

## MINUTES OF BUDGET COMMITTEE MEETING

### LANE TRANSIT DISTRICT

Wednesday, April 28, 1999

Pursuant to notice given to *The Register-Guard* for publication on April 4, 1999, and April 22, 1999, 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 28, 1999, at 6:30 p.m., in the LTD Board Room at 3500 East 17<sup>th</sup> Avenue, Eugene.

Present:

Board Members

Kirk Bailey  
Pat Hocken  
Dave Kleger  
Dean Kortge  
Virginia Lauritsen  
Hillary Wylie

Appointed Members

Michael Bean  
Gerry Gaydos  
Gino Grimaldi  
Elaine Guard  
Pamela Papp  
George Rode

Staff

Phyllis Loobey, General Manager  
Mark Pangborn, Assistant General Manager  
Diane Hellekson, Budget Officer  
Susan Hekimoglu, Recording Secretary

Absent: Rob Bennett, LTD Board member  
Russ Brink, Appointed member

**CALL TO ORDER:** Board President Kirk Bailey called the meeting to order at 6:35 p.m. Mr. Bean arrived at the meeting at 6:45 p.m.

**COMMITTEE AND STAFF INTRODUCTIONS:** Committee and staff members introduced themselves. Mr. Bailey welcomed Ms. Guard and Ms. Papp as new members of the Budget Committee

**ELECTION OF OFFICERS:** Mr. Bailey asked for nominations for Committee Chair and Committee Secretary. Mr. Kortge nominated Mr. Gaydos as Chair. Ms. Hocken seconded the nomination. There were no objections, and Mr. Gaydos was elected Committee Chair by acclamation.

Ms. Hocken nominated Mr. Grimaldi as Committee Secretary. Mr. Kortge seconded the nomination. There were no objections, and Mr. Grimaldi was elected Committee Secretary by acclamation.

**PUBLIC COMMENT:** Mr. Gaydos opened the meeting for comment from members of the audience. There was no one who wished to address the committee.

**MOTION****VOTE**

**APPROVAL OF MINUTES:** Ms. Hocken moved approval of the Minutes of the April 22, 1998, and April 23, 1998, Budget Committee meetings. Mr. Kortge seconded the motion, which passed by unanimous vote, with Bailey, Bean, Hocken, Gaydos, Kleger, Grimaldi, Kortge, Guard, Lauritsen, Papp, Wylie, and Rode voting in favor, and none opposed.

**PAST, PRESENT, AND FUTURE VISIONS:** Ms. Loobey discussed LTD's role in the community, the function of the District in relation to the community and the people it served, and the perception of LTD in the community. She said that LTD was more than just a bus company.

LTD originally was created to provide service to the young, the poor, and the old. That core business needed to be appreciated, but LTD had other roles in the communities that were very important as well, including providing an alternative for those who had a car available but who chose to use the bus.

LTD also worked closely with the Convention and Visitors Bureau to ensure that large events, such as the NCAA, the Veteran's World Championships, and the Worldwide Scientific Conference, chose this area. If LTD were not available to assist with those large events, then the Eugene/Springfield area would not be able to compete against other cities for those events.

Another role of LTD was to provide the local special event service, such as sport shuttles to the UO football and basketball games and shuttles to the Lane County and Oregon Country Fairs. What would it cost the community if LTD were not doing those types services?

It was difficult to measure the value of those additional roles. The community put its focus on whether or not LTD was operating big, empty buses up and down the streets and what the farebox to operating cost ratio was. Those issues missed the point of why a community had a public transportation system.

Ms. Loobey asked the Budget Committee members to keep that message in mind as they were considering the budget for Fiscal Year 1999-2000. She said it was an important message for the community and for LTD.

Mr. Gaydos said that he agreed with Ms. Loobey. The Budget Committee's role was to be passionate about LTD.

**PRESENTATION FORMAT AND LOGISTICS:** Ms. Hellekson provided an overview of the agenda and stated that the recommendation from the Budget Committee would be presented to the LTD Board of Directors during its June 1999 meeting for approval and adoption.

**BUDGET PRESENTATION**

**Broad Overview:** Mr. Pangborn provided an overview of the entire budget for Fiscal Year 1999-2000. He said that there were two budget themes for FY 1999-00: to continue

improvement of current service and market share and to ensure the success of the system in the future through implementation of bus rapid transit (BRT).

