MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, May 15, 1991

Pursuant to notice given to ***The Register-Guard*** for publication on May 9, 1991, and distributed to persons on the mailing list of the District, the regular monthly meeting of the Board of Directors of the Lane Transit District was held on Wednesday, May 15, 1991, at 7:30 p.m. in the LTD Board Room at 3500 E. 17th Avenue, Eugene.

Present: Peter Brandt, Treasurer
Janet Calvert
Tammy Fitch, Vice President
Herbert Herzberg, Secretary
Thomas Montgomery
Keith Parks, Vice President, presiding
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: (vacancy in subdistrict 5)

CALL TO ORDER: The meeting was called to order at 7:30 p.m. Mr. Parks stated that Ms. Calvert would like to add a third Item for Action on the agenda for that evening, Transit/ New Development.

EMPLOYEE OF THE MONTH: Mr. Parks introduced Bus Operator Renee' Remior as the March Employee of the Month. She was hired as a part-time Bus Operator on June 7, 1989, and has received awards for one-year safe driving and excellent attendance. In addition to her driving duties, Renee' worked as a Temporary Transportation Clerk in the Transportation office, covering office shifts on an ad hoc basis and performing operator work bid-related tasks. She was also a 1990 United Way Team Captain and the 1991 Picnic Committee chair. The bus rider who nominated Renee' said Renee' was always courteous and cheerful, and that she wished Renee' drove her route more often. When asked what makes Renee' a good employee, Transportation Administrator Bob Hunt had said that Renee' was an innovator whose presence in the office made staff look at new ways of doing old jobs. He also described her as dependable, happy, and confident.

Mr. Parks presented Ms. Remior with her achievement award and check. She thanked the Board and staff and said she was happy to have a job at LTD.

AUDIENCE PARTICIPATION: Randy Prince, on behalf of the Oregon Association of Railway Passengers, presented the Board with copies of an editorial from the May 10, 1991, *Oregonian*; Senate Joint Resolution 10, a constitutional amendment to broaden the use of motor vehicle taxes to provide multi-modal transportation funding; and a sample letter to the

Chair of the Oregon Senate Transportation Committee in support of SJR 10. He stated that SJR 10 would modify the transportation orientation of gas tax funds to allow spending for railway and transit purposes. The resolution was currently held up in committee by Senator Dukes, although there had been testimony from active pro-transit groups. Mr. Prince said he had been in Salem that afternoon and committee staffers had encouraged him to keep up the pressure. The City of Eugene had passed a resolution in favor of multi-modal transportation receiving gas tax money. If SJR 10 did not pass, gas tax money would continue to be restricted to highway construction.

Mr. Prince suggested that the sample letter could be sent individually by the Board members. He thought the prospect of passage would be very good if this constitutional amendment got on the ballot, and said that a lot of leading politicians had supported it. He said there was some belief that Greyhound was only months away from folding.

Mr. Herzberg asked what this amendment would do to the truckers' tax. Mr. Prince said the OARP sponsor would offer support for the truckers' tax, but that measure was not contained within SJR 10. It had been agreed to emphasize bicycle provisions as part of SJR 10. There were also other measures being considered that would use gas tax moneys for other reasons.

Mr. Parks asked if a joint committee had been working on SJR 10. Mr. Prince said that Senator Dukes had called a joint hearing on April 14, and the Highway Department and the City of Eugene had attended. The City had wanted to see this measure postponed until after Measure 5 issues were settled. Mr. Parks thought it might be a good idea to have an interim committee work on this issue before the next legislative session. Mr. Prince said he did not know whether it had been in an interim committee before this session. He said attempts to pass such an amendment had been tried since 1976, but some people felt that others were protecting the highway dollars. Portland legislators had said that it would not do any good to have a press conference saying that Portland wanted this amendment, because of the feeling that it would use up the highway money. Mr. Prince said he felt it was fairly bipartisan, and that cost-effective choices could not be made under the existing rules. He said that, even though it was cheaper to work on the MAX light rail system in Portland, Portland was forced to build freeways with the gas tax money. Mr. Prince said that the Governor was somewhat behind the measure, but was currently more preoccupied with Measure 5 issues. Senate President John Kitzhaber and Attorney General Dave Frohnmayer were also supportive.

