

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

ADJOURNED WORK SESSION

Thursday, November 14, 1985

Pursuant to notice given at the November 5, 1985 adjourned work session and to *The Register-Guard* for publication on November 10, 1985 and distributed to persons on the mailing list of the District, an adjourned meeting of the Lane Transit District Board of Directors was held on Thursday, November 14, 1985 at 6:00 p.m. at the Red Lion Motor Hotel, Springfield.

Present: Janet Calvert, President, presiding
Janice Eberly, Vice President
Joyce Nichols
Larry Parducci, Secretary
Gus Pusateri
Rich Smith
Phyllis Loobey, General Manager
Jo Sullivan, Recording Secretary

Absent: Peter Brandt, Treasurer

CALL TO ORDER: The meeting began at 6:00 p.m. with dinner and a staff review of the discussion at the November 5 work session, at which only about one-third of the agenda items scheduled for discussion had been finished. Ms. Loobey summarized the areas in which staff believed there had been consensus among Board members. Those are:

- (1) There is a good basic system in place and it should not be changed very much in the next three to four years; it is effective and productive.
- (2) Any growth ought to be consistent with the economy and population; this is also consistent with the T-2000 Plan and staff's ideas for the next three to four years.
- (3) If ridership potential and productivity are present, it is appropriate to pursue recreational ridership.
- (4) If downtown area merchants wish to provide the local share, the District should look at using available capital resources for a novelty vehicle, thus cementing the partnership that is already present with the downtown business community.
- (5) The District should concentrate its marketing and service efforts on commuter services. This area includes higher frequency of service at peak hours, rather than adding more routes, and would probably involve capital purchases.

The topics scheduled for discussion at the meeting that evening were the District's financial picture and marketing posture for the next three years.

FINANCIAL PROJECTIONS AND PLAN: Karen Rivenburg, Accountant, used graphs to give an historical perspective of the District's finances, including passenger fares, payroll tax revenues, and general fund expenditures. There was some discussion of federal tax revenues which are distributed on a formula basis. LTD's service area has a population of 187,000, out of a total of approximately 240,000 people in Lane County. The service area population, on which distribution of federal revenues is based, is determined by the official census every ten years.

Risk Management Fund: Ms. Loobey stated that staff and the Board would need to be weighing the risks, advantages, and costs of moving to more and more of a self-insurance program. Ms. Eberly asked what was being done industry-wide to try to curb the present problems with transit insurance. Ms. Loobey replied that, because regulations are different in each state, a nationwide approach does not make sense at this point. However, meetings within the state of Oregon were being called to discuss the problems.

Projections: Ms. Rivenburg stated that several significant assumptions were made in projections included in the three-year financial plan. Those assumptions included: a 3.5 percent inflation rate; loss of federal funds; funding of the Capital Improvements Program (CIP); raising the payroll tax rate; and questions regarding Risk Management funding. She also handed out questions for discussion regarding the three-year financial plan.

Dr. Smith asked about the projections for growth in passenger fares. Ms. Rivenburg replied that staff were projecting that fares would keep up with inflation through small increases, and service would increase by three percent over the next three years, for a total projected increase in fares of 6 to 7 percent. A description of fare payment instruments followed. Staff offered to send Dr. Smith some written information on fare payment.

Service Increases: Stefano Viggiano, Planning Administrator, talked about anticipated increases in service for fiscal years 1986-87 and 1987-88. Three primary areas where service could be added are:

- (1) **Service to New Developments:** Mr. Viggiano used the example of cooperating with the developers of the West 11th Fred Meyer store to create a bus turn-out lane, and also mentioned that Van Duyn wanted to work with the District to provide service for employees and parking for charter buses. Some considerations for adding service would be making service convenient for patrons, adding service to coincide with businesses opening and closing for the day to make it convenient for employees, etc.

- (2) Improved Frequency: One of the District's goals at this time is to provide 15-minute service on all corridors, since patrons place a high value on frequent service.
- (3) Commuter Service: As the Board had mentioned the previous week, one market to consider would be adding express service from certain residential/transfer points to major employment areas. There was some discussion about providing better service for Sacred Heart Hospital employees, which is difficult because of the three different shifts. Dr. Smith suggested expanding service in limited areas, such as to specific park and ride locations.

THREE-YEAR MARKETING PLAN: Mr. Bergeron used newspaper articles and examples of ads and printed materials to show how the District's marketing emphasis had changed over the years in response to public opinion and District goals. In 1980, everything LTD did was controversial and in the headlines, including raising fares, with a resulting drastic ridership drop. In 1981, pricing was important in maintaining ridership. The "Happy Bus" first appeared, in a happy, upbeat marketing effort toward a positive public image of LTD. In 1982, staff first prepared the "Annual Report to the Business Community," and small ads were used in the print media, in order to position the District as part of the business community. Facilities were important, and ridership stabilized in spite of inconveniences due to construction of the downtown transit station. In 1983, the groundwork laid in the previous years began to pay off. Promotions were targeted toward certain areas; more people and color began to appear in the District's ads; and the District had a more positive image in the community. Student passes for college students were implemented, and the District and merchants worked together on special promotions. In 1984, direct mail marketing was introduced and communication with the business community was continued. Charter service and a visitors's guide for hotels and motels expanded LTD's role in the community. The District received the Convention and Visitors Bureau's Blue Heron Award, and the Eugene Chamber of Commerce saluted LTD at a special dinner. The District was also back on television, using local actors and employees in upbeat commercials. Mr. Bergeron stated that now, in 1985, the District is able to take some chances to help improve the revenue situation. Newspaper headlines are almost completely gone, and the District has become a "non-issue" in the press and is basically in control of the images it sends to the community. The ads now show people on the buses, and a strong, bold use of color.

