

J. Hanne

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Public notice was given to *The Register-Guard* for publication on November 2, 2008.

**LANE TRANSIT DISTRICT
BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING**

**November 4, 2008
4:00 p.m. – 5:30 p.m.**

**LTD Conference Room A
3500 East 17th Avenue, Eugene (in Glenwood)**

AGENDA

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I. CALL TO ORDER (Dean Kortge)	
II. ROLL CALL (Dean Kortge)	
Dubick _____ Kortge _____ Necker _____	
III. APPROVE MINUTES OF FEBRUARY 20, 2008, MEETING	2
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VIII. ADJOURN	

Alternative formats of printed material (Braille, cassette tapes, or large print) are available upon request. A sign language interpreter will be made available with 48 hours' notice. The facility used for this meeting is wheelchair accessible. For more information, please call 682-6100 (voice) or 1-800-735-2900 (TTY, for persons with hearing impairments).

MINUTES OF FINANCE COMMITTEE MEETING
LANE TRANSIT DISTRICT BOARD OF DIRECTORS

February 20, 2008

Pursuant to notice given to *The Register-Guard* for publication on February 17, 2008, a meeting of the Lane Transit District Board of Directors Finance Committee was held at 4:00 p.m. on February 20, 2008, at Lane Transit District, 3500 East 17th Avenue, Eugene.

PRESENT - Mike Dubick, Dean Kortge

ABSENT - Debbie Davis

CALL TO ORDER – Mr. Kortge, chair of the committee, called the meeting to order at 3:55 p.m.

ROLL CALL – Ms. Hellekson noted that Ms. Davis would not be able to attend. The following LTD staff were present: Diane Hellekson, Mark Pangborn, Carol James, Stefano Viggiano, Andy Vobora, Todd Lipkin, and Chris Thrasher.

MINUTES – Minutes from the January 16, 2008, meeting were approved unanimously.

HEALTH REIMBURSEMENT ACCOUNT LIABILITY RESERVE – Ms. James, accounting manager, stated that staff recommend creating a reserve as part of the budget process to cover the liability of health reimbursement accounts (HRAs) that were set up for each administrative employee in FY 2004-05 and have been added to each year following. The District has provided \$1,750 per employee per year. The funds are available to the employee to draw down as of January 1 of each year but are not paid out by the District until the employee actually requests the funds.

In response to a question from Mr. Dubick, Ms. Hellekson stated that funding in the accounts rolls over from year to year. The ATU contract employees receive a yearly contribution to a voluntary employee beneficiary account (VEBA), which is prefunded.

In response to a question from Mr. Kortge, Ms. Hellekson stated that there is no cumulative cap on the HRAs. Funds can and are being accumulated to pay future health care-related costs.

In response to a question from Mr. Dubick, Ms. Hellekson explained that the reserve is not equal to the unfunded liability but instead is an actuarial estimate of the exposure for any given year.

Ms. James proposed establishing the reserve with \$500,000. The amount would not have to change every year. The Committee approved the proposal and the amount would be built into the budget.

Mr. Kortge would discuss with the Board Human Resources Committee the proposal to cap HRAs.

BOUNDARY MODIFICATIONS – Mr. Vobora, director of service planning, accessibility, and marketing, stated that staff have proposed changes to Routes 93 Veneta and 95 Junction City. If those route changes are approved by the Board, staff would proceed to develop impact analysis

and ask for authorization from the full Board to proceed with an ordinance change to implement a service boundary change in 2009. Along most rural corridors, the District's service boundary is aligned along tax lot lines approximately 2.5 miles on either side of the route. This 5-mile band becomes the area within which LTD levies payroll and self-employment taxes.

Mr. Vobora referred the Committee to a map included in the agenda packet, which showed that a total of 43 businesses and 177 employees would not be required to pay the payroll and self-employment taxes if the realignment were approved. Staff would determine how much revenue would be lost.

(Mr. Pangborn arrived.)

The Committee directed staff to continue looking into the impact to revenue.

LONG-RANGE FINANCIAL PLAN – Ms. James distributed copies of a revised Long-Range Financial Plan (LRFP) and reviewed the assumptions used in creating the LRFP, which included the following:

- Adjusted payroll tax revenues up slightly.
- Increased Personnel Services and fuel.
- Moved three discretionary capital projects (Franklin EmX station fix, Glenwood facility improvements, and future Park & Ride facilities) further out.

Ms. Hellekson stated that the proposal balances the plan with optimistic revenue assumptions. If it is too optimistic, the District would be looking at service cuts probably in the same year Pioneer Parkway EmX service is implemented.

Ms. Hellekson stated that the assumptions about the growth of demand for Accessible Services may be low. She added that there would be numerous opportunities to revise the budget during the year.

The Committee approved presenting the revised LRFP to the full Board in March for approval. *

OTHER BUSINESS – Ms. Hellekson asked if the Committee would like to be involved in the Federal Transit Administration Triennial Review in May. The Committee chose not to participate but instead would wait to hear the presentation to the full Board when completed.

