

MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

REGULAR MEETING

Wednesday, May 15, 1996

Pursuant to notice given to *The Register-Guard* for publication on May 10, 1996, and distributed to persons on the mailing list of the District, the regular monthly meeting of the Board of Directors of the Lane Transit District was held on Wednesday, May 15, 1996, at 7:30 p.m. in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Kirk Bailey, Vice President  
Rob Bennett  
Patricia Hocken, President, presiding  
Dave Kleger, Treasurer  
Thomas Montgomery, Secretary  
Mary Murphy  
Roger Saydack  
Phyllis Loobey, General Manager  
Jo Sullivan, Recording Secretary

Absent: ---

**CALL TO ORDER:** The meeting was called to order at 7:35 p.m. by Board President Pat Hocken.

**AUDIENCE PARTICIPATION:** There was no one present who wished to address the Board.

**EMPLOYEE OF THE MONTH:** Ms. Hocken introduced the June Employee of the Month, Maintenance Supervisor Frank Whisenhunt. She stated that Mr. Whisenhunt had been an LTD employee since March 14, 1977, and was a member of the District's Accessible Issues Committee. The co-worker who nominated him said that he is a valuable member of the Fleet Services team, and a dependable, supportive, and fair supervisor. Additionally, if another employee had car trouble and needed help, Mr. Whisenhunt would do what he could to get the vehicle started, and he had assisted in the "key locked in car" syndrome several times. His co-workers commended him for being an employee who helped other employees, and believed that he was very deserving of selection as Employee of the Month. When asked what made Mr. Whisenhunt a good employee, Fleet Services Manager Ron Berkshire said that Mr. Whisenhunt was an excellent employee and supervisor. He was a dedicated employee who provided stability to the department during busy and changing times. As a member of the Accessible Issues Committee, Mr. Whisenhunt had contributed heavily in developing improved securement systems and accessibility on LTD buses. He had assisted Oregon State University researchers in their study of wheelchair securement systems on transit buses and had taken responsibility for

acquiring and providing information and input to the process. Mr. Whisenhunt also had played a major role in improving communications between operators and Fleet Services by conducting new operator orientation classes. His dedication and contribution as a team player were a great asset to LTD and appreciated by those around him.

Ms. Hocken presented Mr. Whisenhunt with his awards and offered the Board's congratulations. Mr. Whisenhunt stated that this was a great honor for him. He had been with LTD for 19 years, and he couldn't think of any times that he had not wanted to go to work, which showed how much he enjoyed working at the District. He said the District had been good to him and he hoped he had been of service to it.

**CONSENT CALENDAR:** Mr. Kleger moved approval of the Consent Calendar for May 15, 1996. Mr. Saydack seconded, and the motion carried by unanimous vote (Bailey, Bennett, Hocken, Kleger, Montgomery, Murphy, and Saydack in favor; none opposed). The Consent Calendar consisted of the minutes of the April 17, 1996, special Board meeting/work session; the minutes of the April 17, 1996, regular Board meeting; and the Fiscal Year 1996-97 Disadvantaged Business Enterprise (DBE) Goals.

**RIDESOURCE BUDGET TRANSFER:** Transit Planner Micki Kaplan explained that staff typically took budget transfers to the Board in June. However, she thought the Board would rather discuss this ahead of time rather than waiting for June, when, theoretically, the budget could already be expended. Essentially, staff were asking the Board to transfer \$8,000 from contingency in the General Fund to RideSource. The contingency would be used only on an as-needed basis between April 18 and June 30, 1996. Staff hoped they would not have to use any of the transferred revenue. Ms. Kaplan stated that a 2 percent contingency had been budgeted for RideSource for FY 96-97, but none had been budgeted for the current year, and the budget had been very tight. She also explained that the primary reason staff were asking for the transfer was to prevent further escalation of ride refusals. She compared year-to-date ride refusals in 1994-95 and 1995-96, which showed a 150 percent increase from last year. Although that was still within the 1 percent goal, staff were concerned about the sudden jump. Throughout the year, the average was approximately 36 ride refusals per month, but there were 100 in only two days in April. Since there was no contingency in the current year's RideSource budget, staff were asking for the additional \$8,000, or less than 1 percent of RideSource's annual operating budget, which Ms. Kaplan estimated would buy between 500 and 700 rides, including taxis and brokering to volunteer drivers.

