

MINUTES OF DIRECTORS MEETING
LANE COUNTY MASS TRANSIT DISTRICT
REGULAR MEETING

June 15, 1982

Pursuant to notice given to the Eugene Register-Guard for publication on June 10, 1982, and distributed to persons on the mailing list of the District, the regular meeting of the Board of Directors of Lane County Mass Transit District was held at the City Hall in Eugene, Oregon, on June 15, 1982 at 7:30 p.m.

Present: Peter M. Brandt
Janet Calvert
Kenneth H. Kohnen
Ted J. Langton, President, presiding
Glenn E. Randall, Vice President/Treasurer
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

News Representative:
Lisa Strycker, Eugene Register-Guard

Absent: Janice Eberly, Secretary

INTRODUCTORY REMARKS BY BOARD PRESIDENT: Mr. Langton called the meeting to order at 7:30 p.m. After calling the roll, he asked for audience participation.

AUDIENCE PARTICIPATION: Mr. Dwight Sanderson of 199 Silver Lane, Eugene, stated that two years ago he sold his car and bought bus passes for himself and his wife, and has been totally dependent upon the bus ever since. He suggested that the Irving route should be changed to go downtown Eugene as it did when it was the VRC/Irving some time ago. Mr. Langton responded that changes in that route will be made in September. Mr. Sanderson went on to say that he had seen some papers belonging to a member of the LTD Budget Committee, which showed that the District had gone from 186 drivers and 23 administrative people to 114 drivers and 37 administrative personnel. He thought that was an undesirable trend.

Mr. Sanderson noted the budget changes made in Maintenance and asked how the District planned to keep the buses going. He then stated that he had gone around town for about two hours that day with LTD's Report to the Business Community and had talked to half a dozen managers of banks, etc., but couldn't find a single person who had seen the report. He went on to make some assumptions about the cost of printing and mailing the report, and stated that he disagreed with the report's cover letter which said that the report's purpose was to communicate with

the people who pay the employer payroll tax. He thought the consumer eventually paid for the services by paying higher costs to cover the payroll tax. He said he thought the bus company's motto should be better service and more of it for as little money as possible, but thought that didn't seem to be the case with LTD.

Hank Perry, a Lane Transit bus operator, asked to speak later on the agenda, when the Board discussed reconsideration of the Eugene Mall project at 10th and Willamette.

PUBLIC HEARING ON FISCAL YEAR 1982-83 BUDGET: Mr. Langton asked for comments from the audience on the District's proposed budget for Fiscal Year 1982-83. There were no comments, and the hearing was closed.

MOTION APPROVAL OF MINUTES: Mr. Randall moved that the Board approve the minutes of the May 18, 1982 meeting as distributed. Ms. Calvert seconded, and the VOTE motion carried unanimously.

BOARD MEMBER'S MOTION TO RECONSIDER VOTE ON 10th AND WILLAMETTE PROJECT: Mr. Randall asked to consider this matter before the Board voted on the budget. Discussion followed on the impact that rescinding the previous action would have on the budget. Ms. Loobey stated that the money would stay in the capital reserve fund until the Board decided by a two-thirds vote to dissolve the capital reserve fund. The money would then go into the general fund and the Budget Committee would need to be reconvened. Mr. Randall expressed the idea that if the money was not expended from the capital reserve fund there would be no need to replenish this fund with money from the general fund.

MOTION Mr. Randall moved that the Board rescind the action taken at the April 20, 1982 meeting whereby the Board voted to spend \$187,000 for the Eugene Mall Project. Mr. Kohnen seconded the motion.

At this time, Hank Perry, a Lane Transit District bus operator, was recognized to speak from the audience. He stated that he is a union representative on the Eugene property for Amalgamated Transit Union (ATU) and has been employed by Lane Transit for 9½ years. He said he was there to ask the Board to reconsider their decision to spend money for reconstruction of the Eugene Mall facility and for a new Customer Service Center downtown. His reason for asking this, he said, was the financial condition of LTD, Lane County, and the State of Oregon. He said the District had already had two major service reductions and he thought there might be another in September or so. He thought the project itself was a good idea, because it was good for public agencies to work together with private enterprise, but the timing was wrong. He asked the Board to delay the project until there is a better picture of where the District is financially or until such time as there might be extra money in the budget.

Mr. Randall stated that he was not aware when he made the motion to expend the money that it could have been used for general operating expenses rather than for capital expenditures. Ms. Loobey explained that if the money is in the Capital Reserve fund it can only be used for capital outlay, but it could be taken from

that fund by action of the Board, and then could be used for any purpose the Budget Committee deemed necessary.

