

MINUTES OF INFORMATIONAL BUDGET MEETING
FOR NON-BOARD MEMBERS OF BUDGET COMMITTEE

LANE TRANSIT DISTRICT

Wednesday, April 20, 1995

Pursuant to notice given to *The Register-Guard* for publication on April 11, 1995, and distributed to persons on the mailing list of the District, an informational meeting for the seven non-Board members of the LTD Budget Committee was held at 5:30 p.m. on Wednesday, April 20, 1995, in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present:

Russ Brink
Rick Crinklaw, Committee Secretary
Gerry Gaydos, Committee Chair
Mary Gilland
Chris Larson
Tim Luck
Cynthia Pappas
Phyllis Loobey, General Manager
Mark Pangborn, Budget Officer
Dan Lindstrom, Minutes Recorder
Jo Sullivan, Recording Secretary

CALL TO ORDER: The meeting was called to order at 5:45 p.m. by the 1994 Committee Chair, Gerry Gaydos.

INTRODUCTIONS: Mr. Pangborn welcomed committee members and noted that all had served the previous year.

1995-96 BUDGET BACKGROUND BRIEFING: Mr. Pangborn stated that the purpose of the meeting was to provide background information about the Lane Transit District (LTD) budget and the processes followed by the Board and staff in its development. He added that staff wanted committee members to also provide feedback on a potential budget presentation model.

Current Issues:

(1) **Current Ballot Initiative.** Mr. Pangborn described how an initiative had been placed on the ballot to stipulate limits to the salary of the LTD General Manager. He suggested that efforts to qualify the initiative had begun during protracted labor negotiations with the Amalgamated Transit Union. He reported that the LTD Board had instituted a court challenge to the initiative and that there would likely be an appeal of whatever decision was reached. He also stated that if the District did not prevail in its court challenge, significant decisions would need to be made about the implications of passage of the initiative.

Members of the committee discussed the initiative. In response to a question from Mr. Crinklaw about support for it by members of the union local, Mr. Pangborn indicated that there had been anecdotal reports of individuals intending to publicly express opposition. He reported that all employees were restricted in their ability to support or oppose the initiative during working hours.

Mr. Pangborn stated that legal costs of the court challenge had been estimated to have the potential of reaching or possibly exceeding \$20,000. He added that if the initiative remained on the ballot, LTD would be responsible for approximately \$100,000 of election-related expenses. He said that the Board had asked the Oregon Attorney General if it could take a public position on the initiative.

(2) Status of Payroll Tax and Self-Employment Tax. Mr. Pangborn reported on the decision of the Board to increase the LTD payroll tax rate in 1994 and implement the self-employment tax. He said that the change in the payroll rate had taken effect in October, but that a citizen file a referendum petition in an attempt to have the self-employment tax proposal submitted to the voters. He indicated that the District challenged the timeliness of the referendum and prevailed. The tax became effective on January 1, 1995, and would be collected after April 15, 1996. He explained that LTD tax revenue was collected by the State of Oregon.

Mr. Gaydos asked what plans had been made for potential new revenue from the State. Mr. Pangborn explained that the Oregon Legislature was considering doubling vehicle registration fees, which could result in a \$4 million allocation to LTD. He explained that a statewide amendment to the Oregon Constitution would have to be passed to enable such funds to be used for public transportation. He stated that transit districts could use such funds to reduce tax levels or expand services.

(3) Eugene Station. Planning Administrator Stefano Viggiano described progress made in building a downtown Eugene Station. He reported that approval of an Environmental Impact Statement, receiving a major grant, and securing a Conditional Use Permit were the major requirements in starting the project and that all of the above had been accomplished. He indicated that design work would take place in FY 95-96, construction bids would be secured in the spring of 1996, ground breaking was expected in the summer of 1996, and the project would be completed by the end of 1997.

Mr. Viggiano indicated that an advisory committee for the design of the station had been formed to provide citizen involvement. He added that the Conditional Use Permit required that two levels be added to the Overpark garage, but that recent developments suggested that the project might be changed to replace the parking in a new structure at the intersection of 10th Avenue and Pearl Street. This change would require an amendment to the Conditional Use Permit.

In response to a question from Mr. Gaydos, Mr. Viggiano said that there seemed to be little active opposition to construction of the station. He added that Lane Community College concerns that adequate parking be provided for users of its downtown campus would be incorporated into any change in the parking mitigation. He indicated that staff planned to coordi-

nate construction of the station with the opening of Willamette Street, if the reopening were approved by voters.

(4) National and Regional Comparative Study. Finance Administrator Tamara Weaver explained that LTD had sought to participate in the University of North Carolina at Charlotte (UNCC) Interdisciplinary Transportation Studies project as a result of a request by the Eugene Chamber of Commerce. The Chamber wanted to assess LTD's efficiency before taking a position on the self-employment tax.

Ms. Weaver reported that the project was a study of transit systems throughout the nation and that LTD had received an overall rating of 16th among the 103 systems compared. She said the project rated LTD's overall performance as close to that of transit systems in Syracuse, New Orleans, Reno, and Cincinnati; and that LTD was the highest-rated west coast system in its peer group of similar-sized cities.

Ms. Weaver stated that 1991 information had been used in the study. She shared and explained results of the comparative study, as follows:

- LTD has low average fares, though the price of individual fare instruments is comparable, due to the District's policy to allow discounts on group pass programs to encourage greater use of the bus by commuters.
- LTD was 33 percent better than the national average in operating expense per passenger mile, showing that LTD was providing its service to the public in a cost-effective manner.
- LTD was 51 percent better than the national average in service effectiveness in relation to population served, indicating high utilization rates per population, per vehicle mile, and per vehicle hour.
- LTD was ranked fourth overall among cities studied that had populations of less than 250,000.