Mr. Pangborn noted that ridership growth had exceeded population growth by 1.5 percent. Service would be improved in several ways, including maintaining facilities, making modest service changes, adding new technology, and continuing to prepare for integration of BRT. He provided a brief overview of staff proposals for each of those improvements.

Financial Summary: Ms. Hellekson provided a financial overview of the three funds that made up the LTD budget: the General Fund, the Capital Fund, and the Special Transportation Fund.

The General Fund was the most active and, to some degree, subsidized the other funds. Staff were proposing a relatively conservative increase in revenues for FY 1999-2000 of 6.6 percent. Modest revenue increases were projected from passenger fares, interest earnings, payroll taxes, self-employment taxes, and other revenue sources.

Ms. Hellekson said that the requested budget was a status quo budget and did not reflect a large increase in staffing or new programs.

Ms. Hellekson said that payroll and self-employment taxes were estimated at 70 percent of total General Fund revenues, while passenger fares were estimated at 18 percent. Other governmental aid, other operating revenues, and interest made up the remainder of the total estimated General Fund revenues. Farebox recovery had remained consistent at an average of 20 percent, which was very important to the District. The Strategic Plan suggested that farebox recovery remain at a minimum of 20 percent of total revenue.

Personnel services were proposed at 64 percent of the General Fund appropriations, materials and services at 18 percent, and Capital at 12 percent. Ms. Hellekson said that Special Transportation and Insurance and Risk made up the remaining 6 percent of appropriations. Ms. Hellekson reviewed the proposed personnel allocations and materials and services appropriations by department. LTD also contributed to the Special Transportation Fund from the General Fund. Capital expenditures were expected to continue to increase, particularly if BRT became a reality.

General Administration: Mr. Pangborn said that General Administration was the department that managed the administration or management of the LTD budget and supplied direct support to the Board of Directors. The budgets for Government Relations and Community Relations were functions of General Administration and would be presented separately.

The goal and objective of the proposed General Administration budget was to implement Strategic Plan goals. Strategic Plan goals included gaining approval of TransPlan, approval of the Phase 1 plan and implementation of the BRT pilot corridor, increased intergovernmental cooperation and agreements supporting BRT and alternative transportation, and increased funding for BRT and other capital needs. Improved transit services also was a goal and included analyzing and redesigning service to meet the

changing demographics of the community, benchmarking performance measures for improved service delivery, and identifying and implementing "best practices" into operations.

Personnel services were proposed to change with the transfer of one full-time secretary position to the Planning and Development department and an increase in the reception coverage hours.

Mr. Pangborn then reviewed the entire budget proposal for General Administration. Ms. Wylie asked where fringe benefits were located in the budget. Mr. Pangborn said they were included in personnel services. A complete breakdown of fringe benefits was located on page 3 of the General Information section of the Budget Committee agenda packet. Ms. Hellekson said that 34 to 35 percent of personnel services were attributed to fringe benefits.

Mr. Grimaldi asked about the increase of more than \$100,000 in personnel services, when there actually was a reduction in staffing. Mr. Pangborn said that the total personnel services cost included the \$125,000 figure for the grant-funded position as a part of total cost.

Government Relations: Government Relations Manager Linda Lynch said that the department assisted the District with navigating local, state, and federal issues and to help facilitate approvals for District projects, such as BRT. The congressional calendar did not follow the fiscal year, so the priorities for Government Relations for the calendar year 1999 were to secure discretionary federal funding for new buses, and in calendar year 2000, to assist in securing state and local approvals for BRT.

Ms. Lynch said that the resources for Government Relations were being located in the General Administration budget for FY 1999-00, and funding for a state lobbyist would be eliminated. An increase in funding was being requested for additional assistance from the lobbying firm in Washington, D.C. Also, the legislative and membership expenses were being transferred from the Community Relations budget to the General Administration budget.

Community Relations: Community Relations Manager Ed Bergeron said that the Community Relations department was responsible for strengthening partnerships within the local community, assisting the general manager and Board with community outreach activities, assisting the general manager and government relations manager with legislative issues, coordinating LTD news media relationships and marketing activities, and coordinating community outreach efforts associated with the planning and engineering of the BRT pilot corridor.

Mr. Bergeron said that a grant-funded position was included in personnel services to provide community outreach for the BRT proposal, and the overall Community Relations budget was expected to decrease by 63.1 percent, due to the transfer of legislative and membership expenses to the Government Relations budget.

