

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

SPECIAL MEETING

Wednesday, July 20, 1994

Pursuant to notice given to The Register-Guard for publication on July 15, 1994, and distributed to persons on the mailing list of the District, a special meeting of the Board of Directors of the Lane Transit District was held on Wednesday, July 20, 1994, at 5:30 p.m. in the LTD Board Room at 3500 E. 17th Avenue, Eugene.

Present: Kirk Bailey
Rob Bennett
Steve Engel
Tammy Fitch
Pat Hocken, President, presiding
Dave Kleger, Treasurer
Phyllis Loobey, General Manager
Jennifer Self, Minutes Recorder

Absent: Thom Montgomery, Secretary

CALL TO ORDER: Ms. Hocken called the meeting to order at 5:35 p.m. She thanked the Board members for going out into the community to meet with community representatives about the District's proposals to increase the payroll tax rate and implement the self-employment tax.

ROLL CALL: Ms. Loobey called roll.

MOTION

EXECUTIVE SESSION PURSUANT TO ORS 192.660(1)(h): Mr. Kleger moved that the Board move into Executive Session pursuant to ORS 192.660(1)(h), to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. The motion was seconded and carried unanimously, 6:0. Attorneys Allen Johnson and Robert Fraser were present for this discussion.

VOTE

RETURN TO REGULAR SESSION: The Board returned to regular session at 6:40 p.m. Mr. Fraser and Mr. Johnson left the meeting at this point.

MOTION

EXECUTIVE SESSION PURSUANT TO ORS 192.660(1)(d): It was moved and seconded that the Board move into Executive Session pursuant to ORS 192.660(1)(d), to conduct deliberations with persons designated by the governing body to carry on labor negotiations. The motion carried unanimously, 6:0, and the Board moved into Executive Session at 6:40 p.m.

VOTE

RETURN TO REGULAR SESSION: The Board returned to public session at 7:20 p.m. Ms. Hocken called a ten-minute break, during which time the Board members were invited to view a Salem Area Transit Bus that was part of Obie Media Corporation's "Bustacular" advertising program.

EMPLOYEE OF THE MONTH: Following the break, Ms. Hocken introduced the July Employee of the Month, Bus Operator Betty Raz. Ms. Hocken noted that Ms. Raz was nominated by a customer, who commended her for being a very pleasant and helpful bus operator. Transportation Administrator said that Ms. Raz was a good employee who held excellent attendance and safety records. Ms. Raz had recently received her second commendation for correct schedule operation (CSO) in as many years. Ms. Hocken commented that the District was very fortunate to have Ms. Raz as an employee. The Board congratulated Ms. Raz who was presented with a letter from the Board, a certificate, and a financial bonus. Ms. Raz thanked the Board and added that she thought her positive attitude was contagious among her customers. She noted that she liked being able to work with different age groups.

PUBLIC HEARING ON PROPOSAL TO INCREASE THE PAYROLL TAX RATE AND TO IMPOSE A SELF-EMPLOYMENT TAX:

Staff Presentation: Ms. Loobey stated that the District had had the ability to levy the self-employment tax since 1973, and had never chosen to impose it. She added that the District was contemplating imposing the tax at the present time because, in developing the long-range financial plan, it had become clear that unless an additional revenue source was created, the District would not be able to meet federal and state mandates or community expectations. She noted that the Board had carefully contemplated that step.

Ms. Loobey cited the 1990 Americans with Disabilities Act as an example of the District's foresight, as it had purchased lift-equipped buses far in advance of the change in the law. She noted that in the District's history, it had lowered and raised the payroll tax rate on a routine basis, and only twice in 22 years had it been at .6 percent, the statutory maximum. She noted that the District had always worked to be a fiscally responsible agency and she believed that it was continuing to do so.

Public Hearing: Ms. Hocken opened the public hearing, and noted that there were approximately 15 people who wished to testify. She asked speakers to limit their comments to between three and five minutes.

