

MINUTES OF DIRECTORS MEETING  
LANE COUNTY MASS TRANSIT DISTRICT  
REGULAR MEETING  
October 17, 1978

Pursuant to notice given to the Register Guard for publication on October 12, 1978, to the Springfield News and distributed to persons on the mailing list of the district, the regular monthly meeting of the board of directors of Lane County Mass Transit District was held at the City Hall, Eugene, Oregon on October 17, 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 D. Dyer, General Manager
- Mavis Skipworth, Recording Secretary

News media representatives:

- Marvin Tims, Eugene Register Guard
- Tom Jackson, Springfield News

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VOTE

PUBLIC HEARING ON ORDINANCE NO. 14: The chairman announced that a second reading of the proposed Ordinance No. 14 would be held. Mr. Herbert moved to read the ordinance by title only. The motion was seconded by Mr. Langton and carried unanimously.

Mr. Kohnen read: "Ordinance 14. An ordinance imposing an excise tax on employers, providing for administration, enforcement and collection of the tax, terminating the application of Ordinance No. 12."

The chairman then opened the meeting to public discussion.

Emerson Hamilton of 2159 Escalante spoke as president of the Eugene Area Chamber of Commerce, reiterating strong support for a reduction in the employer payroll tax and urging that any revenues collected beyond the committed needs should be applied against next year's taxes and a further reduction of the payroll tax should be considered. He said the chamber predicts that the tax revenues in fiscal year 1978-79 will exceed the amount projected and it appears that the chamber's previous request to reduce the payroll tax to at least .0048 is in line; that the tax should be based on actual needs and any surplus collected should be used to reduce future taxes. He added that in the past the board has encouraged the chamber to testify, complimented them on the testimony and then taken no action on their proposals. He urged the board to respond positively and reduce the payroll tax.

Gene Davis, 734 Summit Boulevard in Springfield, commended the board in acting to reduce the payroll tax. He referred to Mr. Craig's suggestion to submit it to a vote of the people and said that, unless the board has a double standard, it would only be right to also refer to the voters any increase in the tax.

Stephan Webb of Box 43E, Monroe, said he is currently employed by the district as a bus operator but could understand how the businessmen feel, although he believed that the people who trade with them pay the tax rather than the businessmen. He said he believed the main purpose of mass transit is to move people around and it gives them the opportunity to enjoy the things that employers have to sell.

Mr. Kohnen asked for further testimony on Ordinance No. 14 and, following a second call with no response, closed the public hearing.

AUDIENCE PARTICIPATION: Clark Cox, speaking as chairman of the Eugene Chapter of Oregon Association of Railway Passengers, said that many people have expressed positive comments for the district to provide transportation between the Eugene mall and Amtrak station, possibly using a Dial-A-Bus vehicle. He endorsed implementing such a shuttle and said the suggestion should be considered as soon as possible, without deleting any existing service.

Dianne Dayton of 5th and Lawrence Streets voiced the opinion that deletion of service was unnecessary and unwise, saying that Saturday evening service is used by people getting to work, to movies, restaurants and to Valley River Center, and deletion would be especially unfair to the youth.

Ray Valentine, Executive Director of Gray Panthers, spoke in opposition to any route deletions and said if cutbacks were necessary, a nip 'n tuck approach might be less harmful to ridership. He recommended that the staff acquire additional information on the human service aspect of productivity, such as the age of riders, accessibility to alternative sources of transportation and dependence upon and reason for usage. He offered the support and assistance of the Gray Panthers in accumulating such information, saying he believed that such human information would be more valuable than ridership statistics. He asked that any scheduled public hearings be publicized so people may know what is happening to their areas. He suggested that the airport service needs could be fulfilled with a shuttle service or parking area rather than regular frequency, or that service should be tried in a pilot project and not delete any routes until it is known if the service will be used.

