

MINUTES OF BUDGET COMMITTEE MEETING

LANE COUNTY MASS TRANSIT DISTRICT

May 30, 1978

Pursuant to public notice to the Register Guard on May 17, 1978, an adjourned meeting of the budget committee of Lane County Mass Transit District was held at the City Hall in Eugene, Oregon, on May 30, 1978, at 7:30 p.m.

Present:

<u>Board Members</u>	<u>Appointed Members</u>
Richard A. Booth, Secretary	George Baker
Jack J. Craig	Tom Denning
Daniel M. Herbert, President	James Hengstler
Kenneth Kohnen, Vice President	Mary Lou McCarthy
Ted J. Langton, Treasurer	Robert Moulton, Chairman, presiding
Glenn E. Randall	
Carolyn Roemer, Budget Secretary	
	Fred C. Dyer, General Manager
	Phyllis Loobey, Budget Officer
	Mavis Skipworth, Recording Secretary

News media representative:
Marvin Tims, Register Guard

Absent:

Paul Bonney
Shirley Minor

FIION
VOTE

MINUTES: Minutes of the May 17, 1978 budget committee meeting were unanimously approved as distributed.

BUDGET SUBCOMMITTEE REPORT: Mr. Kohnen, chairman of the budget subcommittee, reported that the subcommittee members, consisting of Baker, Denning, and Kohnen, had held three meetings and their recommendations resulted from a majority decision, with Mr. Denning opposed. He advised that the Consumer Price Index and comparable salary information was studied and consideration was given to negotiations presently in process for contract employees and to the fact that Cascade Employers Association is currently conducting a wage and salary study to evaluate various job descriptions.

Mr. Kohnen said that after consideration of these factors, the subcommittee approved a recommendation to the budget committee to accept the projected salary level as presented in the base budget, subject to board approval, and recognizing that Cascade Employers Association will complete an analysis of job classifications.

Mr. Moulton gave Mr. Denning an opportunity for a minority report, but Mr. Denning said he believed the minutes of the May 26, 1978 subcommittee meeting as distributed included his views. Mr. Booth said he thought the proposed salary for clerk typists was excessive and that comparison with Tri-Met salary schedule was not valid as their employees were contract; that the district could fill such positions at \$2,000 to \$3,000 less.

Mr. Kohnen said that when the Cascade Employers Association study is finalized, the board could make any adjustments deemed advisable.

MOTION

Mr. Craig moved to accept the recommendations of the subcommittee and Mr. Baker seconded the motion.

Mr. Herbert asked for clarification of \$50,000 budgeted for Salary Administration Plan and if the purpose was to allow for board adjustments of supervisory salary differentials with contract employees and other adjustments believed advisable as a result of the CEA study. Ms. Loobey said that was the intent. Mr. Baker noted that the proposed salary schedules did not reflect the cost-of-living figures included under hourly wages, but that increases were based on the same incremental adjustments of the current budget. Mr. Dyer explained that upon instruction of the budget committee for staff to prepare a base budget based upon this year's increments, the presented figures were extrapolated from the previous budget and were not recommendations prepared by the staff.

Mr. Booth said that a high turnover indicated in supervisory personnel due to compression is not entirely accurate as the employees returned to driving positions. Mr. Dallas explained the costs and time involved in training new supervisors as essentially the same for new employees or in-house transfers.

In reviewing salaried positions, Mr. Booth said he believed there should be greater disparity between the lower salaried employees and hourly employees presently receiving equal pay.

Mr. Moulton noted that in carrying the same dollar differential forward from last year, typists would receive a 10% increase and others as low as a 3% increase and said he could see no justification for continuing a mistake made last year. He said the market has a surplus of personnel for such positions as clerk typists, accounting clerks and service representatives, and he was concerned about the inability of the board to later make adjustments, and that he would vote against accepting the subcommittee recommendation. He said he would prefer that salaries be frozen and a lump sum be included for the board to make adjustments after the CEA study is completed. Mr. Booth said that eight positions were established at approximately \$1,000 monthly in fear of going union and he was convinced a contract could be negotiated for less money, nor did he feel the need for the study.

Mr. Herbert spoke of the importance in maintaining confidentiality within the administrative offices through salaried employees and suggested it might be advisable to accept the higher salary level to have certain positions filled by salary rather than contract employees.

