

MINUTES OF BUDGET COMMITTEE MEETING

LANE COUNTY MASS TRANSIT DISTRICT

ADJOURNED MEETING

April 28, 1981

Pursuant to notice given at the April 14, 1981, Budget Committee meeting, a meeting of the Budget Committee of the Lane County Mass Transit District was held at the City Hall in Eugene, Oregon, on April 28, 1981, at 7:30 p.m.

Present:

Board Members

Richard A. Booth, Secretary
Daniel M. Herbert, Vice President
Kenneth H. Kohnen, President
Ted J. Langton, Treasurer
Robert C. Loomis
Glenn E. Randall

Appointed Members

John DeWenter
Carole Erbe
Emerson Hamilton
Richard Hansen, Chairman, presiding
Joel Kaplan
Joan Rich, Committee Secretary
Ronald Schmaedick

Phyllis Loobey, General Manager
Paul Shinn, Budget Officer
Jo Sullivan, Recording Secretary

News Media Representative:

Marvin Tims, Eugene Register-Guard

Absent:

Carolyn Roemer

INTRODUCTORY REMARKS BY COMMITTEE CHAIRMAN: Richard Hansen, Committee Chairman, remarked that if all went well at this meeting, one of the remaining two scheduled meetings could be eliminated.

AUDIENCE PARTICIPATION: There was none.

APPROVAL OF MINUTES: Mr. Kohnen suggested that on page 7 of the minutes of the April 14, 1981 meeting, in the first sentence, the word "interest" be substituted for "1981-82," thus clarifying the meaning of the discussion. Mr. Booth said that on page 4 of the same minutes, in his statement regarding the District being accused by the public of spending all the money it receives,

he had actually meant to say that the District is accused of spending all the money it can tax for, and that he would like the minutes changed to reflect that idea. Also, on page 10 of the minutes, Mr. Booth thought that an important discussion had been too narrowly summarized; that is, in the discussion of concern regarding a high percentage of anticipated revenue to generate that revenue, Mr. Booth asked that the discussion itself be shown in the minutes, especially regarding the spending of \$100,000 for advertising expenses in comparison with the total generation of passenger revenue.

At this point, Mr. Schmaedick commented that he had not found a discussion in the minutes that he had thought was important, regarding the deletion of \$2,000 from Administration's training and travel budget. He thought that the issue of people in private industry having to cut down on their travel was an important consideration in his reasoning for voting to cut money from the Administration budget. He added that he would rather not make this a correction to the minutes, just a comment.

MOTION
VOTE

It was moved and seconded that the minutes of the April 14, 1981 Budget Committee meeting be approved as amended. The motion carried unanimously.

BUDGET COMMITTEE DELIBERATION:

Follow-up Report--Marketing & Planning Department Personnel: In referring to her memo on page 11 of the April 28 agenda packet, Phyllis Loobey said that in reading the minutes of the last meeting, she observed that the committee was basically concerned with the Director of Marketing and Planning position, so she had directed her memo to that issue. She added that she would be happy to answer any questions the committee might have about staffing in the Marketing and Planning Department.

Mr. Booth commented that the Budget Committee should know that if they feel strongly about this issue, they should take action and then refer it to the Board, because there is a slightly different make-up on the Board than on the Budget Committee.

Ms. Rich said that from the discussion at the last meeting, she thought Ed Bergeron, Marketing Administrator, and Ellen Bevington, Planning Administrator, could be given higher salaries, and asked if that could be done. Ms. Loobey responded that it isn't so much a matter of elevating staff presently employed in the department. She said that last year the Marketing division and the Planning division were reviewed and it was decided to put those divisions in one department, and that elevating staff will not insure that the process of supervision and coordination of divisions will continue as envisioned. Presently, she said, Marketing, Planning, and Customer Relations are supervised by the Director of Operations, the Director of Administrative Services, and the General Manager. A difficulty in the supervision and coordination of those divisions arises because the work they do is on a continuum and could benefit from more direct supervision. Ms. Loobey said that after much discussion, the three department heads had decided to reorganize some of the duties in order to continue without a Director of the Marketing and Planning Department.

