

MINUTES

Eugene City Council
Council Chamber—City Hall
777 Pearl Street—Eugene, Oregon

January 11, 2011
7:30 p.m.

COUNCILORS PRESENT: Mike Clark, Betty Taylor, George Poling, Andrea Ortiz, Alan Zelenka, George Brown, Pat Farr.

COUNCILORS ABSENT: Chris Pryor.

Her Honor Mayor Kitty Piercy called the January 11, 2011, regular meeting of the Eugene City Council to order.

1. ACTION: Election of City Council Officers for 2011

Councilor Clark, seconded by Councilor Taylor, moved to elect Betty Taylor as the council president and George Brown as the council vice president. Roll call vote: The motion passed unanimously, 7:0.

2. PUBLIC FORUM

Mayor Piercy requested a moment of silence for the victims of the Tucson, Arizona shooting.

Mayor Piercy reviewed the rules of the Public Forum.

Pauline Hutson, 1025 Taylor Street, asked the council to consider the human factor and the large business tax base affected by the proposed West Eugene EmX extension. She suggested that to this point, they had been out of the sight and minds of the policy makers. She objected to the fact that no West 11th Avenue business owners were represented on Lane Transit District or City advisory committees discussing the route. She suggested that past City planning processes affecting 29th Avenue and Willamette Street and West Broadway had negatively affected adjacent businesses. Ms. Hutson believed Eugene was unique and charming as it was and would be more successful without such redevelopment. She said the council seemed intent on destroying Eugene with rezoning, overlays, and mixed-use development, with LTD compounding the problem through tree removal and bus lane construction that disrupted neighborhoods and took away valuable parking from businesses. Ms. Hutson supported public transportation in the right location. She did not think LTD's plan for West Eugene, which she called wrong and unnecessary, was sustainable.

Robert Rubin, 2836 West 11th Avenue, believed the issue of school funding was beyond the City's charge and suggested a new City tax for schools would not be popular.

Speaking to the proposed West Eugene EmX extension, Mr. Rubin objected that LTD was making service reductions while planning to increase its budget by \$1 million to underwrite the costs of West Eugene EmX service. He did not consider the project sustainable because of that and suggested that the City ask LTD to identify the source of funding for future West Eugene EmX operations now. He did not think the payroll tax increase would be sufficient to operate the route in the future. He also believed LTD should identify now the areas it was contemplating for future reductions.

Mr. Rubin did not accept LTD's contention that EmX represented increased service in West Eugene, pointing out it would have fewer stops a greater distance apart than the current system. He objected to the fact that LTD had never tried an express service on West 11th Avenue although it clearly had the advertising budget to promote such an express, as evidenced by its advertising in support of the West 11th Avenue EmX project. He believed LTD had lost sight of its real mission in its desire to secure Federal Transit Agency (FTA) funds. He did not think congestion would be solved by a giant bus, and pointed out that existing park and rides on along West 11th Avenue were not used to capacity. He said that forecasts can be wrong, and planners can issue rosy but wrong projections.

Keith Edding, 1970 Columbia Street, called for open and honest discussion of the status of school funding as the reductions being contemplated by Eugene School District 4J would damage the schools, erode public confidence, and erode Eugene's positive reputation as a place to live and do business. He moved to Eugene in part because of the solid reputation of the public schools. His daughter was getting a reasonable education but had large classes and was losing time to furlough days. He believed conditions would worsen as a result of the draconian reductions he anticipated the district would adopt and as a result the district's schools would not meet State requirements. He called on the council to exercise its leadership and refer a City income tax devoted to K-12 to the voters.

Pete Mandrapa, 4120 West Amazon Street, a retired teacher, said he moved to Eugene because of the reputation of its schools. He said in the 1970s and 1980s he worked in an exemplary school system where teachers and students were well-supported. Things had changed with the passage of Ballot Measure 5 when funding responsibility for the schools was shifted to State government. The State income tax was a more volatile source of funding than the property tax. During the 1990s the school system started going downhill and class sizes began increasing. He supported a City income tax because the community needed to do something about the funding shortfall in the short-term while the State worked toward a long-term solution.