Mr. Bennett asked Ms. Kaplan to explain why there were ride refusals and why that number had increased. Ms. Kaplan explained that paratransit was different from the fixed route. Paratransit carried approximately two people per hour and incurred expenses when services had to be brokered to taxis. She said that it was difficult to know what the number of ride requests would be on any given day, and there were a limited number of vehicles and taxis available. Also, the Americans with Disabilities Act (ADA) required comparable service to the fixed route. Sometimes, people did not get an anticipated ride on the fixed route, such as when buses were full or riders were passed by. Staff did not believe that the ADA meant that rides should be provided for every single request. However, ride refusals were difficult for people. Ride refusals occurred because there were a definite number of

vehicles, and once those were full, rides had to be brokered to taxis or volunteers. At the end of the year, RideSource was trying to stay within its budget without refusing a greatly increased number of rides.

Mr. Saydack asked for a definition of ride refusal and a description of how the program worked. Ms. Kaplan explained that RideSource had a strict eligibility program based on disabilities that prevented people from getting to the bus stop to ride the fixed route. Rides were provided on a telephone-request basis; customers called up to two weeks ahead for their rides, with a specific time and destination request. However, the ADA required that the schedule not be finalized until the day before the requested trip. Depending on where people needed to go and how the destinations coordinated for trips, someone who requested a trip two weeks in advance might be refused a ride when the schedule was finalized.

RideSource offered a subscription program, not required by the ADA, for people to go to work or school every day. This program enabled riders to have rides to a specific destination on an ongoing basis. However, federal law allowed subscription service to be provided for only a certain percentage, 50 percent of capacity, so that the service would not be full before others had an opportunity to ride.

Ms. Murphy asked about the population riding, and whether some people wanted to go more places or more people wanted rides. Ms. Kaplan replied that there was a little of both. The number of people enrolled in the program was about 1,800, and she thought that many began riding more frequently when the service improved to the same service span as the fixed route. However, there was attrition within the elderly population, and there were new riders, as well.

Ms. Murphy asked how these issues were handled in other metropolitan areas, such as Salem or Portland. Ms. Kaplan replied that staff planned to have a detailed discussion with the Special Transportation Fund (STF) Advisory Committee about this for the following year. Salem was not yet in compliance with the ADA, and was way behind schedule, so was not comparable with LTD's situation. Tri-Met, in Portland, had not responded to her calls, but she planned to attend a conference in June and discuss this issue with other paratransit providers. She added that each agency was unique, but she hoped to talk with representatives of systems like LTD, with very high lift ridership on the fixed-route service, because that influenced the paratransit program, and about how to manage demand and ride refusals on paratransit. Nationally, she said, most transit systems did not have lifts on their buses early on, and had very high-usage paratransit systems. Those systems were now in the process of trying to wean people from the paratransit system to fixed-route service. Staff had found that LTD usually was ahead of the game and plotting new territory, but had some good contacts to talk with about this.

Ms. Murphy asked if it would be possible to throw out a large enough net to encompass as many people as possible. She knew there were other agencies in the community that could transport at a higher cost, so that more people had paratransit service available to them, but not the same people constantly using it. She realized that it may be discriminatory to count on these more expensive services, but she also said that LTD

needed to be an infrastructure to this population in the community as a whole, not to just a certain number who knew how to access the system. Ms. Kaplan stated that RideSource was a general public system, available to anyone who qualified under the ADA, for any kind of trip purpose. It was not agency-based or based on a certain clientele, and was available for any kind of trip, which was the beauty of the program. She stated that it would be illegal for LTD to control which populations had access to the program. Ms. Kaplan said that the program did not limit access, and did provide education and customer information for the riding the population because it was a complicated program. However, staff did not want to advertise, because the program was having trouble meeting the existing demand. Because it currently cost \$11.50 for each ride, compared with about \$2 on the fixed route, staff did want to save the service only for those who qualified under the ADA.