Mr. Prince said the issue came down to whether the Board believed there were too many tax issues, or SJR 10 was the best choice available. He said it was really a transportation issue rather than a tax issue.

Mr. Parks said it was awfully late in the session to have so much to do to pass SJR 10. Mr. Prince agreed that it was, but said that Senator Dukes was the roadblock. He thought there was enough other support to pass the resolution. Ms. Calvert wasn't sure it would do any good to lend support at that point.

Ms. Loobey said this had previously been presented to the Board. Her reading of it was that, although there was not opposition, it appeared that it did not have much chance of passing. There were other measures that would break into the highway trust fund, and Representative John Schoon was interested in looking at a balanced highway transportation fund. Ms. Loobey said that the current discussions regarding the reauthorization of the federal Surface Transportation Assistance Act was the first time the Highway Department had worked with transit on a joint position, and an ad hoc committee was working on a multi-modal six-year transportation plan. The Oregon Department of Transportation (ODOT) had always done only highway plans in the past. Ms. Loobey said that efforts were being made to look at transportation systems and their linkages to clean air, land use, etc. She said this was not so important with the legislative body, because she thought it could move through the Senate side, but it was more important to have this constitutional amendment with enough support to bring up rural and coastal counties, or it would simply be defeated. The citizens of Lane County had always supported measures of this type, but not so in other areas. Support from the League of Oregon Cities and the Association of Oregon Counties was needed.

Ms. Loobey said it has been the intent in Oregon since about 1940 that trucks would pay their share of maintaining highways. During the last legislative session, the weight mile taxes increased. A cost responsibility study just recently done by ODOT showed that the automobile was now lagging behind in the cost responsibility factor. Mr. Prince said that ODOT did just say it was ready to study this now, and he agreed that Ms. Loobey was correct about the need to convince the public. Mr. Herzberg said he understood that Representative Cedric Hayden had put a bill before the Legislature to cut the truckers' tax again. Ms. Loobey said she hadn't known about that. She had, however, had several conversations with Mike Meredith, the lobbyist for the Oregon Truckers' Association, and he had not brought that up. If that was a recent bill, she said, the chances of it getting a hearing at that late date were very slim.

Mr. Prince said that at the DOT hearing, a two-cent increase per year for 30 years was discussed. He said they planned to just increase the normal gas tax.

Mr. Prince said that the Oregon Association of Railway Passengers had agreed to circulate the resolution. He said he did not know if the Board wanted to deal with this issue at a later meeting or as individuals, but it was important that it go through in the next week or two. Mr. Herzberg said he would rather deal with it on an individual basis, or hold it up until the Board knew more about it. Ms. Calvert agreed that the Board might not be ready to make a decision, even though some of them might support the concept. Ms. Loobey said there were competing measures that had been introduced on the House side, and she could get copies of those for the Board's comparison. She added that ODOT's number-one priority had been the funding of light rail.

Mr. Parks said that the Board would take this issue under advisement, and thanked Mr. Prince for his input.

MOTION **APPROVAL OF MINUTES**: Ms. Fitch moved that the minutes of the April 17, 1991, special meeting and the April 24, 1991, adjourned meeting be approved as distributed.
VOTE Ms. Calvert seconded the motion, and the minutes were approved by unanimous vote.

FISCAL YEAR 1991-92 DISADVANTAGED BUSINESS ENTERPRISE (DBE) POLICY AND DBE AFFIRMATIVE ACTION PROGRAM: Ms. Loobey stated that the DBE policy was an element of the District's federal funding, and LTD was required to adopt a DBE policy on an annual basis. The policy stated that the District, in association with the federal government, would set goals for contracting with disadvantaged business enterprises.