Ms. James stated that supplemental budgets would be submitted to the Board to add funding for the RideSource Call Center/Brokerage and for fuel overage.

In response to a question from Mr. Kortge, Ms. Hellekson stated that budget presentations were included in this year's fall training. All employees were required to attend. Also, new employees receive a 45-minute budget presentation.

Mr. Dubick at a previous meeting had asked for a comparison of hybrid-electric vs. bio-diesel. Mr. Viggiano stated that the Director of Maintenance was putting together a comparison. He noted that bio-diesel and diesel are close to the same price. Hybrid-electric compared to regular diesel is about a 20 percent savings in operating cost (fuel, brake life, engine wear). The initial cost of the vehicle is \$180,000 more than a standard diesel vehicle (less an \$8,000 BETC rebate

from the Oregon Department of Energy). Over the 15-year lifecycle of a 40-foot bus, the savings is approximately \$135,000.

Mr. Pangborn added that hybrid-electric vehicles have only been in revenue service about four years. Compressed natural gas (CNG) has been used primarily in California for environmental reasons. However, it gets the worst mileage and requires higher maintenance costs. Salem has a partial CNG fleet, and once they reached the end of their lifecycle, they will be replaced with standard diesel or hybrid-electric vehicles. You can still use bio-diesel in a hybrid-electric bus; however, production of bio-diesel creates carbon emissions.

NEXT MEETING – No future meeting was scheduled. The Budget Committee would meet on April 23 and April 24.

ADJOURNMENT – There was no further discussion, and the meeting adjourned at 4:56 p.m.

(Recorded by Chris Thrasher, Lane Transit District)

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AGENDA ITEM SUMMARY

DATE OF MEETING: November 4, 2008

ITEM TITLE: 2008 PRICING PLAN AND REVENUE DISCUSSION

PREPARED BY: Andy Vobora, Director of Service Planning, Accessibility, and Marketing

ACTION REQUESTED: Direction regarding possible changes to the District's fare structure and charter service rate

BACKGROUND: The District raised fares and changed fare availability in the summer of 2008. These changes, coupled with continued increases in ridership, have resulted in fare revenues increasing well ahead of projections. This is good news in light of other budgetary pressures facing the District.

In order to prepare for 2009-10, staff would like the Finance Committee to provide direction on the following topics:

1. Considering the aggressive changes in fares implemented in 2008, does the Committee want staff to provide data on increases in cash fares or pass prices for 2009?
2. Rapidly increasing ridership, at peak travel times, has created capacity issues on some routes. While there are many factors contributing to ridership increases, two factors are increased use of group passes by current riders and expansion of the group pass program to new organizations. The pricing of group passes increases annually according to the Group Pass Policy, which states the annual increase is "not to exceed the three-year rolling average of LTD cost increases." These increases are indexed to increased operating costs faced by the District; however, there are some who question whether the program continues to be revenue neutral. If the Committee feels an analysis of the base price of group passes is warranted, then staff would conduct this analysis and return with the information at a future meeting. Staff will also provide the Committee an update on current group pass discussions with the Associated Students of the University of Oregon. The Committee may also want to discuss the goals of the group pass program and whether these goals have been met and, therefore, should be revised as the District faces challenges of limited capacity and a need for greater revenue.

3. Special event or charter services are currently provided under the guidance of new Federal Transportation Administration charter rules and priced according to the requirements of the event. A distinction is made between "tier one" events that do not require as much on-site supervision and "tier two" events that require significant on-site supervision. Staff suggests all charter services be priced at the District's fully allocated rate. This ensures all District costs are covered.
4. Other topics of interest from the Committee.

ATTACHMENTS: None

RESULTS OF RECOMMENDED ACTION: Staff will prepare information to be brought back to the Finance Committee for further review.

PROPOSED MOTION: None

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AGENDA ITEM SUMMARY

DATE OF MEETING: November 4, 2008

ITEM TITLE: REVENUE SCENARIOS

PREPARED BY: Diane Hellekson, Director of Finance and Information Technology

ACTION REQUESTED: None

BACKGROUND: As part of the effort to prepare for the Board of Director's work session on December 5 and ultimately to revise Lane Transit District's Long-Range Financial Plan, materials will be distributed at the November 4 meeting illustrating the effect on payroll tax receipts of different economic assumptions. There will also be a brief discussion of the potential impact of the current credit market on LTD's future.

ATTACHMENTS: None

RESULTS OF RECOMMENDED ACTION: Recommendations will be incorporated into materials developed for the Board of Director's work session and the Long-Range Financial Plan.

PROPOSED MOTION: None

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AGENDA ITEM SUMMARY

DATE OF MEETING: November 4, 2008

ITEM TITLE: EMPLOYMENT TRENDS

PREPARED BY: Carol A James, Chief Accountant/Internal Auditor

ACTION REQUESTED: Information only

BACKGROUND: The District's primary revenue source, employer payroll taxes, is based on employment within the District's boundaries. The best available information about employment in this area is Lane County Labor Trends, a monthly publication of the Oregon Employment Department authored by Regional Economist Brian Rooney. The latest publication is attached. This publication is also available online at www.Qualityinfo.org.

