

MINUTES OF DIRECTORS MEETING  
LANE COUNTY MASS TRANSIT DISTRICT  
REGULAR MEETING

May 19, 1981

Pursuant to notice given to the Eugene Register-Guard for publication on May 14, 1981, 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 May 19, 1981, at 7:30 p.m.

Present: Richard A. Booth, Secretary  
Daniel M. Herbert, Vice President  
Kenneth H. Kohnen, President, presiding  
Ted J. Langton, Treasurer  
Robert C. Loomis  
Carolyn Roemer  
Phyllis Loobey, General Manager  
Jo Sullivan, Recording Secretary

News Media Representative:

Steve Myers, Eugene Register-Guard

Absent: Glenn E. Randall

INTRODUCTORY REMARKS BY BOARD PRESIDENT: Mr. Kohnen informed the Board that the Eugene City Council and Planning Commission would hold a joint meeting on Wednesday, May 27, in the McNutt Room at City Hall, at 12:30 p.m., in order to consider exterior advertising for District buses.

PUBLIC HEARING--SECTION 5 OPERATING ASSISTANCE: Mr. Kohnen stated that Section 5 funds are operating funds from the Urban Mass Transportation Administration, and that a copy of the application for these funds was distributed with the agenda materials. He added that one of the criteria for submitting an application is the holding of a public hearing, and that a resolution for application was included in the agenda packet as an item for action.

Mr. Kohnen then declared the public hearing to be open.

He then remarked that a total of \$867,000 was received for the current year and that it will probably be somewhat less for the next fiscal year,

although we can't be sure how much will be available. He then asked if anyone wished to testify or ask questions.

Clark Cox, 1085 Patterson, #9, Eugene, stated that any money the District could obtain is urgently needed. He said he saw in the agenda that \$21,000 has to be paid for architects' fees, which wasn't anticipated, and wondered if that money had to come out of services. He thought that even a small amount of money would be of help to the District.

There was no further testimony on this matter and the hearing on operating assistance was closed by Mr. Kohnen.

AUDIENCE PARTICIPATION (Other than Operating Assistance): Sherry Ferlaak, 564 Lindale, #23, Springfield, spoke as a representative of the English as a Second Language Program at Lane Community College. She said that a month ago some people from that program requested of the Board that Indochinese refugees, who are now attending or who would like to attend the English as a Second Language (ESL) program but are unable to do so because of a lack of transportation and because of their inability to afford bus passes due to their marginal incomes, be given bus passes for the first six months or year from the time of arrival in Eugene. She explained that Lane Community College is for adults age 16 and over, and that there are Indochinese refugees in this area who are unable to attend classes and are therefore unable to learn English and become job-ready, and perpetuate the cycle of lack of acculturation and dependence upon sponsors or social services.

Ms. Ferlaak said that she understands that LTD is feeling the burden of cutbacks, but that these people exist in the community and their needs are real. She stated that the request is for people taking level 50 to 200 classes (pre-literate to low-level), and that LCC would schedule those classes for when the District has the lowest ridership so the refugees wouldn't take away from paying ridership.

Mr. Kohnen reminded the Board that at the last meeting there was a motion to approve the request, which did not carry, and then there was a motion to refer the matter to staff, which also did not carry.

Ms. Ferlaak asked if the Board had received a letter from Oregonians to Save the Boat People, and Mr. Kohnen replied that it was included in the agenda packet for that meeting.

Mr. Herbert asked what the procedure would be to bring up the topic for discussion again. Mr. Kohnen responded that there are two ways that this could be done. One would be a motion to reconsider the action of the previous meeting, and the other would be to rescind the action of the previous meeting. Mr. Kohnen added that another approach would be for a Board member to make a statement that he/she intends at the next meeting to rescind this action. In that case, the motion could be made, it would require a second, and a majority vote would be required to carry the motion.

Mr. Langton commented that the Board members don't want to appear insensitive because he doesn't think they are. However, he said, the Board has a real problem because there are a lot of worthy groups who approach the Board, so it is not just the Vietnamese people represented that evening who need bus passes that the Board needs to think about. In order for the Board to grant that privilege to this one group, it would have to be receptive to other groups as well.

Ms. Ferlaak asked if, by and large, the District has a policy not to grant bus passes, so as not to establish a precedent which would encourage further requests. Mr. Langton replied that he was not sure it was a policy, but a practice; other groups similar in nature have been turned down.

Ms. Ferlaak then asked if the Board had ever granted such a request, and Mr. Langton said he was not aware of having done so. Ms. Loobey stated that it had been at least three years since the District had been involved in any such program.

Mr. Kohnen agreed that there have been several other requests, a number of whom have special transportation needs, and in the community there are a great many, such as the handicapped of various types, the elderly, etc., most of whom are heavily dependent upon public transportation. He said that for those reasons, and the reasons stated by Mr. Langton, the Board has not looked with favor at granting free passes to any of the groups, and added that this does not imply a lack of compassion for the Southeast Asian refugees or for any other groups; it is just a matter of the District's mission to provide the best service it can to the community.

Jane Schulte, a teacher in the ESL Program at LCC, said they feel their position is unique because they are trying to make the refugees taxpaying members of the community. She said their request would be for short-term passes, as opposed to the handicapped.

Mr. Kohnen asked if the program had looked at the possibility of volunteer contributions for this type of thing. Ms. Roemer mentioned fund-raising programs such as bake sales.

Mr. Booth said he didn't believe in public subsidies such as this and that newcomers to this country should work their way into it on their own. He said that it is not that he's not compassionate, but he doesn't want to foster another generation of people in this country--there are too many people who were born here who are freeloading off the government.

At this point in the meeting, Dr. Loomis arrived.

