MINUTES OF BUDGET COMMITTEE MEETING

LANE COUNTY MASS TRANSIT DISTRICT

April 13, 1982

Pursuant to public notice given to the Eugene Register-Guard for publication, a meeting of the Budget Committee of Lane County Mass Transit District was held at the City Hall in Eugene Oregon on April 13, 1982, at 7:30 p.m.

Present:

| Board Members | Appointed Members |
| --- | --- |
| Peter M. Brandt | Carol Erbe, Committee Secretary |
| Janet Calvert | Emerson Hamilton |
| Janice Eberly, Secretary | Richard Hansen |
| Polly Nelson | Joel Kaplan, Chairman, presiding |
| | Mary Porter Leistner |
| | F. Robert O'Donnell |

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

News Media Representatives:
Ben Lesser, KEZI-TV
Melody Ward, KUGN Radio

Absent:

Kenneth H. Kohnen
Ted J. Langton, President
Glenn E. Randall, Vice President/Treasurer

INTRODUCTORY REMARKS BY COMMITTEE CHAIRMAN: Mr. Kaplan informed the committee members that the object of that night's meeting was to review the Administration budget and the revenue projections for Fiscal Year 1982-83. He stated that the payroll tax and farebox projections were very important and the committee needed the best estimate possible to provide staff with the flexibility they would need to run the system. He then turned the meeting over to Paul Shinn, Director of Administrative Services and Budget Officer.

At this point, Mr. Hansen stated that Paul Shinn had done a good job of organizing the budget process during his tenure as Budget Officer, and had made it more understandable to committee members.

1982-83 BUDGET PROPOSAL: Mr. Shinn then commented that he would be explaining the budget proposal, the major changes in the budget, and how staff had determined what those changes would be. He used a chart to show a 1.6% increase in revenue in this year's actual revenue, not in the year's budget. He said staff were proposing to be a little more dependent upon local revenue; that federal revenue was dropping but state revenue would stay about the same, and that this would be a trend over the next three to four years. He commented that it would be up to the people of Lane County, either through taxes or fares, to keep the buses running. Mr. Shinn further explained that although the District would not have more money to work with, staff wanted to provide the same level of service as at present. They proposed to do this, he said, by budgeting for fewer administrative employees, no administrative salary increases, and no wage increases for contract employees.

Mr. Shinn informed the committee that District revenues would cover 60% of the operating costs this year and 63% the next year, which is a big jump for one year. Administrative costs for FY 1981-82 were 13.5% and were budgeted at 14.5% for FY 82-83, in spite of staff cuts, because of higher costs of benefits and the possible contract settlement.

Looking at a chart showing number of employees over past years, Mr. Shinn stated that the FY 81-82 budget authorized 39 administrative staff; that there were presently 37 such employees, and staff proposed cutting that number to 31 for FY 82-83.

Mr. Shinn explained that there are some uncertainties in the budget, such as whether the payroll tax will come up, and what will happen with the union employees. The District, he said, is under a Court Order to enter into binding arbitration with the union, which was scheduled to begin the following Monday. He stated that the only way the same level of service could be maintained would be if contract employees received no wage increase. Any increase would cost either routes or days, as well as jobs. However, he said, the committee would not have to consider that situation now because there was no way to know what would happen in binding arbitration. Mr. Shinn did not know if it would be realistic to expect an arbitrator to look at the current revenue situation and award no increase in contract wages, but thought it was not out of the realm of possibility.

REVENUE ESTIMATES: Mr. Shinn then turned the meeting over to Nancy Matela, who had been working as an administrative analyst during Transit Development Program (TDP) and budget preparation. She stated that Federal operating assistance was almost 12% of the District's budget this year but would drop to 8.7% next year. An APTA proposal, she said, called for $1,563,000 in operating assistance, which was about 50% more than the present administration was willing to grant. Staff suggested using the lower figures when preparing the District's 1982-83 budget. Mr. Shinn explained that Congress had not yet appropriated any money. The District had received $867,000 last year, which was received in December. Ms. Matela further explained that the smaller district's, such as Medford, had been cut by about 40%, and the formula she used in making projections for LTD comes out to about that percentage. She stated that by 1985, the administration wants to be down to zero appropriations.

