

MINUTES OF DIRECTORS MEETING

LANE COUNTY MASS TRANSIT DISTRICT

REGULAR MEETING

June 21, 1977

Pursuant to public notice given to the Register Guard and Newservice 16 and distributed to persons on the mailing list of the District, the regular monthly meeting of the board of directors of Lane County Mass Transit District was held at the City Hall in Eugene, Oregon, on June 21, 1977, at 7:30 p.m.

Present:

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

News media representatives:

Kathy Kucera, Register Guard
Brian Cabell, KASH
Lois Lindsay, Springfield News

Absent:

Annabel Kitzhaber

The chairman advised that Annabel Kitzhaber had regretfully submitted her resignation as a board member to Governor Straub effective August 1, 1977, as her husband will be on sabbatical leave during the next year and they will be traveling.

MOTION
VOTE

MINUTES: Minutes of the regular board meeting of May 17, 1977, and the special board meeting of June 14, 1977, were unanimously approved as distributed.

AUDIENCE PARTICIPATION ON ROUTE #6: Mary Lou Finne of Jasper, spoke on behalf of 28 Jasper residents in attendance who had reached the meeting on a District chartered bus, and expressed their desire for continuation of bus service to Jasper. She cited three reasons for service to the area: ecological - that conservation must be practiced and bus service aids in reducing the one-car/one-passenger pattern; economic - that citizens contribute to the economy, buying goods and services; and social - that bus service helps senior citizens in the area maintain their independence. She said she had received support from the district's drivers, had received a supportive letter from Congressman James Weaver on June 6, and in conversation with Senator Edward Fadeley had been assured that he would send a letter urging consideration of retaining some service. She presented several suggested alternatives for resumption of service.

James Freeman Thiessen of Jasper spoke of his dependence upon the Jasper bus for transportation to medical appointments twice monthly, and of other residents in the area who have regular medical visits. He said the residents must have some kind of service.

Velma Drinkwater of Fall Creek said she rode the bus for shopping and one bus in the morning and a return in the afternoon would meet her needs.

Berk Powell said he wondered why public transit was evaluated by profit and loss when other public services, such as city lighting, streets and parks, are not utilized at all hours. He observed that he had heard of no proposals to sell them because of low utilization. Mr. Craig said he believed that transportation must be provided as a public service, as are lighting and utilities.

Mr. Booth said that as the Jasper route received the least amount of farebox revenue, some board members had believed the resources and equipment could be put to better use in an area where more ridership would be generated. Mr. Davis observed that there is a cost of 89¢ per passenger in the urban area, but \$7.90 per passenger trip to Jasper which indicated a lack of regular riders. He said the only way the district could continue to give more service was for additional tax monies to be received and asked if there was a willingness to accept an income tax. Mrs. Finne said she was in favor of an income tax, and that she believed the service was being cut because of the low revenues on the route; that as there had been only midday service, most riders were senior citizens who by statute pay a lower fare. She said it was unfair to schedule four trips daily on the Marcola route when ridership on that route was only slightly higher and she believed the Jasper residents should be served twice daily, five days a week.

Ron Kirtland said he lives in Lowell but has a business in Eugene, and asked that those present understand that the district is subsidized by the payroll tax. Ms. Finne acknowledged that the payroll tax finances a large portion of the operation, but noted that the buses were purchased partially with federal funds and all residents of the area pay taxes to the government. She said she was not arguing that point, but that service is needed and financing is another subject.

MOTION Ms. Finne offered to conduct a survey of the Jasper residents to determine preferences for the time and days of service. Mr. Craig moved to approve restoration of service to Jasper with one trip mid-morning and a return trip late-afternoon on a five day week, with schedule times dependent upon the survey. Mr. Randall seconded the motion.

Mr. Kohnen commented that as resources for the year have been allocated, the board should know the budgetary implications of the service. Discussion followed on the probable cost of additional service.

AMEND. Mr. Randall moved to amend the motion to refer the subject to the Evaluation Methods Subcommittee for detailed study and report to the board. Mr. Davis seconded the motion. Mr. Randall explained that the Jasper residents need service, but there should be further study of how to accomplish it.

