

MINUTES OF DIRECTORS MEETING

LANE COUNTY MASS TRANSIT DISTRICT

ADJOURNED MEETING

August 29, 1978

Pursuant to notice given to the Register Guard and Springfield News on August 15, 1978, and distributed to persons on the mailing list of the District, an adjourned meeting of the board of directors of Lane County Mass Transit District was held at the City Hall in Eugene, Oregon, on August 29, 1978, at 7:30 p.m.

Present:

Richard A. Booth, Secretary
Jack J. Craig
Daniel M. Herbert, Vice President
Kenneth H. Kohnen, President, presiding
Ted J. Langton, Treasurer
Glenn E. Randall
Carolyn Roemer
Fred C. Dyer, General Manager
Mavis Skipworth, Recording Secretary

News media representatives:

Dan Wyant, Register Guard
Rebecca Webb, KUGN

The chairman advised that the purpose of this meeting was for discussion of the suggestions included in Governor Straub's letter and at the next meeting a final format for response by October 1st would be determined.

AUDIENCE PARTICIPATION: Dick Jones, chairman of the Mass Transit Committee of the Eugene Area Chamber of Commerce read a letter from Emerson Hamilton, advising that representatives of the Chamber and eight other business persons met with Governor Straub concerning the efficiency and cost-effectiveness of the District. He said the following suggestions were offered to the Governor: 1) that programs be scaled down for measured long-range growth, 2) set goals to measure system performance, more specifically establishment of a 30% farebox revenue goal, 3) hold payroll costs and fringe benefits in line with local rates, 4) cut back off-peak service and low ridership routes, 3) subcontract services to private enterprise where they can demonstrate a cost savings.

Mr. Jones added that, in order to maintain credibility, the District must show positive results to the suggestions made by the governor and the Chamber would be available to assist. He said that due to a healthy economy, the Chamber predicts a substantial surplus in the payroll tax and believes that further tax reduction should be considered next year; that the Chamber is still concerned about wage scales; that a 30% farebox goal should be achieved by 1980; that efforts should be made to affect a city sign code change which now prohibits exterior advertising on buses; initiate education programs to increase ridership; to consider a triangular based terminal system. He asked the District to look at the trips per route, per day and to cut the frequency on those routes not meeting a minimum standard of 12 riders; that non-urban routes be reduced to two trips daily, or in some cases 2 trips every other day; use of decals on bus stop signs

to indicate arrival times and informational bulletin boards be placed at terminal locations. In reference to the governor's recommendation for the district to work through the Oregon Transit Association, Mr. Jones said that, while the concept is a good one, the dues are exorbitant and the Chamber wished clarification of how those dues would be used.

Hank Perry, representing the Amalgamated Transit Union, said he had met with the governor after the meeting with the Chamber and submitted to the governor letters of support from community leaders. He said he brought to the governor's attention what he believed to be inaccuracies in the Chamber's remarks.

Mr. Craig said it was unfortunate that a member of the board should go to the governor rather than working within the board, and he wished to submit a minority report in the board's response to the governor. He proposed that the issue of reducing the payroll tax be placed on the ballot for a vote of the people so they would know it means a reduction of service.

Mr. Randall commented that he resented the Chamber's letter stating the board "must" show results by October 1 deadline. He said that during his six years as a board member he had urged the business community to work with the board and he was happy they had now decided to do so. He suggested they participate through the Citizens Advisory Committee.

Mr. Herbert noted there had been suggestions made for numerical goals and some reference to other transit properties as models. He said as a participant on subcommittees conducting studies on evaluating the system, setting quantitative goals, and attempting to compare the district with other systems, he learned that transit properties have many differences. He said the 1978-79 adopted goals include establishing quantitative objectives. He suggested appointment of a committee made up of members from the board, Citizens Advisory Committee and others recommended by the chairman with a charge to follow up on that adopted goal and to pursue this systematically, seriously, and creatively.

Discussion followed on the first suggestion of the governor to "reduce approved expenditures by achieving all reasonable economies and that any balance remaining over the authorized level be reserved and released only for critical needs."