Mr. Bergeron told the Board that the bottom line for Marketing is that the District needs to maintain the 1984-85 kinds of images for extended periods of time, to offset the past negative headlines and images of bus riders. Mr. Pusateri asked about promoting family riders, noting that efforts had been focused on shoppers, students, commuters, and older people. He also wondered if the District was advertising in places where the public had first seen the negative reviews and headlines.

Mr. Bergeron replied that all campaigns or styles of ads had been reflected in the newspapers.

Mr. Parducci asked about the costs for advertising. Mr. Bergeron replied that Marketing's buying power had dropped 30 percent from 1980 to 1985. The budget for printing and miscellaneous materials and supplies had been strengthened over the years, to improve communications through timetable racks, etc. The media and media production budget had declined, however, and was down another eight percent from last year. Ms. Nichols thought that media advertising would have more impact and be more effective now, because of the District's more positive image.

Mr. Bergeron asked the Board members to let him know about their constituencies and contacts in the community and said that the Board's input was important to the staff and the District. He noted that the Totally Transit campaign to attract youth in the slower summer months had grown out of a comment made by Ms. Eberly at a Board meeting.

The agenda packet for that evening included six questions on which the staff wanted the Board's feedback. Mr. Bergeron stated that what he and his staff do will depend on what the Board decides to do in regard to service issues, revenues, etc.

Mr. Pusateri asked Mr. Bergeron where he thought marketing dollars are best spent. Mr. Bergeron replied that, over the long run, the best approach is a balance. Television is the strongest way in which to convey a feeling; on radio the message has to be simple and direct; and printed materials can be more specific and detailed, and can offset negative or incorrect headlines.

Mr. Bergeron then discussed the direction he saw the District taking in the area of marketing. He explained that a compromise had been made in the media advertising, by using employees and families in television spots and printed ads, and by using video tape instead of professional film for the television ads. Television, radio, and newspaper ads would continue to be used where appropriate for certain reasons. Sales promotions will continue to be specific to the markets which the District is trying to attract.

Ms. Eberly congratulated Mr. Bergeron and the staff in terms of the establishment of LTD within community groups, Chambers of Commerce, etc. She wondered if the District should begin direct marketing with what are not the big employers, but rather smaller employers with a number of employees. This could include a campaign as small as placing some kinds of posters within the work place.

Ms. Nichols commented that a city in the midwest had promoted bus service by having city council members riding the bus during one month. The times were advertised and the public was encouraged to use the time to talk to their elected officials. Mr. Bergeron thought this was an

excellent idea, and focused on the opportunity for socialization which bus riding provides.

Mr. Bergeron noted that it was already getting late, and wondered what the Board members preferred to do in regard to responding to the questions he needed to have answered. Mark Pangborn, Director of Administrative Services, stated that staff had talked about having Mr. Bergeron and one of his staff members meet each of the Board members for lunch to further discuss marketing issues.

Dr. Smith commented that it had been especially good for him, as a new Board member, to be exposed to the background information which had been presented at the two work sessions, and said it would make the Board meetings more meaningful to him. He wanted to have time to think about the issues, and thought the Board might need a third meeting to complete the discussion on these issues. It was felt that a regular Board meeting, because of other issues on the agenda each month, would not be a good time to continue this discussion, and after the first of the year was too far away. Ms. Calvert suggested that it would be better for the Board to meet as a group if the marketing issues were to be discussed at a lunch with Mr. Bergeron, to increase the flow of ideas and discussion. Mr. Parducci said he would be in favor of having Marketing meet with each individual Board member, and then meeting as a group to sum up the discussions and recommendations. He expressed his opinion that marketing is a very important tool, especially with the new facility. He said it was good to have Paul Bonney, a member of the Budget Committee, present that evening. Ms. Eberly agreed that, because of the diversity of opinions among the Board members on these issues, it would be good to meet individually with Marketing staff and then to have the discussions summarized for the benefit of the group. Ms. Nichols thought it might be better to have two to three Board members at a time participate in the discussions with Marketing staff.

Ms. Loobey stated that staff also needed more feedback on the service and financial issues, and to have a better sense of the Board members' "comfort zones" regarding these three areas. She stated that at some time the District is going to have to raise the payroll tax rate or cut service, and that staff were trying not to get too far ahead of the Board in their planning efforts in order to avoid surprises in the future.

Dr. Smith commented that, in regard to the payroll tax issue, the District is still trying to break the old, negative image or stereotype with some members of the business community. He thought that more advertising in the business community was still necessary.

Mr. Pusateri saw an emphasis in two areas: (1) increasing ridership; and (2) making sure that the people who are subsidizing the District know what and how well the District is doing. Ms. Eberly thought it was important for the taxpayers to know that the system is encouraging ridership. She also thought the employers could be asked to impart information regarding ridership and service to their employees. She

suggested bringing all the issues back together at a Board meeting after the first of the year and, if time was not available, scheduling another meeting, even if it happened during the budget process. Dr. Smith commented that asking the Board to meet three or four times a year in similar meetings was not too much.

Mr. Pangborn stated that Mr. Bergeron would be calling the Board members in the next two to three weeks, and staff would consider discussing all three areas (service, finances, and marketing) at the smaller group or individual meetings.

ADJOURNMENT: During discussion, it was discovered that there would not be a quorum at the regularly scheduled meeting on November 19. It was decided that the Board would meet instead on November 20, and that Dr. Smith and staff would notify residents of the 71st/72nd Streets area who were planning to attend the Board meeting.

Mr. Parducci moved that the meeting be adjourned to Wednesday, November 20, 1985 at 7:30 p.m. in the Eugene City Hall. After seconding by Mr. Pusateri, the meeting was unanimously adjourned at 9:50 p.m.

MOTION

VOTE



Board Secretary

bdmn1114.jhs