Josef Siekiel-Zdzienicki, 1025 Taylor Street, indicated support for an income tax dedicated to K-12 education. Speaking to the proposed West Eugene EmX route, Mr. Siekiel-Zdzienicki said that LTD wanted a 15-foot easement in much of the 61-mile route that it planned. That added up to a lot of easements, and he thought the public should be alerted to that. He called for synchronization of Envision Eugene and the EmX route planning effort. He said that every property owner living along all the transportation corridors being discussed should be notified of the potential impact of the Envision Eugene process and he promised that many people would show up to share their concerns. He believed that having the policy discussion now would avoid the need to have the same discussion later for the other corridors.

Jeff Morton, 93103 Powerline Road, said he owned the Boulevard Grill and also had children in the local schools. While he appreciated the cause, Mr. Morton did not support a sales tax on restaurants because people would either spend less or opt out of dining in restaurants altogether. As a result, unemployment could rise in the food service industry. He pointed out that the community was already seeing a trend toward limited menus and food carts due to the lower costs of those businesses. Restaurant profit margins were thin, particularly for non-franchise restaurant owners.

Mr. Morton suggested a second unintended consequence to such a tax was that Springfield restaurants would have a competitive advantage over Eugene restaurants. He also asked the council to consider the timing of such a tax. Businesses were struggling through the recession and were beginning to crawl back. He asked why the City would want to kick business when it was down and chose one industry to bear the load. Mr. Morton offered to share his bottom line with the council.

Joel Pomerantz, 1171 Risden Place, represented the Oregon Restaurant Lobbying Association. He did not minimize the education budget shortfall but suggested that it was an issue that belonged to the entire community. He believed a City tax on prepared foods would be unfair. Most tax revenues would be collected by lower price restaurants visited by low-income families with multiple jobs and no time to cook, and such a tax would be regressive in nature. Meal taxes had to be collected in both traditional restaurants, grocery stores, convenience stores, food carts, and where ever food was sold. Such a tax would unfairly target the food sales industry. It should not be the only community industry at risk. Mr. Pomerantz said that restaurants have small profit margins and losing a percentage of sales would put business at risk. Most restaurants owners were just hanging on.

Kimberly Gladen, 361 West Broadway, #4, suggested a restaurant tax or flat income tax would hurt low-wage earners. She asked the council to consider who it was taxing. She said that such taxes took homeless families further away from being in a home. Her neighbors dreamed about having more space for their children, but taxing their incomes and their restaurant meals took them farther away from that dream as well. Such taxes also hurt the mentally ill and the disabled, who often held jobs. Ms. Gladen suggested the only fair tax would be on higher income earners who had enjoyed large federal tax breaks and advantages that the low-income did not have. She considered cell phones, computers, and cars one did not live in to be luxury items for the rich. Taxing her income would be unfair and taxing those poorer than her would be even more unfair. She said the City should consider who such a tax might hurt.

Jack Radey, 2230 Garfield Street, questioned LTD's use of public funds to conduct a radio campaign in support of the West Eugene EmX extension. Mr. Brady's review of the information related to the extension and the response to his questions of LTD staff about the project led him to conclude that a "sell job" was occurring. Mr. Radey said that the facts cited by LTD did not stand up well to close examination. LTD seemed to have selected the projections that best supported its argument of need. He questioned how LTD could maintain such a system given the status of its budget and objected to the lesser service that he perceived would be delivered on West 11th Avenue as a result.

Wendy Butler Boyson, 1265 City View Street, expressed her support for the proposed West Eugene EmX extension. She described her own use of the first phase of EmX system in support of her remarks. She believed the ridership on the existing EmX system spoke for itself. She said the buses were frequently full. Ms. Butler Boyson went on to aver that once the community provided fast and easy transportation in the form of the EmX system, people with cars would use the system to get to the places they wanted to go. She did not think that concerns about construction concerns should be an issue for the businesses along West 11th Avenue because of LTD's mitigation plans.