(1) Cecil Saxon, 85769 2nd Avenue, Eugene, asked the Board if it had exhausted all other avenues of deriving taxes in regards to all employers. Ms. Hocken commented that the District had the ability to levy the self-employment tax, and it was the only tax that it had the ability to levy on the self-employed.

Mr. Saxon asked if all employers were paying the employer payroll tax. Ms. Hocken stated that all of the employers who were legally bound by State Statute to pay the tax were levied.

As a point of process, Mr. Bennett commented that it would not work for speakers to ask questions of the Board during the public hearing. He added that he was most interested in the speakers' opinions.

Mr. Saxon stated that he believed that no employer should be exempt from paying the payroll tax. He said that it was the Board's responsibility to lobby for the State legislature to change the mandates of the State tax laws that exempted certain employers from the payroll tax.

(2) Carl Cory, 175 N. McKinley Street, Eugene, asked the Board why the speakers were not allowed to ask questions. Ms. Hocken commented that that was not the manner in which a public hearing was conducted. She offered to make a list of questions from each speaker and have the Board answer the questions after the public hearing.

Mr. Cory commented that the District should use smaller buses for the shuttle routes and bigger buses for the main routes. He asked for a response to that issue following the public hearing.

Mr. Cory stated that there were many business owners who were just starting out in business, and they would suffer very severe consequences because of the additional taxes. He questioned why the District had new buildings and new facilities.

(3) Maurice Welfl, P.O. Box 512, Creswell, stated that he was President of the Lane Chapter of the Oregon Forest Products Transportation Association (OFPTA) and represented approximately 31 independent log truckers in Lane County. He questioned the Board as to what would constitute income in regard to the payroll tax.

Mr. Welfl stated that he was a member of a coalition of 13 organizations that were against the District's proposal. He said that self-employed people were going to be penalized by the new tax, and that it was difficult to determine income until the end of the fiscal year. He added that businesses with employees could pass the cost of the tax on to its customers and employees. He noted that he would not be able to continue supporting local T-ball teams or the Special Olympics because of the extra tax money. He suggested that he would use all of the influence that he had with the State to have the proposal repealed if indeed the District implemented it. He requested that the organizations that could not attend the meeting be allowed to submit written testimony within the next couple weeks. Ms. Hocken encouraged the submittal of any written testimony within the next two weeks.

(4) Daryl Jenkins, 1141 Laurel Avenue, Springfield, stated that he was an Oregon log trucker, and he asked the Board why the District could not make its business run by charging the customer appropriate rates. He said that he did not agree with LTD being subsidized by the general public.

(5) Charles Bronson, 1711 Delrose Avenue, Springfield, stated that he was an independent contractor and the State President of the Association of Independent Contractors (AIC). He stated that he was against the rise in rate of the payroll tax, and added that any expense accrued by the contractors was passed on to the customers. He said that because

of the nature of his business he could not use public transportation. He added that there were 18 chapters of the AIC in the state, comprised of 1,800 people, an association with an Apartment/Condominium Owners Association comprised of 3,000, and an affiliation with some realtors, all of whom were vehemently against the proposal. He said that he supported the referendum policy of the State of Oregon, noting that local government should follow in the footsteps of the State. He stated that he believed in a user-payer system in which the users pay for the facility in question. He advised the Board to be wise and diligent over the employer mandates that business owners were facing.

(6) Dave Carlson, 2833 Hayden Bridge Road, Springfield, testified that he was a real estate agent and that he opposed both the increase of the payroll tax and the imposition of new self-employment taxes. He noted that he was in favor of users of services paying for the service. He noted that the District's ridership was 5 million per year, while only \$2.5 million of the budget came from ridership. He asked about the rate of current fares.

Mr. Carlson expressed concern that the Board was asking for money that it suspected it might need sometime in the future. He noted that he did not see any specific dedication for those funds. He commented that he struggled with raising money from employers who were precluded from utilizing the District's services by nature of their businesses.

