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Public notice was given to *The Register-Guard* for publication on September 16, 2002.

*** * * RESCHEDULED MEETING * * ***

The Finance Committee meeting scheduled for Thursday, September 12, has been cancelled and rescheduled as follows.

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

**September 18, 2002
4:00 p.m.**

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

AGENDA

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I. CALL TO ORDER	
II. ROLL CALL	
Hocken _____ Gaydos _____ Lauritsen _____	
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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).

FINANCE COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: September 12, 2002

ITEM TITLE: BUS RAPID TRANSIT (BRT) VEHICLE FINANCING

PREPARED BY: Diane Hellekson, Director of Finance

ACTION REQUESTED: None

BACKGROUND: The current Long-Range Financial Plan (LRFP) and Capital Improvements Program (CIP) both assume that the first six bus rapid transit (BRT) vehicles will be financed with a combination of federal funds, local funds, and debt. In order to use federal funds for this purchase, either directly or to repay debt, the vehicles either must meet existing Buy America standards or be formally approved through the Buy America exception process.

Lane Transit District attempted to obtain a Buy America waiver by submitting a demonstration project proposal to the Federal Transit Administration (FTA). After a lengthy review process, FTA ruled that the proposal did not meet Buy America waiver provisions because the process by which the Phileas vehicle was selected did not rule out vehicles from other manufacturers. LTD was directed to conduct a formal Request for Proposal (RFP) process. If the Phileas vehicle was the only product, domestic or foreign, that met the specifications, then LTD could submit a formal Buy America waiver application.

The advertised, competitive RFP process was completed on August 21, 2002. All of the domestic manufacturers formally declined to propose. Advanced Public Transport Systems (APTS), which manufactures the Phileas, was the only company to submit a vehicle proposal. Based on this outcome, staff prepared a Buy America waiver request for the Phileas vehicle and submitted it to FTA.

Although LTD has requested and expects to receive facilitation assistance from the FTA Region 10 office, the Buy America waiver process timing is largely outside of LTD's control. The demonstration project proposal took more than six months before the unfavorable ruling was delivered. In order to receive the required vehicles to meet the required BRT timeline, LTD and APTS will need to have a purchase contract finalized within the next

few months. FTA will not grant a Buy America waiver retrospectively. In other words, no purchase commitment can be made in advance of the waiver if federal funds are to apply to the purchase.

Therefore, LTD will need to identify the means to purchase six Phileas vehicles with local funds (or by leveraging local funds) if the Buy America waiver process does not expeditiously produce a favorable FTA ruling. Or, LTD will need to alter the BRT project timeline to accommodate the Buy America ruling process.

As part of the FY 2003-04 budget development process and the annual update of the LRFP and CIP, and to begin preparing for the annual senior staff retreat in October and Board/staff strategic planning retreat in November, Finance staff have modeled local financing options under different sets of assumptions. The results of these analyses will be shared with Committee members on September 12. However, at this time, the following can be noted:

- It appears possible to locally finance the first six BRT vehicles without a significant impact on operating funds (if the revenue assumptions used in the current LRFP are valid).
- It also may be possible to complete the first BRT loop by leveraging local funds. However, such a financing plan would result in annual debt service in excess of the 10 percent of operating funds that financial advisors recommend as the prudent limit. The smallest project cost overrun or revenue shortfall would result in service cuts. Also, LTD would lose the ability to fund any other capital projects or purchases.
- LTD needs to aggressively push for the Buy America waiver, even if the fallback plan is viable. The ability to use federal funds for BRT vehicles is the optimal plan for the initial purchase. Even if LTD, due to timing, must use a local financing option initially, the waiver will be needed for future segment vehicle purchases.
- LTD must identify all funding for the proposed BRT loop as quickly as possible. The planning stages of the next two segments are progressing rapidly, and investment in engineering, property, and right-of-way acquisition, etc., will be required. In order to be eligible for New Start funding, financing plans must be nearly final (among other requirements).

