

MINUTES OF DIRECTORS MEETING

LANE COUNTY MASS TRANSIT DISTRICT

June 1, 1976

A meeting of the board of directors of Lane County Mass Transit District was held June 1, 1976 at 7:30 P.M. at the City Hall in Eugene, Oregon, pursuant to its meeting of May 18, 1976.

Present:

Richard A. Booth, Treasurer  
Jack J. Craig  
W. Gene Davis, Secretary  
Daniel M. Herbert, President, presiding  
Annabel Kitzhaber  
Kenneth H. Kohnen, Vice President  
Glenn E. Randall  
Richard Bryson, Counsel  
Fred C. Dyer, General Manager  
Mavis Skipworth, Recording Secretary

MINUTES: Reading of the minutes of the board meeting of May 18, 1976 was dispensed with as copies had been distributed to all members of the board. Mr. Davis requested that the minutes be amended to include under New Business that he was in agreement with Mr. Randall, that he had asked for an executive session and understood from the chairman that his remarks should be made in open session. Mr. Randall commented that the Springfield News reporting of the discussion was entirely inaccurate and he wanted the facts corrected. Upon motion duly seconded the minutes were approved unanimously as amended.

BUDGET HEARING TESTIMONY: The chairman stated that the board in its response to public testimony had attempted to identify the concerns expressed and had given each serious consideration.

Mr. Herbert referred to Mr. Koerner's concern of inconvenient route layouts and timing, and said that all routes cannot be equally accessible but the planning department continually receives suggestions and implements many in response. In reply to Mr. Koerner's assertion that the urban service is sacrificed by resources used for non-urban service, Mr. Herbert said that revenues and tax monies designated for non-urban service would not be available for urban service. He spoke of the complexity of identifying revenues between different segments of service.

In response to Merle Saunder's concern of an increase in payroll taxes, the chairman advised that no increase is contemplated. He noted Dodd Fischer's statement that his employees do not use the bus system and commented that the system is available for the dependents of these employees, that one third of the population is without cars, and many are employees on their first job.

Mr. Herbert then spoke of Bob Jones' suggestion that less expensive shelters could be obtained, and advised that although the initial cost could be lower, the maintenance and replacement would be more costly, and that the district needs shelters that are durable and have a good appearance.

The chairman asked the district's counsel to respond to Mr. Boehnke's question on the legality of advertising services. Mr. Bryson said he had looked into this several years ago, had found it was legal and had so advised the board. Noting that Mr. Boehnke had advocated a single transportation system to include

school transportation, Mr. Herbert reviewed the LTD/Schools Advisory Committee study of correlation between schools' and the district's buses and said a report on the recent update will be given at the next meeting.

Mr. Herbert reviewed the alternatives to the proposed program as recommended by Mr. Rubey. In response to Mr. Rubey's request that the district seek the Attorney General's opinion on the legality of using private carrier service rather than Dial-A-Bus, Mr. Bryson expressed willingness to pursue it, but said there has been no change in the statute since the system was formed and that he was still of the opinion that it was not allowed. He said that the district could take it to an appellate court. Mr. Booth asked if the statute prohibited it and the counsel said it did not specifically prohibit it, but that municipal corporations can use only the power given to them. Mr. Bryson said he would make copies available to the board of a 1970 letter stating his opinion. Mr. Davis asked that the board explore it further. Mr. Craig commented that it had been thoroughly discussed by the legislature, by Tri-Met and by the district's board and that a court test could be expensive. He further said that a legislative change could be proposed but it appeared to be counter to the purpose of public transportation.

The chairman then responded to issues listed in the Eugene Area Chamber of Commerce flyer of May 13, 1976, commenting that the material suggested misleading inferences in comparisons of personnel salaries by years and that it did not reflect changes of positions, additional duties, parity with union members, or part-year positions becoming full-year.

In reference to Item One on the flyer of an operating deficit subsidized by the payroll tax, the chairman said that farebox revenues only partially support public transit and that additional revenues come from several sources, such as state and federal subsidies and the payroll tax. Item Two said there is a loss of 62.83 cents each time a passenger gets on a bus and Mr. Herbert replied that there is a revenue of 24¢ each time a passenger boards, as averaged from paid regular fares, free rides and senior citizen fares, and that the public subsidizes the additional cost. He said it would be good strategy for the task force to encourage greater ridership which would reduce the proportion of subsidy.

