

MINUTES OF FINANCE COMMITTEE MEETING  
LANE TRANSIT DISTRICT BOARD OF DIRECTORS

March 12, 2002

Pursuant to notice given to *The Register-Guard* for publication on March 8, 2002, a meeting of the Lane Transit District Board of Directors Finance Committee was held at 4:00 p.m. on March 12, 2002, at Lane Transit District, 3500 E. 17th Avenue, Eugene.

Present: Pat Hocken, LTD Board Member  
Virginia Lauritsen, LTD Board Member  
Gerry Gaydos, LTD Board Member

**I. CALL TO ORDER**

Ms. Hocken called the meeting to order at 4:09 p.m.

**II. ROLL CALL**

Ms. Hocken noted that all members were present. Also present were: Mark Pangborn, Assistant General Manager; Diane Hellekson, Finance Manager; Carol James, Accounting Supervisor; Stefano Viggiano, Development Services Manager; Andy Vobora, Service Planning & Marketing Manager; Paul Zvonkovic, Service Planner; and Steve Parrott, Information Technology Manager (arriving at 4:30 p.m.).

**III. APPROVAL OF MINUTES**

*Ms. Lauritsen moved, seconded by Mr. Gaydos, to approve the minutes of the February 5, 2002, meeting of the LTD Board of Directors Finance Committee. The motion passed unanimously.*

**IV. BUDGET DEVELOPMENT**

Ms. Hellekson referred the Committee to the General Fund Budget Summary included in the agenda packet. Since distribution of the agenda packet, staff have been able to balance the revenues and expenses in the Operating Fund without additional service reductions. Ms. James stated that savings were found by making runs in the Winter Bid (beginning February 16, 2002) more efficient and reducing bus operator over-time, which translated to a reduction in Personnel Services by \$300,000. Mr. Zvonkovic added that some group pass holders, e.g., Symantec and PeaceHealth, bought more service.

Ms. Hellekson stated that Board reports for March should show that LTD is not losing ground on payroll tax.

In response to a question from Mr. Gaydos, Mr. Vobora stated that the run cuts were permanent. He noted that the Fall 2002 bid would be a little different because of service reductions.

In response to a question from Ms. Hocken, Ms. Hellekson believed that there would not be the flexibility to make last minute changes to next year's budget. Service reductions are envisioned in two stages, with the first occurring in FY 2002-2003. If we find we are in a better revenue position next year, we might be able to reduce or eliminate additional service cuts.

## **V. SERVICE ISSUES**

Mr. Vobora distributed copies of Annual Route Review Recommendations that proposed service cuts for FY 2002-2003. In looking at the cost savings associated with the service cuts, using the direct cost rate of \$49/hour would not realize all the savings incorporated into that cost because of staff time involved. Management did not want to cut staff at this time because 1) the number of buses operating is close to peak, and 2) span of service did not change significantly. A new rate of \$34/hour accounted for driver cost. Mr. Vobora reviewed the service cut recommendations, which prioritized cuts to reach \$1 million in savings.

Mr. Gaydos asked if the proposal to change Breeze frequency to every 30 minutes on weeknights and Saturdays would affect people who use wheelchairs. Mr. Vobora responded that LTD would run two AVS buses and two 30-foot Gillig buses until the AVS retrofit is complete. In anticipation of using all AVS buses, the District has not yet painted the 30-foot Gillig buses that are being used for the Breeze service. Mr. Gaydos asked if there were any way to predict the affect of the proposed change. Mr. Vobora stated that service from UO to downtown Eugene would be supplemented.

Mr. Vobora stated that Tier 2 of the recommendations would be looked at for next year.

Ms. Hocken asked if staff had looked at service to the Bethel/Danebo area. Mr. Vobora stated that during the weekdays, Routes 41 and 43 would be connected at the ends to create loops (similar to Routes 66 and 67).

## **VI. FARE INCREASES**

Ms. Hellekson asked if the Committee was comfortable with the fare increases that were proposed at the last Board meeting since one Board member had stated concern.

Ms. Lauritsen preferred increasing fares over more service cuts. Fare increases would place LTD in the top quarter percentile nation-wide. She believed LTD had reached the limit for the next two to three years.

Mr. Gaydos said he was uncomfortable but believed increasing fares was realistic. Farebox would never contribute 100 percent.

Ms. Hocken noted that the one-month pass would increase by the same percentage as the cash fare increased last year. Passes still have large discounts.

Mr. Vobora stated that staff had contacted all sales outlets regarding reduction of their discount, which would save LTD \$30,000 to \$50,000 a year. All outlets were receptive except the 7-Eleven stores, who said they would probably discontinue being a sales outlet. Staff have contacted Fred Meyer and Bi-Mart stores to see if they would be interested as a replacement. Mr. Vobora believed that Tri-Met in Portland does not offer discounts ranging from 1 percent to 5 percent to their sales outlets.

Ms. Hellekson stated that discounts used to be offered based on volume but have since been standardized to a flat 10 percent discount.

In response to a question from Ms. Lauritsen, Mr. Vobora stated that administrative costs for delivery to outlets went up significantly. Staff were looking at other delivery options.

Ms. Hocken asked if 4-J students would be affected. Mr. Vobora stated that each school handles passes differently. Schools are given a discount but the students pay the full fee.

Ms. Hellekson also stated that with token prices rising to \$1.00, staff were looking at new design options since Tilt tokens are often mistaken for LTD tokens. Mr. Vobora stated that tokens make up 4-5 percent of fares paid. Tokens are frequently used by social service agencies for their clients.

## **VII. BUDGET MATERIALS**

Budget Committee meetings have been scheduled for April 24 and April 25, 2002. Ms. Hellekson stated that preparation of the budget notebooks was underway. The notebooks would be similar to last year's notebook; however, more emphasis would be given to the budget message.

As requested, the PowerPoint presentation would give a broader overview of the big picture issues. Ms. Hocken requested that opportunities be provided throughout the presentation for input and discussion.

Ms. Hellekson stated that Budget Committee officers would be briefed on their responsibilities before the meeting.

The citizen members of the Budget Committee would meet on April 3 as preparation for the budget hearings that would begin on April 24. This year's briefing would include members of the Joint Eugene-Springfield Chambers of Commerce leadership class.

(Mr. Gaydos left at 4:55 p.m.)

## **VIII. UNITED FRONT**

Ms. Hocken briefed the Committee on her recent trip to Washington, D.C., for the annual United Front lobbying. In summary:

- LTD should get the \$2.8 million requested for the Springfield Station.
- Representative Peter DeFazio recommended that we prioritize the United Front list more since the President is making domestic cuts and the House leadership is talking about producing a balanced budget.

- FTA was not excited about a separate funding category for BRT, e.g., in New Starts. They are, however, interested in flexibility for smaller projects.
- FTA was responsive to the Vehicle Demonstration Program proposal to purchase Phileas buses and about being able to look at Phileas bus test data.
- FTA was intrigued about pledging federal formula funds to fund debt service.
- Joyce Rose, staff for House Transportation and Infrastructure Committee, regarding reauthorization, is a supporter of BRT. She liked the idea of a separate funding category for BRT.
- Representative Peter DeFazio liked the Coburg loop route for BRT.

#### **IX. ADJOURNMENT**

There was no further discussion and the meeting adjourned at 5:10 p.m.

(Recorded by Chris Thrasher, Lane Transit District)