Staff do not offer a recommendation at this time. However, because of the additional risk of higher debt and the potential negative impact on system service, it should be emphasized that the optimal BRT financing plan is the current one requiring a Buy America waiver for vehicles. To protect system service and avoid the appearance of degrading overall service to fund BRT,

a slight delay in initial BRT corridor service might be preferable to leveraging local funds and taking on more financial risk.

ATTACHMENTS: (There will be handouts at the meeting.)

PROPOSED MOTION: None

FINANCE COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: September 12, 2002

ITEM TITLE: BUS FINANCING DEBT CALENDAR

PREPARED BY: Diane Hellekson, Director of Finance

ACTION REQUESTED: None

BACKGROUND: The FY 2002-03 Adopted Budget provides for the purchase of 18 Gillig 40-foot buses and 5 articulated buses, all of which to be financed by the issuance of bonds. Attached is a calendar prepared by Western Financial Group, the financial advisor retained to represent Lane Transit District, that details the steps and actions required to complete the sale of bonds before the end of the current fiscal year. Staff will review this calendar with Committee members at the September 12 meeting.

Pat Clancy of Western Financial Group (WFG) is LTD's principal contact. To help manage project expenses, he has not been invited to attend the September 12 meeting. However, he will be available for future meetings in order to allow Committee members to address questions directly to him and discuss strategy. As a reminder to Committee members, LTD has also retained Edward Einowski of Stoel Rives as bond counsel. Mr. Einowski also would be happy to attend a future Committee meeting if members would find value in such a visit.

ATTACHMENTS: FY 2002-03 Debt Financing Calendar

PROPOSED MOTION: None

FINANCE COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: September 12, 2002

ITEM TITLE: BUS FINANCING DEBT RESOLUTION

PREPARED BY: Diane Hellekson, Director of Finance

ACTION REQUESTED: None

BACKGROUND: The FY 2002-03 Adopted Budget provides for the purchase of 18 Gillig 40-foot buses and 5 articulated buses, all of which are to be financed by the issuance of bonds. Because the timing of delivery for the two sets of vehicles is unknown at this time (and likely to be separated by months), Lane Transit District proposes to pay for the Gillig buses with capital reserves that subsequently will be reimbursed with bond proceeds. The attached resolution provides for payment of all vehicles currently on order, even though it is possible that the bonds could be placed before the articulated buses are delivered, in order to provide maximum flexibility.

Also, because the size of the issue for the total amount of the bus purchases is very attractive, it is not proposed at this time to separate the two sets of buses into two different bond issues. For this additional reason, the attached resolution is necessary.

The resolution is an information item for the Finance Committee. Approving the resolution will be an action item for the full Board on September 18.

The Finance Committee will be informed of all steps in advance as LTD proceeds with the debt financing of vehicles. In November, the Board will be asked to approve a 60-Day Notice Resolution, which will define a period in which the public must act if there are objections to the District's financing plan. Staff expect the bond sale to be completed before the end of the current fiscal year.

It should be noted that the financing of the first six bus rapid transit (BRT) vehicles has not been finalized due to the need for a Buy America waiver in order to use federal funds. It should be determined in the next month if the waiver will be approved (and there is no reason to assume that it would not) and by what date. If the waiver is not granted in time to complete the vehicle purchase to meet current delivery requirements, and if the

alternative financing plan requires additional debt, staff will return to the Board in October with an additional resolution and the BRT vehicles will be added to the 60-day resolution in November. (Options are discussed in the BRT vehicle agenda item in this packet.)

ATTACHMENTS: Resolution

PROPOSED MOTION: None

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LANE TRANSIT DISTRICT RESOLUTION NO. 2002-034

A Resolution Setting Forth the Official Intent of the District to Reimburse
Certain Capital Expenditures for Replacement Buses Out of the Proceeds
of Obligations to Be Issued

WHEREAS, pursuant to the authority conferred under ORS 288.805 to 288.945 (the “**Act**”), Lane Transit District (the “**District**”) intends to issue bonds in an amount which, based on current estimates, is not expected to exceed the sum of \$9,000,000 (the “**Bonds**”) in order to finance the acquisition of approximately 18 low-floor buses and 5 articulated buses (collectively, the “**Replacement Fleet**”); and

