Public notice was given to *The Register-Guard* for publication on February 1, 2015.

LANE TRANSIT DISTRICT
BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING

February 4, 2015
5:00 p.m. – 6:30 p.m.

LTD Board Room
3500 East 17th Avenue, Eugene (in Glenwood)

AGENDA

Page

I. CALL TO ORDER

II. ROLL CALL

☐ Wildish ☐ Necker ☐ Yeh

III. APPROVAL OF MEETING MINUTES

- Minutes of the April 11, 2013, LTD Board Finance Committee meeting 2

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VIII. NEXT MEETING

IX. ADJOURN

The facility used for this meeting is wheelchair accessible. If you require any special physical or language accommodations, including alternative formats of printed materials, please contact LTD's Administration office as far in advance of the meeting as possible and no later than 48 hours prior to the meeting. To request these arrangements, please call 541-682-6100 (voice) or 7-1-1 (TTY, through Oregon Relay, for persons with hearing impairments).

MINUTES OF FINANCE COMMITTEE MEETING

LANE TRANSIT DISTRICT BOARD OF DIRECTORS

April 11, 2013

Pursuant to notice given to *The Register-Guard* for publication on April 9, 2013, and distributed to persons on the mailing list of the District, a meeting of the Lane Transit District Board of Directors Finance Committee was held on April 11, 2013, at Lane Transit District, 3500 East 17th Avenue, Eugene.

PRESENT - Mike Dubick, Ed Necker, Carl Yeh

CALL TO ORDER – Mr. Dubick, chair of the committee, called the meeting to order at 4:00 p.m.

ROLL CALL – All committee members were present. The following LTD staff also was present: Diane Hellekson, Carol James, Todd Lipkin, Mary Adams, Andy Vobora, and Chris Thrasher. Bob Macherione, 1994 Brewer, Eugene, was in attendance.

MINUTES – Minutes from the December 19, 2012, meeting of the Board Finance Committee were approved by unanimous vote.

REVISED LONG-RANGE FINANCIAL PLAN – Ms. Hellekson, director of finance and information technology, stated that with nine months of data collected for the year, staff has updated the Long-Range Financial Plan (LRFP) assumptions for the committee's review. Although he was not able to attend the meeting, General Manager Ron Kilcoyne was an active participant in development of the LRFP.

The following handouts were distributed:

- Draft FY 2014-23 Long-Range Financial Plan Assumptions
- Draft FY 2014-23 Long-Range Financial Plan
- Proposed Position Additions

Ms. Hellekson stated that the LRFP is organized into three sections: revenues, expenditures, and reserves. She explained that the reserves are based on policy that consists of $1 million in current working capital, $1 million in future year working capital, and $1 million in self-insurance. The Board Finance Committee had reviewed the Reserve Policy at its December 19, 2012, meeting and did not recommend any changes.

In response to a question from Mr. Necker, Ms. Hellekson stated that reserves have remained at the required level since the last recession by backfilling with formula funds, which were used for preventive maintenance. Mr. Lipkin, finance manager, noted that the beginning working capital for FY 2012-13 was budgeted at $10.3 million. By FY 2016-17, reserves would be spent down to $3 million.

Mr. Lipkin reviewed the LRFP assumptions with the committee. He noted that staff tended to be conservative low for revenue projections and conservative high for expenditure projections.

Revenues:

- Fares show a reduction from budget to estimate, which could be contributed to a slight reduction in ridership.
- Special Services shows a reduction, which is contributed to less UO football service and elimination of UO basketball service. Mr. Vobora, director of community services and planning, stated that special service would still be shuttle service but would be folded into regular fixed-route service with a specific route number, which allows LTD to work within the federal charter rules. Staff is seeking other revenue opportunities to help backfill in case the service does not pay for itself. There would not be a reduction in regular service.
- Self-employment and state in lieu should hit budget.
- Preventive maintenance is funded with four-fifths of federal funds received. In Years 8, 9, and 10, less federal funds would be used.
- Discretionary funds are available for our current purchase of three articulated buses and a future purchase of ten 40-foot buses next year. Future bus purchases would need to be debt financed and paid back over a 12-year period using formula funds.
- Point2point funding assumes no changes.

