LANE TRANSIT DISTRICT BOARD OF DIRECTORS
STRATEGIC PLANNING WORK SESSION

Tuesday, March 31, 2015

9:00 a.m. to 12 noon

(Continental Breakfast Served at 8:30 a.m.)

LTD BOARD ROOM
3500 E. 17th Avenue, Eugene
(off of Glenwood Boulevard)

Public testimony will not be heard at this meeting.

AGENDA

Page No.

8:30 a.m. Gather for Breakfast

9:00 a.m. Call to Order – Board President Gary Wildish

Roll Call**:**

Grossman _____ Gillespie _____ Yeh _____ Wildish _____

Pierce _____ Necker _____ Vacant _____

Citizen Budget Committee Members Invited to Attend:

Jon Hinds	Dwight Collins	Jody Cline	Donald Nordin
Edward Gerdes	Dean Kortge	Terry Smith	

9:03 a.m. Welcome – Board President Gary Wildish

9:05 a.m. ***Discussion of Strategic Questions Regarding LTD's Budget and Service for Fiscal Year 2015-16 and Beyond***

- Current Conditions 2
- Economy 9
- Long-Range Financial Plan 10

11:45 a.m. Conclusions and Next Steps – Board President Gary Wildish

12 noon Wrap-up and Adjournment

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

AGENDA ITEM SUMMARY

DATE: March 31, 2015

ITEM TITLE: CURRENT CONDITIONS

PREPARED BY: Todd Lipkin, Finance Manager/CFO

ACTION REQUESTED: None

BACKGROUND:

Below are highlights of the current conditions for FY 2014-15. The financial elements are reported for activity through January 2015, with financial reports attached. Also included are updates on other pertinent activities.

Payroll Taxes:

In the prior fiscal year, a taxpayer erroneously paid Lane Transit District the amount that should have been paid to the Department of Revenue for their withholding taxes. This lead to a take back of $672,000 this fiscal year. Since the current year budget was based on the year-to-date taxes received last spring, this also resulted in the payroll tax budget for the current fiscal year being overstated. If not for the take back, payroll taxes would be at 99.8 percent of budget through January, which would be $30,000 under budget. In addition, this would translate to a 6.6 percent increase over the same period in the prior fiscal year. These figures are representative of the continued growth in the economy.

Passenger Fares:

Passenger fares have seen an increase of 6 percent over last year and 4.6 percent over budget through January 2015. While ridership has been essentially flat or slightly declining due to reduced enrollment at Lane Community College and a sharp decrease in gas prices, passenger revenues have exceeded expectation.

Other Revenue:

Most other revenue sources are tracking favorably to budget. LTD receives the bulk of the self-employment tax revenue in May, so year-to-date receipts are not indicative of any trend for the fiscal year. State-in-lieu tax is under budget year to date. With the change in the University of Oregon's institutional structure, it is still being determined what/how the state-in-lieu and other taxes will be paid by the University.

Personnel Services:

Personnel services costs are under budget year to date. Due to turnover, the District rarely employs the total number of bus operators that are budgeted. This translates in reduced benefit payments that help contribute to personnel costs remaining under budget. In addition, other positions, including an IT position, have been vacant for different periods of the fiscal year.

Fuel:

Lane Transit District has experienced significant cost savings with the reduction in fuel prices. The average price for fuel through March 2, 2015, was $2.13 per gallon, which is approximately $1 million in savings when compared to the budgeted amount of $3.75 per gallon. LTD paid $1.629 per gallon on January 22, 2015, which was the lowest price paid since July 2009. Since prices are low, LTD has loaded additional fuel into the offsite storage tank in Coos Bay.

Materials and Services:

Materials and services for all departments are under budget year to date. Comparability of current-year and prior-year materials and services is hampered by the reorganization implemented during the last year. For example, the Intelligent Transportation Systems (ITS) Division was part of the Administrative Services Department last year, and it is located in the Operations and Customer Satisfaction Department this year.

Accessible Services Fund:

Due to increased funding received from the Oregon Legislature for elderly and disabled transportation, the General Fund transfer to Accessible Services is only at 62 percent of the year-to-date budget. The projection is that this should remain at this level of budget for the remainder of the fiscal year.

Medicaid Fund:

The Medicaid Fund is over budget for the year due to increased demand resulting from the increase in eligible individuals as of January 1, 2014. However, the majority of these services are covered fully by Medicaid funding, so there is no impact to District funds. The small portion of waivered transportation that is matched by LTD funds is under budget for the year.

Capital Projects Funds:

The Capital Projects Fund expenditures year to date have included the purchase of three articulated, hybrid-electric buses and West Eugene EmX Extension design and utility relocation activity. Construction on the West Eugene EmX Extension started in March. All funding for the project has now been appropriated and is currently being processed into active grants.

The District is evaluating the purchase of property on River Road. The current River Road Station poses long-term operational concerns due to Belt Line Road work and traffic congestion that impacts ingress and egress to the station. Property to the north is available and may provide an opportunity for LTD to establish a better location for a station and park and ride. Funding for the purchase of the property would ultimately be covered by the sale of the existing site. LTD would then seek grant funding for the development of the new station.

