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Public notice was given to *The Register-Guard* for publication on December 10, 2007.

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

**December 12, 2007
4:00 p.m. – 5:30 p.m.**

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

AGENDA

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I. CALL TO ORDER (Dean Kortge)	
II. ROLL CALL (Dean Kortge)	
Davis _____ Dubick _____ Kortge _____	
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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).

AGENDA ITEM SUMMARY

DATE OF MEETING: December 12, 2007

ITEM TITLE: 2008 PRICING PLAN REVIEW

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

ACTION REQUESTED: Direction regarding possible changes to the District's fare structure

BACKGROUND: The District's fares are priced according to an adopted fare policy. This policy has structured fare increases by rotating price increases between fare types on an annual basis. This methodology has served the District well since the Board adopted the fare policy in the mid-1980s.

In 2006, the District increased the price of single-ride tokens from \$1.00 to \$1.10. This was followed in 2007 with increases in the price of monthly passes, three-month passes, and group pass contract prices. The plan calls for increases in cash fares for 2008. Since day pass prices are set at two times the cash fare, an increase in cash fares will also increase day pass prices. The 2008 changes include an 8.1 percent increase in group pass contract prices, which are effective January 1, 2008.

The pricing plan shows an adult cash fare increase from \$1.25 to \$1.35; however, staff would like the committee to discuss a change to \$1.50. The cash fare has not changed since 2001 and current budget pressures are leading staff toward a greater increase. A change in the adult cash fare to \$1.50 will allow the District to increase RideSource fares to \$3.00. This change may be a strategy the District would pursue to address the increasing demand and cost of RideSource service.

The ASUO group pass contract continues to be negotiated outside the standard group pass pricing structure. LTD's ASUO budget request for the 2008-09 school year would bring the per term price in line with the price paid by all other LTD group pass organizations. The ASUO budget request asks for an increase from \$12.48 per student per term to \$13.89 per student per term. A hearing with the ASUO will occur in January 2008.

Other pricing considerations staff would like Board comment on include:

- A change in the Honored Rider age from 70 to 65 years of age -- In conjunction with this change, staff would recommend expansion of the adult fare category to include anyone age 19 through 64. Staff will discuss the rationale behind such a change during the committee meeting.
- A review of the holiday taxi reimbursement program
- A review of the summer youth pass program

ATTACHMENTS: Peer Group Fare Comparison

RESULTS OF RECOMMENDED ACTION: Staff will prepare the pricing plan recommendation for review with the Board in January 2008. This will be followed by public hearings in February and March 2008.

PROPOSED MOTION: None

AGENDA ITEM SUMMARY

DATE OF MEETING: December 12, 2007

ITEM TITLE: BUDGET DEVELOPMENT

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

ACTION REQUESTED: None

BACKGROUND: There are a number of unresolved issues and assumptions that affect the preparation of the revised Long-Range Financial Plan, revised Capital Improvements Program, and ultimately the FY 2008-09 Proposed Budget. These issues include the following:

- The assumed rate of growth of tax receipts
- Reserve requirements
- Service allocation
- Debt policy

The full Board had a preliminary discussion of Long-Range Financial Plan issues at the work session on December 1. It is proposed that the Finance Committee continue this discussion on December 12.

ATTACHMENTS: Summary of Projections (from work session notebook)
Summary of Projections V 3 O
Summary of Projections V 3 R
Summary of Projections V 3 P

(Other materials may be distributed at the meeting.)

RESULTS OF RECOMMENDED ACTION: None

PROPOSED MOTION: None

Possible Sale or Lease of Garfield Property Summary of Advantages and Disadvantages

Sale Option Advantages

- The sale of the property would result in an influx of approximately \$1 million in local funds that could be transferred to either the General Fund or the Capital Projects Fund. In the Capital Projects Fund, the money would match \$4 million of federal funds.
- The Eugene Police would be a very good neighbor to RideSource and would likely reduce the vandalism and theft we have experienced at the site.
- The sale of the property would demonstrate partnership with a local agency that has provided assistance to LTD on a number of issues.
- It is unknown if and when LTD will need to develop a satellite facility. It is likely the need will not occur until the LTD fleet has reached 200 buses, which is not expected for at least 20 years.

