MINUTES OF BUDGET COMMITTEE MEETING

LANE TRANSIT DISTRICT

Thursday, April 25, 1996

Pursuant to notice given to *The Register-Guard* for publication on April 14, 1996, and at the April 24, 1996, Budget Committee meeting, and distributed to persons on the mailing list of the District, an adjourned meeting of the Budget Committee of the Lane Transit District (LTD) was held on Thursday, April 25, 1996, at 7:00 p.m. in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present:

Board Members	Appointed Members
Kirk Bailey	Russ Brink
Pat Hocken	Rick Crinklaw, Committee Chair
Dave Kleger	Gerry Gaydos
Thomas Montgomery	Mary Gilland
Mary Murphy	Virginia Lauritsen
Roger Saydack	Cynthia Pappas, Committee Secretary
	Jeff Pearson

Phyllis Loobey, General Manger
Mark Pangborn, Budget Officer
Jo Sullivan, Recording Secretary

Absent: Rob Bennett

CALL TO ORDER: Mr. Crinklaw called the meeting to order at 7:08 p.m., with eleven members present.

ROLE OF THE BUDGET COMMITTEE: Mr. Pangborn reviewed the role of the Board and Budget Committee in adopting the District's budgets. He explained that Oregon law required a budget committee comprised of the seven Board members and seven non-Board members from the community, to review what the Board had agreed upon. The law said that this must happen, but did not specify how, except that a majority must approve the budget. The school districts had meetings throughout the year to review the budget and revenues. LTD was at the other end of the spectrum, where the Budget Committee met during the budget approval process and relied on the Board for budget oversight the rest of the year. If there were significant changes to the budget during the year, the LTD Budget Committee could be reconvened to discuss those changes and approve budget amendments.

Mr. Pangborn stated that the Board set the agenda for approval of the budget, by setting salaries, service policies, fares, etc. He said that all of the issues that fed into developing the budget were Board policy issues. The budget document was a compilation of those Board actions. He said that the Budget Committee was free to review those Board policies as they affected the budget. The Board made the final decisions; however, usually there was give and take among the 14 members of the Committee about the different issues.

Once the budget was approved by the Budget Committee, it went to the Board for final adoption prior to the July 1 beginning of the fiscal year. The Board had the authority to amend the budget by up to 10 percent in any given fund without going back to the Budget Committee for approval. The Board had made adjustments to the budget in the past, maybe for the addition of a small new grant, an error in the budget, etc., but basically they had been minor changes.

Mr. Pangborn explained that in response to Budget Committee questions the previous evening, Service Planning & Marketing (SP&M) Manager Andy Vobora would show the Committee how the FY 95-96 Marketing budget had been divided up for the FY 96-97 budget.

PUBLIC COMMENT: Mr. Crinklaw opened the meeting for public comment. There was no one present who wished to speak to the Committee.

CONTINUATION OF DEPARTMENT BUDGET PRESENTATIONS

Service Planning & Marketing: Mr. Vobora explained that he had been LTD's Customer Service Administrator for 12.5 years, and had been the new Service Planning & Marketing department manager for about four months. He stated that many projects in the past were annual projects, and staff were still sorting out how those projects best fit in the two new departments and staff assignments.

Mr. Vobora highlighted the service proposal for the Committee. It included a 2.75 percent service increase, or 7,680 hours of service, for a total of 287,000 hours of service for the year. The cost for that new service, $264,529, was not included in any one budget, but was divided among operator and mechanic wages, fuel, etc.

Mr. Vobora explained that staff had proposed this moderate increase for next year based on Board direction to look hard at route productivity. He said that staff had done so in the past, but this year reviewed service with even a more critical view. Revenue saved from cutting unproductive routes or route segments was used for additions to service. Staff had been somewhat cautious about providing service in new areas, because it was possible that BRT would reshape how service looked.