Item Three asserted that ridership records have not been kept on individual non-urban routes, and the chairman said that extensive records have been kept on ridership, tokens and fares, and the information is distributed to the board on a regular basis. He said a subcommittee has been assigned to correlate the information. Item Five referred to retirement benefits and payroll taxes, which the chairman said must be accepted by all employers. Item Six stated that the district must give approval for any new parking development, and Mr. Herbert advised that conditions stipulated under construction permits are mandated by the DEQ or by L-RAPA, not by Lane Transit, and that LTD, upon request from other agencies, occasionally reviews and comments on, but does not have authority to approve submissions.

Mr. Craig gave an analysis of revenue sources, and encouraged the Eugene Area Chamber of Commerce to work with the board on a year around basis to avoid misinformation. He suggested that representatives of the chamber attend board and Citizen Advisory Committee meetings and that district representatives attend their meetings. Mr. Booth said he believed the chamber does have a continuing interest and that Mr. Rubey has often come to board meetings to express concerns.

Mr. Davis advised that he received many calls and visits following the last board meeting and concerns were expressed over low ridership on certain routes and big, empty buses, equated with wasting their tax dollars. He believed these

concerns should receive serious consideration. He then stated his objection to the clerk typists salaries being determined by parity, that the district was using two wrongs to make a right and the union scale for information clerks should be reconsidered. He expressed the opinion that the change of titles in other positions did not necessarily reflect a change of job.

Mr. Kohnen, reporting on a revised Table of Organization, said that the board members are seriously concerned for good management. He noted that it is difficult to make an objective study of transit by the usual measuring devices of business, such as making a profit, and that many people feel that the public interest would be better served with no fare. He said that the subcommittee assigned to study organization and evaluation was seeking means to compare this district's efficiency with that of other districts and to compare one year with another. He stated that the subcommittee recommended a new organization chart which would have three department heads reporting to the general manager. These are the Directors of Transportation, Planning and Administrative Services. He spoke of the additional responsibilities created by the new positions, requiring higher salaries. Mr. Kohnen moved the board adopt the table of organization by function and by personnel, as distributed. Mr. Randall seconded the motion. Mr. Booth expressed approval of the table of organization, but said he opposed the salary schedule. The question was put and carried unanimously.

MOTION

VOTE

Reporting on the study of non-contract staff salaries, Mr. Booth said that although he believed the reorganization would greatly aid efficiency, he did not share the view of the majority of the board on the salary schedule, as based on parity with other governmental agencies, some private business, the union contract, and on merit.

A five minute recess was called.

The meeting reconvened and Mr. Randall presented an overview and chronology of events in the development of the Dial-A-Bus project from February 1973. He said it had been thoroughly studied, many public hearings were held, a subcommittee study was made, and that it was usually supported unanimously by the board.

Mrs. Kitzhaber said the cost factor of Dial-A-Bus had been a prime concern of many and she believed some of the comments had been misleading. She said that the decision had been made after two years of discussion and carefully documented study. She commented that the service presently being provided by private carrier consists of only one vehicle for a community of 4,400 persons with limited mobility or elderly, and it cannot meet the demand. She noted that there is no operator in the community now providing the kind of service that the district contemplates. She advised that the figures used in indicating an operating loss are based on a conservative number of riders who will use the service at the onset, and the potential is to carry many more riders than projected as documented by letters received and testimony at a public hearing. Mr. Davis expressed concern that it would duplicate service and possibly put private carriers out of business.

Mr. Kohnen said the Dial-A-Bus project had been thoroughly researched and extensive study made to determine needs, and the district had a moral responsibility to the physically limited. He further advised that the district must attempt to serve this population in order to receive federal funds. He referred to comments of other systems that had failed and said that the proposed system was in no way comparable to these systems. He stated that the district's program would be to serve only a limited number of people and should complement rather than compete with private services. He suggested that in the future the district must consider

whether all buses should be made available to the physically limited, and added that this would be very costly.

