

MINUTES OF DIRECTORS MEETING  
LANE COUNTY MASS TRANSIT DISTRICT  
REGULAR MEETING

June 16, 1981

Pursuant to notice given to the Eugene Register-Guard for publication on June 11, 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 June 16, 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

Absent: Glenn E. Randall

INTRODUCTORY REMARKS BY BOARD PRESIDENT: Mr. Kohnen announced that he had had an opportunity to visit the remodeled building that is now the new Operations office. He was impressed with the work that had been done by all involved, and suggested that other Board members try to visit the new facilities. He mentioned that the total cost of the entire project was about \$700,000, and he thought a lot had been accomplished and that the property would be much more efficient in terms of handling buses, etc.

AUDIENCE PARTICIPATION: Donna Goetsch, Resource Developer for the Lane County Community Coordinated Child Care Council, Inc. (4-C's), spoke regarding their request for summer lunch bus tickets for low income children to ride buses during non-rush hour times, in order to allow those children to travel to local summer food programs. She handed out a prototype of a ticket, showing that it would not be a regular pass; it would only allow the children to get to the free meal site and back. She said there could be up to 75 children involved, but she did not expect that many.

In response to Mr. Kohnen's comment that the Board had had to turn down other worthy requests recently, Ms. Goetsch said that their request is route specific and child specific and therefore different than the other requests.

Mr. Herbert stated that he thought the staff response in the agenda packet was correct in terms of the Board policy, but that the Board policy

is wrong when it keeps children from meal programs. There was no objection from Board members to adding this topic to the agenda for the evening.

There was no other audience participation.

APPROVAL OF MINUTES: Mr. Langton moved and Dr. Loomis seconded that the minutes of the May 19 regular meeting and the May 26 adjourned meeting be approved as distributed. The motion carried unanimously.

4-C's REQUEST FOR FREE TRANSPORTATION FOR SUMMER MEAL PROGRAMS:  
Mr. Kohnen called the Board's attention to the letter from the 4-C's program included in the agenda packet.

MOTION

Mr. Herbert moved that the Board approve the lunch program passes requested by the 4-C's program. Dr. Loomis seconded the motion. He then spoke against the motion because of all the things that had been said at previous meetings regarding granting requests for free transportation. He thought that the 4-C's program and similar programs should be locating the other community resources available to them, instead of using LTD funds. He said 4-C's was asking for a contribution from LTD when it is financially so poor it has to cut back services. He did not see how the Board could justify giving charity to such programs.

Mr. Herbert ascertained by asking staff members that the children would be riding the bus during off-peak times, that their riding the bus in no way cost the District money, and that there would be no contribution on the part of LTD. He thought the policy was wrong when it could not be altered to admit this kind of a program. He said he was willing to use this as a test case to allow access by programs that the Board judged to be worthy, and he would not mind spending the extra time to assess the worthiness of future requests on a case-by-case basis. He added that if there were some children who got fed this summer who otherwise would not, he would feel good about having spent the time to make it happen.

Ms. Goetsch stated that the meal program had operated on a small scale in the past, and that funding was not available for transportation needs, only to pay the cost of preparing and supervising the food. She added that 4-C's is not a program sponsor--their role has been to seek funding that was not otherwise available. She said that children can participate in this program up to age 18, but most children have been 12 and under, and that each area handles its own program, so that children who can get to that area can eat and those who are unable to get to those areas cannot participate.

Mr. Langton said he thought involvement in this kind of program was completely out of the purview or responsibility of the transit system, and that he thought the Board should not get involved in deciding the worthiness of specific programs.

Mr. Kohnen said he would be inclined to support the motion for the sake of the children, but because of the difficulty the Board would have in deciding which programs should be approved and which shouldn't, and because getting into the area of free transportation would detract from the District's main purpose of keeping the system going and having the service available, he felt he could not vote for the motion.

VOTE The question was called for, and the motion was defeated five to one, with Mr. Herbert voting for the motion and all others opposed.

MOTION BRISCOE & BERRY BILLING: Mr. Booth moved that the Board approve the staff recommendation: That the Board adopt the enclosed resolution authorizing Phyllis Loobey to sign the repayment agreement. Mr. Langton seconded the motion.

Mr. Herbert asked Randall Bryson, Attorney, regarding termination expenses in the amount of \$330.00, page 47 of the agenda packet, Item B. Mr. Herbert said he was familiar with this type of contract and thought that the hourly expenses were not correct. He called the Board's attention to Article 8, Section 8.3 on page 41 of the packet, "Reimbursable Expenses" and to Article 5 regarding reimbursable expenses, where it explained that certain things are not time expenses.

