

MINUTES OF BUDGET COMMITTEE MEETING

LANE COUNTY MASS TRANSIT DISTRICT

May 22, 1980

Pursuant to notice to the Register Guard on May 15, 1980, an adjourned meeting of the budget committee of Lane County Mass Transit District was held at the City Hall in Eugene, Oregon, on May 22, 1980 at 7:30 p.m.

Present:

Board Members

Daniel M. Herbert, Vice President  
Kenneth H. Kohnen, President  
Carolyn Roemer

Appointed Members

George Baker, Chairman, presiding  
William Edom  
Emerson Hamilton  
Mary Lou McCarthy, Secretary  
Joan Rich  
Ron Schmaedick

Paul Shinn, Budget Officer  
Phyllis Loobey, General Manager  
Mavis Skipworth, Recording Secretary  
News media representative:  
Marvin Tims, Register Guard

Absent:

Richard A. Booth, Secretary  
Ted J. Langton, Treasurer  
Robert C. Loomis  
Glenn E. Randall

Richard Hansen

AUDIENCE PARTICIPATION: Bob Moore of Pape Bros., Inc., expressed concern of an increase in the payroll tax, pointing out that his business and many other employers do not have employees or customers who use the bus system. He suggested seeking financial support from the state and from the University of Oregon, saying a large portion of the district's ridership comes from students and employees of the University.

Larry Anderson, also of Pape Bros., Inc., concurred with Mr. Moore, objecting to the size of the proposed increase in the payroll tax. He said his company considers their contribution a social service as they do not use the transit service.

Bob Sullivan, General Manager of Kendall Ford, cited present poor economic conditions and said he did not see how, from a moral standpoint, the district could tax the business district any more.

Rick Wickam of Sanipac said his business believed the burden of supporting transit should rest with the people using the service.

Clark Cox suggested the business community should seek through the legislative process another source of income for the district. He said if the public would be willing to subsidize the district, it would eventually reduce highway costs.

David Hamaker, Western Graphics Corporation, asked the board to trim routes and cut back staff in order to reduce costs. He encouraged combining the transit system with school district busing.

Walter Prichard, also of Western Graphics, spoke of high unemployment in the area and objected to any increase in the payroll tax. He said the rejection by voters of various bond and taxing issues in the area indicated they wish public agencies to cut spending.

Responding to question by Mr. Schmaedick of any possible rescheduling or rerouting that would encourage Pape Bros. employees to use the bus, Mr. Moore said his business is located on a deadend street, not allowing a bus turnaround, and that their work hours vary. Mr. Wickam said the bus comes to within three blocks of Sanipac offices and he believed closer stops and better scheduling would encourage employees to use the system.

Mr. Hamilton said the testimony of the business community has reinforced what he has been saying. He added that through controlling costs and cutting back it would not be unrealistic to eliminate \$600,000 from the budget, the amount anticipated from the tax increase.

There being no further testimony, that portion of the meeting was closed.

MINUTES: The minutes of the May 15, 1980 budget committee meeting were unannouncedly approved as distributed.

BUDGET COMMITTEE DELIBERATION: Mr. Kohnen asked the staff to describe the effect on the system for the coming fiscal year if the payroll tax were not increased. Paul Shinn replied that all of the necessary savings would have to come from service and he distributed a table indicating five types of service used the least and the productivity of each.

MOTION

Mr. Hamilton moved to recommend to the board that the payroll tax be held at .005 for the ensuing year and to accept the presented service deletion of Saturday and weekday evening service, Sunday service, non-urban service, and to reduce Saturday frequency. Mr. Edom seconded the motion.

Mr. Schmaedick observed that it would be difficult to delete non-urban service at this time and believed a balanced budget could be accomplished by deletion of the other four listed.

AMEND  
MOTION

Mr. Schmaedick moved to amend the motion to retain the non-urban service. Mr. Hamilton seconded the motion.

Ms. McCarthy said she could not support cutting that amount of service. Mrs. Rich agreed, commenting that the service has been built into a usable system and, with the national gasoline situation, the district would be unable to cope with demand.