Regarding farebox revenue, Ms. Matela stated that it will increase as a portion of the total revenue, but not by much. She said that the forecasting model formula was not used last year; staff had tested and watched each month's predictions for a year and made some adjustments. This computer-derived model, she said, had come within 3% each month for two years in predicting ridership. The components of the model included available service, or vehicle miles and fare levels, which the District can control, and enrollment at the University of Oregon and Lane Community College, gas prices, and Consumer Price Index, which the District cannot control.

Ms. Matela explained a graph showing ridership history, and said that the increases in ridership in 1974 and 1980 were seemingly due to gasoline shortages, which are factors beyond the District's control, more than due to the fares. She said it seemed to affect ridership when the District raised fares in June of 1981, but that the District seemed to be recovering the lost ridership at the present time.

In response to a question from Ms. Calvert, Ms. Matela stated that the staff firmly believe that LTD is a more effective operation since the Comprehensive Service Redesign in the Fall of 1981--that the District is providing more viable service per hour than before. She explained that the downturn in vehicle hours doesn't necessarily mean a downturn in ridership. Productivity, or riders per vehicle hour, had increased.

Mr. Hansen asked why the District was not seeing a greater share of revenues from the farebox if ridership was increasing. Mr. Shinn replied that the District had cut a lot of service, so that although there were more riders per hour, there were also fewer hours of service. Another reason, he said, was the lowering of fares in September of 1981. He further stated that the District had not increased absolute ridership (total rides per month) just rides per hour. He said that the goal would be to have as many people riding as possible, but that the District is forced to give up some riders because of budget cuts, and that the least productive service would be sacrificed.

Ms. Matela stated that staff would like to see the fares adjusted yearly and on a more incremental basis, and thought there should be some adjustment within the next year and a half.

She then directed the committee's attention to the budget pages in the agenda packet, explaining that the columns showed the budget for the last year, the staff's best guess as to how the District will finish the year, and the staff's recommendation for budget consideration. She went on to say that a number of major events which had an impact on the budget had occurred--the fare increase and decrease, which caused reactions that no one could have predicted, the changed service, and the local economic decline.

Ms. Matela further explained that enrollment at the University of Oregon has dropped 5% this year and is expected to decrease 5% each year for the next five years. The prediction for Lane Community College is that enrollment will remain about the same, unless the University's enrollment declines more rapidly, in which case LCC's enrollment would most likely increase. She added that there is predicted to be a gasoline surplus for the next ten years. All these factors will have an effect on bus ridership, as would a cut in service.

In response to a question from Ms. Calvert regarding an increase in the fare, Mr. Shinn replied that when the Board lowered the fare last year, they included a provision that fares would automatically return to 60¢ in June of 1982. He said staff would be asking the Board to review that decision and see if they still wanted to make that increase. Ms. Matela explained that the District could increase the cost of passes and tokens in order to gain revenue and yet affect the lowest number of riders.

Dr. O'Donnell asked about the increase in convention charters. Ed Bergeron, the District's Marketing Administrator, explained that activities are now increasing and projected to increase further with the opening of the Hilton, the Performing Arts Center, etc. He sated that Nike will charter about $2,000 worth of LTD busines for a four-day conference this summer, and that the Oregon Country Fair involved about $6,000 worth of business. Mr. Bergeron explained that the District has the capability now to handle more convention business, and that some of these charter projections are already concrete figures. Mr. Hansen asked if charter revenues covered their expenses. Mr. Bergeron explained that in the past Board policy had been to cover the cost but not necessarily make a profit. Mr. Shinn stated that Federal regulations prohibit competing unfairly with private operators and that LTD normally provides charter business that other companies don't want.