Charles Hibberd, a West 11th Avenue business owner, suggested that EmX between Eugene and Springfield was successful because it ran between two hubs. He questioned the sustainability of the proposed extension because he did not think LTD would be able to maintain it or support it into the future without causing damage or depletion of a resource. In this instance, the resource was the businesses on West 11th Avenue. None of them were supportive of bus travel. People did not travel to Home Depot on the bus to buy wood. He located his business in the corridor because it was a busy street and people came to do businesses in their automobiles. He suggested that the businesses on West 11th Avenue represented

an interdependent ecosystem that relied on easy automobile businesses. Mr. Hibberd said that traffic on the street was heavy but it moved without problem.

Ian McNeely, 2288 Potter Street, supported a modest temporary tax dedicated to education. He maintained that the economy of the city and its identity depended on education. He could no longer use the local education system as a tool to recruit new faculty to the University of Oregon. He said his neighborhood association had expressed support for higher taxes to support education even though most members did not have children in the schools. Mr. McNeely said citizens who earned a paycheck had received a “windfall” as a result of President Obama’s tax cuts, and he wanted the council to ask the citizens to impose a progressive tax on incomes over \$50,000 to “earmark that windfall” to add back school days and reduce class sizes. He encouraged the council to “use the City’s leverage” to ensure the money was spent on raising academic quality to ensure students were prepared to attend Oregon universities.

Bob Macherione, 1994 Bronson Street, represented Our Money Our Transit. He distributed copies of a working paper that addressed issues related to the proposed West Eugene EmX route. His organization’s concerns included the lack of proven need for West Eugene EmX. Mr. Macherione suggested the City had conflicting goals and it frequently lost sight of its primary goals. For example, he questioned how the 63-foot buses operated by LTD fit with the goal of reduced greenhouse gas emissions, and how 105-foot wide streets for mixed-use residential development accommodated the needs of pedestrians. He suggested the City “pick a goal and stick with it.” He wanted the City to ask the question of whether LTD was meeting its mission and goal. He considered LTD’s primary task was to provide basic bus service. He pointed out that West 11th Avenue had not been LTD’s first choice for a third route.

Mr. Macherione objected that LTD was stating there were two successful EmX routes when the second route had just started operations days before. He reported that the Eugene Area Chamber of Commerce had rewritten its letter of support to be less supportive.

Joy Marshall, 5166 Alpine Loop, represented Stand for Children. She distributed and reviewed her testimony in support of a new tax to support local school districts. She also distributed a letter from University of Oregon President Richard Lariviere in support of the tax.

Brian Weaver, 1365 Grant Street, believed that LTD’s alternative analysis for the West Eugene EmX route was based on assumptions and expectations that might not be realized. He recalled that LTD had installed 40 park and ride spaces at the Fred Meyer parking lot that were little used. He asked how the community could respect LTD’s projections. He did not think that the West Eugene EmX route could be compared with the Franklin EmX route, which passed the University of Oregon and traveled on to Springfield. There was more ridership on that route and it did not infringe on property owners to the degree that the West 11th Avenue extension would. Mr. Weaver believed that LTD’s credibility was at issue.

Mr. Weaver said that Mayor Piercy had written an op-ed that discussed how the EmX system was based on a system in Bogota, Columbia, which was a community of 7 million people in South America. He did not think the communities were comparable. He asked the council not to rubber stamp LTD’s plans.

Christy Monson, 1616 East 27th Avenue, asked the council to support a dedicated revenue source for Eugene schools and cited examples of other communities that had passed municipal taxes to support the schools and some of the programs that were supported. She maintained that the community would stand behind the council if it referred a tax dedicated to education to the ballot.

Tom Kamis, 94 West Broadway, a restaurant owner, said he had enough struggles paying his employees and his taxes. He read a letter from Ibrahim Hamide, owner of three local restaurants, in opposition to the tax because of its impact on the local restaurant business. Mr. Hamide recommended that the schools be supported by a tax on all people, not just on restaurant patrons. Mr. Kamis recalled that he had been before the council before to speak of the difficulty he had running a restaurant in downtown Eugene. All restaurant owners were feeling the pinch of the recession. He agreed the schools needed more support and acknowledged the school funding picture had changed but he believed it needed to be addressed on a statewide level. He suggested if the council wanted to raise revenues, it try to attract more business to the community. Eugene needed sustainable growth and he did not think continued taxation of the remaining businesses got it anywhere.