Mr. Herbert gave a brief review of previous study by the Evaluation Methods Subcommittee on the non-urban routes and on testimony solicited from the low performing routes. He said that in those areas showing a continuing, strong interest in public transit, the service was reduced with the patrons' approval; that the principal reason for elimination of service on Route #6 was that no interest was expressed at the public hearing held in that area. He said that as the board is now aware of the interest, it will study the issue and make a determination.

Mr. Craig asked that interim service be provided to the area, and Mr. Kohnen suggested service be offered for two daily trips, three days a week, the timing and days to be determined by the staff following consultation with the patrons.

AMEND.
VOTE The question was put on the amendment and it carried with favorable vote by Craig, Davis, Herbert, Kohnen, and Randall, and opposed by Booth.

ACTION
DEFERRED The chairman advised that action would not be taken on the main motion pending further study.

MOTION Mr. Craig then moved to provide interim service, starting as soon as possible, of two trips daily, three days each week according to details arranged by the staff. Mr. Kohnen seconded the motion.

Mr. Davis expressed interest in the use of Dial-A-Bus in the Jasper area and discussion followed on use of the vehicles for a fixed route and on subscription basis.

VOTE The question was put on the motion to provide interim service, and carried with favorable vote by Craig, Davis, Herbert, Kohnen, and Randall, and opposed by Booth. Ms. Finne thanked the board for listening to their needs and said they would try to increase ridership in that area.

PUBLIC PARTICIPATION ON DIRECT ROUTING FROM SOUTH EUGENE TO U OF O:
Susan Elders of the Southeast Firs Neighborhood Association expressed disappointment that the district did not propose for September 1977 a direct route connecting southeast Eugene to the U of O campus, for the following reasons: 1) that bus service on Hilyard Street could supplant much of the automobile traffic composed of parents, students and staff in transit to and from the university and public schools; 2) students and staff at the University from the south Eugene area must endure a long rambling bus ride downtown before transferring to a bus bound for campus, with a long return trip, thus making use of the bus demoralizing and non-competitive to the automobile; 3) when the City Council in June 1975 deferred the decision of widening the 30th and Hilyard intersection, why didn't the City Council then direct LTD to experiment with park n' ride transit, shuttle buses or peak-hour expresses during the two year moratorium on the project. She further said that her neighborhood association would like the district to work jointly with the Public Works Department to provide immediately direct service to the University, and requested that the board recommend servicing the campus route for southeast Eugene before initiating Sunday and holiday bus service. Mr. Craig reported that he had received communication from people in that area asking that service be improved from that area to the campus and Sacred Heart Hospital.

Tonner Hayes, 2990 High Street, said that he is a member of the Dunn Neighborhood Association but was speaking for himself, and presented a petition containing 71 signatures requesting direct bus service between southeast Eugene and the University of Oregon, routed down Hilyard Street and that the service begin as soon as possible. He said the signatures were gathered at "Another Way to Get There" Fair held recently at Amazon Park.

Upon Mr. Randall's request for ridership information on that portion of the route, the chairman asked the staff to prepare a statement of the potential opportunities and the problems involved in providing direct routing.

