

MINUTES OF DIRECTORS MEETING  
LANE COUNTY MASS TRANSIT DISTRICT

ADJOURNED MEETING

March 10, 1981

Pursuant to notice given to the Register Guard for publication on March 5, 1981, and distributed to persons on the mailing list of the District, an adjourned meeting of the Board of Directors of Lane County Mass Transit District was held at the City Hall, Eugene, Oregon, on March 10, 1981, at 7:30 p.m.

Present: Daniel M. Herbert, Vice President  
Kenneth H. Kohnen, President, presiding  
Ted J. Langton, Treasurer  
Robert C. Loomis  
Carolyn Roemer  
Tim Dallas, Acting General Manager  
Jo Sullivan, Recording Secretary

News Media Representatives:  
Marvin Tims, Register Guard  
Shirley Hancock, KVAL-TV  
Rosemary Reed, KEZI-TV

Absent: Richard A. Booth, Secretary  
Glenn E. Randall

INTRODUCTORY REMARKS BY BOARD PRESIDENT: Mr. Kohnen called the meeting to order and remarked that the Board had a fairly lengthy agenda. He informed the Board that Phyllis Loobey was in Washington, D.C. attending a conference of the American Public Transit Association, and Tim Dallas, as Acting General Manager, was attending the meeting in her absence. Mr. Kohnen added that he would like to add the topic "legislative report" in the Items for Information section of the agenda.

AUDIENCE PARTICIPATION: Steven Brye, of 1670 Alder Street, Eugene, informed the Board that he is in the process of completing his Master's thesis in urban planning at the University of Oregon. In doing research for his thesis, he studied Lane Transit in the corridor between the UO and the downtown mall, and looked at many ways to modify the system in that corridor. He said that of all the things he looked at, only one proved to be useful in the near term: secondary price discrimination. He explained that now all fares are the same, which is fine for people who travel two

miles or more, because it costs about 20¢ a mile to travel by car. However, he said, for the person who only goes to the downtown mall from a short distance away, it is not a good deal. Mr. Brye suggested that for a one mile corridor to the mall, or for any other short distance, the District could offer rides at one-half the regular fare, and give no transfers. He thought such a program would bring new riders to the buses, because the regular riders now seem to be long-distance riders who normally need to transfer.

Mr. Brye said that Tri-Met would be implementing an honor system soon, and that LTD might want to watch their system for awhile to see how it works. He added that his idea of secondary price discrimination is the one thing he studied that could possibly bring more money to LTD, by attracting new riders, and would also strengthen the downtown mall area. Mr. Brye then offered to give copies of his thesis to members of the Board and staff when it is completed.

There was no other audience participation at this time.

MOTION  
VOTE

APPROVAL OF MINUTES: Upon motion by Mr. Herbert, seconded by Mr. Langton, the minutes of the February 17, 1981 regular meeting were unanimously approved as distributed.

ADVERTISING CONTRACT: Mr. Kohnen called the Board's attention to two papers which were handed out at the meeting: a memo from staff with suggested changes to the advertising contract, and a letter from the City of Eugene Public Works Department. As background, Mr. Kohnen reminded the Board that in November they agreed to a contract with Oregon Transit Advertising, Inc., for advertising on the buses, and the staff drew up a contract. He advised the Board that a copy of that contract was included in the agenda, with a memo from Ed Bergeron, Marketing Administrator.

Mr. Kohnen went on to say that the matter of advertising on buses would now have to go before the Eugene City Council for changes to the sign code. He stated that LTD had relied on their competent legal counsel and had acted in good faith in deciding on an advertising program, but that there recently arose a question regarding the legal interpretation of whether or not advertising should be allowed on the buses. The Eugene Planning staff addressed that matter and the Assistant City Attorney is of the opinion that some changes will be needed in the sign code. Hearings will be held at the Eugene Planning Commission (April 7) and at the Eugene City Council (April 27) on this subject.

The Eugene Planning Commission staff have agreed, Mr. Kohnen said, to put an emergency clause on the ordinance so that if it is approved by the City Council it will go into effect immediately. If so, advertising would begin in early May, which is about four to six weeks later than the District had hoped. Mr. Kohnen added that the District's contractor, Mr. Benedict, is anxious to have this matter cleared up.

Ed Bergeron informed the Board that the staff are requesting that the Board endorse Phyllis Loobey to take this matter to the City Council so the changes to the sign code can be approved. Mr. Kohnen added that the staff are also asking the Board to approve the advertising contract.

