

(This packet was printed on recycled paper.)

Public notice was given to *The Register-Guard* for publication on February 15, 2009.

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

**February 18, 2009
4:30 p.m. – 5:30 p.m.**

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

AGENDA

	<u>Page</u>
I. CALL TO ORDER (Dean Kortge)	
II. ROLL CALL (Dean Kortge) Dubick _____ Kortge _____ Necker _____	
III. APPROVE MINUTES OF NOVEMBER 4, 2008, MEETING	2
IV. AUDIT SERVICES CONTRACT	5
V. DISCRETIONARY GRANT PROGRAM	6
VI. NEXT MEETING	
VII. ADJOURN	

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

AGENDA ITEM SUMMARY

DATE OF MEETING: February 18, 2009

ITEM TITLE: Audit Services Contract

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

ACTION REQUESTED: None

BACKGROUND: The contract with Grove, Mueller & Swank, P.C., for audit services will expire May 30, 2009. Periodically, the contract for audit services should be rebid. In the past, staff has prepared a request for proposals (RFP) for audit services. Responses were then reviewed by a committee of staff and at least one member of the Board of Directors. A recommendation was then forwarded to the full Board for its approval. While staff feels this process has worked well in the past, it is appropriate to remind the members of the Finance Committee that the auditors report directly to the Board. As such, the Board may wish to select the auditors independently of staff.

If the Committee chooses to use it, staff has prepared a request for proposal with the following tentative timeline:

Mail RFP	March 30
Responses due	May 4
Interviews	May 15
Selection	May 20
New contract signed by June 1, 2009	

ATTACHMENTS: None

RESULTS OF RECOMMENDED ACTION: Process for selection of auditors approved and member(s) of selection committee appointed

PROPOSED MOTION: None

Oregon Public Transit Discretionary Grant Program for Lane County

Fiscal Years 2010 & 2011
Older Adults & People with Disabilities
JARC & New Freedom - Metro Only

- Combines federal 5310 & State money for Older Adults & People with Disabilities
- Allocates by statewide formula
- Metro JARC & New Freedom projects solicited at the same time but under separate review
- Local decisions made within annual budget cycle

Funding Highlights

- LTD will be direct recipient of grant funds & conducts local selection process
- Evaluate by coordination & local priorities – maintain, expand to meet demand, and new
- Combine projects for greater flexibility and to streamline administration
- Opportunity to “trade” capital for ADA operations

Process Highlights

- Preventive maintenance is not limited to a per-vehicle cap
- ADA paratransit operations allowed for the 1st time (under purchased service)
- Vehicles meet age or mile criteria, not both
- LTD given flexibility in conducting local application and review process

Changes

October & November –

- ODOT and LTD Workshops
- Distribute forms and information
- Convene Grant Review Committee
- Establish and communicate process and procedures
- Provide technical assistance

Schedule

Applications due January 9

15 Projects for Older Adults Program

- 2 Projects for RideSource vehicle replacement & ADA operations
- 1 Project pulled due to cancellation of program
- 1 each Metro – JARC & New Freedom

Applications

- Place in 1st, 2nd & 3rd priorities as outlined in Coordinated Plan
- Independent scoring by Committee members
- Review and ranking
- Assign funding & allocations
- Presentations & comments by applicants
- Accessible Transportation Advisory Committee holds public hearing – no testimony

