

MINUTES OF DIRECTORS MEETING  
LANE COUNTY MASS TRANSIT DISTRICT  
SPECIAL MEETING  
July 10, 1978

Pursuant to notice given to the Springfield News for publication on June 22 and 29, 1978, and to the Register Guard, a special meeting of the Board of Directors of Lane County Mass Transit District was held on July 10, 1978, at 7:30 p.m. in the City Hall in Eugene, Oregon.

Present:

Richard A. Booth, Secretary  
Jack J. Craig  
Daniel M. Herbert, President, presiding  
Kenneth H. Kohnen, Vice President  
Ted J. Langton, Treasurer  
Carolyn Roemer  
Fred C. Dyer, General Manager  
Mavis Skipworth, Recording Secretary  
News media representatives:  
Marvin Tims, Register Guard  
Wanda Lauwkanen, Springfield News

Absent:

Glenn E. Randall

The chairman advised that this was to be a special meeting of the board of directors to hold a public hearing and board deliberation on the recommendations submitted by the budget committee on the fiscal year 1978-79 budget.

PUBLIC HEARING: Wendell Hamilton of 3101 Braeman Village, read testimony prepared by Emerson Hamilton, president of the Eugene Area Chamber of Commerce, noting that the chamber had testified at three of the budget committee meetings and were appreciative of the time spent by the budget committee analyzing the budget but expressed disappointment that the committee was not responsive to the chamber's testimony; that so-called cuts made were merely elimination of proposed new activities and staff positions, and no currently existing programs or positions were cut. He reiterated recommendations previously made and requested the following positive action be taken: 1) Scale down programs for measured long range growth. He recommended that an independent management study be made, and suggested combination driver/mechanic and split shift employment. He recommended a total budget reduction of \$368,000 in the following areas: Bus Operators \$50,000, Overtime \$40,000, Instructors \$1,000, Journeymen \$14,000, Specialists \$30,000, Cleaners \$13,000, Uniform Allowance \$15,000, Facility Improvements \$5,000, Employee Programs \$12,000, Uniform Cleaning \$4,000, Fuel, Lubricants, Chemicals \$20,000, Cleaning Supplies \$1,000, Advertising \$20,000, Shelter and Station Maintenance \$2,000, Intersection Priority Treatment \$40,000. 2) Set goals to measure performance. He said the chamber recommends establishment of a 30% farebox revenue and asked how much ridership would be necessary to eliminate the payroll tax; further stating the district should gather statistics on number of riders per transit mile and rides per capita. 3) Keep payroll costs and fringes in line with local rates. 4) Cut back off peak service and low ridership routes. He spoke of hearing complaints of seeing large buses running at all hours, in remote locations, with no riders. 5) Subcontract some services to

private enterprise; that the district should appoint a committee to review all maintenance operations and subcontract for services where private enterprise could be more cost effective and explore the possibility of a private contractor handling mandated social welfare services for the handicapped. He said the district should respond in these areas to the business community who is bearing a disproportionate share of the district's funding; that although the chamber would prefer to deal with the district directly on these items, if the chamber is ignored it would have no choice but to look to other sources for relief. The chamber requested that the budget resolution include a reduction from .0054 to .0050 in the employer payroll tax rate. Mr. Hamilton concluded his testimony with the statement that the business community was to have been benefitted by the formation of a transit district, but instead has been exploited.

Dick Jones of 45 Sunset Drive submitted a report on two transit systems in Canada, located in Edmonton, Alberta and Saskatoon, Saskatchewan. He noted that the Edmonton operation received 50-55% farebox revenue, maintained 15 buses per mechanic, carried 3.994 passengers per mile, with a net deficit per ride of 20.6¢. He said that Saskatoon has a metropolitan population comparable to Eugene and the transit operating budget is just under \$5,000,00 with 62% funding from farebox revenues, and a range of 4.5 to 4.8 riders per mile during the past three years; operating 99 buses, there are 11 buses to each mechanic.

Paul Bonney of 587 Antelope Way said priorities should be considered, as large sums are being spent for parking structures that are half empty. He said if we can afford empty parking structures, we can afford a bus system.

Clark Cox, 1085 Patterson Street, said he believed the approved budget is sound. He spoke of the need for additional bus shelter maintenance and repaving of the transit property. He said he believed the board and budget committee had listened to testimony and had cut back. He expressed approval for resubmitting the income tax at a lower rate and legislative action to confine the vote to within the district boundary. He urged the support and ideas of the business community. He said he supported the budget, the goals and objectives, and a review of maintenance efficiency.