Mr. Bennett asked why the fee was not based on income. Ms. Kaplan replied that there was one flat fare, which currently was set at \$.80 per ride because that was the equivalent of the adult cash fare on the fixed route, and was the current fare policy. Terry Parker of the Lane Council of Governments (LCOG) added that it was her understanding of the ADA that paratransit service was a basic civil right for access to service, the same as for fixed-route bus service. The ADA defined the criteria as disability-based, not income-based.

Ms. Kaplan stated that the fare did not contribute very much to the program, and an increase in the fare would be discussed during the summer with the STF Advisory Committee. She added that the Board could discuss a low-income discount for the fare if it wished.

Mr. Bennett wondered if RideSource could use larger vehicles during peak times. Ms. Kaplan replied that RideSource had a limited fleet capacity, and could not really use larger vehicles because people were picked up at home. Mr. Bennett said he was thinking of work trips on a higher-volume base. Ms. Kaplan said that RideSource did some of that, if people were going to the same place. She added that she thought RideSource was considered to be efficient in its service delivery, but staff would be comparing this program with others, especially in terms of efficiency. Mr. Bennett thought that it might be worth taking another look, since more money was needed and demand was increasing significantly. Ms. Kaplan replied that staff also would be looking at automated scheduling, audits, and other ways to increase efficiency.

Mr. Saydack asked how much RideSource paid the taxi companies. Ms. Parker replied that RideSource worked with two taxi providers. A vehicle was leased to one company, with the requirement that RideSource be charged the same fare as the taxi company's other customers. The other company charged more because it had its own lift-equipped vehicle. Taxis provided overflow service and evening rides, because it was less expensive to broker evening rides than to have a dispatcher and driver during the later evening and early morning hours. Ms. Kaplan said that at some point, the service would reach critical mass, when it might be more efficient to provide the service directly, possibly with an on-call driver with a cell phone.

Mr. Bailey wondered how the taxi companies could charge more if the ADA set the maximum fare. Ms. Parker replied that there were different standards for taxi companies. Ms. Hocken said that this was still less expensive than using private services such as

Handicabs, which charged approximately \$35 to go to someone's home. Ms. Parker stated that RideSource paid approximately \$15 or \$16, on the average, for these taxi services.

Ms. Hocken asked how RideSource ensured that one person was not subject to more than a fair share of refusals. Ms. Parker replied that the schedulers kept a list, since RideSource was a small enough system to keep track of names. Otherwise, because the system was put together based on efficiency, or how many rides could be scheduled for a vehicle, people who lived in outlying areas might see repeat refusals. Ms. Parker said that people who had never been refused rides before were now experiencing ride refusals, and there was a growing awareness that this was even a possibility. The program had done a good job of not refusing any rides for a while, but it was staff's expectation that the service could not always meet the demand.

Ms. Kaplan said that how rides were turned down was a very interesting question, and she was interested in seeing how it was done in other communities, to be sure it was done in an "equal-opportunity" manner. Mr. Kleger stated that according to the ADA, priority could not be given to people who planned their trips two weeks ahead over those who requested trips at the last minute, the same as going to a bus stop.

Mr. Bennett asked if there were some people in a "gray area" in terms of eligibility. Ms. Kaplan replied that there were some customers with "conditional eligibility." The eligibility categories were: permanent (under no circumstances could they use the fixed route); conditional (on a good day, they could use the fixed route, but on a bad day could not); and temporary. RideSource had a grant from the State of Oregon to provide training and incentives for conditional riders (about 20 percent of the RideSource ridership) who, with specialized training, could use the fixed route.

Mr. Bennett asked why RideSource would treat someone with a short-term disability from an accident the same as someone with a permanent disability. Ms. Kaplan replied that this was an ADA requirement, but temporary riders were a very small percentage of the RideSource users.