WHEREAS, the District has incurred, or will incur in the future, preliminary expenditures relating to the ordering, design, planning, and feasibility of the Replacement Fleet, all within the meaning of Treasury Regulations, Section 1.150-2, and will continue to incur from time to time additional costs of acquiring the Replacement Fleet (such preliminary expenditures together with such other costs of the Replacement Fleet incurred and paid prior to the issuance of the Bonds being herein collectively called the “Pre-Issuance Expenditures”), which Pre-Issuance Expenditures, in accordance with the budget for the Replacement Fleet and the District's operating budget, will ultimately be financed out of the proceeds of the Bonds as and when such Bonds are issued; and

WHEREAS, pending the issuance of, and the availability of the proceeds derived from the issuance and sale of, the Bonds, the Pre-Issuance Expenditures have been and will be paid on an interim basis out of monies which, in accordance with the District budget and budgetary practices, are not and will not be available on a long-term basis to pay such costs (the “Advances”), with the expectation and intent that the District will be reimbursed for all such Advances out of the proceeds of the Bonds as and when the same are issued;

NOW, THEREFORE, BE IT RESOLVED:

Section 1. The Board of the District hereby declares its intent to finance all Pre-Issuance Expenditures out of the proceeds of the Bonds as and when the same are issued by the District, and to reimburse itself out of the proceeds of the Bonds for all Advances made for the purpose of paying on an interim basis all Pre-Issuance Expenditures. The District acknowledges that such reimbursement from Bond proceeds may be made only to the extent that all other applicable requirements of Treasury Regulations, Section 1.150-2, are met with respect to the Bonds, the Pre-Issuance Costs, the sources of fund used to make the Advances and such reimbursement from Bond proceeds, but intends, and hereby directs all District officials and personnel, to take such lawful actions as may be necessary or appropriate in order to ensure that the Advances may be reimbursed from Bond proceeds to the fullest extent permitted by law.

Section 2. This resolution is intended to constitute an official declaration on the part of the District to reimburse itself out of the proceeds of the Bonds for all Advances made to pay Pre-Issuance Expenditures, all within the meaning of and pursuant to Treasury Regulations, Section 1.150-2.

Section 3. Within 30 days after the date of adoption of this resolution, the secretary of the Board shall make a certified copy hereof available for public inspection at the main administrative offices of

the District, and shall keep such certified copy available for public inspection at said administrative offices until all series of Bonds have been issued.

Section 4. This Resolution shall take effect immediately upon its adoption by the Board.

Adopted by the Lane Transit District Board of Directors on the _____ day of September, 2002.

September _____, 2002
Date

Board Secretary

FINANCE COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: September 12, 2002

ITEM TITLE: FARE INCREASE REVIEW

PREPARED BY: Andy Vobora, Service Planning and Marketing Manager

ACTION REQUESTED: None

BACKGROUND: In July 2002, the District aggressively increased pass and token prices. This increase followed a 25 percent increase in cash fares in 2001 and affected the largest segment of LTD guests. Staff will provide the Finance Committee information on sales figures and ridership data for the first two months of the fiscal year. This information will give a small glimpse into how LTD guests are reacting to the fare increases; however, drawing conclusions will be difficult based upon this limited data and due to the reduction in service implemented in June 2002.

Staff will be seeking direction regarding additional information the Finance Committee or Board might need prior to the annual strategic planning retreat in November.

ATTACHMENTS: None

PROPOSED MOTION: None

Lane Transit District

DEBT FINANCING CALENDAR

PAYROLL TAX REVENUE BONDS, SERIES 2003

Responsible Parties Codes:

LTD Lane Transit District
WFG Financial Advisor (Western Financial Group)
BC Bond Counsel (Stoel Rives)
WG Working Group