Oscar Hernandez, PO Box 26142, Eugene, owned Officina Restaurant. He expressed sympathy for all those affected by the school funding situation. However, small business owners such as restaurant owners had a difficult time competing with major chains, and they were feeling the pinch of the recession but still had to make their payroll every two weeks. He understood that people wanted the best for their children. He opposed applying a tax to one segment of the community. People had to work together and share the burden. He pointed out that many once-successful Eugene restaurants had closed their doors because of the recession.

Mayor Piercy closed the Public Forum. She thanked those who spoke for their comments.

3. CONSENT CALENDAR

A. Approval of City Council Minutes

- July 28, 2010, Work Session
- August 11, 2010, Work Session
- September 8, 2010, Work Session
- September 15, 2010, Work Session
- September 22, 2010, Work Session
- September 27, 2010, Work Session
- September 29, 2010, Regular Meeting
- October 11, 2010, Work Session
- October 13, 2010, Work Session
- October 20, 2010, Work Session
- October 25, 2010, Regular Meeting
- October 27, 2010, Work Session

B. Approval of Tentative Working Agenda

C. Adoption of Resolution 5021 Acknowledging Receipt of the City of Eugene, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010

Councilor Taylor, seconded by Councilor Brown, moved to approve the items on the Consent Calendar.

Councilor Poling noted he had submitted corrections to the minutes of the work session of September 8, 2010.

Roll call vote: The motion passed unanimously, 7:0.

Mayor Piercy adjourned the meeting of the Eugene City Council and convened a meeting of the Eugene Urban Renewal Agency.

4. ACTION: Adoption of Resolution 1058 Acknowledging Receipt of the Annual Financial Report of the Urban Renewal Agency of the City of Eugene, Oregon, for the Fiscal Year Ending June 30, 2010

City Manager Jon Ruiz reported that the resolution acknowledged receipt of the Annual Financial Report for the agency and demonstrated the City's compliance with State law.

Councilor Taylor, seconded by Councilor Brown, moved to adopt Resolution 1058 acknowledging receipt of the Annual Financial Report for the Urban Renewal Agency of the City of Eugene for the fiscal year ending June 30, 2010. Roll call vote: The motion passed unanimously, 7:0.

Mayor Piercy adjourned the meeting of the Eugene Urban Renewal Agency and reconvened a meeting of the Eugene City Council.

5. WORK SESSION: 4J and Bethel Budget Shortfall

City Manager Ruiz introduced the item. He acknowledged the financial shortfalls that the 4J and Bethel school districts faced and the community interest that had been expressed in finding funding solutions. Many had suggested the City could assist the districts by placing a new revenue measure for schools on the May 2011 ballot. He said that for such a measure to be placed on the ballot, staff would need council direction on February 14, 2011.

Twylla Miller of the Central Services Department provided the staff report. She noted the suggestions for a restaurant or personal income tax to be placed on the May ballot, and said other taxing options were also analyzed in the agenda item summary provided to the council. She cautioned that the revenue estimates were based on older data and staff would work with an economist to refine the estimates if the council chose to move forward with one.

Ms. Miller recommended that the council consider the current economic environment, Eugene funding priorities, and the plans of other jurisdictions when making its decision. County and State government faced shortfalls at a time of increased demand, and the City had unfunded priorities that included the General Fund shortfall, ambulance transport funding, and parks operation and maintenance funding. The stability of the revenue source and its ease of administration also needed to be considered. Ms. Miller said the City lacked a collection mechanism but it was possible it could piggyback on the State income tax collection mechanism. There were also timing issues to consider. She called attention to an election sequencing timeline included in the meeting packet and noted that the deadline for the May ballot was February 15.

