

MINUTES OF DIRECTORS MEETING
LANE COUNTY MASS TRANSIT DISTRICT
REGULAR MEETING

December 16, 1980

Pursuant to notice given to the Register Guard for publication on December 11, 1980, 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 December 16, 1980 at 7:30 p.m.

Present: Richard A. Booth, Secretary
Daniel M. Herbert, Vice President
Kenneth H. Kohnen, President, presiding
Robert C. Loomis
Glenn E. Randall
Carolyn Roemer
Phyllis Loobey, General Manager
Mavis Skipworth, Recording Secretary

News media representatives:
Marvin Tims, Register Guard
Barry Johnson, KVAL

Absent: Ted J. Langton, Treasurer

INTRODUCTORY REMARKS BY PRESIDENT: The chairman stated that he wished to mention several items of current interest to the district. He advised that Governor Atiyeh has presented his proposed budget for the 1981-83 biennium which includes a program to provide payments to transit districts in lieu of state payment of local payroll taxes and he cautioned that it would take strong support to get it passed by the legislature. He reported that the LTD Subcommittee of the Eugene Area Chamber of Commerce had at its meeting the previous day expressed support for the program.

Mr. Kohnen then spoke of the uncertainty of federal operating grants through the new congress and said it is fairly certain that there will be a delay in the funding of operating grants. He said there is a possibility that the district could benefit by a different formula for distribution of funds that previously have favored heavily populated areas.

He noted that the current revenue shortage is about what staff had projected and that the expenditure reductions approved by the board are being implemented. This, he said, has resulted in more layoffs than anticipated. He advised that most transit properties are experiencing financial shortages and stressed the importance of meeting the needs for public transportation through long range planning. He said that at a future meeting, the board must determine planning guidelines for restoring service in the event revenues are improved and that any services to be added would not necessarily be those deleted in the cutback.

Mr. Kohnen called attention to an agenda item to award a construction contract for Chuck's Auto Service building, saying there seemed to have been a

misunderstanding for the financing of the construction and the question of why it should be done at a time when employees have been laid off. He explained that these were necessary improvements to increase long range efficiency and capability with the funding from grants previously approved that could be used solely for that purpose.

The chairman advised that a work session was recently held on the route review now in process and that those board members who were unable to attend would have an opportunity to attend another presentation.

AUDIENCE PARTICIPATION: Nick Urhausen, Eugene, reported writing a letter to the editor of the Register Guard expressing his objection to the fare increase. He spoke of his wife's dependency upon the buses, saying the increased fare has necessitated her taking fewer trips, and of his brother who had been a regular patron but now is considering using a bicycle for his transportation needs. He listed ridership and revenue figures through the history of the district, pointing out that if the rates had not been raised, the increased ridership would have yielded higher revenues of approximately \$40,000 per month.

Dr. Loomis replied that systems all over the country, including those that have not increased fares, are experiencing marked ridership drops and that retailers have indicated that people's shopping trips have decreased.

Mr. Urhausen said he understood that Tri-Met's ridership had increased and that this district had an immediate ridership drop when the fare was raised. He said the increase had alienated people and perhaps would have been more acceptable if the increase had been gradual.

Mr. Booth said he believed more revenue was being generated at this time than would have been under any other rate structure and that the district did not raise its rates for a number of years.

Responding to comment by Mr. Booth that the current fare is comparable to other transit systems, Mr. Urhausen said it would be a fair price in large cities where people travel greater distances but, in a small city, is too expensive.

MAR%STAT STUDY: Mr. Kohnen advised that subsequent to the last board meeting, MAR%STAT has distributed additional information on the sampling techniques of the surveys.

LaDeane Pryor, MAR%STAT, expressed appreciation for the opportunity to present their final report on the opinion study. She stressed that the result of one question correlates with others and urged that the report should be looked at as a whole.

Wally Cummings briefly reviewed the background and qualifications of MAR%STAT and reiterated that the survey containing mail and telephone samples amounted to two and a half times the necessary minimum sample required for statistical reliability.

Responding to question by Dr. Loomis of the formula used for statistical variation, Chris Pryor displayed and computed the formula, saying they had taken the highest possible percentage of variance to be certain the results were valid.

Mr. Cummings reiterated the necessity of using the results as a whole rather than emphasizing only certain aspects of the material. He summarized the results of the survey, saying the district enjoys a positive image, is keeping the public well informed and is perceived as having courteous drivers. He listed the responses of non-riders in reasons for not riding the buses. He spoke of the wide acceptance of exterior advertising, observing that the increased acceptance was perhaps due to relating it to a revenue source.

Mr. Pryor listed ten marketing conclusions resulting from the study that MAR%STAT indicated could be used as resource tools.

