

MINUTES OF DIRECTORS MEETING
LANE COUNTY MASS TRANSIT DISTRICT

REGULAR MEETING

July 21, 1981

Pursuant to notice given to the Eugene Register-Guard for publication on July 16, 1981, 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 July 21, 1981, 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
Jo Sullivan, Recording Secretary

News Media Representatives:

Ann Bradley, KEZI-TV
Steve Smith, Eugene Register-Guard

INTRODUCTORY REMARKS BY BOARD PRESIDENT: Mr. Kohnen, Board President, announced that in addition to the agenda items, staff had requested that a public hearing on the fare proposal be scheduled for the meeting that evening, and that, if there were no objections, the public hearing would be scheduled under item VI.D., Fare Structure, after the staff presentation. There were no objections.

PUBLIC HEARING--CAPITAL GRANT APPLICATION FOR WHEELCHAIR RETROFIT: Mr. Kohnen stated that the Transition Plan adopted by the Board in August of 1980 called for the District to reach 50% handicapped accessibility by 1982 through buying new buses or retrofitting buses presently owned. The proposal in the grant application is to retrofit the 500 series coaches for accessibility by handicapped people. He said that copies of the proposal are available to interested persons. He also stated that a hearing is required as part of the grant application to the Federal government, and that a transcript of the hearing would be submitted to the Federal government. Karen Yamasaki of Tremaine and Associates was present to take a written transcript of the hearing.

Mr. Kohnen then declared the public hearing on the capital grant application to retrofit the 500 series coaches with wheelchair lifts to make them accessible to handicapped persons to be open. There was no public testimony on this subject, and Mr. Kohnen closed the public hearing.

Mr. Langton asked a question regarding the proposed replacement of the Federal law mandating accessibility. Ms. Loobey responded that interim regulations have been published requiring the same fare level for curb-to-curb service as for the fixed route service, and that any specialized service be comparable in scope to the present fixed route regular service. Dial-A-Bus presently runs Monday through Saturday and is confined to the metropolitan area. She stated that because of the notice of rule-making, the staff recommendation at the table would be different than that in the agenda packet. She added that when the final rule-making occurs within 60 days, staff would have a better idea of the cost to run curb-to-curb service under the new Federal law.

Mr. Shinn explained that the change in the staff recommendation was due to the fact that notice of rule-making on this subject was read in the local newspaper on the previous Saturday, and he had just called APTA (American Public Transit Association) in Washington, D.C. on the day of the meeting, at Mr. Kohnen's request, to receive the latest information on the new regulations.

AUDIENCE PARTICIPATION (Other than Capital Grant): Clark Cox, of 1085 Patterson Street, Eugene, made two comments. He said he had seen in the newspaper an article about Elizabeth Stephens' application to run wheelchair service in Springfield, so maybe the District was getting close to Dial-A-Bus phase-out. He also said that the Oregon Association of Railroad Passengers would be coming to the Board sometime in the future regarding some system by which people traveling by train could obtain cut rates on taxis and buses. He said his organization would figure out funding so that LTD would not be hurt financially.

MOTION

APPROVAL OF MINUTES: Dr. Loomis moved that the minutes of the June 16, 1981 regular Board meeting and the June 30, 1981 adjourned Board meeting be approved as mailed. Mr. Langton seconded, and the motion was approved unanimously.

VOTE

CAPITAL GRANT APPLICATION: Mr. Kohnen stated that unless there were specific questions from members of the Board regarding this matter, it would be deferred until more specific information becomes available, probably no sooner than the October Board meeting. There were no questions or objections.

LANE COUNTY FAIR SERVICE: Mr. Kohnen called the Board's attention to the letter from Ed Bergeron, Marketing Administrator, on page 18 of the agenda packet, and said that Steve McCulloch, Lane County Fair Manager, was present to answer questions from the Board.

Mr. Kohnen explained the proposal, which was that during the week of the Lane County Fair rides would be free on all LTD buses and the Lane County Fair would pay the District \$12,000, which would be approximately one-half of the regular revenue.

MOTION

Mr. Randall moved that LTD provide free bus service systemwide during the week of the Lane County Fair, in exchange for \$12,000, in accordance with the Lane County Fair request. Mr. Herbert seconded the motion.

Dr. Loomis asked for details of how this would be promoted and if the lost \$12,000 would come out of the Marketing budget. Mr. Bergeron responded that, if the Board adopted this proposal, LTD would implement the proposal to make sure that no patrons would pay the fare. He said that the loss projection was based on the assumption that no revenue would be recovered by new ridership, and the Marketing Division budget is willing to absorb that loss if it does occur. He said the District would use newspaper advertising and other usual means to make sure the public was aware that they didn't need to pay fares during that week. He went on to say that the proposal eliminates the need for the public to pay for something they aren't sure they will like, and that the benefit to the District would be if the public likes the system and stays with it after the promotion is over.