Expenditures:

- Projecting $1.5 million under budget this year for expenditures, which could be contributed to being under staffed.
- Transfer to Accessible Services is high and continues to grow. This is an unfunded mandate.
- Wages were projected to increase 5.7 percent next year due to a 2 percent wage increase, seven high-value administrative employee retirements, and a proposed addition of 2.9 FTE (two part-time cash room clerks and a full-time government relations manager and a senior analyst).
- Wages are projected to increase 3.6 percent in Year 2 due to the proposed addition of a journeyman mechanic and a facilities maintenance generalist.
- Replacement of retiring employees will result in lower wages and benefits in the short term.
- Medical is estimated to be under budget this year. LTD had a rate hold this year but staff has budgeted a 5 percent increase each year thereafter. Mr. Vobora noted that the new Wellness Center is constantly in use and could be the reason medical expenses are lower.
- Materials and Services less Fuel is projected to hit budget this year. A 2 percent increase has been budgeted for next year.
- Fuel was budgeted at $3.75 per gallon for the current year although the average for the year has been $3.25 per gallon. A 26.9 percent increase is budgeted for next year because staff is projecting fuel cost at $3.75 per gallon. In response to a question from Mr. Necker, all future vehicles purchased will be hybrid-electric buses. The LRFP does not reflect a reduction in the number of gallons needed. Ms. Hellekson noted that the fuel efficiency on the hybrid-electric buses is 50 percent better than the straight diesel vehicles. In response to a question from Mr. Yeh, Mr. Lipkin stated that maintenance costs are higher for hybrid-electric buses. These costs are budgeted separately in the Capital Improvements Program.

- Transfer to Capital Projects reflects the local match portion of capital projects.

Mr. Lipkin stated that the LRFP assumptions reflect a plan that satisfies the Reserve Policy.

Mr. Vobora stated that the West Eugene EmX Extension could begin service in 2016, a year earlier than projected.

The committee did not see any concerns with the LRFP assumptions as presented and gave approval for staff to present the plan to the full Board at its April 17, 2013, meeting.

Mr. Lipkin informed the committee that the public comment period for the Capital Improvements Program ended on April 10. No public comments were submitted. In response to testimony heard at the March 20 Board meeting, the CIP will be revised to include a map showing locations of projects. The CIP will be distributed on Tuesday, April 16, along with the LRFP, financial statements, and performance report.

ADJOURNMENT – There was no further discussion, and the meeting adjourned at 5:00 p.m.

(Recorded and transcribed by Chris Thrasher, Lane Transit District)

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AGENDA ITEM SUMMARY

DATE: February 4, 2015

ITEM TITLE: PENDING FUNDING POLICY

PREPARED BY: Todd Lipkin, Finance Manager/CFO

ACTION REQUESTED: Information and Direction

BACKGROUND:

Recently, the Governmental Accounting Standards Board (GASB) issued the following two statements:

- Statement No. 67, *Financial Reporting for Pension Plans,* which applies to pension plans that administer pension benefits

- Statement No. 68, *Accounting and Financial Reporting for Pensions,* which applies to governments that provide pension benefits to their employees

These statements introduce a wide array of enhancements to financial reporting that will result in significant changes in the type and form of information collected and reported by pension plans and governmental employers.

Statements No. 67 and 68 remove the direct link between measurements for funding purposes and measurements of pension expense for accounting and financial reporting purposes. Under previous GASB guidelines, the District used actuarially based funding policies to measure and report, for financial purposes, the annual required contribution (ARC). The funding policy was built into the assumptions used in the actuarial valuation, and District commitment to that funding policy was measured by percentage of ARC that was actually paid into the trusts each year.

The measurement requirements for the new statements for financial reporting purposes will require actuarial valuations that differ from, and therefore will need to be in addition to, the actuarial valuation that is used for funding purposes. These calculations require the actuary to determine a critical measurement involving the projection of future employer contributions based on history and expressed future funding intent. The GASB suggests that a written pension funding policy, approved by the employer's governing body, will facilitate this expression of future intent.

Attached are proposed Pension Funding Policy assumptions for both the Lane Transit District Salaried Employees Retirement Plan and the Lane Transit District and Amalgamated Transit Union Local No. 757 Pension Trust Plan. These outline the current funding assumptions used by the District. In addition, the draft policies are attached.

