

MINUTES OF BUDGET COMMITTEE MEETING

LANE COUNTY MASS TRANSIT DISTRICT

April 29, 1980

Pursuant to notice to the Register Guard on April 8, 1980, an adjourned meeting of the budget committee of Lane County Mass Transit District was held at the City Hall in Eugene, Oregon, on April 8, 1980 at 7:30 p.m.

Present:

Board Members

Appointed Members

Richard A. Booth, Secretary	William Edom
Daniel M. Herbert, Vice President	Emerson Hamilton
Kenneth H. Kohnen, President, presiding	Richard Hansen
Ted J. Langton, Treasurer	Mary Lou McCarthy, Secretary
Robert C. Loomis	Joan Rich
Glenn E. Randall	Ron Schmaedick
Carolyn Roemer	
Phyllis Loobey, General Manager	
Paul Shinn, Budget Officer	
Mavis Skipworth, Recording Secretary	
News media representative:	
Marvin Tims, Register Guard	

Absent:

George Baker

In absence of Chairman George Baker, Secretary Mary Lou McCarthy called the meeting to order and requested nominations for a chairman protem. Upon motion by Mr. Randall, Kenneth Kohnen was unanimously elected to serve as chairman protem.

TION
VOTE

INTRODUCTORY REMARKS BY CHAIRMAN: Mr. Kohnen introduced Joan Rich as a new member of the budget committee, appointed to fill the vacancy created by resignation of Shirley Minor. He spoke of her interest in public transportation and her past service to the district.

The chairman advised that the committee would review the Administration and Marketing & Planning departmental budgets and encouraged the members to confine their discussion to those departments.

AUDIENCE PARTICIPATION: Gene Davis, Chairman of the Transit Subcommittee of the Springfield Chamber of Commerce, said his committee has deliberated at length and has prepared several recommendations which have been reviewed and endorsed by the board of the chamber: 1) No increase in media advertising budget, suggesting \$96,000 would be sufficient and used only to inform people of changes of routes, 2) Reduce administrative costs, 3) Reduce overstaffing due to over-servicing by A) putting drivers on call rather than being on the job and sitting around just in case they are needed, and B) maintenance people; 4) Bid some work to private sector to become competitive and cut costs, 6) Set a maximum per person, per ride subsidy above which a route cannot be maintained, that A) maximum subsidy should be double the urban subsidy and B) the time limit for a new route to reach subsidy limit should be one year; 7) Promote park'n'ride concept for routes that cannot be maintained so people could drive in to the end of the line of an urban route, 8) Schedule routes to service major industries with large number of employees; and 9) Explore replacing school bus systems with

LTD in the metropolitan area as one system could do the job. He said it is regrettable that he is considered the enemy, rather than the 3 to 1 majority trying to get the district's attention. He said big buses are seen running empty and with great subsidy, while the district floods the airways with cutesy advertising. He assured that the chamber supports mass transit and is willing to pay some sort of taxing if the district will strive to be believable.

Mr. Schmaedick asked if there were any specific areas in maintenance that he believed should be contracted out, and Mr. Davis said it was more a matter of philosophy as anytime government does it, it costs more. Mr. Schmaedick asked if the district were to provide parking at the end of bus lines, should the cost be added to the operation. Mr. Davis answered that the district would have to determine how that was accomplished.

Mr. Schmaedick then asked if the major employers in Springfield have expressed a willingness to cooperate by adjusting their scheduling and Mr. Davis replied that Weyerhaeuser has expressed a willingness to work with the district.

Mr. Schmaedick asked if there had been any communication from the Springfield school district of their willingness to cooperate with the district. Mr. Davis advised that there has been no recent discussion on it; that several years ago it was studied but stalemated as no one wants to give up their empire. Responding to question by Mr. Herbert, Mr. Davis said the transit committee will discuss it with the school district.

Dr. Loomis concurred in pursuing the possibility of a single system, and then asked Mr. Davis for any specific concerns on reducing administrative costs and possible overstaffing. Mr. Davis said while there is a tendency for general overstaffing in government and to end up with more chiefs than Indians, he has in the past had a genuine concern about the salaries of administrative personnel, particularly clerks.