Mr. Davis questioned the legality of using public funds for a transit system serving only selected people and asked how eligibility would be determined. Mr. Bryson expressed the opinion that it was legal. Ellen Bevington, Transit Planner, outlined the guidelines defining eligibility for Dial-A-Bus service and explained that thirteen agencies in the community with expertise in working with seniors and physically limited will participate, as well as personal physicians, in the certification.

EVALUATION OF SYSTEM PERFORMANCE: Responding to public comments suggesting criteria for evaluating the transit system, Mr. Herbert said that evaluation of system performance is an essential part of regular operations, occurring at management level by the manager and staff and at policy level by the board of directors. He defined the evaluations at these two levels.

REVENUE SOURCES: Mr. Craig reviewed the history of the 1969 transit act enabling tax support and said the only viable tax authorized was the employer payroll tax. He gave an overview of the study made by the Special Advisory Committee on Revenue Sources and its recommendations. He suggested that the business community work with the district to seek an improved revenue source. He commented that, should the district discontinue use of the payroll tax, some other local government would utilize the tax and possibly at a higher rate.

Mr. Booth remarked that Mr. Craig was giving a personal position rather than responding with the board's position. He commended the members in the audience for their perseverance in waiting for an opportunity to speak, and expressed the opinion that the board had made no attempt to use citizen input except when favorable to its position. He said it was a typical meeting of wearing people down and then pushing things through.

Mr. Booth said he believed there were three inaccuracies in the information furnished the board, 1) the fringe benefits associated with the payroll expenses equal 17% of the total expenses, 2) the budget comparisons show just over 5% increase from last year, but since not all of the driver salary budgeted for this current year was spent, the actual increase from current expenditures would, therefore, be a higher percentage, and 3) that although the figures shown for 1977 salaries are accurate, they do not reflect what the annual rate will be at the end of the year because of the phased annualizing formula used in computing the salaries.

AUDIENCE PARTICIPATION: The chairman opened the meeting to public comment.

Ron Kirtland, 252 Valley River Center, reported on a meeting held by restaurant and hotel owners and operators to express their concern that the budget be reduced. He asked that the board reinstate and review Mr. Rubey's comments. He volunteered to have a group of businessmen study the salaries and believed they could reduce administrative costs by 15%. He then referred to Mr. Randall, and expressed embarrassment that the Eugene people in his industry learned what occurred at the May 18, 1976 meeting through the Springfield News reporting.

Sam Hughes, 2700 Fairmount, referred to Mr. Craig's history of revenue sources and said that the initial board had businessmen who had considered implementation of an income tax and found it difficult to administer so had

selected the payroll tax as the most expedient. He commented that the clerk typists salaries were excessive, and from this, the public could believe the entire budget was tainted. He felt the salary was out of line with the survey of U.S. Bureau of Labor Statistics.

Edward Rubey, Certified Public Accountant, said the district misunderstood the motives of the chamber in approaching the budget, and their input had not been welcomed in the intended nature. He said they recognize the need for a bus system but that it must be a responsible business operation and the board should recognize that some costs are not necessary and others are out of line. He said his figures and letters had been prepared on the basis of the district's 1975-76 audit report. He mentioned the objection to the clerk typists salaries and read classified advertisements of employment agencies as comparison. He said if the union contract was a mistake, there was no reason to double and repeat that mistake, and he rejected paying for the district's mistakes. He believed the district "laid an egg" on its evaluation, that the public is entitled to know the revenue from each route, and they are not getting their money's worth from management.

The public hearing closed.

Mr. Randall responded to Mr. Kirtland's comments on his statements as reported in the Springfield News, and said he did not make any such motion, has not and does not intend to make such a motion. He said he believed personnel matters should be considered in closed meeting.

MAIN  
MOTION        1976-77 APPROVED BUDGET: Mr. Craig moved the board adopt the budget as approved by the Budget Committee and the Budget Resolution as included in agenda material distributed to the board, in the total sum of \$5,958,196.00. Mr. Randall seconded the motion.