Dr. Loomis asked why the District is asking for an exemption if it was correct in the first place. He said that at the last Board meeting the Board had had a report from the District's attorney saying that the bus advertising policy was legal, and that his own motion at the last meeting was intended to put a stop to all the uncertainty.

Mr. Kohnen responded that the District's attorney is still of the opinion that on-board advertising is legal; however, the city attorney is of a different opinion. At the present time, he said, the Board had to decide whether to argue over the legalities of its present position, or whether that would be defeating its purpose, which is to get advertising on the buses. He added that the District did have a problem with Mr. Benedict, who wants the matter cleared up before he makes a greater investment in the program, and that the Board should be looking for the most expeditious way to continue with the advertising program.

Dr. Loomis asked if the District is admitting, by asking for an amendment, that there is a legal problem. Tim Dallas responded that there are two different legal opinions, and that the contractor sees the two opinions as a problem that may be harmful to him. In answer to a question posed by Mr. Langton, Mr. Dallas and Mr. Bergeron assured the Board that whether or not there is a legal problem, the advertising program has been stopped by Mr. Benedict until there is a resolution to the uncertainty surrounding the program. Mr. Bergeron added that the opinion of the city staff now is that Lane Transit District's on-board advertising program does not fit the sign code, and that the District staff now know that the city staff would enforce the sign code, as it now stands, against the District.

Mr. Herbert remarked that he could understand the contractor's need to have all this clarified, and said that it seemed to him that the easiest way to clarify it is to change the code as quickly as possible. He added that LTD and the City Council should work together to find the best solution for the benefit of the community.

In response to a question by Dr. Loomis, Mr. Bergeron informed the Board that the initial opinion regarding the legality of the advertising program was made by the day-to-day staff of the city, and was reinforced by the District's attorney. Mr. Dallas said the District had relied on the city staff to give an opinion that reflected the opinion of the higher city staff, but as the first analysis reached the higher levels of city staff, the opinion was changed. Mr. Kohnen added that this is the first time the city attorney had stated an opinion on this matter.

Dr. Loomis remarked that he hoped the District had learned a lesson from this problem, and next time would not rely on someone who was not

qualified to answer a question, but would go directly to the person responsible for making such decisions. He added that that day he had received a call from a major advertiser who would no longer be willing to participate in the on-board advertising program.

Mr. Kohnen remarked that if the District's advertising program does not fall under the regular sign code when it is amended, it may be possible to eliminate some restrictions also, such as the restriction on hours and prices.

## MOTION

Mr. Langton moved that the Board adopt the staff recommendation--that is, that Phyllis P. Loobey be authorized to sign the enclosed contract with Oregon Transit Advertising and to represent the District's interest in sign code amendment proceedings before the Eugene Planning Commission and City Council. Dr. Loomis seconded the motion.

At this point, Mr. Kohnen called the Board's attention to two handouts received at the meeting, noting especially the recommended changes to the advertising contract. The first change is obvious, he said, because the date of the agreement needed to be left blank due to the delay in beginning the advertising program. On page 2 of the contract, section III RENTAL, the first paragraph has been changed as suggested by Randall Bryson, to make it more clear. Mr. Dallas added that at this point, the memo with the suggested changes should be considered as part of the staff recommendation and contract.

Dr. Loomis asked a question regarding the contract, to which Paul Shinn responded that in the previous proposal, the District was to receive money yearly, but in the contract as written, money would be received monthly. He explained that it is to the District's benefit to receive the money monthly, and it would make the advertising company's bookkeeping easier, as well.

Mr. Herbert told the Board that unless there was some objection, he would attend one or both of the city hearings as an individual, not as a member of the Board, to testify regarding the advertising policy and sign code. Dr. Loomis said he might do the same.

## VOTE

There being no further discussion, the question was put and the vote was unanimous in favor of the motion.

RISK MANAGEMENT FUND: Paul Shinn informed the Board that the purpose for a risk management fund is to fund liabilities that aren't insured. He explained that in the SAIF cash flow, the District pays cash for claims and a percentage to SAIF to administer the program, rather than paying a massive payment at the end of the year and having them hold money toward possible claims. He pointed out that a risk management fund would protect our reserves for general operation, and would provide accountability for where our risk dollars are going.

Mr. Kohnen asked under what circumstances the money would be put into the fund, and where it would come from. Mr. Shinn responded that it would be transferred from the general fund at the end of the year or during the year; that money would be transferred as the need to pay liabilities arose.