Grant Review Committee

AGENDA ITEM SUMMARY

- DATE OF MEETING:** February 18, 2009
- ITEM TITLE:** PUBLIC TRANSIT DIVISION DISCRETIONARY GRANT APPLICATIONS FOR 2009 – 2011 BIENNIUM
- PREPARED BY:** Terry Parker, Accessible Services Manager
- ACTION REQUESTED:** None
- BACKGROUND:** The Oregon Department of Transportation (ODOT) Public Transit Division administers a grant program that combines several sources of federal and state funds. There is approximately \$15 million for distribution statewide, with nearly \$1.3 million designated for Lane County for transportation projects that benefit older adults and people with disabilities.
- LTD, as the STF (Special Transportation Fund) Agency for Lane County is required to review, rank, and agree to accept funding for local projects that potentially will be funded with money from this program. LTD serves as the coordinator for all discretionary project applications within Lane County. LTD will be submitting a consolidated application that reflects priorities established in the Lane Public Transit-Human Services Coordinated Plan (Lane Coordinated Plan) and program requirements.
- The Lane Coordinated Plan 2009 Update, approved by the Board in January 2008, outlines these funding priorities for Lane County projects, which were used to rank project proposals.
- First Priority - Maintain existing service levels of viable operations.** Ensure that transportation services and connections remain at their current level for people who depend on public transportation services in Lane County.
- This supports existing transportation providers' projects that:
- Have shown to be effective in meeting community transportation needs
 - Require ongoing capital and operating assistance to maintain current level of service
 - Continue to demonstrate effective transportation operations within Lane County's coordinated network
- Second Priority - Respond to growth within existing services.** Allow for measured increases where demand points to an unmet need within the current limits of the service.
- This supports existing providers' projects that:
- Require capital and operating assistance to meet growing demand for service within present boundaries
 - Are able to improve efficiency and functionality by building on existing infrastructure

This supports potential new providers or services by:

- Allowing for growth but not automatically extending new service without a careful evaluation of transportation needs in different locations or by other providers

Third Priority - *Respond to emerging community needs.* Take action on opportunities to coordinate and expand service by developing new partnerships and reacting to newly identified transportation needs and gaps.

This supports projects that:

- Are under development and bring new resources
- Address identified transportation needs and gaps and/or focus on an underserved group of individuals
- Improve efficiency and effectiveness of the overall system
- Provide an added benefit to the transportation services network and riders
- Are innovative in their approach in reaching out to new riders or geographic areas

A Notice of Fund Availability was placed in the legal section of the Eugene *Register-Guard* on November 11, 2008, a public workshop was held on November 12, 2008, project proposal application forms for Lane County projects were widely distributed, and completed applications were accepted at LTD until Friday, January 9, 2009. A local Grant Review Committee made up of members of the Accessible Transportation Advisory Committee and staff from Lane Council of Governments, the local Metropolitan Planning Organization, reviewed and ranked 13 project proposals that were submitted under the Older Adults and People with Disabilities section of the grant program and review two projects, one each under the Job Access Reverse Commute (JARC) and New Freedom programs.

The attached list outlines the proposed ranking and funding allocations that the Grant Review Committee is submitting for consideration to the Accessible Transportation Advisory Committee (ATC).

Please note that the ATC will be reviewing this same recommendation on Tuesday, February 17, 2009, just one day before the LTD Board meeting. If there are any modifications to the grant proposal, LTD staff will provide a written and verbal update at the Board meeting.

ATTACHMENT: Recommendation of the Grant Review Committee
Proposed Lane County Public Transit Division Discretionary Grant projects for 2009-2011 Biennium

PROPOSED MOTION: None

ATTACHMENT
ODOT Public Transit Division
Discretionary Grant – Recommended Ranking and Funding Allocations

LTD Grant Review Committee: L.M. Reese, Chair Susan Payne, LCOG MPO
 Hugh Massengill Mark Phinney
 Bob Proctor
 Sherrin Coleman, ODOT Public Transit District (Ex-Officio)

Older Adults and People with Disabilities Program

RANK	Agency	Project Description	Amount Requested	Amount Funded
1	Special Mobility Services, Inc.	Vehicle Preventive Maintenance	\$181,334	\$181,334
2	Special Mobility Services, Inc.	Vehicle Replacement (11 RideSource & 1 Florence)	\$721,429	\$721,429
3	LCOG Senior & Disabled Services	Non-Medical Transportation for Medicaid Recipients (matching grant)	\$51,942	\$51,942
4	LCOG Senior & Disabled Services	Volunteer Escort	\$126,612	\$126,612
5	White Bird Clinic	Mental Health and Homeless Transportation Services	\$75,000	\$72,845
6	Pearl Buck Center, Inc.	Pre-School Transportation Services	\$95,266	\$92,528
7	South Lane Wheels	South Lane - Public Transportation Operations	\$12,226	\$12,226
8	St. Vincent De Paul Society	Replacement Vehicle	\$31,406	\$31,406
9	Willamalane Senior Center	Replacement Vehicle	\$46,982	\$0
10	South Lane Wheels	Route-Around-Town – New Vehicle	\$179,460	\$0
11	South Lane Wheels	Route-Around-Town Operations Expansion	\$10,206	\$0
12	South Lane Wheels	Mobility Management Project	\$38,660	\$0
13	South Lane Wheels	Route-Around-Town Bus Stop Signs	\$4,486	\$0