Lease Option Advantages

- The lease of the property would provide a positive cash flow and allow the District to retain the site for possible use or sale (at an appreciated value) in the future. The annual lease fee could be used to fund operations or as local match for capital projects.
- The Eugene Police would be a very good neighbor to RideSource and would likely reduce the vandalism and theft we have experienced at the site.
- The lease of the property would demonstrate partnership with a local agency that has provided assistance to LTD on a number of issues.
- It is unknown if and when LTD will need to develop a satellite facility. It is likely the need will not occur until the LTD fleet has reached 200 buses, which is not expected for at least 20 years.

Disadvantages of a Sale/Lease

- Large tracts of close-in industrial property are scarce and will become more scarce and more expensive in the future. This property would clearly be unavailable if sold. If leased, it may be very difficult in 20 or 30 years to request that the Eugene Police relocate.
- Maintaining ownership and availability of the property provides greater flexibility to respond to unexpected changes in transit demand or new technologies. Although current growth patterns suggest that the satellite facility will not be needed for 20+ years, problems with fuel availability, fuel price, or other unexpected factors could change that timeline.
- As a satellite facility, the parcel is strategically located to complement the Glenwood location and minimize deadhead travel time for the fleet as a whole.
- The plan accommodates RideSource property needs for 20 years. Retaining the extra property would provide for RideSource expansion for beyond the 20-year planning horizon or even within the 20-year period if the growth in the RideSource fleet is greater than anticipated.

AGENDA ITEM SUMMARY

- DATE OF MEETING:** December 12, 2007
- ITEM TITLE:** POSSIBLE SALE OR LEASE OF GARFIELD PROPERTY
- PREPARED BY:** Stefano Viggiano, Assistant General Manager
- ACTION REQUESTED:** Provide recommendation to the LTD Board of Directors on the possible sale or lease of the LTD property on Garfield Street in Eugene.
- BACKGROUND:**
- In 2003, LTD purchased a tract of property on Garfield Street to be used for a new RideSource facility. The District chose to purchase more land than was required for the RideSource facility with the intent that the additional property could be used as a possible LTD satellite facility at some point in the future. An analysis of bus “deadheading” patterns indicated that a site in that general West Eugene area would be an efficient location for a satellite facility. When the property was purchased, the “extra” parcel was subdivided from the RideSource portion and was acquired using local funds.
- The City of Eugene has expressed an interest in the property as the site for a new Eugene Police Station. The attached map shows the RideSource facility property needs based on an estimated 20-year projection of fleet growth. The remaining property is approximately 3.5 acres, which is of sufficient size for the Eugene Police Station.
- Staff seek direction on whether to pursue a sale or lease of this property to the City of Eugene. Attached is a document that summarizes some of the pros and cons of the sale and lease options.
- ATTACHMENTS:**
1. Plan view of Garfield Site
 2. Advantages and Disadvantages of Possible Sale/Lease of the Garfield Property
- PROPOSED MOTION:** The Finance Committee recommends that the LTD Board of Directors (agree/not agree) to pursue the (sale/lease) of the Garfield site to the City of Eugene.

Legal Notice

Date: May 11, 2020
To: Marti Deanda, Legal Publications
The Register-Guard; Fax: 687-6677
From: Chris Thrasher, Administrative Secretary
Lane Transit District; Phone: 682-6200
RE: Notice of Board Committee Meeting
LTD Purchase Order #A-08118

**Please publish the following legal publication on Monday,
December 10, 2007.**

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, December 12, 2007, at 4:00 p.m., in the LTD Conference Room A at 3500 East 17th Avenue, Eugene (in Glenwood). Items for discussion include Garfield property sale/lease, fare changes, and budget development.

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

December 12, 2007

Pursuant to notice given to *The Register-Guard* for publication on December 10, 2007, a meeting of the Lane Transit District Board of Directors Finance Committee was held at 4:00 p.m. on December 12, 2007, at Lane Transit District, 3500 East 17th Avenue, Eugene.

PRESENT - Mike Dubick, Dean Kortge, Debbie Davis

CALL TO ORDER – Mr. Kortge, 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 attended: Diane Hellekson, Mark Pangborn, Carol James, Stefano Viggiano, Andy Vobora, Todd Lipkin, and Chris Thrasher.

MINUTES – Mr. Dubick noted a misspelled word on page 2, first paragraph under 14th Avenue Bike Path Security Cameras, of the August 16, 2007, minutes. The word “seized” should be replaced with “ceased.” Mr. Dubick moved, seconded by Ms. Davis, to approve the minutes as amended. The minutes were approved.