Changing the subject, Clark Cox spoke about the transition plan for the Comprehensive Service Redesign. He said that Ellen Bevington, Planning Administrator, wants to reduce the number of buses to LCC/Harris and to put one of those buses on a route that is not now covered. He said that under her

rationale she mentioned that there may be some justification for continuing 30-minute accessible service for that route because the ridership from wheelchair-bound people might buoy up some more in the fall. He mentioned one person who is using that bus not only to go to LCC but also to one of the medical buildings. He thought that most of the medical buildings around the Sacred Heart area are readily accessible on the other routes through the neighborhood, and two of the stops for LCC/Harris outbound are closer to the 1180 Patterson Medical Building than are the outbound bus stops along 13th Avenue. He said that many wheelchair people go to that medical building, and he thought it would be more helpful if more of the LCC/Harris buses were accessible and given more flexibility. He said he did realize the need to cover more area with accessible buses, but that he hoped his comments would be taken into consideration.

Maxine Frauman, another teacher in the ESL Program at LCC, said that when sponsors for refugees are available they are very supportive, but that many of the refugees haven't seen their sponsors since they entered the country. She said that the population that is the most isolated is the last to be hired at a job, primarily women and children who have very little to take them out of their homes--those are part of the population who tend not to reach out themselves.

Mr. Kohnen said that this information was not on the agenda for action at that meeting; it depended on whether anyone wanted to introduce it for action, in accordance with the previous discussion on reconsidering actions.

There was no further discussion from the audience on any subject.

MOTION APPROVAL OF MINUTES: Mr. Langton moved, and Ms. Roemer seconded, that the minutes of the April 7, 1981 adjourned meeting and the April 21 regular VOTE meeting be approved as distributed. The motion carried on a unanimous vote.

MOTION SECTION 5 OPERATING ASSISTANCE: Mr. Booth moved the staff recommenda- tion: that the Board adopt the enclosed resolution authorizing the General VOTE Manager to submit an application and enter into a grant contract. Mr. Langton seconded and the motion carried unanimously.

MOTION INSURANCE BROKER APPOINTMENT: Mr. Booth moved and Mr. Langton seconded that the Board adopt the staff recommendation regarding this topic: that VOTE the Board appoint Tromp & McKinley as LTD's broker of record for a three-year period and authorize the staff to enter into a personal service contract with Tromp & McKinley.

Mr. Booth declared a possible conflict of interest because Tromp & McKinley are his insurance agents, and said that a lot of the people on their staff are good friends of his. However, he said, having declared a possible conflict of interest, he intended to vote for his own motion.

VOTE The question was called for, and the motion carried unanimously.

BRISCOE & BERRY ARCHITECTS: Ms. Loobey explained this issue to the Board, and used a diagram on the chalkboard to clarify the agenda notes. She said that when the District was working on an Economic Development Administration (EDA) grant, it was a rush program with very short deadlines. There were six weeks or less in which to prepare a grant for submittal to the EDA, and from the period of time of the grant until the District would know whether it was approved or rejected, there was a period of about 45 days. One of the conditions of the grant was that, if it were approved, LTD would have to be ready for construction within 90 days after approval. Ms. Loobey further explained that among some of the paperwork requirements was a standard form of an architectural agreement, which was signed in the process. She said that the standard architectural agreement form has two ways of assessing fees: one is by time and material, and then there is a schedule of percentages applied to the value of the construction project.

Ms. Loobey said that the District had retained Briscoe and Berry prior to this deadline and began work on processing the grant as needed. During this period of time, about six weeks, until the point the District received notice that the grant had been rejected, Briscoe and Berry were assessing fees to the District based on time and materials, but not on the percentages of the project as it progressed to some point of implementation. At the time that the District was notified by EDA that the grant was not approved, she said, staff had a meeting with Briscoe and Berry and told them it had not been approved and that the project was put on a back burner. Staff thought that that was a signal to Briscoe and Berry that, for all intents and purposes, LTD would not be continuing on any work with the project unless at some time in the future there would be money for it, and that staff didn't know if that might be through UMTA at some future time, or through another EDA grant of one kind or another. She said that the District did not send Briscoe and Berry a formal notice of cancellation of the project, although they did not do any work beyond this point, except maybe some cleaning up and finishing up with some of the engineers on some of the projects that they were involved in, but not very much went on beyond this point. She said that there was an assumption made on the part of Briscoe and Berry through all of this that, should the District ever receive funding in the future for anything to do with the facilities, they would be the architect of record. Staff began discussing that issue with them about the time that the District awarded the contract to Unthank Seder Poticha Architects for remodeling, and then Briscoe & Berry said that since they weren't the architects on the project, they wanted the District to pay for the portion of the previous project that was still lingering.

Ms. Loobey further said that staff called in Randy Bryson, attorney for the District, when they received notification of their bill, and asked if the District really did owe this money. Tim Dallas, Randy Bryson, and Phyllis Loobey met with the principals of Briscoe & Berry and their attorney, and Mr. Bryson has had conversations with their attorney, and it is Mr. Bryson's opinion that this is a legitimate claim. Ms. Loobey said that if the District does not pay this now, she would anticipate it would be sued for arbitration under the contract.

Mr. Langton asked how much the District paid to Briscoe & Berry under the time and materials section of the contract. Mr. Bryson said he thought it was about \$15,000 for one part of the job, and other amounts after the grant was rejected.

Mr. Booth asked if Briscoe & Berry had completed the design of the project. Ms. Loobey responded that it had not been completed, but they did a lot more toward completion than was required in the period of time they worked on the project, because there was a 90-day deadline if the grant was approved, and because staff felt very optimistic about the chances of receiving the grant.