Tim Dallas asked how it was determined that money for worker's compensation claims would be needed, to which Mr. Shinn replied that the District is billed monthly from SAIF for actual claims and quarterly for processing. He said the staff anticipate from past experience, and basically handle it just as an insurance company would.

Mr. Kohnen introduced Mr. John Janzen, who has been working with Sam Houston on a risk management program. Prior to his association with Sam Houston, Mr. Janzen was risk manager for the City of Eugene. Mr. Janzen explained to the Board that a risk management fund proves to be an effective accounting method to find out what the costs are and where funds are coming from and going, and is an excellent way to be sure the District is properly protected. As an example of a program he has worked with, Mr. Janzen said that the City of Eugene fund is much larger than LTD would have, but the worker's compensation program has almost completely paid for itself from the investments because claims paid per month are smaller and investment income is in the hands of the city rather than the insurance company. He further stated that over the last three years, the City of Eugene has saved almost \$1 million by using this type of risk management program. They have a reserve account of around \$850,000, with a total fund of about \$2 million.

Mr. Janzen also explained that as this type of fund returns profits, that money is returned back to general operations funds, and that this program would work within the budget amount, not put more money into the program than was already budgeted. Mr. Shinn added that it would probably use less than the budgeted amount because the District's claims have been running lower than anticipated. He also explained, in response to a question asked by Ms. Roemer, that a risk management program would not sever the District from SAIF. The funds would still be administered through SAIF, but the District would keep money for future claims rather than having SAIF keep those funds for us.

#### MOTION

Ms. Roemer moved to adopt the resolution on page 23 of the agenda packet. Dr. Loomis asked how the District would get money back if the fund is so successful that it earns more than enough to pay the claims. It was his understanding that any money earned had to be retained in that account. Mr. Janzen explained that a risk management fund only needs enough money designated to meet certain funds. The District could declare a surplus at audit, through the budget process, or by supplemental budget, and return the surplus money through a transfer to the general fund. Dr. Loomis seconded the motion.

Mr. Kohnen asked if by establishing this fund, the resolution carried a commitment for a particular amount of money. Mr. Shinn responded that

VOTE

it would take a Board resolution before any money would be put in the account, after the staff prepared a study to determine a reasonable amount, taking into account experiences through the last few years. The questions was put, and the vote was unanimous in favor of the motion. The resolution, as approved, is attached to these minutes. Mr. Kohnen thanked Mr. Janzen for his helpful explanation.

CHANGE IN SENIOR CITIZEN FARE AGE POLICY: Mr. Kohnen introduced this subject by saying that it was brought to the Board because of a second request from the Spgingfield Chamber of Commerce. Mr. Bergeron referred the Board to pages 24 and 25 of the agenda packet, and introduced John G. Alden of the Springfield Chamber of Commerce. Mr. Alden passed around a booklet and sample identification card to the Board members. He referred to the staff estimate in the agenda packet that the District would lose approximately \$26,040 per year if the senior citizen fare age were dropped from age 62 to age 60, and said that the Chamber of Commerce would not ask the District to lose that kind of revenue. He explained that he had originally planned to ask the Board to authorize the recognition of age 60 for senior citizen fares, instead of the present age 62, but now the Chamber would like to ask the District to join in their program by paying \$20.00 to be listed in their participant booklet, and to recognize the green card issued under their program as proper identification for senior fare. Although the cards are issued under their program to persons 60 years old or older, the date of birth is on the card, and drivers could check quickly to see if the person is 62 or older. The Springfield program is attempting to discontinue use of so many different senior citizen identification cards, and would find it helpful if LTD would agree to recognize their cards for bus riders.

Mr. Dallas remarked that, whether or not the District contributes the \$20.00 and participates in the booklet, the seniors are going to have these cards and will try to use them on the buses. He thought it would be to the District's advantage to be listed in the book and state LTD's recognition of age 62 instead of age 60, so that Springfield seniors would be aware of the difference.

MOTION

Mr. Herbert moved that the Board leave the senior discount fare age at age 62 and appropriate \$20.00 for participation in the Springfield Chamber of Commerce's Senior Citizen Identification Card Program participant booklet. Dr. Loomis seconded the motion, and the vote was unanimous in favor of the motion.

VOTE

APPOINTMENT OF BUDGET COMMITTEE MEMBER: Mr. Kohnen informed the Board that Mr. Randall had submitted the name of John DeWenter to fill the position vacated by George Baker, and directed the Board's attention to Mr. DeWenter's resume on page 26 of the agenda packet.