Mr. Herbert then observed that he believed the budget needed some adjustment. He said that fare projections included in the budget were over-optimistic, as suggested in a letter from Mr. Rubey dated May 12, and that reducing projected fare revenues meant that expenses must also be reduced to balance the budget. He distributed a list of proposed reductions in revenues and expenses. In explanation, he observed that a maximum of 10% increase in fare revenue projections over last year seemed realistic and that, consequently, projected fare revenues should be decreased by \$80,000.00. He said that he had worked with staff to identify corresponding reductions in expenses in order to balance the budget. These expense reductions reflected delays in implementing Dial-A-Bus due to delay by UMTA in approving radio bids and board delay in approving bus bids; and reflected other cuts which would least damage operations, or were based on other recent information.

(For clarity, amendments are designated by numbers in these minutes.)

AMEND (#1)  
MOTION

Mr. Herbert moved, and Mrs. Kitzhaber seconded, to amend the main motion, changing amounts in the Budget and the Budget Resolution as follows:

Line Items in Budget:

<u>Page</u>	<u>Line</u>	<u>Item</u>	<u>Was</u>	<u>Change to</u>
2	9	Accountant	\$13,068.	\$12,500.
	11	Acct. Clerk	9,701.	7,520.
	14	Subtotal	\$130,887.	\$128,138.
	34	Page total	\$183,675.	\$180,926.

<u>Page</u>	<u>Line</u>	<u>Item</u>	<u>Was</u>	<u>Change to</u>
3	9	Op. Clerks	\$43,635.	\$42,619.
	10	Drivers	1,487,478.	1,471,990.
	11	Cont.Rm. Clerks	31,168.	26,086.
	13	Overtime	106,300.	105,273.
	16	Subtotal	1,759,639.	1,737,026.
	20	Inf. Clerks	62,426.	57,476.
	21	Subtotal	85,717.	80,767.
4	34	Pg. total	2,379,905.	2,352,342.
5	3	Retirement	140,000.	138,550.
	4	Medical Ins.	130,000.	128,650.
	5	Dental Ins.	35,000.	34,650.
	6	FICA	137,000.	135,250.
	7	SAIF	65,000.	64,150.
	34	Pg. total	522,000.	516,250.
6	19	Contingencies	12,311.	6,873.
	34	Pg. total	764,633.	759,195.
7	2	Radio repair	1,000.	500.
	3	Data Proc.	8,000.	4,000.
	6	Consult. fees	6,000.	5,000.
	7	Adv/Promot.	18,000.	15,000.
	34	Pg. total	260,050.	251,550.
9	2	Gen. Adm.	130,887.	128,138.
	4	Oper. Dept.	1,759,639.	1,737,026.
	5	Commun. Dept.	85,717.	80,767.
	7	Benefits	522,000.	516,250.
	9	Mat. & Svs.	764,633.	759,195.
	10	Contr. Serv.	260,050.	251,550.
	28	Gen. Conting.	60,000.	30,000.
	34	Pg. total	5,958,196.	5,878,196.
10	6	Pass. Revenue	919,492.	839,492.
	34	Pg. total	5,958,196.	5,878,196.

Budget Resolution:

<u>Item</u>	<u>Was</u>	<u>Change to</u>
Personal Services	\$3,085,580.00	\$3,049,518.00, which includes
Benefits	522,000.00	516,250.00
Materials & Services	764,633.00	759,195.00 which includes
Contingencies	12,311.00	6,873.00
Contractual Services	260,050.00	251,550.00
General Contingencies	60,000.00	30,000.00

Discussion followed. Mr. Davis referred to the contingency fund of the budget and said he hoped the board would be informed if it is used. He voiced further objection to the salaries for the clerk typists and service representative. He questioned the necessity of the position of administrative specialist, believing it could be eliminated. Mr. Randall expressed objection to the board being given

VOTE such short notice on making a decision of budget reduction. The question was put and amendment (#1) carried unanimously.

At Mr. Kohnen's request, Mr. Dyer read the job description for the service representative position and described the duties carried out in the past six months in that position. He said the increase budgeted is from a part-year to a full-year, and the pay is on parity with contract employees. Mr. Randall expressed support for the approved salary and stressed the importance of public relations.