Mr. Herbert asked if time and materials was based on an hourly charge, and Ms. Loobey responded that it was. He then asked if the \$15,000 amount had brought the District up to the time of the deadline. Ms. Loobey showed on the diagram up to what point the \$15,000 had taken the District.

Mr. Booth asked if there was \$21,000 worth of work done after the project had been rejected and staff had told them so. Ms. Loobey responded that that was not correct, that after the rejection of the grant there was relatively little done on the project. On the percentage of project costs in their contract, the portion from when they were first retained by LTD up to the point where the grant was denied was not charged to the District. All that they charged for was the time and materials element from the time they were retained until the point of grant denial.

Mr. Bryson explained that the time and materials charges were on the schematic design phase of the contract, that was done on a time basis and had to be done very quickly, and was the first phase of the contract. He said he thought the next phase, the design and development phase, was completed, and was a certain percentage of the total contract. If Briscoe & Berry had finished the whole project, they would have gotten 6.4%, he thought, of the total costs of the project, which was about \$2.5 million.

Mr. Booth asked for further explanation of what Briscoe & Berry did to earn the \$21,000. Mr. Bryson replied that the schematic design phase, which was the time and materials part of the project, was completed. Then they completed the next phase, which involves further documents, more detailed documents, and then they began the construction documents phase, and claim they got five percent of the way through that phase.

Mr. Bryson further explained that Briscoe & Berry were only asking for payment for the percentage of work that they did, and said that he and staff had no reason to doubt that the architects did that work. Ms. Loobey stated that she had seen the documents they had for the project, and that when the District began the new project, there was very little in those previous plans that was usable in the new project. Ms. Loobey also said that when the District retained Briscoe & Berry, it did so through local funds. When LTD began the new project under state and Federal funding, staff followed the steps that had to be followed to select architects.

Dr. Loomis thought that usually one doesn't receive a percentage of time for projects that aren't completed. Mr. Bryson stated that the form of the contract is set up strictly on a percentage basis. Because the first part had to be done in a hurry, it was eliminated from the percentage portion of the contract.

Mr. Booth asked if the District was "stuck" in paying the architects, and Mr. Bryson responded that it is not "stuck," but the payment is for work they performed and they should be compensated for it.

Mr. Herbert asked if the time and materials amount of \$15,000 was for the schematic part of the project. Ms. Loobey replied that it was. Mr. Herbert then reviewed that there were three phases of the project: schematic design; design development; and construction/working drawings. He asked if it is correct that Briscoe & Berry were charging for the hourly charge for phase 1, all of phase 2, and about 5% of phase 3. Ms. Loobey responded that that was correct. In response to a question from Mr. Booth, Mr. Bryson said that Briscoe & Berry were paid for all the work they did on a time and materials basis, but not all of the work they did was on that basis. Ms. Loobey added that under the contract, the other two phases were done on a "percentage of" basis, and the reason she was trying to clarify this point is that the agenda notes were not clear.

Mr. Herbert then asked if staff had audited Briscoe & Berry's records. Mr. Booth said he had a problem with the fact that Briscoe & Berry waited five years before billing, and that maybe the District is "stuck" paying, but maybe the architects aren't morally entitled to the money. Dr. Loomis asked why they did wait five years to bill. Mr. Bryson replied that Briscoe & Berry thought that when funding became available, they would be the architects and would complete the project.

Dr. Loomis asked if, in 1977, the District received a statement saying it owed \$21,000. Ms. Loobey responded that staff had no notification until four months ago, and that their explanation was that there was an assumption on their part that they were the District's architects of record, and they were willing to let the \$21,000 lie until the project was resumed sometime in the future.

Dr. Loomis asked if staff had told Briscoe & Berry that they would be the architects of record. Ms. Loobey stated that never did the Board or staff formally appoint them as architect of record.

Dr. Loomis thought the District could probably beat this billing in court, but if a moral/verbal commitment was made, the District has to pay. He added that LTD could spend \$20,000 in legal fees if it lost in court.

Mr. Booth said that he was not willing to accept the \$21,000 figure, that there was no accounting or justification for it, and it didn't show how the time and materials fee was subtracted from the percentage of

completion. He said he would not act on it without looking at how it was calculated. He thought that staff did not negotiate tough with Briscoe & Berry on the amount of money that is involved. He said there is probably no question that the District owes more money, but that someone should look at that amount on a tough basis.

Mr. Herbert concurred with Mr. Booth, and said the District didn't have to be embarrassed to ask for evidence of completion and a statement of charges and credits, and some analysis of those payments. He said he didn't think that implied any negative connotation, and as a private person or public agency he would expect to see those documents before paying. He added that he did not want to make a judgment yes or no until he had seen those facts.

Ms. Loobey said that staff have all kinds of documents, such as blueprints, that were prepared to bring the project up through design development and 5% through contract documents. Mr. Herbert thought that there would be no point in sending that information around the Board table since staff had seen them. Mr. Langton agreed with Mr. Herbert that Briscoe & Berry should support their bill with a statement of charges and credits.

Mike Merrell, Accountant, mentioned that item 4, on page 23 of the agenda packet, seemed to imply that this item would be budgeted for next year if the Board accepts the proposal of Briscoe & Berry. He said that, according to generally accepted accounting principles in regard to litigations, claims, and assessments, when there is an unfavorable outcome that is probable, whether or not it is actual, and the amount of the claim is reasonably estimable, the loss should be recognized immediately as far as financial reporting goes, which means the expenditure would be recorded in fiscal year 1980-81 as opposed to FY 81-82.