<u>Proposed Schedule</u>	<u>Task Description</u>	<u>Responsible Parties</u>
September 12	Finance Committee Meeting	LTD
Late September	Circulate 60-Day Notice Resolution	BC
Early October	Comments on 60-Day Notice Resolution	WG
November 20	Board adopts 60-Day Notice Resolution	LTD
March 5	Circulate distribution list and draft financing schedule	WFG
March 5	Distribute information request for Preliminary Official Statement (POS)	WFG
March 5	Distribute term sheet	WFG
March 19	Information for POS due	LTD
March 28	Distribute first draft of Sale Resolution and legal documents	BC
March 28	File MDAC 1 (Municipal Debt Advisory Co.)	BC
April 2	Distribute first draft POS	WFG
April 9	Comments due on first draft POS	WG
April 9	Comments due on first draft Sale Resolution and legal documents	WG
April 15	Circulate second draft legal documents	BC
April 16	Call to review rating strategy	LTD & WFG
April 16	Distribute second draft POS to WG	WFG
April 21	Comments due on second draft POS	WG

April 28	Circulate final draft POS	WFG
April 28	Circulate draft rating agency materials to WG	WFG
May 5	Call to review final POS, rating materials, and other documents	LTD & WFG
May 7	Forward all documents to insurance companies and rating agencies	WFG
May 12	Rating agency call	LTD & WFG
May 16	Forward documents to Board	LTD
May 20	Ratings received	WFG
May 21	Deadline for receiving insurance bids	WFG
May 21 (last date possible)	Board adopts Sale Resolution and Publication of Notice of Sale, and authorizes General Manager to approve final POS and terms of sale	LTD
May 22	Prepare final POS	WFG
May 27	Post POS on Internet	WFG
May 27	Publish Notice of Sale	BC
May 29	Apply for CUSIP* and DTC <small>*Committee on Uniform Securities Identification Procedures</small>	WFG
June 10	Bond Sale – 10 a.m. – Award of Bonds	WG
June 11	Prepare final Official Statement (OS)	WFG
June 12	Transcript preparation begins	BC
June 17	Final OS to printer	WFG
June 17	Final OS to underwriter and State Treasurer	WFG
June 17	File MDAC 2	BC
June 17	Distribute closing documents to WG	BC
June 23	Pre-closing	WG
June 24	Closing	WG

Legal Notice

Date: May 11, 2020
To: Carol Johnson, Legal Publications
The Register-Guard; Fax: 687-6668
From: Chris Thrasher, Administrative Secretary
Lane Transit District; Phone: 682-6109
RE: Notice of Board Committee Meeting
LTD Purchase Order #A-00736

**Please publish the following legal publication on Monday,
September 16, 2002.**

NOTICE OF LTD BOARD COMMITTEE MEETING

A meeting of the Finance Committee of the Board of Directors of Lane Transit District will be held on Wednesday, September 18, 2002, at 4:00 p.m., in the LTD Conference Room at 3500 East 17th Avenue, Eugene (in Glenwood). Items for discussion include fare increase review, bus rapid transit vehicle financing, and debt resolution and calendar.

Alternative formats of printed materials (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, call 682-6100 (voice) or 1-800-735-2900 (TTY, through Oregon Relay, for persons with hearing impairments).

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Lane Transit District

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MINUTES OF FINANCE COMMITTEE MEETING
LANE TRANSIT DISTRICT BOARD OF DIRECTORS

September 18, 2002

Pursuant to notice given to *The Register-Guard* for publication on September 16, 2002, a meeting of the Lane Transit District Board of Directors Finance Committee was held at 4:00 p.m. on September 18, 2002, at Lane Transit District, 3500 E. 17th Avenue, Eugene.

Present: Pat Hocken, LTD Board Member
Virginia Lauritsen, LTD Board Member
Gerry Gaydos, LTD Board Member

I. CALL TO ORDER

Ms. Hocken called the meeting to order at 4:08 p.m.

II. ROLL CALL

Ms. Hocken noted that she and Mr. Gaydos were present. Also present were: Diane Hellekson, Carol James, Stefano Viggiano, Mark Pangborn, Linda Lynch, Andy Vobora, Lisa Gardner (arriving at 4:40 p.m.), Ken Hamm (arriving at 5:00 p.m.) (LTD staff); Randi Bjornstad (*The Register-Guard*); and Bruce Miller (guest).

