

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, July 15, 1987

Pursuant to notice given to *The Register-Guard* for publication on July 10, 1987, the regular monthly meeting of the Board of Directors of the Lane Transit District was held on Wednesday, July 15, 1987 at 7:30 p.m. at the Eugene City Hall.

Present: Peter Brandt, Treasurer
Janet Calvert, President, presiding
Keith Parks
Dean Runyan
Rich Smith
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: Janice Eberly, Vice President
Gus Pusateri, Secretary

CALL TO ORDER: Ms. Calvert called the meeting to order at 7:30 p.m. She mentioned that she would be attending an American Public Transit Association (APTA) Governing Board Members Seminar the following weekend, and would report on the seminar at the next Board meeting.

BUS RIDER OF THE MONTH: Ms. Calvert introduced Larry Keopka, the July Bus Rider of the Month. She stated that Mr. Keopka has been riding the bus for 16 years, works for the City of Eugene, and commutes to work on the bus. Mr. Keopka was nominated by 40 to 50 bus operators and patrons. The drivers who nominated him said that he has a friendly smile and hello for everyone. Ms. Calvert added that the District should probably hire him, because he provides such good publicity for LTD.

Mr. Keopka stated that in the 16 and a half years he has been riding the bus, he believes that there were only three times when it did not appear: twice for mechanical problems and once because of the weather. He added that the drivers are not only friendly while driving their routes, but when they are off duty, as well.

EMPLOYEE OF THE MONTH: The July Employee of the Month, bus operator Jack Summers, was unable to attend the meeting to be introduced to the Board.

AUDIENCE PARTICIPATION: Ms. Calvert asked for participation from the audience. There was none.

MOTION

VOTE

APPROVAL OF MINUTES: Mr. Runyan moved that the minutes of the June 17, 1987 regular meeting be approved as distributed. Mr. Parks seconded the motion, and the minutes were approved by unanimous vote.

APPROVAL OF SECTION 18 GRANT APPLICATION FOR NON-URBAN SERVICE: Andy Back introduced himself as one of the District's two new transit planners. He said that at its last meeting, the Board had approved additional Saturday service to non-urban areas contingent upon receiving Urban Mass Transportation Administration (UMTA) Section 18 grant funds. The total cost of the service is \$8,180; \$4,180 of that could be reimbursed under the Section 18 grant program. One requirement before applying for the funds is to hold a public hearing on the application for the proposed service. The application must be submitted by August 1, and staff hope to have approval from the State, which administers the UMTA Section 18 funds, by September or October.

Ms. Calvert asked if the service would be offered if the District did not receive the Section 18 funds. Ms. Loobey replied that staff would report to the Board if the grant was not approved by the State, and a decision about providing the service would be made at that time.

Public Hearing on Section 18 Grant Application for Non-urban Service: Ms. Calvert opened the public hearing on the grant application for proposed Saturday service to non-urban areas. There was no comment from any member of the audience, and Ms. Calvert closed the public hearing.

MOTION **Board Action:** Dr. Smith moved that the Board authorize the General Manager to submit a grant application for Section 18 federal operating funds through the Urban Mass Transportation Administration, in the amount of \$4,180. Mr. Parks seconded the motion. Ms. Calvert asked about the rural service, which Mr. Back explained would include new service to Veneta, McKenzie Bridge, and Junction City on Saturdays.

VOTE With no further discussion, the motion to authorize the General Manager to apply for Section 18 funds passed unanimously.

SECOND READING AND ADOPTION OF ORDINANCE NO. 32: Ms. Loobey stated that the first reading of Ordinance No. 32 had been held at the June Board meeting. She explained that the purpose of the ordinance was to change the payroll tax rate from .005 to .0049, effective July 1, 1987. She added that extra copies of the ordinance were available for anyone who wished to have one, so the Board could read the ordinance by title only.

MOTION VOTE Dr. Smith moved, seconded by Mr. Runyan, that Ordinance No. 32 be read by title only. The motion carried by unanimous vote. Dr. Smith then read the title: "Ordinance No. 32, An Ordinance Imposing an Excise Tax on Employers, Providing for Administration, Enforcement and Collection of the Tax and Terminating the Application of Tax under Ordinance No. 31."

MOTION VOTE Dr. Smith then moved that Ordinance No. 32 be adopted as presented. After being seconded, the motion carried by unanimous vote.

ADMINISTRATIVE EMPLOYEE BENEFITS: Ms. Loobey said that Karen Rivenburg, Finance Administrator, would discuss this topic because Ms. Rivenburg was the administrator of the Trust for the Severance Pay

Plan. Ms. Loobey added that the Board would be asked to take action that evening on the life insurance portion of the severance pay plan, and to consider the issue of adding long-term disability insurance for administrative employees.