Ms. Miller reviewed a series of council decision points, including:

1. *Should Eugene pursue a new revenue source at this time?*
2. *If so, which revenue source should be pursued?*
3. *What is the target amount of revenue generation from that source?*
4. *Should any City services be included in the revenue package?*
5. *Should the measure be placed on the ballot, or implemented under the City's home rule authority?*

6. *Should there be a public opinion survey prior to placing a measure on the ballot?*

Mayor Piercy called on the council for questions and comments, noting the first question before the council was whether to pursue such a revenue measure at this time.

Ms. Ortiz said she wanted to first know if such a measure would make a difference to the schools. In response, 4J School District Superintendent George Russell indicated that an annual \$10 million would assist the district through the next few years. Bethel Superintendent Colt Gill said Bethel's shortfall was estimated to be \$4 to \$7.5 million annually, and any revenue coming to the district would be helpful.

Ms. Ortiz understood the districts were considering operating levies and asked if the superintendents believed they would also be able to pass those levies if the City placed a measure on the ballot. Superintendent Russell indicated that the 4J School District Board of Directors would have to discuss that. He had recommended the 4J board refer a \$130 million bond measure to the voters in May 2011. Superintendent Gill said that he had also recommended a general obligation bond measure of between \$10 million and \$12 million to his board. Preliminary polling had been positive, but it had occurred before discussion of a City tax measure.

Mayor Piercy said those advocating for the measure wanted to help the schools and alleviate reductions that would increase class size and furlough days. She asked if the superintendents perceived the proposal the council was being asked to consider as helpful or a problem in terms of what the districts were trying to accomplish. Superintendent Gill suggested the Bethel board needed to discuss that question. He said the issue was complicated by a lack of information about the revenue to be received and the reductions that had already been implemented, which included negotiated concessions from employee groups. He did not know how the revenues would be used, but believed that those who supported such a measure anticipated it would reduce class sizes and restoring contract agreements.

Superintendent Russell agreed with Superintendent Gill. He said the 4J board would have to discuss the issue. If such a measure were to pass, the revenues would have to be targeted to address certain community concerns, such as class size and the length of the instructional year.

Mayor Piercy asked when the districts would need to know the details of any revenue proposal in order to have a board discussion. Superintendent Russell said he would make some final recommendations to the school board the following day about the reductions it needed to make in the next school year. Any potential revenue source could affect the decisions made over the next three to four months.

4J School District Board of Directors Chair Craig Smith suggested that depending on the device chosen, the money might not be available until much later in the year.

Mr. Clark said he had two small children in grade school in the 4J district and high-quality schools were important to him. He also wanted to see the community lead the state in quality of schools. However, he had concerns about the conversation as it regarded timing. There were many elements to the discussion and the council could be acting quickly to stem a problem that it might not be able to have an impact on until next year. For that reason, he wanted to ensure that anything the City did was smart and well thought-out.

Mr. Clark observed that Governor John Kitzhaber said in his "State of the State" speech that the funding crisis gave the State an opportunity to rebuild its house for the 21st century. He believed the council must consider what the State legislature would do in regard to education funding. He recommended that the City take more time rather than move quickly toward a May measure. He questioned whether adding a

new tax immediately would solve the long-term problem given the recessionary conditions that continued to exist. He advocated for creating a stronger economy and a better school system. He said the governor had directed the legislature not to send him short-term tax increases because they were not the long-term solution the state needed. Mr. Clark agreed and thought the direction appropriate in this situation.

Mr. Zelenka said that schools and education were very important to the community and to the community's economic health. He believed that Ballot Measure 47/50 had many little understood consequences, including the elimination of local control. He also agreed with Mr. Clark that the City did not know what the legislature or governor would do yet. Mr. Zelenka liked what the governor had to say at the Eugene City Club regarding his education policy and plans for reform, and he thought the council needed to hear more about that and incorporate it into its thinking.

Mr. Zelenka was concerned about the potential of competing education revenue measures. He asked about the impact of the proposed school measures on the average homeowner. Superintendent Russell said the board was considering a May 2011 measure because its current bond was expiring and a new bond would not raise property taxes. Superintendent Gill indicated there would be no increase as a result of the Bethel bond for the same reason.