Ms. Hocken asked if the grant-funded amount would appear in the capital projects costs. Ms. Hellekson said that those costs were charged to the project costs that appeared in the Capital Fund. Ms. Hocken asked if it were only the costs that were grant reimbursed.

Ms. Hellekson said that it was. The 20 percent local match also was included in the Capital Fund.

Commuter Solutions: Mr. Bergeron said that the Commuter Solutions program would continue to respond to businesses and organizations that expressed interest in LTD services, continue intergovernmental relationships, develop a strategic plan for Commuter Solutions that was linked to TransPlan, coordinate funding requests for State Transportation Improvement Projects (STIP), continue to foster relationships with representatives from Oregon and Washington to develop regional alternative mode strategies and networks, and complete grant-funded projects allocated from the year 2000 STIP.

The summary of changes in the Commuter Solutions program included grant funding for an additional Commuter Solutions specialist and a decrease in materials and services due to increased STIP funding.

Mr. Kortge asked if the Community Relations Specialist and the Commuter Solutions Specialist were the same. Ms. Hellekson said that the Community Relations Specialist was listed as a marketing representative and was being funded through the BRT grant, while the Commuter Solutions Specialist was being funded with STIP funds.

Ms. Hocken said that she was interested to see the air quality reader board in the Transportation Demand Management (TDM) grant budget. She said that the Eugene Station Committee had supported the concept of the reader board, but was cautious about the implementation of the reader board. Mr. Bergeron said that the air pollution education program included a portable reader board to be placed at various locations throughout the community.

Finance Department: Ms. Hellekson said that the Finance department proposed to continue support of major projects, improve performance reporting systems, complete conversion of payroll/human resources systems, replace financial systems, install a new farebox processing system, and provide outstanding "customer service." The new farebox processing system would result in efficiencies, such as fewer days needed to count fares and reduced staffing. There was no change being requested in personnel services. The total requested budget for the Finance department resulted in a 1.9 percent increase over the previous year's budget.

Mr. Kortge asked about the reduction in fare-counting days. Ms. Hellekson said that the number of days would be reduced because of automated machinery. Dollar bills would continue to be faced and straightened, but coins would be automatically sorted and counted.

Information Services: Information Services (IS) Manager Steve Parrott said that the goals of the IS department were to align IS strategies with current and future information service needs of LTD's management, support, and operations teams; design hardware and software standards to ensure consistency of systems integration and expectations of systems performance; upgrade LTD's server hardware, server software, and network components to support IS systems in mission critical operations; and to ensure that LTD's network, hardware, and software systems were prepared to deliver service during the year 2000 rollover and beyond. Internally, LTD currently was Y2k compliant, and staff were working with vendors to ensure their compliance.

The IS proposed budget included a request for 1 FTE computer technician. Some current work would be reassigned to the new staff member, who also would be a network technician. Materials and service requests were for increased telecommunications expenses, increased computer supplies, and software and hardware support contracts.

Mr. Bailey asked if staff were confident in other jurisdictions' compliance with Y2k. Mr. Parrott said that there was a local consortium comprised of all local jurisdictions, and all were reported to be in compliance.

Human Resources: Human Resources (HR) manager Dave Dickman said that the four staff members in HR worked in support of more than 300 employees. There were several goals for the department, including development of the Administrative Employee Association relationship, preparation for negotiations for a union agreement with contract employees, and coordination of the succession plan for the retiring general manager of the District. Also, HR hoped to continue to reduce the District's workers' compensation claims and costs and improve the culture of safety awareness and injury prevention by all District employees. Mr. Dickman noted that workers' compensation costs had decreased by 14 percent during the last year.

Requested budget increases reflected projected one-year costs for special projects, such as the general manager recruitment and selection, employee recognition program, and District employee wellness program changes.

Ms. Guard asked who the risk manager was. Mr. Dickman said that he doubled in the roles of HR manager and risk manager. Mr. Gayle Howard was the risk specialist for the District. Ms. Guard then asked about Mr. Howard's background. Mr. Dickman said that Mr. Howard began as a bus operator with the District, but previously had worked in several manufacturing facilities with safety management responsibilities. Ms. Guard asked who the workers' compensation carrier was. Mr. Dickman replied that that SAIF was the carrier.