Mr. Bryson informed the Board that Briscoe & Berry did send a summary statement of what was owed and what it went for, and he thought that should be distributed to the Board members. He said the architects agreed there would be no interest since they did not bill on time, for whatever reason. He added that they have an argument that interest could start to run at the time the District acknowledged the debt, but they have foregone that interest as well, if they get paid on the particular schedule set out in the agreement or something like it. He thought Briscoe & Berry would understand if the Board wanted to consider the matter further, although there is a possibility they would want interest from some particular time.

Mr. Kohnen asked what options were available to the Board--to pay, or to go to arbitration? Mr. Bryson said those were the options, and if the District refused to arbitrate, Briscoe & Berry could go to court to get a judgment against the District or to compel the District to arbitrate. He said that it is still agreed that the contract governs this dispute, and according to the terms of the contract, arbitration would be indicated.



Mr. Kohnen stated that from the discussion, he thought the Board would like to see more information on this topic at the next meeting, before reaching a decision.

BUDGET TRANSFER RESOLUTION--RISK MANAGEMENT FUND: Mr. Kohnen reminded the Board that there had been a discussion about this topic before, in setting up a risk management fund. The proposal now, he said, is to take money that is otherwise budgeted for SAIF payments and budget it instead in a risk management fund from which claims would be paid.

MOTION  
VOTE

Mr. Booth moved the resolution as distributed in the agenda (copy attached to minutes). Mr. Langton seconded, and the motion carried unanimously.

UMTA CAPITAL GRANT BUDGET AMENDMENTS--PROPERTY/COMPUTERIZATION: Phyllis Loobey reminded the Board that property improvements had been being done through the last grant approval, and the District is now at a point where the substantial work toward completion has been done but there are several subsequent projects that staff would like to take care of. She said it was the intent of the staff to call together the architectural subcommittee to discuss with them landscaping and remodeling of the information services building and the house on the property. The improvements to the house would provide additional office space and relieve overcrowding in the main administration building, and the remodeling of the information services building would be to make it a more appropriate public place than it is now, and to clear up some of the problems in that facility. The landscaping would be done to complete the property improvements project. Ms. Loobey said that staff would go over the details of those projects with the architectural subcommittee prior to the June Board meeting.

Independent of that grant, which has been financing this particular project, in last year's budget money was approved for a study and analysis of the feasibility of computerizing some of the District's operations. Ms. Loobey said that through the last summer staff had been going through that process with Weber and Weber Associates, with a principal from that staff, Joe Williams, working with the staff. Mr. Williams was present at the meeting to discuss his proposal, included in the Board agenda packet. Ms. Loobey informed the Board that Mr. Williams was for a long time the chief of data processing for the City of Eugene, and has been an independent consultant for the about the past five years.

Mr. Booth thought that there were two separate items that needed discussing in this section, and went on to say that he had voted against the project in the first place because he knew the staff had a lot of pads in the project allocation, and that now staff was planning to spend those pads. He said he didn't care if it was local or Federal money, it was the Board's job to protect it, and he didn't think there was any demonstration that the items proposed to come back to the Board with bids on have any justification. He said the District was doing the same thing it always

does--spending every penny it can get. He thought the District had a reputation for that and had to stop that reputation. He said that personally he didn't want the staff to do any more work on this area; he didn't think it was necessary, and asked how landscaping was going to improve the District's bus service. He thought that if any money was spent, it should be used to improve service or to reduce operating deficits.

Mr. Langton asked if this would have to be taken to UMTA for approval. Ms. Loobey said it would. She went on to say that she did not agree with Mr. Booth for several reasons. She said it is appropriate in construction projects to have a contingency fund for things that happen because of change orders. At the time that the District went into that particular project, staff said that there would be additional items to be included in it which would be coming to the Board at a later time, and that staff were not hiding anything at that point. Ms. Loobey also said that one of the statements in the feasibility study done by the architects in the first place was that the District was woefully inadequate on staff space for the number of staff persons and the size of the facilities. She couldn't remember the figures, but it seemed that the District needed half again as much space as it has now for staff and support services. Ms. Loobey further stated that what staff did not know when the property was bought was whether either of the two houses on the property were of any particular value at all. After a cursory look at them staff thought they should just be torn down. The architects agreed that one house should be torn down, but the second house was structurally sound enough to be used. The property improvements being done in this particular phase, she said, have done nothing to alleviate the problem with space for Administrative staff and support services. The present improvements relieve the problem of inadequate space for the Transportation staff and the contract employees in Transportation. She said she did not think this was a "pad" but a matter of going through the major contract on the property, determining how that was going to go with some unknowns, such as the incredibly high water table, and waiting to see what was encountered as the project progressed.

Mr. Kohnen asked the amount of the total grant. Mr. Shinn replied that it was about \$2.8 million. Mr. Langton asked if the money was actually available, and Mr. Shinn responded that the dollars aren't actually in hand but the money has been approved. Ms. Loobey added that that money cannot be spent for operations because it is a capital project. Mr. Langton asked if it could be spent for remodeling or computerization without approval from UMTA; the answer was that it could not. Mr. Booth thought that that was different than already having the money approved, but Mr. Langton said that it was approved for the projects, but the District just wanted to change the nature of them. Mr. Shinn further explained that the money has been approved as a contingency and cannot be spent, no matter what the District wanted to do with it, until its use has been approved.

Mr. Kohnen remarked that as a percentage of the total grant it is a relatively small amount for a contingency, and it was certainly wrong to call it a "pad." Mr. Booth thought it was wrong to think about percentages

instead of actual dollars. Mr. Kohnen agreed that \$74,000 was a lot of money, but the percentage enters in when discussing whether or not it is a pad, and in Mr. Kohnen's opinion, it is not a pad, and that a prediction within five percent or so for contingencies is pretty good. As to the need for the expenditures, he said that the Board knew ever since the project started that there would be landscaping and it was just a question of how much money was left over at the end to decide the extent of the landscaping. As for the building remodel, he said, he didn't know if it had been presented before in the direct subject of expenditures, but said the information services building certainly is in need of remodeling, and that the architectural subcommittee should take a look at the need to remodel the house to see if it should be done or not.