David Walzer of 8361 Franklin Boulevard said he lives in the Seavy Loop area and has fought for service out there, and he was opposed to any consideration of cutback. He said that even though he owns a car he is a regular rider and feels there would be greater ridership if commuter schedules were improved. He suggested that more intensive advertising would let people know about insurance rates, gasoline expense, wear and tear on automobiles, and would encourage ridership. He said he believed the First Step for Employers had been a wasteful expense at Pacific Northwest Bell as the information was already available. He encouraged giving drivers coffee breaks.

Emerson Hamilton advised that the Eugene Area Chamber of Commerce had received the results of the Cascade Employers Association salary study and asked that the board defer action on it until the business community has had more time to study it. He recalled that at the August 29 board meeting Hank Perry had indicated that, in a conversation with the governor, he had told the governor that he believed testimony from the chamber contained some inaccuracies. Mr. Hamilton said he obtained a copy of the tape of that board meeting from KUGN and had written to the governor concerning the allegations and the governor had replied that the chamber's comments were accurate.

Mary Lou Finney of 36526 Jasper Road said there should be public hearings before any cuts are considered on the Jasper line. She suggested the possibility of consolidating service with the #7 LCC/LOWELL route by looping around Jasper Road or Place Road. She advised that more people ride Tuesdays and Thursdays and possibly the Saturday run could be eliminated; that one additional run about 11:00 or 2:00 would make it easier for people in that area and would not cause a hardship to the system as it would not affect the peak hours.

John Hearn of 8557 Thurston Road said he is disabled and cannot walk the necessary distance to the present Thurston Route. He said many people beyond 69th Street need service and asked that the route be extended to 126th Street.

Jim Banks of 2111½ Riverview spoke against any service cutbacks on the Laurel Hill route as many elderly people live in the area. He said it is a growing community with many housing units currently under construction.

Stephan Webb spoke further of the need for transit as an ecological point in the valley. He said if there had to be any belt tightening, it should be in the administrative area and not in the labor force. He spoke of three large plants not presently receiving transit service and criticized the schedule on Franklin Boulevard. He said he did not believe it was necessary to cut service but that funds should be properly used through good scheduling and management.

Johnny Miller, Eugene Limousine Service, said he could not see the need for thirteen trips daily to the airport. He said buses would be at the airport at the same time as flight arrivals and with his low margin of profit he could not afford to lose airport passengers and would be unable to compete with the buses.

Dennis Wallen, 950 West Fairview Drive, Springfield, spoke on behalf of his 45 tenants and for the senior citizens in his area who need transit service. He said they could possibly manage with hourly service but do not want it all deleted.

Cindy Parrish, a Sheldon High student, said there are many students at Sheldon High School who rely on bus service and she was concerned that any proposed revisions should not affect their route or schedule.

Sally McAnulty, 462 West Quinalt, said the seniors need the transportation and would be glad to pay bus fare for Saturday and Sunday rides. Mr. Craig explained the statutes concerning fares for seniors.

Mr. Kohlen asked for further comments and there was no response. He noted that most of the testimony had expressed concern for route revisions and deletions. He said the board wished to learn of public response to such change and he expressed appreciation for their participation.

The chairman then declared a five minute recess. Following the brief recess the meeting reconvened.

MINUTES: Upon motion duly seconded, the minutes for the adjourned meeting of September 12, 1978 and the regular meeting of September 19, 1978, were unanimously approved as distributed.

CITIZENS ADVISORY COMMITTEE ON MAINTENANCE: The chairman reviewed the appointment of the six member Citizens Advisory Committee on Maintenance and the charge to study the district's maintenance operation and report to the board.

Mr. Randall, committee chairman, presented the report of the committee.