MOTION

Mr. Herbert moved to appoint John DeWenter as a budget committee member. Dr. Loomis seconded the motion, and the vote was unanimous in favor of the motion.

VOTE

LEGISLATIVE REPORT BY ACTING GENERAL MANAGER: This topic was inserted into the Board agenda for the evening. Tim Dallas informed the Board that the Governor's funding measure was out of the Governmental Affairs Committee and had been sent to the Revenue Committee to clarify a minor problem. He added that there will most likely be no problem with the bill in committee. Mr. Dallas also said that the bills regarding the 20¢ senior fare and the abolition of the senior fare have both died. In addition, House Bill 2475, to apply the payroll tax to public employers, has been amended to a 10-year phasing period; SB 512 is still active; and SB 71, to allow public transit to set up a pool to buy buses, is still active.

Mr. Dallas added that OTA has not officially taken a position on any bills. So far, testimony on bills by OTA and Phyllis Loobey has been as background information, and there has been no statement by OTA or Ms. Loobey that they support any bill. Dr. Loomis said that LTD should support the Governor's bill, to which Mr. Dallas responded that OTA would be meeting on March 20, and any Board members who wished to or could attend should do so. Dr. Loomis asked if the Board should take a position by passing a resolution, or if the members should approach OTA individually. Mr. Dallas answered that if the Board wished to pass a resolution in support of a bill, Ms. Loobey would testify before OTA in support of that bill and OTA would take note of the fact that LTD is in favor of it.

Mr. Dallas explained that OTA, as an organization, does not take a position on a bill unless there is unity among all members. They rely on individual member districts to support or lobby for other bills.

Mr. Kohnen suggested that the Board could adopt a measure saying that LTD supports the Governor's bill, and Ms. Loobey could take it to the March 20 OTA meeting. Mr. Dallas added that the Board could direct the staff to send a letter to the committee.

MOTION

Dr. Loomis moved that the Board go on record as supporting the Governor's bill and the appropriation part of that bill (HB 5018), and that LTD testify and write letters to the appropriate committees. Mr. Langton

VOTE

seconded the motion, and the vote was unanimous in favor of the motion.

MOTION

Dr. Loomis then moved that the Board consider support of the bill that directs other agencies to pay payroll tax (HB 2475). He added that he believes HB 2475 to have some merit, and that part of the problem that all municipalities have is that the cities, counties, and state don't pay any taxes into the district, yet they are the biggest users, and that he believes that the people using a system should pay for it. Mr. Langton seconded the motion.

Ms. Roemer asked what would happen if those other public districts asked LTD to pay road user fees, etc., to which Dr. Loomis responded that he felt it would happen anyway. Paul Shinn stated that the bill says that the State of Oregon and all political subdivisions are included in the

definition of employer, in regard to ORS 267.385, and added that it is in either the Federal constitution or the state constitution that no government shall tax other governments. Mr. Dallas stated that HB 2475 has lots of opposition from the League of Oregon Cities, and that it has been amended to include a 10-year phasing-in period.

Dr. Loomis remarked that he thought the District should take advantage of any sources to have some of the users begin to pay tax. He added that he didn't think there was much chance of the bill passing, but did think the District should support it. Tim Dallas informed the Board that the last time this bill was introduced to the Legislature, it came within three or four votes of passing.

Mr. Kohnen stated that the risk in supporting this bill is that the city could find many ways to charge the District for things such as road repair, parking at 10th Avenue, etc. Mr. Shinn added that the fire districts, school districts, Lane Community College, etc., would be included in the newly-taxed subdivisions.

VOTE

With no further discussion, the question was put, and the vote was unanimous in favor of the motion.

PARK 'N' RIDE: Mr. Bergeron remarked that there had been a lot of telephone calls to Information Services regarding when buses will be going by Park 'N' Ride lots, and that there seems to be a genuine interest in the program. Tim Dallas added that the downtown shuttle, sponsored by the Downtown Development Board, would be discontinued as of April 1, 1981.

ACCESSIBLE SERVICE: Leon Skiles informed the Board that accessible service would be implemented on March 29. All drivers have had 1½ hours of classroom training and 2½ hours on the street, with contact with handicapped persons during training. He remarked that there had been an attitude change from apprehension to assurance that the program will work. Mr. Skiles said also that there has been a training program for users before they will actually begin using the service, as well as informing the public that the service will be offered.