III. APPROVAL OF MINUTES

Mr. Gaydos moved, seconded by Ms. Hocken, to approve the minutes of the May 16, 2002, meeting of the LTD Board of Directors Finance Committee. The motion passed unanimously.

IV. FARE INCREASE REVIEW

Ridership and Fares. Mr. Vobora distributed copies of handouts entitled "Ridership Review: Summer 2002," "Projected Revenues Based on Proposed 2002-03 Fare Changes," and "Pricing Plan: 2002-03 to 2007-08" and reviewed data with the committee. This was a first look at ridership and fares following the service cuts that were instituted this past summer. He noted that ridership for the months of June, July, and August 2002 showed a decrease from previous year ridership. This could be due to a 6 percent reduction in service in June 2002 and another 3 percent reduction in September 2002.

Pass sales were down from the previous year. It appeared that riders reacted more severely to the fare increase. Need to watch ridership movement, which is not down at the same rate as sales. Guests may be purchasing tokens instead.

Operating statistics showed a 10 percent decrease in service and platform hours from Winter 2002 to Fall 2002. A 36.7 percent reduction in overtime hours was a result of more efficient planning. Total pay hours decreased by 8.9 percent. The service cuts result in a decrease of operator duties by 14. These 14 positions were reduced through retirements and attrition.

Ms. Hocken asked why the sales for youth passes in June 2002 were up 24 percent from June 2001. Mr. Vobora stated that the number is a composite number. Sales of youth passes increased the first year after elimination of the Freedom Pass and held steady last year. He was not sure why more passes were sold in June 2002. A better picture would be to look at the whole year. September sales should show an increase with students returning to school.

(Ms. Lauritsen arrived at the meeting.)

In response to a question from Mr. Gaydos, Mr. Vobora stated that it takes a couple of years to regain lost ridership. If fare sales stay low, projected revenue amounts might not be met.

Mr. Gaydos asked what could be done to regain ridership. Mr. Vobora replied that LTD could do promotions, but he believed that it just takes time for people to adjust. He predicted a faster recovery period than two years. It is hard to compare numbers when service is being cut at the same time. Lately, LTD has not been as aggressive with the youth marketing in the schools, which is a new market every year.

Mr. Viggiano stated that in 1981 LTD saw a decrease in ridership when service was cut and fares were increased. The Board lowered the fare for a period, which resulted in a slight increase in ridership. It was not until 1986 that ridership was back to the pre-1981 level.

Promotional Fares. Mr. Vobora stated that the 25 cent promotional fare for circulator routes was eliminated and the regular fare rate was reinstated. He noted that the #55 River Road Connector was the only circulator route in effect as of September 22.

In response to a question from Ms. Hocken, Mr. Vobora stated that a Breeze fare survey would be done in December 2002.

Pricing Plan. Mr. Vobora referred the committee to the 2002-03 Pricing Plan included in the agenda packet, which showed a history of fare changes and future projections. The schedule showed an increase in cash fare to \$1.35 for 2003-04. The committee would be asked to review the Pricing Plan in December 2002.

Mr. Gaydos asked if staff could tease out cause. Mr. Vobora responded that it would be hard without spending a lot of money on research.

Youth Fares. Mr. Vobora stated that we continue to have a youth fare enforcement problem. Some guests older than 18 are trying to buy the discounted youth fare. Bus operators are getting frustrated. Staff are looking at a student pass option where a guest would need to show a school I.D. card in order to use the youth fare. Children younger than middle school age would fall into a child category. We would need to develop an alternative I.D. card for homeless and home-schooled youth.

Ms. Hocken asked Mr. Vobora to keep Eugene Mayor Jim Torrey informed about changes to the youth fares because the mayor was a big advocate for changing the youth fares.