Purchasing Agent Jeanette Tentinger stated that the FY 91-92 goal of 14 percent was the same as last year. LTD was able to meet the 14 percent goal last year. Each year, the District reviewed past performance and projected expenditures for the following year, and worked out a formula based on actual budget figures.

Ms. Calvert asked if the 14 percent was set by LTD or by the federal government. Ms. Tentinger replied that it was negotiated with the Urban Mass Transportation Administration (UMTA). LTD's goal had started at 10 percent and moved up over the years.

MOTION Ms. Fitch moved that the Board approve the resolution amending the FY 90-91 DBE Policy and DBE Affirmative Action Program to the FY 91-92 DBE Policy and DBE Affirmative

VOTE Action Program. Mr. Montgomery seconded the motion, and the resolution was approved by unanimous vote.

TRANSIT/NEW DEVELOPMENT: Ms. Calvert said she had been driving around the area east of Coburg Road and west of the freeway. There were multiple housing developments in that area, and supposedly others were planned for north of Beltline. She said there would be lots of homes in that area, and wondered what the plans for transit were. She asked if LTD staff were working with the City of Eugene and developers. She said she understood that city ordinances did not require developers to provide bus access. She thought it might be a good time to propose changes to the ordinances, or LTD would find itself without access to another residential development, similar to the Country Club Road development. She said this was a concern of hers because that part of town was growing so fast.

Mr. Montgomery thought that the people residing in the new Paradise Homes, along Willakenzie to the freeway, would not be bus riders, similar to the 72nd Street area in Springfield. Ms. Calvert said, however, that this was not her point, because there would be other developments that were just as dense or more dense. Also, buses already traveled on Elysium and seemed to be profitable. She thought that because more development was occurring, it might be a good time to ask the City to consider changes. Mr. Parks said it had been brought to the attention of the City that LTD would like to be involved early in development projects. Stefano Viggiano, Planning Administrator, said staff had been working with City staff, and the City had been cooperative. The Willakenzie area was developing a refinement plan, and LTD had been working with the City on that. There were some areas in which the City and the Citizen Planning Committee working on the plan disagreed, but it was anticipated that those would be resolved during the plan review and approval process. LTD was planning to develop a position on what the District would need in order to have access. Staff were hoping to take that information to the Board in June.

Ms. Calvert said that a former City Council member had suggested that if the Board members were concerned about something, they should not rely on City staff to take the issue to the Council. Mr. Parks said that if something did not work at the staff level, then it should go through the political route. Mr. Viggiano said that, in those areas where LTD disagreed with the plan, staff could make that known during the review and approval process. He believed that City staff and the City Council would support LTD.

Ms. Calvert said she was happy that staff were working on these issues, and said she would like to be more proactive rather than waiting until an action was taken and then reacting to it. Mr. Viggiano said that was staff's intent, and that the first step would be with the Planning Commission, and then with the City Council. Mr. Herzberg said it would be a mistake to let this issue go now, and miss the opportunity for bus access in developments, especially lower-income housing developments. Ms. Calvert said that City and County employees, at the moderate income levels, were becoming a large portion of LTD's ridership, and LTD should be able to serve them. Mr. Montgomery thought LTD should seek reasonable access into even the high-priced housing areas; if not completely through the development, at least so that people in the development could have bus access. Mr. Viggiano said it was probably a 3/4-mile to one-mile walk to the bus from the end of Willakenzie at Coburg. LTD does not consider people in that situation as having bus service.

Ms. Loobey said that staff would report back to the Board, and agreed with Ms. Calvert that a proactive approach was best. Part of the standard for developing property should be access for pedestrians and buses as a public policy statement, just as for sewers. She said there were statements in the metropolitan policy plan, but they had not been put into practice as part of the development code. Ms. Calvert said that since a refinement plan was a plan for one area, not the policy for the city, it was good to work also on city-wide policies in addition to the refinement plan. Mr. Parks stated that part of the problem was that a lot of planning is done before others get to be involved, and rarely are plans redrawn because of input from others.

