

MINUTES OF DIRECTORS MEETING

LANE COUNTY MASS TRANSIT DISTRICT

December 17, 1974

The board of directors of Lane County Mass Transit District met at the City Hall in Eugene, Oregon, on December 17, 1974 at 7:30 P.M.

Present:

Richard A. Booth
Jack J. Craig, Treasurer
Daniel M. Herbert, President, presiding
Kenneth H. Kohnen, Vice President
Glenn E. Randall, Secretary
Ruth Shepherd
Fred Dyer, General Manager

Mavis Skipworth, administrative secretary, served as recording secretary for the meeting.

MINUTES: Reading of the minutes of the meeting of November 19, 1974 was dispensed with as copies had been distributed to all members of the board. Mr. Booth requested that it be noted in the minutes that he had expressed agreement with Mr. Craig's request to streamline the meetings. There being no objection, the chairman directed the addition as requested by Mr. Booth. The board voted unanimously to approve the minutes as amended.

FINAL REPORT OF SPECIAL ADVISORY COMMITTEE ON REVENUE SOURCES: Orlando John Hollis presented the report of the Special Advisory Committee on Revenue Sources. He briefly reviewed the meetings and public hearing held. He referred to the suggestions in the final report of procedure in implementing the recommendations: that the board could initiate negotiations with exempt employers to make payments to the district in-lieu-of-taxes; that the board could negotiate with governmental units which have responsibility for the general welfare of the citizenry. He noted that of the three recommendations requiring taxes, the income tax seemed to elicit the most interest at the public meeting, and suggested that suitably drafted legislation to amend the statutes for the income tax to be based at a low rate on the residential addresses within the district should be presented to the Legislature as early as possible. He stated that if the committee believes the district has a need for it, the board should not hesitate to go to the maximum availability of the Employers' Payroll Tax. The committee also believes that it should be made more equitable by seeking, at the 1975 legislative session, the elimination of many of the current exempt categories for employers. He added that Exhibit F, the Ad Valorem tax on automotive vehicles, is long-range in its possibilities of availability and could elicit the most discussion from the board and the public. Mr. Hollis thanked the members of the committee for their efforts and for their cooperation in working together. He requested that with the acceptance of the report, the committee be discharged, although as individuals, they will continue to be interested and concerned in the welfare of the district.

Mr. Herbert asked if there were questions concerning the report to be directed to the committee. There being none, Mrs. Shepherd moved that the board

hereby accept the final report of the Special Advisory Committee on Revenue Sources and that the committee be discharged with special thanks for its services to the Lane Transit District. The motion was duly seconded and carried unanimously. Mr. Herbert presented to each committee member a miniature wooden bus bearing an inscription of the committee and member's name. Mr. Paddock and Dr. Watson were unable to be present.

Mr. Herbert asked for any public comment on the report or on other revenue sources. Mr. Craig said that as a direct result of the interest generated by this committee in seeking revenue sources, a discussion was held by Richard Eymann, Speaker of the Oregon House of Representatives, with the State Department of Revenue officials and the Attorney General's office, regarding the possibility of, under present statute, levying a tax on employees' income earned within the district which could be collected through an employer's withholding plan. Mr. Craig suggested that this could yield almost the same amount of revenue from the employees that the district now receives from the employers. He added that Mr. Eymann may arrive later to explain more about it and answer any questions.

Mr. Herbert asked for board discussion of the substance of the committee report to determine board policy for direction of the following two subcommittees.

The president distributed a paper showing the assignment and charge of the subcommittees, Legislative Committee and Local Action Committee. The purpose of the Legislative Committee is to develop programs in areas requiring legislation, working with staff and counsel to outline legislation, and to consider recommendations of the Special Advisory Committee on Revenue Sources and board policy discussion; to submit a proposed program for approval at the adjourned board meeting on January 7. Ruth Shepherd and Jack Craig serve on that committee. Mr. Craig recommended that Mr. Randall be included on the committee because of his work with the Legislature, and Mr. Herbert asked Mr. Randall to serve, and Mr. Dyer.

Mr. Herbert assigned Mr. Kohnen, Mr. Booth, Mr. Dyer and himself to serve on the Local Action Committee for the purpose of developing programs for approach to local agencies, working with the staff to identify the agencies, gather data, to consider the recommendations of the Special Advisory Committee and the board policy discussion; and to submit proposed programs for approval at the January 7th adjourned board meeting.

The Local Action Committee will give attention to local public employers and explore the possibilities of grants and in-lieu-of-tax payments. Mrs. Shepherd expressed concern about approaching the school districts for in-lieu-of-tax payments, as school districts exact taxes from the public in order to operate their own transits. Mr. Booth mentioned that possible consolidation of the school buses with the public transit had been discussed at the public hearing. Mr. Kohnen spoke of the Boeing Study which showed the potential for consolidation was not as great as it appears on the surface, and Mr. Randall expressed his belief that the transit system should operate the school bus system. Mr. Herbert requested that the Local Action Committee open the Boeing Report to study the possibilities.

Mr. Booth noted that the Special Advisory Committee had found that the income tax was the most equitable revenue source, and he suggested that the board should direct the Legislative Committee to prepare implementing legislation to make the income tax a source of revenue.

