

MINUTES OF DIRECTORS MEETING  
LANE COUNTY MASS TRANSIT DISTRICT  
ADJOURNED MEETING  
December 6, 1977

Pursuant to notice duly given to the Register Guard and Newservice 16, an adjourned meeting of the Board of Directors of Lane County Mass Transit District was held December 6, 1977, at 7:30 a.m. in the Eugene Hotel, Eugene, Oregon.

Present:

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

News media:

Marvin Tims, Register Guard  
Rick Bella, Springfield News

Mr. Herbert advised of his appointment by Governor Straub to act as temporary chairman.

AUDIENCE PARTICIPATION: The chairman offered the opportunity for public participation and there was no response.

ELECTION OF OFFICERS: Mr. Herbert declared the meeting open for election of officers to serve for a two year term and asked for nominations.

Mr. Herbert was nominated for the office of president, and upon motion duly seconded, the board voted unanimously that the nominations be closed and that a unanimous ballot be cast for Daniel M. Herbert for president.

Mr. Kohnen was nominated for the office of vice-president, and upon motion duly seconded, the board voted unanimously that the nominations be closed and that a unanimous ballot be cast for Kenneth H. Kohnen as vice-president.

Mr. Booth was nominated for the office of secretary, and upon motion duly seconded, the board voted unanimously that the nominations be closed and that a unanimous ballot be cast for Richard A. Booth for secretary.

Mr. Langton was nominated for the office of treasurer, and upon motion duly seconded, the board voted unanimously that nominations be closed and that a unanimous ballot be cast for Ted J. Langton as treasurer.

GOALS AND OBJECTIVES SUBCOMMITTEE: The president advised that a Goals and Objectives subcommittee will be appointed at the December 20 board meeting and instructed the staff to request the Citizens Advisory Committee to select a representative to serve on that subcommittee.

HOLIDAY EVENING SERVICE: The Planning Department advised that due to low ridership potential and employee desire for time off without pay, an early discontinuance of service is recommended for the evenings of December 24 and December 31.

MOTION  
VOTE

Upon motion by Mr. Randall, seconded by Mr. Booth, the board unanimously approved the following resolution:

RESOLVED that departures on Zone one (urban) routes ordinarily scheduled from 10th and Willamette after 7:00 p.m. on Saturdays will be cancelled on Christmas Eve, December 24, 1977, and New Years' Eve, December 31, 1977.

INCOME TAX: Mr. Bryson distributed copies of a revised draft of proposed withholding provisions for the income tax ordinance (Section 9, paragraphs 9.01 to 9.10, both inclusive). He explained that the new draft incorporates revisions made following his conference with Homer Kennedy of the Department of Revenue.

Mr. Bryson asked the board to instruct him as to its preference in the following: 1) pertaining to Paragraph 9.02, whether the board wants the Department of Revenue to furnish percentage method and wage bracket withholding tables as it does for the Oregon income tax, or if the board prefers to use a flat rate withholding percentage, and if the latter, at what rate; 2) under paragraph 9.06, the minimum quarterly withholding payment the board wishes to be specified. He advised that Mr. Kennedy had suggested that for any withheld amounts less than \$25 per quarter the employer should be permitted to report and make payment semiannually rather than quarterly.

In reference to Section 9.01, Mr. Bryson observed that an additional burden would be placed on the employer in determining if an employee is subject to the tax, probably necessitating certificates of residence to be completed by each employee.

He further noted that while an initial expense would be incurred in preparation of a graduated table, there would be an on-going expense in administering tax readjustments in the use of a flat rate as withholding would be computed on gross pay and not reflect exemptions.

MOTION

Mr. Craig moved the board approve inclusion of percentage method and wage bracket withholding tables in the income tax ordinance. Mr. Randall seconded the motion.

In ensuing discussion, Mr. Booth said he believed that a flat rate at a fair percentage would have the same results and perhaps be easier for employers to administer. Mr. Kohnen said that although he slightly favored using the bracket method, there did not appear to be any great difference in the amount of effort involved and would suggest that the board select the method that the Department of Revenue would deem least complicated. Mr. Herbert stressed the importance of using the method most likely to be understood by the public. Mr. Dyer observed that use of a flat rate could necessitate a cash reserve being held for refunds, which would be disruptive to the cash flow.

VOTE

The question was put and carried unanimously.

Mr. Bryson advised that a decision will also have to be made, under Section 9.02, of the percent an agricultural employer may elect to withhold for certain employees.

Mr. Kohnen reminded that as the board is considering various issues separately, it may be necessary to revise some decisions when they are incorporated into the ordinance.

MOTION

Mr. Booth moved the board accept the suggestion of the Department of Revenue for a minimum amount of \$25 per quarter and if the amount of the withholding is less, to allow the employer to report semi-annually rather than quarterly. The motion was duly seconded. Mr. Kohnen said he believed employers were accustomed to quarterly reporting and this would not be helpful. The question was put and passed with favorable vote by Booth, Craig, Herbert, Randall, Roemer, and opposed were Kohnen and Langton.

VOTE

Mr. Herbert asked for discussion on the merits of the withholding method and of annual reporting. Ms. Loobey presented a memo from Dick Yates of the Research Division written to Armand Borde of the Audit Division providing additional detail on the compliance schedule previously submitted to the board. In comparisons of the two methods, Ms. Loobey advised that the revenue capture would be substantially the same for either; that the paperwork burden under withholding would be greater for employers but slightly less for the Department of Revenue; that compliance would be a greater problem in annual reporting and could have an adverse effect on cash flow. She further said that the Department had projected that only 90% of the tax would ever be collected due to the high cost of enforcing compliance. The cost of issuing a billing and accomplishing the field work is about \$20. She noted that the monies collected in later years would have less purchasing power than in the year in which they were due. She said that the administrative costs would not be materially different under either method.

Following discussion, Mr. Herbert stated that specific actions taken by the board indicated that it wished to proceed with the withholding method, and he asked for a motion if members were not in agreement. No motion was made.

Mr. Herbert then instructed the staff to proceed with preparation of a draft ordinance.

Mr. Booth expressed concern over the accuracy of projected revenues and asked that, in order for the board to determine a rate of tax, the staff prepare revenue estimates based on the state withholding system. Mr. Kohnen said he believed the board must recognize that it cannot obtain very accurate estimates and must make plans on the assumptions prepared by Mr. Merrell and the Department of Revenue. He asked that a computation chart be prepared indicating the effect on typical taxpayers in different classifications. He said he had concerns over the anticipated number of small tax returns and suggested that the staff and Department of Revenue could study other methods than percentage, such as a given amount per day.

The meeting was adjourned.



Secretary