Metro - Job Access Reverse Commute Program

RANK	Agency	PROJECT DESCRIPTION	Amount Requested	Amount Funded
N/A*	Lane Transit District	Work transportation with Lane Developmentally Disabilities Services	\$160,000	\$160,000

*One application received

New Freedom Program

RANK	Agency	PROJECT DESCRIPTION	Amount Requested	Amount Funded
N/A*	Lane Transit District	Integrated Eligibility Assessments with Senior & Disabled Services	\$140,000	\$140,000

*One application received

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 02

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 03

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 04

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 05

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 06

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 07

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 08

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 09

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 10

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 11

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 12

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 13

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 14

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 15

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 16

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 17

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 18

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 19

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 20

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 21

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 22

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 23

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 24

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 25

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 26

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 27

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 28

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 29

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 30

LTD BOARD FINANCE
COMMITTEE MEETING
2/18/09 Page 31

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 32

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 33

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 34

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 35

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 36

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 37

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 38

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 39

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 40

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 41

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 42

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 43

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 44

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 45

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 46

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 47

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 48

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 49

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 50

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 51

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 52

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 53

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 54

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 55

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 56

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 57

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 58

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 59

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 60

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 61

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 62

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 63

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 64

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 65

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 66

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 67

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 68

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 69

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 70

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 71

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 72

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 73

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 74

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 75

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 76

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 77

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 78

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 79

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 80

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 81

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 82

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 83

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 84

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 85

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 86

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 87

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 88

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 89

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 90

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 91

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 92

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 93

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 94

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 95

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 96

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 97

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 98

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 99

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 100

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 101

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 102

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 103

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 104

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 105

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 106

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 107

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 108

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 109

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 100

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 111

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 112

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 113

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 114

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 115

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 116

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 117

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 118

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 119

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 120

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 121

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 122

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 123

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 124

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 125

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 126

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 127

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 128

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 129

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 130

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 131

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 132

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 133

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 134

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 135

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 136

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 137

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 138

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 139

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 140

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 141

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 142

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 143

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 144

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 145

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 146

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 147

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 148

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 149

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 150

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 151

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 152

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 153

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 154

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 155

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 156

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 157

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 158

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 159

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 160

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 161

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 162

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 163

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 164

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 165

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 166

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 167

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 168

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 169

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 170

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 171

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 172

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 173

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 174

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 175

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 176

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 177

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 178

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 179

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 180

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 181

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 182

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 183

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 184

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 185

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 186

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 187

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 188

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 189

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 190

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 191

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 192

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 193

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 194

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 195

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 196

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 197

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 198

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 199

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 200

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 201

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 202

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 203

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 204

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 205

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 206

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 207

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 208

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 209

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 210

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 211

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 212

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 213

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 214

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 215

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 216

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 217

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 218

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 219

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 220

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 221

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 222

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 223

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 224

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 225

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 226

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 227

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 228

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 229

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 230

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 231

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 232

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 233

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 234

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 235

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 236

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 237

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 238

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 239

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 240

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 241

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 242

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 243

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 244

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 245

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 246

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 247

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 248

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 249

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 250

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 251

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 252

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 253

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 254

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 255

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 256

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 257

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 258

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 259

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 260

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 261

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 262

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 263

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 264

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 265

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 266

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 267

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 268

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 269

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 270

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 271

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 272

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 273

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 274

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 275

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 276

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 277

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 278

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 279

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 280

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 281

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 282

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 283

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 284

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 285

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 286

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 287

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 288

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 289

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 290

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 291

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 292

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 293

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 294

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 295

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 296

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 297

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 298

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 299

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 300

LTD BOARD FINANCE COMMITTEE
MEETING
2/18/09 Page 301

Legal Notice

Date: May 11, 2020

To: *The Register-Guard*
Attn: Legals; fax: 687-6677
Attn: Jeff Wright; fax 683-7631

From: Chris Thrasher, Administrative Secretary
Lane Transit District; Phone: 682-6200

RE: Notice of Board Committee Meeting
LTD Purchase Order #A-09729

**Please publish the following legal publication on Sunday,
February 15, 2009.**

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, February 18, 2009, at 4:30 p.m., in the LTD Conference Room A at 3500 East 17th Avenue, Eugene (in Glenwood). Items for discussion include the audit services contract and discretionary grant program.

