

MINUTES OF DIRECTORS MEETING  
LANE COUNTY MASS TRANSIT DISTRICT  
REGULAR MEETING

September 18, 1979

Pursuant to notice given to the Register Guard for publication on September 13, 1979, to the Springfield News and distributed to persons on the mailing list of the district, the regular monthly meeting of the board of directors of Lane County Mass Transit District was held at the City Hall, Eugene, Oregon on September 18, 1979 at 7:30 p.m.

Present:

Richard A. Booth, Secretary  
Daniel M. Herbert, Vice President  
Kenneth H. Kohnen, President, presiding  
Ted J. Langton, Treasurer  
Carolyn Roemer  
Phyllis Loobey, General Manager  
Richard Bryson, Legal Counsel  
Mavis Skipworth, Recording Secretary

Robert C. Loomis  
Edgar Numrich, Torrey & Co., Inc.  
Howard Rankin, Bond Attorney  
News media representative:  
Marvin Tims, Register Guard

Absent:

Glenn E. Randall

INTRODUCTORY REMARKS BY BOARD PRESIDENT: The chairman announced that Dr. Robert C. Loomis has been appointed by Governor Atiyeh to the board of directors to replace Jack J. Craig, the appointment subject to senate confirmation.

Mr. Kohnen thanked Jack Craig for his years of service on the board and presented him with a miniature bus as an expression of appreciation of the entire board. Mr. Craig responded that he had enjoyed working with all of the board and felt he was a better person for it. He said he had received numerous goodwill messages and one friend had suggested the district should look to the Portland Mall and how it took care of the traffic problem in that area.

AUDIENCE PARTICIPATION: Mr. Kohnen declared the meeting open for public comment and there was no response.

PUBLIC HEARING ON SECTION 5 OPERATING ASSISTANCE APPLICATION: The chairman then opened the meeting to receive public testimony on the district's application for Section 5 Operating Assistance in the amount of \$839,000 for fiscal year 1979-80. There being no response, he again asked for any testimony the public wished to give on the grant application. As there was no public comment, he closed the public hearing.

MOTION  
VOTE

Upon motion by Mr. Herbert, seconded by Mr. Langton, the board voted unanimously to approve the following resolution authorizing the district to submit a Section 5 Operating Assistance grant application to UMTA:

Resolution authorizing the filing of an application with the Department of Transportation, United States of America, for a grant under the Urban Mass Transportation Act of 1964, as amended.

WHEREAS, the Secretary of Transportation is authorized to make grants for mass transportation projects;

WHEREAS, the contract for financial assistance will impose certain obligations upon the applicant, including the provision by it of the local share of project costs;

WHEREAS, it is required by the U.S. Department of Transportation in accord with the provisions of Title VI of the Civil Rights Act of 1964, that in connection with the filing of an application for assistance under the Urban Mass Transportation Act of 1964, as Amended, the applicant give an assurance that it will comply with Title VI of the Civil Rights Act of 1964 and the U.S. Department of Transportation requirements thereunder; and

WHEREAS, it is the goal of the Applicant that minority business enterprise be utilized to the fullest extent possible in connection with this project, and that definitive procedures shall be established and administered to ensure that minority businesses shall have the maximum feasible opportunity to compete for contracts when procuring construction contracts, supplies, equipment contracts, or consultant and other services:

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors:

1. That Phyllis Loobey is authorized to execute and file an application on behalf of Lane County Mass Transit District with the U.S. Department of Transportation, to aid in the financing of operating assistance projects pursuant to Section 5 of the Urban Mass Transportation Act of 1964, as amended.
2. That Phyllis Loobey is authorized to execute and file with such applications an assurance or any other document required by the U.S. Department of Transportation effectuating the purposes of Title VI of the Civil Rights Act of 1964.
3. That Phyllis Loobey, General Manager, is authorized to furnish such additional information as the U.S. Department of Transportation may require in connection with the application or the project.
4. That Phyllis Loobey is authorized to set forth and execute affirmative minority business policies in connection with the project's procurement needs.
5. That Phyllis Loobey is authorized to execute grant contract agreements on behalf of Lane County Mass Transit District with the U.S. Department of Transportation for aid in the financing of the operating assistance projects.

OREGON MASS TRANSIT FINANCING AUTHORITY: The president called attention to two letters in the agenda packet providing information on bonding as it pertained to the district, written by the State Treasurer and by Richard Bryson.