Also attached is an excerpt from December 2006, which provides a brief overview of employment in Lane County during the last three recessions.

ATTACHMENTS: Lane County Labor Trends – October 2008
Unemployment Trends – December 2006
Lane County Employment Since June 2006

RESULTS OF RECOMMENDED ACTION: Information only

PROPOSED MOTION: None



Lane County LABOR TRENDS

Eugene/Springfield MSA



Brian Rooney, Regional Economist ■ (541) 686-7703 ■ Brian.T.Rooney@state.or.us ■ www.QualityInfo.org

October 2008

Economic Indicators

Unemployment Rates

	Raw	Seasonally Adjusted
Lane		
July 2008	6.1%	6.0%
August 2008	6.6%	6.6%
Oregon		
July 2008	5.7%	5.9%
August 2008	6.2%	6.5%
United States		
July 2008	6.0%	5.7%
August 2008	6.1%	6.1%

Nonfarm Payroll Employment August 2008

	Lane
Total	153,700
Wood Prod. Mfg.	4,100
Other Mfg.	14,900
Construction	8,400
Trade	25,900
Information	3,900
Financial Activities	8,500
Services	57,900
Government	25,900

Consumer Price Index (CPI) 1982-1984 = 100 All Urban Consumers

United States	
August 2008	219.1
Year change	+5.4%
Next release: Oct. 16, 2008	
Portland-Salem MSA	
Jan. - June 2008	214.6
Year Change	+3.9%
July - Dec. 2008 available mid-Feb., 2009	

<http://www.bls.gov/cpi>

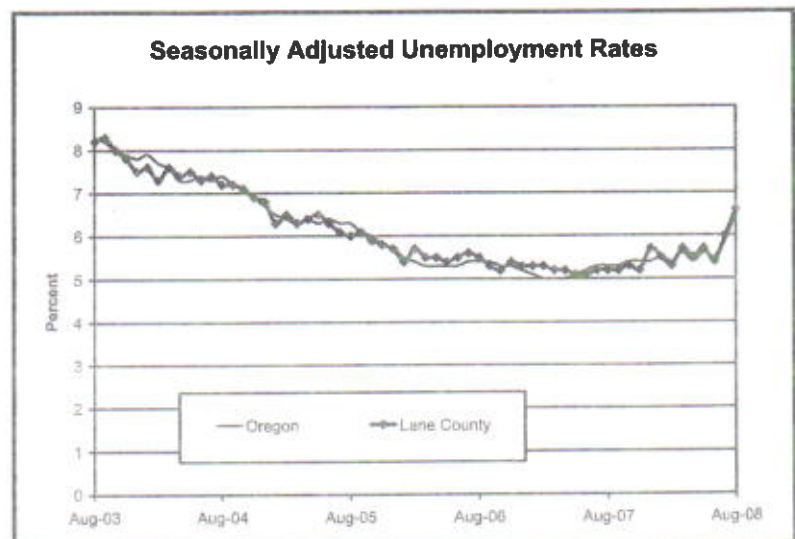
Latest Local Area Employment Data

Lane County's unemployment rate increased to 6.6 percent in August from 6.1 percent in July. This is the highest August unemployment rate since 2004 when it was 7.2 percent. The rate this August is up 1.4 percentage points from the 5.2 percent recorded in August 2007. On a seasonally adjusted basis, the rate increased 0.6 percentage point, indicating more than the expected seasonal increase. The number of unemployed increased by 951 from July, and was 2,735 higher than in August 2007.

Nonfarm Payroll Employment

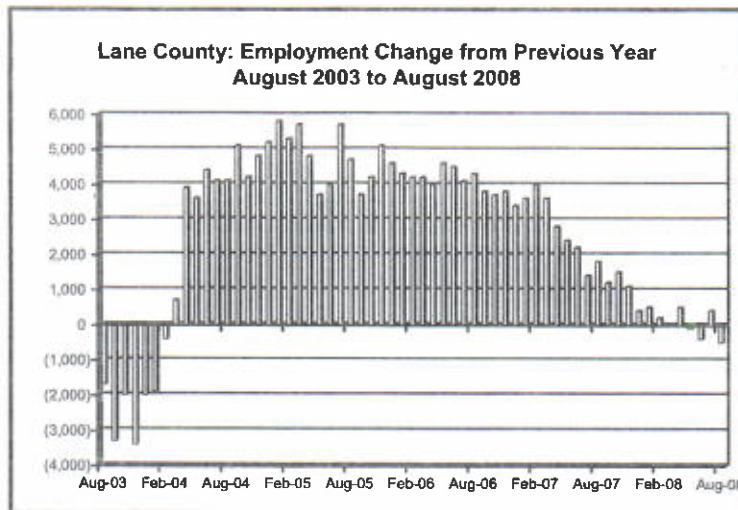
In August, total nonfarm payroll employment decreased by 700 when an increase of 10 was expected on a seasonally adjusted basis. Total nonfarm employment dropped 500 from August of last year for an annualized decrease of 0.3 percent.