Mr. Booth said he thought the District did need a Director of Marketing and Planning, but that staff would probably find in last year's minutes that after the big "crunch" of the Comprehensive Service Redesign the position wouldn't be needed so badly. He said he likes the organizational structure the staff have now but he thought the money to pay for the Director position should come from streamlining of the number of people already employed.

MOTION

Mr. Hamilton moved that the Budget Committee delete the funding for the Director of Marketing and Planning, which equals \$23,100. Mr. Booth seconded the motion.

Mr. Hamilton stated that it may not be appropriate for a member of the Budget Committee to direct the staff on how to organize the departmental functions, but that if a Director could be appointed from within the present staff, that would be good. He said he did not see the economic situation in the community getting better, and that the District's economic forecasts are optimistic. He thought it would be appropriate to leave out the funding and have the staff fulfill the duties.

Ms. Rich commented that Mr. Hamilton was suggesting that one of the staff assume a lot of extra duties but receive no extra pay.

Mr. Randall said that the District is taking valuable time away from other necessary responsibilities by assigning the Director of Operations, the Director of Administrative Services, and the General Manager to supervise the divisions in the Marketing and Planning department. He stated that he would support the recommendation of the staff that would fund the position but not to fill it until sometime in the future.

Mr. Booth said that the motion called for the position to be filled, so the work would be getting done. Ms. Loobey stated that the committee would be inhibiting the staff's flexibility more by taking out one of the middle management positions than it would by taking away the top position.

Mr. Langton asked how many staff were in the department. Ellen Bevington responded that there are three Marketing Representatives, and one Marketing Administrator, one Planning Administrator, one Facilities Planner, one Service Planner, one Service Analyst position that is job-shared by two people, one Customer Relations Administrator, and six Information Clerks. Mr. Langton then asked what a Director of this group would do other than supervise. Ms. Loobey responded that the Director would be a member of the top management team, and would spend a lot of time with public relations and marketing with organizations in the community. She explained that the District has at least 35 different publics: the Chambers of Commerce and other city and county organizations, the non-riding public, the riding public, etc. She said that the Director's duties would be involved with coordinating the complexities of the programs in the divisions, not just with supervision of lower level staff.

At this point, a clarification of the intention of the motion was made. The motion is to delete dollars from the budget, not any positions, Mr. Hansen said.

Mr. Herbert asked what would be the impact of not deleting a position but deleting the money out of the budget, and what would not get done. Ms. Loobey responded that the staff would have to look at programs for the entire year and set priorities, that some things would have to be not done, some things would be delayed for a period of time, etc. Mr. Herbert then said that he is impressed by the statements of the condition of the economy that suggest that some reductions have to take place, but that it seems arbitrary for the committee to say that cuts should occur in certain places, since the committee members don't know what might not be done. He said that making that kind of budget cuts would be more like just making a gesture, and that he would feel more comfortable addressing this issue at the next meeting, with a report from Ms. Loobey on what the impact would be.

Joel Kaplan asked Ms. Loobey if she would prefer not to fund the Director of Marketing and Planning position, or if she would prefer not to have the \$23,100, to which Ms. Loobey responded that she would prefer the former.

Mr. Schmaedick thought the committee had a broader question before it: what they want to view the whole Marketing and Planning program as. He stated the need to look further at Marketing funds as compared to revenues. He also said he would hate to hire someone in a position after the major part of a program is finished, and then have to lay off someone later.

MOTION
VOTE

Mr. Schmaedick moved that the motion on the floor be tabled. Mr. Herbert seconded the motion, which carried by a vote of nine to four, with Hamilton, Hansen, Kaplan, and Loomis voting no.

Mr. Booth then said that he would like to present some information to think about until the next meeting, which he had collected after the last meeting's discussion of farebox revenue compared to advertising expenses. He said he asked a member of the board of the telephone company what they spend in that regard. He then handed out a sheet entitled "100 Leaders' Advertising as Per Cent of Sales." He said that American Telephone and Telegraph spends 0.4 of one percent and International Telephone and Telegraph spends 0.8 of one percent for advertising as percentage of sales. He thought that LTD would come close to the airlines for comparison, because both are in the transportation business, and some figures for airlines are listed on the sheet he handed out. He stated that the only revenue the District's advertising can affect is farebox revenue, since the payroll tax is set by law. In comparison, he showed that the airlines spend a little over 1% of their sales resources for advertising and if LTD were to do the same, the District would spend closer to \$17,000 rather than the proposed amount of \$104,000.