He advised that the committee had met on six occasions, toured the maintenance facility and analyzed current policies and procedures; that they had examined some limited staff analysis of costs and comparisons with other maintenance operations. The following recommendations were presented: 1) Staff should complete an in-depth study to analyze cost effectiveness of subcontracting portions of bus repair and servicing with capital investment costs considered. In any area where competitive bidding reveals significant cost savings could be realized, subcontracting should be strongly considered if acceptable reliability standards can be maintained. Reason should be used when establishing bidding specifications to ensure that unnecessary detail does not make subcontracting too ponderous or unworkable. 2) A thorough study to be made by staff to determine possible cost savings of changing the physical facilities to allow farebox retrieval, fueling, cleaning, and other maintenance operations to be accomplished in a more efficient manner. 3) Operating standards should be reviewed to insure that bus road calls occur only when it is necessary to insure passenger or employee safety, prudent preventive maintenance, or essential passenger services. Other types of equipment malfunctions should be noted and corrected only when buses return to the shop. 4) Specifications on new equipment purchased should emphasize reliability and low operational costs. Existing equipment should be modified, if possible, to promote these same cost saving considerations. Where modification is not cost effective, replacement should be considered.

Mr. Booth expressed disappointment that no specific recommendations came from the committee and suggested the committee minutes might indicate some areas where committee members believed the district was spending more than needed.

Mr. Moorehead, of Dorsey Bus Company and member of the committee, replied that it was the consensus of the committee that staff prepare to call for bids. He said he believed the parking facilities on the district's property are atrocious and that time is wasted in emptying fareboxes, building up air pressures, and from the hydrant type of fueling. He said the inventory was questioned as there is much cost in parts but said it probably was necessary because of the time required to obtain bus parts when they are needed. He said because of the labor costs and fringe benefits, the board should consider subcontracting cleaning. He added that he felt comfortable that the shop staff was doing a good job as far as working on the buses but he could not tell in that brief time of study if they are overstaffed.

Mr. Herbert recalled that during the budget process it had been stated that there were too many mechanics per bus and he asked if the committee had reached a conclusion on that. Harry Hein, of Leavitt Company and committee member, replied that he believed the division could be overstaffed but it was difficult to compare with school buses because of the shifts the district has to run. Mr. Herbert observed that the committee believed this could be assessed only by a comparison of what it would cost through private industry.

Mr. Moorehead said he believed some efficiency was lost by running three shifts and there was some non-productive time from the way the facilities are set up; that if hours of service were cut by one-half or one full hour, the division could fuel and clean the buses only every other day, although he believed there could be an advantage to contracting both cleaning and fueling.

Mr. Randall suggested the board should consider one area at a time in calling for bids and Mr. Langton spoke in favor of test bidding for all areas to learn if it is possible to contract out all of the maintenance work.

Mr. Herbert referred to the first recommendation and asked on what scale an in-depth study should be conducted, how many staff people would be involved, and for what period of time. Mr. Dallas replied that he believed with present staff, research could indicate within two or three months if it would be practical to subcontract. Mr. Craig cautioned that contracting might not be workable because of legal requirements and governmental restrictions. He suggested that comparisons be made with other transit districts in the country. Mr. Randall said he knew of no bus systems in the country that currently contract out all of their repair work.

Mr. Booth said the board is committed to actually subcontract if a savings is found and that he believed an overall bid should be considered rather than detailed areas.

MOTION VOTE Mr. Herbert moved to accept the final report of the Citizens Advisory Committee on Maintenance. Mr. Booth seconded the motion and it carried unanimously. Mr. Herbert expressed the board's appreciation to the members who served and gave of their time.

MOTION VOTE Mr. Herbert moved that the board ask the staff to make a preliminary report to the board, if possible at the next board meeting, outlining the pros and cons of the incremental approach and of the wholesale approach as described by Mr. Booth. Mr. Randall seconded the motion. Mr. Herbert explained that the board should receive a report from the staff as to how they would proceed, to consider any questions that have to be answered as a public agency, public purchasing, and the legal basis for contracting before the board can authorize staff to prepare specifications. Mr. Booth asked that consideration be given to the parts inventory and if put out to bid, the bidder would be allowed to use those parts. The question was put and carried unanimously.

Mr. Kohnen referred to item No. 2 of the report pertaining to potential cost saving of changing the facilities. He said it would be helpful to receive a staff report as to what could be done now and in the future if funds were available. He commented that item No. 3 was a matter of policy, and staff should be instructed to implement those changes; that item No. 4 would occur when new equipment was purchased and with possible modifications of existing equipment.