Overall, manufacturing dropped by 200 jobs in August due to losses of 100 each in other durable goods and nondurable goods manufacturing.



In the private nonmanufacturing sectors in August there was a seasonal gain in construction (+100). Elsewhere, there were gains in professional and business services (+100), which includes call centers and temporary firms; health care (+100); and accommodations (+100). A loss was recorded in retail trade (-100).

Government dropped 700 in August largely from a seasonal drop in state education of 600 each due to summer break. There were additional losses of 100 each in other state government and federal government. Local government added 100.



Around the County

Plans have been submitted to the city of Eugene for a 120-unit subdivision called Jewel on Bailey Hill in north Eugene.

-Register-Guard (Eugene, OR) 08/26/08

Enterprise Rent-A-Car, which runs a call center in downtown Eugene, plans to hire 250 more workers by April, plus 75 Spanish-speaking customer service representatives in the near future. It now has more than 200 employees handling 10,000 customer service calls a day for Enterprise and its sister brands, National and Alamo.

-Register-Guard (Eugene, OR) 08/29/08

The Dowco Group – a company that serves the construction and design industries – bought FabTrol, a Eugene-based company that develops software for the steel fabrication industry. FabTrol will remain in Eugene, adding three to five workers to its workforce of 35.

-Register-Guard (Eugene, OR) 09/06/08

Country Coach has laid off an additional 100 employees at its Junction City facility. Most of the layoffs were in administration, engineering, and sales.

-Register-Guard (Eugene, OR) 09/06/08

Lane County Labor Trends is published by the Workforce and Economic Research Division of the Oregon Employment Department. Lane County Labor Trends also can be found on the Publications page at www.QualityInfo.org.

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The Oregon Employment Department is an equal opportunity employer. Auxiliary aids and services are available upon request to individuals with disabilities.

The Broadway – a former food market, deli, and wine shop – will transition to a wine bar only October 1. The change will result in a layoff of over 20 people.
-Register-Guard (Eugene, OR) 09/20/08

Eugene entrepreneur David Trepp plans to open an “incubator” in downtown Eugene. An incubator is a blend of business incubator and business accelerator. It will offer people who are ready to start a business space, and computer and telecommunications services for as little as \$300 or \$400 a month. There is a 20-percent discount for entrepreneurs who have completed or are enrolled in classes at Lane Community College’s Business Development Center.
-Register-Guard (Eugene, OR) 09/11/08

Construction has begun on a 138,000-square-foot Lowe’s home improvement store in west Eugene.
-Register-Guard (Eugene, OR) 09/12/08

PeaceHealth Medical Group will open an urgent care clinic in west Eugene.
-Register-Guard (Eugene, OR) 09/13/08

A dealership for New Holland tractors and JCB construction equipment will open in west Eugene in early November.
-Register-Guard (Eugene, OR) 09/16/08

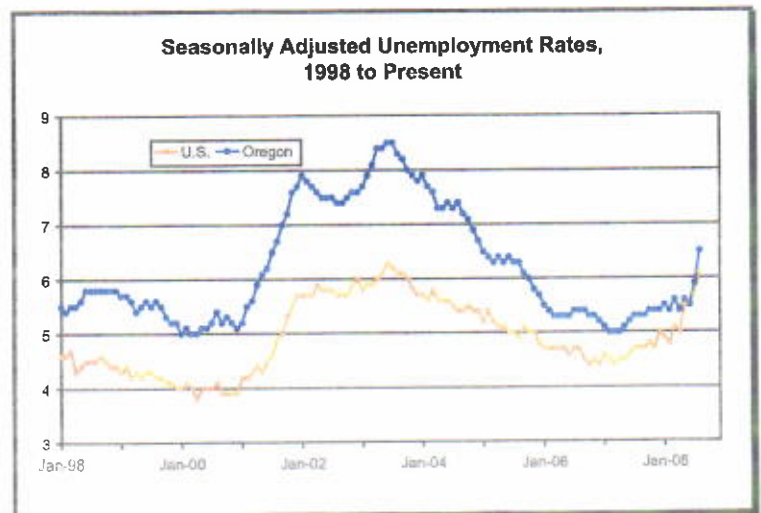
The Royal Caribbean call center in Springfield has cut six positions – four supervisory positions, a trainer, and a facilities person as part of a company wide decision to eliminate 400 land-based positions. Rising fuel costs were cited as the reason for the cuts. The Springfield call center now employs about 300.
-Register-Guard (Eugene, OR) 09/19/08

The building that formerly housed federal prosecutors in downtown Eugene will get a \$50,000 renovation. The prosecutors moved to the new federal courthouse in Eugene in late 2006.
-Register-Guard (Eugene, OR) 09/25/08

Oregon’s Employment

Oregon’s seasonally adjusted unemployment rate rose from 5.9 percent in July to 6.5 percent in August. This put the state’s rate at its highest level since January 2005 when the rate was also 6.5 percent. Since reaching a recent low of 5.0 percent in February through April 2007, Oregon’s rate has risen by one and a half percentage points.

