

MINUTES OF BUDGET COMMITTEE MEETING

LANE COUNTY MASS TRANSIT DISTRICT

May 8, 1979

Pursuant to public notice to the Register Guard and Springfield News on April 24, 1979, a meeting of the budget committee of Lane County Mass Transit District was held at the City Hall in Eugene, Oregon, on May 8, 1979, at 7:30 p.m.

Present:

Board Members

Richard A. Booth, Secretary
Jack J. Craig
Daniel M. Herbert, Vice President
Kenneth H. Kohnen, President
Ted J. Langton, Treasurer
Carolyn Roemer

Appointed Members

George Baker, Chairman, presiding
Paul Bonney
William Edom
Emerson Hamilton
James Hengstler
Mary Lou McCarthy, Secretary
Tim Dallas, General Manager pro tem
Phyllis Loobey, Budget Officer
Mavis Skipworth, Recording Secretary

News media representatives:

Marvin Tims, Register Guard
Tom Jackson, Springfield News

Absent:

Glenn E. Randall

Shirley Minor

MOTION
VOTE

MINUTES: Upon motion, duly seconded, the members of the budget committee unanimously approved the minutes of the April 24, 1979 meeting as distributed.

RESPONSE TO APRIL 24, 1979 DISCUSSION: In response to budget committee request at the April 24, 1979 meeting, Ms. Loobey presented a staff analysis of five alternative forecasts of revenues and expenditures necessary to meet operating and capital needs for the next three years. Those alternative projections included: 1) increase payroll tax revenue, 2) increase fare revenue, 3) decrease operating expenditures, 4) decrease capital expenditures, 5) a combination of the previous four.

Ms. Loobey explained that under the first alternative fares would remain consistent with the Transit Development Program, Section 5 funds would be committed to capital projects, and additional revenues would be produced through ten quarters of payroll tax increase. The second alternative projected additional revenues through fares increased to 45¢ in FY 79-80, 50¢ in FY 80-81 and 55¢ in FY 81-82. With Section 5 funds used for capital projects, an operating deficit for two years would result. She presented a table of Fare Elasticity Projection based on standard transit industry forecasting techniques, which showed the ridership loss that could be anticipated from increased fares.

The third alternative included a reduction in the purchase of buses in FY 81-82 from eight vehicles to two in order to reduce capital expenditures and Ms. Loobey noted that any service expansion would have to be implemented with old vehicles. In this alternative Section 5 funding would be used as a base for operating assistance.

Alternative #4 included a 20,000 vehicle hour reduction in service, again using Section 5 funds for capital expenditures, and fares consistent with the TDP. Ms. Loobey said that a service reduction of this magnitude has not been designed so the loss of farebox revenue could only be estimated. She said that the fifth alternative illustrated one way to approach a combination of the other alternatives through increased fares and payroll tax, while making some operating expenditure reduction. She added that this alternative did not represent a staff recommendation.

A projected fleet inventory indicating vehicle age was distributed for board information. David Rynerson, Planning Director, presented copies of a map showing major developments within the urban area not currently served by the district. He said those areas could be served with the present fleet only by reducing service in other areas.

AUDIENCE PARTICIPATION: Clark Cox of 1085 Patterson Street urged the district to pursue the original proposal of no payroll tax increase, a minimum fare increase and to implement service from Springfield via Country Club Road to Valley River Center rather than by way of the Eugene Mall. He suggested pursuing legislation to change the election laws to make it easier to obtain approval of an income tax.

BUDGET COMMITTEE DELIBERATION: In discussion of the five alternatives, Mr. Booth commented that inflation cheapens the dollar and it would make more sense to raise the money for capital expenditures in the year needed. Mr. Edom observed that, if not planned as an incremental reserve, the district would have to raise a huge amount in the third year. Mr. Booth suggested that the money could be acquired when needed in 1982 through a slight increase in the payroll tax that year; that if for one year the tax were raised to .006, the needed money could be obtained. He said the tax should be left at the current level, or even reduced, for the next two years and the district would avoid many complaints from those who pay the tax. Mr. Dallas explained that at budget time the capital reserve fund is addressed as a reserve for local share of capital acquisitions, but throughout the year provides working capital as a cash flow.

Mr. Herbert spoke of his concern that funding would not be available to acquire needed vehicles.

Mr. Kohmen referred to Alternative #3 noting that the use of Section 5 funds for operating revenues would appear practical for the first two years, but there would be a shortage of capital reserve in the third year that would have to be addressed. He said he would not wish to see the capital improvements listed in the Transit Development Program cut back further as they are far short of the T-2000 plan; that the area is growing and there are sections not currently being service and he believed the district should keep moving toward accomplishment of what has been projected in the TDP.

Mr. Dallas pointed out that all of the alternatives call for a steady operating status with minimal change of size of operation, and the district would have no provision to react to any need for a major increase in service, although Alternative #3 would have some maneuverability to react to a crisis through the funding balance of FY 79-80.

Mr. Kohnen agreed that the third alternative would provide more flexibility in the first fiscal year which could be important if the gasoline shortage should put unexpected requirements on the service, and if federal funds should suddenly become available in larger amounts.

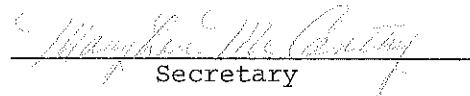
MOTION

Mr. Craig moved that the staff prepare a line item budget based on the Alternative #3 projections for 1979-80 and Mr. Kohnen seconded the motion. The motion carried unanimously.

VOTE

Mr. Kohnen asked that staff prepare an analysis indicating the amount necessary for local share of capital expenditures in 1981-82 at the level previously anticipated.

ADJOURNMENT: The meeting was adjourned to May 29, 1979, at 7:30 p.m., in the Eugene City Hall.


Secretary