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).

Q:\Reference\Board Packet\2009\02\Finance Committee 02-18-09\Legal notice to RG.docx



Lane Transit District

*P.O. Box 7070
Eugene, Oregon 97401-0470*

*3500 East 17th Avenue
Eugene, Oregon 97403*

*Phone: 541-682-6100
Fax: 682-6111
TTY: 800-735-2900
E-mail: ltd@ltd.lane.or.us
Internet: www.ltd.org*

MINUTES OF FINANCE COMMITTEE MEETING
LANE TRANSIT DISTRICT BOARD OF DIRECTORS

February 18, 2009

Pursuant to notice given to *The Register-Guard* for publication on February 15, 2009, a meeting of the Lane Transit District Board of Directors Finance Committee was held at 4:30 p.m. on February 18, 2009, at Lane Transit District, 3500 East 17th Avenue, Eugene.

PRESENT - Mike Dubick, Dean Kortge, Ed Necker

CALL TO ORDER – Mr. Kortge, chair of the committee, called the meeting to order at 4:30 p.m.

ROLL CALL – All committee members were in attendance. The following LTD staff also was present: Diane Hellekson, Mark Pangborn, Carol James, Andy Vobora, Todd Lipkin, Mark Johnson, Terry Parker, Steve Parrott, and Chris Thrasher.

MINUTES – Minutes from the November 4, 2008, meeting were approved by the committee.

AUDIT SERVICES CONTRACT – Carol James, chief accountant/internal auditor, stated that the contract for audit services will expire May 30, 2009. Since the auditors report directly to the Board, the committee was asked if they would like to select the auditors independently of staff. All members of the committee agreed to participate in selection of the auditors. A draft Request for Proposals with a tentative timeline has been created and would be distributed for review at a later date.

DISCRETIONARY GRANT PROGRAM – Terry Parker, accessible services manager, gave an overview of the Public Transit Division's Discretionary Grant Program and applications for the 2009-2011 biennium. This state program combines several sources of federal and state funds. There is approximately \$15 million for distribution statewide, with nearly \$1.3 million designated for Lane County for transportation projects that benefit older adults and people with disabilities. For the first time ever, the program allocated funding by a statewide formula giving LTD a targeted amount of money to program.

LTD is the direct recipient of the grant funds for Lane County and has the responsibility to select how the funds are disbursed. The Lane Coordinated Plan outlines the funding priorities for Lane County projects, which are used to rank project proposals as follows:

- (1) Maintain Service – Support existing service levels of viable operations.
- (2) Expand Service – Respond to growth within existing services.
- (3) New Service – Respond to emerging community needs.

This selection process provides an opportunity to combine projects for greater flexibility and streamline administration. There is also an opportunity to trade capital for ADA operations.

Changes in the process this year are that preventive maintenance is not limited to a per-vehicle amount or cap; ADA paratransit operations are allowed for the first time under contracted

service; vehicles can meet either age or mile criteria, not both; and LTD is given flexibility in conducting local application and review process.

The selection process started with ODOT and LTD workshops in October and November. Forms and information were distributed, the local Grant Review Committee was convened, communication process and procedures were established, and technical assistance was provided. Deadline for applications was January 9, 2009.

LTD received 15 applications for the Older Adults and People with Disabilities Program. Two of the projects were for RideSource vehicle replacement and ADA operations of which only one will be funded. One project for assistance with insurance for South Lane Wheels was pulled due to cancellation of the program. One project application each was received for the Metro – Job Access Reverse Commute (JARC) and the New Freedom programs.

The Grant Review Committee prioritized the projects as outlined in Lane Coordinated Plan, did an independent scoring, reviewed and ranked the projects, and assigned funding and allocations. Applicants were then allowed to make individual presentations. A public hearing on February 17 generated no public testimony.

Ms. Parker directed the committee to a list that was provided in the agenda packet, which showed all the applications and the amount that was recommended for funding.

NEXT MEETING – A joint meeting of the Board Human Resources and Finance Committees would be held on February 24, 2009, to discuss pension issues and review the draft Request for Proposals for audit services. The full Board would hold a work session on March 2 to discuss budget planning options.

