

MINUTES OF DIRECTORS MEETING  
LANE COUNTY MASS TRANSIT DISTRICT

REGULAR MEETING

July 20, 1982

Pursuant to notice given to the Eugene Register-Guard for publication on July 15, 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 July 20, 1982 at 7:30 p.m.

Present: Peter M. Brandt  
Janet Calvert  
Janice Eberly, Secretary  
Ted J. Langton, President, presiding  
Larry Parducci  
Phyllis Loobey, General Manager  
Jo Sullivan, Recording Secretary

Absent: Glenn E. Randall, Vice President/Treasurer

INTRODUCTORY REMARKS BY BOARD PRESIDENT: After calling the meeting to order, Mr. Langton requested that members of the audience hold their comments on specific agenda items until those items came up on the agenda.

AUDIENCE PARTICIPATION: There was no audience participation regarding general topics.

PUBLIC HEARING ON TRANSIT DEVELOPMENT PROGRAM: Mr. Langton opened the public hearing on the District's Transit Development Program (TDP) for Fiscal Years 1982-83 through 1984-85. There was no audience participation on this subject.

MOTION APPROVAL OF MINUTES: Mr. Brandt moved, and Ms. Calvert seconded, that the minutes of the June 15, 1982 regular meeting be approved as distributed. The VOTE motion carried by unanimous vote.

POLICY ON EXTERIOR ADVERTISING: Mr. Langton introduced Bruce Cappelli and Rod Miles who were representing Advertising Services, the agency handling the District's exterior and interior advertising program. Mr. Cappelli stated that there had initially been some discussion on the part of the Board that advertising on the outside of the buses could present some problems, but those problems had not materialized. The Board had directed staff to prohibit advertising of alcoholic beverages and to make certain that all efforts had been directed toward local advertisers. Mr. Cappelli said that those requirements had been fulfilled, but suggested there may now be some opportunities for national advertising,

such as beer and wine distributors. He stated that they had not looked for or secured such advertisers, but were asking the Board to reconsider that directive. He explained that due to the local economic conditions the agency had not been able to renew some of the initial advertising contracts. The advantage to the District of allowing this other type of advertising, he said, would be that more than the minimum guaranteed revenue could be earned if Advertising Services exceeded a certain percentage of inventory. Mr. Cappelli went on to say that their inventory for exterior advertising had been running at about 65% of capacity, was decreasing to about 55%, and was expected to drop to about 30-35% in the months to come, due to the local economy.

Ms. Calvert asked why Advertising Services had suggested that beer and wine be advertised, but not cigarettes. Mr. Cappelli explained that they felt there should be no prohibitions at all, but he didn't think there would be any interest on the part of cigarette companies, which are national. However, he said, there may be some interest on the part of regional beer and wine distributors.

Mr. Langton commented that the District's primary purpose in this program was to raise revenue within the bounds of good taste, and apparently the revenue projections were falling behind what had been anticipated.

MOTION Ms. Eberly moved that the Board accept the staff recommendations to revise the guidelines for exterior as well as interior advertising to allow the advertising of beer and wine. Mr. Parducci seconded the motion.

Ms. Calvert commented that she had problems with a public agency advertising something that other public agencies were advertising against as being unhealthy. She also stated that she hoped all efforts would continue to be made to let local people know they can advertise on the buses.

VOTE With no further discussion, the motion carried four to one, with Ms. Calvert voting in opposition and all others in favor.

VALLEY RIVER CENTER PROMOTION: Ed Bergeron, the District's Marketing Administrator, and Carla Chambers, Marketing Representative, were introduced. Mr. Brandt asked why the proposal was to make people pay and then give them a free token. Ms. Chambers explained that 90% of the riders to Valley River Center on Saturday transfer; they may get on any route in the entire system. They will have to pay for the initial bus, get a transfer, and then get a free token when they arrive at Valley River Center. When they leave Valley River, they will ride for free; they won't have to use their free token to get home. She said also that LTD will have a booth at Valley River Center at which the transfers will be redeemed for tokens and bus information will be given out.

MOTION Ms. Eberly moved that the Board accept the staff recommendation to have a free fare day on all Valley River Center routes on Saturday, August 28, for which Valley River Center would pay LTD \$651.00. Mr. Brandt seconded the motion.

Mr. Brandt commented that he hoped the press didn't call this a "free fare" day, since the District would be reimbursed by Valley River Center. Ms. Eberly

thought the District needed a promotional name for this type of service. She also thought the District should let the press know about the emphasis on route sector marketing. Mr. Langton and Ms. Eberly expressed appreciation for Valley River Center's enthusiasm for participating in such a promotion.

VOTE With no further discussion, the motion carried by unanimous vote.

ADOPTION OF 1982-83 - 1984-85 TRANSIT DEVELOPMENT PROGRAM: Mr. Langton said that Nancy Matela, the District's Administrative Analyst, was present to answer questions regarding the Transit Development Program (TDP), and that pages that were discussed at the July 15th meeting as needing correction had been changed and included in the agenda packet. Ms. Matela stated that staff weren't able to prioritize action plans in time for the agenda packet, but that would be done for the final copy of the TDP. She said also that acronyms included in the text of the TDP would be written out and explained.