Mr. Hamilton asked if the committee was wasting time looking at the budget on a line-item basis, or if it should be looking at it on the basis of revenue instead. Mr. Hansen asked if the committee would like to look at the overall budget first and then line items. Mr. Randall said he thought the staff were being put into an untenable position by having the committee remove "x" number of dollars without the staff knowing the cuts were coming and not being able

to adequately prepare a response on what the effects of those cuts would be. Mr. Hamilton thought staff should be able to respond without further preparation, but Mr. Randall said again that he would rather have the staff have a chance to look over possible cuts and evaluate them. He added that he did not have any "dreams" about the District having all the money it would need, but that he thought the staff should have time to prepare a response based on the direct impact of cuts.

Mr. Shinn stated that he had no trouble with the committee wanting to cut or add to different parts of the budget--the staff could deal with that later. What he did have trouble with, he said, was the idea that the sort of motion proposed (to delete an amount of money equal to the funding of a position) could be answered without discussion among top management staff. He said that Mr. Randall's remarks apply to that sort of motion, because, at the beginning of the budget process, it was decided to take the budget one step or category at a time, and that is what the staff had done. He added that it takes a lot of staff time and work to prepare each agenda for each meeting, and that the committee had agreed at the beginning of the process to save revenue for last, and that is what they would need to do.

Mr. Hansen commented that denying funds to recreate a position not presently being funded in this year's budget is not unreasonable. He said that he would not expect the staff to have answers "off the top of their heads," but that the committee needed to look at these proposals and take action. He said the staff would like to have the most efficient operation, and it is up to the committee to decide how much money staff can have for that purpose.

Mr. Kohnen reminded the committee that at the beginning of the process he had asked if the decisions the committee made would be tentative, and it was decided that they would. He said that as the committee looks at line items, they will make decisions, and then later when they look at revenue they can review what has been done.

Mr. Schmaedick commented that the committee wants to get the budget process finished in a short time, but that the staff should be able to come back to the committee and ask that certain areas be reconsidered, also. He added that the staff have the authority to move certain expenses within categories.

Mr. Hansen said he would like the committee to go on a line-item basis, and that he would like the committee to make decisions with the understanding that those decisions are tentative and that the staff has the obligation to come back to the committee and tell them if any of those decisions are going to cause major problems.

Ms. Rich commented that she would like to go through things and get an idea of the feeling of the group, and said she was a little worried that everyone had wanted to delete and not the opposite. She suggested that the committee get on with Transportation and Maintenance budgets that evening and then go back to Marketing and Planning later.

Mr. Booth asked if it was understood that the staff were going to come back to the committee regarding Marketing and Planning. There had actually been no direction given to the staff in the tabling of the motion, but consensus of the committee members was that that had been the intent of the tabling, so staff were directed to report back to the budget committee at the next meeting regarding the proposed cuts in the Marketing and Planning budget.

B. Transportation Department: Tim Dallas, Director of Operations, said that he would make a few brief remarks and then would answer any questions the committee might have regarding the budgets of the two departments. He told the committee that the Transportation Department is the one employing all the bus operators and is the largest department in the District, and involves efficiency, quality control, and reliability kinds of services. There were two major goals in the new budget: (1) to have the Transportation Department more involved in routing and facilities design, and (2) to have the field supervisors become more involved in passenger complaints--so the people who are supervising the drivers will be in contact with the public who are pleased or displeased with the service. He also said that it is sometimes difficult to remember that the department is open for long hours: from 4:00 a.m. to 11:30 p.m. on weekdays; from 6:00 a.m. to 11:30 p.m. on Saturdays; and from 6:00 a.m. until 8:30 p.m. on Sundays.