ADJOURNMENT – There was no further discussion, and the meeting adjourned at 5:05 p.m.

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

MINUTES OF MEETING OF THE HUMAN RESOURCES AND
FINANCE COMMITTEES
LANE TRANSIT DISTRICT BOARD OF DIRECTORS

February 24, 2009

Pursuant to notice given to *The Register-Guard* for publication on February 19, 2009, and distributed to persons on the mailing list of the District, a meeting of the Lane Transit District Board of Directors Human Resources Committee and Finance Committee was held at 4 p.m. on Tuesday, February 24, 2009, in the District's conference room at 3500 E 17th Avenue, Eugene. The following Minutes relate to business conducted during the meeting by the Board Finance Committee.

Present: Michael Dubick, Chair
Gerry Gaydos
Ed Necker
Dean Kortge
Mary Adams, Director of Human Resources and Risk Management
Diane Hellekson, Director of Finance and Information Technology
Mark Pangborn, General Manager
Jeanne Schapper, Clerk of the Board/Recording Secretary

CALL TO ORDER – Mr. Dubick called the meeting to order at 3:58 p.m.

DRAFT REQUEST FOR PROPOSALS FOR AUDIT SERVICES: Chief Accountant/Internal Auditor Carol James presented information on the criteria for evaluation of the proposals. The firms are scored based on a point system: 75 points for the technical proposal, which includes 40 points based on experience and expertise and 35 points based on audit approach. After the points are tallied, the choice is narrowed down to a few proposals. The cost proposal (25 points) is then the deciding factor among the remaining proposals. Firms with staff who are experienced in evaluating Oregon governmental agencies and who have considerable experience auditing a federal grant program, including FTA, HUD, ODOT programs, is desirable. Interviews of remaining firms have not been done in the past since there was a very clear demarcation based on the above criteria.

Mr. Dubick stated that he had reviewed the Request for Proposal and found it to be solid. The three Board members all agreed with the staff recommendation for the auditor's selection process.

LTD RETIREMENT PROPOSAL: Ms. Adams said that the Deferred Compensation program has a five-member advisory committee set up within the plan that monitors the program and makes decisions about the program. About two years ago, discussions began concerning the fee structures of the investment options for the employees in the plans. Over time a couple of plan changes have been made. The proposal before the committees this evening is an additional proposal that would reduce fees for members and, hopefully, increase the investment earnings for members. The Board Committee members are being asked to decide at this meeting if they wish to forward this proposal to the full Board for its approval. Ms. Adams introduced David Hausam of AIG-Valic who created the Executive Summary.

Mr. Hausam, Certified Financial Planner, said that the discussion of the proposal would include the relationship with the District over the last decade and the relationship with parent company, AIG. AIG began its relationship with LTD with the deferred compensation plan, which is a voluntary plan that anyone at the District could use to set money aside on a pretax basis for retirement. A few years later, AIG began working with the 401A salary plan for Administrative employees, and AIG was the sole provider for investments in that plan. A few years later as assets grew, the fee structure was reduced; therefore, the amount that went to AIG was less and the amount remaining in employees' accounts was greater.

Mr. Hausam continued. The next proposal is to move from an annuity platform to a mutual fund platform, which comes with a reduction in Valic fees and an increase in return for clients that stay with the plan. On average, the fee structure in the new plan is about one half of a percent lower: a reduction on average of 1.7 percent to 1.2 percent. The proposed platform would have fewer fund options than the current plan. Studies have shown that a couple of dozen funds is preferred to facilitate ease in decision making.

The current plan has more than 60 funds; the proposed plan has about two dozen funds. Mr. Hausam stated that it seemed to make sense to move to a mutual fund platform with a less daunting array of options.

Valic, a wholly owned subsidiary, has been in business since 1955. In 2001 Valic was acquired by AIG, who elected to maintain Valic and other companies it acquired as wholly owned subsidiaries. With regards to the recent unfavorable news concerning AIG, Valic has an independent balance sheet separate from AIG. AIG has no access to Valic's client's investments and does not have access to Valic's operating profits. Actions which may have affected AIG's credit rating would not affect Valic's. Valic's bond rating remains strong. Fixed investments, such as those maintained in LTD's plan, are highly regulated and significant reserves are set aside in addition to the funds invested by clients. It is known that as of the last four to five months, AIG has indicated that they are seeking a buyer for Valic. It is imagined that by the end of the year, Valic will not be part of AIG.