In August, 123,116 Oregonians were unemployed, an increase of 25,754 compared with August 2007 when 97,362 were unemployed.



Total seasonally adjusted payroll employment dropped by 7,400 in August, following a revised gain of 5,200 in July. This economic measure has declined 3,400 jobs, or 0.2 percent, since August 2007.

In August, four major industries posted substantial seasonally adjusted job losses: construction (-1,000 jobs), trade, transportation, and utilities (-3,600), financial activities (-1,300), and professional and business services (-1,400). Meanwhile, educational and health services added 700 jobs and was the only major industry sector to post a substantial monthly job gain.

Construction added only 700 jobs in August, when a gain of 1,700 is the normal seasonal pattern. Heavy and civil engineering construction was the only component within construction to add a substantial number of jobs in August; it was up 400. In the past 12 months, construction has declined by 11,300 jobs or more than 10 percent.

Financial activities continues to reduce payrolls as it has over the past year and a half, with a loss of 1,700 jobs in August. Employment in real estate was down 900 for the month and off by 2,100 jobs over the past 12 months. The continued downturn in housing weighed on the finance sector as credit intermediation and related activities was essentially flat in August and down 1,900 jobs, or 6 percent, in the past 12 months.

Educational and health services continued its trend as the strongest major industry by adding 1,700 jobs in August, besting its normal gain of 1,000 for the month. Each of the four component industries within health care and social assistance recorded August job gains.

National Employment

The number of unemployed persons rose by 592,000 to 9.4 million in August, and the unemployment rate increased by 0.4 percentage point to 6.1 percent. Over the past 12 months, the number of unemployed persons has increased by 2.2 million and the unemployment rate has risen by 1.4 percentage points, with most of the increase occurring over the past four months.

Total nonfarm payroll employment continued to trend down (-84,000) in August. Thus far in 2008, payroll employment has declined by 605,000, an average loss of 76,000 per month. Employment continued to decline in manufacturing and employment services, while health care and mining added jobs.

Manufacturing employment fell by 61,000 in August. The largest decline occurred in motor vehicles and parts (-39,000), which has lost 128,000 jobs over the past 12 months. In August, employment also fell in two industries related to home building – wood products (-7,000) and furniture and related products (-7,000). Computer and electronic products manufacturing added 5,000 jobs over the month.

Within professional and business services, employment services lost 53,000 jobs in August; more than two-thirds of the decrease (-37,000) occurred in temporary help services. Since its most recent peak in August 2006, employment services has lost 419,000 jobs.

Employment in both wholesale and retail trade continued to trend down over the month. Within retail trade, motor vehicle and parts dealers shed 14,000 jobs. Since reaching a recent peak in April 2007, employment in motor vehicle and parts dealers has fallen by 60,000.

Health care employment continued to grow in August (27,000), with more than half of the gain in hospitals. Over the past 12 months, health care has added 367,000 jobs.

Employment in mining increased by 12,000 in August, with gains occurring in all of the component industries. Over the past 12 months, job growth has been especially strong in support activities for mining (39,000) and in oil and gas extraction (17,000).

Construction job losses in July and August averaged 14,000, compared with an average monthly loss of 45,000 during the first half of 2008. In August, residential specialty trade contractors lost 14,000 jobs. Since a peak in February 2006, employment in the industry has declined by 388,000.

EUGENE MSA (Lane County) LABOR FORCE SUMMARY*
(by place of residence)

	Aug. 2008	July 2008	Aug. 2007	-Change from- July 2008	Aug. 2007
Civilian Labor Force	182,337	181,894	178,876	443	3,461
Unemployment	12,123	11,172	9,388	951	2,735
Unemployment Rate	6.6%	6.1%	5.2%	0.5	1.4
Total Employment	170,214	170,722	169,488	-508	726

EUGENE MSA (Lane County) NONFARM PAYROLL EMPLOYMENT
(by place of work)