Regarding the Maintenance Department, Mr. Dallas said that they are open 24 hours a day, seven days a week, because a lot of effort goes into making vehicles available. He said that the retrofitting of the 500-series buses with wheelchair lifts will be a major program for this department. He said that the effect on the budget is that the Maintenance Department is proposed to be reduced by three positions, which is anticipated to be done by attrition (one position has already been left vacant). This is possible, he explained, because of the training program which has upgraded skills of maintenance staff, and because of the reduction in driving time, which means less maintenance time.

Mr. Langton asked if there would be fewer drivers, and Mr. Shinn replied that the number of drivers in the budget is five fewer than the present, due to a 5% reduction anticipated in September.

Mr. Schmaedick asked what maintenance items are contracted out, and Paul Shinn directed his attention to page 15 of the April 28 packet, or page 33 of the April 14 packet, where the contractual services items (vehicle maintenance, radio repair, custodial, and signs and shelters) and their costs and projected increases are listed.

Ms. Rich asked how many more vehicle miles create the need for another mechanic. Mr. Dallas responded that it is hard to answer because of other factors involved, such as the age of the equipment, the kind of equipment available, and the types of use the vehicles are put to. He mentioned that the District just put lift-equipped buses into use, and the operators and mechanics are not yet used to working with that equipment. He added that

the Maintenance Department should be well adjusted to the new buses by the time of the anticipated reduction in mileage, but that it is not easy to say that the department can reduce 5% of the staff for a 5% reduction; one must translate reductions into specific programs in the budget year.

Mr. Hamilton said he had been reading materials that say that lifts are high-maintenance items, and asked how they are required and if there are other options. Mr. Dallas answered that there are presently three requirements: (1) the Federal 504 regulations, that say that anything bought with Federal money shall be lift-equipped until 50% of the fleet is lift-equipped; this standard has to be met within three years. If not met, the District would be mandated to provide curb-to-curb service within the entire service area, which it does not do now; (2) state regulations, which say that buses purchased by districts in the state must be lift-equipped; and (3) Board policy, which states that buses bought shall be lift-equipped, and that the District will have accessible fixed-route service. He added that it is stated in the Transition Plan that the District will shift Dial-A-Bus service to broader based social agencies. Ms. Bevington further explained the Federal regulations, saying that all buses bought now with Federal money must be lift-equipped, regardless of percentages of accessible service in the District.

Mr. Schmaedick asked again if there are alternatives to having lift-equipped buses, to which Ms. Bevington responded that the staff believe that in the long run it will be more cost-effective to offer fixed route accessible service at the rate of \$1.20 per passenger, as opposed to Dial-A-Bus at the rate of \$20.00 one way.

In answer to a further question from Mr. Schmaedick, Ms. Bevington restated that the Federal and state regulations would not allow the District to have fewer lift equipped buses if curb-to-curb service were still provided. She said that as of 1979, anytime a bus is bought with Federal funds, it must be lift-equipped, but that there is no retrofit requirement if the District can meet the 50% requirement within three years.

Mr. Shinn stated that he would strongly recommend that the Board take advantage of a good deal, considering the cost differential in providing individual curb-to-curb service or fixed route accessible service, to which Ms. Loobey agreed. She said it would be more punitive to run Dial-A-Bus service, which is not productive and would be more costly overall, and new buses would still have to be lift-equipped.

Mr. Randall asked if the Maintenance Department could lose three mechanics and still retain the preventative maintenance program. Mr. Dallas said it could.

In response to a question from Mr. Booth, Mr. Dallas said that it is expected that fleet mileage will probably go down, but the peak to base ratio will go up; more buses will be running for shorter periods of time. At peak hours, there will be six to seven more buses running, but fewer at the middle of the day, so there will be more time for maintenance during the day on some buses.

Mr. Booth stated that he has been concerned for a long time that the District is way overloaded in maintenance staff, but that Tim Dallas does not feel that way. Mr. Booth then asked Mr. Dallas to explain what he feels makes an efficient system--is it number of people to number of miles? Mr. Dallas said that it is not that simple; he looks at what equipment is run in a given year, how the present staff has run the present service, and interpolates that to the next year. He added that about 15 issues enter into any budget decision for that department, including the retrofit project for next year, the reduced fleet mileage, the shift from high maintenance twin coaches to the 700's.

