

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, October 19, 1988

Pursuant to notice given to *The Register-Guard* for publication on October 13, 1988, the regular monthly meeting of the Board of Directors of the Lane Transit District was held on Wednesday, October 19, 1988 at 7:30 p.m. at the Eugene City Hall.

Present: H. Thomas Andersen
Peter Brandt, Treasurer
Janet Calvert, President, presiding
Janice Eberly, Vice President
Keith Parks
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: Gus Pusateri, Secretary
Rich Smith

CALL TO ORDER: Ms. Calvert called the meeting to order at 7:30 p.m.

BUS RIDER OF THE MONTH: Ms. Calvert introduced the September 1988 Bus Rider of the Month, Lester Medlock. He has been riding the bus for 25 years, since the time of the small green buses. He thinks the service has greatly improved since that time, especially since a bus now goes right by his house. He and his wife, Patricia, have two children and three grandchildren, and enjoy spending time with them. Mr. Medlock also spends some of his spare time bowling and fishing. Ms. Calvert thanked Mr. Medlock for his support and presented him with his framed certificate and an LTD lapel pin.

The July, August, and October Bus Riders of the Month were unable to attend the meeting.

EMPLOYEE OF THE MONTH: The July, August, September, and October Employees of the Month were all present to receive their awards and be introduced to the Board. The July Employee of the Month was Irene Maguire, who has been a Bus Operator for two years. Her attendance record last year was excellent, and she has earned her one-year safe driving record. She was recently promoted from part-time to full-time, and last spring placed first among LTD contestants at Tri-Met's Bus Rodeo. Ms. Calvert presented Ms. Maguire's letter and framed certificate to her and offered the Board's appreciation and congratulations for all her hard work.

The August Employee of the Month, Bus Operator Chuck Westlund, was also present. He has been a bus operator since 1983 and has earned his

two-year safe driving award and had exceptional attendance last year. Ms. Calvert said that he was nominated by bus riders who said he always has a smile. She added that the Board appreciated his smiles and the good relationships he creates with the bus riders. She congratulated Mr. Westlund and presented him with his letter and framed certificate.

Terry Trammell, the September Employee of the Month, has been a Bus Operator at LTD for five years. He has earned his three-year safe driving award and had exceptional attendance last year. Ms. Calvert commented that Mr. Trammell enjoys meeting a lot of people as a bus operator, and said she would guess that he is meeting a lot more people this year, with the dramatic increases in ridership this fall. She congratulated him for his achievements and expressed the Board's appreciation for his hard work, and presented his certificate and letter to him.

The October Employee of the Month is Dorothy Moran, who has been with LTD for 15 years. She is the Lead Cleaner, which means that she schedules the buses to be cleaned and organizes the crew that cleans the interiors of the buses every night. Ms. Calvert said that the Board appreciated Ms. Moran's hard work to be sure the buses are attractive to the riders, and presented her certificate, check, and letter to her.

AUDIENCE PARTICIPATION: Mrs. Daphne Walwyn, of P.O. Box D, Vida, Oregon, said she was there representing the Schaefers Building at 1001 Willamette Street, Eugene, of which she is a managing partner. She explained that it is the building located on the southeast corner of Willamette and 10th streets. She said it had a very important history; it was built in 1929 by the Schaefers brothers, the first building on the corner at that intersection. It was built to accommodate a bowling alley on its top floor, and was designed by Truman Phillips, who was a famous architect. Mrs. Walwyn said the building is one of the few examples of this type of architecture on the west coast, and the only one in Eugene. The building has been on the National Historic Register since 1979, and also on the State inventory (the State does not maintain an historic register), and has been a City Historic Landmark since 1981. She said she mentioned all this because she wanted the Board to understand that it is a very important building for downtown Eugene. A complete restoration of the building was completed in 1987.

Mrs. Walwyn said that she loves LTD and thinks it has done a wonderful job for the community, but she had some complaints about three things the District did. She used a picture to show that there is a shelter right in front of the historic restored entryway, which she said was a bad thing for the building owners. Her second complaint was that the buses line up along 180 feet on the side of the building, which almost totally obliterates the windows on that side for her tenants. She said that when the shelter was installed, the sidewalk was widened, so there is no longer any on-street parking or loading zone. Also, she said, she knows that the bus passengers are delightful, charming people, but they do wait and loiter by her building, that she can't tell if they are passengers or not, and that they lean against the windows and take shelter in the

doorway, creating a very uninteresting and unattractive view from the outside and inside. They also obstruct any customers or clients who wish to enter the building, and the sidewalk and the entry are constantly littered. Mrs. Walwyn said she had talked with numerous prospective tenants who have gone elsewhere because of these complaints. She said that in almost 18 months, she had been unable to interest anybody in renting that space while these conditions exist.