Employment in thousands	Aug. 2008	July 2008	Aug. 2007	-Change from- July 2008	Aug. 2007
TOTAL NONFARM PAYROLL EMPLOYMENT	153,700	154,400	154,200	-700	-500
TOTAL PRIVATE	127,800	127,800	129,100	0	-1,300
Natural Resources and Mining	900	900	1,000	0	-100
Construction	8,400	8,300	8,700	100	-300
Manufacturing	19,000	19,200	19,900	-200	-900
Durable Goods	15,000	15,100	15,900	-100	-900
Wood Product Manufacturing	4,100	4,100	4,400	0	-300
Transportation Equipment Manufacturing	3,500	3,500	4,200	0	-700
Nondurable goods	4,000	4,100	4,000	-100	0
Trade, Transportation, and Utilities	29,200	29,300	29,400	-100	-200
Wholesale trade	6,200	6,200	6,200	0	0
Retail trade	19,700	19,800	19,900	-100	-200
General Merchandise and Clothing Stores	5,400	5,400	5,400	0	0
Food and Beverage Stores	4,000	4,000	4,100	0	-100
Transportation, Warehousing, and Utilities	3,300	3,300	3,300	0	0
Information	3,900	3,900	3,900	0	0
Financial Activities	8,500	8,500	8,500	0	0
Professional and Business Services	16,300	16,200	16,600	100	-300
Administrative and Support Services	8,200	8,100	8,500	100	-300
Educational and Health Services	20,900	20,800	20,300	100	600
Health Care	17,000	16,900	16,400	100	600
Leisure and Hospitality	15,500	15,500	15,500	0	0
Accommodation and Food Services	13,300	13,200	13,100	100	200
Food Services and Drinking Places	11,600	11,600	11,500	0	100
Other Services	5,200	5,200	5,300	0	-100
Government	25,900	26,600	25,100	-700	800
Federal Government	1,800	1,900	1,900	-100	-100
State Government	9,800	10,500	9,300	-700	500
State Education	7,200	7,800	6,800	-600	400
Local Government	14,300	14,200	13,900	100	400
Local Education	7,200	7,200	6,900	0	300
LABOR-MANAGEMENT DISPUTES	0	0	0	0	0

The most recent month is preliminary, the prior month is revised. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Labor Force Status: Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture, and labor disputants. Unemployment rate is calculated by dividing unemployed by civilian labor force.

Nonfarm Payroll Employment: Data are by place of work and cover full- and part-time employees who worked or received pay for the pay period that includes the 12th of the month. The data exclude the self-employed, volunteers, unpaid family workers, and domestics. "Natural resources" includes only Logging (NAICS 1133).



Labor Force and Unemployment by Area (1)

August 2008

July 2008

	August 2008			July 2008			August 2007		
	Civilian Labor Force	Employed	Unemployed	Civilian Labor Force	Employed	Unemployed	Civilian Labor Force	Employed	Unemployed
United States	155,387,000	145,009,000	8,479,000	158,300,000	146,867,000	8,433,000	153,463,000	146,406,000	7,056,000
U.S. Seasonally Adjusted									
States of Oregon	1,975,465	1,892,349	123,116	1,871,711	1,858,745	112,966	1,940,179	1,942,811	97,362
Oregon Seasonally Adjusted									
Unemployment Rate	6.1			6.1			6.0		
				6.1			5.7		
				6.2			5.7		
				6.5			5.9		
Metropolitan Statistical Areas:									
Bend (Deschutes County)	7,742	7,276	466	7,609	7,234	435	7,469	7,089	390
Benton	42,354	40,295	2,059	42,028	40,186	1,843	41,702	38,978	2,726
Chelanias	202,522	182,283	11,239	203,478	183,148	10,330	199,741	186,654	13,087
Clatsop (3)	21,010	20,018	991	20,715	19,809	906	20,559	19,675	884
Columbia	24,838	23,175	1,663	24,831	23,278	1,553	24,313	22,974	1,339
Coos (3)	28,014	26,807	2,207	28,904	26,838	2,066	28,700	26,838	1,864
Cook (3)	10,191	9,272	919	9,891	9,177	714	9,884	9,379	505
Crook (3)	10,191	9,272	919	9,891	9,177	714	9,884	9,379	505
Curry (3)	8,726	8,025	701	8,652	8,030	622	8,643	8,071	572
Dechutes	88,149	82,134	6,015	87,281	81,000	6,281	84,599	80,707	3,892
Douglas (3)	48,463	44,148	4,315	48,522	44,405	4,117	47,839	44,267	3,571
Gilliam	1,068	1,038	30	1,052	1,037	15	1,146	1,069	77
Grant	3,537	3,288	249	3,562	3,335	227	3,542	3,313	229
Herny	3,525	3,287	238	3,492	3,189	303	3,422	3,231	191
Hood River (3)	14,367	13,481	886	14,282	13,551	731	14,113	13,514	599
Jackson	104,418	96,376	8,042	102,219	95,102	7,117	101,906	96,211	5,695
Jefferson	10,006	9,184	844	9,780	9,004	776	9,748	9,189	559
Josephine (3)	35,747	32,828	2,919	35,238	32,435	2,803	35,290	32,901	2,389
Klamath (3)	30,886	28,300	2,586	30,875	28,601	2,274	30,702	28,810	1,892
Lane	3,877	3,611	266	3,858	3,612	246	3,910	3,684	226
Linn	182,337	170,214	12,123	181,994	170,722	11,272	178,676	169,488	9,188
Linn (3)	23,198	21,744	1,454	23,251	21,941	1,310	23,043	21,884	1,159
Malheur (3)	56,108	50,991	5,117	54,306	49,530	4,776	54,805	51,067	3,738
Malheur (3)	13,096	12,223	872	12,887	12,083	804	12,679	12,283	396
Malheur (3)	180,344	150,342	10,002	189,339	150,087	39,252	187,921	148,038	39,883
Morrow (3)	5,809	5,489	340	5,705	5,405	300	5,751	5,488	263
Multnomah	363,811	361,150	2,661	368,012	362,732	5,280	376,255	368,015	8,240
Polk	39,454	37,315	2,139	39,357	37,247	2,110	39,010	37,141	1,869
Sherman	1,010	962	48	982	930	52	972	928	44
Tillamook	12,859	12,010	849	12,643	11,889	754	12,875	12,380	495
Umatilla (3)	37,874	36,448	1,426	37,262	36,034	1,228	37,462	36,589	873
Union (3)	12,941	11,475	1,466	12,439	11,468	971	12,244	11,647	597
Wallowa	3,887	3,685	202	3,912	3,722	190	3,891	3,684	207
Wasco (3)	13,277	12,463	814	13,123	12,416	707	13,254	12,712	542
Washington	290,874	275,678	15,196	280,862	277,103	13,749	285,733	273,484	12,249
Wheeler	660	633	27	628	600	28	625	598	27
Yamhill	47,864	44,782	2,942	47,834	44,950	2,884	48,652	44,363	4,289