ATTACHMENTS: Pension Funding Policy Assumptions
LTD ATU Local 757 Pension Funding Policy
LTD Salaried Employees' Retirement Plan Funding Policy

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PENSION FUNDING POLICY ASSUMPTIONS

Lane Transit District and Amalgamated Transit Union Local No. 757 Pension Trust

Purpose of Document:	Provide a process for determining appropriate minimum contributions to the Plan on a regular basis.
Authority:	2008 Restatement of the Pension Plan for Bargaining Unit Employees of Lane Transit District, Section 16.1
Roles and Responsibilities:	
LTD Board of Directors	Ultimately responsible for authorization of District spending, including funding of pension trusts, via the annual Adopted Budget.
Chief Financial Officer	Work with actuaries and other professionals to calculate minimum annual funding amounts, monitor funding of contributions as calculated, and maintain report to provide clear picture of status of Plan funding to the LTD Board.
Actuary	Determine long-term obligation of Plan through biennial actuarial valuations, and calculate minimum Plan contributions in accordance with the Pension Funding Policy.
Funding Policy Objectives:	Over the long term, achieve a fully funded Plan status, which complies with amortization requirements as defined in the Working and Wage agreement.
Annual Contribution:	Will cover actuarially determined normal costs of services for active employees, plus a level dollar amount to cover administrative costs, plus an amortized amount to cover the unfunded liability over a 20-year period.
Actuarial Cost Method:	Individual Entry Age Normal Cost Method
Asset Smoothing Method:	Three-year period for smoothing investment experience
Investment Return Assumptions:	7.25%
Amortization Policy:	Amortization payments are calculated on a “layered” basis, meaning that with each valuation any unexpected increase or decrease in liability is amortized over the ensuring 20 years.
Frequency of Calculation:	Actuarially determined contribution (ADC) will be completed on a biennial basis in conjunction with the calculation of pension liability.
Minimum Funding Amount:	ADC will be considered the minimum funding for the year.

Lane Transit District Salaried Employees' Retirement Plan

Purpose of Document:	Provide a process for determining appropriate minimum contributions to the Plan on a regular basis.
Authority:	2011 Restatement of the Plan, as last amended on April 12, 2013, Section 4.1
Roles and Responsibilities:	
LTD Board of Directors	Ultimately responsible for authorization of District spending, including funding of pension trusts, via the annual Adopted Budget.
Chief Financial Officer	Work with actuaries and other professionals to calculate minimum annual funding amounts, monitor funding of contributions as calculated, and maintain report to provide clear picture of status of Plan funding to the LTD Board.
Actuary	Determine long-term obligation of Plan through biennial actuarial valuations, and calculate minimum Plan contributions in accordance with the Pension Funding Policy.
Funding Policy Objectives:	Over the long term, achieve a fully funded Plan status.
Minimum Annual Funding:	Will cover actuarially determined normal costs of services for active employees, plus a level dollar amount to cover administrative costs, plus an amortized amount to cover the unfunded liability over a 20-year period.
Actuarial Cost Method:	Entry Age Normal (level percentage of payroll) actuarial cost method
Asset Smoothing Method:	Three-year period for smoothing investment experience
Investment Return Assumptions:	7.25%
Amortization Policy:	Amortization policy is to pay off the unfunded actuarial liability in level dollar installments over a fixed period of 20 years beginning July 1, 2011.
Frequency of Calculation:	Actuarially determined contribution (ADC) will be completed on a biennial basis in conjunction with the calculation of pension liability.
Minimum Funding Amount:	ADC will be considered the minimum funding for the year.

Lane Transit District
Pension Plan for Bargaining Unit Employees

PENSION FUNDING POLICY AND OBJECTIVES

The Lane Transit District and Amalgamated Transit Union Local No 757 Pension Trust is a tax-exempt trust that holds assets and funds benefits under a single employer defined benefit plan of the same name. The assets of the Plan are held for the exclusive benefit of participants and beneficiaries under the terms of the retirement plan established pursuant to collective bargaining agreements between Lane Transit District and Division 757 of the Amalgamated Transit Union (AFL-CIO) (ATU Division 757) and cannot be used to pay any benefits or expenses of any other retirement plan or trust. The benefits are funded by employer contributions and earnings from Pension Plan investments. The funding policy is established to systematically fund the liabilities of the Plan on a sound actuarial basis. This funding policy may be amended by the Board at any time, for any reason.

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1. PURPOSE OF THIS DOCUMENT

Lane Transit District hereby establishes this Pension Funding Policy ("Funding Policy") for the Lane Transit District and Amalgamated Transit Union Local No. 757 Pension Trust (Plan). The Funding Policy will provide a process for determining appropriate minimum contributions to the Plan on a regular basis. The Funding Policy reflects contribution levels that, at a minimum, provide funding as agreed in the Working and Wage Agreement. At January 1, 2012, the Plan had a funded ratio of 54.6 percent.