GARFIELD PROPERTY SALE/LEASE – Mr. Viggiano, assistant general manager, stated that the City of Eugene expressed interest in purchasing a portion of the RideSource property on Garfield Street in Eugene for a new Eugene Police Station.

Based on an estimated 20-year projection of fleet growth at the RideSource facility, approximately 3.5 acres could be available for sale or lease, which is of sufficient size for the Eugene Police Station. This 3.5 acres was once considered by LTD for use as a satellite facility based on an analysis of bus “deadheading” patterns. If sold or leased, the property would need to be repartitioned or the existing property line would need to be adjusted.

The committee discussed the advantages and disadvantages of a possible sale or lease of the property as outlined in a summary sheet included in the agenda packet. The committee agreed to recommend to the full Board pursuing the lease of the Garfield site to the City of Eugene.

PRICING PLAN – Mr. Vobora, director of service planning, accessibility, and marketing, distributed a handout, which included information on a pricing proposal summary, peer group fare comparison, pricing history, consumer price index (CPI) and group pass increases, and fare media relationships.

Mr. Vobora gave the committee a heads up that staff would be discussing with the Board Service Committee a request from the Olympic Trials Committee to renegotiate the service price. Changes included an increase in service hours from 1,000 to 1,600 and a new direct variable cost rate of \$65 per hour.

In regards to the pricing plan, Mr. Vobora stated that cash fares were in rotation to increase on July 1, 2008. Staff proposed increasing the cash fare from \$1.25 to \$1.50 for adults and from \$.60 to \$.75 for the reduced fare categories. Cash fares have not changed since 2001, and

current budget pressures are leading staff toward a greater increase. According to the peer comparison table, \$1.50 would put LTD in the top third for cash fare.

An increase in cash fares also impacts the price of day passes with a proposed increase from \$2.50 to \$3.00 for adults and from \$1.20 to \$1.50 for the reduced fare categories. RideSource regular fares would also increase from \$2.50 to \$3.00.

Staff also proposed the following:

- An 8.8 percent increase in group pass rates effective January 1, 2009, based on a three-year rolling average
- Elimination of the \$19.95 summer youth pass for July and August – The student pass program provides free ridership from September 1 through June 30. Only 1,550 passes were sold last year compared to approximately 3,000 sold in previous years. Cost to promote the program is close to the revenue received from sales of the pass.
- Reduce the Honored Rider age from 70 to 65 years of age and expand the adult fare category to include anyone age 19 through 64 – The committee recommended yearly step reductions and increases and requiring presentation of an honored rider card to the bus operator.
- Increase holiday taxi reimbursement from \$10 to \$20 toward purchase of a fare instrument – Annual cost would be approximately \$800.

The Associated Students of the University of Oregon (ASUO) group pass contract continues to be negotiated outside the standard group pass pricing structure. LTD's ASUO budget request for the 2008-09 school year would bring the per term price in line with the price paid by all other LTD group pass organizations. The ASUO budget request asks for an increase from \$12.48 per student per term to \$13.89 per student per term. A hearing with the ASUO will occur in January 2008.

Mr. Vobora added that staff, upon the request of the City of Eugene, would be researching the feasibility to provide free fares system-wide. Preliminary research has found that only a few transit systems provide free service: City of Wilsonville, Island Transit in northern Washington, and a system in Belgium.

In 2005, the Board approved validation of monthly passes through the third of the next month so that people who receive Social Security and disability checks could ride until they were able to purchase the next month's pass. This action was never publicized to the public but bus operators have been informed of the policy through operator training. This has resulted in inconsistencies. Staff wondered if it should be included in the Fare Policy. Today, Social Security checks are issued throughout the month; although, disability checks are still issued at the beginning of the month. Mr. Pangborn suggested surveying bus riders as well as bus operators. The committee preferred to try to improve the inconsistencies through operator training. Staff would do more research before addressing the full Board.

The Committee agreed with staff recommendations and the proposed pricing plan recommendation would be presented to the full Board in January 2008 followed by public hearings in February and March 2008.