(7) Gene Stuart, 300 Mary Lane, Eugene, stated that he was an insurance agent and therefor exempt from the taxes. He asked why the transit program was not self-supporting. He added that only 17 percent of the District's revenue was generated by passenger fares. He asked why additional monies were being designated for more aggressive marketing programs. He asked for a definition, a cost estimate, and why it was necessary.

(8) Rick Crinklaw, 3478 Breezewood Avenue, Eugene, stated that he had served as citizen member of the LTD budget committee for the past three years. He noted that last spring, during the budget deliberations for this fiscal year, the citizen committee members were briefed essentially on the District's proposal. He stated that he was testifying to support the implementation of the self-employment tax and, with a condition, an increase in the LTD payroll tax rate. He said that he believed the proposal to be equitable and the additional money would address on a long-term basis the impending demands on both the District and the community.

Mr. Crinklaw noted that he thought the proposal was fair because it would include all employers and broaden the tax responsibility and burden. He added that federal and state requirements and mandates for the community to reduce vehicle use by 20 to 30 percent over the next 20 to 30 years would require that considerable resources be committed to provide transportation alternatives. He noted that his condition for supporting the increase in the payroll tax rate was that he asked the Board to revisit the employment and payroll assumptions and projections and determine whether those projections were conservative. He testified that, overall, the proposal was a question of whether or not the community wanted to support the LTD of the future.

In closing, Mr. Crinklaw stated that in his three years on the budget committee, he had experienced that the Board, management, and LTD employees had demonstrated operating the District in a fiscally responsible manner, placing a high emphasis on providing safe, clean,

and comfortable transportation services. He asserted that the commitment had resulted in the citizens of the Eugene-Springfield area expecting nothing less than a high standard of service.

(9) Charles Ellis, 84919 North Cloverdale Road, Creswell, said that he was both an employer, with seven employees, and an independent contractor. He stated that he was currently paying the payroll tax on his employees. He testified that independent contractors currently paid a 14 percent self-employment tax and because of their type of business could not use public transportation. He said that independent contractors paid a higher proportion of taxes than employees who only paid a 7 percent tax. He stated that it was unfair to assess the self-employment tax on those not statutorily exempt and to exempt other groups of business owners. He asked the Board why the percentage of LTD's total budget accrued from fares was going to drop by almost a percent in the next five years when the Board was stating the necessity for more revenue. He stated that the percentage of revenue accrued from advertising was going to drop nearly a percent in the five years, and asked why the District did not intend to increase its advertising rates.

(10) Carl Bothman, 3850 Gilham Road, Eugene, testified that there was too much taxing already, and added that the growth of the payroll tax was out of proportion with the benefits it would reap. He stated that LTD needed to figure out how to work with revenues from taxes already in effect, and to become more innovative on the revenue side and more controlling on the expense side. He urged the Board to reconsider its proposal.

(11) Frank Blair, 25333 Hall Road, Cheshire, testified that he was a real estate agent and a loan officer, and said that he could not use public transportation in his business. He stated that the Board was trying to implement another tax without first putting it to a public vote. He suggested that LTD cut its expenses and cut the amount of buses in operation.

(12) Darold Smith, 1254 "L" Street, Springfield, testified that he was a small business owner with three employees, for whom he paid the payroll tax. He said that he made \$11,000 in his first year of business. He commented that he was barely getting by, and the Board was asking him to give more money. He stated that he did not have the money to give to the District. He asserted that LTD was an opulent business, and he asked them to operate within their budget.

(13) Brian Obie, 2081 Musket, Eugene, testified that the proposal was necessary. He stated that he had been paying the tax for a long time, on people at many wage levels. He said that communities require investment by everyone, and talked about communities that had grown up without good transit systems or adequate planning, such as in southern California. He said he believed that the local community had quality, and that quality would be saved by having a good transportation system, including individual vehicles, trucks, and mass transportation, as well as by planning ahead. He stated that he believed in LTD and the manner in which management ran the business, and that supporting LTD was important for the community. He said that equity was an important issue, as well, and that if the Board taxed some groups but not others, it was not living up to the standards he would expect from a governing board. He offered his support of the proposal, and stated that public transportation was going to have a bigger role in the future. He noted that it was the community's responsibility to support a well-run system. In his opinion, LTD was a well-run

system with the opportunity to make a very positive impact on the future of the community, saving dollars and adding to capital investment in the roadway system, and helping with pollution control. For instance, whether the community built a six-lane or ten-lane Ferry Street Bridge was an economic issue, because that would have to be paid for through taxes or other funding measures. He stressed LTD's value to the future of the community, and urged the Board to implement its proposal.

