenburg, Finance Administrator, discussed the recommendations made in the management letter from the auditor, which was included in the agenda packet. In reference to their comments about the same people doing the purchasing and receiving of merchandise, she said it would be necessary to set up separate departments and hire more employees in order to create more separation of responsibility in the parts department, etc. She added that the District does have good controls in this area for the staffing levels. She stated that she had begun doing bank reconciliations when the payroll clerk had gone to part-time, and it was another matter of staffing levels.

David Gault, of Derickson & Gault, was present to answer questions about the audit report. He stated that the management letter had stated that their examination had shown no areas which could be considered a material weakness. He said he agreed with Ms. Rivenburg's responses to the management letter, and that it is better to work with what resources the District has rather than try to change if it means hiring more employees.

MOTION

Mr. Brandt moved, seconded by Mr. Parducci, that the Board accept the audit report for the year ending June 30, 1985. Mr. Gault stated that the auditors made no adjusting journal entries. For the benefit of the new Board member, he explained that, as a public agency, LTD has exceptionally

good accounting procedures and could be rated as one in 1,000. This is due to the fact that the District's Finance Administrator is someone who has been in the field doing audit reports and makes the audit process efficient. Mr. Gault said the auditors had done their best to find something wrong in the District's reporting but had not been able to. Mr. Brandt agreed that Ms. Rivenburg and staff do a very good job.

VOTE

With no further discussion, the motion passed unanimously. Ms. Calvert thanked Mr. Gault for his attendance and his comments.

SPECIAL SERVICES POLICY: Ms. Loobey explained that the policy included in the agenda packet was one that has been in place as an internal administrative policy. She said staff had believed this policy would keep a lot of special service requests from coming to the Board, and it had been used to guide staff decisions when asked to provide special services to various groups and organizations at no or low cost. Staff were now bringing this internal policy before the Board to see if the Board wanted to adopt it as a Board policy and have it included in the Board Policy Manual. Mr. Parducci wondered if staff would handle requests any differently, and Ms. Loobey replied that they would not. He then asked if requests could still come before the Board if the groups were not satisfied with staff's response, and Ms. Loobey said they could.

MOTION

Mr. Parducci then moved that the Board adopt the attached Special Services Policy. Mr. Pusateri seconded the motion.

Mr. Brandt wondered why the Board needed to adopt this policy. Ms. Loobey replied that the internal policy had worked well for staff with the exception of the Oregon Country Fair request last summer, when staff decided to bring the issue to the Board because there was a disagreement among staff about the community benefit of such service.

Mr. Pusateri wondered if the District informed people making such requests about the private charter companies, and why people would expect LTD to give free service when private charter companies will not. Ms. Eberly thought the idea may have come from past misconceptions about "free" service which was actually paid for by merchants or groups but free to the public. Ms. Calvert commented that sometimes free service, or service at reduced rates, is offered if it is determined to be in the best interest of the District or the community. Mr. Brandt wanted to know why the Board did not set a policy against offering all free or reduced rate service.

There was some discussion about the differences in service paid for by the Lane County Fair and the Oregon Country Fair. Ms. Loobey stated that charter business is offered at \$40 per hour, and that the Lane County Fair and the Oregon Country Fair do not pay the same rates. In making the distinction between charters and special services, she said, staff determine whether the service is contributing to the betterment of the community before it can be considered a special service. She added that responding to specific needs of the community also serves the

District's interests, and that she would prefer to be able to continue to make those distinctions about services which are valuable to the community. Ms. Loobey also stated that the internal policy has been in place for a year and a half and the Oregon Country Fair was the first request which was brought before the Board. She said there has been very little dissatisfaction with staff's decisions.

Mr. Brandt commented on the extra time needed for staff to review requests and decide whether or not the requested service is appropriate. Dr. Smith asked how many requests were received a year, to which Ms. Loobey stated that there were probably eight to 12 per year. She explained that Ed Bergeron, Marketing Administrator, informs those making the requests right away whether or not their requests are allowed under the policy, and refers them to other services when appropriate. Mr. Brandt thought that if this policy were to be known as a Board policy, the District, and especially the Board, would receive more requests.

Ms. Eberly expressed her concern about the way different community events (specifically, the Lane County Fair and the Oregon Country Fair) were handled. She thought that adopting this policy would not settle the problems in deciding whether or not a request would result in a benefit to the community. She also stated that she had never had a problem with staff handling these requests internally. Ms. Calvert agreed that the problem lies with decisions regarding community interest, and Mr. Parducci thought staff should be making those decisions rather than the Board. He thought that adopting this policy would not change the way things are presently being done. Ms. Calvert stated that citizens would always have the right of appeal to the Board, as they do now. Dr. Smith thought that the offering of special services was a marketing tool and should be handled by the Marketing Administrator. Mr. Pusateri agreed, and stated that he had no qualms about providing special services to the City, the Lane County Fair (which pays for the service), etc., but was concerned with subsidizing service for the Oregon Country Fair.