Mr. Skiles told the Board that the lift function, either for boarding or getting off the bus, takes about one to one and one-half minutes, depending on the skill of the user. Since there is a recovery time of about five minutes built into the routes, the time for using the lifts did not appear to be a problem. He added that the staff would monitor accessible service by route so that service can be shifted to high use areas. There will be 14 accessible buses in use with four in reserve, so that in case of breakdown, an accessible bus can be replaced with another accessible bus. Mr. Dallas added that a 500-series bus cannot be used to replace a lift bus that breaks down, but a lift bus can be used to replace a 500 bus that breaks



down. He said, also, that the District will carry most of the load of its service on 700's and 500's rather than 500's and Twin Coaches, which break down and are expensive to operate.

Mr. Skiles closed by saying that the District initially had mechanical problems with the lifts but he thought those problems had been worked out, and that he thought the District probably had one of the most dependable pieces of equipment on the road.

Dr. Loomis commented that if a bus had to pick up more than one wheelchair on one route it would be about 10 minutes late. Mr. Dallas responded that the bus drivers and supervisors had the same impression before they started the training program, but the training showed that it is not that complex, and once they learned the process, it was not that difficult. Leon Skiles added that it is hard at this point to tell what ridership the District would have. He said that Seattle has about one or two rides per bus per day, which is the best accessible ridership in the nation. Eugene is a very accessible city and has a mobile handicapped community already, so his guess is that LTD could have two to three rides per vehicle per day, and that the LCC routes will be especially high.

Hank Perry, a District bus operator, spoke from the audience and said that he believed that if a bus has used part or all of the five-minute leeway during the route, a person in a wheelchair who has to go to Section A from Section E is not going to have time to get there, and recommended that more time be built into the routes.

Dr. Loomis and Mr. Skiles agreed that it would be better to wait and react to experience than to make changes before it is known if there actually is a problem.

COMPREHENSIVE SERVICE REDESIGN: Paul Shinn reminded the Board that the April 4 Transit Fair will be used to unveil the redesigned service. He said the staff were requesting that the Board meeting be adjourned to an evening meeting on April 7 for a Board work session on the Comprehensive Service Redesign. He also reminded the Board that the April 21 Board meeting was scheduled for Board adoption of the new plan.

At this point, Dan Herbert said he would like to observe that the staff information and presentations at the public meetings had been very good, and he would like to compliment the staff on work that was beautifully done. There was agreement among the Board members.

PROPERTY IMPROVEMENTS: Mr. Dallas drew the Board's attention to the information on property improvements in the Agenda Notes of the Board packet. He said that there were still some decisions to be made, probably at the next Board meeting, and to be taken to the Architectural Subcommittee before that. Those improvements include improvements on the house, the information building, and site landscaping. He added that the staff are working on a cooperative deal with neighborhood groups, in which they would supply the labor if the District supplied the products.

FEDERAL FUNDING OUTLOOK: Paul Shinn said that after reading that evening's paper, everything written in the Agenda packet had changed. In the packet it said that the District could expect a cut in operating assistance of from zero to one-quarter the first year. In capital assistance, he said, there may be a slight drop, although the District did not have any capital funding programmed for the next couple of years. The next few years may be more drastic because President Reagan wants to eliminate operating funds. Dr. Loomis remarked that the states will have to support their own transportation programs, and that LTD needs to support the two bills discussed and voted on earlier.


ETHICS WORKSHOP: Paul Shinn told the Board that the main point made at the Ethics Workshop he attended was that, when in doubt, declare a conflict of interest. Oregon has one of the most lenient ethics laws, and a person does not have to abstain from voting as long as he/she makes it clear that a possible conflict of interest has been declared.

Along this line, Mr. Kohnen asked if anyone on the Board has received Ethics packets that need to be filled out for the coming year. No one had, and Paul Shinn agreed to check into the matter.

MONTHLY REPORTING--FINANCE AND BUDGET: Mike Merrell announced that the only significant thing to report was that the payroll tax revenue was at that time only about \$20,000 short of the original projection made in June, and that the District could still receive \$20,000 in March, so the bottom in that area seems to have been reached and things are heading back up.

RIDERSHIP REPORTS: Tim Dallas mentioned that ridership seemed to have gone down somewhat in February, and Paul Shinn said the only thing he could think of that may have affected it was the good weather that month.

ADJOURNMENT: With no further discussion, it was moved and seconded to adjourn the meeting to an adjourned Board meeting at the Eugene Municipal Federal Credit Union at 7:30 p.m. on April 7, 1981. Dr. Loomis voted against the motion, the rest voted in favor of it, and the motion carried.

  
Secretary