Mr. Randal further stated that he is opposed to a private entrepreneur tax at this time because of the area's present economic conditions, and that he was also opposed to spending money that could be used for general operating expenses on capital expenditures at this time. He thought the Eugene Mall Project was a tremendous idea but agreed with Mr. Perry that the timing was wrong for such a project. He said that through his ignorance he had made the motion to spend these funds but that he didn't feel that way now and therefore supported the motion to rescind that action.

Mr. Langton asked if there was already money in the Capital Projects Fund that was not committed and could fund this project. Ms. Loobey replied that she thought not. The 5th and North "B" Transit Station in Springfield, the River Road Park and Ride, and the matching fund for the retrofit of the buses with lifts were the main projects coming up for expenditures in the next fiscal year. She stated that the carryover at the end of the year was to fund two major projects--replacement of the twin coaches, and a University of Oregon transfer station. She further explained that the money designated for use for the Eugene Mall project had originally been intended to be used as a portion of the match for replacement of the twin coaches; however, when this project came up through the Eugene Renewal Agency (ERA), staff suggested that it was a higher priority than twin coach replacement at this time.

Mr. Randall took exception to the priority of having a new place for patrons to transfer from bus to bus if the District didn't have the buses in the first place. He felt that patrons were being denied service through the District's recent cutbacks, and thought that using the money designated for the Eugene Mall Project and replacing it with money from the General Fund would necessitate further cutbacks and denial of service.

Ms. Calvert and Mr. Langton stated that the routes being cut back were those that were not meeting Board-adopted standards. Ms. Calvert thought that the most common complaint heard by the Board was that buses are running empty. Mr. Langton asked Mr. Randall if he would run service even on those low productivity routes. Mr. Randall replied that he thought that if this money could be used for operating expenses, the District should try to maintain the system and transport as many people as possible rather than build a downtown transfer station.

Mr. Kohnen agreed that the reason for LTD's existence was to provide transportation for people, but thought that from time to time that involved making substantial investments. He also thought that one way to attract people to ride the bus was to provide attractive places for them to transfer, and to make riding the bus more attractive than driving cars. Mr. Kohnen also talked about the Board's adopted criteria for when service would be offered, and said that at the present time all reductions have been made to reduce service where there hasn't been enough patronage to meet those criteria.

Mr. Randall called for the question. Mr. Randall's motion to rescind the action in which the Board voted to spend \$187,000 for the Eugene Mall Project

VOTE was defeated 4 to 1, with Mr. Randall voting in favor of the motion and all others opposed.

MOTION ADOPTION OF FISCAL YEAR 1982-83 BUDGET: Mr. Randall moved that the Board approve the budget for FY 82-83. Ms. Calvert seconded the motion. Mr. Langton asked for audience participation on this subject, but there was none. The motion
 VOTE to approve the budget carried on a unanimous vote.

Ms. Loobey handed out replacement page 41 for the agenda packet, because there was an error in the resolution as originally enclosed in the packet.

MOTION Mr. Randall moved that the resolution circulated to the Board by Ms. Loobey
 VOTE pertaining to the budget for FY 82-83, in the total combined sum of \$9,339,200, be adopted. Mr. Kohnen seconded, and the motion passed unanimously.

MOTION RECOMMENDATION OF BOARD SUBCOMMITTEE ON STAFF SALARIES: Mr. Randall moved
 VOTE that the Board adopt the staff recommendation to approve the recommendation of the Board Subcommittee as included on page 18 of the agenda packet. Mr. Brandt seconded the motion, which carried on a unanimous vote. A copy of the Subcommittee recommendation is attached.

REQUEST FOR REDUCED FARE DAY: Mr. Langton announced that the request for a reduced fare day from the Springfield Trade Association had been withdrawn. Ms. Loobey stated that the District had lately been receiving a lot of this type of request, and staff had been bringing them all to the Board. She asked if the Board would like to direct the staff to draft, for Board review, some guidelines for such requests. Those guidelines might include a cost/benefit analysis, the benefits to the community, and the kind of participation being considered by the agency making the request. Consensus was that the staff should draw up a draft statement on this issue for Board review.

MOTION BOARD POLICY MANUAL--CHAPTER 10, PASSENGER FARES: Mr. Randall moved that
 VOTE the previously unadopted section 10.014, Additional Fare Regulations, be adopted. Mr. Kohnen seconded, and the motion passed unanimously.

MOTION STATE IN-LIEU-OF PAYROLL TAXES: Mr. Randall moved that the Board accept the
 MOTION recommendation of the staff and adopt option #3 on page 49 of the agenda packet.
 WITHDRAWN Ms. Calvert seconded the motion. There was some discussion on the wisdom of spending money that the District wasn't sure it would have to pay back at some time in the future. Mr. Kohnen reminded the Board that they had just passed the budget which included \$20,000 of this in-lieu-of payroll tax money as income. It was agreed that it might be better to take action on this money each year. Mr. Randall and Ms. Calvert withdrew the motion and second.