Mr. Kohnen and Mr. Randall thanked Messrs. Hein and Moorehead for attending this meeting and for their comments.

AUDIT REPORT: David Gault of Derickson & Gault presented the audit report for fiscal year 1977-78. He noted that in the five specific areas of weakness in internal control brought out in the previous year's audit, corrective action has been accomplished in four of those areas. The one problem area remaining is that of parts storeroom security which, he said, is currently being addressed. The auditor recommended use of a costed perpetual inventory system for parts and supplies and suggested that maintenance of such records be assigned to the accounting division. He also recommended that time reports for salaried personnel signed by supervisors should flow to the payroll clerk attesting to the presence or absence of the individual as chargeable sick leave or vacation days would less likely be overlooked under this system. He further observed a lack of adequate control procedures regarding the sale of tokens and fast passes over the counter in the Information Services Office, although he commented that that outlet does not handle a large volume of sales. He advised that a problem exists in proper designation and handling of the Capital Reserve within the accounts and budget as the Division of Audits and the Department of Revenue give conflicting advice and he suggested that clarification be sought. He reported that his firm found the overall quality of the accounting records to be excellent.

Mr. Gault was asked about the urgency of implementing a costed perpetual inventory system for parts and supplies because of currently limited personnel and resources. Mr. Gault replied that as it would be a new function, the exact man hours and expense would not be known; that if it appeared to involve significant expense, it could be put off. Mr. Dyer spoke of the difficulty of adequately covering the parts room because of staffing shortage. Mr. Booth commented that it would be difficult for the accounting division to maintain the records because of lack of familiarity with bus parts.

MOTION Mr. Langton moved to accept the 1977-78 Audit Report. Mr. Herbert seconded  
VOTE the motion and it carried unanimously. Mr. Kohnen thanked Mr. Gault for attending the meeting and for his presentation of the report.

CASCADE EMPLOYER ASSOCIATION SALARY STUDY: Mr. Kohnen reviewed the board instructions to freeze salaries as of July 1, 1978 pending conclusion of a salary study by Cascade Employers Association. He then introduced Mr. William Shuck, Director of Wage and Salary Administration for CEA and Mr. William Cary, Assistant.

Mr. Shuck advised that the review of the district's wage and salary program had been completed, excluding the general manager, and he presented detailed information of their conclusions and recommendations. He listed procedural changes such as title changes, recommended to better represent duties and responsibilities and to make individual titles more realistic with the function. He defined the salary structure which they are recommending, including salary range for each classification and supplemental steps. He said the report included recommended policy and guidelines to be used as a working document on an ongoing basis. He explained that a standard base rate with five step increases at six month intervals would be provided and an exception could be made for additional merit increase, which could be considered Step 6.

Mr. Shuck described salary surveys conducted with general employers, both private and public, and with other transit districts. He said they then took the weighted average by discarding the top 25% and the low 25% and retaining the middle 50%.

Mr. Booth said that as Mr. Hamilton had commented earlier regarding a possible course of action, he would be interested in his comments. Mr. Hamilton said he did not feel that he had had an opportunity to familiarize himself with it as yet. Mr. Langton said that in view of criticism the board has received, he believed it required further study.

MOTION Mr. Langton moved to defer action on the salary study until the next meeting.  
Mr. Booth seconded the motion. Mr. Booth said he believed the matter was appropriate for executive session without staff present and Mr. Kohnen replied that he believed that would be in violation of the statutes.

Mr. Craig commended Mr. Shuck on the excellence of the report and commented on its completeness and clarity. Mr. Herbert concurred that it was a compact and informative study, and suggested that it be acted upon at an adjourned meeting to be held October 19, 1978 .

WITHDRAWN Mr. Langton withdrew his motion and Mr. Booth withdrew his second.

MOTION Mr. Randall moved the board defer action on the study until 7:00 p.m.,  
October 19, 1978 in Eugene City Hall. Mr. Langton seconded the motion and it  
EE carried unanimously. Messrs. Shuck and Cary said they would return for the  
adjourned meeting to answer any further questions.