Clark Cox spoke in favor of again reviewing the possibility of combining school bus and transit service.

MOTION

MINUTES: The minutes of the April 8, 1980, meeting were distributed for review and approval. Upon correction to indicate that Mr. Hamilton voted in favor of addressing operational costs before addressing the issue of revenues, the minutes were unanimously approved.

VOTE

Mr. Schmaedick asked that the record of this meeting show that he expressed disappointment in that two revenue items were on the April 22 agenda for action in spite of the committee's 7 to 2 vote of April 8th to hold revenue items until after expenses were resolved.

REPORT OF STAFF SALARY BOARD SUBCOMMITTEE: Mr. Kohnen asked for a report of the board Salary Subcommittee for informational purposes, advising that following board adoption, it will be incorporated into the proposed budget.

Mr. Booth reported that the committee met on four occasions and studied staff proposals. He said the first proposal was excessively high and the committee instructed staff to prepare a schedule reflecting a 12½% increase, excluding the two new positions proposed. He advised staff presented a salary schedule reflecting a 15.3% increase and addressing such inequities as supervisors guarantee of a 4% minimum increased to 6% guarantee over bus driver

wages, and instances of administrative staff promotions and increased levels of responsibility. He said the increase was not distributed evenly, but the \$730,000 equalled a total of 15.3% over last year's budget and was annualized to include step increases. He explained that the salary schedule had been compared to private and public sector and appeared competitive, that in instances where it appeared to be low, the fringe benefits were high and made up for it. He said the committee is recommending that the salary schedule be included as a part of the FY 1980-81 budget.

MOTION

Mr. Randall moved to recommend to the board that the salary subcommittee recommendation be adopted. Dr. Loomis seconded the motion, and added that the subcommittee had given the minimum gain to hold employees as, under improved economic conditions, the district would be considered lower than the private sector and might lose some employees.

Mr. Kohnen agreed that the data from the public and private sector supports the range recommended by the committee, adding that although the schedule is somewhat low, current economic conditions should be considered.

Mr. Schmaedick commented that the salaries for the clerk typist and clerical specialist appeared high, and that full cycle bookkeepers can be hired at the salary indicated for the two accounting clerks. Mr. Booth responded that some positions were raised to compete with a potential union situation.

Emerson Hamilton entered the meeting.

David Harrison, Personnel Administrator, read salary schedules for those positions in other agencies on the west coast and from Cascade Employers Association surveys of the private sector that indicated a comparable range.

Mr. Randall left the meeting.

VOTE

The question was put and carried unanimously. Mr. Kohnen noted that the salary structure did not include the salary of the general manager which will be determined by the board.

BUDGET COMMITTEE DELIBERATION: Mr. Edom commented that at past meetings he had perceived budget committee members making statement of policy that should be handled by the board of directors, and urged members to confine their deliberation to matters within the responsibility of the budget committee.

Mr. Shinn, Budget Officer, gave a comprehensive overview of the proposed administration function budget, stating that previous programs are scheduled to continue, with emphasis placed on four staff improvement programs: 1) recruiting, 2) training, 3) communicating and 4) supervising.

In discussion of personal services, Mr. Hansen asked if any reduction in personnel had been considered. Mr. Shinn said personnel level is continually monitored and no overstaffing has been found. Dr. Loomis added that most of the staff seems overworked.

In review of Materials and Services, Mr. Schmaedick questioned the value of issuing operators manuals, employee handbooks and the defensive driving course. He suggested text book management by providing employees with manuals for a week or two and to keep a supply of the books in a library for easy

access by employees, with frequent updating by the clerical staff. Mrs. Roemer said she believed it was important that every employee have their own handbook. Mr. Dallas spoke of the need to adequately inform existing and new employees of the district's policies and procedures and that it takes a great deal of the supervisors' time to accomplish this on a one-to-one basis. Mrs. Rich suggested issuing the operators' training manual and adding the others later rather than distributing all of them in one year.