Mr. Herbert said he would like to amend the main motion to exclude payment of the \$330.00. The mover and seconder, Mr. Booth and Mr. Langton, agreed with the amendment.

When Dr. Loomis asked Mr. Bryson if he agreed with the staff recommendation, Mr. Bryson said the bill is an obligation which must be paid even though Briscoe & Berry waited so long to bill. He agreed that the billing for \$330 was not within the definition of reimbursable expenses and said he did not see a problem with deleting that amount.

VOTE The question was put and the motion to adopt the staff recommendation with the exclusion of payment of the \$330 amount carried on a unanimous vote.

Mr. Shinn commented that the District's contracts have since been changed, and current contracts expire if the vendor doesn't hear from the District in 30 days.

ADOPTION OF 1981-82/1983-84 TRANSIT DEVELOPMENT PROGRAM: Mr. Kohnen commented that the copy of the TDP handed out with the agenda packet reflected the changes made and approved by the Budget Committee, and said that the staff recommended adoption of the TDP as distributed. Mr. Shinn informed the Board that no changes were made in the text, and that most changes start on page 17 with the Goals and Objectives; the budget for 1981-82 was used as a starting point for making the changes. He added that page 74 is a missing number but not actually a missing page.

Dr. Loomis asked a question regarding the discrepancy between the \$514,295 figure for Capital Surplus for 1978-80, and the figure in the budget

for that same time. Paul Shinn replied that the \$514,295 figure was a year-end projection from this year, and the \$516,000 figure is in the budget and is a little more accurate.

Mr. Shinn went on to say that the long-range planning is a pretty realistic statement of what LTD can do unless things change drastically, and that it is the best job of determining what the District's capital needs are first, before worrying about where the money will come from in the Federal or local shares.

Mr. Booth said he did not see how the Board could proceed with a TDP that does not accomplish the stated goal for farebox revenue to operating expense ratio of 25% by 1981-82 and 30% in the future. Mr. Shinn stated that staff did their best to come up with something that is a challenge but is still achievable, and they did not believe that 25% next year was achievable. Mr. Booth said that the District was not operating a cost-effective system and should be more efficient in obtaining money from the customer. He thought that the Board had adopted a low farebox revenue/operating cost ratio and now the staff was backing down on it.

Mr. Shinn said it was not a matter of efficiency but of how much of the cost the District can ask the passenger to support. Mr. Booth then wanted to know if the District was a social service agency or if it was trying to be businesslike, and thought the District should not be backing down on its more businesslike goals.

MOTION

Mr. Herbert commented that about a year ago the Board adopted a fare policy that has been less than successful and has contributed to a disastrous financial slump; he thought the fare policy should be reviewed. Mr. Herbert then moved that the Board direct the staff to review the fare policy, for Board review, with the following objectives: to find a fare policy which would (1) increase the number of riders on the buses; (2) increase the amount of revenue from the riders; and (3) increase the farebox revenue to operating cost ratio. Mr. Langton seconded the motion.

Mr. Herbert went on to say that when the Board passed the last fare policy, it was with the expectation that it would increase revenues, but the effect was not what the Board had hoped it would be. He thought there may be a level of fares which would encourage ridership more than enough to make up for the lower fare. He further stated that he realized this would have to be an estimate, but that since the Board's last policy there had been other transit districts which had raised fares significantly, and LTD could use some comparisons with those districts. Mr. Herbert thought the Board should not be changing fares every few months or so, and he would like staff to look at the time objective in their review of the policy. He also said that if the staff felt a consultant was needed due to the complexity of this problem, they should report that to the Board, also.

VOTE

Mr. Langton called for the question, and the motion carried on a unanimous vote.

In response to a question from Dr. Loomis, Mr. Shinn informed the Board that the figures regarding Dial-A-Bus Active Fleet projected for FY 1981-82 and FY 1982-83 on page 76 of the TDP should be changed from six per year to four in FY 1981-82 and two in FY 1982-83.

Mr. Booth said he didn't think the Board could approve a TDP that does not comply with the stated goals of the Board. Mr. Shinn suggested that the Board wait until they had heard the results of the study on fare policy before adopting the TDP. He thought the study could possibly be ready by the July meeting, but maybe not until August.

Mr. Kohnen stated that action would be deferred on the TDP until the staff study on fare policy was presented to the Board.

REPORT OF ARCHITECTURAL SUBCOMMITTEE--LANDSCAPING AND REMODELING:

Mr. Kohnen directed the Board to the memo from staff to the Architectural Subcommittee regarding property improvements on page 52 of the agenda packet. Mr. Herbert reported that he and Dr. Loomis, as the Architectural Subcommittee, had reviewed the projects that need to be done and concur that the Board should authorize the General Manager to enter into the contracts as listed in the agenda notes, with one exception.