Ray Rexius of 205 West 31st, expressed frustrations of the business community. He recommended a review of maintenance efficiency and said every effort should be made to do a good job on a par with private enterprise.

George Boehnke of 2040 Willamette Street said the printing and advertising budget was too fat and that printing should be put out on a bid basis. He said he believed a bus company should not have to advertise their business. He recommended a review by a group of printers. He compared his company's contract pay increases and benefits and said the budget should be determined before a contract is signed by the district.

Stuart Barr of Willamette Industrial Distributors Association read the following letter addressed to the board, indicating that a copy had been sent to Governor Robert Straub:

"As president of Willamette Industrial Distributors Association, after having studied this budget and to think any logical thinking person with the motive of serving the good of all the public and in particular the people who must supply the funds for this budget would even submit it for approval, I ask for the Board's resignation en masse so that the governor

can reappoint a new Board who would, hopefully, represent the true wishes of the people as exhibited by the last election which clearly showed that, if the people had to pay for this service, they do not want it.

If you do not resign, I am publicly asking for an audience with Governor Straub to point out to him the gross misuse of the funds involved. If he refuses to move on this recommendation, I would suggest that it is time to replace him as the leader of the people of the State of Oregon."

Edward Deardorff, 675 Lorane Highway, spoke as a bus driver of twelve years for a private company. He observed that the public is besieged by eager planners and the 1990 plan is being shoved down their throats. He said he believed the transit system is overextended, has had superfluous expansion and the vehicles are too large. He said bus service is needed for a large group of people but the existing system could be trimmed.

Harry C. Sheppard, 2930 Garfield, said he thought the district had too many mechanics for the size of the system, and other public bus services operate efficiently on less.

Sam Hughes of 2700 Fairmount Boulevard said he believed the medical/dental benefits were excessive and compared them with a Forest Products Industry contribution of about 53¢ hourly or \$75 per month. He objected to the clerk typist salaries included in the budget and recalled that these had been questioned two years ago as being too high in contrast to the private sector.

Bart Walsh, 1865 Charnelton Street, expressed the opinion that a turndown of the income tax measure by the voters indicated that they do not want to spend their money on the district's programs. He supported the chamber's position to reduce the budget to a 6% or 8% increase level.

Edward Rubey of 2730 Laurelwood Lane pointed out that in a letter to the board of May 19, 1976, he called attention to the same issues being raised at this meeting, that non-urban service is still running and losing money; that a special committee had concluded that it did not pay and he believed the service should be discontinued.

Ron Nunemaker, 3160 Harris, said he has watched the bus system grow without much improvement, and letters to the editors and the income tax vote show that people do not want it; that if the system were supported by the people, it would not be in existence in a year. He objected to large buses and said the system caters too much to the university and Lane Community College which do not pay payroll taxes. He said it was not a good system for Eugene.

Don Blazer of 84886 Salisbury Lane told of difficulties his family has experienced in using the transit system and said he believed the system is losing money as the drivers are incompetent and make the public mad.

Renee Carter said she was fifteen years old and she believed a lot of people who are elderly and disabled rely on the buses; that although ridership may be low on some routes, many patrons rely on them for their sole transportation.

Glenn Smeed, who operates a sound business at 790 West 8th, said that two parking spaces in front of his business were taken over for a bus stop, and he has to hire help to clean up the premises. He asked that the district furnish a garbage can by the bus stop. He reported that buses have damaged the street and the vehicles are larger than needed. He said only three or four people in the past two years have come to his business by bus. He objected to the pay increases in the budget and pointed out that clerk typists are available from \$600 to \$800 a month. He suggested that the district conduct a survey in different areas to learn if people are interested in having bus service, and to not run buses in areas where they are not used.

Bob Ridge, 861 Blackfoot Avenue, expressed concern over salary increases, stating that the business community cannot do this. He asked if Mr. Kohnen and Mr. Langton could support this type of increase, and objected to the trend of the budget. Mr. Langton advised that he had not voted positively for the budget. Mr. Kohnen said he had supported the budget and explained that an across the board comparison cannot be made as in the current year budget mid-year programs were implemented that are included for a full year in the new budget.