V. BRT VEHICLE FINANCING

Ms. Hellekson reminded the committee that the Bus Rapid Transit Vehicle Demonstration Program proposal was rejected by the Federal Transit Administration. Subsequently, staff have issued a Request for Proposal to prove there are no U.S. manufacturers for the BRT vehicle and are going through the standard Buy America waiver process. Length of time for a decision is uncertain. We are on a tight timeline for negotiating and ordering and are concerned about missing the Winter 2004 delivery date. Staff had reviewed the current plan and key assumptions:

- *Current fixed-route service levels remain constant until the implementation of BRT Phase 1.* Ms. Hellekson stated that a \$2.5 million course correction was recommended last fiscal year, which consisted of \$1.5 million in administrative staff reductions and \$1 million in service reductions already implemented. A third piece was built into the 2002-03 budget that implied either \$1 million more in operating revenue or \$1 million less in operating expense. It later became clear that another service reduction was not feasible. Staff believed it was not a good idea to make a trade-off between current fixed-route service and BRT. If we cannot use federal funds on the initial purchase of buses, we would need to find a way to finance them with local funds. That could eventually have an effect on service.
- *Major capital projects come in at or below current estimates.* One million dollars was put back into fixed-route service. If all else remained as estimated, service would remain constant as well. Eventually, the Capital Fund would run out of the funds.
- *Personnel services costs are contained within planned/estimated growth (and a new ATU contract is advantageous).*
- *In the event of local leveraged financing of BRT vehicles, new sources of capital will be required within three years.*

Ms. Hellekson distributed copies of spreadsheets showing a schedule of combined five-year projections as a baseline and for BRT buses funded from local sources. The baseline spreadsheet assumes we get the Buy America waiver by the end of October and that we can use federal funds to purchase the BRT vehicles. The second spreadsheet assumes that we do not get the Buy America waiver in time and we opt to finance the vehicles leveraging local funds.

In response to a question from Ms. Hocken regarding BRT bus funding, Ms. James replied that the baseline scenario assumes that \$3 million would come from a United Front grant and \$3 million would come from Section 5307 formula funds. Both would be an 80/20 match.

Ms. Hellekson stated that if we do not get the Buy America waiver by the end of October 2002 and we decide there is too much risk leveraging local funds, a third option would be to delay the implementation of BRT Phase 1 to align with the Buy America waiver timeline. Buses would be ordered once the Buy America waiver is granted.

In response to a question from Ms. Hocken, Ms. Hellekson stated that it would be 18 months from time of commitment until delivery of vehicles. Implementation of BRT Phase 1 service would begin Fall 2004. Buses would need to be delivered in the spring of 2004 to allow for testing and training. Timeline allows for negotiation of a contract.

Mr. Viggiano stated that staff feel confident we will get the Buy America waiver. The question is how long it would take.

Mr. Gaydos recommended that the Board discuss the issue in October.

In response to a question from Ms. Hocken, Mr. Pangborn stated that Wildish Construction believed we could meet the construction deadline of Fall 2004. However, the BRT system could not operate without the new buses.

Ms. Hellekson asked if the committee agreed with the staff recommendation that service not be touched. Mr. Gaydos agreed.

Ms. Lauritsen believed it would be easier to get funding from the capital side versus the operating side. Ms. James believed the estimates on the operating side were optimistic. It indicates in the next fiscal year a 2 percent increase in personnel services, which includes the new ATU contract and health care costs. It could have an operating impact if the increase is higher than 2 percent.

Ms. Hellekson noted that costs may exceed estimates. Last year, it was easy to tie the need for service and staff reductions to a recessing economy. Next time it may be hard to politically justify service reductions.

Ms. Hocken believed it looked worse to fund BRT vehicles with leveraged local funds. Ms. Hellekson stated that we could not pay funds back with federal dollars but we could use debt financing.

In response to a question from Ms. Hocken regarding the structure of proposed debt, Ms. James stated that payroll tax receipts would be pledged as collateral for the bonds. The repayment plan is to use formula dollars to pay debt service, but the formula funds would not be pledged as such. Because LTD's balance sheet is so strong, Ms. Hellekson anticipated a favorable rating.

VI. BUS FINANCING DEBT RESOLUTION

Ms. Hellekson referred the committee to the debt resolution agenda item in the agenda packet. The Board will be asked to approve the use of capital reserves to pay for 18 Gillig 40-foot buses and 5 articulated buses and subsequently reimbursing with the proceeds from revenue bond sales. The Board would be asked to adopt the 60-day resolution in November 2002, which gives the public 60 days in which to respond to the District's financing plan.