Mr. Langton asked if the house is physically located so it can be used. Ms. Loobey said that it is and explained where it is on the property.

Mr. Herbert remarked that in reading the proposal, he saw that a portion of this contingency was to be used for these purposes, which is not finding a way to spend all the money that is available. He said he knew that all of these projects had been listed at one point or another before, and that in the report to the architectural subcommittee, staff should confirm to the subcommittee, and then the subcommittee should confirm to the Board, the need and urgency for approval of these projects.

He then asked if bids from the contractors will be presented to the subcommittee, and Mr. Dallas responded that that was correct. Mr. Booth asked if the architectural subcommittee should set up the specifications prior to bidding, but Mr. Dallas said that hadn't been the practice in the past. Mr. Herbert then asked if the subcommittee had reviewed a set of needs, and Mr. Dallas said he thought they had in general concepts--do we need to pave the lots, or which building should we be remodeling, things like that. Now staff are in the process of obtaining facts and figures for the subcommittee to look at so they can see how far the District should go with those projects and how much it would cost; how much does a contractor want to be paid to do that? Then, he said, the District can make a decision on whether that is an appropriate project on which to spend these funds.

Mr. Kohnen and Mr. Herbert thought it would be premature to obtain bids because the subcommittee can work from estimates to scrutinize the individual projects.

Mr. Booth asked if the District would be losing administrative staff because the Comprehensive Service Redesign is completed and there is less need for staff. Ms. Loobey said there was no reason to believe that, that there are still minor modifications to make in the system every bid. She said there may be other reasons to reduce staff, but not because of the Comprehensive Service Redesign--the system still has to be marketed, sold, monitored, measured, etc.

Mr. Booth said the District had just completed another project to increase office space for administrative staff, but is still at the same level of staff, so he thought a need should be demonstrated.

Ms. Loobey repeated that when Otto Poticha and his firm presented the Board with his study of the property and the direction the District would take, one of the things addressed in that study was office space for administrative staff.

Mr. Herbert said he would like to have the Board confirm the amount of the need for these projects before taking the architect's, subcommittee's, and contractor's time in bidding. He thought the architectural subcommittee should review the concept and the need and confirm that need to the Board.

Mr. Kohnen stated that the architectural subcommittee would review the matter of the need for and the amount of landscaping, whether the information services building should be remodeled, and whether the house should be remodeled for additional office space, and come back to the Board with a recommendation in terms of estimated costs. There was consensus that that would be satisfactory to the Board. Mr. Langton also asked for a summary statement of the recommendations made by the architects.

Mr. Kohnen then said that the next item relating to the capital grant was the study by Weber and Weber of the feasibility of computerization of the operations. He asked Mr. Williams if there was anything he wanted to add that wasn't in his written report. Mr. Williams said that the District has a lot of people in Operations, which is where the study was focused, and the benefit would be in automating the transcribing and report writing.

Mr. Langton asked about the statement made in the report that said the District would save about \$150,000 in five years by computerizing. Mr. Williams said that was the estimate, in terms of improved productivity in reduced inventory time, and increased performance in the whole Operations Department due to better information that will be available.

Mr. Booth thought that with improved inventory service and improved productivity, the District could save five or six people a year. Mr. Langton remarked that it would be the equivalent of five or six people. Mr. Booth then said that in terms of reducing staff, the District would never do it. Ms. Loobey stated that the District would not reduce staff, but would put them to more productive uses for the District, and that over time staff would not have to be increased, and the District would have better use of their time.

Mr. Langton asked if the District was currently using a service bureau for any data work. Ms. Loobey said the District was on the County RS for the payroll package, and that is the only consistent application. There have been one or two short-term projects. Mr. Williams told the Board that all the study did was look at Operations for the first year, and that

accounting, budget, and personnel would be looked at in future years. Ms. Loobey said the management team had done a thorough analysis of the areas for potential application, determined staff priorities, and decided that the District was weakest in management control in the areas of inventory and in transportation and maintenance. The management team determined that the greatest benefit to the District would be in computerizing applications in those areas.

Mr. Booth said he didn't think it would be possible to work with inventory on a computer, and said there would only be a \$26,000 one-time savings. Mr. Williams agreed that there would be some time savings, but the District would still have to have three people working with inventory. Mr. Booth further said that the inventory wouldn't work on the computer because clerks don't know what the parts are, so computerization would have to be justified in other areas.

Mr. Williams said the study had searched the market to see whether or not a turnkey package would be feasible and found three companies that provide computerization for transit districts now, and they were all roughly in the area of \$40,000 for software. The estimates ranged from \$70,000 for the entire package to \$120,000, and the figure \$105,000 was determined to be reasonable. Mr. Booth asked if route fine-tuning would be included in the \$40,000 package. Mr. Williams responded that the software package would not include routing and schedules. He said it could be used to fine-tune routes and schedules in the future, but would involve a much more expensive software package and bigger hardware.

Mr. Williams said that the hardware and software come together as a package, and that software is chosen for its feasibility for District use and the hardware is secondary. Dr. Loomis asked if there would be an advantage to leasing rather than buying. Mr. Williams responded that his recommendation is for the District to use the request for proposal process and ask the vendors to respond to purchase, five-year lease, three-year lease, and renting. However, he said, in the computer business there is no straight lease, just lease-purchase.