Mr. Viggiano stated that Ms. Fitch was on the Central Area Transportation Study (CATS) steering committee that would be looking at transit-related code changes for downtown Eugene. He said these issues were being reviewed in a piecemeal fashion now, but eventually would be more comprehensive. Mr. Montgomery said that the Willakenzie area was growing so fast that it might be completed before anyone had a chance to finalize a plan.

ITEMS FOR INFORMATION AT THIS MEETING:

LTD Revenue Sources: Ms. Loobey said that staff wanted to spend some time talking with the Board about theories or goals previously discussed with the Board regarding flexibility in the payroll tax. This was an informational item, and the Board could discuss it again at a later meeting, or direct the Finance Committee to look at it in more detail. Staff had worked with some of the data from the long-range financial plan, and wanted to have a free-flowing discussion about implications of flexibility in the payroll tax rate, and to give the Board a sense of what staff saw as the range of options. Flexibility in the budget in previous years included everything from reducing service or no growth to finding additional money in the operating budget when revenues were stronger than anticipated, and holding the line on expenses. The District had been able to save varying amounts of money annually during the last four or five years. Now LTD needed to weather the short-term downturn in payroll taxes that it was currently experiencing.

Ms. Loobey said there had been a different mix and set of circumstances after the last recession. She was not sure whether the District could anticipate growth in the payroll tax base similar to after the last recession.

Mark Pangborn, Director of Administrative Services, discussed payroll tax revenues received as late as that morning. The news was good, with the amount of payroll taxes received to date only 1.1 percent less than the same quarter last year. When third quarter revenues were estimated for this quarter, it was estimated that the District would receive $1,577,084, but had actually received $1,592,864 to date. Mr. Pangborn said LTD might receive equal to or more than the payroll tax revenues for third quarter 1989-90.

Mr. Pangborn said there didn't seem to be many funding options during the recent Budget Committee discussions, and many members expressed the wish that the payroll tax did not have to be increased so high that the District lost its flexibility. Staff reviewed the District's funding, and determined that there were some other options. Mr. Pangborn said staff wanted to discuss those with the Board and determine how the Board would like to address them, so the District did not find itself in a similar position year after year. The options included: (1) keeping the tax rate below .006; (2) diversifying the revenue base, by implementing a self-employment tax, or obtaining new sources of revenue; (3) funding an operating reserve equal to several tax points, recognizing unanticipated year-end balances as fund reserves; and (4) reducing current costs and managing the budget.

Ms. Calvert asked if the District legally could carry over operating funds. Mr. Pangborn said it was legal. Previously, it had to appear that federal funding was absolutely necessary in order to receive those funds, so having a year-end balance would be the appearance of not needing those funds. That was no longer so, and LTD had put year-end balances into the Capital Fund.

(1) Keep the payroll tax rate below .006: Mr. Pangborn stated that every .001 of payroll tax revenues equalled $150,000 annually. The Budget Committee had wondered what it would mean to LTD if the rate were increased to .0055 rather than .006. Mr. Pangborn said the District would have to reduce expenditures and hope for a higher growth rate in the payroll tax base. In the current approved budget, a tax rate of .0055 would mean that the budget would be okay in FY 91-92, with $1.6 million in the Capital Fund, but in 1992-93, all capital reserve would be used and LTD would have a $300,000 deficit, with no money to spend on the downtown station. In the two following years, LTD would experience a $1 million deficit, even without beginning the downtown station or purchasing buses.

Ms. Fitch asked about the historical increases of 7 percent for payroll costs. Mr. Pangborn explained that payroll costs had increased an average of 7 percent without service increases, and staff did project 2 percent service increases, resulting in 9 percent increases in payroll. With a labor-intensive budget, labor is the District's number one cost.

