

MINUTES OF DIRECTORS MEETING

LANE COUNTY MASS TRANSIT DISTRICT

August 12, 1970

The regular monthly meeting of the Board of Directors of Lane County Mass Transit District was held at the City Hall of Eugene, Oregon, at 7:30 PM on August 12, 1970. Present were:

Craig Robinson, President
Lewis Hoffman, Secretary
Russ Fryburg, Treasurer
R. W. McDuffie
Leonard Wildish
Fred Dyer, Temporary Executive Secretary
Richard Bryson, Counsel

Absent Were:

Al Brandt, Vice President
Fred Brunner

MINUTES:

Reading of the minutes of the meeting of August 5, 1970 was dispensed with as copies had been mailed to all members. On motion duly seconded, the Board voted unanimously to approve the minutes.

COMMITTEE ON SERVICE AREA:

Mr. McDuffie reported for the committee that the legal description being prepared by the County Assessor's office is not ready yet. When it is ready the committee will study it and see if it meets with their approval and bring it before the Board at the next meeting.

ACQUISITION OF BUSES:

Mr. Robinson reported that he has made a tentative offer for the purchase of the physical assets of Emerald Transportation System, Inc. including twenty buses and some tires and accessories for \$16,000.00 prior to September 1, 1970. Mr. Robinson and Mr. Wildish pointed out to the Board that the \$16,000.00 does not represent the appraised price or what the buses might sell for on a market basis, but the Board is under urgent pressure to provide public transportation in a very short time and also has an obligation under the Federal Grant requirement to treat the private company equitably and the \$16,000.00 figure represents a compromise between the Board's offer of \$12,000.00 and the Company's request for \$20,000.00.

On motion of Mr. Hoffman, seconded by Mr. Wildish, the Board voted unanimously to authorize its officers to complete the purchase of the buses, from Emerald Transportation System, Inc., before September 1, 1970 if necessary, but to attempt to get an extension of time and to try to obtain Federal assistance in the purchase.

On motion of Mr. Hoffman seconded by Mr. McDuffie the Board unanimously voted to authorize the President of the Board to negotiate a loan of \$16,000.00 with the United States National Bank of Oregon for the purpose of purchasing buses and other physical assets of Emerald Transportation System, Inc.

BUDGET:

Mr. Dyer presented to the Board three budget estimates for the ten months' period beginning September 1, 1970, copies of which were filed with the secretary and the members of the Board, indicating a probable need for local support through taxation in the range of \$180,000.00 to \$220,000.00.

TAXATION:

Mr. Dyer introduced Richard Munn from the State Department of Revenue, who presented a written report to the Board dated August 12, 1970 showing tax base estimates for the Eugene-Springfield area for adjusted gross income tax, income tax on taxable balance, income tax on wages, employers payroll tax and retail sales tax. Copies of the report were distributed to the members and filed with the secretary. Mr. Dyer also reported that the property tax base would be approximately \$983,971,212.00. Mr. Dyer was not yet prepared to give a report on business license fees as a source of revenue.

The Board had a lengthy discussion of the various available forms of taxation. In regard to the property tax, Mr. McDuffie pointed out that a good feature was that it would be broadly based but on the other hand the Board would not receive money from the annual property tax levy until November, 1971. In regard to the sales tax, Mr. Hoffman pointed out the fact that we have no established collection facility or procedures and Mr. Munn advised that the sales tax would probably be the most expensive to collect. The employers' sales tax was discussed and Mr. McDuffie declared himself to be unalterably opposed to that tax as it spreads the tax burden among few tax payers, excludes government and some private employers but taxes the industrial employers who provide parking for the automobiles used by their employees and would not be benefited from the transit system as much as business employers are. He suggested that if an employers payroll tax is adopted, there should be different rates for different employers. Mr. Robinson mentioned that according to the Voorhees report, work trips constitute 38% of all trips. In regard to income taxes, Mr. Munn told the

Board that it would probably take about 150 days from the time the Board adopted a tax until the money could be started coming in. He was asked how much the State Revenue Department might charge the district for collection of income, sales or payroll taxes. Mr. Munn said that the administrator did not have enough time to prepare a careful estimate and was only able to give a rough estimate of between \$200,000 and \$300,000 collection costs whereas if the County Assessor were collecting ad valorem property taxes for the district, there would be substantially no charge. Mr. Dyer mentioned the cost of holding an election if we decided on ad valorem property taxes. Mr. Robinson asked Mr. Munn to obtain from the State of Oregon a closer estimate of the cost of collection of income taxes and employer payroll taxes for the Board's consideration at its meeting to be held August 26, and suggested to the Board members that they be prepared to try to reach a decision on short term financing at the next meeting.

BUDGET COMMITTEE:

Mr. Robinson asked each member to be prepared to nominate one public member of the budget committee at the next meeting.

ADJOURNMENT:

On motion of Mr. Hoffman, seconded by Mr. Fryburg, the Board voted unanimously to adjourn until August 26, 1970, at 7:30 PM at the City Hall in Eugene, Oregon.

Lewis Hoffman, Secretary