Mr. Herbert pointed out that the staff had submitted with the agenda materials alternative levels of service reduction that would reduce expenditures. He suggested the board should analyze these alternatives and develop a timetable, advising the governor that it is under study. He referred to Mr. Hamilton's prediction of a substantial surplus in payroll tax revenues next year and said that if there were a surplus not needed for operating expenditures or capital reserve he would be in favor of any possible reduction but did not believe that should be a part of the response to the governor.

Mr. Kohlen reminded that \$200,000 of the total budget had not been appropriated and such a reduction would require service changes that would total \$400,000 annually. He suggested the governor could be advised that the board is studying alternative programs.

Mr. Langton said he had a sharp disagreement with the philosophy of some board members and he believed the current service should be evaluated to learn if it is really needed. He said he was not sure the service is what the public demands, and the only way to reduce expenditures is to evaluate the service and agree on the level of service that will meet the needs. He suggested analysis by route segment to identify low productivity where frequency on some routes could be reduced to hourly.

Mr. Herbert asked if his suggested committee could study those areas and identify the routes of low productivity. He commented on the short leadtime to implement any changes for the current fiscal year, stating that in order to make good policy decisions this should be considered for next fiscal year. Mrs. Roemer agreed it would not be possible to collect the data and analyze it by the October 1st response to the governor.

Mr. Randall asked if Mr. Langton believed the board should initiate the suggestions made by the Chamber to increase ridership. Mr. Langton said he believed the ridership market has been saturated and ridership could be greatly increased only by some outside factor. Mr. Booth agreed and said he thought by reallocating the buses to areas with more demand, ridership figures could be improved.

Discussion followed on the second suggestion of the governor to "join the State of Oregon in imposing a selective hiring freeze and avoid filling vacant positions unless the failure to do so would result in a harmful effect on the well-being of those you serve or on the fiscal health of your district." Mr. Randall commented that the district has hired competent people and has made every economy in hiring. Mr. Craig said the district has conformed to that suggestion and should tell the governor that every effort will continue to be made.

Mr. Kohnen asked for comments on the governor's suggestion to ask for the help of the business community. Mr. Craig encouraged participation of the Chamber on the Citizens Advisory Committee and Mr. Randall noted that currently a Citizens Advisory Committee on Maintenance is active, and that citizens participate on the budget committee. Mr. Booth said the problem is that the board does not pay any attention to them.

Mr. Kohnen asked Mr. Jones if he had any suggestions on how the Chamber could help the board. Mr. Jones said it was difficult to present a written program, but the Chamber has some rough plans to help attain high ridership and increase farebox revenues. Mr. Craig asked if the Chamber would appoint representatives to serve on the Citizens Advisory Committee and Mr. Hamilton replied that representatives attending in the past had told them it was a waste of time. He said that the suggestions made by the Chamber were meant to be positive and the board to now has spoken only of those things it believed it could not do; that the Chamber has not been specific because they feel the board should move to show good faith.

Mr. Kohnen referred to the questions raised in Mr. Hamilton's letter about dues for the Oregon Transit Association. Mr. Randall commented to Mr. Hamilton that the business community had not supported the district's efforts to pass an income tax and asked if it were put on the ballot next year would they support it. Mr. Hamilton replied that an effort was made to collect money but they were unable to do so. He said if the payroll tax were reduced and routes cut back that are not cost effective, the Chamber might give more support. Mr. Randall asked if the vote were within only the service area would they give more support, and Mr. Hamilton said, speaking for himself, he would think so.

The chairman called for a five minute recess.

EVALUATION OF SERVICE UTILIZATION: The meeting reconvened and Mr. Rynerson distributed sets of new timetables which he said were redesigned on the basis of rider comments and the review process.

Mr. Rynerson gave a detailed explanation of material submitted indicating alternate service reductions and their effect upon the system. The alternatives included Package A deleting the lowest ridership non-urban routes at a projected cost reduction of \$57,700 and, if substituting airport service at a cost of \$63,300, would constitute a net change of \$5,500 increase; decision Package B would delete the lowest ridership urban fixed route service for a cost reduction of \$105,000 but the additional timetable cost of \$7,500 would make a net reduction of \$97,500; decision Package C alternative deleted the next lowest non-urban routes with a subtotal reduction of \$233,200, and possible substitutions of crosstown service, Springfield-VRC, South Eugene/U of O, and 3 commuter shuttles to major employers at a cost of \$106,600 would amount to a net reduction of \$126,600.

