

MINUTES OF DIRECTORS MEETING

LANE COUNTY MASS TRANSIT DISTRICT

October 22, 1974

The board of directors of Lane County Mass Transit District met at the City Hall in Eugene, Oregon, on October 22, 1974, at 7:30 p.m. pursuant to adjournment from its meeting of October 15, 1974.

Present were:

Richard A. Booth
Jack J. Craig, Treasurer
Daniel M. Herbert, President, presiding
Kenneth H. Kohnen, Vice President
Glenn E. Randall, Secretary
Ruth Shepherd
Fred Dyer, General Manager
Richard Bryson, Counsel.

Absent was:

Gary Buell.

Richard Bryson, district counsel, served as recording secretary for the meeting.

MINUTES: Reading of the minutes of the meeting of October 2, 8, 10, and 15, 1974, respectively, was dispensed with as minutes of those meetings were distributed to all members of the board. On motion duly seconded, the board voted unanimously to approve said minutes as distributed.

FINANCE: The board then proceeded with its analysis of fiscal year 1974-1975 revenues and expenditures and consideration of the staff proposals. The board president turned the meeting over to the general manager to present the staff programs. Mr. Dyer then briefly reviewed the three alternative programs which were presented to the board in detail at its meeting of October 15, 1974, and then discussed two new alternatives designated as alternatives 4 and 5, which had been distributed to all board members prior to the meeting. Alternative 4 would maintain current levels of service in the urban area with 117 drivers, would implement service in the suburban areas in March 1975, increase the base fare for riders from 25 cents to 30 cents, increase the employers payroll tax to .006 effective July 1, 1974, provide for capital expenditure limited to purchase of used rolling stock (non-urban service) and maintenance equipment and allow for reduction of the

short-term indebtedness so as to eliminate that indebtedness not later than April 1975. He also presented Alternative No. 5 which is the alternative carrying the staff recommendation. This program would maintain current levels of service until March 1975 when the entire route and schedule system would be revised to incorporate the non-urban service using 117 drivers through fiscal year 1974-75; would increase the base fare for riders from 25 cents to 30 cents; would increase the payroll tax throughout the service area to .0054 effective July 1, 1974; would provide for capital expenditure for non-urban rolling stock and maintenance equipment, and would provide for reduction in short-term indebtedness not later than the second quarter of the fiscal year 1975-76. Under the staff recommendation, Mr. Dyer pointed out that the two cent senior citizen fare discount would be eliminated leaving the fare for senior citizens at 10 cents except for periods when they were entitled to free service.

Mr. Herbert asked what would be included in capital outlay for maintenance equipment and was informed that the maintenance items in the federal grant application would be included excepting for the approximately \$3,000 worth of equipment already acquired and the maintenance truck.

Jack Craig moved that the staff recommendation alternative 5 be accepted. The motion was seconded by Mr. Randall. Mr. Craig then spoke in favor of the motion.

Mr. Kohnen expressed concern about the tax increase being retroactive to July 1st as taxes for the quarter beginning July 1, 1974, were already due and many employers would have already paid those taxes. Dan Herbert asked Mr. Dyer to explain the impact of the differences in the effective dates of tax change under the alternative plan.

Mr. Dyer referred to a sheet which was distributed to all board members at the beginning of the meeting entitled "Alternative Tax Implementation Dates" showing the receipts anticipated from implementing the tax in the new area either as of July 1 or October 1, 1974, and of increasing the tax to .0054 at various dates.

Mrs. Shepherd arrived at the meeting and took her place on the board.

Mr. Dyer pointed out that the main difference between the various alternative tax implementation dates was in the dates when the short-term debt could be reduced or eliminated. Of those alternatives, the staff recommendation was for alternative A, imposing a tax of .0054 in both the old and new service areas retroactive to July 1, 1974.

Mr. Booth asked about the ordinances which were to be voted on at this meeting. Mr. Herbert explained that ordinance 8 as

written would bring the new area outside the Eugene-Springfield metropolitan area into the district's service area. This ordinance was read for the first time at the meeting of October 8, 1974, and was scheduled for its second reading and adoption at this meeting. In addition, there was ready for its second reading and adoption Ordinance 9 which would levy a payroll tax of .0047 throughout the service area, including the new service area, retroactive to July 1, 1974. In addition, the staff and counsel had prepared and brought to the meeting Ordinance No. 10 which would increase the payroll tax rate to .0054 throughout the service area effective October 1, 1974.

Mr. Herbert expressed the view that there was some advantage to not making the tax increase retroactive to July 1st as this would save the taxpayers inconvenience and would not require them to make additional returns for the quarter beginning July 1, 1974, although he was reluctant to adopt alternative B as it would postpone reduction of the short-term debt so long.

Mr. Kohnen told the board that he preferred alternative D. He did not like the tax increase to be retroactive to July 1st although he would prefer to retire the short-term indebtedness by June 30, 1975.

There was some further discussion of the differences in the various ordinances available at the meeting, following which Mr. Craig withdrew his motion with the consent of his second.