She asked the Board to consider the following solutions: (1) she would like to have the shelter and the bench removed; (2) she would like to have the buses rerouted; (3) she would like to have the sidewalk restored to its normal size; and (4) she would like to have on-street parking and a loading zone restored. She said that if she is able to persuade the Board that these are possibilities, she has several possible tenants of considerable stature who have indicated a great interest in this building. If not, she said she would have to say that one of the handsomest buildings in town will gradually go back to what it was before, which she was sure no one would like to see. She said a good job of restoring it to its original splendor had been done, and she would like to see that continue.

She gave the Board members copies of two letters that she received; one from an appraiser who has updated the value of the building since it has been restored, and whose comments, she said, supported everything she had just told the Board, and one from a realtor, who has been marketing the building with great success, except for the 10th Street side. She said this is the only side that they can't get any interest in at all, and that this was a grave event for them. She thanked the Board for listening, and said she hoped the Board would be able to do something about this situation for her.

Ms. Calvert thanked Mrs. Walwyn for her comments, and asked for questions from the Board. There were none. Ms. Calvert said that the Board would have staff bring a report back to the Board; that no decisions could be made at this time. She added that the building is lovely. Ms. Loobey said that a staff response would be available at the November Board meeting.

MOTION

VOTE

APPROVAL OF MINUTES: Mr. Andersen made a correction to page three of the minutes of the September 15, 1988 special meeting: in paragraph four, "Walt's Construction" should be changed to "Walt's Concrete." He then moved that the minutes of the September 15, 1988 special meeting and the October 4, 1988 special meeting be approved, with that correction to the September 15, 1988 minutes. The motion was seconded by Ms. Eberly, and the minutes were approved by unanimous vote.

AUDIT REPORT--FISCAL YEAR ENDING JUNE 30, 1988: Brentt Ramharter, Finance Administrator, introduced the auditors, John Joyce and Michael Kehoe of Coopers & Lybrand. Mr. Joyce briefly discussed the report, which had previously been distributed to the Board. He said there were some changes this year, not necessarily because the District had new auditors,

but because the auditing profession had changed the way it did some things. He called the Board's attention to page 7 of the audit report. In the first paragraph was a statement that the financial statements are, in fact, those of the District, and that the auditor's responsibility is to express an opinion about the financial statements. The second paragraph briefly discusses what the auditors do during an audit, which is a process of testing and sampling. The third paragraph states their opinion, which is that the financial statements presented fairly, in all material respects, the financial position of the District.

Mr. Joyce added that the financial statement, beginning on page 35, includes all the disclosures and various reports that are required by the State of Oregon and by the federal government under the Single Audit Act. He said that the District had no question costs (questions regarding the validity of certain grant costs) in relation to the federal grants this year, which he thought would please the Department of Transportation.

Ms. Calvert asked why a letter in the report is dated June 30, before the audit took place. Mr. Joyce replied that June 30 is the year-end date, and was not intended to imply that the audit was completed on that date.

Mr. Andersen asked about interest allocation. He wondered how the auditors would suggest that it be classified properly. Mr. Joyce replied that the comment was not judgmental, only to say that it had been a couple of years since that issue had been reviewed. He said that if the District would charge administrative costs to the Capital Projects Fund, it would know what the true costs for operating the fund are. The auditors think this is something that should be looked at every year, and if the interest exceeds the costs, then the interest should be allocated. In other words, if the interest is less than the administrative costs, the interest would remain in the General Fund, but if the interest is more than the costs, the excess would be allocated to the Capital Projects Fund.

MOTION

Mr. Brandt moved that the Board accept the auditor's report for the fiscal year ending June 30, 1988. Mr. Parks seconded the motion, which then carried by unanimous vote.