2. AUTHORITY

The Plan was established by Lane Transit District in 1972 pursuant to a collective bargaining agreement and is governed by the 2008 Restatement of the Pension Plan for Bargaining Unit Employees of Lane Transit District. Section 16.1 of the Plan discusses the Employer making contributions to the Plan. The Plan is a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code.

3. ROLES AND RESPONSIBILTIIES

A. Overall Structure

i. Lane Transit District Board of Directors

The Lane Transit District Board of Directors is ultimately responsible for authorization of District spending, including funding of pension trusts, via the annual Adopted Budget. The Board hereby appoints Lane Transit District's Chief Financial Officer as liaison with actuaries and other professionals necessary to calculate funding amounts for the Plan.

B. Roles and Responsibilities of the Chief Financial Officer

i. The responsibilities of the Chief Financial Officer include the following:

a. Work with actuaries to calculate minimum annual funding amounts;

b. Delegate to, and monitor the performance of, accounting staff who will complete regular funding of contributions as calculated by the actuaries and appropriated in the annual budget; and

c. Maintain a reporting system that provides a clear picture of the status of plan funding to the Board.

C. Roles and Responsibilities of the Actuary

The actuary will provide studies that will:

i. Determine the long-term obligations faced by the Plan through biennial actuarial valuations, and

ii. Calculate minimum plan contributions in accordance with the Funding Policy.

4. FUNDING POLICY OBJECTIVES

Over the long term, the funding objective is to achieve a fully funded status. Funding will be determined on an actuarial basis and will, at a minimum, comply with amortization requirements as defined in the Working and Wage Agreement. The annual contributions will cover actuarially determined normal costs of service for active employees plus a level dollar amount to cover administrative costs plus an amortized amount to cover the unfunded liability over a 20-year period. Amortization payments are calculated on a "layered" basis, meaning that with each valuation any unexpected increase or decrease in liability is amortized over the ensuing 20 years.

5. ACTUARIAL COST METHOD

The actuarial cost method is the method used to allocate the pension costs (and contributions) over an employee's working career. The accruing costs of all benefits are measured by the Individual Entry Age Normal Cost Method. Under this method, the Actuarial Present Value of the Projected Benefits of each individual included in the Actuarial Valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age(s). The portion of the Actuarial Present Value allocated to a valuation year is called the Normal Cost. The policy objective is that each participant's benefit should be fully funded under a reasonable allocation method by the expected retirement date.

6. ASSET SMOOTHING METHOD

The asset smoothing method is the method used to recognize gains or losses in pension assets over a period of time, to reduce the impact of market volatility, and to provide stability to contributions. The asset smoothing method will be consistently applied to both gains and losses and will not be reset as a result of high or low investment returns. For purposes of the calculation, a three-year period for "smoothing" investment experience will be used. The resulting actuarial value of assets will be not less than 80 percent nor greater than 120 percent of the market value of assets on the valuation date.

7. INVESTMENT RETURN ASSUMPTIONS

For purposes of the calculation, investment return assumptions will be evaluated by an independent pension investment advisor and the actuaries on a regular basis (at a minimum every two years), and should reflect the nature of the investments held in the plan, and the historical and projected return rates anticipated for the investments. Currently, the rate of return assumption for the Plan is 7.25 percent.

8. AMORTIZATION POLICY

The amortization policy determines the length of time and structure of the payments required to systematically fund actuarial accrued liability not covered by the actuarial value of assets. The amortization policy for the Plan will have an overall goal of stable costs for the District and intergenerational equity of costs (thus, the cost of the benefit is paid by the generation of tax and farepayers who receives the services). Amortization payments are calculated on a "layered" basis, meaning that with each valuation any unexpected increase or decrease in liability is amortized over the ensuing 20 years.

9. FREQUENCY OF CALCULATION

The calculation of the actuarially determined contribution (ADC) will be completed on a biennial basis, in conjunction with the calculation of the Pension Liability. The ADC will be considered the minimum funding amount for the year. Funding amounts will be determined via the annual budget process and may exceed the ADC.

Lane Transit District
Salaried Employees' Retirement Plan

PENSION FUNDING POLICY AND OBJECTIVES

The Lane Transit District Salaried Employees' Retirement Plan Trust is a tax-exempt trust that holds assets and funds benefits for the Lane Transit District Salaried Employees' Retirement Plan (Plan), which covers non-represented management and staff employees at the District. The Plan is closed to new participants. The assets of the Plan are held for the exclusive benefit of participants and beneficiaries under the terms of the Plan and cannot be used to pay any benefits or expenses of any other retirement plan or trust. The benefits are funded by employer contributions and earnings from Plan investments. The funding policy is established to systematically fund the liabilities of the Plan on a sound actuarial basis, taking into account the closed status of Plan. This funding policy may be amended by the Board at any time, for any reason.