Ms. Murphy asked if the ADA required the time span. Ms. Kaplan stated that it was a very specific law with several service criteria. One of the criteria was the service span, which required RideSource to operate during the same span as the fixed route.

MOTION

Mr. Saydack moved that the Board adopt the resolution transferring \$8,000 from the General Fund Operating Contingency account to the Transfer to Special Transportation fund account in the General Fund and increasing the Direct Support - RideSource account and the Transfer from the General Fund account in the Special Transportation Fund by \$8,000. Mr. Bailey seconded, and the motion carried unanimously (Bailey, Bennett, Hocken, Kleger, Montgomery, Murphy, and Saydack in favor; none opposed).

VOTE

MOTION

**FOURTH AMENDED ORDINANCE NO. 35. AN ORDINANCE SETTING FARES FOR DISTRICT SERVICES:** Mr. Bennett moved that Fourth Amended Ordinance No. 35 be read by title only. Mr. Bailey seconded, and the motion carried unanimously (Bailey, Bennett, Hocken, Kleger, Montgomery, Murphy, and Saydack in favor; none opposed). Ms. Hocken

VOTE

read the title: "Fourth Amended Ordinance No. 35, An Ordinance Setting Fares for Use of District Services." Copies were available for everyone present.

**MOTION** Mr. Bennett moved that the Board adopt Fourth Amended Ordinance No. 35, and the motion was seconded by Mr. Bailey. Mr. Kleger pointed out that in Section 1.02, Fares, the cash fare was still listed as a Monday through Friday fare, but with the intention to eliminate the weekend discount, that column should read "Monday through Sunday daytime." Mr. Bennett and Mr. Bailey withdrew the motion. Mr. Viggiano explained that the ordinance was not all-inclusive in terms of discounts, but that the cash price should be accurate.

**MOTION** Mr. Kleger moved to amend the ordinance, as read by title only, to charge the full adult cash fare for Monday through Sunday daytime, with the intention of holding the second reading and adopting the ordinance at the June Board meeting. Mr. Bennett  
**VOTE** seconded the motion, which then passed unanimously (Bailey, Bennett, Hocken, Kleger, Montgomery, Murphy, and Saydack in favor; none opposed).

**SIXTH AMENDED ORDINANCE NO. 1. AN ORDINANCE PROVIDING RULES FOR MEETINGS OF LANE TRANSIT DISTRICT:** Assistant General Manager Mark Pangborn explained the reasons for the revised ordinance. Previous amendments repeated state law, which meant that the ordinance had to be revised each time state law changed. Since the Board had to follow state law whether or not it was stated in the ordinance, the sections repeating state law were removed. Second, instead of naming a specific time and day for Board meetings, the ordinance would say that the Board would set the time and day by resolution. Third, state law did not require all Board action to be done by resolution, so the ordinance was being changed to allow the Board to use resolutions or motions. Fourth, staff were proposing a change in the election of officers. Mr. Pangborn explained that with new Board member terms beginning in January, it sometimes was difficult to elect officers before the Board members got to know each other when there were several new appointments at once. Staff were proposing that the election of Board officers be moved to July, every other year, so if a change-over occurred in December and January, the Board would have a chance to get settled before electing officers to two-year terms.

Mr. Pangborn stated that staff had worked with legal counsel Greg Skillman on the revisions to this ordinance.

**MOTION** Mr. Kleger moved the reading of Sixth Amended Ordinance No. 1 by title only.  
**VOTE** Mr. Montgomery seconded, and the motion carried by unanimous vote (Bailey, Bennett, Hocken, Kleger, Montgomery, Murphy, and Saydack in favor; none opposed). Ms. Hocken read the title: "Sixth Amended Ordinance No. 1, An Ordinance Providing Rules for Meetings of Lane Transit District."

Ms. Hocken asked why the title read "Lane Transit District" instead of Lane County Mass Transit District." Ms. Loobey replied that both were legal names, and mass transit was an old term with a negative connotation.