Mr. Herbert asked what the financial arrangements for shuttles to the Fair had been in the past. Mr. Shinn, Director of Administrative Services, answered that the District had charged regular fare, which had paid between one-half to 90% of the cost of running the shuttles. Mr. Herbert added that he did not see this service as a means to get more riders but he did see it as a dollar loss, so he would not support the motion.

Steve McCulloch explained that last year the Fair Board leased private buses and ran its own free shuttle service. He said the Fair Board was committed to free shuttle service because of the size of the need and because of the neighborhood situation--they want to get people to the Fair as quickly and easily as possible. He said it would be easier for the local people to ride the bus than to take their cars, which would make more parking and less congestion for people driving from a distance. He added that the Fair Board wanted to use LTD rather than creating its own service, and would participate in cooperative advertising.

In response to a question, Mr. McCulloch said that shuttle service could be provided through a private company cheaper than through LTD, but that the Fair Board wanted the whole system running free so that people would not be using their cars. He said they would use existing Park and Ride lots for shuttles, not extra shuttle areas.

Ms. Loobey commented that LTD will have a display booth at the Fair, and staff will talk to people about the Comprehensive Service Redesign. She said the theme of Marketing and advertising campaigns had been directed

toward the CSR, and that the Fair gives the District the opportunity to reach people early on the CSR changes. She thought the value of being able to capture people there with information on the changes would be a good trade-off for \$12,000.

Mr. Kohnen stated that Steve McCulloch had said the Fair Board would contract with someone else to run the shuttle if the District did not approve this proposal, as they did the previous year, so the District would not be attracting those 20,000 riders anyway. Mr. Booth asked if the Fair Board would contract with LTD for the shuttle service, and Ms. Loobey responded that that was a possibility.

Mr. Kohnen said staff had said that this is a promotion that would be paid for by taking a reduction in revenues rather than expending dollars, and staff had agreed to take the \$12,000 out of expenditures and had asked for the right to say where the money would be taken out of the budget. Mr. Kohnen said that if this promotion was successful and could be measured, the Board could at some time consider reinstating some of that loss.

Ms. Roemer expressed concern that there was a relationship between offering free rides systemwide but refusing free rides for needy groups who had recently asked for help. Mr. Kohnen thought these were two separate issues--that this is not a proposal to benefit someone by giving free rides but would benefit the District by getting people onto the system.

Dr. Loomis asked for the staff recommendation. Mr. Bergeron responded that staff feel the proposal has marketing advantages and revenue concerns, which are both matters of Board policy; hence, there was no staff recommendation.

VOTE

Mr. Langton called for the question. The motion failed five to two, with Mr. Kohnen and Mr. Randall voting in favor of the motion and all others opposed.

Mr. Booth said he thought the Board would be interested if the Fair Board had a proposal that didn't cost the District any money. Dr. Loomis thought the Downtown Development Board would be supportive of the Fair Board in this regard.

FARE STRUCTURE: Mr. Kohnen stated that at the June 16, 1981 meeting the Board instructed staff to determine what fare level would increase ridership, revenue from ridership, and farebox to operating cost ratio. He called the Board's attention to pages 20-25 of the agenda packet.

Mr. Shinn stated that the conclusion of the fare study is that staff recommended that the fare be lowered to 50¢ even though there is no single fare that would maximize revenue, ridership, and the farebox to operating cost ratio. He said staff made the recommendation because: (1) it could

reverse the trend of dropping ridership; (2) of the recognition that competition (the price of gasoline) is staying level--gas is not selling for \$2.00 per gallon as expected; (3) it would be the best way to promote the new service that will begin in September--it will be good service but there are significant changes, and by lowering the fare, the District will have an extra "hook" to get people to try the CSR, and media coverage will help; and (4) staff think the District can improve revenue to operating cost ratio at 50 cents, and that the District should emphasize a fare that will give higher ridership as well as higher revenue to operating cost.

Mr. Shinn stated the staff recommendation: that a 50¢ base fare and the enclosed fare structure and policies be adopted for a period from September 27, 1981 through the implementation of summer service in June, 1982. (copy of fare structure attached).