Mr. Baker reminded that the board could fire CEA if not happy, and that whether certain employees are to be contract or salaried is basically a function of management; that how deeply the board wishes to become involved in managing is their decision and not that of the budget committee.

MOTION
AMEND

Following further discussion, Mr. Kohnen moved to amend the motion, recommending that salaries be projected in the budget at present base rates and the proposed increases shown on the non-contract positions schedule for 1978-79 be lumped into one figure and entered with the proposed \$50,000 for salaried administrative adjustments. Mr. Langton seconded the motion and it carried with favorable vote by Baker, Craig, Herbert, Kohnen, Langton, McCarthy, Moulton, Roemer, and opposed by Booth, Denning, Hengstler and Randall.

AMEND
VOTE

VOTE The question was put on the main motion and carried with favorable vote by Baker, Craig, Herbert, Kohnen, Langton, McCarthy, Moulton, Roemer, and opposed by Booth, Denning, Hengstler and Randall.

MOTION Mr. Craig moved that the amount of \$35,146 be added in the budget as a separate lump sum to assist in compensation for three additional positions: Transit Development Specialist, Purchasing Agent and Personnel Administrator. Mr. Langton seconded the motion and it carried with favorable vote by Craig, Hengstler, Herbert, Kohnen, Langton, McCarthy, Moulton, Roemer, and opposed by Baker, Booth, Denning and Randall. Mr. Booth questioned the need for a personnel administrator and Mr. Craig said he believed the position was vital for an operation of the district's size.

VOTE

PRESENTATION OF BASE BUDGET: Ms. Loobey recalled that at the last budget meeting, the staff was instructed to prepare a budget including positions and programs given tentative approval. She gave a detailed explanation of a prepared line item budget. In discussion of line items included under Materials and Services, Mr. Herbert proposed that Board Expense be increased by \$2600 to accommodate board visits to other transit properties.

In reviewing projected resources, Mr. Baker said he believed it is more important to build up local share monies for capital items than to consider additional service at this time.

The chairman declared a ten minute recess.

The budget committee meeting reconvened.

PUBLIC PARTICIPATION: Emerson Hamilton, 2159 Escalante, president of the Eugene Area Chamber of Commerce, read a prepared statement indicating that the Chamber has supported the mass transit concept but has disagreed with the district in management type decisions of funding procedures, operational costs and level of services. He said the Chamber had endorsed the income tax measure as an offset to a discriminatory payroll tax and that a rejection by the voters on the measure may be interpreted as a statement of rejection of a mass transit mandate of rapid expansion.

He listed several suggestions: 1) In the face of lower ridership, the district should slow down service growth and system expansion; that a 6% increase in operating budget would be in line. 2) Recommended that 30% of total revenues from fare box would be an attainable goal. 3) Carefully review payroll costs to insure that they reflect local wage and salary trends. 4) Cut back on routes with limited ridership and replace large buses with van type equipment; and to cut back off-peak service of low ridership routes. 5) Manpower requirements be carefully reviewed and staff increases not be allowed unless completely justified. 6) Look for all available additional revenues from peripheral areas such as tasteful exterior equipment advertising as well as maximum return for interior advertising.

Mr. Hamilton further asked that consideration be given to these suggestions before the budget is passed, that the district avoid rapid expansion, to not consider raising the payroll tax limitation, and to fund the operations within known revenue resources.

W. Gene Davis, chairman of the Mass Transit Committee for Springfield Chamber of Commerce, said it is time for the district to listen to the voters as the rejection of the income tax showed how they feel. He said Tri-Met is foretelling a slow growth period by decreasing their budget and positions and have reduced employee level by eleven through attrition. He said payroll costs should be reviewed as errors in the clerical area have been made in the past. People have commented to him that buses on rural routes are running empty and smaller buses would be cheaper and he believes they would be more effective in public relations. He suggested that a citizens committee be formed of truck operators or other comparable systems to see if maintenance costs are out of line.

Dick Jones, 45 Sunset Drive, spoke as a part of the business community and said it is obvious that service is outstripping needs and demand, that farebox covers less than 15% of costs of operation and ridership is down. He also said people have commented that there are too many empty buses and the district should put on controls and cut back until ridership comes up to what is being supplied.