Regarding landscaping, he said, they recommend that all the alternatives be implemented, plus one more: changing the gravel fill to exposed aggregate concrete and changing the specification for the planting of St. John's Wort, which was specified in a way that the material could not be bought. The total now recommended by the Subcommittee is \$2,324.25 over the amount listed in the agenda, to make a new total of \$23,886.25. He said the Subcommittee also recommended the amount of \$14,865.42 for remodeling.

MOTION

Mr. Herbert moved that the Board authorize the General Manager to enter into contracts with Ward-Forrest Company for landscaping, in the amount of \$23,886.25, and with All Oregon Construction for remodeling, in the amount of \$14,865.42. Dr. Loomis seconded the motion.

Dr. Loomis explained that the Subcommittee had discussed various alternatives for getting by as cheaply as possible and for future maintenance (the St. John's Wort is easier to maintain as ground cover than ivy, but ivy is needed on the fence). The total cost of landscaping, he said, is less than 5% of the total project, and he felt that was a reasonable cost.

Mr. Herbert said that the house remodel cost will mostly be for painting and a heat pump, insulation, and miscellaneous repairs in order to change it from a residence to an office building. He added that carpeting is necessary for acoustical treatment. The information services building remodel would involve carpeting and a few other changes.

VOTE

The question was called for, and the motion carried with five votes in favor, none opposed, and Mr. Booth abstaining because he thought the whole thing was a waste of money.

METROPOLITAN AREA TRANSPORTATION COMMITTEE LETTER: Mr. Kohnen called the Board's attention to the staff memo on page 55 of the agenda packet, and the letter from the MATC on page 57, which expressed the committee's concerns regarding the Transition Planning process. Mr. Shinn explained that the Area Agency on Aging went to MATC to see if they were going to be forced to contract out their services to the same agency we do as we phase out Dial-A-Bus. He said that the District does want to phase out Dial-A-Bus, but also wants to work with the area school districts, etc., and that the purpose of setting up the Transition Committee was to study whether or not it can be done.

Mr. Herbert said that the policy question at the MATC meeting was whether the District intended to find alternatives to Dial-A-Bus and to do it cooperatively with others. He thought the Board could confirm that those are the instructions to the staff. Dr. Loomis stated that the District has the Federal responsibility for Dial-A-Bus and the funds, and that it also must have control of the transition. He was afraid that the other agencies could get the District into trouble by doing too much without consulting with the Board. Mr. Kohnen remarked that the Transition Committee is made up of agencies with other kinds of transportation besides Dial-A-Bus, and that they are worried that because of our responsibility for Dial-A-Bus, we may have too much control in all areas.

MOTION

Mr. Herbert moved approval of the staff recommendation: That the Board transmit a letter to MATC acknowledging receipt of their letter (on page 57 of the agenda packet), informing MATC that the matter has been forwarded to the Transition Plan Committee and that a response from that Committee will be forwarded to MATC. The motion was seconded by Mr. Langton and carried unanimously.

VOTE

PURCHASE OF BRAKE DRUM LATHE: Mr. Kohnen stated that this subject was introduced in a memo on page 59 of the agenda packet, and that it was put in the budget this year with the specific instruction to staff to consider the alternative of contracting out the turning of brake drums, and that the question would be based on Board approval.

Mr. Dallas said the the District's old lathe could be sold but the return would only be minimal, maybe around \$200 or less. He said there would be a small savings in not using maintenance people to go back and forth to the subcontractor with brake drums, and it would be an efficient use of the manpower in maintenance because employees can do those things while waiting for other work.

Mr. Langton thought the volume of brake drum work at LTD justified an in-house lathe. Mr. Dallas said the lathe currently owned by the District doesn't work on all the buses, but the new one is a lathe and grinder and should be able to handle anything. He added that the \$16,000 figure is the low estimate from several suppliers, and that a better price may be obtained through the bidding process. There are only two brands in this market, but there are several distribution channels that can bid on it, he said.

MOTION Mr. Langton moved that the Board adopt the staff recommendation: That  
 VOTE the Board authorize staff to purchase a new brake drum lathe. Dr. Loomis  
 seconded the motion, and the vote was unanimous in favor of the motion.

TRANSFERRING RESOLUTION TO PAY BRISCOE & BERRY: Mr. Kohnen handed  
 out a resolution that would adjust the budget to take the funds to pay  
 Briscoe & Berry out of the General Operating Contingency fund and put the  
 money in the Administration-Contractual Service fund.