VOTE

APPROVAL OF FISCAL YEAR 1988-89 SECTION 9 CAPITAL AND OPERATING GRANT APPLICATION: Mark Pangborn, Director of Administrative Services, stated that the District receives federal funds from a variety of sources, but the primary source is Section 9. Section 9 funds are allocated annually by Congress on a nationwide basis, and the District's funds are apportioned on a formula basis. Mr. Pangborn then used charts to explain LTD's application and the current status of federal Section 9 capital and operating funds.

For the current year (Federal FY 1988), the District will be receiving a total of \$1,391,036 in Section 9 operating and capital funds. For Federal FY 1989, Mr. Pangborn said he was anticipating receiving \$1,289,490 in Section 9 funds, and just that day he had been told that

the District would probably receive an amount closer to \$1,275,000. He said that Congress had just appropriated the money, but the Urban Mass Transportation Administration (UMTA) had not yet apportioned the money by formula. What is known is that the total appropriation has been reduced by 7.3 percent on a national basis. Mr. Pangborn said he reduced the amount the District received last year by 7.3 percent, and it appears that LTD will probably receive a little over \$100,000 less in FY 1989 than in FY 1988. A total of \$1,041,000 in federal operating funds was budgeted for Federal FY 1989, which would leave a balance of \$248,000 that can be applied to capital. Mr. Pangborn also stated that the amount the District receives in Section 9 funds will be consistent with what had been budgeted in the spring. The \$248,000 is in the Capital Improvements Program budget and will be budgeted essentially for parts of the new maintenance/administration facility.

He said that a significant factor is that, although the total grant only decreased 7.3 percent, the District is taking a 30 percent cut in capital funding because operating support is remaining at a high level, and the balance goes toward capital projects. Mr. Pangborn said that staff are in the process of preparing information for the Board Finance Committee, and hope to have that committee meet sometime in November. The committee will be discussing the overall impact of shrinking federal funds, including capital funding and the issue of the downtown facility.

In response to a question from Ms. Calvert, Mr. Pangborn explained that the District's request for Section 9 funds is for \$1.4 million, because when he was preparing the paperwork it was unclear exactly what LTD's apportionment would be. He thought it would be better to apply for funds on the high side and reduce the application than it would be to estimate too low and have to increase the application, which would mean coming back to the Board for approval. When the actual numbers are ready, the District's application amount can be amended through the regional UMTA office in Seattle.

Opening of Public Hearing by Board President: Ms. Calvert opened the public hearing on the District's application for federal Section 9 capital and operating funds.

Paul Bonney, of 587 Antelope Way, Eugene, said he wanted to be on record as being in favor of the application. He said that LTD needs the funds, and that he believes that LTD uses its resources very well and does a good job of providing bus service.

There were no further comments, and the public hearing was closed.

MOTION

Board Discussion/Action: Ms. Eberly moved that the Board authorize the General Manager to submit an application to the Urban Mass Transportation Administration for Section 9 grant funds for Fiscal Year 1988-89 in the amount of \$1,400,000. Mr. Brandt seconded, and the motion carried by unanimous vote.

VOTE

ADOPTION OF FISCAL YEAR 1988-89 DBE POLICY AND DBE AFFIRMATIVE ACTION PROGRAM: Ms. Loobey stated that adoption of the Disadvantaged Business Enterprise (DBE) Policy and DBE Affirmative Action Program was an annual process as a result of receiving federal funds, and also represented State policies. She explained that in 1987-88, the District had separate goals for DBE and Women-owned Business (WBE). For 1988-89, in addition to a couple of technical corrections in the policy, DBE and WBE had been combined in a single goal representing 14 percent. In the District's history, she said, the minimum requirement for WBE has been 2 percent, but LTD has been successful at 4 percent. The minimum goal for DBE is 10 percent, so the two goals have been combined for an overall 14 percent goal. She said that if the District was successful in attaining 5 percent for WBE and 9 percent for DBE, it would still be within the guidelines. Other than that, she said, there were no significant changes from last year in the DBE materials which had been included in the agenda packet.