(14) Richard Gilbert, 1236 Cal Young Road, Eugene, testified that he disapproved of the balance of LTD's approach to taxation on the "rich" and non-riders. He stated that he questioned LTD's judgement and was concerned about the direction in which it was moving. He asked if banks were still exempt from the payroll tax. He commented that he wanted to see some sound decisions made by the Board.

Answers to questions: Ms. Hocken stated that she would go through the list of questions and ask staff to respond to them. She said that the Board did not have time to give exhaustive answers to each question.

Question: Why does LTD use only one size of vehicle?

Answer: Stefano Viggiano, LTD Planning Administrator, responded by saying that it really did not save very much money to operate smaller buses instead of the bigger buses. He noted that labor was the greatest cost of operating buses, and operators were likely to be paid the same for driving a big bus as a small bus. He stated that buses do not do just one route; they may do several different routes in the course of a day because it is more efficient. He stated that at times during the day those buses were full, and when using smaller buses LTD received complaints about the buses being overcrowded. He added that the District was considering buying some smaller buses, however, in order to add neighborhood-scale service to some lower-density areas, or in places where the street geometry does not allow larger buses to operate.

Question: What was the cost of the Glenwood Facility?

Answer: Ms. Loobey explained that most of LTD's capital purchases were supported in a couple different ways: (1) through Federal Transit Administration (FTA) funds supported by a portion of the federal gas tax; and (2) through a portion of a capital match, which covered the construction costs. She stated that the construction cost of the Glenwood Facility was about \$10 million, and that the facility was expected to last 20 years. She noted that 80 percent of the structure was underground and complied with state and federal requirements.

Question: What would be the definition of income under the proposal?

Answer: Tamara Weaver, Finance Administrator, explained that the self-employment net income was to be computed as it currently was on existing tax forms. She stated that, after the net income had been calculated on those schedules, a new transit self-employment form would be used to multiplied the net income by .006, to establish the owed self-employment tax. She noted that the minimum annual net income to be exempt from the tax was \$433.

Ms. Hocken added that interest, dividends, and income not accrued in the transit district were not subject to the tax.

Question: What are current fares for riders? How does the group pass program work?

Answer: Mr. Viggiano stated that cash fares were \$.75 per trip, tokens were \$.65 per trip, monthly passes were \$23, and seniors, kids under 11 years old, and people with disabilities paid half the token/cash/monthly pass rates. He said that when all of the fares were averaged, the fare was about \$.50 per trip. He said that revenue from the group pass program was included in fare revenue.

Mr. Viggiano explained that, in a group pass program, the cost of bus fare was shared by all the employees/students of the company involved with the program. He said that the program allowed any employee/student to ride the bus free at any time. He noted that the price that was set was intended to break even. He stated that for the University of Oregon (UO), the rate per student was about \$6 per student per term. For Lane Community College (LCC), the break-even price was higher than that of UO because there were more riders to LCC than UO, and more service would have to be added.

Mr. Viggiano stated that the fare rate changes were considered very year, and the cash fare would be raised to \$.80 in September 1994. He said that LTD attempted to keep fare prices in pace with inflation. He said that the problem with increasing fares too fast was that ridership dropped off dramatically. Mark Pangborn, LTD Director of Administrative Services, added that public transportation, in this country, is a subsidized service. He noted that the 17 percent of revenue that LTD accrued from fares was consistent with transit throughout the United States. He said that essentially LTD did raise fares consistently, while it fluctuated the rate of the payroll tax.