Ms. Calvert stated that she would like to have regular reporting on special services which the District provides.

VOTE

The vote was taken on the motion to adopt the Special Services Policy as a Board policy. The motion failed 2-4; Mr. Parducci and Ms. Calvert voted for the motion, and all others were opposed.

ITEMS FOR INFORMATION AT THIS MEETING:

Strategic Planning Work Session: Ms. Calvert called the Board's attention to the list of topics suggested for discussion at the November 5 work session, found on page 38 of the agenda packet. Mr. Parducci said he would like to add a discussion of charter service to the agenda, and other members agreed. Dr. Smith asked why LTD did not provide urban school bus service like some other cities do. Mr. Pangborn said that, based on federal regulations, the District can only transport public school students on regular routes within the service area, and cannot unfairly

compete with school bus providers by creating special school routes. Large cities carry a lot of public school children on their regular routes. Ms. Loobey added that, even if the District could offer school bus service, LTD's part-time bus operator wages with no benefits would make the service more costly than present school service offered by private companies. Also, during the morning peak hours, LTD does not currently have sufficient capacity to carry the students as well as the regular riders. The afternoon school riders would not ride at regular peak hours. Ms. Loobey added that staff would give the Board members more information on this issue at the November 5 work session.

Meeting Dates: Dr. Smith stated that he had a particular problem with meeting on the third Tuesday, and wondered if any consideration could be given to changing the day. Ms. Loobey said the day of the regular meetings could be changed by adoption of an ordinance if the Board members wished to do so. It would be necessary to hold two readings at consecutive regular meetings to adopt the ordinance. It was explained that meetings have not been held earlier in the month because not enough bills would have been received and financial reporting would not be available earlier. Ms. Eberly and Dr. Smith both wished to not have meetings on Thursdays. The six Board members present agreed that the third Wednesday of each month would be a workable alternative. It was decided that staff would check with Ms. Nichols when she returned from vacation and, if she had no problems with that day, ask the attorneys to draw up an ordinance for reading at two regular meetings of the Board.

APTA National Conference: Included in the agenda packet were some informational materials from the American Public Transit Association inviting the Board members to attend the national meeting in Los Angeles from October 6 to October 9. Ms. Loobey asked that any Board members who might be interested contact her or Jo Sullivan right away, since travel and lodging arrangements would need to be made.

Financial Reporting: It was explained that the difference in Marketing and Planning Contractual Services from last year was that the Dial-A-Ride funds were paid to L-COG on time this year. When compared to budgeted amounts, however, the figures were in line.

ITEMS FOR INFORMATION/ACTION AT A FUTURE MEETING:

Architect Interviews: Ms. Calvert asked the Board members to note that the first week of October had been set aside for the Facilities Subcommittee's participation in the architect selection process.

Adoption of TransPlan: Ms. Loobey stated that a presentation on the TransPlan was scheduled for the October Board meeting. A joint public hearing on the TransPlan is scheduled for Thursday, November 7, and the Board may be asked to take a position on the TransPlan and speak at the public hearing.

Springfield Chamber of Commerce: Ms. Loobey announced that Ed Bergeron, Marketing Administrator, had been unanimously elected to serve on the Board of Directors of the Springfield Chamber of Commerce.

General Manager's Absence: Ms. Loobey and Mr. Pangborn will be attending the APTA Annual Meeting in Los Angeles. Ms. Loobey will be away from the property from Friday, October 4 through Thursday, October 10. Mr. Pangborn will be away from Monday, October 7 through Friday, October 11. In Ms. Loobey's absence, Tim Dallas, Director of Operations, will be acting General Manager.

EXECUTIVE SESSION PURSUANT TO ORS 192.660(1)(i): Mr. Brandt moved that the Board adjourn to an Executive Session pursuant to ORS 192.660(1)(i) for the purpose of reviewing and evaluating the employment-related performance of the General Manager. Ms. Eberly seconded the motion, which then carried by unanimous vote.

RETURN TO REGULAR SESSION/ADJOURNMENT: After returning to regular session, Mr. Brandt moved, seconded by Ms. Eberly, that the meeting be adjourned. With no further discussion, the motion passed unanimously and the meeting was adjourned at 9:15 p.m.


Board Secretary