Mr. Brandt asked why the goal was set at 14 percent and not the minimum goal of 12 percent. He wondered why the District was creating an additional burden for itself when it did not have to. Ms. Loobey said she did not consider the 2 percent increase to be an additional burden, and that combining the goals would make achieving them easier. Mr. Brandt said he did not see why LTD would want to create standards higher than it needs. Mr. Pangborn stated that the federal government has said that since LTD reached 4 percent for WBE, the new standard for WBE is 4 percent. Mr. Brandt wondered what would happen if the District went to a lower standard. Mr. Pangborn said that would probably result in more paperwork to justify only 12 percent instead of 14 percent. He added that the District can meet the 4 percent goal; there are enough women-owned businesses in the area. However, if LTD could not meet the total goal, the District would tell UMTA it could not meet a 14 percent goal, and reduce it to 12 percent. He stated that everyone has a minimal goal of 12 percent, and that at one time LTD was below 12 percent and was told by the federal government to reach that goal or UMTA would begin proceedings to reduce the District's federal grant.

Mr. Pangborn explained that there is a formula that is applied to the federal grant to determine the amount of money that needs to go toward the DBE/WBE category. There is also a list of contractors that have gone through a process with the federal government to become certified, and the District can only use those as DBE or WBE firms. He added that there is a government-wide standard for DBE firms. Ms. Loobey said that even if LTD did not receive federal funds, some requirements would be imposed by the State.

Mr. Brandt asked what the State requirements are. Johni Giralt, Purchasing Agent, said that the State of Oregon really does not have a DBE policy; the individual agencies decide, based on what precedents have been set with contracting opportunities, on individual goals.

Mr. Andersen asked if there is a difference between the socially disadvantaged and DBE's, as discussed on page 44 of the packet; in other

words, whether the socially disadvantaged were different than minority and women. He asked where exactly the District applies the "social disadvantage determination consideration," and if there was a difference between that and DBE's. Ms. Giralt said that Disadvantaged Business Enterprise is basically an overall acronym for the entire program. WBE and Minority Business Enterprise (MBE) are two separate categories within the major division of DBE. Women can be socially disadvantaged in all of the other categories, but just happen to have a separate classification.

Mr. Pangborn said that the government said by definition that anyone who qualifies as a minority is socially disadvantaged by definition. Therefore, DBE and MBE are the two most easily identifiable elements of SBE. Mr. Andersen asked if the District could apply these elements and evidence on its own to show that someone who is not classified as MBE or WBE is in fact socially disadvantaged for some other reason. Mr. Pangborn replied that the District could not do that, because they have to be certified by the Governor's office. Mr. Andersen asked if the process on pages 44 and 45 was one that was not carried out by the District, but rather was one that was done before these groups get certified, and was informed that this was correct.

Mr. Brandt asked if the District was creating a greater responsibility on itself, and said he was amazed at what the District has to go through and the amount of effort that is spent in this area. He said his point was that if the District could streamline this process and make the requirements as easy as possible, that is what it should do. He thought the requirements ought to be reduced to one page. Ms. Loobey thought, however, that reducing the goal by 2 percent would not make a material difference in the paperwork in bid packages, and said that all these requirements are part and parcel of the District walking hand-in-hand with the federal government. Mr. Brandt wondered if the District really had to have as comprehensive of a policy as it did, or if the goals could be very simply stated. Mr. Pangborn pointed out that when the District had a federal triennial review three years ago, UMTA looked at the District's procedures and said it was not doing enough to meet all those standards. He referred to the management letter on page 16 of the agenda packet, which said, under public contracting and purchasing, that bid documentation initiated prior to this year was not complete. Mr. Pangborn said part of that was the DBE program. He said not every contract is required to have a DBE goal; but staff try to pick contracts where there are DBE's who can bid to meet those goals.

Mr. Andersen said he understood that it would be more streamlined to stay at 14 percent than to go to 12 percent, because then there are no questions from UMTA about why the change is being made. He said that he had read all the DBE materials and thought the requirements were appropriate.

Mr. Brandt thought it was ridiculous to spend public money in this way. He wanted staff to tell him that this is the bare minimum, and that if he looked at the books he wouldn't find something that said that the

policy could be a lot less. Ms. Loobey said that staff believe this goal to be the bare minimum. She said that if the District were able to not use federal funds, it would not have these requirements. However, at least for the time being, LTD does need to use those funds and the DBE goals and policy are an obligation that the District needs to meet.

Ms. Eberly asked how the State knows if LTD is using the only authorized directory. Ms. Loobey replied that staff would not use any other directory because the State has gone through the process of certifying DBE and WBE firms.