Question: Why was LTD raising taxes now when it did not need the additional revenue until approximately 1996?

Answer: Ms. Hocken stated that if the Board passed the self-employment ordinance now and made it effective for 1995, the first revenue would be collected in the spring of 1996. She stated that it was important to implement the ordinance now in order to have money in Fiscal Year 1996-97.

Question: Why does LTD need a marketing program? What new marketing was going to be done?

Answer: Ed Bergeron, LTD Marketing Administrator, stated that marketing was part of the way in which LTD attracted riders. He said that people need to know where to get the bus, how often it runs, what it costs, and where the buses go. He said that challenge was to attract people away from their cars, which are heavily subsidized through the costs of road building and maintenance, services such as traffic management, and pollution.

Question: Are financial institutions currently subject to the payroll tax?

Answer: Ms. Hocken stated that they were subject to payroll taxes.

Question: Why is the percentage of revenue accrued through fares going down over the next five years?

Answer: Ms. Weaver stated that the projections were the best the financial team could do given the information available. She noted that staff assessed the predictions every six months with what was actually happening, and that the predictions were constantly being reassessed. Though the percent showed fluctuation, it also showed recovery by the fifth year. If it did not recover, staff would take action to improve the percent.

Question: Why not raise advertising rates?

Answer: Ms. Hocken commented that one of the presentations scheduled for the meeting was about advertising and that LTD hoped to raise more revenue through advertising. Ms. Weaver stated that LTD was not predicting a decrease in its advertising revenue.

Question: Why are some employers exempt from the payroll tax while others are not?

Answer: Ms. Hocken stated that insurance agents and government agencies were exempt from the tax because that was how the state legislation read. She said that LTD had the ability to mount a lobbying campaign to change the state statutes and the public could help with that effort. She noted that LTD was currently operating under the law. She added that the State of Oregon was not subject to the payroll tax either, but it did make payments that were equivalent, in lieu of those payments.

Ms. Hocken stated that the Board would be accepting written testimony for the next two weeks. She added that at every one of the Board's public meetings, it allowed time for public comment.

Closure of Public Hearing: Ms. Hocken closed the public hearing.

Board comments and questions: Mr. Bailey thanked the public for coming to the public hearing. He added that the Board had a responsibility to do its job efficiently and it could not spend the entire meeting time to deliberate about this one issue.

Mr. Bennett apologized to Mr. Saxon, and added that he wanted him to have his questions answered. He stated that he thought it was more effective to answer all questions after the public testimony. Mr. Saxon stated that it was the Board's responsibility to respond to questions from citizens.

Ms. Hocken emphatically closed the public hearing and asked the audience to maintain a sense of decorum while the Board administered to its duties.

Mr. Bennett stated his support for the proposal as a business person, and noted that he treated each tax separately. He added that the payroll tax rate had gone up and down over a long period of time. It had been at the statutory maximum of .6 percent a short period of time during the District's history, and it could be reduced again in the future. He said that he supported the raise in the rate because he believed that LTD would have a much larger responsibility in the future. He talked about the state mandate to reduce vehicle miles traveled (VMTs) in increments during the next 25 to 30 years, which would be a huge change from the current rate of growth in VMTs. He stated that the idea was for the community to create a better balance in the transportation system, not by getting people out of their cars and onto the bus, but by creating a better balance of transportation modes to avoid the kinds of transportation problems being experienced in Portland, Seattle, and the Los Angeles basin. He said he realized that many commuters needed their cars occasionally for errands, but often just drove to work, parked their cars, and drove home again. If those commuters would decide to ride the bus even one or two days a week, it would allow people who did need their cars for travel throughout the day to have less congested use of the roads, and would slow the rate at which communities had to pay for road expansion and repair. He stated that these were the reasons he believed in the necessity for these two tax proposals.