Dr. Loomis thought that DPI Enterprises in Seattle could lease on a 30-day cancellation option and do what the District needs. He said that as a non-profit organization the District can't take advantage of depreciation, so it may be better to lease. Mr. Williams said he didn't know the ramifications of using grant funds, whether or not the District would have to purchase rather than lease, but the District will look hard at the vendors' ability to expand the computer programs.

Mr. Kohnen asked if the type of information being obtained through computerization would be of high value in improving the operations of the District. Mr. Dallas responded by saying that at the present, Operations staff are making a lot of decisions based on intuition because they don't have the time to dig out certain information and put it on a list. He said that with computerization they would acquire and utilize information better

because they would have better access to it. At the operating level, it would give staff more information on which to make day to day decisions in a more timely manner (tracking buses and drivers better, whether or not a coach needs maintenance, how many coaches will need major overhaul). He said they now need one person for about three days to gather information to make projections, and that all the information is currently available on cards in a file but the staff time isn't available.

Mr. Langton asked if there was any hardware available to the District in the area on which LTD could put its software. Mr. Williams replied that there are 30 to 40 districts that have software that utilize a large IBM computer. He said LTD would have to rely on someone to maintain and modify the software for its own needs. He didn't know what amount of money would be involved, but thought the time period would be lengthy because this is a difficult kind of project to handle.

Mr. Langton then asked what the ongoing costs of owning a computer are. Mr. Williams said that in this situation those costs would be maintenance (typically one percent per month to maintain software and make modifications to it), and for supplies. He said also that the type of system they had been looking at is one in which staff would set up a table of exceptions for weekly or monthly reporting, and would only be alerted if there was some problem with that system.

Mr. Kohnen wondered if additional staff would be needed in the future to help operate the system. Mr. Williams answered that the District would pay the vendor to maintain the system, and the clerk would turn it on and off. No programmers or specialized operators would be necessary.

**MOTION**

-Dr. Loomis moved that the Weber & Weber report be accepted and that the Board approve the concept of computerization. Mr. Langton seconded the motion, and Dr. Loomis went on to say that the acceptance of the report doesn't mean that the Board agrees or disagrees with it, just that it is accepted to look at.

Ms. Roemer wanted to hear some discussion on the concept of computerization. She mentioned that the auditors had said for a couple of years that the District's inventory is not under control, but then Mr. Booth said that the inventory still would not be under control because there would need to be a mechanic punching in the information. She also said she had heard that no matter what you do with computers, it always adds more to your staff; that there is more access to more information, but it never really saves any time.

Mr. Langton said he did not know how his business would function without their computer. He had great skepticism about saving people, but thought that the concept of not adding to staff as rapidly was a viable concept. He thought that there was a lot of information available on computers that is

nice to have but not necessarily useful, which makes the need for information a hard concept to evaluate. He said he had a hard time understanding why there would be no accounting function on the District's computer system, because that is the basis for his company's data processing.

Ms. Loobey remarked that a computer is merely a tool and you either set up the situation so that you are controlling and managing the tool, or it will manage you. She said staff had made a determined effort to see what the District would want from a computer and if there is any real benefit at all.

Mr. Langton remarked that staff had been correct in looking at software first and then the hardware, instead of the other way around.

Mr. Dallas, responding to the question about why transportation and not accounting, said that staff decided very early that if it went to computerization it would need an integrated system where accounting, planning, transportation, purchasing, etc., would be part of the same system. Staff realized they couldn't have all those functions at once, and chose inventory, maintenance, and transportation because those are the largest area of expenditure, and it would not take much of an increase in efficiency to amount to some dollar savings. He said also that there are a lot of systems available to do general ledger and accounting functions and will be easy to find, but staff first wanted to be sure of being associated with hardware and a firm with a capability to deal with transit district needs.

Dr. Loomis said he agreed with the concept of computerization, and he thought staff had made a case for computerization.

VOTE           The question was called for and the motion passed unanimously.

MOTION        Dr. Loomis then moved that staff be directed to seek proposals for (a) buying time-sharing (with software); (b) leasing the appropriate computers; and (c) buying the software and hardware, and presenting this information to the Board members so they could see dollars and cents and where to go. Mr. Langton seconded the motion. With no further discussion, the motion carried unanimously.

VOTE

TRANSITION PLAN ADVISORY COMMITTEE--CHARGE AND STRUCTURE: Mr. Booth proposed, based on what he is reading in the papers, that this item may be subject to local choice within a short period of time, and thought it should be postponed until the situation is clarified. Mr. Shinn thought that that was not really the case. He said that the Reagan Administration would make it a local option within limits. The likely limits are, he said, continuing the 50% accessibility rule or providing Dial-A-Bus or similar service at a level similar to what an able-bodied person would get. He added that even if the Federal government made that change and LTD made a choice in a vacuum without this committee, it would be a disaster. He mentioned that there is a state law as well as local policies governing any decisions regarding transportation for the handicapped.

## MOTION

Mr. Herbert moved adoption of the staff recommendation for committee charge and organization structure beginning on page 38 of the May 19, 1981 agenda packet (copy attached to minutes). Mr. Langton seconded the motion.

Mr. Langton then asked a question regarding the needs and funding assessment in the preliminary action plan. Leon Skiles, Service Analyst working with this committee, said that initially the group has looked at what is being provided in the area now and what funds are being expended for those services, in order to find out what the services are, who the providers are, and what can be coordinated. Now, he said, the committee needs to go into a detailed analysis of what alternatives are available to make more efficient service, and, by direction of the Board, a system that will replace Dial-A-Bus to accommodate the need that won't be met by the District's fixed route accessible service.

Mr. Langton asked if the committee was to some degree addressing the potential for change, and Mr. Skiles answered it was, as directed by the TDP.