Mr. Grimaldi asked how much the benefit package was expected to increase. Mr. Dickman said it was expected to increase by 5 percent. Mr. Grimaldi then asked how much the retirement package was expected to increase. Mr. Dickman replied that LTD had a private retirement plan that was a defined benefit and was not very portable. Changes to address those issues were being made.

Planning and Development: Planning and Development Manager Stefano Viggiano said that the focus of the department during the previous year had been the development of the BRT pilot corridor. The goals of the department included obtaining partner agency endorsements for Phase 1, completing environmental assessments for Phase 1, obtaining approval of Phase 1, beginning design work and property acquisition, completing the planning work for Phase 2, completing the analysis of transit signal priority systems, and selecting an appropriate vehicle for the pilot corridor. Mr. Viggiano explained that Phase 1 of the pilot corridor included the area from downtown Eugene to downtown Springfield and Phase 2 included the area from downtown Eugene west to the Seneca Station.

The department also had begun work on locating a downtown Springfield Station. The goals in this area included making a decision about the station site, obtaining necessary

funding, and beginning design work and property acquisition. Mr. Viggiano explained that partial funding already had been secured.

In addition, department staff had worked closely on the development of the draft TransPlan, and the goal was to obtain approval of TransPlan that included acceptable language for BRT and other transit-supportive policies.

Mr. Viggiano noted that the Planning and Development department was almost entirely funded by grants, both in personnel services and materials and services. Two existing positions were being added to the department.

Mr. Viggiano said that due to the BRT grant funding, the entire department budget, as proposed, would result in a 95.8 percent decrease from the previous year's budget. He presented a cost estimate for the BRT pilot corridor and said that the funding had been secured through FY 2000-01.

Mr. Kortge asked who was developing the signal priority program. Mr. Viggiano said that there were many existing manufacturers and programs available. Staff were evaluating what was best for LTD.

Mr. Gaydos asked if staff expected to obtain grant funding for BRT beyond FY 2000-01. Mr. Viggiano responded that there was a lot of excitement at the federal level for LTD's BRT project, and staff were confident that the additional funding would be obtained.

Service Planning and Marketing: Service Planning and Marketing (SP&M) Manager Andy Vobora SP&M staff were responsible for service planning, regular and special service marketing, customer service, and graphics. Many of LTD's graphic items were developed in-house, which was efficient and cost effective. The graphics staff served the entire District, including producing BRT and classroom training materials.

The goals of the department included implementing a marketing plan to maintain current riders and attract new riders; implementing community event services; redesigning the Ferry Street Bridge area routes as the first sector to be reviewed during the Comprehensive Service Redesign (CSR); and installing, testing, and implementing new scheduling system software.

The summary of changes from the previous budget included an increase in temporary unclassified wages, a .5 FTE distribution position, and the addition of lead worker pay in customer service. Materials and services requests included \$75,000 for television production and placement and \$10,000 for a new resident program.

Ms. Papp asked if the increase in lead worker pay in customer service involved additional staff. Mr. Vobora said that no additional staffing was planned for customer service, and the request only was for an increase in pay for the lead worker.


Mr. Vobora said that the budget request for SP&M resulted in a 12 percent increase over the previous year's budget.

Ms. Hocken asked about the status of the LCC demonstration program. Mr. Vobora said that the LCC subsidized term pass promotion had been very successful. LCC's budget process was underway, which included funding to continue the program. Ms. Lauritsen asked about the number of passes that were available each term for LCC students. Mr. Vobora said that 2,000 passes were made available for fall, winter, and spring terms.

Mr. Grimaldi asked about the .6 FTE requested increase in staffing. He thought it was a small staffing increase, yet there was a fairly significant increase in the personnel services request. Ms. Hellekson said that she would provide further detail about the requested increase at the April 29 meeting.

Ms. Wylie asked what percent of riders were from the metro area. Mr. Vobora said that he would provide that information on the following evening. Mr. Bergeron added that, according to passenger surveys, one in five adults rode the bus at least once each month. Mr. Vobora added that 81 percent of the riders were area students or employees, which typified the value of LTD services to the community and proved that it was not available only to the young, poor, or old as Ms. Loobey had mentioned was the perceived purpose of LTD.

**ADJOURNMENT:** There being no further discussion, Mr. Gaydos adjourned the meeting to 6:30 p.m., the following evening, April 29, 2000, in the LTD Board Room.

  
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Committee Secretary