Robert Morin of 89383 Deming Road, Elmira, said he operates a truck shop and compared with his operation, the transit district has too many employees in the maintenance department for the number of vehicles.

Rich Kay, 2817 Central Boulevard, said it was unfortunate the income tax measure was defeated as he believed all should contribute to paying for the service. He agreed that wages should remain comparable with private industry but opposed cuts in any specific routes, saying that if some are not paying, other solutions should be sought. He encouraged the use of mass transit and getting people out of their cars as a means of solving the pollution problem in Eugene. He stated that, for the most part, the district is doing a good job.

Hiram Martin, 1147 Backlund Place, said he moved to the area a year ago and believes the transit system is elaborate with poor ridership, is wasting money and has more buses on the routes than needed. He stated that the clerk typists salaries are excessive; that, as a quasi-governmental organization, the district has an obligation to be responsive to taxpayers and be economical of community wealth.

Jim Balzhizer of 1621 Braemen Village, spoke of his resentment that the system is not being run economically and thoughtfully for the taxpayers and employers that have to support it. He said he was an unfortunate taxpayer and supported the chamber 100%.

Wes Smith of 1135 Hyacinth stated that, as a small businessman, he could no longer afford the transit district.

Ray McGowan identified himself as a senior citizen who had worked for himself for 50 years. He said the small businessman works 60 to 70 hours a week while public employees draw higher wages; that salaries should demand more work, less benefits, less time off, less travel benefits and more work like private industry, and it was high time to cut the budget.

Gloria Thatcher of 37035 Edgehl Road, Springfield, reported that as an employee of Weyerhaeuser, she had one day taken a survey of 19 buses passing between 6:45 a.m. and 4:25 p.m. with a total of 35 riders; a maximum of four at one time and a minimum of none. She recalled that during the 1974 gas shortage

there was no service when needed at Weyerhaeuser and currently it is not needed. She voiced the opinion that half hour frequency is excessive, that the budget increase is too large, and service no longer needed should be eliminated.

An unidentified member of the audience asked if the district operated within the fiscal year 1977-78 budget or was over or under. Mr. Booth replied that about \$400,000 in revenues above the budgeted amount was received.

The chairman invited further testimony and there was none. He thanked the participants and closed the public hearing portion of the meeting.

BOARD DELIBERATION: The chairman suggested an opportunity be given for board comment before entertaining a motion for passage or amending the FY 1978-79 budget.

Mr. Craig observed that many meetings of the board and budget committee have been held for discussion of the proposed budget with opportunities for public participation. He said the testimony received throughout the year represents a different viewpoint than that received at this and recent budget meetings; that the group at this meeting reflects an antagonism for the payroll tax. He said he believes the budget is good, reasonable, and would provide good service for the people of the community.

Mr. Kohnen spoke of the frustration caused employers by the payroll tax and explained its establishment by the legislature for operation of the system. He noted that the district is being attacked for inefficiencies and said he supported a review of the maintenance operation so if there are inefficiencies in that area they can be corrected. He referred to the great costs of new streets and arterials that were anticipated in the T-2000 plan and said it is important that transit help relieve that situation. He said the board is attempting to follow a straight line to complete adopted goals and objectives which would work broad benefits to the community. He said if the business community would give more support to enacting an income tax to broaden the revenue base, it would be helpful.

Mr. Langton said he believed there was not only dissatisfaction with the payroll tax, but also with the amount of money being spent for services rendered. He said the long term for mass transit is needed but he was not willing to accept that the district needs to expend over \$7 million a year to operate. He suggested an analysis of the operation to learn if there are gross inefficiencies; that this budget should address itself to a slowdown rather than a 20% growth, and the board should be responsive to the testimony given.