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7. INVESTMENT RETURN ASSUMPTIONS 4

8. AMORTIZATION POLICY 5

9. FREQUENCY OF CALCULATION 5

1. PURPOSE OF THIS DOCUMENT

Lane Transit District hereby establishes this Pension Funding Policy ("Funding Policy") for The Lane Transit District Salaried Employees' Retirement Plan (Plan). The Funding Policy will provide a process for determining appropriate minimum contributions to the plan on a regular basis. At June 30, 2013, the Plan had a funded ratio of 68 percent.

2. AUTHORITY

The Plan was established by Lane Transit District in 1975 and is currently governed by the 2011 Restatement of the Plan, as last amended on April 12, 2013. Sections IV and X of the Plan discuss the Employer making contributions to the Plan's Trust Fund. The Plan is a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code.

3. ROLES AND RESPONSIBILTIIES

A. Overall Structure

i. Lane Transit District Board of Directors

The Lane Transit District Board of Directors is ultimately responsible for authorization of District spending, including funding of pension trusts, via the annual Adopted Budget. The Board hereby appoints Lane Transit District's Chief Financial Officer as liaison with actuaries and other professionals necessary to calculate funding amounts for the plan.

B. Roles and Responsibilities of the Chief Financial Officer

i. The responsibilities of the Chief Financial Officer include the following:

a. Work with actuaries to calculate minimum annual funding amounts;

b. Delegate to, and monitor the performance of, accounting staff who will complete regular funding of contributions as calculated by the actuaries and appropriated in the annual agency budget; and

c. Maintain a reporting system that provides a clear picture of the status of plan funding to the Board.

C. Roles and Responsibilities of the Actuary

The actuary will provide studies that will:

i. Determine the long-term obligations faced by the Plan through biennial actuarial valuations; and

ii. Calculate minimum plan contributions in accordance with the Funding Policy.

4. FUNDING POLICY OBJECTIVES

Over the long term, the funding objective is to achieve a fully funded status. Given that the Plan closed to new enrollment in January 2012, it is anticipated that most existing employees eligible for benefits in the Plan will, on average, retire within the next 1 to 20 years. Minimum annual funding will be determined on an actuarial basis and will consist of the normal costs of service for that year plus a level dollar amount to cover administrative expense and to amortize the unfunded liability over a fixed 20-year period beginning on July 1, 2011.

5. ACTUARIAL COST METHOD

The actuarial cost method is the method used to allocate the pension costs (and contributions) over an employee's working career. The policy objective is for each participant's benefit to be fully funded under a reasonable allocation method by the expected retirement date. Benefit costs should be determined as a level percentage of compensation and include expected income adjustments. For purposes of the calculation, the policy will be to utilize Entry Age Normal (level percentage of payroll) actuarial cost method in the calculation of contribution amounts.

6. ASSET SMOOTHING METHOD

The asset smoothing method is the method used to recognize gains or losses in pension assets over a period of time, to reduce the impact of market volatility, and to provide stability to contributions. The asset smoothing method will be consistently applied to both gains and losses and will not be reset as a result of high or low investment returns. For purposes of the calculation, a three-year period for "smoothing" investment experience will be used. The resulting actuarial value of assets will be not less than 80 percent, nor greater than 120 percent of the market value of assets on the valuation date.

7. INVESTMENT RETURN ASSUMPTIONS

For purposes of the calculation, investment return assumptions will be evaluated by an independent pension investment advisor and the actuaries on a regular basis (at a minimum of every two years) and should reflect the nature of the investments held in the Plan and the projected return rates anticipated for the investments. Currently, the rate of return assumption for the Plan is 7.25 percent. Given the closed nature of the Plan and the nature of the Plan investments appropriate for a closed plan, it is anticipated that the rate of return assumption will decline over time.

8. AMORTIZATION POLICY

The amortization policy determines the length of time and structure of the payments required to systematically fund actuarial accrued liability not covered by the actuarial value of assets. The amortization policy for the Plan is to pay off the unfunded actuarial liability in level dollar installments over a fixed period of 20 years beginning as of July 1, 2011. As the fixed period nears completion, the District may give further consideration to the amortization policy to reduce volatility and align full funding of the Plan with the working lifetime of remaining active members.