MOTION Dr. Loomis moved that the Board adopt the resolution (copy attached  
 VOTE to the minutes), and Mr. Langton seconded. The motion carried unanimously.

REAL ESTATE BROKER--PAYROLL TAX LIABILITY AND LEGISLATIVE REPORT:  
 Ms. Loobey informed the Board that she is not certain of the direction that  
 HB 2818 will take but that she would be going to Salem the next day. She  
 said that the LTD Subcommittee of the Springfield Chamber of Commerce would  
 review the matter the next Thursday, and that the Eugene Chamber has not  
 taken a position on this matter. The Department of Revenue, she said, had  
 received by the end of May refund requests to real estate agencies from LTD  
 totalling \$92,000. At this point, Gilbert Realty has been paid, but no  
 others. She said that Robyn Godwin, Director of the Department of Revenue,  
 had issued a directive which requires a case-by-case review of each refund  
 request, and requires continued payment of the tax until that review.

Mr. Kohnen asked Mr. Bryson if the District could take the Gilbert  
 case to tax court. Mr. Bryson replied that it has not yet been two months  
 since the date the District was notified, but that LTD's agent at the  
 hearing was the Attorney General/Department of Revenue, and Mr. Bryson  
 assumed they received notice right away, so it was probably too late to take  
 the Gilbert case to tax court. He added that the refund of about \$1,000 has  
 already been made; it was deducted from LTD's receipts by the Department of  
 Revenue.

Mr. Bryson went on to say that it still has not been decided if  
 realtors are employees by law. Sooner or later, he said, the Department of  
 Revenue will deny a refund, and when the real estate agency appeals, LTD  
 will use interrogatories to ask the realtors how they are set up and why they  
 think their employees are independent contractors. He said that Tri-Met  
 feels that the Gilbert case probably isn't the most favorable case and could  
 serve as a precedent if the District filed an appeal to the tax court and  
 lost. As soon as Robyn Godwin refuses a refund and the realtor appeals, the  
 District will have a chance to litigate this matter fully.

Mr. Bryson also stated that Tri-Met wanted to levy this kind of tax on  
 all professions, and they have brought in an expert tax lawyer as special  
 counsel to help in this matter. Mr. Bryson thought that Tri-Met would ask  
 for LTD support in getting this measure through the Legislature.

At this point in the meeting, Mr. Herbert excused himself and left.

Ms. Loobey suggested that the Board call members of the LTD Subcommittee of the Eugene Chamber, and said that Emerson Hamilton is chairman of that Subcommittee. She also suggested contacting Bob Moulton, who is the chairman of the Eugene Chamber Governmental Affairs committee.

Mr. Bryson asked if the Board wanted to give any direction regarding the Tri-Met legislation on Chapter 267. He said he had not seen the legislation but the intent seems to be to allow transit districts to levy something like a payroll tax on self-employed people.

A comment was made that if the tax were broader, the people paying the payroll tax now wouldn't be subject to such a great burden. There was consensus among Board members that LTD should work with Tri-Met on this legislation.

Regarding lifts, Mr. Booth asked if the District had to install them since the Reagan Administration seemed to be relaxing restrictions. Mr. Shinn explained that the "relaxed" restrictions would mean that Dial-A-Bus service would have to be the same as the regular route service, which would mean running Dial-A-Bus farther and longer hours.

MOTION

VOTE

Dr. Loomis moved that the Board adjourn to 7:30 p.m. on Tuesday, June 30, 1981, at City Hall, for a hearing on senior fares and budget adoption. The motion was seconded and the meeting was duly adjourned by unanimous vote.

  
Secretary



RESOLUTION

WHEREAS, the Board of Directors has agreed to pay \$21,204 to Briscoe & Berry Architects, A.I.A. for past architectural services, and

WHEREAS, this expenditure could not be foreseen in preparing the budget for Fiscal Year 1980-81,

BE IT RESOLVED that the following General Fund budget appropriations revisions are hereby approved:


REDUCTIONS IN APPROPRIATIONS	
General Operating Contingency	(\$21,204) <span style="font-size: small;">(RUB)</span>
	<u>(\$21,204) <span style="font-size: small;">(RUB)</span></u>

INCREASES IN APPROPRIATIONS	
Administration - Contractual Serv.	\$21,204 <span style="font-size: small;">(RUB)</span>
	<u>\$21,204 <span style="font-size: small;">(RUB)</span></u>

BE IT FURTHER RESOLVED that the General Manager is authorized to make expenditures within the limits of this resolution.

June 16, 1981

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 Dated

  
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 Secretary