Mr. Kohnen introduced the two guests from Portland, Howard Rankin and Edgar Numrich. He explained that Tri-Met is preparing to utilize the financing authority and Messrs. Rankin and Numrich are working on the bond issue for Tri-Met to acquire a bus station on the west side of Portland. He informed the board that this would be the first time the financing authority has been used and it could be a tool the district could use to acquire more buses in a shorter time.

Mr. Rankin gave a detailed explanation of the Oregon Mass Transit Financing Authority provided by the 1977 legislature and explained how the district could utilize the financing. He said the governing body includes the State Treasurer, chairmen of the Oregon Transportation Commission and Oregon Investment Council and a representative from each mass transit district. He advised the Authority may issue bonds for land, buildings, buses and other operating equipment and lease the equipment to the mass transit district during the term of the bond. Following full payment, the transit district acquires title to the equipment or property. He said this type of financing does not require a vote of the people; that rentals are payable from the general fund revenues and must be treated as a line item in the budget with appropriated funds. The lease agreement permits the district to terminate the lease at any time by failing to appropriate rental funds.

Mr. Rankin and Mr. Numrich then responded to various questions posed by board members concerning possible negotiations between the transit district and prospective bond purchasers.

Mr. Herbert remarked it would be most advantageous to the district to purchase equipment with 10% local share and federal grants but the amount of federal funding available is limited. He said the board has discussed the wisdom of trying to accumulate funds for additional vehicles. Mr. Rankin spoke of the benefits of purchasing equipment through the financing authority at today's dollars and paying for it later, thus avoiding later inflation costs.

Mr. Kohnen recalled there had been some question of the legality of the financing authority. Mr. Rankin reviewed the steps that had been taken to make a determination and said he was certain there was no problem as to its legality.

Mr. Kohnen mentioned that another advantage of that type of financing would be the short timeline required and Mr. Rankin agreed it could easily be accomplished within 60 days.

Mr. Kohnen thanked Messrs. Rankin and Numrich for coming to the meeting and for the information given to the board. Mr. Rankin and Mr. Numrich left the meeting.

Mr. Kohnen introduced Dr. Loomis and welcomed him to the board meeting.

MINUTES: Upon motion, duly seconded, the board unanimously approved the minutes of the regular board meeting of August 21, 1979 and the adjourned board meeting of September 11, 1979.

MOTION  
OTE

AWARD OF BUS BIDS: Mr. Dallas distributed copies of a bid proposal received from General Motors of Canada for nine 35' buses for \$108,000 per unit and a report on an invitation to bid for ten 30' transit coaches. Mr. Dallas advised that the district received no bids for the 30' buses, that there appears to be only one manufacturer who currently has high demand on their production. He said that manufacturer requested a postponement on the bid to December but he seriously doubted they would bid at that later date.

Mr. Dallas reported that the staff had anticipated bids from two Canadian manufacturers on the 35' buses but one did not bid because of heavy demand on their production. He said the district would be considered a small buyer and preference is given to larger districts. He noted in 1975 the 500 series buses cost \$65,000 per unit and, through 15% inflation per year, the current bid of \$108,000 would be comparable.

Mr. Dallas said the staff would recommend the district proceed to acquire nineteen 35' buses and forego rebidding of the 30' coaches, saying the main disadvantage would be some additional operating expense from 3 to 5 miles per gallon fuel usage compared with 6 miles per gallon with the smaller buses.

Responding to question by Mr. Langton of the maneuverability of the larger buses on certain routes, Mr. Rynerson replied that only the Friendly route would not accommodate that sized bus.

Mr. Dallas spoke of the advantages of the larger buses in additional seating and that having nineteen buses in one series would simplify purchase of spare parts, training of mechanics and would require purchase of a single power cradle assembly.

Mr. Booth said the district should never again fall into the trap of cost per mile as the basic purchase price of large buses is so much higher than small buses, the savings is never realized. Mr. Dallas responded that the initial cost of a bus is 10%, with 90% of the total being operating cost.

Mr. Booth suggested that with the inflation rate, a delay would waste more money and the board should determine the number of buses needed. Mr. Dallas said General Motors of Canada had indicated they could accommodate the larger order with no change in unit price, although the district would be required to verify that it is a competitive price. Mr. Langton said he objected to buying big buses but it appeared that is all that is available.

Mr. Dallas advised that UMTA has a procedure to justify a sole bidder and it would be necessary to obtain approval of the project budget change from UMTA. He said the bid remains effective for 30 days and the staff would need authority to contract, contingent upon approval by UMTA.