Mr. Vobora next discussed the marketing component of the SP&M budget. He explained the practice of making any major service adjustments in the fall, when students returned to school. The District made an effort to communicate with them before they made their commuting and residence choices for the year. The commuter pack mailing also occurred in time for fall service, and provided commuter options to area residents. Other ways in which fall service was communicated to the public was by media advertising and in person, in trip planning booths at several locations.

Ms. Lauritsen asked about the cost of the commuter pack. Mr. Vobora replied that for printing of the digest, mailing, and the envelopes, the cost was a little over $1 per household. The Rider's Digest cost $.25 to $.30 per copy, and individual timetables were no longer being printed, since the Rider's Digest was a convenient source for all District routes and schedules. Additionally, the cost of providing riders with several timetables for different routes made it more cost-effective to use Rider's Digests.

Another way in which the District would communicate with the public would be by target marketing, in the hope of penetrating some markets in a bigger way. Some of those market groups were students, new riders, and seniors; residents or businesses along substandard routes; and new developments.

Mr. Vobora discussed service to community events, and said that he was happy to note that LTD would be providing service to the Lane County Fair once again. He added that LTD often was seen as a solution to traffic problems at community events.

Ms. Hocken asked Mr. Vobora to explain how costs were covered in community events service. He replied that service to the Lane County Fair would be a joint promotion, with the Fair paying the cost of the shuttles from South Eugene High School and the River Road Transit Station. The cost was approximately $47 per service hour. A regular system fare of $.25 would be charged, so a little revenue would be lost from the regular system, but because this was a big event, ridership would increase, so the loss should not be too high. For shuttle services to University of Oregon football and basketball games, LTD provided the service as premium service at $1 per ride. The Oregon Country Fair paid for the service that LTD provided to the fair site.

Mr. Vobora discussed the Personal Services portion of the SP&M budget and the responsibilities of the different positions. He then discussed the department's Materials & Services budget, and compared it with the old Marketing budget.

Ms. Lauritsen asked who would receive training. Mr. Vobora said that a number of staff in the department would participate in training, and the budget included approximately $1,500 per person. Since it was a new department with a mix of marketing and planning staff, some cross-training was planned in those areas.

Mr. Vobora stated that bus operators had asked for printed information for new riders. He said that SP&M staff would try to define those new rider questions and issues better through additional operator input, and then design some materials for them to hand out to new riders.

Mr. Vobora discussed the advertising agency fees, which were a big part of the changed budget. He explained that SP&M would be responsible for specific service marketing, and Public Affairs would handle public education and image issues.

Ms. Pappas asked what the District would be giving up with the savings in ad agency fees next year. Mr. Vobora explained that last year had been the "call to action" phase of the District's public education campaign, and the "ride, ride, ride" campaign had been created. Those materials might be used during the coming year; there was not enough money budgeted to develop a new public information campaign.

Mr. Crinklaw asked if community events covered the service costs. Mr. Vobora said that football shuttles did the best toward covering the cost of the service; the cost of that trip was around $.90 per ride, lower than the regular system. For fairs and other special services, the events were charged the fully-allocated rate and covered the District's costs.

Mr. Bailey asked about LTD's costs for its share of Salem lobbyist fees. Mr. Bergeron said the Oregon Transit Association (OTA) annual membership fee of $20,000 was now found in the Public Affairs budget. Mr. Pangborn added that this money paid for more than a lobbyist. Part of the lobbyist's time was spent as executive director of the OTA. The member transit systems paid dues on a proportional basis, and received year-round lobbyist efforts, but particularly during the Oregon legislative sessions, when OTA monitored statewide transit issues, proposed some legislation, and watched to make sure that there were no surprises for transit in other legislation.

Mr. Gaydos arrived at 7:55 p.m.

Mr. Pangborn said that the net effect was that the SP&M budget increased by $12,000, but there were substantial changes internally, with some reductions in other budgets, so that the overall combined increase was only about 2 percent, with a substantial reallocation of how those dollars would be spent.