(1) Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture, and labor disjuncts. Unemployment rate is calculated by dividing unemployed by civilian labor force. Data are not seasonally adjusted unless otherwise noted.
 (2) Portland-Vancouver-Beaverton MSA includes Clatsop, Columbia, Multnomah, Washington, and Yamhill counties in Oregon and Clark and Sherman counties in Washington.
 (3) This county is in a metropolitan statistical area. Multnomah County is part of the Oregon metropolitan statistical area, which also includes Polk County, Idaho. Morrow and Umatilla counties combine to form the Pendleton-Hermiston metropolitan statistical area. All of Oregon's other metropolitan statistical areas stand alone as single counties.

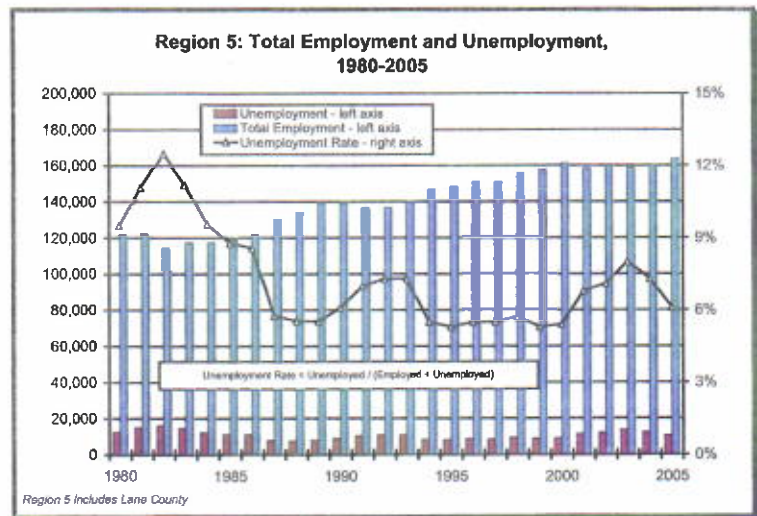
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UNEMPLOYMENT TRENDS: HISTORICAL AND RECENT

With an industry structure similar to the state's, many economic characteristics that affect the statewide unemployment rate also affect Region 5's. As such, the region's rate has historically followed the statewide rate.

Lane County experienced three periods of rising unemployment rates between 1980 and 2005. The first, most severe period, occurred during the early 1980s, when a nationwide recession had a disastrous effect on what was then Lane County's primary industry – wood products. From 1979 to 1982, lumber and wood products dropped 3,800 jobs. The decline in this primary industry rippled through the local economy and led to large reductions in other sectors. In 1982, the annual average unemployment rate topped out at 12.5 percent (Graph 2).



Graph 2

Although recovery from the recession of the early 1980s was slow, strong employment growth in wood products, retail trade and services over the next several years caused the economy to diversify and the unemployment rate to drop. By 1989, the annual average jobless rate was just 5.6 percent.

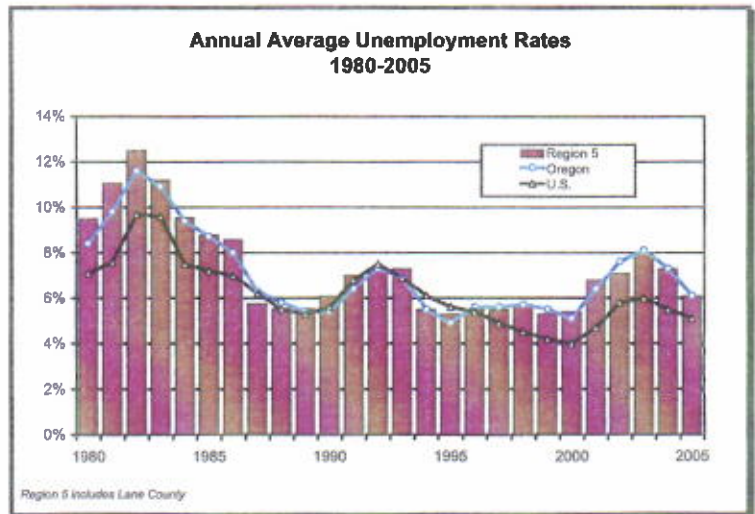
The second period of rising unemployment occurred during the early 1990s. Another, milder national recession again caused large job losses in the wood products industry. This time, however, other sectors of the economy did not follow suit. From 1989 to 1993, wood products lost 3,500 jobs, a number comparable to the losses of the early 1980s. Other industries remained stable while still others grew. Nonmanufacturing industries added 7,800 jobs over the period; construction (+900), retail trade (+1,400) and services (+3,800) added the most. The annual average rate only got as high as 7.6 percent in 1993.

