

MINUTES OF DIRECTORS MEETING  
LANE COUNTY MASS TRANSIT DISTRICT  
REGULAR MEETING

June 17, 1980

Pursuant to notice given to the Register Guard for publication on May 30, 1980 and June 6, 1980, 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 June 17, 1980 at 7:30 p.m.

Present: Richard A. Booth, Secretary  
Daniel M. Herbert, Vice President  
Kenneth H. Kohnen, President, presiding  
Ted J. Langton, Treasurer  
Robert C. Loomis  
Glenn E. Randall  
Carolyn Roemer  
Phyllis Loobey, General Manager  
Mavis Skipworth, Recording Secretary

News media representatives:  
Marvin Tims, Register Guard  
KEZI

AUDIENCE PARTICIPATION: The chairman opened the meeting for public participation and there was no response.

PUBLIC HEARING ON 1980-81 BUDGET: Mr. Kohnen briefly reviewed the budget process leading to recommendation of the presented 1980-81 operating budget in the total amount of \$8,084,607. He advised that the board would hear testimony on the budget, would then consider the testimony received and later in the meeting would consider adoption of the budget.

Mr. Booth said he believed the action items should be undertaken immediately following the public testimony as it would give those people who had testified the opportunity to view action taken by the board. In ensuing discussion, it was determined that action should be taken on the payroll tax ordinance prior to adoption of the budget.

Mr. Kohnen explained that the budget as presented represented the same number of vehicle hours currently operating with a reallocation of service to alleviate overloading and eliminate hot routes, and that it included provisions for acquiring land and capital equipment. He said there had been considerable input from lay members of the budget committee on different types of service and, although there was not adequate time to include their suggestions in this budget, their input would be given careful consideration in future planning and full public review. He pointed out that the budget committee had cut approximately \$350,000 in expenditures, in addition to a staff initial cut of \$400,000, and that the budget reflects wage increases included in the labor contract and approved non-contractual salaries resulting from a subcommittee study. He said the projected revenues include a fare increase approved by the board and an increase in the payroll tax to .006, effective July 1, 1980. He opened the meeting for public testimony.

Mr. Booth commented that cuts made in the presented budget were additions proposed internally by staff and he wished it made clear that this budget represents a substantial increase over the current year.

Clark Cox, 1085 Patterson Street, said that while he would prefer to retain the payroll tax at the current level, he would suggest increasing it for a one year period while developing a new system design and to work with the legislature and small cities who have expressed a willingness to help improve the long range financial picture. He said transit will have to become regarded as a public service. He expressed his appreciation that the board has attempted to keep the present system intact.

Emerson Hamilton commended the board for increasing fares, saying he believed it would benefit the district. He encouraged the board to address fare increases more frequently in the future. He expressed support of board action to retain the current transfer policy and asked the board and chamber to take a supportive position on the governor's proposal for an "in lieu of" tax for other governmental bodies. He said he had felt frustrated that a conservative philosophy was not evident in the budget process, as there had been an opportunity to reach out to the business community in a show of good faith and an expression of appreciation for their past financial support. He spoke of inequities of the payroll tax on those businesses adversely affected by the current economic conditions and said he believed there was an unwritten agenda to introduce a bill that would double or triple the payroll tax. He said although he has supported the district he believes they have opted to short term expediency in the budget by wishing to raise the payroll tax.

Bonnie Knutzen said she was involved in a small business in Junction City and believed an increase in the payroll tax would drive out some businesses. She suggested it would be appropriate to have taxpayers vote on any increase.

MOTION  
VOTE

MINUTES: Upon motion by Dr. Loomis, seconded by Mr. Booth, the minutes of the May 20, 1980 regular meeting were unanimously approved as distributed.

ORDINANCE NO. 20: The chairman stated that a first reading of Ordinance No. 20 had been held at the May 20, 1980 meeting and a second reading would be required prior to adoption.

MOTION  
VOTE

Mrs. Roemer moved, seconded by Mr. Randall, to read the ordinance by title only and the motion carried unanimously.

Mr. Kohnen advised that copies of the full ordinance were available for interested persons. He read "Ordinance No. 20. An ordinance imposing an excise tax on employers, providing for administration, enforcement and collection of the tax and terminating the application of Ordinance No. 16."

MOTION

Mr. Herbert moved that Ordinance No. 20 as read by the chairman be adopted. Mrs. Roemer seconded the motion.

Dr. Loomis said he was opposed to the increase as it was his philosophy that the rider should have carried the additional burden of a 65¢ fare, rather than penalizing the business community.

Mr. Booth agreed, saying it did not seem right to increase a totally unfair tax during the current poor business climate.

Mr. Kohnen stated that the board was not in favor of the tax but that other revenue means available would not produce the level of revenues required to operate the system. He said without the tax increase service cuts would have to be made at a time when transit should be growing with the rest of the community. He expressed doubt that a higher fare would increase revenues as it would have an adverse effect on ridership.

Mr. Booth said a large segment of the business community is suffering at this time, that the community is not growing and he believed if the bus system were run as a business, the service could be provided on a lower amount of revenue.