**APPOINTMENTS TO BOARD COMMITTEES:** Ms. Hocken handed out a new committee list. She noted changes to the Finance Committee, which she said would have

to begin meeting to gear up for long-range financing for bus rapid transit (BRT). She named Mr. Bailey, Mr. Bennett, and Ms. Murphy to a Board Community Outreach Committee, with Mr. Bailey as the committee chair. Mr. Bennett commented that he thought the work of the Ferry Street Bridge Committee was over. He had represented the Board during that committee's work. Ms. Murphy asked about the lack of a Springfield representative on the Metropolitan Policy Committee (MPC). Ms. Hocken stated that the Board elected these representatives a couple of years ago, but if a Springfield representative was interested in participating, the Board representation could change as time went on. Ms. Murphy stated that she may be interested in the future, as routes were being voted on, etc., but not at the present. Mr. Bennett stated that he thought Ms. Murphy could do a good job. He said he found it a very interesting committee, and he thought he could do a helpful job with BRT, but could give up his position as he got closer to his retirement from the Board. Ms. Hocken added that Mr. Bennett had raised very good issues during the discussions of TransPlan.

**DEPARTMENT OF JUSTICE GRANT APPLICATION:** Ms. Loobey noted that this was a new action item. During the budget process, staff had mentioned the possibility of offering a middle and high school curriculum. The District had received the information on this opportunity to submit an application with The Center for Appropriate Transport (C.A.T.) at the last minute, and the deadline was that day.

Service Planning & Marketing Manager Andy Vobora explained that the Department of Justice had offered two rounds of grants totaling \$3.5 million. The District's application had been denied the first time, and staff thought there may be a better chance for funding in partnership with C.A.T. C.A.T. had thought it could apply, but realized that had to be done by a public agency, so the previous day LTD staff had received the application information from C.A.T. Mr. Vobora said he thought the two staffs could develop a good curriculum to reach out to kids to start using the system.

Mr. Bennett asked who would do the land use planning portion of the curriculum. Mr. Vobora said that the District's grade school curriculum had been developed by providing information to teachers creating lesson plans. Mr. Vobora said that staff would hope to work with experts to provide the land use information in the same way. Mr. Bennett stated that the transportation component made a lot of sense to him, but land use planning was very controversial, and he felt differently about that. How it was presented would be important, so there needed to be a balance in how it was presented. Mr. Vobora said it could be presented by someone at the university level. The previous grade school program included information on nodal development and how that was connected to transportation for a balanced transportation plan.

Mr. Saydack asked if the program would show kids how transportation affected land use and vice versa. Mr. Vobora replied that it would.

Ms. Hocken asked who developed the curriculum in the past. Mr. Vobora said that the basic message about how to ride the bus, etc., was gathered from other transit districts, and staff worked with teachers and the advertising agency on the presentation. Ms. Hocken asked if there was summer workshop money for a few teachers to develop the curriculum. Mr. Vobora said that was an important component, so the program would be

something the teachers would and could use, and one that would work in the classroom. He added that the grade school program was fairly comprehensive and worked well.

MOTION Mr. Kleger moved that the Board authorize the General Manager to submit an application to the Oregon Department of Justice for \$38,000 in grant funds to produce a VOTE transportation-related middle/high school curriculum. The motion was seconded and carried by unanimous vote (Bailey, Bennett, Hocken, Kleger, Montgomery, Murphy, and Saydack in favor; none opposed).

