

MINUTES OF BUDGET COMMITTEE MEETING

LANE COUNTY MASS TRANSIT DISTRICT

May 10, 1977

Pursuant to public notice to the Register Guard for publication on April 30, 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 May 10, 1977, at 7:30 p.m.

Present:

Board members

Appointed members

Richard A. Booth, Treasurer

George Baker

Jack J. Craig

Paul Bonney

W. Gene Davis, Secretary

Donna Kaehn

Daniel M. Herbert, President

Shirley Minor

Annabel Kitzhaber

Robert Moulton, Chairman, presiding

Kenneth H. Kohnen, Vice President

Agnes Van Devender

Glenn E. Randall

Fred C. Dyer, General Manager

Phyllis Loobey, Budget Officer

Mavis Skipworth, Recording Secretary

News media representatives:

Marvin Tims, Register Guard

Gary Newman, Willamette Valley Observer

Absent:

Tom Denning

MOTION  
VOTE

MINUTES: Minutes of the budget committee meeting of April 5, 1977, were unanimously approved as distributed.

PRESENTATION OF BUDGET MATERIALS: In accordance with the charge of the budget committee at the April 5, 1977, meeting to prepare a comprehensive line item budget based on Alternative C., Option 4, Ms. Loobey presented a base budget adjusted to included minimal Sunday service, in the total amount of \$4,865,650. She gave a comprehensive explanation of each line item included in the budget.

Mr. Dyer called attention to the line item "Deferred Income - \$2,400" listed under "Benefits", explaining that this amount would be expended as an additional retirement benefit, over and above the salary indicated for General Manager under Personal Services.

In response to Mr. Davis' concern that laundry service is being contracted out of the district, copies of bids received in May, 1976, were distributed to committee members indicating that the low bid was received from Rentex Services, Portland, Oregon; copies of the statutes stipulating that the contract must be awarded to the lowest bidder were also distributed.

Ms. Loobey presented summaries of adjusted base budgets containing alternative projects with seven revenue options: #1, no fare or tax increase; #2, fare increase of 5¢; #3, fare increase, payroll tax to .0055; #4, fare increase, payroll tax to .0057; #5, fare increase, payroll tax to .0059; #6, fare increase, payroll tax to .006; #7, a base budget at present fares and payroll tax, without service improvement or Project FARE implementation.

Ms. Loobey noted that if the budget were based solely upon the adopted Goals and Objectives and upon the Transit Development Program recommendations it would be desirable to increase fares and set the payroll tax rate at .006; however, the political implications would be a constraint; the base budget, as adjusted with the board's decision on Routes 4, 5, 6, and 7C, would not permit implementation of the federally-mandated Project FARE. She said it was the staff's recommendation that Revenue Option 4 be approved, increasing base fare to 35¢ and zone fares to 15¢ with the start of Fall service in September, and increasing the payroll tax to .0057 as of October, 1977; the program would allow the following: 1) maintain current level of service, 2) provide approximately \$36,000 to accomplish service improvements, 3) allow \$87,000 to build a working capital fund, or allow a portion of those funds to lease additional property should the Economic Development Administration grant be funded, 5) or allow the flexibility to meet other unforeseen capital requirements.

BUDGET COMMITTEE DISCUSSION: Referring to the \$70,000 projected for implementation of Project FARE, Mr. Kohnen expressed skepticism of the value the district would receive from the accounting procedures, that the money could be spent in improvements of more benefit. He advocated improved Sunday service and expanding the marketing program. Ms. Loobey reiterated that Project FARE is necessary for all transit properties receiving federal funds and must be implemented with the next fiscal year; that the guidelines have not been issued and the federal government's estimate of \$70,000 could be excessive.

Mr. Davis expressed reservation about Sunday service as an alternative as it would accommodate only the 2% now riding the buses and would not contribute to the long range goal to serve the entire population. He said the district should be putting efforts toward the 98% not riding the bus by developing more attractive headways; that people won't ride the bus until the time element compares favorably with driving their cars.