Mr. Bennett referred to comments from the audience about marketing the bus system. He stated that there were serious efforts in place to work with companies with employees who drove to and from work each day, especially in the downtown areas. Staff also were working with Sony representatives, who were willing to design their new property in the Gateway area to accommodate the bus. People who normally had been or would be driving their cars now were riding the bus. This kind of program was important because the cities couldn't provide all the necessary parking for employees and others forever. Mr. Bennett said he believed that the District would have a bigger role and that it would come faster than it had in the past. It was important to have the resources to make these kinds of programs work.

Regarding the self-employment tax, Mr. Bennett stated that the issue was not whether an individual could use public transit for his or her business, but whether that individual was willing to support his or her community. He added that he believed taxing should be equitable, and that the self-employment tax proposal made paying the payroll tax equitable. He stated that support for the transit system should be shared on an equal basis regardless of how a person happened to form a company. Because he was a businessman, he knew that what companies paid in taxes they had to try to pass along to the consumer.

ADVERTISING PRESENTATION: Ms. Hocken stated that the Board previously had discussed painted buses and no one had thought it was a good idea. She noted that the Board wanted the buses to be identifiable while on the road. She introduced Brian Obie, President of Obie Media Corporation.

Mr. Obie introduced Steve Grover, General Manager of the Outdoor Transit Division or Obie Media, who would deliver the presentation. Mr. Grover stated that Obie Communications was involved in outdoor advertising in a number of west coast markets and transit advertising in five different markets. He said that much of the new business that Obie Communications had accrued in the last six months was due to their new "Bustacular" program, which used decals on the sides of buses rather than painting advertisements on

buses. Mr. Grover said that Bustacular was a unique program, and Obie Communications was the only company involved in it throughout the world.

Mr. Grover asserted that Obie Media was the only company involved with outdoor advertising in the United States that dealt only with local businesses. He stated that Obie's Bustacular proposal was to create decals to cover the lower half of the driver's side of the bus. He added that all of the artwork for the proposal and the buses was generated by the Obie Media graphics department. He said that Obie would generate more income through the approach of using only local companies.

Mr. Grover stated that Obie Media had sold 125 Bustaculars to five markets. He added that Obie Media was receiving telephone calls from all over the western United States. He noted that the difference between the Bustaculars and traditional advertising was that Bustaculars were sold on one-year commitments only. He said that Obie Media could generate four times as much income by selling only on a one-year commitment.

Mr. Grover described the material used in making the Bustacular's as a repositionable/removable vinyl. He said that Obie Media took a template off the side of a bus, put the template into a computer, designed the artwork, and produced the vinyl in the full size so that no cutting was done once the vinyl was attached to the bus. He said the vinyl was attached to the bus for one year, and then a heat gun was used to remove the vinyl.

Mr. Grover stated that the Bustaculars would help LTD raise more revenue. He noted that Obie Media would pay \$100 per month for every half-side Bustacular that it sold. He said that it would help generate \$10,000 in addition to its current income in the current year and \$36,000 next year. Mr. Grover stated that it was a new approach, and he thought it would be something fun for the community.

Mr. Grover asked the Board to ask staff to amend its contract with Obie Media to include purchasing Bustaculars.

Ms. Fitch stated that she liked the Bustaculars, and appreciated that Obie Media had listened to the Board's feedback.

Responding to a question from Mr. Engel, Mr. Grover said that Obie Media charged advertisers \$600 per month on a twelve-month contract.

Answering Mr. Bennett's question, Mr. Grover stated that if Obie Media got started with LTD's contract now, it could not get production started until October. He added that while the contract was for a year, sometimes part of the advertisement was changed to accommodate changes in what the advertiser wanted during the year. He cited Nordstrom's as an example.

Responding to Mr. Kleger's question, Mr. Grover stated that there was no obligation for LTD on the amount of hours a Bustacular would need to be on the street. He said that it would go in the normal rotation.

Mr. Grover responded to Mr. Engel's question about response to Bustaculars by saying that he had never heard a negative comment about the program. Mr. Obie said that some purist transit people had commented that they did not like advertising on buses at all.