Ms. Lauritsen asked about federal lobbying expenses. Mr. Pangborn replied that the OTA handled state lobbying only, and LTD paid a fee to Smith Dawson Andrews of Washington, D.C., to shepherd its federal grant requests for discretionary funding through the federal labyrinth, making sure that they got through the proper committees, etc.

Commuter Solutions: Mr. Vobora also discussed the Commuter Solutions budget. He explained that Commuter Solutions was LTD's transportation demand management (TDM) outreach program. It included such programs as carpooling, group passes, telecommuting, and Park and Ride issues. He described it as a "tool kit" for commuters, to select the best options that worked for them. Staff met with employers to offer these tools as a possibility for their employees to get to and from work. Connie Bloom Williams, the Commuter Resources Coordinator, was the only staff member.

Ms. Pappas asked if this were a responsive or proactive program. Mr. Vobora said that in the past this function had been basically responsive, but this program allowed the District to be more proactive. As an example, Ms. Bloom Williams was in the process of sending a direct mailing to smaller employers to tell them about a new group pass program.

Commuter Solutions was a grant-funded program through federal highway dollars. It was a six-year grant, but the grant no longer funded Materials & Services. A change in the budget was that some money was proposed for advertising agency fees and media, because these expenses were no longer grant funded.

Mr. Gaydos asked if the local governments were no longer handling carpooling. Mr. Vobora replied that LTD had taken over this program a number of years ago, because the City of Eugene had not been able to put much energy into it. The City telephone number had been forwarded to LTD's lines. Mr. Gaydos asked if the City managed carpooling at the downtown parking garages, and whether the District might be able to receive some money from the City to promote that kind of carpooling. Mr. Vobora said that the City had not been generous with money for this program, which was why LTD originally had taken it over. He explained that carpooling in the local area was an up and down process; people did not have long commutes, and many people were not comfortable sharing their rides with strangers, so tended to carpool if they knew someone to share rides with.

Mr. Gaydos thought that the period of construction downtown should be a teachable moment for transit. Mr. Vobora said that staff were looking at this as a real opportunity, and in about three weeks there would be information on a new downtown shuttle and pass program in a parking permit mailer done by the City.

Mr. Pangborn stated that LTD would begin construction on the new Eugene Station in July. This would remove two quarter-blocks of parking, and the replacement garage construction at 10th and Pearl would remove a quarter block. He stated that providing a downtown shuttle did provide the District with a teachable moment, and the District would be trying to reach a higher market penetration. Staff had been working on a way to provide a broader downtown pass, so this would be a test to see how that worked.

Mr. Gaydos asked about the cost of a pass during construction, and whether that would cover the District's costs. Mr. Vobora replied that staff were considering a $12 monthly pass for anyone within the Downtown Eugene Incorporated (DEI) district. The shuttle cost could be paid by the Eugene Station grant because of the parking mitigation requirements; however, that would take money away from other station funding. There would be some costs to LTD for these trial programs, but if the programs were successful, staff believed that it would be money well spent.

Ms. Pappas asked about the guaranteed ride home program. Mr. Vobora explained that it was offered because when people thought about using alternate modes, they worried about how they would handle emergencies, such as sick children. The guaranteed ride home program was like an insurance policy for them; it usually provided a taxi ride in an emergency. Not many people used it, but they knew it was there if they needed it. He said that there were about three or four uses per month at Sacred Heart Hospital, and that companies set the guidelines for how the program was used.

Customer Service Center: Mr. Vobora also discussed the Customer Service Center (CSC) budget, since it was a division of the SP&M department. He explained that there were eight full-time and one part-time staff members, as well as the CSC Supervisor. The Supervisor position had been reclassified because the duties had changed; rather than being involved with marketing functions as well as supervising the staff and responsibilities of the CSC, the newly-defined position would concentrate on the CSC and not participate in marketing functions. Staff were not sure that the position was in the correct classification; that would be determined during the proposed classification study during 1996-97.

Mr. Vobora discussed overtime pay, which was necessary with the staffing level and the number of hours the CSC was open, a 17-hour span each day. Training and Travel had increased because the CSC staff was a new team, and would be setting goals for the CSC move into the new facility.