Mr. Booth said he would like to see one payroll tax payer on the committee. He thought that putting the Eugene Chamber of Commerce on the committee list would take care of that need. Mr. Skiles said that the committee had approved this proposal as included in the packet, and would be taking it to their various administrations and boards, so at the next meeting he could propose another person being involved on the committee.

Mr. Herbert said that he would be willing to add to the list in his motion the Eugene Chamber of Commerce and the Springfield Chamber of Commerce. Mr. Langton agreed as the one who seconded the motion.

Mr. Skiles pointed out that this committee is not just functioning as an arm of LTD, but also as an arm of other area agencies--the area agency on aging, the municipalities, the school districts, etc. He said it is a coordinating of functions, and the size of the committee needs to be kept in mind. He said that it is not just concerning actions taken by the LTD Board, but will be taking recommendations to the city, school districts, and other agencies, so it will basically be a recommending board to everybody involved and everybody who has a concern for the elderly and handicapped transportation services in the community.

Mr. Kohnen asked if there would be one representative from each agency on the steering committee. Mr. Skiles said that exact membership had not yet been determined; it would be determined basically by the boards and administrations involved as the committee charge and structure is adopted by affected agencies.

Dr. Loomis asked if committee decisions would be referred to the LTD Board for its approval. Mr. Skiles said that was correct; it would be a multi-lateral decision. He said that in the transition plan the Board set up a possible consortium or some type of coordinating effort for elderly and handicapped transportation services. What that may involve, he said,



is a possible co-agreement between LTD and Willamalane and the school districts-- a pooling of funding. It may involve a recommendation for the LTD Board to act in one way and Willamalane to act in a certain way and the school districts to act in another way. The recommendation as a whole would be presented to affected agencies, so the Board would be aware of what was going on.

Dr. Loomis said that it was his belief that the transition committee ought to report back to the LTD Board first, the LTD Board should deliberate on those discussions, and then if they feel the decisions are appropriate, they ought to send them to the appropriate agencies.

Mr. Skiles responded that, in the plan, the Board said the staff was to work to coordinate with agencies, and various agencies were listed. To his recall, the Board did not state that a committee should be formed, which would be an arm of the LTD Board. Mr. Skiles thought that the idea in the plan was to coordinate, to develop a replacement service, from his interpretation when reading the plan. He said the Board may want to clarify the intent of the plan.

Mr. Kohnen thought the LTD Board had created the committee. Dr. Loomis thought the committee ought to be responsible to the Board, and said he did not want to create a "monster" that tells Eugene and Springfield what to do in the name of the LTD Board of Directors without its approval, or its advice and consent. He said that he never understood it to be the way Mr. Skiles had just described it, and if that was the way it was going to be, he would like to disband the committee; the Board could do it by itself. He thought the idea was to get good communication from other agencies as to their problems, etc., all back into a melting pot for Board discussion and decisions.

Mr. Skiles remarked that the key word, as stated in his memo on page 37 of the agenda packet and as quoted from the transition plan, is "coordination." Mr. Shinn, in trying to clarify the subject, said that the Board set up a committee in May or June, with the original purpose of the committee to develop the transition plan itself. When that plan was completed, it was adopted by the Board in July or August, and that committee's function had been completed, and as such it really did cease. He did not think the current committee being proposed, though sharing some common members, really was the same because the direction of the second committee would be different. This would be a half-LTD, half-other people committee. It would take on some LTD issues, and LTD would probably have a greater involvement than some of the other agencies because LTD is the only agency running a massive elderly and handicapped transportation service at the moment, so LTD would have a greater responsibility to current users to come up with an alternative.

Mr. Booth asked if this committee would make recommendations on how LTD spends its money. Mr. Shinn replied that it would make a recommendation on how Dial-A-Bus is phased out, so that would involve spending LTD money. Mr. Booth stated that the phase-out still involves spending LTD money for the alternative. Mr. Shinn agreed, and said that the coordinating would be

in spending other agencies' money as well, that the school districts are carrying a lot of people in their service, and the committee would have to work out those details.

Mr. Skiles said that from information available now, approximately \$1 million are spent annually for handicapped services, and LTD provides about \$350,000 of that, so there are some major providers of handicapped service in this area besides LTD. He thought that the school districts outdistance LTD in terms of providers.

Dr. Loomis thought the committee charge was not quite the same as summarized by Mr. Skiles. He said he was happy with the committee charge because in each case the committee reports back to the LTD Board. He thought that all the Board needed to do would be to tell the committee chairman that the Board wants to know what would be sent on as recommendations to other people before it is done, in order to avoid a problem with other agencies as recently with the Planning Commission. Mr. Kohnen agreed with the concept and directed the Board to look at the committee charge. Dr. Loomis said that Section "A" on page 38 satisfied what the Board asked staff to do. Mr. Kohnen said "A" did not mention coming back to the LTD Board, but Dr. Loomis said that somewhere the proposal mentioned coming back to the Board. Mr. Kohnen said that it is mentioned in Section "B" but it is regarding a narrower concept.

Mr. Langton commented that the Board had made a commitment not to phase out Dial-A-Bus until there is some alternate. Mr. Skiles agreed that Dr. Loomis's request is appropriate.

Dr. Loomis mentioned #4 under Section A, and said he hoped the LTD Board would be informed of the presentation mentioned before going to the other boards, so that the LTD Board could approve any action regarding the phase-out before making commitments with other agencies.