Mr. Craig said that Mr. Eymann was now present and requested permission from the president to have him speak on the possibility of an employee's income tax, which could act as a balance on the employers' payroll tax. Mr. Herbert asked if there were objections from the board, and there were none. Mr. Eymann spoke of the problems of mass transit in financing operations and in using the taxing authority. He suggested that the board consider using the income tax as a straight tax based on wages earned, including professionals who would make a quarterly report. Any person receiving wages, salaries or professional fees within the district would be subject to the tax. He suggested that a tax levy of .1 of a mill within the district on an income up to \$10,000, and .2 of a mill above that income, could be used for additional revenue, but that the payroll tax should not be eliminated. He believes that this would require no change, but would be a new application of the existing statute, and would also include the banks and other institutions now exempt, except the federal government. He further suggested that it could be implemented almost immediately and if any problems were encountered, then the Legislature could be requested to correct the feature. Mr. Herbert asked the Legislative Committee to study its practicability, working with the staff and counsel, and report to the board. He thanked Mr. Eymann for his interest and attendance.

Mr. Kohnen reminded the board that the Special Advisory Committee did not intend to recommend a new taxing system for the transit district. He said that the committee had looked at many of the revenue sources and examined them from the standpoint of equity and productivity and ease of administration, and reached the recommendations. He added that while it is true that the income tax did receive the most favor, there was no intention that the recommendations should be taken in this priority order, but rather it should be left to the board to establish how these would be used, mixed or put together for a revenue system.

EXTERNAL ACTIVITIES: Mr. Dyer referred to federal legislation, S.386, from which the district can anticipate receiving \$279,000 this spring. These additional funds will be used to reduce debt, increase service to the public, and to implement programs that are presently budgeted.

OPERATIONS: Mr. Herbert asked for an explanation of the ridership graph, and Mr. Rynerson said that the new upper line is the corrected factor for the average fare, and hereafter will replace the lower line, as a result of the recent On-Board Survey. Mr. Rynerson said that the staff has been conservative in assessing ridership, and the weekday ridership will now be more accurate.

PLANNING: Mr. Rynerson reported that a press release was sent to the newspapers and radio stations announcing the Saturday schedules to become effective December 21.

Mr. Rynerson described the anticipated March Unified Urban/Non-Urban System, displaying maps to explain the changes that will be made. He showed the zone fare boundaries on the maps, where passengers will pay an additional 10¢ for each crossing of a zone boundary. He reiterated the service planning goals of coverage, convenience, travel time, capacity and cost, and said that while these goals have not changed, the economic, energy availability, and public awareness situation has changed. Mr. Booth complimented Mr. Rynerson on his well thought out use of resources.

AVERAGE FARE SURVEY: Mr. Rynerson told of the On-Board Survey of average cash fare conducted during the week of November 18, and from the results, the figure of the average cash fare has been adjusted to be 27¢.

BUS STOPS: Mr. Rynerson reported that the Operations staff is working with the City of Eugene Traffic Engineering Department on the location of bus stop signs and that the City has assigned one of its Traffic Technicians to assist. The district will be working with Springfield and Lane County in decisions of bus stop locations.

NON-URBAN COMMUNITY MEETINGS: Mr. Herbert reported that letters have been sent to the cities of Veneta, Lowell, Coburg, and Junction City requesting meetings be held with the city councils, and that the staff has made appointments for these meetings. The president distributed a sign-up sheet, requesting that two board members volunteer for attendance at each meeting. The scheduled meeting for Veneta on January 7th will be changed as it conflicts with the adjourned board meeting, but the remaining meetings are scheduled as follows: Lowell, January 8; Coburg, January 28; Junction City, January 28. The staff will present information about planning and routes, and discuss policy matters with the councils. Mr. Herbert said that the board wishes to discuss the technicalities and proposals with the councils, and receive their comments.

FINANCE AND BUDGET: The subcommittee on Capital Development (Messrs. Booth, Craig, Herbert and Dyer) presented a report recommending that the staff be directed to proceed immediately with arrangements to complete Capital Grants I and II, with funding for local share as follows:

- A. Approximately \$33,000 allocated from FY 74/75 revenue as shown on December '74 cash flow projection for local matching funds for short lead time items; i.e., signs, shelters, administrative equipment and property improvements.
- B. Approximately \$245,000 shall be included in FY 75/76 budget for local matching funds for long lead time items; i.e., buses and related items.

Mr. Kohnen moved that the board adopt the recommendations in A. and B. The motion was seconded. There was discussion of a question by Mr. Booth as to whether the district would have the funds necessary and would be on legal grounds in proceeding, and Mr. Dyer assured him that these items have been included in the budget. The question was put and the motion approved unanimously.

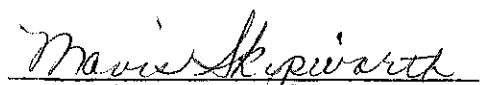
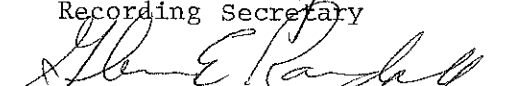
Mr. Randall moved that the board approve the November accounts payable in the amount of \$74,855.21. The motion was duly seconded and carried.

Mr. Dyer introduced Ellen Bevington, who recently joined the staff as Transportation Planner, and advised that long-range planning will be one of her responsibilities. He said that she will be a valuable asset to the district.

Mr. Herbert spoke of a recent letter to the Editor of the Register Guard written by Michael Moravcsik which stated that the district has a cost of 57¢ per passenger mile. Mr. Herbert referred to the Cost/Passenger-Mile Data that shows the cost to be 18½¢ per passenger mile. Mr. Craig asked that a letter be written to the Editor stating this information.

Mr. Herbert appointed a subcommittee of Messrs. Booth, Kohnen, Dyer and himself to write the first draft of the Goals and Objectives for next year's budget.

It was moved, seconded and carried, to adjourn the meeting to 7:30 p.m., January 7, 1975 in City Hall.


Recording Secretary

Secretary