Mr. Pangborn stated that the assumed growth rate in the payroll tax base was less than what the annual change would have to be in order to reduce the rate to .0055. During the last eight years, there were a couple of years in which the tax base growth exceeded 10 percent. The rest of the years showed growth in the 6 to 7 percent range. LTD would need to experience another 8 percent increase beyond what was projected in order to reduce the rate to .0055.

(2) Diversifying the revenue base: A self-employment tax would provide revenues between $300,000 and $400,000 annually, or 2 to 3 percent of the payroll tax collections. The tax rate could be lowered two to three points, resulting in a payroll tax rate and self-employment tax rate of .0056, rather than a payroll tax rate of .0058. The self-employment tax would be filed and collected with income taxes, so could not be imposed until July 1992 and collected in 1993. LTD's budget problems would occur in 1993, but a decision about the self-employment tax would have to be made by October or November 1991 in order to collect the tax by 1993. The Board had the authority to implement the self-employment tax.

Ms. Calvert asked what percent of the District's income came from the payroll tax. Mr. Pangborn replied that on an $11.5 million budget, it would be about 60 percent. The self-employment tax would not provide a major amount, but it would allow some sort of diversification. He said the District could have a lot of little revenue sources, or one or two big ones; LTD had one or two big ones. Some of the smaller sources could be dedicated to specific purposes, such as elderly and handicapped services.

(3) Funding an operating reserve: Mr. Pangborn stated that the payroll tax had been at the maximum rate for only two years during LTD's operation, and service was cut at the same time. Had there been an operating reserve, LTD may have been able to make fewer cuts in service, or raise the payroll tax rate to less than the maximum. An operating reserve could be used during a recession and replenished later. The last time the District lowered the payroll tax rate was four years ago. If the rate had been reduced to .005 rather than .0049, LTD would have had four years to build a reserve, and would not be faced with raising the rate so drastically in FY 91-92.

Mr. Pangborn said that if the Board liked this concept, they would need to develop policies and address how to set up such a fund. They could begin to address this issue with unallocated year-end balances, which had been used in the past for capital funding. The year-end balances could still be put into capital, with less money from the General Fund going to the Capital Fund in the future, so, in essence, the payroll tax rate would be reduced.

(4) Reduce current costs/manage budget: Mr. Pangborn said that staff and the Budget Committee had relied on conservative revenue projections for the FY 91-92 budget, which also included a $250,000 contingency. The District had frozen expenses in the past, and could again, if the budget warranted such action. Vacant positions could be frozen, or short-term contributions to capital and risk management could be reduced. Mr. Pangborn said that next year's contribution to capital was not large to begin with, but the risk management contribution was, and there was already a reserve in the risk management fund.

Mr. Pangborn said there was a bit of flexibility in the FY 91-92 budget, but not in future years, and that it was not too early to begin to address the flexibility issue. People would need to understand that the self-employment tax was an equity issue, but the tax would have to be approved by October or November 1991 in order to provide revenue in FY 92-93. He said it may be too late to pass any transit revenue bills in the Oregon legislature in the current session, but the District should begin now to prepare for any future bills. The cigarette tax money dedicated to the Special Transportation Fund for elderly and handicapped services had saved the District a lot of money, and there may be other revenue sources that could do the same.

Mr. Pangborn said that as a budget officer, he found the idea of creating an operating reserve very attractive. He suggested that the Board might want to approve the concept in the near future, plan for an operating reserve fund, and begin funding it later. He said that when the District needed such a fund, it was too late, and when LTD had an opportunity to build a reserve, it had always cut back the payroll tax rate as far as possible and hadn't had an opportunity to build a reserve fund. Ms. Fitch asked how big a reserve Mr. Pangborn was considering. He said that staff had not talked about specific amounts, but an operating reserve would probably mean between $.5 million and $1 million. He thought the District should be reasonable about the amount it could generate. Mr. Herzberg said that "hindsight" showed that if the District had not maintained a steady level of taxes during the past few years, it could have had some reserves for this recession. Mr. Pangborn suggested that, in order to build a reserve, the Board could keep the payroll tax at a certain level with a plan for how much was needed for the reserve, and then lower the rate when the reserve amount had been met. Then, during another recession, the rate might not have to be raised so high.