### **ITEMS FOR INFORMATION AT THIS MEETING:**

**Board Member Reports:** MPC - Ms. Hocken reported that MPC had been canceled in May. TransPlan: Mr. Kleger said that there would be two community information workshops the following week. The purpose was to discuss the current status of the TransPlan and gather input from the public. He planned to attend both sessions to listen to the input. High-Speed Rail - Mr. Bailey said that the High-Speed Rail Committee had not met since the last Board meeting. Governor's Transportation Initiative - Ms. Hocken reported that she had testified before a regional committee gathering information about needs and possible solutions from the local region. A report would be developed from the regional hearings. Ms. Loobey told the Board that Mr. Bennett had suggested that the District try to meet with some of the policy makers for the GTI. Staff had tried to set up those appointments, but were told that they would not be in Eugene for that meeting. It turned out that they were there, but LTD representatives were not able to meet with them. Growth Management Study: Ms. Hocken stated that the City of Eugene Growth Management Study would be bringing in a number of speakers. Most would be on television, and she suggested that staff make copies of the schedule for the Board members. Project Action Grant Steering Committee: Mr. Kleger said that Kate Hunter-Zaworski, a rehabilitation engineer at Oregon State University, had requested that he serve on a steering committee for proposed project action grant-funded research into wheelchair and other mobility device securement on public transportation vehicles. He stated that he had agreed to do that, adding that Ms. Hunter-Zaworski had been extremely helpful to the District over the years. TDM Task Force - Mr. Bennett asked Mr. Bailey about the TDM task force. Mr. Bailey replied that the task force was waiting for staff to complete an analysis. Mr. Bennett said he was interested in Mr. Bailey's sense of how that would play out. He said he had been hearing a lot that achieving the goal of a 10 percent reduction in the next 20 years would be much more difficult than some people might have thought originally, for a lot of reasons. He was interested in the issue of using transit in significantly more competitive ways, and nodal development, both the longer-term objectives and investment approaches. He would like to have some discussion about what might be possible under the demand management category. He thought this area would move up the list in the short-run, in terms of what might be possible to implement. He said he would like to have this on the agenda for a Board meeting as soon as Mr. Bailey knew something from the task force.

Ms. Hocken asked if staff knew when the Board would have a presentation/update on TransPlan. Mr. Viggiano said that some of the modeling results were becoming available and would be displayed the following week at the open house. He suggested a work



session in June. He said that some of the TDM measures were beginning to be modeled, as well. Staff's general impression was that there was a strong reluctance to some of the TDM pricing measures, from some of the elected officials and stakeholders. On the other hand, there was still a need to model that and try to predict what impact those might have, in order to make intelligent decisions about it. Some of the things being modeled, for example, were a \$2 increase in gas tax and what impact that would have on travel behavior, and increases in parking prices. Mr. Viggiano thought some of those results would be available for discussion at a June work session.

**Eugene Station:** Mr. Viggiano said that the District had closed that day on the small piece of building that LTD was buying from the McDonald Theatre owners. He said that there were a lot of issues with alley access and fire walls that made the purchase fairly complicated. The last piece of property being purchased was the Hammer building, where the bingo parlor was. The sellers had agreed to sell the building "free and clean," meaning that they would take down the building, excavate down two feet, clean up any contamination, and provide LTD with a professional consulting firm certification that the property had been cleaned up according to DEQ standards before the District purchased it. Work had begun; it was expected to take ten days to remove asbestos, and then a couple of days to take the building down, followed by excavation. That work was expected to be done by June 1, with closing sometime in mid-June. Mr. Bennett asked if the District had to do its own testing in addition to the professional certification. Mr. Viggiano explained that if LTD did the testing, it would be as if the District was certifying that the site was clean, so the District would not test. The District had decided it could not agree to not sue in the future if the site is not clean.

**Downtown Shuttle and Pass Program:** Mr. Vobora provided an update on the downtown shuttle and pass program he had first discussed at the May Board meeting. A Downtown Eugene Inc. (DEI) mailer had been sent out that day, and a lot more work needed to be done by July 1, such as writing schedules, creating signage, etc. Ms. Loobey stated that it was very exciting to have this partnership with DEI, and the fact that the District had cast its nets broader than to LCC students. DEI had stepped up to form a partnership and made this program possible. She said that staff were excited that the District could be prominent in giving an assist to the downtown area.

Mr. Bennett asked about 7:00 to 9:00 a.m. and 4:00 to 6:00 p.m. as shuttle times. Mr. Vobora replied that those were typical commute times for employees parking at the fairgrounds. Regular service past the fairgrounds to downtown would continue four times an hour during the day, and the shuttle would supplement that service during the peak hours.