Mr. Booth said the budget is in excess of the amount spent in fiscal year 1977-78 and he wished to refute some of the comments and make recommendations as to how he believed the budget could be improved. He referred to Mr. Craig's remarks that testimony during the year reflected a different view and said that the testimony on this budget was overwhelmingly in favor of making cuts. He said the testimony indicated a concern over the maintenance, clerical salaries and in general the amount of money to be spent. He expressed the opinion that the T-2000 plan is unrealistic for this area and the board has refused to take a stand on that issue. Referring to the goals and objectives, he said there should be numerically oriented specific goals. He spoke of a trend of lower farebox support and said the board should set a specific percentage to increase the percentage of operating support from the farebox. He recommended operating the buses on

those routes receiving the most ridership. He said the business community supports increased efficiency of operation incorporated in the budget and not wait for a maintenance study. He supported the chamber's recommendation of a \$368,000 reduction in the budget and asked that \$481,627 revenues from 1977-78 be carried over to reduce the payroll tax this year, making a total reduction in the budget of \$368,000 and a total reduction in the payroll tax levy of \$849,627, and to effect appropriate changes in the capital expenditures to match this proposal. Mr. Craig said Mr. Booth appeared to be a special interest representative and asked if he was a public member or a chamber member. Mr. Booth replied that he represents the interest of the majority of the community.

Ms. Roemer said the board and budget committee had worked long and hard on the budget and she believed it was a good budget.

Mr. Herbert asked the staff to clarify for Mr. Hughes how the medical/dental benefit figure was determined. Mr. Dyer explained that the level of service as well as the provider was based on collective bargaining and was a strong issue by the union. He said that data from Local Government Personnel Institute indicated that it was comparable to other private and public groups. Mr. Langton said it was two to three times as much as his business.

Mr. Herbert responded to the suggestion that quantitative goals should be implemented. He reviewed a study of this by a board subcommittee made up of Booth, Kohnen and himself, and spoke of the difficulty they found in establishing numerical targets, and learned that American Public Transit Association is struggling with the same issue. He said the district's Transit Development Program includes a statement of the need for such goals. He then responded to the testimony requesting the board to hold down payroll costs. He explained that the district is presently completing the final steps of negotiations for a new union contract and, with the help of a negotiator from Cascade Employers Association, anticipate a fair contract. He further explained that the wages of all salaried people are frozen as of June 30 pending the results of a report from C.E.A. on comparable salaries with other industries.

Referring to cutting off service to low ridership areas, the chairman reviewed analyses of routes and public hearings held two years ago, followed by reductions in service. Speaking of an increase in personnel, he said this budget has none because of the testimony heard, with the exception of two partskeeper clerks recommended by the auditor. He advised that the presented budget foresees a reduction in the payroll tax which would require change by ordinance; that in his computation of the ten suggestions made by the chamber, the board has positively responded to seven. He said further study and consideration should be given to cutting routes and non-peak service, but those cuts could not be made at this meeting. Mr. Booth said he was not in agreement with the results of the board subcommittee referred to by Mr. Herbert.

The chairman then declared a five minute recess.

The meeting reconvened following a brief recess.

Mr. Craig commented on a one-page advertisement printed in the Register Guard about the budget as misleading, distorted, and an obvious intent to pack the house and bring a hysteria type to force an issue. He said he resented it and thought perhaps a public service statement should be prepared for clarification.

Mr. Booth disagreed, stating that the information in the advertisement was taken out of the presented budget. Referring to the subcommittee, he reminded that he did not vote in favor of some of the objectives and believes that fairbox percentages are appropriate. He said he believes the board rubber stamps staff recommendations and does not have enough guts to stand up to the issues. He observed that there had been every opportunity to bring in other public testimony but apparently those with differing viewpoints did not feel strongly enough about them to appear. Referring to freezes on salaried positions, he commented that during the last year additional positions were added and have been included in the new budget. He spoke of the review of non-urban routes and said no significant reductions were made in the routes. He said the proposed budget shows a 17% increase to give identical service of the past year. He suggested, in light of the overwhelming testimony, to rewrite the budget and effect some drastic reductions.

MOTION Following further discussion, Mr. Kohnen moved to accept the recommendation of the budget committee by the resolution included in the agenda material in the total amount of \$7,490,288. Mr. Craig seconded the motion.

MOTION Mr. Langton moved to amend the motion by making the following reductions  
AMEND #1 in line items of the budget: Bus Operators \$50,000, Overtime \$140,000, Instructors \$1,000, Journeymen \$15,000, Specialists \$30,000, Cleaners \$13,000, eliminate Uniform Allowance of \$15,000, reduce Facility Improvements by \$5,000, Employee Programs \$12,000, Uniform Cleaning \$4,000, Fuel, Lubricants, Chemicals \$20,000, Cleaning Supplies \$3,800, Advertising \$20,000, Shelter and Station Maintenance \$2,000, for a total reduction of \$330,800 in the operating budget, and from capital expenditures to eliminate \$40,000 for Intersection Priority Treatment. Mr. Booth seconded the motion.