Mr. Langton asked how LTD would attract riders to ride the bus for 50¢ when it already has 50¢ rides available. Ms. Loobey responded that it is a matter of public perception--even though the District has promoted fast passes and tokens, the non-rider still believes it will cost 60¢ to get on the bus. She said that fast pass sales have gone up a lot, but they seem to be sold to people who were riding the bus previously. If the District can break the barrier of the cash fare being 60¢, she said, staff believe it will make a difference in ridership. She also stated that the District needs to build up a lot of public energy and enthusiasm for the Comprehensive Service Redesign.

Mr. Booth said he thought that the poor economic climate caused by land use planning, etc., has lost a lot of people in this area, and the loss because of budgetary problems at the University of Oregon has also had a significant effect on the loss of ridership.

Ms. Loobey stated that staff had, in the memo included in the agenda packet, covered several situations that had influenced ridership: gasoline prices, unemployment, etc., and that the loss was not completely attributed to the increase in fares. She said that there is 89% employment in the area, so there is still a large number of people who are employed and still commuting who we would like to have ride the bus. She mentioned that the availability of inexpensive parking downtown is another problem confronting the District.

PUBLIC HEARING ON PROPOSED FARE STRUCTURE: Mr. Kohnen declared the public hearing on the proposal to change the base fare to 50¢ starting September 27, 1981, continuing to next June, with changes in the entire fare structure, to be open.

Clark Cox said he didn't agree with land use planning being a cause of the drop in ridership. He said there is a nationwide downturn with home building being one of the hardest hit. He thought there were other factors beside the fare increase, including the cutback in off-peak service,

and that if the District reduced the fare to 50¢ there could be an upswing in ridership such as was noticed by the trains when coupons were offered.

Paul Bonney, 587 Antelope Way, Eugene, thought that the drivers were courteous and helpful and a strong point in LTD's favor. He said that overall service is good and the new system in the fall will be even better. He thought it would be a good idea to lower the fare as a public relations gesture, and that if ridership increased it would be fulfilling the purpose of LTD, which is to get people on the buses. He said that would save fuel, cause less traffic, and reduce the need for more increases in downtown parking.

An unidentified speaker in the audience agreed that there is a psychological perception which shouldn't be underestimated regarding the difference between 50¢ and 60¢. He thought people in Eugene would appreciate a 50¢ fare as a good faith effort on the part of LTD, and he agreed that since gasoline prices hadn't increased, lowering the fare was a good idea.

There was no further public testimony, and Mr. Kohnen declared the public hearing on this matter to be closed.

Mr. Randall thought the staff recommendation should not be limited to nine months, but that a study to indicate the results of the lowered fare should be done and the Board would then make a decision to keep or change the fare based on that study.

MOTION

Mr. Randall moved that the fare be lowered in accordance with the staff recommendation, with the exception of the automatic nine-month termination, and that a study be presented to the Board at the end of nine months for a Board decision on whether or not to change the fare. Mr. Herbert seconded the motion.

Dr. Loomis stated he thought the staff report was a biased report because it did not give enough attention to things that caused decreased ridership other than the increase in fares. He said he would like to see data from other systems the size of LTD regarding fare structures. He stated that there were too many assumptions made in the report, and no proof that a lowered fare would cause an increase in ridership. Dr. Loomis then went on to state his own assumptions regarding the decrease in ridership: that Eugene is one of the three most hard-hit communities, to the tune of 5,000 people per month leaving the area; we have had a good, mild winter, and that we have increased revenue, and that will keep the system afloat. He stated that he opposed a fare decrease of any kind.

Mr. Booth thought that if a change in fare happened at the same time as the Comprehensive Service Redesign, the District would have no way to measure the real reason if there was an increase in ridership. He stated that he opposed a decrease in the fare.

Mr. Langton stated that he echoed Dr. Loomis' statements, and would add that one of the stated purposes is to add public support. He thought, however, that the potential for loss of public support is greater because a larger part of the public supports the system and they will oppose the decrease. He said that economic conditions in general are the real problem, not the fare, and that he would not support any sort of fare reduction.

Ms. Roemer said that when fares were raised, the Board based the raise on projections and assumptions, including the projection that gasoline prices would be at \$2.00 per gallon. She said the public think that transit fares are related to gas prices. She thought that when economic times are bad, that is the time to cut costs so the public will be able to use the service. She stated that she supported a fare reduction.

There was some discussion on the validity of the representative sample of persons returning a survey, done as an annual benchmark survey, in which public support decreased from 85% rating LTD as good two years ago to under 60% rating LTD good in the latest survey. Dr. Loomis said he would like to have the staff research whether or not most of the people returning the survey were bus riders.