It was then moved by Mr. Craig and seconded by Mr. Randall that the board adopt the staff recommendation that, with the tax implementation program provided for in alternative B, leaves the tax rate in the old area at .0047 until October 1, 1974, and then applying the tax rate of .0054 throughout the entire service area, including the new area covered by ordinance 8, all as of October 1, 1974, and including the fare increases and other provisions of the staff recommendation under Alternative No. 5 presented by the staff at the beginning of this meeting.

There followed a discussion of the matter of what savings might be had in the reduction of the number of drivers at this time as compared with the cost of training drivers to meet the expansion of service in the spring of 1975.

Mr. Kohnen mentioned his reluctance to increase fares and risk losing riders. Mr. Dyer responded that he did not believe that the increase in fares would cause substantial decrease in ridership. Jack Craig also voiced his dislike of fare increases and asked what would happen if fares were not increased. Mr. Dyer replied that if the fares were not increased the difference would have to come from somewhere else and he did not know where there would be room to absorb the difference. Mr. Craig suggested that if the situation improves in the future, the board would be able

to reduce the fares again and Mr. Herbert responded that the board should do so as soon as possible.

Mr. Booth stated that he had heard reports to the effect that he was after someone's job and he wanted it known that he was not after anyone's job, but only wanted to maintain a good, efficient bus service; that he felt it was not right to make the tax increase retroactive when the fare increase could not be made retroactive; that he objected to tax increases as the only answer to problems and felt that the board should look to greater efficiency as the means of economy in operation although he realized that there might not be true economy in letting some of the drivers go at this time. He concluded that he opposed the extension of service into the new areas and, therefore, opposed the staff recommendation, although he thought the staff recommendation was excellent assuming the desirability of extending the service to the outlying areas.

Mrs. Shepherd told the board that in her opinion, the charge which the board gave to the revenue committee did not imply that the board thought the payroll tax was unfair. She also said that she was inclined to support the staff recommendation.

Mr. Kohnen pointed out that under the staff recommendation with implementation under proposal D the tax increase and the fare increase would be effective at about the same time. He also remarked that it was difficult to measure efficiency in nonprofit operations such as this and mentioned instances in which it was hoped that various costs to the public would be eliminated by bus service, such as parking costs, street maintenance and improvement costs and costs of the elimination of pollution.

Mr. Randall cautioned the board that unless some definite action could be taken at this meeting, everything would be put off another month and the general manager would be left in a very difficult position. He noted that members of the board had been critical of the general manager for his lack of definite fiscal planning, but, on the other hand, the board had failed to settle on any definite taxation program and he felt that the board must either adopt ordinances 8 and 9 at this meeting on second reading or pass 8 and 10 with emergency clause at this meeting so that the general manager and his staff would have some basis for making their fiscal plans.

It was then moved by Mr. Randall and seconded by Mr. Craig that the pending motion to adopt the staff recommendation presented at this meeting with tax implementation in accordance with alternate D be amended so as to provide, in addition, that ordinances 8 and 10 be adopted with emergency clauses added.

The president then declared a short recess so that counsel could revise ordinance 8 so as to contain an emergency clause and

so as to state that the outlying area which would be added to the existing service area by ordinance 8 would be added effective as of October 1, 1974.

The meeting continued after a ten minute recess.

After further discussion, a vote was taken on the amendment to add the emergency clause to the pending motion. The motion passed with no negative votes.

After further discussion, the board voted on the main motion, that is to adopt the staff recommendation presented by the staff at this meeting as the Alternate No. 5 providing that the current level of service be maintained until March 1975 when the entire route and schedule system will be revised to incorporate non-urbanized service (117 drivers through fiscal year 1974-1975); increase the base fare to 30 cents; eliminate the two cent discount for senior citizens leaving their fare 10 cents except when they are to ride free; capital expenditures for non-urban rolling stock and maintenance equipment; and the tax implementation schedule to be in accordance with alternative D so that there would be no change in the tax as of July 1, 1974, but the tax rate of .0054 would be imposed throughout the service area, including the area being added by Ordinance No. 8 effective as of October 1, 1974. The motion passed with no negative vote.

SERVICE AREA: The board next considered the adoption of the new Ordinance No. 8 entitled "An Ordinance classifying and designating a service area, repealing Ordinance No. 2, and declaring an emergency." It was explained by counsel that this new Ordinance No. 8 was the same as the Ordinance No. 8 which had its first reading at the board meeting of October 8, 1974, except that it contained an emergency clause and also contained a provision that the newly described service area was to become the district's service area effective as of October 1, 1974. On motion duly seconded, the board voted that Ordinance No. 8 be read by title only. Mr. Bryson then read the new Ordinance No. 8 by title only and also read the emergency clause contained therein. It was moved and seconded that Ordinance No. 8 be adopted.

Mr. Herbert then opened the meeting to public comment on said Ordinance No. 8.

Lloyd Bransford of Route 1, Box 78, Junction City, Oregon, told the board that he lives at Alvadore and that he objects because the board has not published the full ordinance in the newspaper. The district's counsel notified Mr. Bransford that the law does not require such publication of transit districts. Mr. Herbert advised Mr. Bransford that the district has caused a map to be published in the newspaper showing the new service area boundaries which is more meaningful to the public than it would have been to publish six pages of legal description of the new service area contained in Ordinance No. 8.