The chairman thanked the representatives of MAR%STAT for attending and for their presentations.

MOTION Mr. Randall moved and Mr. Herbert seconded the motion to accept the MAR%STAT report. Following response to question by Dr. Loomis that acceptance would not mean approval of the conclusions, the question was put and the motion carried
VOTE unanimously.

MOTION APPROVAL OF MINUTES: Upon motion by Mr. Randall, seconded by Mr. Herbert, the minutes of the November 18, 1980 regular meeting and the December 2, 1980
VOTE adjourned meeting were unanimously approved as distributed.

CONTRACT AWARD - CHUCK'S AUTO SERVICE BUILDING REMODEL: Mr. Herbert reported that the Architectural Subcommittee had reviewed the project and bids with the architects and reached the conclusion and recommendation that a contract should be awarded to Landmark Commercial, Inc., in accordance with their bid.

MOTION Mr. Randall moved, seconded by Mr. Booth, to authorize Phyllis Loobey to enter into a contract with Landmark Commercial, Inc., in the amount of \$119,632 for remodeling of the Chuck's Auto Service building in accordance with the bid proposal opened on December 2, 1980 (Bid File No. 80-12).

Dr. Loomis spoke in favor of the motion, saying the bids were close and competitive, that the subcommittee had reviewed them carefully and was convinced that this company would do a good job. The question was put and carried
VOTE unanimously.

MOTION EXTERIOR ADVERTISING: Mr. Randall moved that the district enter into a contract for combined interior and exterior advertising with Oregon Transit Advertising in the amount of \$151,000 or 30% of gross revenue, whichever is greater, in accordance with the proposal opened December 5, 1980 (Proposal File No. 80-11). The motion was seconded by Mr. Booth.

Responding to question by Mr. Booth of the size and reliability of Benedict Communications, the parent company, Mr. Bergeron said it is a California firm in Delmar County doing advertising for five districts approximately the size of LTD, that they are a member of the national advertising association and respected in the field. He said they have a more educated awareness of this local market as they have spent considerable time studying the area.

Mr. Booth expressed further concern that Benedict Communications might not be held responsible for Oregon Transit Advertising actions. Mr. Bergeron assured that they would be bound by contract and that any restrictions deemed appropriate could be included in the contract.

Bruce Capelli of Advertising Services, Inc., advised that his company would have an agreement as a sales arm for the selling of the advertising, that the district's contract would be with Benedict Communications. He said Ad Services would be responsible only for the sale of the advertising, while the production of signs, installation, repairing and removal would be a function of Benedict, and that Benedict Communications would shortly open an office in this vicinity. He spoke of his assurance that they have performed well for other districts and of his confidence in their capability.

Mr. Randall expressed concern for the content and subject matter of both inside and outside advertising and asked that a subcommittee be formed to determine specific guidelines before a contract is entered into.

Dr. Loomis concurred, but said it was his understanding that this had received previous consideration and that an advertising firm had refused to be limited in their contract. Mr. Bergeron recalled that there had been previous discussion but said recent research has indicated that including restrictions is common and widely accepted in the transit industry.

Mr. Booth cautioned that the restrictions should be tempered so as not to lose revenue or cause the contractor to refuse to contract on that basis.

Ms. Roemer questioned the cost of preparing the buses for exterior advertising. Ms. Loobey advised that the installation of the mountings will be completed on the district's property and that the district will be reimbursed for labor and the brackets.

Mr. Kohnen commented that in addition to content, there could be additional restrictions, such as exactly how much advertising should be placed on each vehicle.

Mr. Randall said he would be opposed to omitting political advertising as included in Tri-Met's restrictions, as that type of advertising usually brings in higher revenues and is paid for in advance. Mr. Kohnen suggested staff could contact Tri-Met to learn their reason for not including that type of advertising. Mr. Booth agreed, saying he had no objection to liquor or political advertising but that all ads should be in good taste.

Dr. Loomis asked if a percentage of gross sales might give greater revenue than a fixed fee. Mr. Bergeron said that as this is a new program and the local advertisers will have to become convinced that it is a viable means of advertising, staff believes a guaranteed amount would be to advantage at this time, but it would be well to look at a percentage basis later.

AMENDING
MOTION

Mr. Randall amended the motion that before a final contract is entered into, the contract will be prepared in finished form with any restrictions to be included. Mr. Herbert seconded the amending motion and it carried with favorable vote by Herbert, Kohnen, Loomis, Randall and Roemer. Mr. Booth opposed the amending motion.

VOTE

Mr. Booth said he voted against the motion as he perceived it as a delay and he was interested in proceeding with it as quickly as possible.