MOTION Dr. Loomis moved that #4, Section A of the original proposal be amended to read: "Develop recommendations for the creation of a replacement transportation service for the elderly and handicapped and present them to the LTD Board first for approval and then to the affected boards and agency administrations for their approval." Mr. Langton seconded the amendment, which carried by unanimous vote.  
VOTE

The Board then voted on the main motion, which was to adopt the staff recommendation for committee charge and organization structure, with the Eugene and Springfield Chambers of Commerce added to the membership list by approval of the mover and seconder. The motion carried unanimously.  
VOTE

COTTAGE GROVE SENIOR WHEELS--SECTION 18 FUNDING ASSISTANCE: Mr. Kohnen called the Board's attention to the letter from the Cottage Grove Senior Wheels organization on page 41 of the agenda packet. He said that since LTD is the cognizant agency for such funds in Lane County, that organization was asking that the District serve as their sponsor for their program.

He noted that the staff agenda notes state there would be substantial administrative details, and that the Cottage Grove Senior Wheels organization is out of the District's service area. As a result of the staff recommendation, if approved, money would still pass through LTD as the UMTA-designated recipient; LTD would take money from the state and give it to whomever the state tells it to.

## MOTION

Mr. Booth moved the staff recommendation: That the staff be authorized to send a letter to Cottage Grove Senior Wheels stating that the District will not act as sponsor due to administrative time commitments and the project being out of LTD's service area and suggesting that the Cities of Cottage Grove and/or Creswell be sought as sponsors. Mr. Langton seconded the motion.

Becky Cannon of the L-COG Rural Transportation Program spoke from the audience. She said that L-COG would absorb 40 to 80 hours to prepare the application because Senior Wheels is an advisory committee to L-COG.

Mr. Shinn stated that even if L-COG put the application together, the District would still have to spend time doing the same, because being the sponsor means being the enforcer for Federal regulations--making sure the application is truthful, that it meets all the requirements, etc. He said that once the application is approved, Senior Wheels would put in a monthly request for reimbursement that the District would have to audit to determine if the expenses are reasonable and if they actually went toward transportation; the District would have to determine if any changes in service are acceptable within Federal rules. He explained that LTD would have to extract from Senior Wheels a yearly audit report, and would have to enforce Federal labor protection laws, which would entail making sure labor's rights are protected, etc. It would involve at least one trip a month to Cottage Grove to check up on the project, and if something did go wrong, the Federal authorities would blame LTD, not Senior Wheels.

Mr. Shinn then stated that if LTD was just the pass-through agency, it would only have to give the money to whomever the state and Federal governments told it do, and that is about all. Either the state or an alternate sponsor would have to do the rest of the duties listed above.

Ms. Cannon said they had talked with Creswell and Cottage Grove city staff and had gotten much the same response. She said Cottage Grove Senior Wheels felt that since LTD is a service provider and does much of this type of thing already, it would be logical to approach the District. She added that Creswell and Cottage Grove had not given them a definite "no" but it would be hard to convince them to work with Senior Wheels on this.

Ms. Loobey mentioned that one of the requirements is the 13C labor protection, and if the District is involved, Senior Wheels could rest assured they would have some problems regarding that issue that they could not afford. Mr. Shinn commented that it would give the transit union a good chance at unionizing Senior Wheels employees.

Mr. Herbert commented that this is similar to the Southeast Asian question raised earlier--it is a serious problem but the LTD Board doesn't appear to be the proper table at which to solve those problems, especially since Senior Wheels is out of the District's service area. He said that those service boundaries were established in response to strong direction from people in the Creswell/Cottage Grove area who didn't encourage the District's presence. He also stated that people in the District's service area pay taxes for the service, but those out of the service area do not.

VOTE           The question was called for, and the motion carried on a unanimous vote. Mr. Kohnen thanked the Senior Wheels representatives for attending the meeting.

MOTION        ORDER TO INVEST EXCESS FUNDS: Mr. Booth moved the staff recommendation: That the enclosed resolution ordering investment of \$100,000 in excess funds be adopted (copy attached to minutes). Dr. Loomis seconded the motion.

Ms. Loobey stated that the funds are insured under the SSLIC up to \$40,000, and the rest is collateralized. Mr. Kohnen had asked Ms. Loobey to find out whether investment in a Savings and Loan was a legal investment, and she found out it was.

VOTE           The motion carried on a unanimous vote.

ITEMS FOR INFORMATION: Mr. Kohnen asked if there were any questions regarding this section. In response to a request for an oral report on recent legislative action, Ms. Loobey said that absolutely nothing had been happening. She said that any of the bills that the District is particularly interested in (the Senior Fare bill, the in-lieu-of-taxes bill, easing the requirements for 100% accessible service) have been handled on the House side but nothing has moved across to the Senate. She said that the Senate Committee did hear the bill on the in-lieu-of-taxes measure, but had taken no action and had not scheduled it for another hearing. She said that she would be going to Salem the next day to check on some things now that it is known what the revenue estimates are for the state budget. She said that the feeling she had gotten from the District's lobbyist, who is in Salem every day, was that it was wise of LTD not to include the in-lieu-of-taxes estimates in its budget.

Ms. Loobey stated that Glenn Otto is looking at providing some assistance with the definition of a real estate agent and have it be retroactive so LTD would not lose those revenues.

At this point, Mr. Langton said that he seriously wished staff would quit references to the prime cause of low ridership being the fare increase. He said he did not agree with that and thought it was counterproductive to

keep repeating it, and he would appreciate it if it could be avoided. There was consensus that the fare increase was one of the prime causes and the Board members are aware of it, but also that it appeared too often in the Board agendas and Board members would like to see it not mentioned if it is not germane to what is being discussed.

Ms. Roemer left at this point in the meeting.

There was some discussion of the labor negotiations executive session scheduled for Friday morning, and when Board members could be in attendance.

ADJOURNMENT: Mr. Booth moved that the Board adjourn to an executive session on Tuesday, May 26, 1981, at 7:30 a.m. at Oh Susannah's Restaurant in Eugene, and the meeting was duly adjourned.

  
Secretary