Ms. Taylor thought the council should do what it could for the schools. However, she did not support imposing a tax without a vote of the people. She did not favor a tax on restaurants. She supported asking people if they wanted to pay a surcharge on their income tax, but she did not support taxing the low-income. She asked if Eugene could tax people who did not live in Eugene. City Attorney Glenn Klein indicated that Eugene could place a "work privilege tax" on nonresidents who worked in Eugene. Ms. Taylor thought such a tax sounded like a good idea. She further determined from City Attorney Klein that the City could tax incomes above \$100,000, and indicated it was her preference to tax such residents.

Mr. Brown believed the City should pursue a new revenue source for the schools. He said every economic development meeting he attended included an emphasis on the importance of a healthy school system to attract businesses. The City could not attract technology companies without a good school system. Eugene's system was slipping. Class sizes were growing and the districts had lost instructional days. He thought it was important to address those problems. New revenue would not improve the situation but would just "stop the bleeding."

Mr. Brown favored a surcharge on the State income tax, and advocated for the council to direct the manager to explore that option. He also favored a graduated straight income tax. He opposed a business or restaurant tax as he thought it unfair to target one segment of the community. The tax needed to be a shared burden. Mr. Brown believed that Eugene residents would be happy to pay such a tax.

Mr. Poling said he had grandchildren in the Eugene system and was supportive of the school districts. He would be willing to pay some sort of tax but he represented other people as well. He did not think the City needed to act as quickly. He suggested that a good public relations firm could be engaged to do a public opinion survey that asked people the type of tax they favored. He said that depending on the outcome of the survey, he might or might not support a measure.

Mr. Poling said he would oppose a restaurant or business tax. He was particularly opposed to a restaurant tax because the restaurant industry was one of the hardest hit industries in the current economy. He suggested any measure the City Council referred to the voters should be very specific about what would be funded with the revenues that were realized and should include an accountability element similar to what the council did with the road preservation bond. Mr. Poling was concerned about putting too many measures before the voters at one time.

Mayor Piercy said a council decision for a ballot measure in May 2011 would have an immediate effect as the new revenues would be a bridge to the future. She emphasized the temporary nature of the tax being discussed.

Mayor Piercy reported that some polling was underway to answer the questions raised by Mr. Poling. The results of that polling would be available soon.

Mr. Farr said that there was clearly a chronic problem with education funding. He had served on the Bethel School Board during the Measure 5 reductions and it seemed that the City was still trying to fix those problems. Mr. Farr had not yet decided on the merits of a City measure but was willing to consider one only if the legislature developed a long-term funding solution for the schools. He emphasized the importance of a long-term statewide solution that avoided the need for *ad hoc* community solutions. He said that income taxes were unreliable and unpredictable at best. He supported further research into revenue mechanisms but wanted the council to have the ability to stop any taxing mechanism if the State found a funding solution before the sunset date.

Mr. Clark did not want a short-term temporary solution to school funding. He wanted a long-term permanent solution. He did not want a new tax that hurt local businesses and did not solve the problem. He believed the governor meant what he said in regard to statewide changes in education. Mr. Clark thought that Eugene had the opportunity to create the best outcome in combination with the work the State did to create the best educational environment for the long-term.

Mr. Clark said the council did not know what the funding shortage was or what the legislature would do, so he considered that it would be acting in haste if it placed a measure on the May ballot at this time.

Ms. Ortiz indicated she did not support a restaurant tax.

Ms. Ortiz, seconded by Mr. Zelenka, moved to create an Education Subcommittee that would include representatives of the City of Eugene, the Bethel and 4J districts, and Stand for Children to return to the council with recommendations.

Ms. Ortiz indicated she would prefer the district representatives be board members.

Mr. Zelenka supported the motion. He was concerned about the timeline for the process. Measures 5 and 50 created problems for the education system that needed to be bridged with a local solution. He said the road preservation bond taught him that such a measure should be targeted, modest, and temporary. There needed to be a professional audit so people felt comfortable about it. He did not support a business or restaurant tax but supported a graduated income tax or charge on nonresidents that would yield \$10 million to \$15 million annually. He agreed that the City needed some polling on voters' responses.