Clark Cox, 1085 Patterson, and a member of Citizens Advisory Committee, advised that outdoor advertising on the buses would violate the city code, and that cutbacks of operation could be counter-productive. He asked that consideration be given to discontinuance of Routes 4 and 6 in order that those buses could be used for a Valley River Center extra bus and to implement a direct route between the university and the south hills area where there is a high ridership potential. He further said that if there is not enough money for implementation of all described service improvements, he wished emphasis placed on Dial-A-Bus service improvement.

Bob Naslund, president of the Springfield Chamber of Commerce, said clerk typists salaries were out of line. He said the bus system seems to be mushrooming but receiving less support from the fare box. He added that it does not appear responsible and the business community believes that this is a time for reevaluation of what the public needs.

There being no further public discussion, Mr. Moulton thanked the participants.

Mr. Craig said that although he did not favor the income tax, the vote had nothing to do with public desire for transit; that he believed the district should continue to look for additional resources to augment the payroll tax.

Mr. Booth distributed copies of a list of concerns he had about the cost and effectiveness of the maintenance department, and asked that the budget committee establish a committee of bus and truck fleet operators to study and evaluate that department before the budget committee makes a decision on a budget proposal. There was discussion as to whether or not there was time to effectively review that operation. Mr. Baker said he was not sure if this would be a function of the budget committee and Mr. Craig said it would take more time to complete such a study, as a kangaroo court type would be suspect. Mr. Herbert spoke of the complexities involved although he was in agreement that it could be explored. Mr. Randall said he would approve of such a review but that school district data would not be comparable as they have low mileage and more time to work on the equipment. He added that it would require an honest, in-depth investigation.

MOTION

Mr. Booth moved that the budget committee recommend to the board that a citizens advisory committee of truck and bus fleet operators study the maintenance department and make recommendations for improvement. The motion was duly seconded and carried with favorable vote by Booth, Craig, Denning, Hengstler, Herbert, Kohnen, Langton, McCarthy, Moulton, Randall, Roemer, and opposed by Baker.

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Mr. Booth said the testimony by Mr. Hamilton was cogent and that his recommendations should be given attention at the next budget committee meeting; that the district's credibility with the business community is poor and every item in his testimony should be considered. Mr. Craig asked that the same consideration be given to comments by Messrs. Naslund, Jones and Cox.

Mr. Herbert pointed out that no service extensions were made last year other than those mandated in Dial-A-Bus, and concurred that at this time capital reserves are needed more than service improvements. He encouraged an effective marketing program for increasing ridership, which in turn would increase the percentage of farebox revenue. Mr. Herbert voiced concern that the discussion of maintenance made it appear that employees are wasting their time and, as he was sure that was not happening, he wished for staff response.

Mr. Randall moved the budget committee meeting adjourn. The motion died for lack of a second.

Mr. Dyer said the comments appeared accusatory. Mr. Booth replied that it was not intended; that he just wanted to raise the question and have knowledgeable people look at it.

The committee discussed whether staff should give a short analysis at this time or present a response at the next meeting.

MOTION

Mr. Craig moved for a five minute response from staff and the motion was seconded.

AMEND

Mr. Randall moved to amend the motion and have staff prepare a written report for the next meeting. The motion was seconded, and failed for lack of a majority. Voting in favor were Booth, Denning, Hengstler, Langton, Moulton, Randall, and opposed were Baker, Craig, Herbert, Kohnen, McCarthy, Roemer.

AMEND
VOTE

The question was put on the main motion and carried with favorable vote by Baker, Craig, Herbert, Kohnen, Langton, McCarthy, Moulton, Randall, Roemer, and opposed by Denning and Hengstler. Mr. Booth abstained.

VOTE

Mr. Dallas, Director of Operations, briefly responded to the concerns listed by Mr. Booth, comparing hours of operation, fleet age, and the amount of maintenance work subcontracted, the cost of parts, and tire mileage. Mr. Dallas advised that the Flexible buses had a two-year warranty using the district's mechanics.

MOTION

ADJOURNMENT: Mr. Craig moved to adjourn the meeting to June 6, 1978, 7:30 p.m., in the Eugene City Hall. The motion was duly seconded and carried unanimously.

VOTE


Secretary