In a brief discussion of a 1982 bus purchase, Mr. Booth said the district should put the buses where the greatest ridership is anticipated and take advantage of the available capacity.

MOTION

Mr. Booth moved, and Mr. Langton seconded, the following resolution:

RESOLVED that the Board of Directors of Lane Transit District invest with Phyllis P. Loobey, General Manager, the authority to execute and sign contracts for the purchase of 19 bus units with General Motors of Canada in accordance with the bid proposal opened on September 18, 1979.

Responding to question by Dr. Loomis of the disposal of old vehicles replaced by new buses, Mr. Dallas advised they would be mothballed for a reserve in the event of an energy emergency, but there would be a reevaluation of which vehicles should be retired. He said some could possibly be leased by the district.

Mr. Herbert asked if the motion could be followed by a motion at a subsequent meeting to increase the number of buses. Mr. Kohnen said the board could consider it as a separate matter and study potential financing. Mr. Herbert said he wished to approve the motion, but not if it would close out the possibility of additional vehicles.

Mrs. Roemer commented that if the board wished to accelerate the process of obtaining additional equipment it has the option of using the financing authority and, with the rate of inflation, the vehicles would be worth more than the amount paid for them should it later be found they were not needed. Mr. Dallas said he did not believe General Motors of Canada had production capacity above the nineteen vehicles at this time and, if the quantity were increased to thirty, the district could possibly get a better price by going out to bid again.

Mr. Langton asked if it was practical to consider that many buses of this type and Mr. Dallas replied that, because of their reliability and favorable operating costs, he believed it would be.

Mr. Dallas said staff did not recommend purchase of the advanced design buses as they are in the \$120,000-\$130,000 price range and have been experiencing 10%-30% higher operating costs.

NOTE

The question was put on the motion and carried unanimously.

INCOME TAX SURVEY: The staff presented three sample questionnaires pertaining to the feasibility of pursuing the income tax, together with cost estimates from English Research Associates \$500, COM/STAT Community Profile \$925, and GMA Research with no cost as the questions would be included with the scheduled Benchmark Survey to begin October 1. The staff recommended utilizing the GMA Research survey and anticipated that the results could be made available for the November board meeting.

MOTION  
VOTE

Upon motion by Mr. Herbert, seconded by Mr. Langton, the board unanimously approved including the income tax questions with the GMA Research Benchmark Survey.

DISCUSSION ON VEHICLE ACQUISITION: Mr. Herbert said he wished to be assured that the district had explored all the possibilities in acquiring adequate vehicles. Ms. Loobey suggested seeking additional information in the following areas: 1) to ascertain the production capacity of General Motors of Canada and how soon they could respond to an additional order, and (2) if the board wished to utilize the financing authority, discuss with a local banking institution the financing of the buses in this manner. She advised that she had spoken with Charles Smith of Citizens Bank who indicated an interest in working with the district, although details and restrictions had not been explored.

Mr. Herbert said the urgency of the need for additional vehicles should also be studied and documented. Mr. Langton agreed, observing that although replaced vehicles would be put aside for emergency use it would, in effect, be increasing the fleet. Mr. Dallas said the 100 series buses are next scheduled

for retirement; that their operating cost is 45¢ per mile, while the larger 500 series cost 30¢ per mile. He suggested the board might wish to use the \$120,000 savings per year to purchase buses under the bonding authority and make a separate decision on whether or not to sell the 100 series buses. Mr. Langton said he could relate to that better than just buying new buses because they may be needed later, adding that he did not advocate getting rid of any old buses at this time.

The staff was instructed to research the questions of 1) document need, 2) availability of buses, and 3) how to finance them and report to the board at the earliest possible date.

PLANNING DIRECTOR: Ms. Loobey said she was advising the board with regret that David Rynerson has accepted a position with Seattle Metro and will be leaving the district at the end of the first week in October. She spoke highly of his contribution to the management team and of his dedication and loyalty to the district. Mr. Kohnen also thanked Mr. Rynerson for his service and expressed the gratitude of the board. Mr. Rynerson conveyed his appreciation to the board and to his excellent staff.

INFORMATIONAL ITEMS: Regular reporting for the month of August was presented on Finance and Budget, Marketing, Ridership and Operations.

The board was advised that Phyllis Loobey, Ken Powis and David Harrison will attend the annual APTA National Conference in New York the week of September 24th.

The meeting was adjourned.



Secretary