VOTE

The question was put on the main motion, as amended, and it carried unanimously.

The chairman appointed Messrs. Booth, Randall and Kohnen to serve as a subcommittee to determine restrictions on exterior and interior advertising and to present their recommendations to the board at the earliest possible time.

Mr. Randall asked to be excused from the meeting and left.

MOTION TEMPORARY INCREASE IN WARRANT LIMIT: Mr. Booth moved that the appropriate officers be authorized to borrow up to \$750,000 from Bank of the Northwest until such time as Section 5 Operating Assistance funds are received. Mr. Herbert seconded the motion.

Mr. Shinn presented two cash flows, one including receipt of a SAIF retro adjustment of approximately \$160,000 and Section 5 funds, and the second showing a more pessimistic financial status if the funding does not arrive in January.

VOTE The question was put and carried unanimously.

MOTION MONTHLY PASS FOR HANDICAPPED RIDERS: Dr. Loomis moved and Mr. Herbert seconded the motion that the board not authorize the issuance of handicapped passes and the motion carried unanimously.

VOTE

APPOINTMENT OF BUDGET COMMITTEE MEMBER: Carolyn Roemer submitted the name of Carol Erbe for the position on the budget committee vacated by Mary Lou McCarthy. She gave a brief summary of Ms. Erbe's activities in the community.

MOTION Ms. Roemer moved that Carol Erbe be appointed to a three year term beginning January 1, 1981. Mr. Herbert seconded the motion. Mr. Booth noted that there would still be a vacancy and said he would prefer to appoint both new members at this time. The question was put and carried unanimously.

OTE

MOTION BUDGET OFFICER: Mr. Herbert moved, seconded by Mr. Booth, that Paul Shinn be appointed Budget Officer for fiscal year 1981-82. Mr. Booth observed that this would probably be the most important staff position in the year, considering the financial aspects of the transit district, and that he was certain Mr. Shinn would conduct the duties in that light. The motion carried unanimously.

VOTE

Mr. Booth asked if a meeting date should be set for executive session on labor negotiations. Ms. Loobey advised that preplanning work is beginning with representatives of Cascade Employers Association and a meeting could be set late in January. Mr. Booth encouraged setting staff salaries prior to going into labor negotiations.

Discussion followed on setting a date for the second presentation of the comprehensive service redesign. Ms. Bevington said she would contact all participants for a January 14, 1981 meeting to be held between 7:00 and 9:00 a.m. and report back. Mr. Kohnen said that any new input to refine the guidelines would be welcomed.

STAFF PROGRAM/BUDGET REVIEW: Ms. Loobey advised that each staff person has been instructed to review their current budget and to reprioritize their programs to determine if any should be delayed or cancelled.

OREGON TRANSIT ASSOCIATION CONFERENCE: Ms. Loobey report that staff has been informed by Senator Fadeley and Lee Johnson that the upcoming budget session of the legislature will be most difficult and that the in lieu of tax measure should be given considerable support.

OREGON TRANSPORTATION COMMISSION MEETING: Ms. Loobey advised that Denny Moore, Administrator of the Public Transit Division, has arranged a meeting between the district's board and the Oregon Transportation Commission, to be held January 20, 1981 in Salem. She said this is the first time the district has received an invitation to discuss its highway related transit projects and she urged a good attendance. She said further information will be forthcoming on the meeting.

OREGON ETHICS LAW: The board was advised of a workshop on Oregon Ethics Law to be held in Eugene on January 17, 1981 and of the opportunity for any board members who so desired to attend.

WORKERS COMPENSATION STUDY: The board was advised that the Koford-Chapman's investigation of potential Workers Compensation savings to the district had resulted in no premium savings and, therefore, no cost to the district for the investigation.

MARKETING REPORT: Dr. Loomis referred to the MAR%STAT report and said he believed the national statistics would have come to every conclusion presented, that nothing in the report surprised him although he did not agree with the first conclusion that stated that ridership loss was due to a great extent from the fare increase. He said the report was subjective, there were contradictions throughout it, and he was not impressed with it.

Mr. Booth said he believed the former studies were clear and easy to make decisions by, while this one was not and that he would prefer to use the services of GMA another year to have greater continuity.

SAFE MILES: Tim Dallas explained that the Safe Miles graph showed a dramatic drop as incidents and accidents are counted equally and the graph does not give a true representation of occurrences, but is an indication of the total fleet on the road.

MOTION ADJOURNMENT: Mr. Herbert moved, seconded by Dr. Loomis, that the meeting be adjourned to December 31, 1980 at 7:30 a.m. in Perry's Restaurant for the purpose of receiving the Advertising Subcommittee's report. The motion carried
VOTE unanimously.


Secretary