Mr. Booth asked again what the Federal requirement for accessibility is, and Ms. Bevington responded that it is for 50% accessibility for peak hour buses. Mr. Dallas explained that the District now has 18 accessible buses, and that 14 are used and 4 are spares for accessible (and other) routes--that the spare for an accessible bus has to be an accessible bus.

Mr. Hansen directed the committee to look at the Transportation Department line item areas on page 40 of the April 14 packet, and page 12 of the April 28 packet.

Mr. Kaplan asked why retirement is lower than last year and unemployment is running higher. Mr. Shinn responded that there are now fewer operators to pay retirement on, and that unemployment is high this year because the District laid off 19 people in January, but next year won't have to lay off that many.

In beginning discussion on the Personal Services category of the Transportation Department, Mr. Booth said that he thinks this area is effectively run, that the District is not top-heavy in supervisors to operators. He said that the contract benefits are high and they are subject to contract, and that there is not much in this area that the committee has control over.

Mr. Schmaedick asked how many supervisors there are. Mr. Dallas listed eleven: four field supervisors, five system supervisors, and two Dial-A-Bus supervisors. Mr. Schmaedick then asked if there is any way to cut back on the Dial-A-Bus supervisors, but Tim Dallas explained that the phase-out period is expected to take about two years, and that he would hesitate at this point to start downgrading the District's part of the Dial-A-Bus service until it is contracted out. He stressed that this is a very important service to the community.

Mr. DeWenter asked about the differences in line item 8, Clerk Typist, and in Training and Travel. Mr. Dallas said that the Clerk Typist position is less because it was budgeted for a full year but only filled for a partial year. Mr. Shinn said that in the Training and Travel category, staff had budgeted for the supervisors to make site visits, but because of the heavy workload it hasn't been possible. He added that staff do want to rebudget the funds again this year. Mr. Hamilton asked if the same purpose could be served by having one supervisor making a site visit and training the rest.

Mr. Dallas explained that the site visits are designed to give supervisors some exposure to other transit districts, and that this program has paid big dividends in the past.

Mr. Hansen asked for other comments on the Personal Services category of the Transportation Department; there were none.

Regarding the Materials and Supplies category of the Transportation Department budget, there were several comments that there is not much that can be done about the expenses listed. Mr. Kaplan asked a question regarding the costs of Fuel and Lubricants, which Mr. Shinn answered by saying that fuel per gallon is expected to be about 25% higher than what the District paid this year. Mr. Hansen asked why printing costs were double in the 1981-82 budget. Mr. Shinn said that most of that expense is allocated for transfers, that only about eight months' worth of transfers were bought this year, from about October until the end of the fiscal year. There are 100 transfers per book, and each book costs 28¢.

Mr. Kohlen asked if the chairman would like to have a motion regarding the Transportation Department budget. Mr. Hansen said that since everything is tentative and there are no negative comments against those budgets, the committee is approving things as they are and motions and votes are not necessary.

C. Maintenance Department: In discussing the Personal Services category for the Maintenance Department budget, Mr. Shinn said that differences in the category are due to employees moving from Mechanic II to Mechanic I after completing the training program, when vacancies occur. Regarding the Tool and Differential line item, he said that there is a wage differential paid to those who work between 6:00 p.m. and 6:00 a.m., and that there is a tool allowance of 8¢ per hour (employees provide their own tools). Tim Dallas added that all but the top two positions are contract employees.

Mr. Booth told the committee that he feels totally different regarding this department than he does about Transportation; he thinks Maintenance is totally overstaffed, and when compared with Dorsey, LTD's number of employees to amount of equipment is high. Ms. Rich commented that she would like to see the figures in order to know how high the District actually is.

Mr. Randall stated that Dorsey provides school bus and charter service, and when school bus service is provided there is a captive ridership, unlike LTD's voluntary ridership. He thought that even the manager of Dorsey would not be able to make the comparison.

Dr. Loomis stated that he agreed with Mr. Randall, and would rather go outside the local area for comparisons. He thought that comparison figures should be available through UMTA for Tri-Met, Seattle, or other districts, and that APTA should have national figures. He said he thought the Dorsey comparison would not be reliable.