Ms. Hocken asked if Mr. Vobora foresaw any staff expansion with the new station. Mr. Vobora said that staff would be tracking that. The goal would be to provide CSC operating hours during the entire time the buses were running. That could mean that more staff would be necessary, but it could be that because of more security at the station, it would not be necessary to have two staff members during early morning and late evening hours, as was done currently. Mr. Kleger commented that he thought there would be more demand for counter services and waiting area space with the new facility, since the CSC would be more centrally located and people could watch for their buses from the CSC, which they currently could not do.

Transit Operations: Transit Operations Manager Patricia Hansen explained the functions of the Transit Operations department and the major changes from the FY 95-96 budget. She talked about annual operating statistics, such as miles traveled, the number of employees, and the operating hours (21 hours per day). She also discussed the reorganization within Transit Operations, which was in addition to the administrative reorganization. The Transit Operations reorganization resulted in significant changes in how the department did business, including new positions and coordination of duties.

Mr. Kleger suggested that Committee members might be interested in listening to a scanner to hear the complexity of what it took to keep the system running.

Ms. Hansen talked about the department's goals, including comprehensive front-line supervisory training, new operator training materials, implementation of the new radio system, and preparations to move into the new Eugene Station.

Mr. Brink arrived at 8:30 p.m.

Ms. Hansen explained the increases in salaries and wages for the Transit Operations Department.

Ms. Pappas asked if driver training included customer service training on an annual basis. She said she had always had good experiences, with patient operators, and wondered if that was learned through a focus of the training. Ms. Hansen replied that there had not been a long-range training plan in the past, but staff would be developing a two- to four-year plan. However, she believed that past training had been excellent and timely. Every other year, part of the training included defensive driving and customer service. Last year, the training used a video on dealing with young riders and included sensitivity training for working with persons with special needs. She stated that all training had some sort of customer service element.

Mr. Pangborn added that every bus operator attended two days of training each year, and that the training itself did vary.

Ms. Pappas asked if the bus operators had been asking for bus roadeos, or if that was more a way to give incentive or rewards to the operators. Ms. Hansen said it was a little of both. Because roadeos had not been held for a number of years, it was hard to get a large number of operators interested in the first one during the current fiscal year. However, when operators saw how much effort staff had put into the roadeo and how much fun people were having, more interest seemed to develop. She also saw it as a way to celebrate the professionalism of the operators, and to provide an opportunity to meet peers from all over the country. She said it was considered an honor to be selected for the national competition.

Ms. Gilland commented that she had talked with a graduate student in English at the University of Oregon who used a cane. The student had heard about LTD on the east coast, about the District's accessibility and accommodation for persons with disabilities. The student said that she had found that to be true, and it had made her adjustment in Eugene much easier. Ms. Hansen said that the District did hear positive comments about LTD's reputation in other areas. She added that the local community was used to receiving personalized service, and that expectation had to be balanced with keeping a schedule.

Mr. Crinklaw noted that drug and alcohol testing funds had not been carried forward to next year. Ms. Hansen explained that those funds had been budgeted to contract with a service to transport employees to drug testing facilities. However, the District had decided to have employees use District vehicles and just monitor the time they were gone, so the contracted service was not necessary.

Break: The Committee took a break from 8:45 p.m. to 8:55 p.m.

Special Services: Micki Kaplan, a transit planner in the Planning & Development department, discussed the District's accessible services budget. She outlined the fixed-route and paratransit services and gave an overview of the program and the major budget changes. She stated that LTD was committed to providing accessible services long before the federal Americans with Disabilities Act (ADA) required transit systems to do so, and that the District was very proud of its program.

Ms. Kaplan described the RideSource program and how it worked. She explained that the service was provided by a private contractor, had an operating budget of $918,000, and was expected to provide about 100,000 rides in FY 96-97. The Lane Council of Governments (LCOG) managed the program on behalf of LTD, and contracted with other providers in Lane County to provide additional services outside LTD's service district.