In response to a question from Mr. Necker, Mr. Hausam said that when a company offers a fixed investment (people put money in with a fixed rate of return), that type of investment is highly regulated. Additional monies are required to have in reserves in case there is a period of time that the investments do not perform up to that fixed-return level. The return on investments would be protected. Currently, for every \$1.00 in investments, \$.92 in reserves is set aside. In the current proposal, variable investments (mutual funds) perform gaining or losing with the market and don't have a back up of reserves. A true fixed account does.

Mr. Dubick asked if, in switching from variable annuities to mutual funds, would employees have to roll from one fund to another? Will they need to pick specific funds and then move funds from one account to another, doing paperwork from one company to another? Mr. Hausam responded that in the transition from the old to the new plan, Valic would declare that all funds of a certain type in the old plan would map over to a similar platform in the new plan. If an employee wishes to move funds to a different arrangement than the current one, he/she is free to do that. All of these activities would take place under a tax sheltered umbrella so that there would be no 1099 reporting or impacts of that nature.

Mr. Kortge stated that there are advantages to variable annuities and asked if Valic could simply reduce the costs. Mr. Hausam stated that the cost was reduced earlier during the relationship

with LTD; however, the structure of the mutual fund platform has lower costs for Valic as well, which is passed on to the client. The lowest cost annuity platform would not be as low. Also, even though this is a mutual fund platform, as people retire, if they want to annuitize their balance (which offers a lifetime stream of income), they would have that option. This is consistent with both the old and new plans.

Ms. Hellekson clarified that the 457 Deferred Compensation plan is the public sector version of a 401K and has an advisory committee that makes decisions within the rules of the plan, but the trustee for the plan is LTD. This means that plan changes and amendments have to be approved by the Board of Directors. This is not true for changes in the retirement plans.

Ms. Adams added that monies from both plans would be moved to the proposed model.

Mr. Dubick wished to confirm that because fees were lower in the new plan, that more money would be available for employees' investments. Mr. Pangborn confirmed Mr. Dubick's assessment and added that employees support the change.

Mr. Gaydos asked for clarification as to the risk to employees in each plan. Ms. Hellekson responded that the risk is about the same. She added that having fewer choices may be easier for most employees. In addition, 1.26 percent is a fee average. Actual fees will be disclosed in the cost structure to employees so that they may make informed decisions.

MOTION Mr. Necker moved that the proposal to modify LTD's 457(b) and 401(a) Retirement Plans, as described in the Executive Summary presented by AIG-Valic, be forwarded to the full LTD Board of Directors for discussion and approval. Mr. Dubick provided the second.

VOTE The motion was approved as follows:
AYES: Dubick, Kortge, Necker (3)
NAYS: None

LTD PENSION PLAN FUNDING: Ms. Adams reiterated that the reason that members of both committees were asked to meet together was because the issue has implications to both Human Resources and Finance processes. Long-term funding of both the ATU and salaried plans will be discussed. A second item to be discussed involves adding formal language to both plans that describes circumstances in which COLAs could be provided to retirees.

Each plan has a separate board of trustees. January 2008 was the last time an actuarial assessment was performed. At that time, the funding level for the ATU plan was 55.7 percent. The actuary estimates that the level will be lower (46 percent) in the 2010 assessment, based on the reduced earnings incurred in the down market during the last several months.

The Board made a policy decision about three years ago to increase the District's contribution over a 20-year period in order to fully fund both pension plans at 100 percent. It is certain that when the 2010 assessment is received, it will be determined that LTD will need to make a larger contribution than is currently being contributed. In response to a comment from Mr. Kortge regarding changing the policy, Ms. Adams said that there are pension plans that have less than a 100 percent funding goal.

LTD contributes \$3.69 for every hour worked towards the cost of this plan for representative employees, which amounts to approximately \$2 million of the current budget. Ms. Hellekson added that the benefit is specified by contract; the contribution is specified by actuary.

Ms. Adams added that this amounts to a \$420,000 to \$700,000 increase in 2010 to make up for recent investment losses of approximately 31 percent. In response to a request from Mr. Dubick, Ms. Adams said that she would get the dollar figure that corresponds to the recent investment losses. Ms. Adams added that investment cycles are cyclical; there are turnarounds. The District had a very strong investment cycle over the last twenty years and is expecting the same in the next twenty years. Investments should be thought of in the long term.