Mr. Hansen thought the District should look at districts with number of buses and age spread of buses similar to LTD's. Dr. Loomis said the District is a public system and should be compared with other public systems.

Mr. Dallas told the committee he thought the information would be available, but that he couldn't guarantee that staff could get up to the minute information. He said they would obtain whatever information is readily available; that some has been received in the last two to three months.

Mr. Hamilton asked Mr. Shinn about the 25% reduction in line 20 of the Maintenance budget (page 42 of the April 14 packet) for SAIF. Mr. Shinn replied that it is due to the District going to a cash flow plan rather than the regular SAIF plan, and Ms. Loobey added that there had not been a time loss injury in Maintenance for 463 days.

Mr. DeWenter asked regarding line 5 of the same page, about the reason for the substantial increase for journeymen in 1981-82 compensation. Tim Dallas responded that the District budgeted for 6 journeymen but was operating with only five; that people are progressing through the training program to higher levels, and the District wants to fill that position again. Mr. Shinn said that this will show up as one less Mechanic II in the long run, and Mr. Dallas added that the department now has more people at a lower pay scale than were previously budgeted. Dr. Loomis commented that it looks as if the Mechanics II make more money than the Mechanics I. Paul Shinn said that he may have made an error and would check those categories.

Mr. Hansen summarized by saying that at the next meeting the committee would look at numbers of maintenance personnel, with data to be provided by Tim Dallas. He said that the committee would be better able to make decisions, and that staff should be ready to defend the budget if the committee looks at decreasing personnel.

Regarding the Materials and Supplies budget for Maintenance, Mr. Langton asked if everyone felt comfortable with a 25% increase in fuel. Mr. Shinn explained that it would be a 25% increase on a per gallon basis for the whole year, or 30-33% above where we are now. He said the price has gone up 15% this year with deregulation, and that the supply could tighten up. He admitted that the proposed figure is a wild guess, but said that this year the District was too optimistic, and the previous year, too pessimistic, and added that he would rather be \$100,000 high than low.

Mr. Dallas commented that diesel is approaching gasoline in price, to which Mr. Randall added that he had heard that diesel for heating and operation of vehicles will be in shorter supply than gasoline.

Mr. Booth asked if, with the new buses, parts would decrease substantially, and if the District had bought spares as part of the capital expenditure. He said that as an operating item this year, one-third of the buses aren't going to require new parts.

Mr. Shinn explained that staff budgeted a net increase of about 6%, and that a reduction in parts used is reasonable, but unit costs are going up. Mr. Dallas added that the inventories have been kept down, and that the percent is based on what is projected, not what is budgeted. He said there is a 10% increase adjusted for mileage reduction. He added that the department is behind on getting parts for new buses, so the inventory is not yet built up.

Ms. Rich asked how many over-age buses are owned by the District. Mr. Dallas replied that there are 11 in the "mothball fleet" and that the District is running some 1960 and 1962 buses, but that his definition of old buses is those of the 1950's. He said that those 1950 buses have been reducing in the District's inventory for the last 1½ years, and that a cost reduction started showing up in last year's proposed budget. He said that the District is still running some of the gasoline fleet and has to maintain a minimum spare parts inventory for them. Mr. Booth commented that the staff had said that Portland had a low Maintenance budget because they had lots of new buses, but when LTD gets new buses, we don't get a reduction in cost.

Mr. Hansen stated that when Tim Dallas looks at this information, he will look at overall information for Maintenance, not just at personnel, and said that the committee will have a re-report on Maintenance at the next meeting.

Capital Projects Fund: Mr. Shinn informed the committee that major projects in this category would be finishing the current Federal grant, working on three transit stations, and retrofitting 20 of the 500-series coaches with wheelchair lifts. He directed the committee's attention to page 46 of the April 14 agenda packet, and to page 18 of the April 28 packet.

