

MINUTES OF DIRECTORS MEETING
LANE COUNTY MASS TRANSIT DISTRICT

ADJOURNED MEETING

August 31, 1982

Pursuant to notice given at the August 24, 1982 adjourned Board meeting, an adjourned meeting of the Board of Directors of the Lane County Mass Transit District was held on August 31, 1982 at 7:30 p.m. in the City Hall, Eugene, Oregon.

Present: Peter M. Brandt
Janice Eberly, Secretary
Ted J. Langton, President, presiding
Glenn E. Randall, Vice President/Treasurer
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: Janet Calvert
Larry Parducci

INTRODUCTORY REMARKS BY BOARD PRESIDENT: Mr. Langton remarked that it was not a long agenda but it was of particular importance to begin the process on some of the items.

AUDIENCE PARTICIPATION: Sue Embree of 4936 Cone Avenue, Eugene, spoke regarding the Oregon Junior Miss Scholarship Program. The Junior Miss pageant will be held in Eugene this year, and they would like to hold it in Eugene every year in the future. Ms. Embree handed out a copy of the contract with Ellison Bus Lines in Roseburg for last year's pageant, which shows that the bus company donated the majority of the transportation and, in return, was listed as an official sponsor of the 1982 Junior Miss Program.

Ms. Embree stressed that the program is not a beauty pageant, and gave the Board President some printed information regarding it. She said that the program should be bringing a lot of people from all over the state to Eugene. The transportation needs for the program participants would be basically having a bus at their disposal for a week. Last year they paid \$200 and couldn't afford much more than that this year, she said. Ed Bergeron, the District's Marketing Administrator, said that \$200 would allow about eight hours of charter service, not enough to meet their needs. The reason for Ms. Embree's appearance before the Board was to find out if the Board would be willing to donate some service.

Mr. Randall suggested having the materials from Ms. Embree distributed and discussing the request at a later date. The other Board members agreed. Ms. Embree was asked to work with staff in preparing a proposal for Board action.

PUBLIC HEARING ON SECTION 5 OPERATING ASSISTANCE: Mr. Langton asked for audience participation on the District's application for Section 5 operating assistance. There was none.

MOTION APPROVAL OF MINUTES: Mr. Randall moved and Ms. Eberly seconded that the minutes of the July 20, 1982 regular meeting, the July 27, 1982 adjourned meeting, the August 17, 1982 regular meeting, and the August 24, 1982 adjourned meeting be approved as distributed. The motion carried on a unanimous vote.

MOTION UMTA SECTION 5 OPERATING ASSISTANCE--APPROVAL OF GRANT APPLICATION: Mr. Randall moved that the Authorizing Resolution for LTD's application for UMTA Section 5 Operating Assistance found on pages 27 and 28 of the agenda packet be adopted. Ms. Eberly seconded, and the motion was unanimously approved.

RISK MANAGEMENT TRUST ACCOUNT: Karen Brotherston, the District's Accountant, handed out a replacement resolution which had one paragraph added at the request of District's counsel. That paragraph specifies Brown Brothers' authority to settle claims against the District for amounts up to \$2,500, but the resolution still limits their check signing authority as discussed at previous meetings.

MOTION Mr. Randall moved that the Board adopt the resolution concerning the settlement of claims found on replacement pages 31 and 31A. Ms. Eberly seconded the motion.

Mr. Brandt expressed unhappiness at the lack of further information given to the Board in the staff memo. He thought it did not make sense for someone else to be writing checks for LTD's money. Ms. Brotherston explained that this is a common practice for government agencies that have someone else acting as their claims adjusters. She said also that Brown Brothers is a national, bonded organization.

Mr. Brandt wondered why the adjusters couldn't get a written agreement of settlement for \$1,000 and then get a check from the District. Tim Dallas, Director of Operations, explained a claim the District faced about three weeks ago, in which Brown Brothers got to the claimant quickly and obtained a signed release for a \$250 settlement of the claim. He said it took several days for the District to get a check prepared and signed. During that time, the claimant talked to relatives and an attorney and gave the District notice of her intent to file suit. Her attorney stated that a waiver may not be binding, the District hadn't yet issued the check, and there is no guarantee that even a check is binding until it is cashed.

Ms. Loobey further explained that the suggestion that Brown Brothers have this check-signing authority had been made by John Janzen, the District's risk management consultant. She said the purpose is to close off areas in which Lane Transit might be vulnerable.

MOTION WITH-DRAWN In light of the discussion, Mr. Randall asked to withdraw his motion and to defer the topic to a future meeting. The seconder, Ms. Eberly, agreed. Mr. Randall and Mr. Brandt asked staff to bring to the next Board meeting information regarding

Brown Brothers, how taking three days to prepare a check affects the settlement of a claim, the history of settling District claims, and any other pertinent information.

SPECIAL COMMITTEE ON LONG-TERM FINANCING: Mr. Langton thought such a committee would enable the District to avail itself of input from the community in order to set policies, goals and guidelines. He asked the Board to suggest names of persons to participate in such a committee.

Mr. Randall thought that none of the Board members believed the payroll tax was the best source of income, but that the community was not supportive of other forms such as an income tax. He did not disagree with the need for a committee, but he was not hopeful that the results of that committee would become a fact. He thought the District needed to look at the current state law regarding the means of taxation and make an honest attempt to add to the means by which it can obtain revenue (such as by a gasoline tax). He mentioned that a "blue ribbon" committee had been formed in the past and had had good ideas, but none of them had ever become a fact.