Dr. Loomis disagreed with a staff analysis that equal revenues would be derived from a 60¢ and 65¢ fare because of ridership loss. He said there was no certainty that the projections would be accurate.

Mr. Herbert observed that if fares were raised still higher, fewer people would ride and fewer vehicle hours would be required, and the system would soon collapse. He said while he felt a reluctance to raise the payroll tax, without that additional revenue massive cuts in service would be required, resulting in not just a reduction in quantity but also in quality and would be a step backward in reliability. He reminded that the board has in the past lowered the payroll tax and if it should again appear possible to do that, he would be in favor of that action.

Dr. Loomis moved to amend the motion to approve the ordinance for fiscal year 1980-81 and that although the increase could be reconsidered at any time, it must be reconsidered during the budget process for FY 1981-82. Mr. Langton seconded the motion.

Mr. Randall objected to fixing a definite time mandating a reconsideration of the ordinance. Mr. Herbert said he could not support the amendment as it was worded but would be willing to review and reconsider the payroll tax level after one year.

Dr. Loomis withdrew his amending motion and Mr. Langton withdrew the second.

VOTE

The question was put on the main motion and carried with favorable vote by Herbert, Kohnen, Randall and Roemer; opposed by Booth, Langton and Loomis.

Mr. Randall said that in response to Mr. Hamilton's expression of personal and chamber frustration of the board's refusal to recognize the input of the business community, he wished to state that until the business community joins with the LTD board in actively and aggressively seeking an alternative solution to the funding of the district, the board has no other alternative than to raise the payroll tax to the maximum state limit.

MOTION

Dr. Loomis moved the board reconsider at any time during the year, but no later than the next budget process, the increase just invoked on the payroll tax. Mr. Randall seconded the motion and it carried unanimously.

VOTE

ADOPTION OF FY 1980-81 BUDGET: Mr. Shinn presented a memo requesting two changes in the approved budget prior to adoption. The first recommended shifting \$13,500 from bus operating line items to a newly created line item to accommodate the Transition Plan for curb-to-curb contracting with taxi operators. Responding

to board questions of the advisability of retaining an extra Dial-A-Bus vehicle after one schedule is phased out, Mr. Dallas said maintenance has had to be postponed on all of the vehicles due to a shortage of spares, and also, the vehicle could possibly be utilized on low ridership routes.

Mr. Shinn explained that the second revision would be a change in format to indicate capital outlay by source of funds rather than by project, which he said would result in fewer line-items and less format changes in future budgets.

In following discussion on the productivity of the Dial-a-Buses, Dr. Loomis inquired if vans would prove more economical. Mr. Dallas said the vehicles would be less costly, but the equipment was not the major expense of the service. Mr. Booth said it appeared more people could be served through the use of vans.

MOTION

Mr. Herbert moved to adopt the budget for fiscal year 1980-81 with the line item revisions as specified in the distributed memo. Mr. Randall seconded the motion.

Mr. Booth spoke of his objection that no effort was made to change the date of the May 22, 1980 budget committee meeting after it was mentioned that Dr. Loomis, Mr. Hansen and he would be unable to attend.

In following discussion of category increases, Mr. Booth said he believed the district did not attempt to save the taxpayers money.

VOTE

The question was put and the following resolution carried with favorable vote by Herbert, Kohnen, Loomis, Randall and Roemer. It was opposed by Booth and Langton.

BE IT RESOLVED that the budget of Lane Transit District for the Fiscal Year 1980-81 in the total combined fund sum of \$12,416,131 is hereby adopted.

MOTION  
VOTE

Upon motion, duly seconded, the following resolution to appropriate funds for fiscal year 1980-81 was adopted. Voting in favor were Herbert, Kohnen, Loomis, Randall and Roemer. Opposed were Booth and Langton.

BE IT RESOLVED that the amounts for the Fiscal Year 1980-81 are appropriated for the following purposes by organizational unit:

GENERAL FUND	Administration	\$ 319,389	For Personal Services
		\$ 56,751	For Materials & Supplies
		\$ 195,280	For Contractual Services
	Marketing & Planning	\$ 391,407	For Personal Services
		\$ 63,620	For Materials & Supplies
		\$ 147,300	For Contractual Services
	Transportation	\$ 4,129,771	For Personal Services
		\$ 35,605	For Materials & Supplies
		\$ 13,500	For Contractual Services
	Maintenance	\$ 1,057,671	For Personal Services
		\$ 1,402,808	For Materials & Supplies
		\$ 64,255	For Contractual Services

Unallocated Expenditures \$ 27,250 For Operating Contingency  
\$ 180,000 For Transfer to Capital  
Projects Fund

CAPITAL PROJECTS FUND \$ 4,331,524 For Capital Outlay, and

BE IT FURTHER RESOLVED that the General Manager is authorized to make expenditures and incur obligations within the limits of the foregoing.

TRANSIT DEVELOPMENT PROGRAM: Ken Powis, Director of Marketing and Planning, presented a revised draft of the 1980-81 Transit Development Program (TDP), explaining the Program has been prepared as a one-year working document pending completion of the comprehensive review of service design, and was in conformance with the adopted budget.