The salaried plan is managed by a different set of trustees. The funding level is higher and is estimated to be higher than the ATU funding level--mostly because of increases in the ATU retirement plan in the last several years that has not occurred with the salaried plan. The ATU plan also has a bigger pool of money, so perhaps more investment losses have occurred. The plan funding level estimated for 2009 is 61 percent, which is more favorable, perhaps due to the smaller pool of money involved.

The contribution for the salaried plan differs from the ATU plan in that it is a percentage of wages as opposed to cents per hour. The percentage is 16.2 percent or approximately \$1 million in the current budget. The increase that is projected for this plan is approximately \$176,000, bringing the annual contribution up to more than \$1 million.

Mr. Pangborn added a thought: The actuarial loss on the market value of assets (ATU plan) for the 2008 calendar year was about \$5.7 million. Ms. Hellekson added that estimates are on a two-year actuarial cycle. Typically the contribution rate is changed every two years after the analysis is done. Staff propose that the District deal with the problem now, rather than wait a year and a half, or July 1, 2010.

Ms. Adams continued. Retirees are dealing with the same economic issues that most active employers and plans are dealing with, and they are asking about potential COLAs (Cost of Living Adjustment). The District has not implemented a COLA for retirees in the salaried plan since 1999. ATU retirees received the last COLA adjustment two years ago and have had more years with adjustments than not, but still not every year. In the last two years, neither set of trustees approved a COLA. The ATU plan is the only plan that contains COLA language, which states that trustees are required to consider a COLA once each year. The salaried plan contains no COLA language.

Mr. Gaydos inquired about a tiered approach, switching to defined contribution plans. Ms. Adams answered that this is a possibility. Plan design changes are certainly something that the trustees could review. Alternatives, such as joining PERS, have been discussed in the past.

Mr. Gaydos suggested a cap on the liability, with new employees added to a new plan. He stated his support of the plan in the short term; however, in the long term he questioned the financial feasibility of the current plan.

Mr. Kortge added that with a defined contribution in a private plan, retirees may get an increase or a significant decrease in benefits. The positive aspect of a defined benefit is that there is a

guaranteed income. It seems that the tradeoff should be a fixed benefit for no COLA. If COLA language is added, it should be tough language.

Mr. Pangborn referred to the PERS model, which kept a defined benefit plan, but reduced the benefit, e.g. Tier 1, Tier 2, and Tier 3. Tier 3 will earn less than Tier 2 or Tier 1 because the plans are too costly. Another option is to migrate from a defined benefit plan to a hybrid, which is half defined benefit and half defined contribution.

Mr. Dubick said that there should be a minimum actuarial level in the account in order to have any hope of maintaining the system. Perhaps the language should state something to the effect that the funds need to exceed the minimum amount, and then a COLA could be considered. If that level is not achieved, the COLA should not be an option.

At the request of Mr. Kortge, ATU representative Brian Pasquali offered the union's perspective. He said that it had been two years since retirees had enjoyed a COLA adjustment. Ms. Adams confirmed that the pension plan requires that the trustees consider a COLA once each year. Ms. Hellekson clarified that the union contract, however, does not contain any such language.

Mr. Dubick asked if employees had considered paying some of the retirement money. LTD can afford to contribute only so much and stay viable. At the same time, that viable amount may not come anywhere near the amount needed to pay future retirees.

Mr. Pangborn reiterated that District representatives would be back in negotiations with the union in about one year. A number of issues will be on the table, and retirement will be one of the issues. Salem Transit does not have a defined benefit plan; it is a defined contribution, which means that the employer puts up something and the employee puts up something.

In response to a question from Mr. Kortge, Ms. Adams said that staff are working on COLA language for the plans. Many plans contain COLA language—usually in the range between two percentages, but it is not unusual for plans to contain language around plan funding levels. One thing the District needs to be cognizant of is being clear to retirees about what they can expect.

NEXT MEETING – The next meeting of the Committee will be held at 4 p.m. on May 12 to make the final selection of the auditor.

ADJOURNMENT – There was no further discussion, and the meeting adjourned at 5:03 p.m.

Recording Secretary