9. FREQUENCY OF CALCULATION

The calculation of the actuarially determined contribution (ADC) will be completed on a biennial basis in conjunction with the calculation of the Pension Liability. The ADC will be considered the minimum funding amount for the year. Funding amounts will be determined via the annual budget process and may exceed the ADC.

AGENDA ITEM SUMMARY

DATE OF MEETING: February 4, 2015

ITEM TITLE: FARES AND FARE POLICY

PREPARED BY: Andy Vobora, Director of Customer Services and Planning

ACTION REQUESTED: Information and Direction

BACKGROUND:

The District's Fare Policy states, "When considering changes to the fare, the Board will consider:

- The effects of the change on Title VI populations
- The inflation rate
- Ridership and revenue trends
- Local economic trends
- Trends in automobile-related costs, such as gas
- Service changes
- Economic impact on customers
- Market conditions and opportunities
- The District's financial situation
- The District's goals and objectives"

Staff has preliminarily discussed many of these criteria. In light of the 2014 fare changes, stagnant ridership, and continued growth in fare revenue, the recommendation for 2015-16 is to maintain current fare prices.

The District's fare policy outlines a process for rotating fare price increases to allow customers an opportunity to select the fare that works best for their situation. The District is scheduled to evaluate a modest increase in the price of 10-ride tickets for the coming year. The current recommendation is to maintain current ticket prices. Tickets are currently priced at $1.60 for adults and 80 cents for youth and Half-Fare Program riders.

Group Pass pricing changes are traditionally made annually; however, the Board may choose to maintain current pricing. Staff recommends maintaining Group Pass Program pricing for 2016. Pricing has increased nearly 18 percent over the past three years.

The Fare Policy includes guiding language to assist the Board in setting and maintaining fare prices. It also includes specific program information, including the following:

- Fare Media Donations
- Fare Discounts (Not-for-Profit Program)
- Wholesale Discounts
- Group Pass Programs

- EZ Access Program

Staff has been working with Kristen Denmark, an attorney with Thorp, Purdy, Jewett, Urness & Wilkinson, P.C., to make administrative changes and to add language required by the Federal Transportation Administration. Staff will provide a red-line copy for the Board's review at the meeting. Prior to adoption of an updated Fare Policy, staff will be soliciting feedback on the policy with local agencies and our riders.

ATTACHMENT: None

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

DATE: February 4, 2015

ITEM TITLE: CAPITAL IMPROVEMENTS PROGRAM

PREPARED BY: Todd Lipkin, Finance Manager/CFO

ACTION REQUESTED: Information Only

BACKGROUND:

The Fiscal Year 2016-2025 Capital Improvements Program is currently under development. This year, in an effort to better prioritize capital investment, each project under consideration is being scored on up to six criteria. Projects are being categorized as either State of Good Repair (SGR) projects or Non-SGR projects. State of Good Repair projects are those projects that support the operations of the District and keep our assets in a state of good repair. These projects include preventive maintenance, bus replacement, and cyclical replacement or upgrade of facilities, technology, and other systems. Non-SGR projects are those that represent new investments in service (e.g., frequent transit network projects) or new investment in systems or technology (e.g., implementation of a new fare management system).

Attached are the criteria on which projects are being scored. The first three criteria (Project Deferral Implication, Feasibility of Implementation, and Operating Budget Impact) are applied to all project requests. The second three criteria (Ridership/Quality of Service Delivery Impact, Economic Impact, and Environmental Impact) are applied to Non-SGR projects only. In addition to these criteria, the process will also consider how state and/or federal mandates impact a project and whether a project leverages non-LTD financial resources.

ATTACHMENTS: CIP Project Criteria

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CAPITAL IMPROVEMENTS PROGRAM
Project Criteria