In ensuing discussion, it was suggested that airport service could be implemented as a test to determine ridership on that route. Mr. Herbert spoke against implementing service on that basis, saying it jeopardizes the permanence and reliability of the entire system.

Mr. Rynerson said it was his conclusion that service reductions in the range of \$400,000 annually would cause major impact on service and ridership, and would not result in great improvement in the ratio of farebox revenue to operating budget; and that major system overhaul should not be implemented until the old buses are replaced with new equipment and new transit stations are in effect. He asked for additional direction as to reducing the number of alternatives.

Mr. Dyer spoke of the necessary leadtime in effecting changes that would be required to not spend the unappropriated \$200,000; that if the board decides to implement those changes, it would have to be very soon. Mr. Booth reiterated that he would prefer substitutions to improve productivity.

Mr. Randall reviewed the activities of the Citizens Advisory Committee on Maintenance and commended Mr. Dallas on the extraordinarily good presentation to the committee of the operation of the Maintenance Division. He said the committee will prepare a summary of their deliberations prior to submittal of the board's report to the governor.

Mr. Herbert expressed the opinion that it did not appear realistic to save \$200,000 in this fiscal year and service cuts would make the system less productive; that perhaps substitutions would be more effective than reductions and he believed the board was striving for better productivity rather than saving specific dollars.

Mr. Randall left the meeting.

Mr. Booth suggested that fares in the non-urban area could be raised, thereby improving the farebox ratio. He recalled that in the rural public hearings, residents had expressed willingness to pay more.

Mr. Kohlen said that as the staff had submitted figures to show what must be done to accomplish a reduction of \$200,000, the board should study that information. He commented that there was a philosophical difference as to whether a certain degree of productivity should be accomplished; that he did not believe that should be the only goal, as a large segment of the population would suffer adverse effect and good overall transit service for the community should be a consideration, particularly in the urban area.

Mr. Craig left the meeting.

Mr. Booth observed that in order to improve productivity, the buses should be moved from the low routes to routes of higher ridership, and that service in the urban area suffered by using equipment in the non-urban area.

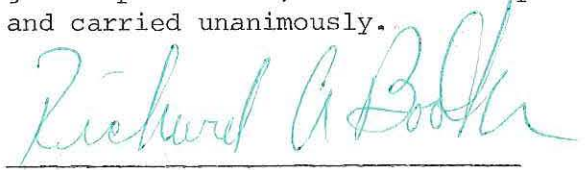
Ms. Roemer said she did not see how the system could absorb such a reduction unless the board made a determination by October 1st, and that such an early date was unrealistic. She added that she felt she did not know enough about it at this time and did not believe that Mr. Booth did, either, as the manual shift vehicles being used in the non-urban area would not be practical for use in the urban area. She said it would be better to form a committee to establish quantitative objectives for implementation in 1979-80.

MOTION Mr. Herbert moved that the chairman appoint a committee to make recommendations on the establishment and implementation of quantitative objectives and to prepare a committee charge and time schedule for submittal to the board at the September meeting. Mr. Booth seconded the motion. It was suggested the committee should include a representative of the Chamber. Mr. Langton asked that the governor be advised in the October 1st report that the committee is functioning.

VOTE The question was put and carried unanimously.

Mr. Dyer again asked the board for further direction if the \$200,000 savings was to be considered for this fiscal year. Mr. Booth said that other areas beside service changes should be looked into, such as the maintenance area and no further hiring; that perhaps half could be saved in route changes and half somewhere else. Mr. Herbert replied that the staff had looked for all ways to save dollars and the alternatives presented were the best ways they found, and Mr. Booth was implying that planning could be accomplished that the staff had been unable to find, and the Maintenance Division could be operated with less man hours than staff found necessary.

MOTION Mr. Langton moved to adjourn the meeting to September 12, 1978 at 7:30 p.m.
VOTE in City Hall. The motion was duly seconded and carried unanimously.



Secretary