Ms. Rivenburg explained that in 1984 the District had created a severance pay plan for administrative staff. Since that time, she said, the actuaries for the plan have been totally unresponsive to the District's needs and requests for information. Additionally, a change in the tax law means that LTD is no longer required to tie the severance pay plan to the District's life insurance plan. For those reasons, the severance pay plan will now be handled by Milliman and Robertson, the actuaries for the District's employee pension trusts.

Since the agenda packet was prepared for the meeting, staff had learned that the District could purchase life insurance and add accidental death and dismemberment (AD&D) insurance at a minimal cost. Johnson and Thomas, the District's health and welfare insurance broker, had found that both could be purchased for less than LTD previously paid for the life insurance alone. Current life insurance will expire on August 1, 1987.

Ms. Rivenburg stated that the long-term disability benefit had not been reviewed by the Board Salary Committee. Staff were therefore recommending that the Salary Committee review the possibility of offering this insurance before the Board take action.

Ms. Rivenburg introduced Del Johnson of Johnson & Thomas. Mr. Johnson stated that Johnson & Thomas had been able to secure life insurance coverage, including AD&D, for about \$2,700 less than what had previously been paid for life insurance alone, which amounts to a 25- to 30-percent savings. He said that administrative staff do not currently have a long-term disability program, and the disability plan now available for LTD employees is very limited. The range for purchasing life insurance and long-term disability for all administrative staff would be \$6,700 to \$7,050 per year. This would be a total of \$13.31 per month per employee, as opposed to the current cost of \$13.80 per month for life insurance alone.

Mr. Johnson stated that the District could offset the cost of the current short-term disability plan with this policy, and could end up with a difference of about \$3,000 per year.

In explaining the policies, Mr. Johnson said that the life insurance would be a group term insurance through Standard of Oregon, for two times the annual salary of the employee. The policy would have a three-year rate guarantee. The long-term disability would be purchased through Union Mutual. Two proposals were made; one for two-thirds of salary, and one for 70 percent of salary. The difference between the two would be about \$300 per year. There would be a 90-day waiting period, and benefits would be payable to age 65. Disability would be defined as the inability to perform one's own occupation for the first three years, and then any job

for which that person is reasonably suited. There is also a partial disability allowance, for anyone able to go back to work with at least 20 percent less income.

Johnson & Thomas had secured quotes from 14 carriers. Mr. Johnson added that this kind of insurance is important to LTD's administrative employees from the standpoint of public entities and private employers, and is a benefit that is commonly provided.

Mr. Runyan asked about the existing policy. Ms. Loobey replied that it was previously a life group term insurance connected to a severance pay plan. Under the former tax code, these two plans had to be provided by the same provider. A result of a change in the IRS code is that the two no longer have to be provided by the same provider.

Mr. Brandt asked if the Union has long-term disability insurance. Staff replied that Union employees have the same short-term disability plan that administrative employees now have. Mr. Brandt thought the District should look at the benefits of each plan as well as the costs. He said that a lot of policies were excluding AIDS, and wondered what LTD's policy would be. Mr. Johnson said he would let staff know the answer to this question. Mr. Brandt asked also if the District is obligated under sick pay to pay in cases where the disability policy does not. Ms. Loobey replied that it is not; employees can accumulate a certain amount of sick leave and then no more.

Ms. Calvert said that the Board could give staff direction to investigate long-term disability insurance and bring this issue before the Salary Committee.

MOTION

Mr. Brandt moved that the Board authorize staff to transfer the life insurance and accidental death and dismemberment benefit plans from the current Trust to direct purchase from an insurance carrier, and direct the Salary Committee to study the benefits as well as the costs of long-term disability insurance for administrative staff. Dr. Smith seconded the motion, which then passed by unanimous vote.

VOTE

ITEMS FOR INFORMATION AT THIS MEETING: Ms. Calvert suggested that the Board discuss items one, four, and five first, and then hold the two executive sessions at the end of the meeting.