Project Deferral Implication:	Select the option that best represents the extent to which deferring this project will create unsafe conditions and/or cause noticeable disruption to level of service. The general definitions for the point values are listed below (note that 1–5 are available choices). 1 pt - Deferring project will NOT create unsafe conditions and/or cause noticeable disruptions to level of service. 3 pts – Current system/facility has reached end of life. Deferral of this project may create unsafe conditions and/or cause noticeable disruptions in service. 5 pts - Deferring project will create unsafe conditions and/or cause major disruptions to level of service.
Project Deferral Implication Justification:	Describe the justification for selecting your Project Deferral Implication ranking.
Feasibility of Implementation:	Select a ranking that best represents the extent to which this project can be realized within the requested budget and schedule. The general definitions for the point values are listed below (note that 1–5 are available choices). 1 pt – High potential for budget and/or schedule problems 3 pts - Possible budget and/or schedule problems 5 pts – Project likely to be completed within the requested budget and schedule
Feasibility of Implementation Justification:	Describe the justification for selecting your Feasibility of Implementation ranking.
Operating Budget Impact:	Select a ranking that best represents the expected net change in annual operation and maintenance costs. 0 pts - > $100,000 increase 1 pt - $25,000 to $100,000 increase 2 pts - $0 to $25,000 increase 3 pts - $0 to $25,000 savings 4 pts - $25,000 to $100,000 savings 5 pts - >$100,000 savings
Operating Budget Impact Justification:	Describe how you determined the annual Operating Budget Impact.
State or Federal Mandate:	If the project is required by a State or Federal mandate, please describe.
Leverages Non-LTD Financial Resources:	If the project leverages non-LTD financial resources, please describe.

Additional Criteria for Non-State of Good Repair (Non-SGR) Project Criteria

Ridership/Quality of Service Delivery Impact:	Select a ranking that best represents your projects. 0 pts - Project will have a negative impact on Ridership/Quality of Service Delivery. 1 pt - Project will have little or no impact on Ridership/Quality of Service Delivery. 3 pts - Project will have a positive impact on Ridership/Quality of Service Delivery. 5 pts - Project will have a significant impact on Ridership/Quality of Service Delivery.
Ridership/Quality of Service Delivery Impact Justification:	Describe how you determined the ridership/quality of service delivery ranking.
Economic Impact:	Extent to which this project increases the District's revenue, creates jobs, and/or improves the local economy. 0 pts - Project will have an adverse effect on the local economy. 1 pt - Project will have little or no effect on the local economy. 3 pts - Project will have a positive effect on the local economy. 5 pts - Project will have a significant positive effect on the local economy.
Economic Impact Justification:	Describe how you determined the economic impact ranking.
Environmental Impact:	Extent to which this project preserves the natural environment, conserves natural resources, reduces pollution, or otherwise contributes to a sustainable community. 0 pts - Project will have a detrimental impact on the environment. 1 pt – Project will have little or no impact on the environment. 3 pts - Project will have a positive impact on the environment. 5 pts - Project will have a significant positive impact on the environment.
Environmental Impact Justification:	Describe how you determined the environmental impact ranking.

AGENDA ITEM SUMMARY

DATE: February 4, 2015

ITEM TITLE: FISCAL YEAR 2016-25 LONG-RANGE FINANCIAL PLAN

PREPARED BY: Todd Lipkin, Finance Manager/CFO

ACTION REQUESTED: Information and Direction

BACKGROUND:

The Fiscal Year 2016-25 Long-Range Financial Plan (LRFP) development will begin this month. The December 2014 financial reports generated for the February Board meeting will provide the basis for projecting revenue and costs for the LRFP. The assumptions used in the FY 2015-24 Long-Range Financial Plan will be reviewed and considered for inclusion in this Plan update. In addition, changes in conditions through the first six months of the fiscal year and the projected changes in the funding landscape will play key roles in shaping the new Plan.

Attached is the current FY 2015-24 Long-Range Financial Plan for your review. During the meeting, staff will highlight some of the key assumptions that were included in the Plan and discuss how the assumptions might be incorporated into the Plan update.

ATTACHMENTS: 2015-24 LRFP (approved April 16, 2014)