Ms. Calvert asked if money could be taken back out of the Capital Fund once it had been put in, in the event of a funding problem. Mr. Pangborn said it was very difficult, and essentially could not be done. He said the District did need some money in a capital reserve, and capital funding had been LTD's priority for several years, in order to fund the new facility and ongoing capital needs such as bus purchases. Ms. Loobey explained that in the past, if federal funds were not spent, they would not be taken away, but future allocations would be reduced. When LTD's revenues went up after the last recession, due to an increase in the payroll tax base, the District had higher tax receipts and was not spending all that was allocated, so the balance was put into capital and into fully finding the risk management program.

Mr. Pangborn said the federal government had been ambivalent, at best, about operational funding. Now it was requiring that transit districts take more responsibility at the local level for operational funding. UMTA would provide a minimal level of operational support, but more and more the burden would fall to the transit districts. Mr. Pangborn said there was no better time to think about an operational reserve and other funding options, since the District had just had to decide not to add service that riders requested, cut expenditures, etc.

Mr. Montgomery said he thought all of the ideas presented that evening should be discussed in more depth. He said that during the budget process, he had heard various people suggest the need for new revenue sources or the need to reserve funds for similar situations as the current recession, so he thought those issues should be pursued. Ms. Calvert thought the full Board should discuss these issues together, since all members had a general background. If the Finance Committee reviewed the issues, they would just have to explain it all to the full Board again. She said she thought Board committees were good for some purposes, but that this was a case in which all the Board members needed to be fully informed. Mr. Parks asked if staff could arrange for these discussions to take place during regular Board meetings, rather than during special work sessions. Staff agreed to do so.

Oregon Transportation Plan Update: Ms. Loobey said that she had included some informational materials in the agenda packet for the Board's review. The state ad hoc Surface Transportation Assistance Act (STAA) planning group was continuing to respond to requests for information from U.S. senators and representatives, and she would keep the Board apprised of any further information from the group.

Fuel Cost Update: Ms. Loobey commented that one thing that had saved the District in the current year, after costs escalated so high, was the rebate from SAIF Corporation. The timing of the refund was propitious, because LTD had the potential for not ending the current fiscal year as well as it would.

Third Quarter Performance Report: Ms. Loobey stated that some interesting things were happening with ridership and performance measures, and introduced Joe Janda, MIS Administrator, to discuss them with the Board. Mr. Janda discussed pages 57-59 of the agenda packet. The District had been experiencing significant ridership growth during the past several years, and it appeared that the FY 90-91 ridership increase would be more than 9 percent by June 30. This would be another record-setting year, with just over 4.9 million riders.

Mr. Janda explained that since some months have more days than others, staff compare average weekdays. A person trip was defined as a trip from an origin to a destination, including transfers. In January to March, 1991, average weekday person trips increased by 12 percent, or an increase of 8.6 percent for the year to date. Mr. Janda said that three general areas might explain that increase. First, the use of prepaid fare instruments had been increasing over time. Second, there were now six group pass programs (the University of Oregon (UO), Northwest Christian College, high school equivalency program, City of Eugene, Lane Council of Governments, and Sacred Heart Hospital. These programs began with the UO in 1988, and the most recent one was instituted in October 1990. Mr. Janda said that staff generally anticipated about a 3 percent growth in ridership related to such factors such as community growth, a recession, fuel prices, etc. The lowest ridership month of FY 90-91 was as high or higher than the highest month of FY 87-88, showing a dramatic increase over time.

During the same time when ridership was increasing 67 percent, service increased incrementally by 20 percent. This resulted in an increase in system productivity, and had eventually resulted in crowded buses and tight routes.