MOTION There was discussion of dividing the amending motion for action on each  
AMEND #2 part. Mr. Craig moved to not divide the motion but to address the entire  
AND VOTE motion. Mr. Booth seconded the motion, which failed for lack of a majority. Voting in favor were Booth, Craig and Roemer, and opposed by Herbert, Kohnen and Langton.

Upon request by the chairman, Mr. Dyer explained that reducing the budgeted amount for bus operators would necessitate cutting back four drivers and making service cuts accordingly. He described how programs approved by last year's budget committee were implemented during the year and operating expenses on these programs had not been expended for the full year; thus, June 30, 1978 level of service could not be provided throughout the coming fiscal year with four less drivers. Mr. Langton said he preferred the term "service efficiency" than "service cut" as, following review of the routes, it may be learned that some routes are not needed and employees could be reduced by attrition. He added that an indepth analysis of the routes should be made in order to best use resources. Mr. Booth said that although the list of reductions was prepared with concern, study and time, perhaps the staff would be more comfortable with the same total amount of reduction without line items specified.

Mr. Craig moved to amend the amending motion to not divide the motion and to vote on the total deduction. The motion failed for lack of a second. Mr. Booth suggested that the testimony be printed and referred to the budget committee for further consideration. Mr. Dyer said it would be possible for the board to adopt a budget and accept the administrative responsibility until

such time as they wish to release it.

THE ON  
AMEND #1

The question was put on the amending motion by Mr. Langton and failed. Voting approval were Booth and Langton, opposed by Craig, Herbert, Kohnen and Roemer.

MOTION  
AMEND #2

Mr. Kohnen moved to amend the budget resolution to decrease appropriations by \$200,00 as follows: \$80,000 Personal Services, \$20,000 Benefits, \$25,000 Materials and Services, \$10,000 Contractual Services, \$25,000 Contingency, and \$40,000 Capital Reserve Fund. Ms. Roemer seconded the motion. Mr. Kohnen explained that the main motion with this amendment would be to adopt the budget intact but reduce the authorization to spend by \$200,000; that the board had heard the testimony and would look for inefficiencies to correct and the \$200,000 may not be needed. Mr. Craig said he would vote for the amendment but he did not like it as it seemed to be appeasing a packed crowd. Mr. Booth said he would vote against it as it did not respond to the testimony.

Mr. Herbert stated his understanding that the proposed reductions of appropriations were within the 10% limit for each budget category. He said this meant that if, after investigating the effects of the proposed cuts, the board decided not to implement all of the cuts, it could adjust the budget categories without going into a supplemental budget.

VOTE  
AMEND #2

The question was put on reducing appropriations by \$200,000 and the amending motion carried with favorable vote by Craig, Herbert, Kohnen, Langton and Roemer, and opposed by Booth.

THE  
MAIN  
MOTION

The question was put on the main motion as amended and the following resolution carried with favorable vote by Craig, Herbert, Kohnen and Roemer, and opposed by Booth and Langton:

BE IT RESOLVED that the budget of the Lane County Mass Transit District for the Fiscal Year 1978-79 in the total sum of \$7,490,288 is hereby adopted, and

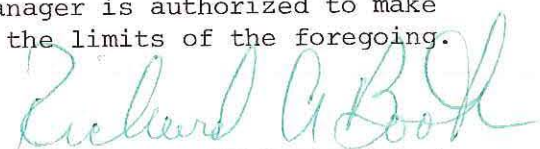
BE IT FURTHER RESOLVED that said budget is appropriated in the following amounts for the following purposes:

\$ 3,358,796	for Personal Services;
987,187	for Benefits;
711,250	for Materials and Services;
347,947	for Contractual Services;
1,404,595	for Capital Outlay;
38,886	for Contingency;
441,627	for Capital Reserve Fund,

except that the sum of \$74,794 in Personal Services allocated to salary plan adjustments for salaried, non-contractual employees, consisting of \$2,194 for the General Manager and \$2,200 for each of the thirty-three other such employees, is not appropriated and shall not be expended or obligated without further Resolution of the Board of Directors, and

BE IT FURTHER RESOLVED that the General Manager is authorized to make expenditures and incur obligations within the limits of the foregoing.

The meeting was then adjourned.



Secretary