BUDGET DEVELOPMENT – Ms. Hellekson, director of finance and information technology, stated that there are a number of unresolved issues and assumptions that affect the preparation of the revised Long-Range Financial Plan, revised Capital Improvements Program, and ultimately the FY 2008-09 Proposed Budget. These issues include the following:

- Assumed rate of growth of tax receipts – Staff is not in a position to make that determination at this point. To date, payroll tax receipts are as expected. There is concern though that compliance is not as it should be, and staff is considering analyzing payroll tax receipts in February.
- Reserve requirements – The Board policy requires maintaining \$3 million in the operating fund at all times broken out as follows: \$1 million for current-year working capital, \$1 million for future-year working capital, and \$1 million for self-insurance reserve. LTD has been able to easily maintain \$3 million in reserves. Staff is researching the pros and cons of reducing reserve requirements to \$2 million.
- Service allocation – Staff is looking at a strict control of service growth. However, new service for Pioneer Parkway EmX and the RiverBend Hospital will require service changes.
- Debt Policy – Staff is considering debt financing all future vehicle purchases using formula funds, which would require that the Debt Policy be revised.
- Future vehicles – A decision will need to be made regarding the type of vehicle to purchase in the future. The Board and staff prefer hybrids, but currently there is a substantial premium on hybrid vehicles.
- ATU contract – The cost of the new contract should be determined soon.

Ms. Hellekson stated that it is critical to control the growth of personnel services in conjunction with payroll tax receipts.

In regards to reserve requirements, Ms. James, accounting manager, stated that it is important to be able to respond quickly if payroll tax receipts should decrease. One response would be to cut service, but it is difficult to cut service quickly. Staff is encouraged by the number of current construction projects which contribute to payroll tax receipts. Mr. Vobora stated that due to a 17.5 percent increase in ridership in November from last year, there would need to be service adjustments.

In response to a question from Mr. Dubick, Ms. Hellekson stated that LTD contributes to the retirement fund every pay period. The contribution is calculated by an amount determined by the actuary times the number of hours worked for the ATU hourly plan. Current Board policy is that in 18.5 years there will be no unfunded liabilities in either retirement plan. Ms. James added that next year LTD will be required to report the amount of unfunded liability from other post-employment benefits, such as medical benefits.

NEXT MEETING -- The committee agreed to meet January 16 to continue discussion of budget issues.

ADJOURNMENT – There was no further discussion, and the meeting adjourned at 5:16 p.m.

(Recorded by Chris Thrasher, Lane Transit District)

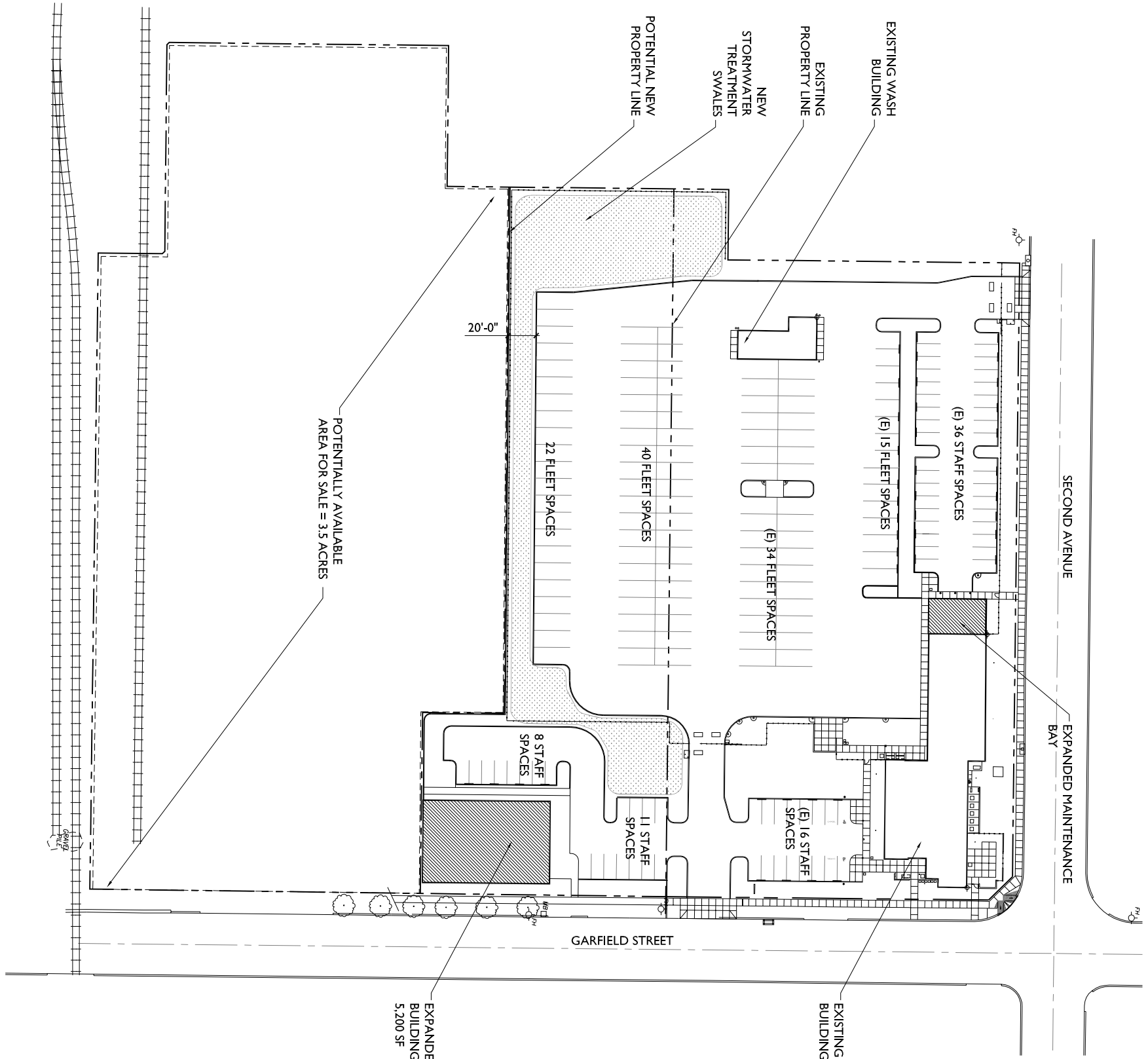
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Peer Group Fare Comparison