Marketing Administrator Ed Bergeron reported that the results of the comparative study had been publicized in an article in *The Register-Guard*, in television news stories, and in LTD publicity.

Mr. Brink stated that he often heard comments about LTD's "empty buses." In reply, Ms. Loobey discussed the difference between the community's perceptions about under-utilization of LTD services and the reality of bus service, like school bus service, providing one-directional transportation to major employment centers or neighborhood areas, depending on the time of day.

Ms. Pappas asked if anything had been included in the budget for employee relations issues. Mr. Pangborn replied that this would be discussed during the staff presentation of the budget, and asked Ms. Pappas if she could wait until that time for a response. She agreed that she could.

Ms. Pappas left the meeting at 6:30 p.m.

(5) Staff Turnover and Reorganization Efforts. Mr. Pangborn explained that vacancies had recently occurred in four key LTD management positions. He stated that two of the positions had been filled and that the other two were currently unfilled, while staff studied the benefits that could be derived from management restructuring.

Future Issues:

(1) Federal and State Legislation. Mr. Pangborn expressed his opinion that the increase in state vehicle registration fees discussed earlier probably would not be possible in the current legislative session, but that it might be reconsidered during the next session.

Mr. Pangborn reported that the U.S. Congress was currently giving serious consideration to reducing support to transportation programs. He explained how LTD, and other transit systems, received significant revenue contributions from the federal government.

Mr. Pangborn stated that it was unlikely that unfunded state and federal transportation mandates would be changed. He noted that all LTD vehicles were wheelchair lift-equipped, and that the system was ranked among the top ten in the country in the number of lift boardings.

(2) Pricing and Service Plan. Mr. Viggiano referred members' attention to documents entitled "Pricing Plan 1995-96 to 1999-2000" and "1995 Annual Route Review--Summary of Changes" distributed with the notice of the meeting. He noted how the adult cash price and token price had increased at a higher rate than the Consumer Price Index since 1982. He also noted that the adult pass price had increased at a lower rate than the Consumer Price Index during that period, and that it was scheduled to increase by \$1.00 in 1995-96.

Mr. Viggiano reviewed Service Deletions, Service Fixes, and Service Additions recommended for 1995. He noted that changes in service produced net increases of 8,518 in annual hours of service, \$261,800 in annual cost, and 183,500 in annual ridership.

In response to questions about LTD service to Creswell and Cottage Grove, Mr. Viggiano stated that additional revenue received would cover the cost of the service. He reported that the type of service that might be provided was being discussed. He said that it was possible to provide the additional service with the existing fleet, but that six small buses were scheduled for purchase in the fall of 1996 and could be useful in providing some of the services contemplated.

(3) Strategic Plan. Ms. Loobey described the process and motivation of the Board of Directors in developing a vision for the future of LTD. She said that it was an attempt to "be at the table" to help shape developing transportation options and deal with county, state, and federal policies that were driving changes in transportation services.

Ms. Loobey referred to the draft document entitled "Lane Transit District Strategic Plan--Proposed Strategic Activities for FY 95-96" distributed to members with the notice of the meeting.

She expanded on the following visions for LTD contained in the document, and discussed strategic actions proposed for each.

- ° LTD is a leader in shaping local and regional transportation strategies, through strengthened partnerships, alliances, and community support.
- ° LTD provides innovative, quality service that commands an increasing share of the transportation market.
- ° LTD's decisions, priorities, and actions are driven by strategic planning and sound fiscal and operational management.
- ° LTD encourages innovation and flexibility in anticipating and responding to the community's needs and priorities.
- ° LTD supports a work environment that attracts talented employees who share LTD's vision and are committed to its success.

Ms. Loobey stated that the Strategic Plan had driven preparation of the proposed LTD budget.

PRESENTATION OF BUDGET:

Mr. Pangborn reported that staff had worked hard to determine a way to link the Board's Strategic Plan to a presentation of the budget. He said that, in addition to the summary line-item budget used in the past, consideration was being given to presenting budget elements in relationship to vision statements and proposed strategic actions. He indicated that new activities would be especially highlighted in this way.

Mr. Gaydos responded positively to the proposal, but suggested that it might place undue hardship on certain members of the staff. Mr. Pangborn replied that management staff would readily participate in the proposed preparation and presentation of the budget out of interest in receiving public involvement in its development.

Ms. Larson expressed appreciation for the proposed budget presentation method, saying that it provided a comprehensive picture. She suggested that, in addition to highlighting new programs, emphasis also be placed on the continuation of basic services. She commented that media and some members of the public tended to overlook important services that continue if they are not given appropriate attention.

Mr. Gaydos suggested that "measuring devices" to determine accomplishment of goals needed to be added to the strategic vision and action proposals. Mr. Pangborn noted that Strategic Action IIIA stated, "Determine what performance measures and benchmarks are used to evaluate the organization's fiscal and operational performance. Develop benchmark measures that are aligned with our vision."

Ms. Larson observed that it would be important to indicated that the budget was an on-going process to develop the appropriate allocation of LTD funds.

Mr. Luck emphasized that a campaign to present a positive image of the work of LTD was important. Mr. Bergeron described a program under development to work with a consultant, community groups, and the media to address the concern. Mr. Luck added that it was important to have regular contact with members of the community. Mr. Pangborn reported on a recently completed community attitudes and awareness survey that would be used to help evaluate LTD service to the community.

It was announced that the next meetings of the full Budget Committee would be held on April 26 and 27, 1995, in the LTD Board Room, at 7:30 p.m.

ADJOURNMENT: The meeting adjourned at 7:55 p.m.

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