AMEND (#2) Mr. Booth moved to further amend the main motion by reducing Lines 8 and 20  
MOTION of Personal Services from \$9,701 to \$8,788 for clerk typists salaries. Mr. Davis seconded the motion.

A five minute recess was called.

AMEND (#2a) The meeting reconvened and it was moved, duly seconded and passed unanimously  
MOTION to amend Amendment (#2) by increasing the general contingency fund to correspond with the reductions in Line 8 and 20.

VOTE The question was put on Mr. Booth's Amendment (#2) as amended (by Amendment #2a). The motion failed with Booth and Davis voting favorably, and Craig, Herbert, Kitzhaber, Kohnen and Randall opposed.

VOTE The question was then put on the main motion as amended (by amendment #1) and the following resolution was adopted with Craig, Herbert, Kitzhaber, Kohnen, and Randall voting favorably, and Booth and Davis opposed.

BE IT RESOLVED that the budget of the Lane County Mass Transit District as approved by the budget committee in the total sum of \$5,878,196.00 is hereby adopted.

BE IT FURTHER RESOLVED that said budget is appropriated in the following amounts for the following purposes:

\$ 3,049,518.00 for personal services, which includes  
\$ 516,250.00 for benefits;  
\$ 759,195.00 for materials and services, which includes  
6,873.00 for contingencies;  
\$ 251,550.00 for contractual services, which includes  
\$ 2,500.00 for debt service (interest);  
\$ 1,787,933.00 for capital outlay;  
\$ 30,000.00 for general contingencies

BE IT FURTHER RESOLVED that the General Manager is authorized to make expenditures and incur obligations within the limits of the foregoing appropriations, except that he is not to expend funds or incur obligations without further specific authorization from the Board of Directors for any of the following purpose:

1. Extension of service not previously specifically authorized by the board;

2. Capital outlay, not specifically authorized by the board, in excess of \$5,000.00;
3. Personal services in excess of the amount shown for any line item in the budget.

DIAL-A-BUS VEHICLE BID: The bid analysis on the six Dial-A-Bus coaches was discussed and Mr. Dallas advised that the Schetky Northwest Sales, Inc. has extended its prices to June 2, 1976. Mr. Davis commented that the Schetky Company was given an opportunity to reduce its prices and asked if Dorsey Company was given a chance to adjust its bid. Mr. Dallas said that it was a matter of complying with specifications and meeting the budget.

Mr. Booth distributed copies of a paper listing his concerns of the staff recommendation, 1) that it was a rerun of the radio bid, 2) that the Schetky Company had been given an opportunity to rebid, but not the Dorsey Company, 3) that Dorsey Company is operating a business in Eugene and pays local taxes, including to the district, 4) that no apparent response was received from Dorsey Company regarding the items of noncompliance, and 5) what the Dorsey Company price would be if allowed to rebid. Discussion followed and the board was assured that the bid procedure had been carefully followed. Mr. Dallas stated that a rebid could bring a higher price and further delays.

MOTION

Mr. Craig moved the board accept the bid from Schetky Northwest Sales, Inc. for six vehicles at \$19,007 and Mr. Herbert seconded the motion. The motion carried with favorable vote by Craig, Herbert, Kitzhaber, Kohnen and Randall, and dissent by Booth and Davis.

VOTE

NEW BUSINESS: Mr. Herbert asked Mr. Davis if he intended to pursue the complaints he had made against the general manager at the May 18 board meeting. Mr. Davis said it was his understanding that the board would clarify the procedure to pursue requesting the resignation of the general manager. The chairman said if the board is to hear complaints, they should be written and delivered to the person involved for consideration. He advised he would not wish to schedule a hearing on a complaint before a procedure is determined. Mr. Davis suggested it be pursued at another time.

Mr. Booth disagreed in presenting a case ahead of time, saying that if a position is strong, the board can take action. He said if a complaint is not cogent, the board should not confront the person with the criticism. Mr. Craig voiced the opinion that it was ridiculous and should be resolved. Mr. Kohnen said that the board did not have a request for executive session, and while he thought it appropriate to discuss matters of this type without charges in writing, the matter should be dropped until an executive session is requested.

The meeting adjourned.

  
Secretary