Mrs. Kitzhaber agreed with Mr. Davis but said she did not see how this could be accomplished with the district's limited revenues. She reminded that the adopted goals include improved Sunday service. Mr. Rynerson added that the funds available would have little effect on weekday service. Mr. Craig said there has been a preponderance of evidence through the years that Sunday service is needed to increase ridership and this would be the first step.

Mr. Herbert voiced approval of Sunday service, observing that the district has good weekday service, skeleton service at night and on the non-urban routes and Sunday service is needed to fill a gap. He said that if basic service is provided, although initial ridership may be low, response will grow through the year; that as people make decisions of a second car or choosing housing locations, available bus service will affect their decisions. He encouraged a market study of the industrial area and suggested that if Project Fare required less than \$70,000., funds could be transferred for an industrial shuttle should the need be proven.

Mr. Booth said that if the proposed increase in payroll tax were adopted, political ramifications should dictate that any service increase should benefit the employers in the industrial area. He said he objected to increasing the percentage of cost by putting a heavier load on the payroll tax; that emphasis on industrial shuttle service might contribute more farebox revenue than Sunday service. Mr. Craig said the district was not obligated to provide special service to any specific group of employers, that the service would have to coincide with shift changes, and he favored a market study to learn the needs of the area.

Mr. Booth said the district has an opportunity to reduce the payroll tax and is obligated to do this. He reviewed the history of the board's efforts to make the income tax a viable source of revenue; that people have testified before the legislative committees that an increase in the payroll tax to 1.5% maximum rate seemed unjustified, and he believed the board has an obligation to supplant the payroll tax with an income tax.

MOTION Mr. Booth moved that the budget committee instruct the staff to prepare for the next meeting a comparison of cost between the current fiscal year and the 1977-78 fiscal year to operate the present level of service, and to give the committee the cost and savings of four alternatives: 1) decrease rural service, MOTION 2) improve Sunday service, 3) add industrial shuttle, and 4) implement Project FAILED FARE. The motion failed for lack of a second.

Mr. Randall was excused from the meeting for another commitment.

MOTION Following discussion, Mr. Bonney moved to instruct the staff to prepare a new line item budget based on Option IV with a base budget of \$4,846,096, plus \$70,000 for Project FARE, \$61,400 for service improvements and \$61,400 for a capital working fund. Mr. Craig seconded the motion. Mr. Moulton said he would vote against the motion as specific improvements were not designated.

AMEND Ms. Kitzhaber moved to amend the motion to specify \$36,180 for Sunday Service, an unspecified amount for study of the feasibility of industrial shuttle, and \$61,400 for a working capital fund. Mr. Craig seconded the amendment. Mr. Kohnen voiced opposition to the amendment, believing it to be too vague and complicated.

AMENDMENT Ms. Kitzhaber withdrew the amendment and Mr. Craig withdrew his second.

WITHDRAWN Mr. Bonney withdrew the main motion and Mr. Craig withdrew the second.

MOTION

Mr. Kohnen moved that the committee instruct the staff to prepare a line item budget on the basis of Option IV for submission to the budget committee at the next meeting. The motion was duly seconded. Mr. Booth expressed opposition as he did not believe the tax should be increased.

VOTE The question was put and carried with favorable vote by Baker, Bonney, Craig, Herbert, Kaehn, Kitzhaber, Kohnen, Minor, and Moulton; opposing were Booth, Davis and Van Devender.

PUBLIC COMMENT: The meeting was opened for public comment and there was no response.

Mr. Moulton read a letter dated May 10, 1977, received from John Silvermoon

of the Friendly Area Neighbors' planning committee, endorsing a modal split with 30% mass transit and expressing concern for improvement of bus service in that neighborhood as a part of achieving that goal. He said he believed Sunday service was essential and urged implementation of such service along Willamette and Eighteenth by approval of its funding.

The meeting was adjourned to May 24, 1977, 7:30 p.m., in the Eugene City Hall.

  
Secretary