Review of Final Legislation: Ms. Loobey talked about two legislative activities which occurred subsequent to the June Board meeting. She first talked about the public tort liability limit, which has been \$50,000 per person or \$300,000 per occurrence. In the last minutes of the legislative session, the plaintiff attorneys attached a number of items, which they admitted could not stand alone, to the Mountain Rescue bill (in which manufacturers of signaling devices designed for locating animals were excluded from liability when the devices are used on humans). The liability limit for public agencies was raised from \$300,000 to \$500,000. The amended bill passed the House and Senate and has been signed by the

Governor. Ms. Loobey said there were three ways for the District to respond to this change: (1) ignore it, at the District's own peril; (2) transfer the risk to a carrier; or (3) increase LTD's self-insurance. Ms. Loobey added that she did not have a copy of the legislation. Tim Dallas, Director of Operations, thought that implementation might be in January 1989, according to Tromp & McKinley, the District's insurance broker. This implementation date would give LTD some time to respond to this issue.

The second issue involved the binding interest arbitration bill. When the Oregon Transit Association (OTA) was fighting the issue on the Senate side, the Governor brought forward a compromise, which involved public transit districts being placed under the aegis of the Public Employee Collective Bargaining Act, from which they had been excluded since 1969. The Governor also stated that he would veto a binding interest arbitration bill. Senate proponents said they would not agree to the Governor's compromise, because they did not want to take a "step backward" from binding interest arbitration. Binding interest arbitration is available under the Public Employee Collective Bargaining Act, but it must be mutually agreed upon. When binding interest arbitration was defeated on the House floor, Union proponents were then able to convince the House Labor Committee to push through the provision that transit districts will be included under the Public Employee Collective Bargaining Act. In reality, Ms. Loobey stated, the Public Employee Collective Bargaining Act will provide some regulation over LTD, but public transportation districts, such as Salem and Rogue Valley Transit, which were previously included under the Act, have found it to not be overly burdensome. Being included under the Act also positions transit districts very well for the next legislative session, because a provision for binding interest arbitration is now in place.

Independence Day Holiday Service: Ms. Calvert remarked that the District will not encounter Independence Day on a weekend again until 1992. Ms. Loobey said the situation had been explained in the packet; that the District had made a mistake in offering Sunday service on Friday, July 3, and had received a lot of complaints from the public. Mr. Brandt said he wouldn't say the District had made a mistake from the cost standpoint. He wondered what the ridership would have been on that Friday, since many businesses, banks, etc., were closed that day in observance of the Independence Day holiday. Mr. Viggiano guessed that it might have been half of the normal ridership if the District had run full service. He said that it was not a big shopping day like the Friday after Thanksgiving, but it is similar in other ways.

Oregon Country Fair: Paul Bonney, of 587 Antelope Way, Eugene, asked from the audience if ridership to the Oregon Country Fair was good. Mr. Viggiano replied that the District carried more than 14,800 people, which is the largest amount ever carried. There were some questions regarding the District's ability to offer this charter service next year. Ms. Loobey stated that, because of new federal charter regulations, people requesting charter service first will have to approach private charter

operators. If the private operators are unable to provide the service, the private operators can subcontract with LTD to do so. However, she said, there is now a change of direction in the federal appropriations bill. Congress is considering directing the Urban Mass Transportation Administration (UMTA) to change the regulations to allow transit districts to charter directly with non-profit organizations. This change has been approved by the House, but still has to be approved in the Senate, so the District will be following the charter regulations as they now stand.

Freedom Pass Sales: Ms. Calvert asked if staff had a final count on Freedom Pass sales for the summer. Ed Bergeron, Marketing Administrator, said that 1,671 had been sold so far, which was slightly more than last summer. Marketing staff expected the total for this summer to reach 1,850, which would be 20 percent more than those sold last summer.

Payroll Tax Reporting: Ms. Loobey handed out a page showing payroll taxes by industry code for the first quarter of calendar years 1986 and 1987, as well as a graph which showed actual taxes for the years 1978-79 through 1986-87 as compared to what the tax level would have been at .6 percent, the statutory maximum. By breaking tax revenues down by standard industry code, it is easier to determine the source of the District's payroll tax revenues. For instance, retail provides about 25 percent of payroll tax dollars, and medical provides approximately 17 percent. Ms. Loobey further explained that first quarter payroll taxes are paid in the fourth quarter of the fiscal year.

MOTION

EXECUTIVE SESSION PURSUANT TO ORS 192.660(1)(e) AND ORS 192.660(1)(d): Mr. Brandt moved that the Board adjourn into Executive Session pursuant to ORS 192.660(1)(e), to conduct deliberations with persons designated by the governing body to negotiate real property transactions, and pursuant to ORS 192.660(1)(d), to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Dr. Smith

VOTE

RETURN TO REGULAR SESSION AND ADJOURNMENT: After returning to regular session, Dr. Smith moved that the meeting be adjourned. The motion was seconded, and the meeting was unanimously adjourned at 9:53 p.m.

MOTION

VOTE

 Board Secretary