Strong employment growth in 1994 and 1995 quickly reduced the number of unemployed by 27 percent between 1993 and 1995. As a result, the county's unemployment rate fell sharply to 5.3 percent in 1995 – one of the lowest annual averages registered in more than 25 years.

Although the number of unemployed and the unemployment rate rose in 1996, this did not reflect deteriorating labor market conditions. In fact, the total number of nonfarm jobs increased by 2,100. Rather, better job opportunities, rising wage rates and a growing population contributed to an increase in the number of persons who newly entered the labor market in search of work. Between 1997 and 2000, strong job growth in nonlumber manufacturing, trade and services caused the number of unemployed to drop by 700 to 8,500. The unemployment rate also dropped over this

period to 5.1 percent in 2000 – one of the lowest Lane County rates since 1965. These numbers are even more impressive considering the labor force increased by 9,300 between 1997 and 2000, largely due to in-migration.

The third period of rising unemployment began toward the end of 2000, when employment growth began to slow. During 2001, Lane County saw many layoffs and closures – especially in manufacturing. A small rebound in 2002 was quickly doused in early 2003 with the closure of a Sony disk plant, Emporium department stores, and smaller layoffs elsewhere. As measured by the unemployment rate, the most recent recession was slightly more severe than in the early 1990s. The annual average unemployment rate in 2003 was 8.0 percent (Graph 3).



Graph 3

As of mid-2006, Lane County's economy was experiencing its third year of job growth with unemployment rates down about 2.7 percentage points from mid-2003. Construction and health care continue to add jobs. Expansions at a Royal Caribbean Cruise lines call center and Symantec software have also helped keep job growth positive. However, this growth is beginning to slow. Reduced prices in the wood products market due to reduced national home building has caused employment in that industry to drop slightly. Transportation equipment manufacturing, which had seen strong growth in 2004 and 2005, has leveled off.

Lane County Employment Since June 2006

from Lane County Labor Trends	June-06	June-07	June-08	July-08	August
Lane Unemployment Rates -- Raw	5.4%	5.1%	5.4%	6.2%	6.6%
Lane Unemployment Rates -- Seasonally Adjusted	5.7%	5.0%	5.4%	6.1%	6.6%
Total Nonfarm payroll employment	152,100	156,800	158,000	154,100	153,700
Total Private	122,700	126,900	127,300	127,800	127,800
Natural Resources and Mining	900	900	900	900	900
Construction	7,700	8,400	8,100	8,300	8,400
Manufacturing	20,000	19,700	19,100	19,300	19,000
Durable Goods	16,000	15,700	15,100	15,200	15,000
Wood Product Manufacturing	4,900	4,500	4,100	4,100	4,100
Transporation Equipment Manufacturing		4,000	3,600	3,500	3,500
Nondurable goods	4,000	4,000	4,000	4,100	4,000
Trade, Transportation, and Utilities	27,800	29,500	29,300	29,300	29,200
Wholesale trade	5,900	6,000	6,200	6,200	6,200
Retail trade	18,700	20,100	19,800	19,800	19,700
General Merchandise and Clothing Stores	4,900	5,400	5,400	5,400	5,400
Food and Beverage Stores	3,800	4,000	4,000	4,000	4,000
Transportation, Warehousing, and Utilities	3,200	3,400	3,300	3,300	3,300
Information	3,600	3,800	3,900	3,900	3,900
Financial Activities	8,400	8,400	8,400	8,500	8,500
Professional and Business Services	15,800	16,400	16,000	16,100	16,300
Administrative and Support Services	8,000	8,500	8,000	8,100	8,200
Educational and Health Services	19,600	19,900	21,000	20,900	20,900
Health Care	15,600	15,600	16,800	16,900	17,000
Leisure and Hospitality	13,900	14,800	15,400	15,500	15,500
Accommodation and Food Services	12,100	12,700	13,200	13,300	13,300
Food Services and Drinking Places	10,700	11,200	11,600	11,600	11,600
Other Services	5,000	5,100	5,200	5,100	5,200
Government	29,400	29,900	30,700	26,300	25,900
Federal Government	1,700	1,800	1,800	1,800	1,800
State Government	11,600	12,200	12,600	10,300	9,800
State Education	9,100	9,300	9,700	7,600	7,200
Local Government	16,100	15,900	16,300	14,200	14,300
Local Education	9,200	9,000	9,400	7,300	7,200