Ms. Loobey stated that advertising had been done on the sides of buses for years. She noted that in some cases, it was a staff function to engage in advertising and in other cases it was a Board decision. She said that staff had decided to involve the Board in the original advertising decision and policy, and were following that direction by bringing this decision to the Board.

Responding to Mr. Engel's question, Mr. Grover said that some of the light rail cars in Sacramento had murals that contained reflective material so that they would glow in the dark, mainly for safety reasons, and that reflective materials could be used more often.

Mr. Kleger moved, seconded by Mr. Bailey, to approve an amendment to the Obie Contract to include the Bustacular half-sides. The motion passed unanimously, 6:0.

Resignation of Board Member: Ms. Hocken stated that Mr. Engel had delivered his letter of resignation effective at the end of the meeting because he was moving to Colorado.

Mr. Engel left at 9:55 p.m.

ITEMS FOR ACTION AT THIS MEETING

MOTION **CONSENT CALENDAR:** Mr. Kleger moved, seconded by Mr. Bailey, to approve the Consent Calendar for July 20, 1994, as presented. This included approval of the minutes of the June 14, 1994, special meeting; and the June 15, 1994 regular meeting. The motion
 VOTE passed unanimously, 5:0.

BOARD ACTION ON EXECUTIVE SESSION ITEMS: Ms. Hocken stated that, based on the Board's discussion during its early executive session, it had a motion to approve in regular session.

MOTION Mr. Kleger moved, seconded by Mr. Bennett, that the Board: (1) express its willingness to accept the July 14, 1994, decision of the City of Eugene Hearings Official approving the new Eugene Station with conditions if it is not appealed by another party; and (2) authorize a precautionary and conditional appeal if necessary to protect the District's position, with the appeal to take effect only if another timely appeal has in fact been filed. The motion passed
 VOTE unanimously, 5:0.

BOARD STRATEGIC PLANNING PROCESS: APPOINTMENT OF BOARD STRATEGIC PLANNING COMMITTEE Ms. Hocken commented that there was a recommendation that there be a Board subcommittee to assist the staff in hiring a consultant to work with LTD on the strategic planning process. She proposed appointing Ms. Fitch, Mr. Bennett, and Mr. Bailey to the committee.

Ms. Fitch stated that she believed staff had always done a great job hiring consultants and she did not understand the need for Board involvement in that process. Ms. Loobey stated that there were different styles of strategic planning: (1) a focused/business approach; (2) a generalist/public point of view; and (3) an organizational/development approach. She said that staff did not want to presume that staff knew what would suit the Board's purposes.

Mr. Bennett said that he would rather give staff direction to choose a consultant.

Ms. Hocken asked the Board if it wanted a focused and directed consultant. The Board agreed that it wanted a focused and directed consultant, and the members agreed to not form the committee and let staff choose the consultant.

ITEMS FOR INFORMATION AT THIS MEETING:

General Manager's Nomination to Downtown Eugene, Incorporated, Board of Directors: Mr. Bailey congratulated Ms. Loobey on her election to the Downtown Eugene Incorporated Board of Directors.

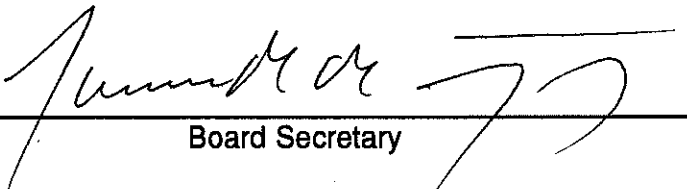
MOTION

EXECUTIVE SESSION PURSUANT TO ORS 192.660(1)(D): Ms. Fitch moved, seconded by Mr. Bailey, that the Board move into Executive Session pursuant to ORS 192.660(1)(d), to conduct deliberations with persons designated by the governing body to carry on labor negotiations. The motion passed unanimously, 5:0.

VOTE

The Board moved into executive session at 10:10 p.m.

RETURN TO REGULAR SESSION AND ADJOURNMENT: The Board returned to regular session at 10:35 p.m. There was no further discussion, and the meeting was unanimously adjourned.


Board Secretary