Dr. Loomis said he did not agree with the projected level of decrease in productivity and efficiency for 1980-81 to result from the fare increase. Mr. Langton objected to any continued reference to a projected ridership decrease, saying it could be self-fulfilling. Ms. Loobey concurred and said emphasis would be placed on the savings and advantages of passes and discounted tokens.

In continuing the overview of the TDP, Mr. Powis pointed out that a broader funding base should be sought to improve the long term financial position as present revenue sources would be inadequate to meet growth in the community and demands for mass transit. He called attention to a schedule including board involvement and public review of the comprehensive route redesign approved by the board.

Mr. Booth observed that the board would wish to be involved in the concepts for route redesign but would not need to participate in route detail. Dr. Loomis and Mr. Randall expressed agreement. Mr. Randall said the board should rely on staff and should be concerned only with performance results.

Mr. Booth suggested accelerating the review schedule to implement a route redesign early in 1981 and to be responsive to any needed changes that became apparent. Mr. Randall and Dr. Loomis concurred that the review process should be shortened. Mrs. Roemer said she believed ample time should be taken to receive all public input.

Mr. Randall left the meeting temporarily.

MOTION  
VOTE

Dr. Loomis moved that the board adopt the 1980-81 Transit Development Program as included in the agenda packet. Mr. Booth seconded the motion and it carried with unanimous vote by Booth, Herbert, Kohlen, Langton, Loomis and Roemer.

WORKERS COMPENSATION: Presented in the board packet was a proposal from Koford-Chapman Insurance, Inc. to retain their firm on a personal service contract basis for negotiating a reduced workers compensation program for the district.

Mr. Randall returned to the meeting.

Don Waddell, of Koford-Chapman, Inc. explained to the board the financial advantages to the district of retaining a professional negotiator.

MOTION

Upon motion by Mrs. Roemer, duly seconded, the board authorized staff to enter into a personal services contract with Koford-Chapman Insurance, Inc. for the purpose of securing a more cost-effective workers compensation program through SAIF. The favorable vote was unanimous.

MEDFORD BUSES: Mr. Dallas presented a memo describing two used 400 series buses currently for sale by Rogue Valley Transportation District in Medford and recommended that the district purchase the vehicles. He said staff had inspected the buses and found them to be in acceptable condition at a reasonable price. He explained that this would not increase the number of buses to be operated but would increase the limited number of spares available.

MOTION  
VOTE

Mr. Randall moved to purchase the two buses from Rogue Valley Transportation District for \$24,000. Dr. Loomis seconded the motion and it carried unanimously.

MOTION  
VOTE

BUDGET TRANSFER APPROPRIATIONS FOR FY 1979-80: Upon motion by Mr. Randall, seconded by Dr. Loomis, the board unanimously approved the following resolution:

WHEREAS, unforeseen operating cost increases have occurred since budget appropriations for Fiscal Year 1979-80 were approved, and

WHEREAS, it is necessary to revise appropriations that allow continuation revisions are hereby approved:

REDUCTIONS IN APPROPRIATIONS

General Function - Personal Services	(\$ 10,000)
Transportation - Materials & Supplies	(\$ 5,000)
Maintenance - Contractual Services	(\$ 2,000)
Administration & Planning - Personal Services	(\$ 29,000)
Administration & Planning - Materials & Supplies	(\$ 22,000)
Administration & Planning - Contractual Services	(\$ 10,000)
Transfer to Capital Projects Fund	(\$ 63,150)
	<u>(\$141,150)</u>

INCREASES IN APPROPRIATIONS

General Function - Materials & Supplies	\$ 6,000	for utility and employee program expenses
General Function - Contractual Services	\$ 25,000	for professional services and interest expenses
Transportation - Personal Services	\$100,000	for supervisory and payroll costs
Transportation - Contractual Services	\$ 150	for radio transmitter site lease
Maintenance - Personal Services	\$ 10,000	for payroll costs
	<u>\$141,150</u>	

BE IT FURTHER RESOLVED that the General Manager is authorized to make expenditures and incur obligations within the limits of this resolution.

APPOINTMENT OF SUBCOMMITTEE FOR ARCHITECTURAL SITE REVIEW: The chairman appointed Mr. Herbert and Dr. Loomis to serve as a subcommittee to review the district's property needs. The charge to the subcommittee included: 1) to review the architect's final report, 2) to make a preliminary recommendation to the board at the July regular meeting concerning the present site and improvements recommended in preparation for the arrival of the new rolling stock, and 3) to prepare a final report to the board for presentation at the August or September board meeting on alternate sites analysis with identification of the major policy issues for board action.

DOWNTOWN TRANSPORTATION STUDY REPORT: Upon motion by Mr. Randall, duly seconded, the meeting was adjourned to 7:30 a.m., June 23, 1980 at Mr. Steak Restaurant, Broadway and Garfield Streets, Eugene, for a work session on the Downtown Transportation Study Report.

*Richard A. Book*

Secretary