DOWNTOWN DEVELOPMENT BOARD: Mr. Dyer described two proposals received  
from the Downtown Development Board; the first, to provide additional evening  
departures from 10th and Willamette during the 1978 Christmas season, and the  
second proposal being to design a Downtown Eugene Fares Program to provide  
incentives for downtown employees to use transit. Mr. Navarre Davis, representative,  
was present to further explain the two proposals. Ms. Loobey described some of  
the problems experienced in last year's downtown employee program and said staff  
would like to work closely with the DDB to develop a more comprehensive program  
for a longer period of time, using different marketing and fare techniques.

MOTION Mr. Craig moved that the staff be instructed to develop a program in  
cooperation with the DDB to increase transit ridership by downtown employees.  
VOTE Mr. Booth seconded the motion and it carried unanimously.

Discussion followed on the issue of extending evening departure schedules  
in the downtown area during the Christmas season. Mr. Booth said perhaps it  
should be deferred for a study of costs and effects, and the staff described  
the required lead time to implement and publicize the additional service.

MOTION Mr. Craig moved that the schedule of additional evening departures during  
the Christmas season be approved. The motion was duly seconded and carried  
VOTE unanimously. Mr. Booth mentioned that the motion would allow the staff to cut  
back if appropriate in accomplishing the objectives of the DDB.

MOTION ORDINANCE NO. 14: Mr. Herbert moved adoption of Ordinance 14 and Mr. Langton  
seconded the motion.

Mr. Craig spoke in opposition to the motion, saying that many people who had  
testified at this meeting did not realize the implication of this ordinance upon  
their service. He said action taken by the budget committee to reduce the appropria-  
tion would amount to \$400,000 annually and would by necessity require service  
reductions which would affect many people. He said rather than reducing the payroll  
tax at this time, the board should probably consider raising the tax to the maximum  
.006. He said the board is obligated to provide a level of service to the outlying  
area as committed when the county buses were purchased, and he believed Ordinance 14  
would retract that commitment.

AMEND Mr. Craig moved that Ordinance No. 14 be amended by the addition of Section 4.06  
MOTION to read as follows: "Section 4.06. This Ordinance shall take effect on January 1,  
1979, but shall not become operative unless it is approved by the qualified voters  
of the district at the special election to be called and held on (January 9, 1979)  
(April 3, 1979)." Mr. Randall seconded the motion.

Mr. Langton responded that the tax rate should be lowered because the income  
received was in excess of the projected income and that it should not force a service  
reduction.

The question was put on the amending motion and it failed. Favorable votes  
were cast by Craig and Randall; opposed were Booth, Herbert, Kohnen, Langton and Roemer.

Discussion followed on the main motion and Mr. Herbert reminded that it has been the position of the board to set the level of the payroll tax to the level of requirement to provide service and said he would not be opposed to further lowering should events prove that it can be done. Mr. Craig said that from chamber testimony it appeared they did not consider adequate level of service to be the same as that considered by some board members; that they consider service wasteful that others find a matter of life and death. He suggested rather than moving forward to meet pollution and the growing population, adoption of the ordinance would be a step backwards by reducing the revenue; that it would be regressive when more service should be provided.

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

BE IT HEREBY RESOLVED that Ordinance 14 imposing an excise tax on employers, providing for administration, enforcement and collection of the tax, terminating the application of Ordinance 12, be adopted.

PUBLIC TRANSIT DIVISION LETTER: Mr. Kohnen called attention to a letter distributed to the board from Dennis Moore, Administrator of the Public Transit Division, requesting information for their budget process of the following: 1) certification that operating funds are available to operate the transit equipment and facilities in the future, 2) certification that the district's half of the local match funds are available, and 3) a description of what equipment would be for expansion and what equipment for replacement.

MOTION Following a brief discussion on proposed legislation to obtain state funds to match local funds for federal grants, Mr. Randall moved that the board president respond to the Public Transit Division request for information on the district's capability to fund operations and capital programs. The motion was duly seconded and carried unanimously.