Mr. Saydack asked if the pass would be good on the regular routes, as well. Mr. Vobora replied that it would; staff wanted to promote riding from home as well as parking at the fairgrounds and riding from there.

**Radio System Purchase:** Purchasing Administrator Jeanette Bailor said she was pleased to announce that the District was ready to proceed with the award as soon as the insurance and bond were received. The bid had come in just under budget, and staff had

completed the reference checks and checked radio systems the successful bidder had done for other transit systems. One of those was Seattle, which gave a good recommendation.

Mr. Bennett asked when the radio system would be working. Ms. Bailor said it would be fully operational in 18 months, after training for employees. Ms. Hocken asked about the funding. Mr. Pangborn replied that the purchase was 80 percent federally funded, including two Section 3 grants and part of the Section 9 annual allocation.

**Conferences:** Several conferences were described in the agenda materials. Ms. Loobey asked Board members to let staff know as soon as possible if they were interested in attending any of the conferences. There was some discussion about a panel discussion regarding the public initiative process scheduled for the Oregon Transportation Conference, to be sponsored by the Oregon Transit Association in October.

**New Finance Manager:** Ms. Loobey introduced the District's new Finance Manager, Diane Hellekson, who had been attending Board and Budget Committee meetings, and said that staff were pleased to have her on board.

**Labor/Management Committee:** Ms. Hocken commented that the Union had accepted Mr. Rutledge's suggestion to form a labor/management committee.

**Self-Employment Tax:** Ms. Hocken asked if staff knew yet what percentage of the self-employment tax returns had been processed. Mr. Pangborn replied that the District so far had received approximately \$670,000 in self-employment tax returns, and had budgeted \$750,000, so it seemed fairly close. The program that the Oregon Department of Revenue (DOR) was using to process the tax forms was not up and running, so the returns were only being collected and banked. DOR indicated that Tri-Met, which had been collecting the self-employment tax for 13 years, received between 40 percent and 50 percent in the month of April and 50 percent to 60 percent during the rest of the year. Mr. Pangborn could not say for sure whether that would also be the case for LTD or not. LTD's dilemma was that the District needed the data quickly. If the Board wanted to set a minimum tax obligation, it would need some data on the percent of returns that were being collected from low-income taxpayers. The DOR deadline for a decision on any change in the tax might be early July, and the data might not be available by then.

Ms. Murphy asked about linkage with Tri-Met regarding a minimum tax. Mr. Pangborn said that staff had explored that question, and found that Tri-Met was happy with the tax just the way it was. Mr. Bennett asked about the payroll tax rate. Mr. Pangborn replied that it was at .6 percent, the maximum rate allowed by law. That meant that a person with a self-employment income of \$10,000 would pay \$60 a year in self-employment taxes.

Mr. Bennett asked about sole independent contractor income and if that would be difficult to do. Mr. Pangborn said that it seemed that the population most concerned about the tax was comprised of those earning \$5,000 to \$10,000 a year, or less. For many people, the self-employment income was a second income. Probably the greatest complaints regarding the payroll tax were from small businesses, where the tax bite seemed greater. Mr. Pangborn had spoken with Department of Revenue staff about the possibility

for a minimum tax rate, under which people would not be subject to the tax. Some payments were so small that it did not seem cost-effective to collect, but staff did not yet have any statistics on what it would mean to the total income of the District.

Ms. Hocken asked how the DOR charged LTD for collecting the tax. Mr. Pangborn replied that it was a flat fee of about 2.5 percent, which was what they charged Tri-Met. After the first year, they would audit their actual costs and express it as a percent of collections, with annual adjustments.

**Monthly Reporting:** Ms. Loobey stated that ridership and revenues continued to exceed those of a year ago, which was very good news.

**ADJOURNMENT:** There was no further discussion, and the meeting was unanimously adjourned at 9:15 p.m.

  
Board Secretary