Ms. Kaplan discussed the Special Transportation Fund, which was funded by a state cigarette tax. STF revenues were projected to decline significantly, and LTD's contribution had to grow to cover those shortfalls. She explained that the budget decrease was due to fluctuations in capital funding, for which staff had to use their best guess. However, this fluctuation in capital funding did not affect the operation of the RideSource program.

Ms. Kaplan stated that the LTD General Fund operating budget included a 27.5 percent increase, or an additional $116,000, for several reasons, including inflation, an increase in the average cost per trip, an increase in average trip length, and an estimated 5 percent growth in ridership. Staff had not planned for that much growth in the current year, but it happened, and they did not want to be in a position of turning down sudden additional numbers of riders. Ms. Kaplan stated that the FY 96-97 budget also would fund a modest contingency, about 2 percent of the annual operating budget of RideSource.

Ms. Kaplan said that the focus for next year would be on minimizing the LTD General Fund contribution to RideSource, possibly by raising fares; providing a training program to transfer riders to the fixed-route system where possible; implementing an on-board advertising program; exploring ways to improve service efficiency; analyzing ways to manage demand; and looking for additional revenues.

Ms. Pappas asked about the RideSource fare. Ms. Kaplan said it was $.80, and that the policy had been to make it consistent with the adult cash fare on the fixed-route system. The reduced fare for those who qualified on the fixed-route system was $.40, so there was some incentive for people to ride the fixed route.

In response to a question from Ms. Hocken, Ms. Kaplan explained that the STF tobacco tax revenues were all pass-through revenues. They came from the State through LTD to LCOG. Most of the funding was used for the RideSource program, and some went to other providers out of LTD's service area, such as to South Lane Wheels in Cottage Grove, Florence, and Oakridge. The LCOG Board had a county-wide service area, as opposed to LTD's service area, so it made sense to pass through those funds for LCOG to distribute. Ms. Weaver added that the actual contribution from the LTD General Fund was $602,000. Of that, $540,000 went to RideSource, and $62,000 to LCOG to administer the program.

Mr. Kleger stated that under the Americans with Disabilities Act, LTD had a legal civil rights law obligation to provide equivalent service to the fixed route. The demand was increasing in part because people were realizing they could run around as much as everyone else, and that there was a way to do that. Ms. Kaplan added that rural routes were exempt from ADA regulations for equivalent service. Some shopper vans went to rural areas, but demand/response service did not.

Ms. Pappas asked if the RideSource growth estimate was based on population growth. Ms. Kaplan said that some was due to population growth and some to existing riders riding more. All riders had to be registered to ride, and there currently were about 1,800 registered riders. As the program grew, riders had learned that they could take other trips in addition to just the necessary trips they used to take. Terry Parker, the RideSource administrator for LCOG, added that 82 percent of the riders were elderly, so there was a lot of attrition through the system, with more riders coming along to take the place of those who could no longer ride. Ms. Kaplan stated that the younger riders were taking a significant number of the rides, going to school, to work, and out with friends.

Mr. Brink asked if all RideSource riders paid a fare. Ms. Kaplan said that most did. Ms. Parker added that the State paid full ride costs for certain Medicaid riders, and Pearl Buck agency clients did not pay a fare because Pearl Buck Center contracted with RideSource and paid nearly 100 percent of the marginal costs to provide the rides.

Ms. Kaplan said that RideSource was trying to mix a number of rides on trips to the same place, in order to keep trip costs down. Trips on demand/response service, such as RideSource, cost approximately $12.50 per ride, and on the fixed-route, those costs were under $2.00.

Fleet Services and Facility Services: Fleet Services Manager Ron Berkshire and Facility Services Manager Charlie Simmons discussed these two budgets.

Mr. Berkshire explained the change from Maintenance to Fleet Services, and some of the responsibilities of the department. The District owned 102 buses, with a replacement value of $24 million. There were 900 tires in inventory, including new and recapped tires, and tires waiting to be recapped. Fleet Services handled 12,000 repair orders per year, from small to large, as well as 3,400 preventive maintenance work orders.