VOTE

PUBLIC HEARING ON PACKAGES A, B AND C: Mr. Rynerson briefly reviewed the alternatives presented to the board for service revisions in order to achieve a savings of the unappropriated \$200,000. Mr. Langton said he did not believe the board should consider elimination of any routes but should consider adjustments in service. He recommended changing the frequency on all urban routes between 9:30 to 3:30 to one hour.

Mr. Randall cautioned that it can be wasteful of staff time to instruct them to prepare material on such revisions if the board does not plan to act upon it. He said any major changes to people in the area should require public hearings. Mr. Dyer asked that the board discuss thoroughly such a proposal if the staff was to be so instructed as there could be many spin-off effects and consideration should be given to the cost effectiveness. Mr. Booth concurred with Mr. Langton's proposal and said he believed that some urban service reduction together with Package B should accomplish the necessary reduction of operational costs. Mr. Dyer described studies made that indicate the waiting tolerance of patrons and Mr. Craig predicted it would make ridership drop.

Mr. Kohnen stressed the urgency of holding public hearings on the alternatives if action were to be taken at the November 21st board meeting. Mr. Herbert said if the board investigates mid-day reduction, it should be added as Package D and included with the hearings. He said he did not believe it to be a productive use



of board or staff time as the board has reviewed such possibilities before and he could foresee a relatively small reduction in costs and very large impacts. He said he would prefer to eliminate Package C and confine any hearings to Packages A and B, and he was not certain that service to the airport was practical. Mrs. Roemer said she believed airport service should not be implemented unless LCC and the airport wished to underwrite it. Mr. Herbert cautioned against implementing service as a test program and said he was opposed to hourly service to the airport unless the commission says it is a necessity.

MOTION Mr. Craig moved to separate the airport issue from Packages A and B. Mr.  
VOTE Randall seconded the motion and it carried unanimously.

Mr. Langton said he saw no reason to have public hearings in the areas affected by Packages A and B as the results are predictable and people would attend just to protest any proposed deletion. Mr. Randall said he liked to feel the board is responsible to people, that when the chamber comes to testify some board members feel that the board should do as they ask. Mr. Kohnen asked Mr. Langton if he wished the board to drop consideration of those reductions and Mr. Langton said he did and that was why he had suggested the change in mid-day frequency.

Mr. Rynerson advised that suggestions are continually received from drivers and passengers for minor schedule and route changes. He suggested that he send to the board for the November meeting those received since August 1978.

Mr. Kohnen said the \$200,000 had been held back to see if there were areas where such a savings could be achieved but the proposals received have been only for service cuts and he would like to see proposals where any amount of expense could be cut. Mr. Langton said perhaps \$100,000 could be saved in the remainder of this fiscal year and then try for \$200,000 next year. Mr. Randall commented that the district has cut back routes and brought about savings, but it was unwise to try to save that amount of money in such a short time. He said it is an ongoing process to fulfill the obligation of serving the public in an economical manner and the board is not spending money just because it is there.


Mr. Kohnen said there was still the question of whether or not public hearings were to be held. Mr. Craig responded that in light of Mr. Rynerson's suggestion of possible minor route changes, perhaps a Package D with less drastic changes should be prepared. Mr. Randall asked when a decision must be finalized and Mr. Kohnen said that it would be necessary by November 1st to make actual changes in service on January 1st.

Mr. Herbert said any results would be only a modest savings and that investment in staff, board and people time, as well as confusion to patrons, would be out of line. He said the best results could come through the CAC on Quantitative Objectives findings and then include more on this issue in the next budget process.

MOVED Mr. Herbert moved to table further consideration for the service utilization  
VOTE Packages A, B and C. The motion was duly seconded and carried unanimously.

REPORTING: Regular reporting for the month of September was received from the Accounting and Marketing Divisions and from the Department of Planning and Development.

ADJOURNMENT: The meeting was adjourned to October 19, 1978, 7:00 p.m. in City Hall.

  
Secretary