Ms. Hocken asked how the \$9 million was calculated and whether or not it would include the cost of issuing the bonds. Ms. James offered the following breakdown:

	<u>PRICE EACH</u>	<u>TOTAL</u>
18 Gillig 40-foot buses	\$300,000	5,400,000
Radio/video equipment	30,000	540,000
5 Articulated buses	\$425,000	2,125,000
Radio/video equipment	30,000	150,000
Travel & training		50,000

Debt issuance	300,000
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Ms. Hocken asked when the actual dollar amount of the bonds would be established. Ms. James responded that a preliminary official statement should be in March 2003 with the bond sale slated for June 2003.

The committee had no reluctance to recommend the resolution to the Board for adoption.

In response to a question from Mr. Gaydos, Ms. Hellekson stated that the public hearing for the 60-day resolution would be published in *The Register-Guard*.

VII. BUS FINANCING DEBT CALENDAR

Ms. Hellekson referred the committee to the detailed debt calendar in the agenda packet. She noted that the bond sale was scheduled for June 10, 2003.

In response to a question from Ms. Hocken, Ms. Hellekson stated if for some reason the bond sale was delayed a few months, it should not make a difference. Ms. James stated that LTD could opt to borrow on the short term until the bond sale. Banks are willing to lend right now.

(Mr. Hamm arrived at the meeting.)

VIII. RIDESOURCE FACILITY

Ms. Gardner distributed copies of a handout summarizing six sites under consideration as a RideSource facility. The original estimate to build the facility (excluding land cost) was \$3.3 million. Since available funding was only \$1.4 million, the architects developed a scaled-back facility design, which included a minimal facility, metal buildings, and off-site fueling, for an estimated cost of \$2.1 million. Three of the six sites would accommodate RideSource only and not a satellite facility. Cost to purchase land was estimated at \$500,000. Some sites have a usable existing building. It is staff's recommendation not to purchase additional land for a satellite facility at this time unless feasible within the same budget. Ms. Gardner noted that the satellite facility was not in the Capital Improvements Program.

In response to a question from Ms. Lauritsen, Ms. Gardner reported that staff were looking at clusters of need and would conduct a traffic analysis to determine the most efficient site.

Ms. Hellekson stated that allocated funds are inadequate. If funds are not obligated soon, we could lose them. Will probably need to invest the additional amount in the Capital Improvements Program for the land into the RideSource project anyway to meet project costs.

In response to a question from Ms. Hocken, Ms. Gardner responded that we should still be able to get an additional \$500,000 from the state once the project is started.

Ms. Lynch stated that some of the funding was coming from federal STP funds but \$500,000 was from the State General Fund, which was cut in the first Legislative special session but restored in the last special session.

Ms. Hocken asked for clarification of the ballot measure to increase income tax by \$300 million over three years and what would be cut if the measure did not pass. Ms. Lynch stated that the disappropriation measure would cut \$176,000 from the Public Transit Division.

IX. NEXT MEETING

Chris Thrasher would contact committee members to schedule a meeting in October.

X. ADJOURNMENT

There was no further discussion and the meeting adjourned at 5:10 p.m.

(Recorded by Chris Thrasher, Lane Transit District)

FINANCE COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: September 12, 2002

ITEM TITLE: ANNUAL REPORT/COMMUNITY INFORMATION PIECE

PREPARED BY: Andy Vobora, Service Planning and Marketing Manager

ACTION REQUESTED: None

BACKGROUND: At a previous finance committee meeting the group discussed the idea of an annual report or an informational piece that could be utilized by Board members during community presentations or meetings. Staff has designed a newsletter that will be mailed to a stakeholder group and will be available for Board member use. The newsletter is planned to be produced quarterly, however the design allows it to be done more frequently if needed.

Staff will present a draft of the first issue to the committee for review.

ATTACHMENTS: None

PROPOSED MOTION: None