

MINUTES OF DIRECTORS MEETING

LANE COUNTY MASS TRANSIT DISTRICT

ADJOURNED MEETING

November 1, 1977

Pursuant to notice duly given to the Register Guard and Springfield News on October 18, 1977, an adjourned meeting of the board of directors of Lane County Mass Transit District was held at the Eugene Hotel on November 1, 1977, at 7:30 a.m.

Present:

Richard A. Booth, Treasurer
Jack J. Craig
W. Gene Davis, Secretary
Daniel M. Herbert, President, presiding
Kenneth H. Kohnen, Vice President
Glenn E. Randall
Richard Bryson, Counsel
Fred C. Dyer, General Manager
Mavis Skipworth, Recording Secretary

News media:

Marvin Tims, Register Guard
Lois Lindsay, Springfield News

OREGON MASS TRANSPORTATION FINANCING COMMITTEE: The chairman requested the board to appoint a representative to serve on the Oregon Mass Transportation Financing Committee. By unanimous approval the chairman was designated as the representative of the district and the general manager as alternate. The board was informed that a meeting of the Committee has been called for 8:00 a.m., November 2, 1977, in the Tri-Met offices.

PROPOSED INCOME TAX ORDINANCE: In response to the series of questions presented by Mr. Kohnen at the October 18 board meeting, Ms. Loobey distributed material describing a staff analysis of those issues.

Mr. Rynerson reported that investigation of zip code boundaries revealed that they are flexible, and while they would be helpful in mailing of information and notices, they could not be used as a determinant in whether or not someone is a resident of the district.

Ms. Loobey described a typical taxpayer as a family of four persons with an annual median income of \$15,000. A tax rate of .3% applied against the Oregon taxable balance of such a family would yield about \$27 annually.

Ms. Loobey presented a revised timeline of steps toward adoption of an income tax: the first reading of the ordinance at the March 21 regular board meeting; a second reading at the April board meeting; election notice to Lane County on April 19; and the issue put before the voters at the May 23, 1978 primary election.

Copies of a letter from Mr. Bryson were distributed, responding to inquiries concerning the timing required in calling for an election, and noting that the district would probably be responsible for costs of a special election. Ms.

Loobey said she was advised by the Lane County Elections office that the county would bear the cost if the measure were included on the primary or general election ballot.

The staff recommended that the payroll tax continue to be levied against all employers with an off-setting credit, with the enactment of an income tax to be levied against 1978 incomes; the two principal factors influencing this recommendation included 1) the 6 months lag in income tax receipts the first year the tax is levied, and 2) the several year delay in achieving substantial compliance with the ordinance.

Mr. Booth suggested the board act on the time schedule presented. The chairman asked for further comments and it was the consensus that the timeline be accepted.

Mr. Herbert spoke of the need for organized support with broad representation and of the importance of residents outside of the service area understanding the issue. He suggested that a ballot measure support committee could be formed. Mr. Davis advised that he has met with representatives of the two chambers of commerce to gather support. In following discussion, it was agreed that the board would not take an active role in forming such a committee, but would be available to provide information, and the board members could make individual contacts.

Discussion followed on delay and loss of income tax revenue through non-compliance, and an initial severe income lag if the payroll tax applied only to corporations. Mr. Booth said that although he was not in favor of a withholding tax, it would eliminate the lag and the cash flow results might justify the additional administrative cost. Ms. Loobey commented that it could enable an earlier reduction in the payroll tax.

Mr. Booth expressed his opposition to the revenue projections indicated on various combinations as they exceeded the present revenue yield; that the income tax and the payroll tax combination should generate the same amount of revenue as the payroll tax does now. Mr. Kohnen said the board is attempting to devise a mechanism to provide resources, flexible enough to provide growth, and the amount should be a separate issue to be addressed each year. Mr. Herbert noted that once the tax rate is set, there might not be flexibility in meeting needs without changing the rate.


MOTION Mr. Davis moved the board direct the staff to obtain more information on the withholding system for taxing. Mr. Kohnen seconded the motion.

Mr. Booth said he believed the staff should obtain additional data on how delayed income tax collection would affect the cash flow. Mr. Herbert said he wished to know when the cash flow would permit application of the payroll tax only on corporations.

Mr. Bryson reminded that a withholding system would create an additional expense for employers. Mr. Davis said he believed this would be offset by decreasing the payroll tax. Mr. Herbert suggested it would be advisable to have the ordinance studied by accounting firms for detection of any problems of workability.

VOTE The question was put and the motion carried unanimously.

The meeting was adjourned.


Secretary