Mr. Janda showed that about 39 percent of the current ridership paid cash. Sixty-one used prepaid fare mechanisms: 33 percent used passes, 21 percent were group pass users, and 7 percent were LCC riders. Passenger revenues for the third quarter had increased 15.8 percent over last year, and the last two quarters had shown a very strong increase (13.5 percent year-to-date) over the previous year. Passenger revenues consisted of cash, tokens, and passes.

Ms. Calvert asked if weekend ridership had paralleled weekdays. Mr. Janda said it was fairly close, with Sunday ridership up 10.3 percent, and Saturday ridership up 5.9 percent. Mr. Brandt asked how many riders of the 21 percent group pass users were UO riders. Mr. Viggiano replied that 80 percent of group pass riders were UO students and faculty. Ms. Fitch wondered if, since 21 percent of the ridership was from group passes, and the majority of those were from the UO, approximately 21 percent of revenues should come from the UO. She said the UO's ridership had increased drastically, and wondered about keeping the revenues and ridership proportionate. Ms. Loobey explained that the group pass program had been designed to not lose any of the farebox revenue the District was currently receiving. The group pass spread the cost of the service over a larger base. More students rode because of the program, but the same base was still paying. Also, any additional service required by the group pass program was fully paid from the group's fees.

Ms. Fitch said that if outside factors affect ridership, such as the UO raising parking fees, then LTD had the potential for non-group pass members getting on the bus. The District could not narrow that down to say that the UO had affected that ridership increase, but LTD might have to add service for those additional riders. Mr. Brandt said he thought Ms. Fitch's assumption about the 21 percent ridership and revenues was correct. He thought that the group pass programs were not paying their fair share. He thought they should be paying 21 percent of $1.5 million, but were getting a break.

Mr. Viggiano explained that, before the group pass program, UO riders were contributing about 9 percent of revenues. Staff wanted to make sure that the District collected that 9 percent, and that the group pass program paid for any additional service. The number of actual riders did not affect the rate unless it also affected the service needs. LTD provided a set amount of bus service, and the group pass riders paid a set amount of money. Mr. Brandt said that group pass riders were riding cheaper per person. However, Mr. Viggiano said that the group was paying more money than before the program. The rate was increased each year by an inflationary amount, and this year, the rate was up 16 percent due to inflation and service additions.

Mr. Janda showed the composition of revenue by category. The UO group pass provided 15 percent, and other group passes provided 3 percent, for a total of 18 percent of revenue. Mr. Viggiano said that cash riders comprise much less than 41 percent of the riders, but paid more per ride because they chose to pay by cash. Other passes reduced the cost per trip for riders, and guaranteed LTD a certain amount of revenue.

Ms. Fitch said that LTD's commitment to the UO was a great one, including an estimated $200,000 for an expanded University Transit Station. She said she knew the staff were looking at long-term contracts with the UO, to make sure the District was not getting in a bind where ridership affected the system a great deal. She said the District might not see the effect of the program because students were coming from all over the Eugene/Springfield area. They could be causing overloads that might not have occurred on certain buses if there were no group pass program. She asked staff if they could identify student ridership. Mr. Viggiano said it was not simple, but it could be done.

Ms. Loobey said that the difference between the formula for the UO and non-taxpaying entities was that the District took into account and charged groups for long-term capital development. However, the UO was a payroll taxpayer, so was not charged that additional fee.

Mr. Janda said that total farebox revenues applied to ridership and represented about 19 percent of total operating revenue. The average fare for FY 90-91 was 42 cents, a two-cent increase over the previous year. The average fare varied for individual riders who rode more or less often on passes.

Mr. Janda said that staff would provide a more detailed year-end report during the summer.

ADJOURNMENT: Ms. Calvert moved that the meeting be adjourned. Mr. Montgomery seconded the motion, and the meeting was adjourned at 9:20 p.m.

Herbert R. Herzberg

Board Secretary