Discussion turned to Dues, Publications and Memberships. Mrs. Rich commented that other taxing jurisdictions have avoided membership in private groups and questioned the district's membership in the Eugene Area Chamber of Commerce. Mr. Hansen said he believed it was of major benefit to both the chamber and the district as it allowed the staff to participate on the chamber's committees and provided an opportunity to discuss the problems of the district and the business community. Mr. Herbert said it did not seem to be a compromise of public body principle and the advantages have been remarkable.

Mr. Booth agreed and suggested membership in the Springfield Chamber, also. Mr. Davis said the district has never asked to become a member although some time ago the board voted to do so; that the general policy of the chamber is to not accept government bodies as dues paying members but that he would look into it.

Mr. Schmaedick observed that in going over the budget line by line, all of the programs appear justified but the committee should set priorities. He said it appeared the district was launching on a number of new things that were costly. Ms. Loobey explained that not all of the programs were new and that a considerable savings could be realized through better selection and training of employees, greater productivity, and less absenteeism and turnover. She added that the greatest item in the budget is labor and that training and upgrading of bus operators would be cost effective.

Mr. Hansen suggested establishing a guideline of a 10% increase in ongoing programs as an inflationary factor.

Mr. Hamilton expressed concern that the training and travel line item appeared excessive and suggested holding it at the current level or just to include an inflation factor.

Mr. Langton objected to the line items not being comparable from year to year due to changes in accounting methods.

MOTION Mr. Hansen moved that the line item Training and Travel be limited to 10% over the current year. The motion was duly seconded.

Mr. Hansen reminded the committee that they had been advised there would be a shortfall in revenues and the budget must be determined accordingly; that if staff later finds areas where they need more dollars, the board can make adjustments.

AMEND Mr. Schmaedick moved to amend the motion for the committee to ask staff to come back next week with a line item budget to include a 10% increase in training and travel. Mr. Herbert seconded the motion.

VOTE The question was put on the amending motion and was defeated. Voting in favor were Herbert and Schmaedick; opposed were Rich, Booth, Edom, Hamilton, Hansen, Kohlen, Langton, Loomis, McCarthy and Roemer.

VOTE The question was then put on the main motion and it carried with favorable vote by Edom, Hamilton, Hansen, Langton, Loomis, McCarthy, Rich, Roemer and Schmaedick; opposed by Booth, Herbert and Kohnen.

MOTION Mr. Hansen moved to eliminate \$2,000 proposed for tuition reimbursement. The motion was duly seconded.

Responding to question by Mr. Herbert, Mr. Shinn advised that partial tuition at LCC or the University of Oregon is proposed for staff development in their profession within the district.

VOTE The question was put and carried with favorable vote by Edom, Hamilton, Hansen, Langton, McCarthy, Rich, Roemer and Schmaedick. Opposed were Booth, Herbert, Kohnen and Loomis.

Dr. Loomis temporarily left the meeting.

Mr. Schmaedick and Mr. Booth spoke against the district purchasing monitoring equipment for the district's information function.

MOTION Mr. Hamilton moved to allocate \$5,000 for Consulting Fees and Mr. Hansen seconded the motion. Mr. Schmaedick spoke in favor of the motion, noting that LCC has a good management course available. The motion carried with Booth, Edom, Hamilton, Hansen, Langton and Schmaedick voting in favor. Opposed were Herbert, VOTE Kohnen, McCarthy, Rich and Roemer.

Dr. Loomis returned to the meeting.

Discussion followed on competitive bidding for insurance coverage. Ms. Loobey explained the process, noting that there is only one major underwriter in the country. Mr. Booth said the board would support having a local broker if they could be competitive.

The chairman called for a recess. Following the recess, the meeting reconvened.

Ken Powis gave an overview of the Marketing and Planning budget, reviewing the decision made by the board last year and the recommendation of the chamber to pursue a more active marketing effort, resulting in an additional revenue for the district of about \$163,000. He spoke of the situations to be addressed by Marketing during FY 1980-81, such as educating people to the accessible buses, persuading public acceptance of the higher fares, implementing a more effective system including introduction of park'n'ride service, and improvement in the use of passes and tokens and their distribution. He requested the addition of a service representative and an information clerk.