MOTION

Mr. Andersen moved that the Board adopt the enclosed resolution on page 20 of the agenda packet (with a change to CFR from CRR in the second paragraph, for Code of Federal Regulations). Mr. Parks seconded the motion. There was no further discussion, and the motion carried 4 to 1, with Mr. Brandt voting in opposition and all others in favor.

VOTE

Resolutions Regarding the Deposit of Funds at Oregon First Bank and Centennial Bank: Ms. Eberly moved that the Board adopt the two resolutions on pages 46 and 47 of the agenda packet authorizing the deposit of funds in retainage accounts for Walt's Concrete Company and Hyland & Sons, Inc., in Oregon First Bank and Centennial Bank. Mr. Andersen seconded the motion.

Mr. Brandt said he would like to know the reason for these retainage accounts. Mr. Pangborn explained that with major construction contracts, a retainage account is created, and five percent of each contract payment that is made to the contractor is placed in this account. At the end of the project, anything that has not been done to specification is required to be fixed before the retainage account is released to the contractor. Mr. Pangborn likened the retainage to an escrow account. The banks, Oregon First and Centennial Bank, have asked the District to have a resolution authorizing certain persons to sign to release those funds from the banks. The resolutions before the Board would authorize the President of the Board of Directors, the General Manager, and the Director of Administrative Services, in any combination of two, to sign on the two accounts.

Mr. Brandt asked why the District had to have separate accounts, rather than leaving it in the District's account. Ms. Giralt explained that the contractor has the option of deciding where the retainage account will be placed, and these two banks were requested by the contractors. Mr. Brandt also asked who earned the interest on these accounts, and if that was what LTD's contracts said had to be done. Ms. Giralt stated that the contractor earns the interest, and that State law on retainage required the separate account. Although the retainage is money that the District is keeping to protect itself, all of the interest that is earned on the account goes to the contractor because it is actually the contractor's money.

Mr. Brandt said he had done a lot of work with contractors and he had never seen a separate account set up for retentions. He said that this was unusual and different and he thought the District should not do this unless it had to. He thought LTD should keep the money and earn the interest.

Mr. Pangborn said that since Mr. Brandt had concerns about this procedure, staff would research the specific reference in State law, and that it was not necessary that the Board approve the resolutions that evening.

Ms. Eberly withdrew her motion. Ms. Calvert asked staff to bring this item back to the Board at the November Board meeting.

MOTION
WITH-
DRAWN

ITEMS FOR INFORMATION

Facility Project Update: Stefano Viggiano, Planning Administrator and Facility Project Manager, said he would be happy to answer questions about the memorandum in the agenda packet. He said that the District did not have a ruling on the Spicer property arbitration, but expected one that week. The arbitrator was reviewing evidence and had promised the decision within a week of the hearing, which had been held the previous Friday. Mr. Andersen asked if the arbitrator was from the American Arbitration Association, and if it was a lawyer or construction person. Mr. Viggiano replied that he did not know if the arbitrator was a lawyer, but did know that he specialized in construction, and was from the American Arbitration Association.

Mr. Brandt asked if the electrical subcontract was the only subcontractor that Hyland had changed so far. Mr. Viggiano replied that there were about four or five changes in subcontractors, two of which, painting and electrical, were subject to this arbitration. Mr. Brandt wondered if the District would have to arbitrate the others, as well. Mr. Viggiano explained that LTD had agreed to the others. In one case, the firm that had originally been stipulated had trouble getting bonding, and staff had some concerns about that firm because it had never done a project this large, so staff allowed Hyland to make that change. Mr. Viggiano said that the District has the authority to allow the contractor to make a change in subcontractors, and with some, staff had agreed that it was in the project's best interest to make the changes. However, on the painting and electrical subcontracts, staff did not believe the changes to be in the District's best interest.

Mr. Brandt then asked if there was a difference in cost as a result of making the changes. Mr. Viggiano said there was a slight difference. In the mechanical subcontract, the one in which the original subcontractor had problems with bonding, Hyland & Sons paid an additional \$30,000 as a result of replacing that subcontractor with another one. With the other two, Hyland saved about \$2,000 or \$3,000 each. The District did not lose money because of the changes.