Ms. Matela went on to discuss the payroll tax, stating that it is based on area payrolls and is directly related to wages paid and the employment level, and is extremely hard to predict. She explained that staff used two outside forecasts: Governor Atiyeh's Executive Forecast for March, 1982-85, and the Employment Division's forecast for District #5, which reflects the mix of lumber, retail, trade, and government for Lane County, and is a little different than for Oregon at large. She stated that due to a combination of employment levels and wage levels, there should be a slow rise in the payroll tax by 1983-84. The wage levels have increased about 7-9% each year, and Atiyeh's forecast predicts that they will continue to rise 7% each year.

Ms. Matela used a chart to show payroll tax receipts, plotted on a quarterly basis, over the last several years. She said that the third quarter of each year had always been the highest for tax receipts, but that the third quarter of 1981-82 was the lowest, for the first time in five years, and appears to be due to employment rather than wage levels. Ms. Matela and Mr. Shinn stated that staff felt the 1982-83 revenue forecast is conservative, and that the end of the economic downturn is forecast to occur by the end of the year. Mr. Brandt disagreed; he thought wages were going down or staying the same in Lane County, and that there would be a significant impact if tax initiatives don't pass, with the lay-offs of government employees affecting the private sector. Mr. Kaplan added that he thought the American standard of living would not recover to the standards of two to three years ago.

Karen Brotherston, the District's Accountant, said most of the fourth quarter revenue will be received in May and we should then have a fairly accurate idea of what the fourth quarter revenue would be. The last Budget Committee meeting is scheduled for late May.

Mr. Kaplan directed staff to be prepared to cut the payroll tax figures in the $300,000 to $400,000 range for the next meeting, based on the gut reactions of several Budget Committee members to the local economy. Mr. Brandt added that he thought the farebox revenue may be lower if the union gets a wage increase, and that the farebox and payroll tax revenue figures together may be off as much as $600,000.

Ms. Nelson moved that the figure for total resources be changed from $7,451,800 to $7,086,010, by dropping passenger revenues to 7% over the projected figure for 1981-82, or $1,287,210, leaving charters and advertising the same, for a total operating revenue of $1,335,010, and by cutting back the payroll tax revenue figure to $4,700,000 and leaving the rest the same. Mr. Hansen seconded the motion, and Mr. Kaplan asked if the farebox figure could be rounded to $1,287,200, making the total $7,086,010. The mover and seconder agreed to the change.

In response to Mr. Brandt's question regarding what would happen if revenues were higher than budgeted, Mr. Shinn stated that the Budget Committee would be called together to prepare a supplemental budget. Mr. Hansen commented that the committee could give guidance to the Board to put additional revenues in the Capital Reserve Fund, for instance. Mr. Shinn stated that the District would probably have no carryover this year because of the third quarter payroll tax receipts.

With no further discussion on the motion, the question was called for and the motion carried 8 to 1, with Calvert, Eberle, Erbe, Hansen, Kaplan, Leistner, Nelson, and O'Donnel voting in favor of the motion and Mr. Brandt opposed, because, he stated, the figures were not low enough. Mr. Hamilton was not yet present at the meeting.

There was consensus among committee members that anyone could reintroduce parts of the budget before it is finally approved, regardless of how he/she voted on it, and that if the committee does not feel the predictions made are reasonable, they can be readjusted before final approval of the budget.

ADMINISTRATION DEPARTMENT EXPENDITURES: Mr. Shinn stated that he would discuss the Administration Department Expenditures as prepared for the agenda packet, even though staff would have to prepare lower figures for the next meeting in response to the committee's lowering of the revenue estimates.

Mr. Shinn then explained the three personnel changes made in the Administration Department: (1) elimination of the clerk typist position in the Clerical division and replacement with a half-time clerical specialist; (2) deletion of one-half of the payroll position due to computerization; and (3) addition of an administrative analyst, as discussed on page 51 of the agenda packet. He briefly explained the administrative reorganization in 1981 and the need for the analyst position in this Department.

In response to a question from Ms. Calvert regarding the budgeted increase in the salary schedule, Mr. Shinn explained the five steps in each pay grade, and the District's planned moved to a performance based pay system in July. He said that in the past staff could estimate within a few dollars of actual expenditures for pay increases, because steps were set. Under a performance based pay system, the definite steps will be eliminated and supervisors will set the salaries within a certain range.