MOTION Mr. Kohnen then moved that the Board approve the agreement found on pages 50
 VOTE and 51 of the agenda packet. Mr. Randall seconded, and the motion carried on a unanimous vote.

MOTION Mr. Kohnen then moved that any funds received or accrued for the year 1981-82
 VOTE be spent as budgeted. Mr. Randall seconded. The motion carried 4 to 1, with Mr. Brandt opposing the motion and all others voting in favor.

There followed some discussion regarding the best way to insure that the anticipated \$75,000 for FY 82-83 isn't spent until the District is more sure of its financial situation and ability to pay the money back if it becomes necessary. Karen Brotherston, the District's Accountant, informed the Board that the first in-lieu-of tax payment for the fiscal year would be received in October of 1982. Mr. Brandt moved, and Mr. Randall seconded, that the matter be tabled for discussion at the September Board meeting. The motion carried unanimously.

MOTION
VOTE

INVESTMENT OF SURPLUS FUNDS: Mr. Randall was concerned by the staff recommendation on this subject because he thought too much responsibility was being shifted to the staff and someone from the Board should be responsible for being aware of what funds were being invested. Ms. Brotherston replied that all checks over \$10,000 are signed by both the General Manager and the President of the Board. Mr. Brandt stated that the restriction of investing only \$500,000 at one time without Board approval had been made, a mistake had been made, and staff had brought the mistake to the Board's attention.

Ms. Brotherston explained that all funds are fully collateralized; the Savings and Loans issue the District a certificate on their collateral pool and the District's funds are fully secured.

MOTION
VOTE
Mr. Brandt moved that the Board adopt the staff recommendation to approve the investments as listed in the staff memo on page 52 of the agenda packet and to approve the reinvestment of these funds during June and July of 1982, and that the staff include in the agenda packet each month a summary of how much money is invested and where it is invested, for Board review. Mr. Randall seconded, and the motion carried unanimously.

MOTION
VOTE
AMENDED ORDINANCE #20: Mr. Kohlen moved and Mr. Randall seconded that the Board read Amended Ordinance #20 by title only. Mr. Langton announced that there were extra copies of the ordinance available to anyone in the audience who had not received one. The motion then carried by unanimous vote.

Mr. Langton then read the title: "Lane County Mass Transit District, Amended Ordinance #20. An amended ordinance imposing an excise tax on employers, providing for administratin, enforcement and collection of the tax, terminating the application of Ordinance No. 16, and declaring an emergency."

MOTION
VOTE
Mr. Randall then moved that the Board adopt Amended Ordinance #20. Mr Brandt seconded, and the motion passed unanimously.

MOTION
VOTE
TRANSFER RESOLUTION: Ms. Calvert moved and Mr. Kohlen seconded that the Board approve the transfer resolution found on page 76 of the agenda packet. The motion carried by unanimous vote.

REPLACEMENT FOR POLLY NELSON ON DOWNTOWN DEVELOPMENT BOARD PEDESTRIAN COVER REVIEW COMMITTEE: Mr. Langton said that instead of appointing someone to this position, he would prefer that anyone with any interest in this project contact him. If no one does, he will be contacting someone about taking on this function.

EXECUTIVE SESSION--May 18, 1982: Mr. Randall asked to make a public statement that when he was acting chairman at the last Board meeting he allowed a discussion during an Executive Session of an issue that was not covered by the Executive Session. The discussion was regarding a Board member's possible conflict of interest, and should not have been allowed during that Executive Session. He stated that anyone in the audience who wanted to had a right to know the content of the discussion, which was a challenge to his right to sit in that session. No one requested to hear the content of that discussion.

ITEMS FOR INFORMATION AT THIS MEETING:

Attorney's Correspondence Regarding Directors' Conflict of Interest: Mr. Langton said he thought it was important for each Board member to understand the correspondence presented by the District's attorney, Richard Bryson. If they so desire, Board members may talk to Mr. Bryson individually. Mr. Bryson stated that the Oregon Government Ethics Commission did adopt the opinion as written. It states that the Board cannot decide whether or not a person has a conflict of interest. If the person makes a declaration or the Commission decides there is a conflict, then the Board can take whatever action might be appropriate. If the Board members feel another member has a conflict, they should contact the Commission.

Proposal for Examination of Long-Range Alternative Financing: Mr. Langton called the Board's attention to the memo on page 86 of the agenda packet. He said he felt the District has a good system with good facilities and employees but lacks ridership. He thought the District needed to examine the different ways it is perceived by the public and to involve more of the public in support of the District.

