

MINUTES OF BUDGET COMMITTEE MEETING

LANE COUNTY MASS TRANSIT DISTRICT

November 10, 1981

Pursuant to public notice to the Eugene Register-Guard for publication on November 5, 1981, a meeting of the Budget Committee of Lane County Mass Transit District was held at the City Hall in Eugene, Oregon, on November 10, 1981, at 7:30 p.m.

Present:

Board Members

Daniel M. Herbert, Vice President  
Kenneth H. Kohnen, President  
Ted J. Langton, Treasurer  
Carolyn Roemer

Appointed Members

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

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

Absent:

Richard A. Booth, Secretary  
Robert C. Loomis  
Glenn E. Randall

Ronald Schmaedick

INTRODUCTORY REMARKS BY COMMITTEE CHAIRMAN: Mr. Hansen called the meeting to order and announced that Ronald Schmaedick had resigned by letter that day, stating a possible conflict of interest and the desire to allow the new Board member to make his/her own appointment to the Budget Committee. It was decided that Ms. Loobey would draft a letter of appreciation for his services, for Mr. Kohnen to sign as Board President.

Mr. Hansen added that the purpose of the meeting was to review the District's budget performance for the first quarter of the fiscal year so the committee members would be involved in and familiar with that performance when the budget process begins again in the spring.

AUDIENCE PARTICIPATION: There was none.

APPROVAL OF MINUTES: Mr. Langton moved that the minutes be approved as distributed. Mr. DeWenter and Mr. Kaplan seconded, and the motion carried on a unanimous vote.

QUARTERLY BUDGET REVIEW: Paul Shinn, Director of Administrative Services and Budget Officer, called the committee's attention to the memo from staff on page 8 of the agenda packet, and to the summary of how the District is doing financially, in comparison to the budget, found on page 10. He stated that the General Fund is staying a little bit ahead of expectations because the payroll tax is staying at the expected level and there was a larger than usual carryover from last year. He thought the District might end the year with a slight surplus, depending on unforeseen circumstances or on the amount of a contract settlement.

Mr. Shinn stated that there were still about \$105,000 in claims from real estate brokers who think they are not subject to the payroll tax. He explained that the next step would be for one of the realtors to appeal the Department of Revenue denial. The District would then be invited to participate. Ms. Loobey said that Gilbert Realty had been paid \$12,000 but the Department of Revenue had asked them to pay back that money and begin paying the payroll tax. She thought they might appeal.

Mr. Shinn said the Legislature did approve money for the in-lieu-of-tax program, but had the right not to fund it if they so choose. If the District did receive that money, he said, it would be extra because it had not been budgeted.

Mr. Shinn further summarized by saying that capital expenditures were going slowly, as is normal, but the risk management fund was doing well.

In response to a question from Mr. Langton regarding the paragraph on Section 5 operating assistance receipts, Mr. Shinn explained that the adopted budget was for \$600,000. In the President's original bill we expected to receive \$867,000; the President then asked for a 12% budget cut, which would give the District \$760,000 and would still be more than had originally been budgeted. Mr. Shinn added that it is a possibility that the Federal government could make no appropriations this year.

Mr. Langton asked a question regarding the staffing levels in Maintenance. Tim Dallas, Director of Operations, replied that one less person had been budgeted for Maintenance; that person was still working but some people were out on non-paid leave. He said that the District had started the new service that commits more of the fleet to be running during peak hours, and that Maintenance was making adjustments and should catch up by January or so. Mr. Shinn added that the District was running a couple more drivers than usual on this bid, but less over-time was involved.

Mr. Hansen asked what the response was to the new service. Ms. Loobey said that people were responding well and adjustments still had to be made to the peak hour service; there were standing loads only and people being passed by on some routes. She said also that the ridership drop has stopped.

Ellen Bevington, Planning Administrator, stated that, based on the raw data for the first few weeks, the system was carrying roughly the same number of passengers as a year ago but was running 20% fewer hours, so productivity was up. Ms. Loobey added that the farebox to operating cost ratio was up somewhat--at the peak it was 22%, in June or July it was 17.3%, and it was now about 19.8%.

Mr. Hansen asked why there were so many charters. Mr. Dallas responded that the District had more equipment and was using the 300's for charters (such as for the Oregon Country Fair and the football season) and had leased some equipment to Vancouver Transit for \$600 per month each, with Vancouver providing maintenance on those buses.

BOARD LATITUDE IN BUDGET ADMINISTRATION: Mr. Hansen asked if the District could use unbudgeted funds without Budget Committee approval. Mr. Shinn replied that the Board cannot spend more than what is in the budget unless there is a supplemental budget process. He thought it was too early to guess what would happen, but he thought it was likely that the Budget Committee would have to reconvene because of the in-lieu-of-tax money and the budget carryover. He said expenses would likely be within the budget but income may be greater. He also said that staff could ask the Board for direction on whether to use extra funds as a budget carryover or to call the Budget Committee together to decide how to spend those funds.

Mr. Hansen stated that the consensus of the committee was to be involved in transferring funds from the capital projects fund to the general fund, if it were to be done. Mr. Shinn said he had asked the Department of Revenue if it could be done; he had thought not but the District's legal counsel, Mr. Bryson, was unsure.

Consensus of the Budget Committee was that it was a good idea for the committee to meet in the middle of the budget season. Ms. Loobey thanked the Budget Committee members for their interest and their time in attending the meetings.

Mr. Shinn stated that staff would have the data for the second quarter by the last week in January or the first week in February. The committee members expressed a desire to meet then for an update on the budget situation.

With no further discussion, the meeting was duly adjourned at 8:10 p.m.

  
Budget Committee Secretary