Mr. Brown did not expect any quick solutions from the State. He thought the council needed to refer something to the ballot. It could not impose such a tax by fiat. He hoped any referral was unanimous, and that the measure was on the next ballot. The measure could include a clause that canceled the ballot results if the State acted. He thought such a measure should be for \$30 or \$40 million for four years with a sunset clause. He thought that the committee proposed by Ms. Ortiz needed direction about the nature of the tax and its duration.

Mr. Poling thanked Ms. Ortiz for her motion. He thought it was a great idea. He asked if the parents of students attending district schools who lived outside the city limits could be required to pay any tax that

was adopted. City Attorney Klein recalled that the last time the City supported the school districts with a property tax levy the dollars were allocated to the 4J and Bethel districts based on the number of students they had residing inside the city limits. He said that the City was unable to limit the use of any resulting tax revenues to those students residing within the city. He said the council would have to make a similar policy choice for any new revenue. City Attorney Klein said the City Council had no power to tax parents living outside the district.

Mr. Poling said many people had made references to short-term taxes, which reminded him of the council's conversation about the City's gas tax. He recalled that he suggested if the State increased the State gas tax the City should reduce its gas tax, and he intended to request a work session on that topic. He wanted any new tax to have a better built-in sunset mechanism than the City's gas tax had.

Mr. Farr believed there were many questions needing to be resolved before the council acted. He said those speaking to the schools' needs were very passionate and if the State did not do something on a broader basis those arguments would be repeated by different parents in the future. He believed the situation made it more important to act now to pressure the State for a solution. He said the current taxing structure was not serving Oregon and needed to be fixed.

Ms. Taylor was concerned about the idea of a committee as she feared it would delay action until it was too late to place something on the May ballot.

Responding to a question from City Attorney Klein, Ms. Ortiz did not know if her motion presupposed a May ballot measure. She would need more discussion. She was not prepared to support anything at this time. She preferred to miss the May ballot rather than refer a measure to the voters that she could not support.

Ms. Taylor agreed a long-term solution was needed, but a short-term solution was also necessary. She would not vote for a tax right now, but she would vote to let citizens vote. For that reason, it was difficult for her to support the motion.

Mr. Clark thought the council needed more details before moving forward. He said new taxes often do not work out as they were intended to. He cited measures 66 and 67 as an example. He suggested that that a representative of the business community, such as a member of the Eugene Area Chamber of Commerce could participate in unintended consequences. Ms. Ortiz concurred.

Mr. Zelenka pointed out that ballot measures 66 and 67 passed in Eugene. He had faith in the governor and thought he would come up with a good plan but questioned whether the legislature would act given that it had failed to solve the problem in many years. He thought it was prudent to come up with a local solution. If the State solved the problem, the tax could be ended.

City Attorney Klein asked questions clarifying the nature of the committee to be formed and its membership. City Manager Ruiz indicated it would be difficult for staff to support the committee if all options were on the table, given the lack of time remaining before a decision must be made for a May ballot measure.

Ms. Ortiz did not anticipate a long-drawn out process. She pointed out that four councilors had already indicated they would not support a restaurant tax. She suggested that only two meetings would be required given the work that had already been done.

Mayor Piercy observed that she had only heard council support for an income tax.

Mr. Brown wanted to serve on the committee. He said was a business operator and supported an income tax to support schools. He said that the quality of the education system affected businesses and it was a real issue for many businesses.

Mr. Poling hoped the issue of what revenue source would be answered by polling. He said if the committee did not have its recommendations in place by February 14, he was okay with that. There would be another ballot opportunity.

Mr. Clark said when he suggested representation from the business community, he was not suggesting someone who was opposed to or supportive of such a measure, but someone who could provide the committee with realistic impact assessments about what a proposed revenue source would do to the local economy. He was happy to leave the question of who that was to staff.

Roll call vote: The motion passed unanimously, 7:0.

Mayor Piercy adjourned the meeting at 9:46 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Beth Forrest".

Beth Forrest
City Recorder

(Recorded by Kimberly Young)