Orientation and Instruction Session: Mr. Langton stated that this is a subject which is important to the Board, particularly when so many Board members are new. He thought the only cost to the District of such a session would be staff time.

Preview of Transit Development Program (TDP): Mr. Langton announced that the TDP would be sent out as early as possible before the July Board meeting so Board members would have time to review it.

Workers Compensation Claim Summary: Mr. Langton commented that he thought the Workers Compensation Claim Summary was remarkable and something to be proud of. He thought the administrative staff and employees should be congratulated. He thought the financial as well as the moral (fewer people being hurt) aspects of this accomplishment were important to the District.

MOTION

EXECUTIVE SESSION PURSUANT TO ORS 192.660(1)(h): Ms. Calvert moved, and Mr. Randall seconded, that the Board move into Executive Session pursuant to ORS 192.660(1)(h), for the purpose of hearing an update on the court-ordered

binding arbitration, the Supreme Court decision regarding the Jackson Transit Case, and the District's attorney's recommendations for future action. The motion passed unanimously.

VOTE

MOTION

ADJOURNMENT: After returning to regular session, Mr. Randall moved and Mr. Brandt seconded that the meeting be adjourned. With no further discussion, the meeting was adjourned by unanimous vote.

VOTE


Secretary



LANE TRANSIT DISTRICT

June 3, 1982

MEMORANDUM

TO: Board of Directors
FROM: Subcommittee on Staff Salaries
RE: Recommendation for Board Approval

After several meetings regarding staff compensation, the Subcommittee recommends the following steps for approval by the Board:

1. Basic concept of salary freeze should remain in effect with no base increase in current salary structure.
2. Implement performance based pay plan during FY 82-83.
3. Staff salaries remain as budgeted by the Budget Committee.
4. No reclassifications at this time. A general review of all classifications should be accomplished in conjunction with the performance based pay plan and should be implemented with consideration to recent division reorganizations and available budgets.

We fully recognize that we are dealing with an environment, beyond the District's control, which greatly influences the actions of both the public and private sector vis-a-vis compensation.

The performance based pay system, after implementation, may present opportunities for addressing some current inequities. Those inequities will be identified when the analysis for all classifications is completed by the staff.

Peter Brandt/jp
Peter Brandt
Chairman

PB/em

AGREEMENT

The following is an agreement between the Lane Transit District (hereinafter referred to as "District") and the State of Oregon Executive Department (hereinafter referred to as "State").

The State and District are participants in a procedure whereby the State has caused a payroll assessment to be levied against all state agency payrolls for payments to certain authorized transit districts as "in lieu of payroll tax". This procedure was authorized by Chapter 788, Oregon Laws 1981 and subsequent appropriation bills and Emergency Board actions.

The State applied to the cognizant federal agency for Oregon regarding approval of this assessment for federal participation under the auspices of Office and Management and Budget (OMB) Circular A-87. This request for approval was denied by letter dated April 2, 1982, from the regional director of the Department of Health and Human Service (DHHS). The State has agreed to pursue all avenues of appeal in order to override the disapproval by the regional director because of the impact of reduced funding payable to all transit districts.

Because of the disapproval for federal participation, State cannot guarantee that all moneys assessed against federally funded positions (and subsequently distributed to transit districts) won't have to be refunded. The refund might be required if State cannot obtain approval of the program at some future date.

Therefore, District has requested State to continue assessing agency payrolls even though wholly or partially funded by federal dollars. The dollars will continue to be distributed to District as if approval for the program had been received. However, District agrees to repay State a percentage of all distributions made by State to District after May 1, 1982. This percentage calculated by State is agreed to be the best available information regarding federal funding participation. This stipulated percentage for District is 22%.

District also agrees to make refund to State in no less than 30 days and no greater than 90 days after State issues a statement requesting refund. The State will not include interest charges on moneys distributed to District and requested to be refunded unless the DHHS requests interest to be paid. District will refund distributions plus interest at rate stipulated by DHHS or by State if DHHS does not indicate an interest rate. The request for refund would not be made until State has pursued all possible avenues of appeal.

The Signator for District certifies the legal authority to bind District to terms of this agreement. Also, District will provide to State within 30 days of date, signed copies of minutes from District governing board whereby terms of this agreement are discussed and accepted by District.

The sole purpose of this agreement is to allow State to continue distributing federal funds to District with District guaranteeing the repayment of the federal funds to State if State requests repayment at some future date.

APPROVED:

Name _____

Title _____

District _____

Date _____

Name Paul J. Fisher

Title Admin. Accty. Division

Agency Executive Department

Date 6/4/82