AUDIENCE PARTICIPATION ON FY 1977-78 BUDGET: J. R. Siddle, Certified Public Accountant of Junction City, said he is the Treasurer of the Junction City Chamber of Commerce and their representative on the district's Citizens Advisory Committee. He read the following statement which was unanimously passed by the Board of Directors of the Junction City Chamber of Commerce on June 20, 1977: "The Junction City Chamber of Commerce voted to oppose the LTD increase of payroll taxes to offset the cost of Mass Transit. LTD has in part, and does continue, to cause increase in operational cost to the employer, in that the employer must provide the accounting for payment of such taxes. The taxation is discriminating because the employer, rather than the patron, is paying for this service. It is unfair coverage. LTD should be self supporting as to local effort and the patrons using this service should pay the rate. The increase in taxes will ultimately be passed on to the consumers which continues the inflationary trend. It is unfair to merchants and employers to pay the taxes that take the consumer away from Junction City to purchase or do business elsewhere. We ask that you take into consideration these reasons for opposing the tax increase in payroll taxes." Mr. Siddle made the following observations: 1) Two or three years ago Junction City was opposed to service, but now the service has shown marked improvement and is liked; that route is now profitable and Junction City has no desire to support Eugene service because of Eugene's anti-agricultural feelings; 2) He was disappointed that the staff provided board members with information that the public did not have available to prepare their testimony; 3) He asked why fares cannot be variable; why, as some routes are willing to pay more for bus service to be equitable, all non-urban fares are the same. If a route is profitable, he believed the fare rate should decrease; 4) He was disappointed in discussion of Route #6 alternatives that the board did not have the cost effect of all alternatives and the information should also have been made available to the public. Mr. Herbert advised that projected costs for the alternatives on Route #6 were included in the board material. Mr. Davis told Mr. Siddle that all routes are being subsidized and the Junction City route is not making a profit. Mr. Craig said the system cannot be divided into areas by costs and variable fares; that the service is one integrated system. Mr. Herbert expressed appreciation for Mr. Siddle's input.

Richard Jones, 45 Sunset Drive, Eugene, of States Veneer Company spoke of the problems his company faces: 95% of their products are shipped out of state; with 260 employees, they paid over \$25,000 in payroll tax during the last twelve months, and made no profit this year. He acknowledged that transit is necessary to meet energy needs and needs of the public, but people are asked to subsidize the system who do not use the service. He said an income tax is the only equitable way to finance public transit and if there were an income tax on individuals, they would then decide what service they desire. He said his company has had to lay off employees in the last six months which decreased the amount of payroll tax paid; that when business is poor and people need transit, the bus revenue is lower.

Howard Warner, a local businessman, said his company has the same problem with 50 employees and 99% of his business going out of state. He spoke of heavy expenses and a competitive market; that his company suffered a \$60,000 loss to avoid laying off employees but still paid the payroll tax. He said he favored the income tax and people demanding service should be willing to pay for it.

Clark Cox of West University Neighbors and Citizens Advisory Committee said that although he was speaking for himself in favoring an income tax, his neighborhood association has not dissented when it has been discussed and they feel the payroll tax is inequitable. He suggested a revision in the #20 Thurston routing for consideration.

Randall Cuddeback of 2205 Lorane Highway referred to the earlier E-SATS study and hearings when some people wanted an increase in service, while others objected to the payroll tax. He said the district should look back to that testimony as it was agreed that service would be increased but an income tax would be pursued. Mr. Herbert then briefly reviewed the board's attempts toward implementation of an income tax. Mr. Cuddeback suggested the possibility of seeking an income tax surtax, and that the district should advise the state that it is not possible to increase the budget and services without an equitable tax system.

Jim Britton, chairman of the Springfield Chamber of Commerce Transportation Committee, and chairman of L-COG/Citizens Advisory Committee, said he recognized the need for bus service but voiced objection to the inequity of the payroll tax, stating that he works for Wildish Land Company who pays a high tax and receives no benefit from the service. He said there were few representatives from the business community at this meeting because of frustration, as former attempts to work with the district have been non-productive. He favored the income tax and asked the district to work with local businessmen in Eugene and Springfield toward this means of financing. He said he believed it was impractical to have variable fares on non-urban routes. He said consideration should be given to having an elective board of directors with members residing within the district for local accountability. He commented that the public cannot understand the preponderance of large buses being used on low ridership routes.

Mr. Randall observed that he was pleased that more businessmen were attending this budget hearing than in previous years and the board would be happy to discuss problems and work with the businessmen.

MOTION

BUDGET: Mr. Randall moved to adopt the budget as recommended by the Budget Committee. The motion was duly seconded.