Lane Rollis of Eugene, Oregon, asked about the discount on the bus fare for senior citizens and Mr. Dyer answered that the senior citizens now either ride free or for a 10 cent fare, depending on the hours and days that they ride; that the board has, in the past, given them another two cent discount for quantity purchase, but under the staff recommendation adopted by the board, the district will discontinue the two cent discount and leave the senior citizens riding either free or for a 10 cent fare.

Mrs. Glenn Baker protested the discontinuance of the senior citizens' two cent discount.

Arthur Kennedy of Springfield pointed out that the percentage of fare increase was greater than the percentage of payroll tax increase.

Mike Farthing of Eugene asked for and was given a copy of Ordinance No. 8. Mr. Herbert informed Mr. Farthing that the copy of Ordinance No. 8 which Farthing received did not have an emergency clause in it, but Mr. Farthing accepted the copy and stated that he was acquainted with the emergency clause and did not need a copy containing that clause.

Michael Chedzik of Eugene, Oregon, had further inquiries about the fare increases which were answered by the general manager.

Lloyd Bransford objected to the Alvadore area being included in the new service area and mentioned the number of people who were opposed to extension of service into the Alvadore-Junction City area.

Mr. Herbert reminded the board and the audience that in considering whether to extend service into that area, the board had considered not merely the results of the public hearing held by the board, but also the number of requests and petitions for service which the staff had received, previous efforts by others to establish service, the results of other meetings on the subject, resolutions of city councils, and the extent of service being provided by private carriers.

The president then asked if other members of the audience had any comment or questions and, there being none, he declared the public discussion portion of the meeting on ordinance 8 terminated.

The board continued the discussion of the motion to adopt ordinance 8. Mr. Booth asked whether the boundaries of the new service area could not be made more closely in line with the probable use and demands for service. Mr. Dyer replied that the

boundaries were fixed partly in an effort to have easily recognizable boundaries and boundaries which would be administratively manageable such as existing county lines and school district boundaries in order that it would be easier for people to know whether they were in or out of the service area and for greater convenience of administration of the tax ordinances. Mr. Booth repeated his position that he did not approve the extension of the service area, but felt that the proposals that ordinances 8 and 10 be adopted at this meeting came the closest to what he believed in, that had any chance of being adopted. A vote was then taken on Ordinance No. 8 designating the new service area effective as of October 1, 1974, with an emergency clause and said ordinance was adopted by unanimous vote.

TAXATION: The president then declared a five minute recess so that the district's counsel, Mr. Bryson, could prepare an emergency clause to be added to Ordinance No. 10.

After the end of the five minute recess, the board resumed the meeting and began consideration of Ordinance No. 10 entitled "An Ordinance amending Lane County Mass Transit District's Ordinance No. 7 increasing the rate of the excise tax on employers and providing for administration, enforcement and collection of the tax and declaring an emergency."

On motion duly seconded, the board voted that said Ordinance No. 10 be read by title only. Thereupon, Mr. Bryson read Ordinance No. 10 by title only and also read the entire emergency clause contained therein.

It was moved and seconded that said Ordinance No. 10 be adopted.

Mr. Herbert then opened the meeting for public discussion on Ordinance No. 10.

A member of the audience asked for a clarification of what the employers payroll tax would be if the ordinance was adopted. Mr. Herbert explained that the payroll tax would increase from .0047 to .0054 which meant that if an employer had a payroll of \$10,000 per year he would pay \$54 per year tax under the new rate in Ordinance No. 10 instead of \$47 tax under Ordinance No. 7.

Mr. Herbert then called for any further comments or inquiries from the audience and, there being none, he declared the audience participation portion of the hearing on Ordinance No. 10 closed.

The board continued its discussion of Ordinance No. 10. Mr. Booth said that considering the fact that many businesses operate on a profit margin of approximately two percent, this increase was a very substantial factor.

Vote was then taken on the adoption of Ordinance No. 10, increasing the payroll tax rate from .0047 to .0054, applying the new rate to the entire service area, including the area added by Ordinance No. 8 just adopted, all effective as of October 1, 1974, and declaring an emergency. The Ordinance No. 10 was adopted by unanimous vote of the board.

Mr. Herbert announced that the district received a petition containing 231 signatures from students, teachers and advisors at Monroe Junior High School in Eugene, Oregon, asking the board to maintain service and not to cut any of the existing bus routes but to expand the routes.

PUBLIC AFFAIRS: Mr. Dyer informed the board that he had received the "Blue Sky" achievement award in recognition of the campaign made by the district to motivate the citizens of Lane County to use mass transit as an alternate to the automobile, said award having been presented under the co-sponsorship of Lane Regional Air Pollution Authority and the Oregon Lung Association and that Mr. Dyer had accepted the award on behalf of the patrons of the district.

ADJOURNMENT: Meeting adjourned.

Secretary