Mr. Herbert pointed out that the survey was intended to be community-wide, not just bus riders. He also said he was impressed by the difficulty of proving any assumptions or projections and said that the Board could only expect best estimates. He said that the Board was considering this subject at this time because of the dramatic effect on the ridership of the system that he saw in response to the Board's raising the fare. He stated that he didn't think it was totally due to the raise in fares, but he thought it was closing one's eyes to say that raising the fare did not have an extraordinary effect on patronage, and that it was too important to ignore. He stated that LTD did increase revenues by increasing the fare from 35¢ to 60¢, and had fares been increased to 50¢, the District might easily have achieved a higher increase in revenues.

Mr. Herbert went on to say that he realized there was a risk of losing money if ridership did not increase, but he thought more people would find the bus attractive if riding the bus cost less than driving a car. He added that dollars transferred to the bus from cars would almost all stay in this community and would help the overall economy. He stated that he thought it was important for the Board to approve this motion.

Mr. Kohnen agreed that the economy is not good for many reasons, but said there are many people in Eugene/Springfield who are working and could ride the bus but are not, and the District needs to get them on the buses. He thought the economy was not really that significant a factor in ridership. He said there are some risks, but decreasing the fares seems to be the most logical thing the Board can do to improve the situation.

MOTION

Mr. Randall moved the previous question. The motion died for lack of a second.

Dr. Loomis thought that reducing the fares would lose the support of those who pay the payroll tax. Mr. Booth thought that working people realize that their bosses have to pay the payroll tax, so they wouldn't be supportive of a fare reduction, either.

Mr. Kohnen commented that this is not a proposal to raise the payroll tax, but to try to enable the Board to lower the tax if ridership would increase enough to raise revenues.

Ms. Loobey stated that in dealing with this issue every day, staff find particular events that they can measure to be incontrovertible. She mentioned the drop in ridership subsequent to the fare increase being sharper than at other times, and all economic factors being present then. She mentioned controlling for costs whenever it is at all possible, such as having a loss ratio for Worker's Compensation at below 3%, being below half of the national average in absenteeism, cutting out nonproductive routes, and setting up a system in which service is not expanded or contracted without a thorough cost analysis. She also said that farebox, operating cost, and ridership all contribute to the farebox to operating cost ratio, and 30% is a hollow goal if all those things are not working together. In addition, she said, the District is a public business with obligations to the community, which goes beyond the definition of obligations to the "stockholders."

MOTION Mr. Randall again moved the previous question, and Mr. Herbert seconded.

MOTION Dr. Loomis moved to table the main motion until the Board has some reasonable cost analysis from the staff. The motion was seconded and Mr. Randall asked to whom the cost analysis should be reasonable. The VOTE question was put and the motion failed three to four, with Mr. Booth, Mr. Langton, and Dr. Loomis voting in favor of the motion, and Mr. Herbert, Mr. Kohnen, Mr. Randall, and Ms. Roemer opposed.

VOTE The vote was then taken on Mr. Randall's motion to the previous question. The motion failed four to three, for lack of a two-thirds vote, with Herbert, Kohnen, Randall, and Roemer in favor of the motion and Booth, Langton, and Loomis opposed.

MOTION Dr. Loomis stated that he thought the Board was deadlocked and the vote should be delayed until further study was done by the staff. He then moved to table the motion until there would be a cost benefit study from staff. Mr. Langton seconded the motion.

At this time, Mr. Kohnen called a five-minute recess. The meeting was called back to order at 9:55 p.m.

VOTE The vote taken on Dr. Loomis' motion to table failed three to four, with Booth, Langton, and Loomis in favor, and Herbert, Kohnen, Randall, and Roemer opposed.

Mr. Kohnen asked what information the staff could gather for the Board that might be helpful. Mr. Shinn responded that they could get more numbers from other transit systems, but that the assumptions in the present agenda packet were based on information from about eight transit systems. He added that he thought Lane County's economy was about the same as last year and would refute the population decrease.

Mr. Kohnen stated that there was no way a projection for results of the fare increase could be made without a lot of assumptions, and he thought the staff had made a best effort to do so, since this is not an exact science and results cannot be predicted exactly. He said the District has had a loss in ridership that has not stabilized but has continued to decrease. He thought the area's business community would expect the District to do something about declining ridership.

There was some discussion on whether staff obtaining a broader sample of transit districts would make a difference in the discussion on this topic, or whether the discussion was really one of relating the state of the local economy with fare projections. Ms. Loobey stated that if the fare was going to be changed, it would have to be done at the August Board meeting at the latest, to meet the deadlines for the Comprehensive Service Redesign.

Mr. Booth said he would like to see figures on the total number of jobs in the area and the total number of people leaving the area according to the best estimate, which would indicate the total potential number of riders.