Mr. Berkshire explained the major changes in his budget. Staff were proposing an increase of 1 FTE parts clerk position, as the first increase in parts staffing in more than ten years. Two part-time inside cleaner positions were proposed for full-time, for a .65 increase, for coverage during weekends and vacations and to handle the increase in fleet size.

Mr. Berkshire discussed the Fleet Services Materials & Services budget. He explained that there had been a dramatic increase in fuel costs during the current year. He predicted a 66.6 percent increase in FY 96-97.

Ms. Lauritsen asked if the grant-paid parts funding was in jeopardy. Mr. Pangborn said that those funds were from formula Section 9 funding on an annual basis. This funding would diminish, but the federal government allowed transit systems to use some capital money for operational costs because federal operating funds had been cut over the years. LTD used these funds because it was an allowable cost and reduced the operational costs. Ms. Weaver commented that the Commuter Solutions position was classified as a capital expense, as well.

Mr. Simmons then discussed the Facilities Services budget. Factors driving this budget were the type and scope of facilities (173 passenger boarding facilities, eight transit stations, hundreds of bus stops, the vehicle maintenance facility, and the 25,000-square-foot administration building); the age of the facilities; and the use of the facilities, which affected the frequency of repairs and cleaning. He explained that the maintenance facility included 50,000 square feet for a unique operation, including 80,000 gallons of diesel fuel to monitor, hazardous waste and materials, and environmental issues. He sated that the District was starting to reach the useful life of a lot of the components of the administrative facility after six years of use. For example, he said, some of the HVAC components were beginning to fail.

Services provided by Facilities Services included seven-day-a-week contracted cleaning service for the passenger boarding facilities, six-day-a-week repair of the District's facilities, support for Planning & Development design and materials of facilities, and renovation and construction of facilities.

Mr. Simmons said that $18,000 would be charged to the federal grant for the construction of the Eugene Station for his growing role in this project, as Mr. Viggiano's role diminished.

Mr. Simmons stated that the Facilities Services budget was basically a no-change budget. It would allow him to maintain the facilities at the current level, manage construction of the Eugene Station, and develop an operational plan for maintenance of the Eugene Station.

Mr. Crinklaw asked what type of escalation he would expect in the FY 97-98 budget. Mr. Simmons explained that the District currently was leasing the CSC for about $20,000 per year, and an operators' lounge for approximately $12,000, so those would no longer be expenses. On the other hand, the District would be lighting three-fourths of a block 24 hours a day, so the utility bill would increase. There also would be cleaning responsibilities for three-fourths of a block; currently the City sweeper cleaned a lot of the transit station and the mall service dumped the trash, so those costs would increase. Mr. Simmons stated that the community and District expected LTD's facilities to be maintained at acceptable levels, and the perception of security was related to cleanliness. He said that the District would see some large increases in the 97-98 budget for utilities and maintaining the Eugene Station.

Mr. Brink remembered that last year Mr. Simmons had expressed some concerns about the cost of contracting out maintenance services, and wondered how that was going. Mr. Simmons said it had gone very well, as a result of some excellent decisions made last year during the budget process. Eugene Station cleaning had increased from five to seven days a week. There had been good shelter cleaning bid competition, resulting in a cost reduction of more than $4,000 per year. The landscape contract also looked good for a possible price reduction. Most importantly, the District had hired a skilled facilities maintenance worker, which allowed convenience and flexibility and provided necessary maintenance services at a very high skill level for a reasonable amount of money, as opposed to paying private contractors for all repair and maintenance services. For instance, he said, HVAC repair costs were $53 per hour. He said he thought the District had a good mix of contractors and employees to do the best possible job.

ADJOURNMENT: The meeting was unanimously adjourned at 9:50 p.m. to Wednesday, May 1, 1996, at 7:00 p.m. in the LTD Board Room.

Budget Committee Secretary

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