	Adult Cash Fare	Token or Multi-Ride Card/Ticket	Daily Pass	Adult Monthly Pass	Adult Multi-Month Pass
Reno, Nevada	\$1.75	\$1.58	\$4.00	\$64.50	n/a
Livermore, California	\$1.75	\$1.40	n/a	\$53.00	n/a
Santa Cruz, California	\$1.50	n/a	\$4.50	\$50.00	n/a
Colorado Springs, Colorado	\$1.25	\$1.14	n/a	\$35.00	n/a
Vancouver, Washington	\$1.25	\$1.25	\$3.00	\$44.00	n/a
Fort Collins, Colorado	\$1.25	\$0.90	n/a	\$25.00	n/a
Bellingham, Washington	\$1.25	\$1.25	n/a	\$45.00	\$495 (annual)
Ann Arbor, Michigan	\$1.00	\$1.00	n/a	\$37.50	n/a
Salem, Oregon	\$1.00	\$0.91	\$2.00	\$25.00	\$300.00
Bakersfield, California	\$0.90	\$0.90	\$2.25	\$30.00	n/a
Olympia, Washington	\$0.75	\$0.75	\$1.50	\$25.00	n/a
Lane Transit District	\$1.50	\$1.10	\$3.00	\$38.00	\$103 (3 month)
Median	\$1.25	\$1.07	\$2.63	\$37.50	
Average	\$1.24	\$1.10	\$2.89	\$39.45	
Tri-Met	\$2.05*	\$2.05	\$4.25	\$76.00	\$836 (annual)

Data collected through transit district Web site information. Updated 12/07

* Zone system Averages do not include Tri-Met



EXPANDED CALL CENTER BUILDING, APPROXIMATELY 5,200 SF

EXISTING RIDESOURCE BUILDING

POTENTIALLY AVAILABLE AREA FOR SALE = 3.5 ACRES

20'-0"

22 FLEET SPACES

40 FLEET SPACES

(E) 34 FLEET SPACES

(E) 15 FLEET SPACES

(E) 36 STAFF SPACES

8 STAFF SPACES

11 STAFF SPACES

(E) 16 STAFF SPACES

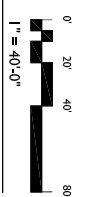
SECOND AVENUE

EXPANDED MAINTENANCE BAY

GARFIELD STREET

PARKING SUMMARY

FLEET	2008	FUTURE (TARGET)	FUTURE (SHOWN)
	49	101	111
STAFF	2008	FUTURE (TARGET)	FUTURE (SHOWN)
	52	70	71



RIDESOURCE MASTER PLAN - OPTION I

NOVEMBER 20, 2007