MOTION

Mr. Langton moved that this matter (the motion to adopt the staff recommendation to reduce the fare structure, with the exception of the automatic termination of the fare structure in June of 1982) be tabled to the August Board meeting. Dr. Loomis seconded the motion.

Mr. Randall said that, as a point of order, this was the third motion to table the original motion and was hindering the process and should be declared out of order. Mr. Kohnen thought there had been additional facts discussed and that this time the motion to table was in order.

VOTE

The motion to table to the August Board meeting failed on a three to four vote, with Booth, Langton, and Loomis in favor, and Herbert, Kohnen, Randall, and Roemer opposed.

Mr. Herbert thought it was important that the entire Board vote on this matter and wanted to find a time when all Board members would be able to meet. There seemed to be no such time in the near future.

MOTION
VOTE

Mr. Langton moved to table the motion to August 4th. Dr. Loomis seconded the motion, which failed on a three to four vote, with Booth, Langton, and Loomis in favor and Herbert, Kohnen, Randall, and Roemer opposed.

MOTION Mr. Booth moved to amend the main motion to reflect the staff recommendation (to include automatic termination of the new fare structure after the implementation of summer service in June, 1982). Mr. Herbert seconded the motion.

VOTE The motion to amend the main motion carried on a four to three vote, with Booth, Herbert, Kohnen, and Roemer in favor, and Langton, Loomis, and Randall opposed.

VOTE The Board then voted on the main motion, as amended. The motion carried four to three, with Herbert, Kohnen, Randall, and Roemer in favor, and Booth, Langton, and Loomis opposed.

At this point in the meeting, Dr. Loomis excused himself and left.

FREE FARE SERVICE: This agenda item had been proposed by Mr. Herbert, who asked that it now be postponed until the August Board meeting. There was no objection so the topic was deferred until August.

SPECIALIZED TRANSPORTATION COMMITTEE: Mr. Kohnen informed the Board that the transportation advisory committee as approved was not working as expected. L-COG and LTD had proposed disbanding the Transition Plan Steering Committee and creating a new committee, in order to eliminate some of the existing problems. Mr. Shinn explained that staff felt they were caught in the middle between the Board and other members of the committee. He said that topics which concern LTD only (senior fares, capital grant applications, etc.) should be handled by the LTD Board, and the topics of concern to area agencies should be handled by a steering committee.

Mr. Kohnen remarked that there would be less chance of such a committee committing the Board or any other agencies to something; it would be much more of an advisory committee to all boards. Mr. Shinn stated that he thought this committee could come up with a solution that would be more cost effective to LTD and the other agencies.

MOTION Mr. Langton moved the staff recommendation: that the disbanding of the Transition Plan Steering Committee and LTD participation in the Specialized Transportation Committee be approved. Mr. Herbert seconded the motion, which carried unanimously (with Dr. Loomis and Mr. Randall both being absent at this point).

VOTE

TRANSIT DEVELOPMENT PROGRAM: Mr. Shinn asked that the approval of the Transit Development Program (TDP) again be deferred, since the fare structure affected revenue and the TDP. There was no objection to postponing this item to the August Board meeting.

LEGISLATIVE UPDATE: Ms. Loobey informed the Board that HB 2510 (the senior fare bill) had passed out of the House, and that Oregon Transit Association (OTA), Tri-Met, and LTD had worked very hard to get the bill

out of the House. She said this bill would mean between \$70,000 and \$80,000 annually in increased fares from seniors.

Ms. Loobey said that HB 2097 (the 100% accessibility law) had passed out of the Senate the previous day. She stated that there had been a hard fight seeking changes for flexibility to comply with Federal regulations, and that fight had been successful. She said the bill would be consistent with Federal regulations and with LTD's program of phasing out Dial-A-Bus and looking for an independent contractor.

Ms. Loobey went on to say that the issue of the in-lieu-of tax was problematical and she didn't have much hope for its passage. She said that land use and transit financing had been linked together and she would be surprised if the bill would come through intact.

Regarding HB 2818, the bill to broaden the payroll tax to include self-employment, Ms. Loobey said it had been amended further the previous day and had passed out of the House Intergovernmental Affairs Committee with a "do pass" recommendation. She said that business lobbyists, Tri-Met, and the committee wrote the bill, and that more than one-half of the provisions deal with Tri-Met and their boundaries. It had received approval from the Portland Chamber of Commerce. Ms. Loobey said the bill couldn't come up on the House calendar any sooner than the next Friday, and that she thought the issue would die on the House side, with no time to get it through the Senate side.

There was no discussion on any of the other Items for Information, and the meeting was duly adjourned.



Secretary