In answering another question, Mr. Shinn explained that no increase was budgeted for administrative salaries because of contract negotiations; then when negotiations were not settled for so long, the Board granted administrative staff an 11% increase.

There was some discussion of the duties of the District's accounting clerks and staff's intent to ask the Board, through the Salary Subcommittee, to raise the accounting clerks' pay one grade because of increased duties.

Mr. Brandt wanted to know more about consulting and improving supervisory skills and whether those expenditures were necessary. Ms. Loobey thought that the amount budgeted was minimal and the training would be of great benefit to the District.

Mr. Hamilton asked about the timetable for arbitration. Ms. Loobey said that the first meeting between the District's and the union's advocates was scheduled for Monday, April 19th. At that time they would establish whether to use briefs or oral testimony, etc. The neutral arbitrator would then set up a schedule with the other two arbitrators. Ms. Loobey added that many arbitrations have lasted for a year on large properties, and not less than six months on smaller properties. The Federal regulations, she said, do not state that the arbitrator's decision is binding on either party, nor do they prevent the Union from going out on strike.

There followed some discussion on the amount paid for medical and dental benefits. Mr. Shinn explained that the next competitive bid for those benefits would be in September of 1982, and that the benefits are defined in the union contract and will be open to arbitration. Ms. Nelson objected to the District paying for benefits for the full family of every District employee and to the lack of control over this due to contract language.

Mr. Kaplan suggested that the committee not discuss specific cuts until staff could make their recommendations. He directed the staff to keep in mind the direction expressed by the committee that evening.

With no further discussion, Mr. Hansen moved and Mr. Brandt seconded that the committee adjourn for the evening. The motion carried unanimously and the meeting was adjourned at 10:10 p.m.

Committee Secretary

MINUTES OF BUDGET COMMITTEE MEETING

LANE COUNTY MASS TRANSIT DISTRICT

April 27, 1982

Pursuant to public notice given to the Eugene Register-Guard and published on April 23, 1982, a meeting of the Budget Committee of Lane County Mass Transit District was held at the City Hall in Eugene, Oregon, on April 27, 1982.

Present:

| Board Members | Appointed Members |
|---|---|
| Janet Calvert | Richard Hansen |
| Janice Eberly, Secretary | Joel Kaplan, Chairman, presiding |
| Kenneth H. Kohnen | Mary Porter Leistner |
| Ted J. Langton, President | Robert O'Donnell |
| Polly Nelson | |

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

Absent:

| | |
|---|---|
| Peter M. Brandt | Carol Erbe, Committee Secretary |
| Glenn E. Randall, Vice President/ Treasurer | Emerson Hamilton |

AUDIENCE PARTICIPATION: There was none.

INTRODUCTORY REMARKS BY COMMITTEE CHAIRMAN: Mr. Kaplan commented that the follow-up report from staff in the agenda packet was in response to questions raised by the Budget Committee at the April 13 meeting, particularly how the staff would recommend deleting about $365,000. He added that in addition to discussion of the staff memo, the other items on the agenda were the Transportation and Marketing and Planning budgets.

APPROVAL OF MINUTES: Mr. Hansen moved to approve the minutes of the March 23, 1982 Budget Committee meeting, as distributed. Mr. Langton seconded the motion, and the minutes were approved by unanimous vote, with Dr. O'Donnell and Ms. Leistner not yet being present at the meeting.

FOLLOW-UP REPORT FROM APRIL 13, 1982 MEETING: Paul Shinn, Director of Administrative Services and Budget Officer, directed the Committee's attention to the staff's follow-up report, found on page 8 of the agenda packet, which responds to concerns raised by the Committee and suggests ways to make $365,000 in cuts, as requested at the last meeting. In summarizing the responses to the Committee's concerns, he said that staff salary levels are an average of about five percent below the norm, and that page 9 shows ways that LTD could save money under the salary category: freezing upward movement within grades, allowing no grade changes, and cutting salaries 5% but allowing movement within grades and grade increases. He said that Board action would be necessary to accomplish any of these changes, and that staff did not recommend any of the changes because of the small amount of money that would be saved and the potential for lowered morale and productivity.