Mr. Brandt asked if any of these changes involved WBE's or MBE's. Mr. Viggiano replied that the first and second mechanical subcontractors were both DBE's, and the subcontract was worth \$1.9 million.

Ms. Calvert said she had not driven by the property lately and asked what construction was occurring. Mr. Viggiano said that the walls of the Maintenance building were starting to come above ground level. Mr. Brandt asked if the project was on schedule. Mr. Viggiano replied that it was a little behind the original schedule, but was progressing according to the revised schedule.

Mr. Brandt asked if the District's Construction Representative was doing his job on the site. Mr. Viggiano replied that he is; he keeps track of what is happening on the site and files daily reports, which are read by Mr. Viggiano and Ms. Loobey, among other staff.

Ms. Maguire asked if the movie screen would be staying on the property. Mr. Viggiano said that it is up to the contractor to remove it, but it will come down at some point in the construction process.

Update on University of Oregon Prepaid Transit Program: Mr. Brandt asked when the Board approved buying used buses from Tri-Met. Staff replied that the decision had been made in early summer, possibly at the June or July meeting. Mr. Brandt also asked if those buses were purchased because of the pre-paid pass program at the University of Oregon, and stated that he did not remember that the Board ever approved that purchase or being told that the District had to buy buses. Ms. Loobey said that she had sent the Board members memos about the cost of purchasing and refurbishing used equipment.

Mr. Brandt said that he would like to see an updated cost analysis. Ms. Loobey said staff would provide that for the Board at the November meeting. Mr. Brandt then asked if the UO program was going well. Ms. Loobey stated that it was going very well.

Ms. Eberly asked if staff had responded to a letter to the editor in *The Register-Guard* about the service. Ms. Loobey explained that a person had written to the editor to complain because of the number of new riders and the crowded buses. She said she did not know when the letter was actually written or how long it had been held by *The Register-Guard* before it was published. She explained that staff originally anticipated an increase in ridership of approximately 6 percent, but the increase has actually been closer to 25 percent system-wide. The District quickly responded to demands for additional service with trippers (additional buses to meet overload conditions on specific routes). Ms. Loobey stated that when the program was created, about \$80,000 more than the amount needed to replace lost farebox revenue was written into the program as part of the students' fees, to be used for extra service where needed.

Micki Kaplan, Transit Planner, said that the UO pre-paid program is one of the most exciting programs she has been involved in. Ms. Calvert

said it will be interesting when the bad weather starts and people who are now walking and riding their bikes start riding the bus. She added that there are at least 100 cars parked at the fairgrounds and those people are riding their own bus service to Sacred Heart Hospital during their construction. She commented that those 100 cars would also normally be trying to park in the congested UO/Hospital area. Ms. Eberly asked if the increases in ridership had made a difference in parking at the River Road Transit Station. Ms. Kaplan said that it had; there are a lot of cars parked there each day.

Athletic Field Advertisement: Mr. Brandt said that someone had called him to complain that he did not like to see LTD spend money for advertising at an athletic field. Ed Bergeron, Marketing Administrator, thought that the caller was referring to Swede Johnson Stadium near North Eugene High School, where LTD had purchased a billboard about 18 months ago. He explained that, over the years, LTD has purchased billboard ads in a variety of locations throughout the community, and that the purpose at this field was to make an extended, long-term impression during a game, as a reminder that LTD is a viable alternative and part of the community. He said that all the funding for that stadium was donated and the stadium was constructed as a community activity, and that LTD's participation with the billboard has had a positive impact on that particular market.

Mr. Brandt asked how long the advertisement has been there. Mr. Bergeron said that the District bought the space for one year or one season, but the fact that it is still there is an extended value that the District did not anticipate.

Capital Improvements Program: Mr. Brandt asked when the Board approves property acquisition, like machines and equipment; whether that is done as a lump sum or if the Board approves specific items. Ms. Loobey replied that when the Board adopts the Capital Improvements Program (CIP) each year, it is broken down into specific amounts in various categories, such as computers, buses, office furniture, etc. However, she said, the Board does not see an exhaustive list within each category where funds are being allocated. She added that if Board members have specific questions regarding equipment in certain categories, staff respond to those questions with more detailed information.