MOTION Mr. Brandt moved, and Ms. Calvert seconded, that the Board adopt the 1982-83 through 1984-85 Transit Development Program as presented and updated. The motion carried unanimously.  
VOTE

MOTION POLICY MANUAL--ADDITION TO CHAPTER 3: Ms. Calvert moved that the Board adopt Section 3.070, Affirmative Action Policy, of the Board Policy Manual. Mr. Brandt seconded, and the motion passed by unanimous vote.  
VOTE

MOTION GOVERNING BOARDS COMMUNICATION WITH APTA: Ms. Eberly moved that the Board name the President of the Board as the designated correspondent for American Public Transit Association (APTA) Governing Boards Committee correspondence. Ms. Calvert seconded, and the motion carried unanimously.  
VOTE

ITEMS FOR INFORMATION AT THIS MEETING:

Risk Management Fund: Mr. Langton introduced John Janzen of Risk Research Group, who is a consultant to LTD on the Risk Management program. With him was Fred Greatwood of Tromp & McKinley, the District's insurance broker of record. Mr. Langton also introduced Gary Deverell, the District's Safety and Training Supervisor, who is in charge of the Risk Management Program.

Mr. Janzen explained that his firm was retained to look at techniques to help the District take some responsibility for managing a complex area of insurance, to help identify costs to the District and look at programs within those areas to see what can be implemented to reduce those costs. He stated that it is difficult to anticipate what costs are going to be and what claims will have to be made for several years to come. As each budget year progresses to a new year, the District must have the proper funds to meet unstated liabilities as they come due. This need resulted in the formulation of a Risk Management Fund about a year and a half ago, in order to bring all those costs into one program area.

Mr. Janzen called the Board's attention to his memo beginning on page 20 of the agenda packet, which contained an analysis of the District's Risk Management Fund. After discussing the subtopics of the memo, he recommended closure of the District's Workers Compensation program as of September, 1982, for a substantial reduction in the total cost of that program.

Mr. Janzen then explained the chart on page 23 of the agenda packet. It combined all comprehensive general liabilities and transit liabilities, as well as fleet physical damage under one policy, with each line having its own level of deductible. The total liability within these three areas could not exceed \$125,000. He stated that the new program offered the District some unique opportunities to save more money and be more involved in the management of those claims, yet provide a necessary level of protection for the District. It would also basically cut the District's insurance program from eight or nine policies down to three.

Mr. Janzen called the Board's attention to a change in the way claims against the District are filed. Formerly, they had to be sent by certified mail to a specific staff person. The law has now been changed and it is conceivable that individual Board members, the Board as a group, or other staff members may receive a letter or notice of a claim. Notices do not even have to be in writing, so anyone even hearing of a claim should contact the District's Safety and Training Supervisor immediately. Mr. Janzen stressed the importance of channeling notices to Gary Deverell as quickly as possible in order not to lose the protection afforded by the law.

Mr. Brandt asked how the figure of \$5 million was chosen. Mr. Greatwood replied that the tort liability law precluded public entities from being sued in excess of \$300,000; that law has been upheld in the courts. Mr. Janzen stated that \$5 million was chosen in case the courts ever decide that the District should be liable for total claims, because there are so many people on the buses at one time, in case the courts ever decide that the District should be liable for total claims.

Mr. Greatwood stated that his firm was trying to monitor what was going on in Lane County, where there were not too many large cases. However, he said there was more litigation in Lane County recently, possibly due to the economic conditions, and they would be monitoring the situation and making recommendations if they felt the \$5 million figure was inadequate.

There was no further discussion on this topic. Mr. Langton thanked Mr. Janzen and Mr. Greatwood for their presentation.

LCC Term Pass Promotion: Mr. Langton asked the Board to note the memo from Ed Bergeron regarding this subject. He thought it was important for the Board to be aware of the need for such a pass and to consider it for the future.

Springfield Activities: Janice Eberly stated that she would try to attend the opening ceremonies of the Springfield City Center Station at 5th and North "B."

Eugene Mall Project: Staff handed out to Board members appendices which were not included in the agenda packet. Mr. Langton suggested that the Board adjourn to Tuesday, July 27 to hear cost estimates and to make firm decisions regarding this project. Ellen Bevington, the District's Planning Administrator, asked the Board to be present at an adjourned meeting to discuss two topics: (1) design/program work for things to be funded entirely by the District; and (2) jointly funded items, including some design decisions and trade-offs in which the Board should be involved.

Question Regarding Adding Routes: Ms. Calvert asked what members of the community would have to do to request addition of a route. Ms. Loobey responded that the District policy is to respond to a request from the community by analyzing the potential ridership in such an area and informing the Board of what the research showed, the funding and staffing necessary, etc., and, finally, by making a recommendation to the Board.

Ms. Calvert mentioned that a group would be moving to Laurel Hill School and had expected bus service, which is now scheduled to be discontinued in September. Ms. Loobey stated that she had talked to one of their representatives that day, and had explained how the District had been trying for the past four years to make that route meet productivity standards. Ms. Calvert hoped the staff would continue to work with the group.


Question Regarding Year-end Audit: Mr. Brandt asked if the year-end audit process was a Board decision. Ms. Loobey explained that several years ago the Board named Derekson and Gault as the District's auditors, and had continued to use them under an on-going personal services appointment, much like the contract with the District's attorneys. She added that it had not been the policy of the previous Board to review and change auditors every couple of years.

Mr. Brandt then asked why the District was paying a penalty to the Internal Revenue Service. Karen Brotherston, the District's Accountant, replied that due to several reasons, including the change in Accountants, the Accounting staff forgot to make a payment to the IRS. Ms. Brotherston has written to the IRS in the hopes of having the penalty set aside.

Follow-up on Board Orientation Session: Ms. Eberly asked to make a comment for the minutes. She congratulated the staff for an excellent job in making the orientation session beneficial for new Board members. She said she appreciated the session and thought everyone enjoyed it and found it interesting. The other Board members concurred.

ADJOURNMENT: Ms. Calvert moved and Mr. Brandt seconded that the meeting be adjourned to Tuesday, July 27, 1982, at 7:30 p.m. at City Hall. The vote carried unanimously, and the meeting was adjourned at 8:36 p.m.

MOTION  
VOTE

  
Secretary