

MINUTES OF BUDGET COMMITTEE MEETING

LANE TRANSIT DISTRICT

Wednesday, April 20, 1994

Pursuant to notice given to *The Register-Guard* for publication on April 14, 1994, and distributed to persons on the mailing list of the District, a meeting of the Budget Committee of the Lane Transit District (LTD) was held on Wednesday, April 20, 1994, at 7:30 p.m. in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present:

Board Members

Kirk Bailey
Rob Bennett
Steve Engel
Pat Hocken, President
Dave Kleger, Treasurer
Thomas Montgomery, Secretary

Appointed Members

Russ Brink
Rick Crinklaw, Committee Secretary
Gerry Gaydos
Mary Gilland
Tim Luck

Phyllis Loobey, General Manager
Mark Pangborn, Budget Officer
Erdag Goknar, Minutes Recorder

Absent:

Tammy Fitch, Vice President
Cynthia Pappas
Chris Larson

CALL TO ORDER: Mr. Crinklaw called the meeting to order.

COMMITTEE AND STAFF INTRODUCTIONS: Those present introduced themselves.

MOTION **ELECTION OF OFFICERS (Chair and Secretary):** Ms. Hocken moved, seconded by
VOTE Mr. Engel, to nominate Mr. Gaydos to serve as chair of the Budget Committee. There were
no other nominations. Mr. Gaydos was unanimously elected, 11:0.

MOTION Ms. Hocken moved, seconded by Mr. Gaydos, to nominate Mr. Crinklaw to continue as
VOTE Budget Committee secretary. There were no other nominations. The motion passed unani-
mously, 11:0.

PUBLIC COMMENT: There was no public comment.

MOTION **APPROVAL OF MINUTES (MAY 5, 1993):** Ms. Hocken moved, seconded by
VOTE Mr. Montgomery, to approve the minutes of May 5, 1993, as submitted. The motion passed,
6:5. Mr. Bennett, Mr. Crinklaw, Mr. Engel, Mr. Kleger, and Mr. Montgomery abstained.

BUDGET PRESENTATION: Mr. Gaydos encouraged members to consider aspects of the budget for discussion during the overview.

Budget Overview: Ms. Loobey briefly reviewed the history of LTD with respect to the budget. She explained that LTD had moved from dependence on other organizations, such as the Lane Council of Governments, the Oregon Department of Transportation, and the City of Eugene, for its proper functioning, to independence in transportation decision-making. She said LTD was now preparing for a new era of interdependence with other units of government. She reported that the change had been spurred by the 1990 Clean Air Act and the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA). She said ISTEA had ensured LTD's position as a decision-making body with regard to federal, state, and local transportation concerns.

Ms. Loobey outlined the budget process. She said the process was initiated each year by the Division Administrators and was later tied in with the Long-Range Financial Plan. She explained that the current budget priorities were to maintain service, ensure the quality of the fleet (including operational maintenance and cleanliness), to continue adequate training, and to further marketing goals and public education. Ms. Loobey distributed a document summarizing an initial discussion of transportation-related priorities by the Joint Chamber of Commerce Metropolitan Transportation Panel. She cited the document as an example of the high degree of community consciousness on transportation issues. She said she was confident the current budget would position LTD for the future while garnering community support.

Mr. Gaydos stated that the LTD Board and Budget Committee would be asked to increase the payroll tax to .6 percent in addition to implementing a self-employment tax. He said members could see the taxes as necessary for future growth and management or unnecessary, based on the current efficiency of LTD. He stressed that LTD must be a citizen in the community and identified some important transportation issues that were of concern, including the high-speed rail, the airport, and the I-5/Franklin Boulevard connection.

Ms. Hocken reviewed pertinent Board discussion. She stated that the Board members were interested in broadening the "life-line" service concept of reaching the too young, too poor, and too old. She said the emphasis was on more convenience, appeal, efficiency, and punctuality.

Responding to a question from Mr. Gaydos, Ms. Loobey briefly discussed Symantec's Group Pass and the prospects of a shuttle service for Sony which could serve as a model "Goal 12" transportation project.