Mr. Brandt then asked if staff reported to the Board during the year on what is actually being bought. Ms. Calvert said that staff would report to the Board if there was a big difference between what was budgeted and what was purchased. Ms. Loobey added that when the Board examines the budget, expenditures in specific categories can be reviewed. Mr. Brandt asked about the \$500,000 for bus stop improvements listed in the financial report. Ms. Loobey said those expenditures were for shelters, bus stop signs, etc. Mr. Pangborn added that this amount also includes \$200,000 for improvements at Valley River Center, which the Board put on hold earlier in the year, and \$100,000 or so for the Gateway project.

Mr. Brandt asked what the miscellaneous category included. He said it was the second largest category, and was already over budget by \$21,000. Mr. Pangborn said that was for automatic passenger counters, or mini computers on the buses to count people getting on and off the buses. The Board had approved this expenditure about a year and a half ago. Part of the salary for a planning technician to oversee the project is also charged to that account. Mr. Ramharter stated that during July, August, and September, the automatic passenger counters were charged to the wrong line-item, and should have been under bus-related equipment instead.

Financial Reporting: Mr. Brandt also wanted to know why the District had changed to quarterly financial statements instead of including monthly statements in the agenda packets. Mr. Pangborn explained that last year when monthly statements were being prepared, the Board members didn't seem especially interested in them, so staff discussed with the Board the possibility of combining the information into quarterly reports and making verbal presentations on them at four meetings a year. However, Mr. Brandt said he is very interested in seeing monthly financial reports, so Mr. Pangborn said that staff would return to the monthly financial reporting system. Mr. Brandt said he did not need a monthly presentation, but he did think it would be a little bit irresponsible on the Board's part not to review the report on a monthly basis.

Mr. Brandt said that it appears that the District is doing well, and asked why State revenue is higher. Mr. Pangborn said that increase could partly be due to higher enrollment at the University of Oregon, which might have resulted in higher staffing levels. He added that staff only estimated a 4 percent increase in wages and staffing, because the other State offices had not increased that much. Mr. Brandt wondered if there was a lag in reporting the revenues. However, Mr. Pangborn said that LTD had participated with other transit districts in an audit of the State accounting system, and it appeared that they were on target. Mr. Pangborn said that the first-quarter payroll tax revenues were fairly strong, also. Normally, second and third quarters are larger than the first, but that is an unknown until those revenues are actually received. Mr. Brandt also wondered if the District was making sure the contractors were paying the payroll tax. Mr. Pangborn said that, in the past two years, audits have shown that the greatest incidence of nonpayment falls with the contractors, so the Department of Revenue is performing specific audits of contractors.

Quarterly Performance Report: Ms. Loobey said that the quarterly performance report was not ready at that time in large part due to the major changes in Finance, but that it would be ready for the Board's review in November.

Transit Development Plan (TDP): Copies of the FY 88-89 TDP were distributed to the Board members. Mr. Brandt asked why staff prepare a TDP each year. Ms. Loobey explained that it is a staff source document, including information on performance, the budget, history, etc., as well

as a necessary part of the comprehensive planning process within the metropolitan area.

Ms. Eberly asked if the Management Information Services (MIS) function at LTD was handled externally. Ms. Loobey replied that MIS is handled by Joe Janda as a division within the Department of Administrative Services. Mr. Pangborn added that most of the reports in the TDP are prepared for a variety of other reporting purposes, and are then put together into one resource document. Mr. Brandt thought the TDP would be a good resource for any new Board member.

Mr. Brandt asked if the District added more routes this year. Ms. Calvert said that new routes had been approved by the Board in June, and Ms. Loobey added that a four percent increase in service, mostly in service frequency on some routes and minor adjustments on others, had been accomplished in September.

Mr. Brandt wondered if the District would be serving Harlow Road and the new Gateway shopping center. Ms. Loobey said that a redesign of the Springfield routes, which had also been accomplished in September, included service to that area in anticipation of the new shopping center, in addition to the normal service on Harlow as a major corridor.

Mr. Pangborn added that every June staff bring recommended service changes to the Board, for a public hearing and Board approval. Ms. Calvert said that Breeden was building a very large number of houses in the Van Duyn area, so the District may have to respond to that area after awhile.

MOTION
VOTE

ADJOURNMENT: Ms. Eberly moved that the meeting be adjourned. Mr. Andersen seconded the motion, and the meeting was unanimously adjourned at 8:50 p.m.



Board Secretary