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Lane Transit District

FY 2015-24 Long-Range Financial Plan Approved 4/16/2014

Payroll Tax Base: 5% Annual Increase

#		FY 2013-14 Estimated Current Year	Year 1 Projected FY 2014-15	Year 2 Projected FY 2015-16	Year 3 Projected FY 2016-17	Year 4 Projected FY 2017-18	Year 5 Projected FY 2018-19	Year 6 Projected FY 2019-20	Year 7 Projected FY 2020-21	Year 8 Projected FY 2021-22	Year 9 Projected FY 2022-23	Year 10 Projected FY 2023-24
1	Beginning Working Capital	16,336,000	15,752,700	12,292,421	10,286,421	8,152,021	5,890,921	4,286,421	3,213,621	2,620,321	2,504,521	2,759,621
2												
3	**General Fund Revenues**											
4	Passenger Fare Operating Revenues	6,950,200	7,318,500	7,684,500	8,068,700	8,472,200	8,895,800	9,340,600	9,807,700	10,298,000	10,812,900	11,353,500
5	Advertising	310,000	310,000	319,300	328,900	338,800	349,000	359,500	370,300	381,400	392,800	404,600
6	Purchased Service	161,300	161,300	169,400	177,900	186,800	196,100	205,900	216,200	227,000	238,400	250,300
7	**Total Operating Revenues**	7,421,500	7,789,800	8,173,200	8,575,500	8,997,800	9,440,900	9,906,000	10,394,200	10,906,400	11,444,100	12,008,400
8												
9	Payroll/Self-Employment Taxes (.007)	27,328,700	28,892,000	30,336,600	31,853,400	33,446,100	35,118,400	36,874,300	38,718,000	40,653,900	42,686,600	44,821,000
10	Payroll/Self-Employment Taxes (Rate Increase 1/1/2017)	-	-	-	213,900	676,800	1,185,200	1,742,200	2,351,100	3,015,400	3,739,000	4,530,300
11	**Payroll/Self-Employment Tax Total**	27,328,700	28,892,000	30,336,600	32,067,300	34,122,900	36,303,600	38,616,500	41,069,100	43,669,300	46,425,600	49,351,300
12												
13	**State In Lieu**	1,820,000	1,820,000	1,874,600	1,930,800	1,988,700	2,048,400	2,109,900	2,173,200	2,238,400	2,305,600	2,374,800
14												
15	Preventive Maintenance (Federal 5307)	4,100,000	4,100,000	4,200,000	4,300,000	4,400,000	4,500,000	4,600,000	4,700,000	4,800,000	4,800,000	4,800,000
16	Point2point Funding (STP & STP-U)	860,000	411,100	411,100	411,100	411,100	411,100	411,100	411,100	411,100	411,100	411,100
17	Other Operating Grants	106,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
18	**Total Grants**	5,066,000	4,536,100	4,636,100	4,736,100	4,836,100	4,936,100	5,036,100	5,136,100	5,236,100	5,236,100	5,236,100
19	**Miscellaneous**	568,600	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
20	**Interest**	84,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
21												
22	Total General Fund Revenues	42,288,800	43,237,900	45,220,500	47,509,700	50,145,500	52,929,000	55,868,500	58,972,600	62,250,200	65,611,400	69,170,600
23												
24	**General Fund Expenditures**											
25												
26	**Fixed-Route Services**											
27	Personnel Services	28,448,100	29,976,279	31,502,800	32,859,800	34,312,700	35,841,800	37,466,300	39,194,400	41,034,000	42,994,400	45,085,900
28	Materials and Services less Fuel	6,366,400	6,493,700	6,623,600	6,756,100	6,891,200	7,029,000	7,169,600	7,313,000	7,459,300	7,608,500	7,760,700
29	Fuel	2,600,000	3,088,000	3,242,400	3,404,500	3,574,700	3,753,400	3,941,100	4,138,200	4,345,100	4,562,400	4,790,500
30	Insurance	1,064,900	1,100,000	1,122,000	1,144,400	1,167,300	1,190,600	1,214,400	1,238,700	1,263,500	1,288,800	1,314,600
31	**Total Fixed-Route Operating Costs Before Adjustments**	38,479,400	40,657,979	42,490,800	44,164,800	45,945,900	47,814,800	49,791,400	51,884,300	54,101,900	56,454,100	58,951,700
32												
33	FY 2015 Service Addition	-	125,000	131,400	137,100	143,200	149,600	156,400	163,600	171,300	179,500	188,200
34	State Hospital/Veterans Clinic Service Addition	-	-	112,000	116,800	122,000	127,400	133,200	139,300	145,800	152,800	160,200
35	West Eugene EmX Service Addition	-	-	-	550,000	1,148,600	1,199,800	1,254,200	1,312,000	1,373,600	1,439,200	1,509,200
36												
37	**Transfer to Accessible Services Fund**	2,600,000	2,860,000	3,146,000	3,460,600	3,806,700	4,187,400	4,606,100	5,066,700	5,573,400	6,130,700	6,743,800
38	**Transfer to Capital Projects Fund**	1,792,700	3,055,200	1,346,300	1,214,800	1,240,200	1,054,500	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
39												
40	Total General Fund Expenditures	42,872,100	46,698,179	47,226,500	49,644,100	52,406,600	54,533,500	56,941,300	59,565,900	62,366,000	65,356,300	68,553,100
41	**Ending Working Capital**	**15,752,700**	**12,292,421**	**10,286,421**	**8,152,021**	**5,890,921**	**4,286,421**	**3,213,621**	**2,620,321**	**2,504,521**	**2,759,621**	**3,377,121**