Mr. Kohnen remarked that the district has an integrated service and many of the items that would be deleted by the motion had been added in increments to offer a complete service, and there was need for still more service. He said a cut of that magnitude would set the system back a long way when it should be moving toward meeting coming demands.

Mr. Herbert concurred, noting that people use the bus during the day knowing they can ride it home in the evening and the service cuts would have more drastic effects than even the productivity figures indicated. He said it would cut off parts of an integrated service, rather than accessory service; that a full range of bus service available is an attractive alternative to the auto and would have an effect on long term decisions people are making. He said that although he and his employees do not often use the bus, he believed it enhances the viability of the community and the tax increase was not excessive but a good investment by his firm.

Mr. Hamilton reminded that the businessman is already bearing 70% of the burden and the fare increase is paying only a small percentage of the service.

VOTE           The question was put on the amendment and carried with favorable vote by Edom, Hamilton, Herbert, Kohnen, Langton, McCarthy, Roemer and Schmaedick. Mr. Baker opposed the motion.

Discussion followed on the main motion as amended. Mr. Edom said he agreed in philosophy with the need to move ahead toward long range planning but believed these are difficult financial times and the voters have indicated how they feel about taxation for transit service; that recognizing the situation the business community is in is very important and for that reason he would support the motion.

Mr. Schmaedick cautioned that the projected fare revenues were only a guess and he advocated cutting the service. He said this would recognize those people who say the tax is a burden and would also prepare for any necessary fallback. He suggested a set amount of \$600,000 could be deleted from the budget and staff given the flexibility to determine where the service cuts would be made.

Mr. Herbert said he had also been concerned about the estimates made on the projected tax base and asked that staff prepare a plan to implement should estimates prove too high. He advocated using the higher tax rate of .006 and to be prepared for two contingencies through the year, 1) if estimates are too high and revenues do not come in, to be prepared to pare down the system, and 2) if estimates are too low, reduce the payroll tax. He said it takes years to build service, that it cannot be turned on and off, and he would oppose cutting service at this time.

Mr. Schmaedick spoke further in favor of making reasonable service cuts at this time and to maintain the possibility of raising the payroll tax if needed later. Mrs. Rich said she preferred to leave the service intact and, if necessary, make cuts later.

Mr. Kohnen reminded that staff had made cuts of \$400,000 in the budget before it was presented to the budget committee, and the committee had subsequently made additional cuts amounting to \$320,000. He spoke of the need for a viable financing source to be able to utilize federal and state matching funds and for the implementation of programs being developed, such as the downtown transfer point and park'n'ride facilities, as well as fleet replacement on a schedule to avoid high maintenance costs. He expressed understanding of the unpopularity of the tax but pointed out several benefits of transit service to the business community. He commended the chambers on attracting industry to the area and spoke of the role of public transportation as the community continues to develop.

VOTE

The question was put on the main motion as amended and it failed. Voting favorably were Edom, Hamilton and Schmaedick. Opposed were Baker, Herbert, Kohnen, McCarthy, Rich and Roemer.

Mr. Schmaedick moved that the budget committee recommend to the board that they move with some haste toward cutting non-productive schedules and routes prior to putting into place a full new rescheduling and rerouting program. The motion failed for lack of a second.

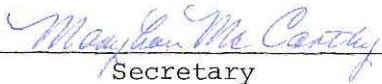
MOTION

Mr. Herbert moved that the budget committee approve the budget as presented and amended. Mrs. Rich seconded the motion and it carried with Baker, Edom, Herbert, Kohnen, McCarthy, Rich and Roemer voting in favor. Opposed were Hamilton and Schmaedick.

VOTE

The budget committee thus approved for recommendation to the board of directors the fiscal year 1980-1981 budget in the total amount of \$8,084,607, including \$571,420 for Administration, \$602,327 for Marketing and Planning, \$4,175,376 for Transportation, \$2,428,234 for Maintenance, \$27,250 for Contingency, and \$180,000 for Capital Projects; and with estimated resources of the same total amount of \$8,084,607.

The meeting was adjourned.

  
Secretary