Mr. Hamilton said it seemed inappropriate to propose additional staff with the current economic situation and when the committee is attempting to hold the line.

MOTION Mr. Hamilton moved to not authorize any new personnel in this department at this time. Mr. Langton seconded the motion.

Ms. Loobey reported on the quantity of telephone calls lost daily due to shortage of personnel, saying those callers represent potential revenue. Mr. Schmaedick suggested using a recording to let people know there is not a clerk available. Dr. Loomis said it appeared the district was not educating people well through the media or local newspaper, saying it would appear more practical to purchase information space weekly in the paper than to hire an additional clerk. Mrs. Roemer said she felt strongly about adequate staffing of information clerks, that she uses their service and there is security in personal contact, and if a patron does not ride every day they can easily lose faith that the schedule is unchanged and do not wish to rely on the printed schedule. Mr. Herbert concurred and suggested seeking outside information as to the number of information clerks generally required for a certain number of calls. Mr. Powis reminded that the clerks are also responsible for token and transfer counting, the lost and found section, and selling of tokens and passes.

VOTE The question was put and carried with favorable vote by Booth, Edom, Hamilton, Hansen, Langton, Loomis and Schmaedick; opposed by Herbert, Kohnen, McCarthy, Rich and Roemer.

Mr. Schmaedick commended Mr. Powis on a listing of proposed programs for exploration in increasing revenues.

Staff responded to questions by the committee on schedule printing. Mr. Powis advised that the district currently is not printing target market ride guides, such as VRC, LCC, and the University riders guides. Mr. Hansen said he was opposed to special interest destinations and thought they could be highlighted in the system map. He urged the consideration of the overall goals rather than separate pieces. Mr. Bergeron spoke of the need to educate people to use the new service to the University, the park'n'ride and accessible buses. Mr. Herbert said the timetables were essential but that he did not feel the same urgency about the target market ride guides.

MOTION Mr. Herbert moved to delete \$15,000 from the printing budget. Mrs. Rich
VOTE seconded the motion, and it carried unanimously.

The staff stressed the importance of market research activities. Mr. Schmaedick suggested that less sophisticated research could suffice, possibly gathering information from the bus operators. Mr. Booth said he had found the GMA survey results very valuable and the benchmark surveys needed as there are substantial changes occurring in the fare structure; that he believed the buses should be made to run where the customers wish to go and this is a good way to learn how to allocate the resources. He agreed that it could be done less often.

Mr. Schmaedick said the GMA survey indicated that people like the district, but the public was not willing to support it through an income tax.

Mr. Edom commented that the district may be confronted with a shortage of equipment rather than a lot of new riders and perhaps it would be more important to determine where to use the equipment than to gather other information.

Mr. Powis advised that the staff has been trying to locate a local market research firm that can offer the same quality at possibly two-thirds the cost. Mr. Hansen cautioned that the best quality should be sought.

Mr. Hansen said he believed much of the advertising of the current year is reusable and urged the committee to consider reducing the advertising budget to \$100,000 and allow the director of that department to determine how it will be spent.

MOTION

Mr. Schmaedick moved to reduce the line item for advertising media to \$100,000. Mr. Hansen seconded the motion. Mr. Schmaedick recommended using less television media as suggested by the Springfield Chamber.

Mr. Herbert questioned that large a reduction because of the selling job he believed necessary on the increased fares.

VOTE

The motion carried with Booth, Edom, Hamilton, Hansen, Langton, Loomis, McCarthy, Rich, Roemer and Schmaedick voting in favor. Opposed were Herbert and Kohnen.

ADJOURNMENT: Ms. Loobey advised that for the next meeting of May 6th, the staff will prepare a budget reflecting the changes made at this meeting, as well as a salary schedule, and at that meeting the committee will be addressing the budget items for the Department of Operations, including Maintenance, and Resources.

MOTION

Upon motion, duly seconded, the board unanimously agreed to adjourn to May 6, 1980, at 7:30 p.m., in Eugene City Hall.

VOTE


Secretary