Dr. O'Donnell arrived at this point in the meeting.

There was some discussion on the fact that the amount budgeted for salaries was actually more than was planned to be spent, by an unknown amount. Mr. Shinn explained that when the District moves to a performance-based pay system in July, as the Board has directed, there will be no lack of steps within a range, and supervisors will be setting pay increases based on each employee's performance. That means that each person's salary could stay the same, be raised by unknown amounts, or even be lowered. Mr. Shinn added that the rationale for budgeting salaries at the top is to be sure the budget is not exceeded.

In response to questions from the Committee, Ms. Loobey explained that union employees received their last raise in January of 1981 and non-union employees received 10% as of July 1, 1981, and 2% as of January, 1982, or an 11% annualized increase, and that the Board had granted these increases in order to address some inequities in relation to the marketplace. Mr. Shinn stated that this year's budget has no increases built into it, and the $8,600 requested for grade changes is based on increased duties, not performance levels. The seven people affected by grade changes are not the same nine employees who would be affected by freezing upward movement within grades, with possibly one exception.

Mr. Hansen suggested that the discussion move to another topic, since they were talking about only $2,500 and salaries seem to be a Board policy decision.

In discussing medical insurance, Mr. Shinn explained that about 1½ years ago staff thought the District was being overcharged by the insurance people, and therefore developed a plan in which 90% of the premiums paid goes to claims or reserves and only 10% goes to overhead. He said that the District's premiums are going up because claims are going up and are already greater than the previous twelve months, possibly due to the recession and people not being sure if they will have a job or benefits in the next six months, as well as to 16% annual inflation. He thought that other companies would say the District's claims are out of control and would either not insure LTD or would charge more than 10% for overhead. The plan will be bid again in September but staff are not optimistic about getting a better plan. Because of the union contract, he said, there isn't a lot the District can do to change the benefits, which have been the same since July of 1979.

Several Committee members expressed the desire to renegotiate benefit levels in the union contract, and several suggested changing the insurance plan for non-union employees to have a higher deductible, more co-payment, etc., but Ms. Nelson thought the District might have to compensate with higher salary levels. Mr. Shinn explained that management employees have been given the same benefits as union employees because of equity considerations and because having only about 30 people in their own insurance plan could be costly.

Mr. Langton asked what would happen if the Budget Committee put a "lid" on the amount that could be spent for benefits and the District ran out of money. Mr. Shinn replied that if LTD could not pay for benefits, the District would be in violation of the union contract.

In response to a question from Dr. O'Donnell, Mr. Shinn stated that if benefits could be frozen or lowered for administrative staff, it would save possibly $12,000, or less money than freezing salaries. However, the effect on the employees would be that they would have the money rather than the benefits.

Ms. Leistner arrived at this point in the meeting.

The next topic of discussion was supervisory training/consulting, item 3 on page 10 of the agenda packet. Mr. Shinn explained that staff were talking about something to try to make supervision consistent across the property and to make it team-oriented. He said that there would be eight fewer administrative employees performing the same amount of work, and that staff hoped to compensate for having fewer supervisors and employees with better supervision and higher productivity.

Ms. Nelson thought that if the District was going to offer increased skills for employees, those employees might be willing to take a pay cut in order to have the skills training as part of their benefit package.

In discussing item 4 on page 10 of the agenda packet, Mr. Shinn explained the three types of changes that would meet the $365,000 in revenue cuts. The first involved service cuts approved by the Board at their April meeting. Staff had hoped to use the money saved by making those cuts to improve service in the fall, but were now suggesting that the savings be used to help balance the budget.

Mr. Hansen commented that staff had modified the proposed budget based on the revenue forecast made by the Budget Committee, and that staff should be allowed to make those modifications without a lot of Committee discussion. Mr. Langton agreed that the Committee had to rely on staff recommendations. Mr. Shinn asked, however, that if Committee members had any feelings regarding the amount of capital cuts, service cuts, etc., staff would like to hear them.