Ms. Loobey suggested that the District concentrate less on the notion of a "blue ribbon" committee and more on a committee with broader representation, made up of riders, non-riders, labor union members, the business community, etc. One thing LTD has lacked in the past, she said, is a broadly-based constituency. In answer to a question from Ms. Eberly, Ms. Loobey stated that since the Special Advisory Committee of 1974, the District has had two local option income tax measures, in 1974-75 and in 1980, and they both failed.

Mr. Randall stated that he thought the Board should look for broader options than an income tax, but that he would not be opposed to submitting it to the voters sometime in the future.

Mr. Brandt said he had no problem with such a committee as long as it would start out by dealing with the broad issue of what the people want. If we find they don't want a transit system, he said, it should be cut back. He stressed the need to cover a broad enough sample to obtain a true representation of the people, and stated that a consultant might need to be hired.

Mr. Langton thought that, based on the discussion, staff should have a clear sense of the direction the Board would like to take in this matter.

MOTION REVISION OF SERVICE DESIGN POLICY: Ms. Eberly moved that the service design policy on pages 36 through 45 of the agenda packet be adopted. Mr. Randall
VOTE seconded, and the motion carried unanimously.

MOTION INVESTMENT OF SURPLUS FUNDS: Ms. Eberly moved and Mr. Randall seconded that the Board adopt the resolution on page 47 of the agenda packet.

Mr. Brandt asked in which financial institution the surplus funds would be invested. Ms. Brotherston replied that the District's surplus funds have

generally been invested with Equitable Savings in Springfield because their rates are one-half to one percent higher than other financial institutions in the area. She further explained that the District receives a receipt at the time of investment, and later receives a certificate issued by the manager of the investment pool stating that the District is fully secured for the balance of the funds on deposit. She said that the assignment of collateral comes from California a few days later.

Mr. Brandt commented that he was not convinced that this was a safe process for the District. He spoke of two financial institutions that thought they were secured and lost \$80,000 and \$20,000, and said he wanted to be sure the District's funds were 100% safe. Mr. Randall asked if the Board could indicate in the resolution that the funds would be 100% collateralized as confirmed by the legal counsel of Lane Transit District. Richard Bryson, the District's counsel, said that he would look at the certificates of collateral to determine if the District's funds are, in fact, 100% collateralized.

Ms. Brotherston stated that presently all surplus funds are in the Oregon Local Government Investment Pool, which is invested by the State Treasurer. The District now has \$1.5 million in the Pool, and Ms. Brotherston explained that the only difference would be that that money could be earning about one-half percent more because the rates have plummeted recently.

The mover and seconder, Ms. Eberly and Mr. Randall, withdrew their motion to adopt the resolution.

Ms. Eberly moved that the Board adopt the resolution on page 47 as changed by adding a paragraph reading, "Be it resolved that the investment of District funds shall be fully collateralized as confirmed by the legal counsel for the District." Mr. Randall seconded the motion.

Ms. Eberly stated that most of the surplus money was the District's reserve for the Downtown and other projects, and asked why the amount changed from \$1.5 million to \$1 million in September. Ms. Brotherston replied that that would have been reinvestment after 30 days.

With no further discussion, the question was called for and the motion carried unanimously. A copy of the adopted resolution is attached.

ITEMS FOR INFORMATION AT THIS MEETING

Comparison Performance Statistics for Other Transit Properties in Cities of Comparable Sizes: Mr. Randall commented that the District's productivity and farebox ratio seem to be low in comparison to other properties. Mr. Langton thought that the Board should be familiar with this information.

Eugene Mall Project: In response to some questions from Board members, Tim Dallas, Director of Operations, explained the background of expenditures

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authorized for the Eugene Mall Project. He said the bids for the project were expected to be higher than anticipated and there was presently no commitment from the Downtown Commission to spend the additional money for their part of the project. However, he said, that seemed to be the direction the Commission would take, and they wanted to make their decisions based on hard figures. Waiting for those figures would push project decisions to the deadlines, so the City staff intended to contact LTD staff immediately after the bids were opened. Mr. Dallas said there would be a meeting of the staffs on September 14, and if District staff feel the project isn't progressing the way the Board directed, they would contact the Board members by telephone before entering into a contract.

MOTION EXECUTIVE SESSION PURSUANT TO ORS 192.660(1)(d) AND ORS 1982.660(1)(h):
Mr. Brandt moved that the Board adjourn to Executive Session pursuant to ORS 192.660(1)(d) in order to conduct deliberations with persons designated by the governing body to carry on labor negotiations, and ORS 192.660(1)(h), to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. Ms. Eberly seconded, and the motion carried on a unanimous vote.

MOTION ADJOURNMENT: After returning to regular session, Mr. Randall moved and Ms. Eberly seconded that the meeting be adjourned. With no further discussion, the meeting was duly adjourned at 8:40 p.m.


Secretary

ATTACHMENT TO MINUTES

R E S O L U T I O N

WHEREAS, ORS 294.035(7) allows public agencies to invest surplus funds in certificates of deposit, and

WHEREAS, Lane Transit District possesses surplus funds due to Capital Project and Risk Management reserves and due to receipts of quarterly payroll tax payments, and

WHEREAS, by resolution investments of surplus funds may not exceed five hundred thousand dollars (\$500,000) in the aggregate at any one time without prior approval of the Board of Directors; therefore,

BE IT RESOLVED that the General Manager is authorized to invest one million and five hundred thousand dollars (\$1,500,000) in certificates of deposit in August, 1982, and one million dollars (\$1,000,000) in certificates of deposit in September, 1982; and

BE IT RESOLVED that the General Manager is authorized to execute any agreements necessary to accomplish that investment of funds; and

BE IT RESOLVED that the investment of District funds shall be fully collateralized as confirmed by the legal counsel for the District.

August 31, 1982

Date


Secretary