

MINUTES OF BUDGET COMMITTEE MEETING

LANE COUNTY MASS TRANSIT DISTRICT

April 5, 1977

Pursuant to public notice to the Register Guard for publication on March 26, 1977, and Newservice 16 and distributed to persons on the mailing list of the District, a meeting of the budget committee of Lane County Mass Transit District was held at the City Hall in Eugene, Oregon, on April 5, 1977, at 7:30 p.m.

Present:

Board members

Jack J. Craig  
W. Gene Davis, Secretary  
Daniel M. Herbert, President  
Annabel Kitzhaber  
Kenneth H. Kohnen, Vice President  
Glenn E. Randall

Appointed members

George Baker  
Paul Bonney  
Tom Denning  
Donna Kaehn  
Shirley Minor  
Robert Moulton, Chairman, presiding  
Agnes Van Devender

Fred C. Dyer, General Manager  
Phyllis Loobey, Budget Officer  
Mavis Skipworth, Recording Secretary

News media representative:

Marvin Tims, Register Guard

Absent:

Richard A. Booth, Treasurer

MOTION  
VOTE

MINUTES: Minutes of the budget committee meeting of March 1, 1977 were unanimously approved as distributed.

PRESENTATION OF BUDGET MATERIAL: Phyllis Loobey gave a comprehensive explanation of budget materials distributed for committee review. She advised that the base budget in the amount of \$4,943,828.00 reflected current personnel and programs, that the proposed salaries for non-contractual employees reflect the same dollar increment as the contractual employees, and that she had included capital items that are still in stages of procurement in the amount of \$125,950.

Mr. Herbert recalled Mr. Booth's concern expressed at the last meeting of the cost of benefits. Ms. Loobey said they are dictated by the union contract. She advised of a publication of fringe benefit reporting of the private and public sector, as published by the Local Government Personnel Institute in cooperation with the State of Oregon Executive Department, which indicated that benefits at 16.2% of salary are typical of local government and the private sector ranges from 20% to 60% depending upon the pay level. She said these figures include holidays and paid vacations, whereas Mr. Booth had expressed interest in just the medical and dental benefits.

Ms. Loobey noted that the staff was requested at the last meeting to develop various sources of revenue and she described four revenue options presented for committee review: Option #1 indicated revenues with no fare or tax increase, Option #2 with a fare increase of 5¢ and no tax increase,

Option #3 no fare increase, tax increase to .006, and Option #4 with a fare increase of 5¢ and tax increase to .006.

Discussion followed on Project FARE reporting, and Ms. Loobey advised that in order to receive Section 5 funds, the district is required to have the program in operation by July 1, 1978 for reporting of the end of the fiscal year. She said that as the base budget indicates a continuation of programs now in place, she included the estimated cost of \$70,000 for initiating the program as a capital project, but the immediacy of FARE would require the district to include funds in the base budget. Mr. Baker said he believed the \$70,000 projected seemed excessive. Ms. Loobey said the staff hoped to have more complete information on the project when Mr. Dyer returns from the APTA convention later this month.

Responding to concern expressed by Mr. Bonney of the district's eligibility to receive federal funds, Ms. Loobey advised that conditional certification could possibly be obtained for this area by a TSM and that the components are available at this time.

Shirley Minor advised that CETA will receive funding and needs for additional personnel could possibly fit into this funding program. Ms. Loobey agreed this could be pursued later.

Responding to questions by Mr. Baker on results of the public hearings on the non-urban routes, Mr. Herbert said no determinations have been made at this time, that at the next board meeting he will ask that the transcripts and information be referred to the Evaluation Methods Subcommittee for analysis and recommendations, and would anticipate a decision at the May board meeting. He said that copies of the February quarterly report of that subcommittee will be distributed to the budget committee members.

Mr. Davis referred to a projected expenditure of \$20,000 for Laundry Service in the Maintenance Division. He said he had received a call from the prior service contractor who said the business had been taken away from him and he had not had an opportunity to submit a formal bid. Mr. Davis objected to a Portland firm being awarded the contract when they are not subject to the payroll tax. Ms. Loobey advised that the district advertised for bids and is required by law to accept the lowest bid regardless of the location of the bidder.

Mr. Kohnen entered the meeting.

Mr. Herbert said that the number of requests received and the passenger survey indicated that the most needed improvement was Sunday Service. He called attention to a summary of improved service alternatives computed with the revenue options and expressed a preference for Alternative C. He voiced the opinion that service improvement should occur at a lower level with expectation of increase, rather than to start at a high level with a possibility of having to withdraw the service, and that one-hour Sunday headway would be a good start. Mr. Bonney expressed agreement.

Mr. Herbert emphasized the importance of having a capital working fund to help cover short term borrowing during any delay in revenues or fluctuations

and that it could be invested for additional revenues.

MOTION

Mr. Randall moved that the staff be instructed to prepare a comprehensive line item budget based on Alternative C., Option 4, which would contain revenue on a 5¢ fare increase and an increase to the maximum .006 payroll tax. Mrs. Kitzhaber seconded the motion.

Discussion followed on the difficulty of preparing a line item budget with the uncertainties of the non-urban routes and Project FARE.

Mrs. Kitzhaber expressed interest in potential ridership increase from Alternative F, Industrial Shuttle.

Mrs. Van Devender said she did not agree with pursuing Alternative C, Option 4 with a fare and tax increase, but believed both Options 3 and 4 should be discussed.

Mr. Kohnen commented that, in his opinion, the staff should have direction to prepare a line item budget as a basic working document for the committee to review for possible variations, and it would not foreclose entering other options later.

VOTE

The question was put and the motion carried with favorable vote by Bonney, Craig, Herbert, Kaehn, Kitzhaber, Kohnen, Minor and Randall. Opposed were Baker, Davis, Denning, Moulton and Van Devender.

Mr. Moulton stated that he opposed the motion as there are still determinations to be made before a balanced budget can be prepared, that the committee at this time does not have the information to know if a fare and payroll tax increase is necessary. He encouraged pursuing other sources of revenue than the payroll tax. He said there should be a recognition of the fact that the district is not only providing transportation, but to a degree, providing some welfare services; that for the benefits of normal ridership consideration could be given to applying the gasoline tax, but some of the services provided, which are undoubtedly needed, are in a welfare situation and perhaps other sources should be pursued than the payroll or gas tax.

Mr. Randall agreed, and commented that every member of the board is concerned about the payroll tax, that a major effort has been made to try to overcome this with very little success and with no cooperation from the people who pay the tax.

PUBLIC COMMENT: Mr. Tims suggested that an increase in the payroll tax to .0057, with a fare increase, would generate the needed working capital.

NEXT MEETING DATE: The next meeting date was scheduled for May 10, 1977, at 7:30 p.m. in the Eugene City Hall.

The meeting was adjourned.

  
Secretary