MARKETING AND PLANNING DIVISION EXPENDITURES: Mr. Shinn turned the meeting over to Nancy Matela, a Marketing Representative who had been working as an Administrative Analyst. She handed out budget comparisons for Marketing, Planning, and Customer Relations which showed the budget approved one year ago, the projected actual figures for 1981-82, and the amounts being proposed that night for 1982-83.

Ms. Matela explained that most of the money budgeted for the Marketing division goes toward specific programs related to specific goals approved by the Board in the Transit Development Program (TDP). She directed the Committee's attention to page 16 of the agenda packet, where dollar amounts of project orientation were listed, so Committee members would be able to see what Board-approved projects would be affected by each cut.

The proposed budget for the Marketing division included one position less than the previous year, that of the Service Representative, or a reduction from five to four employees. The Service Rep controls timetable inventories, delivers timetables, tokens, etc., and acts as a liaison with the District's many service outlets. Those tasks would be partially absorbed by the Marketing Reps and partially by part-time workers who would be paid the minimum wage.

Ms. Matela explained that the Marketing division was planning to move to a route-specific, door-to-door type of campaign, with an emphasis on printed matter. There was some discussion on the lower media advertising budget and the higher amount budgeted for printed matter. Ms. Matela explained that staff were suggesting a reduction in the media budget, not eliminating it, and putting some of that money into direct contact with people along the routes.

Some Committee members expressed concern that a route-specific marketing approach had not been proven necessary or beneficial and wondered why staff felt the need to change their approach. Ed Bergeron, Marketing Administrator, agreed that staff were proposing an aggressive step that had never been tried, but said the District had received negative input regarding the "shotgun" approach of advertising in the news media rather than advertising changes and benefits to those who would be most directly affected by the service. Ms. Matela thought the District had done a good job of market research and that a change in approach without further research would not be harmful. She added that the staff would want to measure the impact of the new marketing approach on the public in a year or so.

Ms. Matela then directed the Committee's attention to page 22 of the packet, where the $60,000 figure for media had been broken down proportionately to the budget. Because of the lowered revenue forecast and the budget cutting which followed, she said, Mr. Bergeron would probably reassign some of those items and would like to reserve the right to reapportion funds within the $60,000.

There was also some discussion on the consultant's fee to standardize the District's logo. Ms. Nelson thought this could be accomplished by the advertising agency, but Ms. Loobey explained that coordinating such things as letterhead, business cards, graphics, buses, and facilities may not be within their area of expertise. In answer to another question, she explained that the District's present logo is identifiable but that it has been viewed by many to look like a swastika and to be institutionalized, "stodgy," and not used consistently. She went on to say that unifying the District's image with a new logo was a Board goal and that staff have planned many incremental changes, such as painting the buses when they need to be painted again, rather than changing everyting at once.

Mr. Kohnen suggested combining ad agency fees, logo consulting, and miscellaneous services and letting staff work out the details of how to get the job done.

Ms. Matela then summarized the budget detail for Marketing, found on page 16 of the agenda packet, and what had been eliminated from the budget since the last meeting. There were questions regarding what the District was losing by eliminating some organizational memberships, to which Ms. Matela replied that the District would lose some contact with the business community and some opportunities to present LTD in a positive light to area businesses and organizations.

Mr. Hansen wondered if the Budget Committee was becoming more involved in the day-to-day activities of the District than it was supposed to. He said that staff had made substantial reductions from what was being spent this year, and whether staff belonged to the Chamber or an advertising club should be a management decision. He suggested making general approval of the Marketing budget.

In discussing the Planning budget, Ms. Matela said the proposed budget was about 15% below what was actually being spent this year, and that part of the reduction comes from personnel changes. She explained that the past few years have been major planning years, with the Comprehensive Service Redesign, the Eugene Mall transit improvements, etc. Most projects are completed or will be completed by the end of the year. Two positions in Planning are eliminated in the proposed budget, and the Service Planners will be picking up some of the work that would have been performed by those positions.