Dr. Loomis said he would like to look at the income side of this area before looking at expenditures, and asked about a 10% cut across the board in grants. Mr. Shinn said that staff had not anticipated any cuts in UMTA capital. He explained that if LTD's funds are cut, the District will have a problem with retrofitting buses with lifts; contracts have already been signed for everything else. He added that he feels pretty certain that the District's funds will not be cut.

Mr. Booth mentioned the beginning balance of \$134,400 and asked where the ending balance is. Mr. Shinn called his attention to page 47 of the April 14 packet, line 15, expenditures, and said that staff have put \$300,000 into the reserve. Mr. Booth said that justification is needed to increase the reserve. Mr. Shinn said that at the bottom line the District needs to carry over about \$250,000. He explained that according to the TDP for the next three years, the District will attempt to replace the twin coaches, will attempt to work on a garage facility, and will work on the Customer Services Center in downtown Eugene. He said the reserve fund needs to build up slowly for long-range goals of the District.

Ms. Loobey added that the Capital Reserve fund also serves as the District's working capital fund, and that it is dangerous not to have a capital reserve.

She explained that this year the District used warrants a majority of the time, which costs about 12% in interest.

Mr. Hansen asked if the Board had set any goals for the reserve fund for projects in the TDP. Mr. Shinn replied that the Board had not taken any action on the TDP yet. Dr. Loomis commented that the Board had made a commitment to complete the transit stations.

Mr. Herbert asked what are the capital requirements that the District needs in order to accumulate enough money so that when the grant is received work can begin on projects. Mr. Shinn responded that staff would like to see one-third of the local funds accumulate per year. He listed the local share anticipated for the Eugene mall station (\$560,000), replacement of the twin coaches (\$700,000), and beginning work on a garage facility (\$1 million sometime in the first three years), which equal about \$2.3 million just in the local share. He stated that one-third of the local share figure is \$750,000, and that he didn't see how the District can reserve that amount of money without harming operations even more. Mr. Hansen asked why try to reserve the money if it is not realistic, and Mr. Shinn replied that the District will have to make it happen, because eventually the twin coaches will stop working, eventually the garage won't be able to handle the capacity necessary, and eventually riders will quit riding because of the situation at 10th and Willamette. He added that the TDP is optimistic, but that he didn't think the District can say we can't do anything about the goals.

Ms. Rich asked if money in the Capital Reserve Fund is being used twice-- to avoid paying interest on warrants, and to pay for projects--and if there is a percentage or proportion that should be kept for the warrant side of the question. Mr. Kohnen responded that the maximum the District has had to borrow on warrants this year is \$600,000, but that the District probably can't reach a point in the foreseeable future when it wouldn't have to borrow on warrants for peak times.

Mr. Schmaedick commented that it is a shame that the pedestrian walkways and the contra flow plan for the Eugene downtown station got put on a back burner to the transit stations elsewhere. Ms. Bevington stated that she shares his frustration, but said that the District has worked for five years to get funding for River Road, that it took seven to eight years to get political consensus as to what should be done downtown, and even if the District had the money, work could not begin on the downtown station because there is no political agreement as to what should be done.

Mr. Shinn then called the committee's attention to the locally funded items listed on page 46 of the April 14 packet. These items, he said, are 100% locally funded, and include replacing drivers' seats and replacing the destination sign curtains to match routes in the Comprehensive Service Redesign (Bus-related Equipment, line 4). Included in line 5, Land and Buildings, are the transit stations. He said the Springfield mall is donating use of the land, and that there will be seven or eight bus pull-outs, a shelter, lighting, etc. He added that the Comprehensive Service Redesign moves a lot of

transfer activity to the Springfield Mall from downtown. Included also is the remodel of the Information Services building, but staff would like to see if there is money to do this at Federal expense on the current UMTA grant instead of with local funds.

For the Office Equipment line item, Mr. Shinn directed committee members to page 19 of the April 28 agenda, where needed office equipment is listed. He said that the Computer Software is for reports for the payroll program that are being done manually now. The amount for Maintenance Equipment includes lift repair tools, necessary because the District does not have the needed tools and is starting from scratch, and a fuel island vacuum, so that buses can be vacuumed while being fueled at a central location. Mr. Shinn explained that the amount for Service Vehicles is due to the fact that 30,000 to 35,000 miles are put on field supervision cars in one year, and the department wants to replace the oldest car.