Mr. Herbert then moved to amend the Budget Committee's recommendation with the following revisions:

<u>Page</u>	<u>Line</u>	<u>Item</u>	<u>Change</u>	
			<u>From</u>	<u>To</u>
15	6	Trans. Supv. III (2.75 @ 14,372)	25,772.	39,523.
15	8	Bus. Operators	1,735,932.	1,670,932.
15	20	Helpers	190,140.	152,112.
15	28	Total Dept. of Operations	2,679,758.	2,590,481.
16	15	(Recap) Dept. of Oper.	2,679,758	2,590,481.
16	18	Total Personal Svcs.	2,974,733.	2,885,456.
17	1	Retirement	146,756.	144,752.
17	2	Medical Dental Insurance	291,287.	287,207.
17	3	FICA	172,288.	170,063.
17	4	SAIF	146,436.	144,535.
17	7	Total Benefits	790,550.	780,340.

19	3	Insurance - PL & PD	96,000.	130,000.	
19	27	Total Contractual Svcs.	261,385	295,385.	
18A	14	Capital Reserve (Delete Title)	70,190.	-0-	
18A	16	Total Capital Outlay	211,211.	141,021.	
20	10	Payroll tax	3,270,000.	3,180,000.	@ .0054
20	15	Total Non-Oper. Revenues	3,275,000.	3,185,000.	
20	27	Beginning Fund Balance	30,000.	68,725.	
20	29	Total Resources	5,053,083.	5,001,808.	
21	1	(Recap) Personal Svcs.	2,974,733.	2,885,456.	
21	2	Benefits	790,550.	780,340.	
21	4	Contractual Svcs.	261,385.	295,385.	
21	5	Capital Outlay	211,211.	141,021.	
21	6	Unapp. Ending Fund			
		Balance	72,074.	-0-	
		Transfer to Capital			
		Reserve Fund	-0-	156,476.	
21	8	Total Requirements	5,053,083.	5,001,808.	

The chairman explained that although this proposed amendment is still far short of meeting the actual needs for capital reserves, it provides a start in that direction and he believed the board should accept this compromise in order to avoid raising the payroll tax rate this year. He added that the board and public should realize that LTD will face these alternatives in subsequent budgets: 1) raise the payroll tax to the statutory limit, or, 2) obtain additional revenue from an income tax or other source, or 3) drastically reduce capital acquisitions scheduled in the TDP.

AID.VOTE The amendment was duly seconded and carried unanimously.

MAIN MOTION VOTE The question was put on the main motion as amended and it carried unanimously.

Mr. Booth asked to be excused from the meeting.

MOTION VOTE Upon motion by Mr. Kohnen, and duly seconded, the following budget resolution carried unanimously.

BE IT RESOLVED that the budget of the Lane County Mass Transit District for the Fiscal Year 1977-1978 in the total sum of \$5,001,808, is hereby adopted and,

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

- \$2,885,456. for Personal Services;
- \$ 780,340. for Benefits;
- \$ 743,130. for Materials and Services;
- \$ 295,385. for Contractual Services;
- \$ 141,021. for Capital Outlay, and

BE IT FURTHER RESOLVED that the General Manager is authorized to make expenditures and incur obligations within the limits of the foregoing.

Mr. Dyer commented that the resolution does not have limitations that have been present in previous resolutions.

MOTION

LEASEHOLD WITH LANE COUNTY: Mr. Davis moved that the board authorize the General Manager to sign a lease with Lane County for property for the Riviera Transit Station site. Mr. Kohnen seconded the motion and it carried unanimously.

VOTE

MOTION

1977 ROUTE REVIEW: Mr. Randall moved that the 1977 Fall Route Review be approved for implementation in September, 1977. Mr. Kohnen seconded the motion and it carried unanimously.

VOTE

Mr. Kohnen asked for discussion on direct routing from southeast Eugene to the University. In discussion, Mr. Rynerson said it would necessitate additional buses at a significant cost. He reviewed long range and short range plans, but said he believed it was not feasible at this time.

Mr. Herbert referred to a letter recently received from Emerson Hamilton expressing willingness of the Eugene Area Chamber of Commerce to discuss alternative taxing methods.

REGULAR REPORTING: Discussion on the regular statistical reporting for the Administrative, Planning and Transportation Departments was dispensed with as written information had been distributed for board review.

The meeting was adjourned.


Secretary