Ms. Matela listed the cuts which had been made in the Planning budget, such as a lowered printing budget due to in-house xeroxing of the Transportation Development Program (TDP). She explained that the consulting line item included a study at the University of Oregon ($4,000) to work with them to alleviate the parking problem without erecting a parking structure, and LTD's contribution to a shuttle study ($2,000) to connect UO, downtown, 5th Street Market, etc. Also, she said, Ellen Bevington, the Planning Administrator, would like to look at contracting out the non-urban service to see if it would be more productive ($3,500).

In explaining why the Dial-A-Bus transition was over budget this year, Mr. Shinn stated that this year's budget estimate was made before the project went out to bid. There was some discussion on the Federal regulations and the Board policy for providing curb-to-curb service, and the cost of providing that service versus phasing it out to a private contractor.

In summarizing the Planning budget, Ms. Matela said that the division would be monitoring productivity and cost per trip and working on land use planning, all of which are labor-intensive projects.

Discussion then turned to Customer Relations , which is actually a subdivision of the Marketing division. Ms. Matela explained that the Customer Service Center (CSC) downtown is leased fairly inexpensively on a month-to-month basis, but the District has been informed that the CSC will not be allowed to remain in that building when the owners begin remodelling. The Board has been discussing the added expense of relocating the CSC in another building. Also, in response to the Board's goal to move away from labor-intensive information services, the lease line item on page 21 includes rent for change machines, token machines, etc.

Ms. Matela also explained that next year's budget includes one less position than this year's budget but not from this year's actual. The Chief Clerk position has been eliminated because of staff reorganization, in which the Customer Relations Manager reports to the Marketing Administrator and has more time for staff supervision than previously.

There was some discussion on the effectiveness of having a downtown facility. Ms. Loobey explained that large amounts of money change hands because of token and pass sales. For March and April, at least half the token sales occurred at the downtown facility (7,430 large tokens and 330 small in April, for instance), and approximately 1,600 people per day pass through the CSC. Mr. Langton added that the District's plan is to combine the telephone information clerks with the downtown CSC, to combine their functions in one location and be less personnel-intensive. No other outlet, such as the University of Oregon or Lane Community College, has enough patron traffic to warrant having our main information outlet there.

TRANSPORTATION DIVISION EXPENDITURES: Ms. Matela introduced Karen Brotherston, the District's Accountant, who would explain the Transportation and Maintenance budget proposals. Ms. Brotherston called the Committee's attention to pages 24 and 25 of the agenda packet. She stated that all costs in the Transportation division are directly service related, and that only $19,000 of the total budget was for other than personnel services. Fuel costs are based on January fuel costs, and the printing amount is for transfers, which are necessary items.

In response to a question, Ms. Loobey explained that the bus operator line item is current and there is no money in the budget for an arbitrated settlement. If an increase is arbitrated, the Board could reduce service or capital expenditures, in which case the Budget Committee would reconvene.

Mr. Langton stated that if the Committee feels comfortable with the revenue projections, then if the District had to spend more money for wages, there would have to be some arbitrary choices to make at that time, within that revenue framework. Ms. Loobey commented that she suspected that the District wouldn't have answers regarding this issue any sooner than three to six months.

Mr. Hansen moved that the Budget Committee accept the Marketing and Planning and Transportation budgets tentatively, reserving the right to review any areas of concern before final Committee approval of the budget. After seconding, the motion carried by unanimous vote.

Mr. Hansen asked to go on the record as commending Paul Shinn for the excellent job he had done as Budget Officer, for the way he handled the budget process and kept the Committee informed. There was unanimous agreement from the members of the Budget Committee.

Ms. Nelson then informed the Committee that this would be her last Budget Committee meeting because she was moving to Portland on May 10.

Mr. Hansen moved that the Budget Committee adjourn until May 11, 1982, at 7:30 p.m. at City Hall. After seconding, the meeting was duly adjourned at 10:10 p.m.

Committee Secretary