Ms. Rich asked about having both a portable and a central vacuum, and it was explained that the fuel line vacuum is for daily sweeping and cleaning of the buses, and the portable is for the cleaning that occurs every two weeks when carpets are shampooed, etc., at a different location. The department does not use a vacuum for the daily cleaning now, only brooms.

Mr. Langton asked if the vacuum was so elaborate that it should cost \$5,000. Mr. Dallas replied that staff have seen them advertised for \$4,000 to \$17,000, but think they can get a good one for \$5,000. He explained that the cost is due to the fact that there is a good deal of hose length involved, and that the department needs a system that will run two to four stations at a time, in order to clean more than one bus at a time. Mr. Schmaedick thought the District should explore the opportunity to recycle such a product from local business going out of business, such as a car wash. Mr. Shinn commented that the District would have to find a way to do so under the public purchase law.

In describing Federal Aid Urban Projects, Mr. Shinn directed the committee to page 46 of the April 14 agenda packet, and said that Federal Aid Urban (FAU) projects are funded 88% by the Federal government, 6% by state, and 6% locally. Included in these projects are the downtown Springfield transit station, which will be completed this year, and the River Road transit station, which will be mostly completed next year. The District would be responsible for 6% of the total of \$830,000. Urban Mass Transportation Administration (UMTA) projects are funded 80% by the Federal government, and 20% locally. The state has been paying 10% of the local share on grants that have already been approved, but no state funding is expected for the wheelchair lift project. Mr. Shinn went on to say that the amount budgeted for Land and Buildings is to cover the remainder of ongoing improvements that are not expected to be completed in 1980-81.

In the Miscellaneous category, Mr. Shinn stated that a contingency fund was approved in UMTA grant funds as a part of the budget, and will stay a contingency until the Board approves other uses.

Mr. Hansen asked how much maintenance of the shelters and bus stops would increase annual operating costs. It was explained that the District cleans shelters but not bus stops, and there is some cost in taking down or replacing signs. The total operating cost of the shelter and sign program would be about \$15,000.

Mr. Booth asked if fewer buses could be retrofitted, and Mr. Dallas answered that it would be cheaper to do all than some, especially when the spare ratio is considered. He added that the District has one spare lift now, in case of damage, and hopefully will be able to use the same kind of lifts for retrofitting the 500's. However, he said, that is still open to bid, unless we could prove to the Contract Review Board that we had to have the same kind of lift. He stated that the staff would do their best to get a competitive bid at the best price which meets all the District's requirements.

Mr. Dallas mentioned that there is an operational cost savings to having bus stops because they speed up the system, since buses don't have to stop at every block.

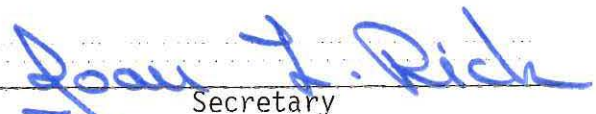
Regarding the reserve for future years, Mr. Herbert stated that he thought there are some things there that are only temporarily there, and that staff should show the committee at the next meeting what is realistically needed to keep in, due to next year's needs.

Mr. Hansen stated that the committee had raised several questions in several areas, and that at the May 4 committee meeting the staff should report to the committee on what effects eliminating the funding for one position would have on the Department of Marketing and Planning, a report on the maintenance program, and the effectiveness of expenditures versus revenues.

Mr. Schmaedick said that he would like to see national figures on the comparison between LTD's operation and other public transit districts before making a decision on the Department of Marketing and Planning, and that he would like to see figures in the area of Marketing as well as Maintenance.

It was discussed whether or not to have a short meeting on revenue alone the next week if staff were unable to obtain the requested reports on other subjects for the committee, and consensus was that the committee members would rather have a short meeting on revenue than to wait longer for the next meeting. Mr. Dallas said that staff would prepare what information is readily available and see if that is sufficient or if the committee wants more information than that.

ADJOURNMENT: The meeting was duly adjourned to Monday, May 4, 1981, at 7:30 p.m. at City Hall.


Secretary