Ms. Hocken introduced a discussion of the self-employment tax. She explained that the tax would be collected by the Oregon Department of Revenue and stressed that it applied to those establishments that did not operate as corporations. She said monies collected from the tax would not be worked into the budget until FY 96-97. Responding to a question from

Mr. Luck, Ms. Hocken stated that the tax would create about \$750,000 in revenue. Mr. Brink noted that he was not yet convinced of the need for the tax. He explained that given the current trends toward governmental downsizing, self-employment was an integral part of the local economy and a tax on it would negatively affect the community. He hoped members would weigh the greater economic implications in terms of stability. Mr. Gaydos agreed the community would be concerned about such a tax in light of all other government funding requests. Responding to a question from Mr. Luck, Ms. Hocken said the tax would be levied at the same rate as the payroll tax, .6 percent. She added that the tax imposed by Tri-Met in Portland had not inhibited business there. Mr. Crinklaw warned against relying on any one source of funding. He said a move toward a self-employment tax would relieve total reliance on the corporate payroll tax. He encouraged the Committee and staff to explore additional sources of funding as well. Ms. Hocken mentioned that there was statutory authority to pursue a self-employment tax.

Fiscal Year 1994-95 Proposed Budget-Review and Analysis (LTD Division Administrators): Mr. Pangborn outlined the discussion of the budget. He said he would proceed with a general review of budget goals, the division budgets would be discussed by category--service, maintenance, marketing/customer service, support services, and capital--and there would be an overall summary.

Ms. Hocken introduced a brief discussion of the budgeting for eventualities stemming from the current union contract deliberations. Mr. Pangborn stated that the current budget assumed the contract would be settled at a rate equivalent to the most current administration offer. Ms. Weaver said the budget might have to be revised. Mr. Pangborn added that the LTD Board could alter the budget up to 10 percent without having to bring it before the Budget Committee again, although LTD typically has not done this.

Service. Division Administrators Stefano Viggiano and Bob Hunt reviewed the "service" category of the budget. Mr. Viggiano, the Division Administrator for Planning, discussed fixed route service, special services, and the planning budget. He said the proposed 2.5 percent service increase was based on the Annual Route Review process. He displayed a chart of the service enhancements and deletions for the coming year. He noted that there would be service to the airport for the first time, and Saturday night service would be extended one hour. Responding to a question from Mr. Engel, Mr. Viggiano said the 2.5 percent increase was based on service hours. With regard to special services, he announced that LTD reached full compliance with the Americans with Disabilities Act (ADA) in 1994.

Mr. Viggiano reviewed the Planning Division budget. He referred members to page 16 of the meeting packet. He reported that the division was aggressively pursuing ridership and exploring the implementation of subscription bus service, a related parking permit/bus pass, Group Pass participants, and low-density service enhancements. Mr. Viggiano also discussed the possibility of acquiring small buses for certain routes in the future. Responding to a question from Mr. Engel, Mr. Viggiano said the Planning Division had not been benchmarking against planning budgets for other transit districts, but a consultant had favorably evaluated the division. Responding to a question from Mr. Luck, Mr. Viggiano said that the Origin and Destination Survey provides information on ride frequency, trip purpose, purchase method, and rider demographics. He said the survey results in the establishment of a data baseline on

travel behavior and opinion, which LTD can access in the future. He explained that the survey was administered to riders as an "on-bus" questionnaire.

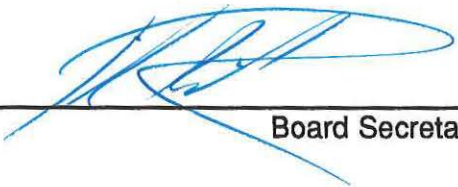
Bob Hunt, Transportation Administrator, explained that his division was responsible for implementing service, which included aspects of planning, maintenance, and marketing. He said the division also was responsible for the implementation of operational policies and customer safety. He referred members to pages 28, 29, and 30 of the meeting packet. He highlighted three accomplishments from the last year: (1) the implementation of standards for customer behavior (Ordinance No. 36); (2) the doubling of supervision time on the road; and (3) consistency in making required ADA next-stop announcements. Responding to a question about the reduction of training time from two days to one day, Mr. Hunt explained that one day of training was sufficient for this year's needs. Mr. Hunt reviewed the responsibilities of on-the-road supervisors including verification of correct schedule operation (CSO) and proper signage, the monitoring of regulations, responding to accidents, and resolving customer problems. He said he hoped to see an increase in supervisor time on the road. He explained that a new clerical assistant position would free staff time for more road supervision.

The rest of the Division Administrator presentations were postponed to the next meeting.

Capital Improvements Program: This item was postponed to the next meeting.

BUDGET COMMITTEE DISCUSSION AND ACTION: This item was postponed to the next meeting.

ADJOURNMENT: The meeting was adjourned to April 27, 1994, at 7:30 p.m. at the same location.



Board Secretary