Upgrades to current information technology systems and the development of new programs are high priorities for the District. In June a new website will launch with features that customers will find valuable. Some of these features will include real-time bus tracking and a new trip planner, and a new on-line store will allow quick and easy purchases of LTD fares. The site also will be scaled for mobile use. This project also provided LTD with an opportunity to develop a web-based point-of-sale system for use by the District's customer service representatives. The next technology project in the queue is an electronic fare management system. Request for proposals for this system will go out this summer. When complete, the new fare management system will provide greater flexibility in fare pricing and purchases, as well as improve ease of fare enforcement and a reduction in fare evasion.

Pension Plans:

Both pension plans received new valuations within the last year. The ATU pension plan funding percentage improved from 54.6 percent to 62.1 percent. A change to the ATU plan also was negotiated, which applied any negotiated changes to the benefit paid per hour to future years only. Previously, these increases in benefit applied to prior years of service that were not funded to support that level of benefit, leading to large increases in the unfunded liability. This change will eliminate the large impact in these increases. In addition, there will be an assumed 3 percent increase in the rate for the actuarial analysis, further reducing the impacts of future changes. Under the prior version of the plan, no future increases were assumed in the benefit rate, so the impacts of future increases were not accounted for in the current contributions rates.

The salaried plan funded percentage was 68 percent, a slight decrease from the prior rate of 69 percent. However, the measurement date of 7/1/2013 did not take advantage of some of the significant market returns that the ATU plan experienced with a measurement date of 1/1/2014. In addition, this was the first valuation with a reduced rate of return assumption of 7.25 percent (reduced from 7.5 percent). The ATU plan had already reduced its rate of return assumption in the prior valuation. The salaried pension plan was closed to new entrants starting 1/1/2012. All employees hired since then are on a new defined contribution plan with a starting benefit contribution of 4.5 percent of salary.

West Eugene EmX Extension:

The West Eugene EmX project is under construction and is scheduled to become operational in the fall of 2017. Project funding includes state lottery funds and federal grant funds. The lottery bonds have been sold and funds are now available to the District. The remaining $50.5 million (total of nearly $75 million) in federal funds were apportioned to the project this past month and will be available to draw upon following acquisition of signatures on the Federal Transit Administration (FTA) project grant agreement. The FTA has issued a “letter of no prejudice,” which allows the District to be reimbursed for construction expenses incurred prior to drawing upon the federal funds.

A legal challenge of the environmental process was dismissed by the United States District Court. The judgment was issued “with prejudice,” which indicates that the charges levied by the plaintiffs were without merit and cannot be refiled in future legal action. An appeal is now pending in the Ninth Circuit Court. It’s important to understand that this lawsuit only addresses elements of the environmental process that the plaintiff believes were not adequately addressed in the environmental assessment. The project is allowed to proceed, and the judges will determine what, if any, of the environmental assessment needs additional analysis.

ATTACHMENT: January 2015 Financial Reports

PROPOSED MOTION: None

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Lane Transit District

Lane Transit District

General Fund

Schedule of Revenues and Expenditures

January 31, 2015

Unaudited

January 1 - 31					Revenues & Other Sources	Year to Date Through January 31				
Prior Year	Current Year	% Prior	Budget	% Budget		Annual Budget	Prior Year	Current Year	% Prior	Budget	% Budget
363,497	368,844	101.5%	358,410	102.9%	Passenger Fares	4,456,700	2,628,789	2,786,942	106.0%	2,664,870	104.6%
287,152	251,942	87.7%	244,500	103.0%	Group Pass	2,667,000	1,479,564	1,454,531	98.3%	1,444,500	100.7%
-	37,500	N/A	5,000	750.0%	Advertising	310,000	310,000	399,500	128.9%	285,000	140.2%
42,878	37,127	86.6%	40,325	92.1%	Special Service	161,300	161,314	133,115	82.5%	120,975	110.0%
693,527	**695,413**	**100.3%**	**648,235**	**107.3%**	**Total Operating**	**7,595,000**	**4,579,667**	**4,774,088**	**104.2%**	**4,515,345**	**105.7%**
1,017,592	1,000,092	98.3%	843,500	118.6%	Payroll Tax (cash basis)	27,835,500	13,563,182	13,781,600	101.6%	14,483,700	95.2%
25,782	8,123	31.5%	16,000	50.8%	Self-employment Tax (cash basis)	1,600,000	266,002	213,263	80.2%	272,000	78.4%
-	-	N/A	-	N/A	State-in-Lieu (cash basis)	2,040,000	964,883	474,530	49.2%	1,020,000	46.5%
466,966	441,028	94.4%	411,340	107.2%	Operating Grants	4,936,100	3,482,507	3,132,661	90.0%	2,879,380	108.8%
32,575	33,015	101.4%	10,990	300.4%	Miscellaneous	131,700	266,829	362,935	136.0%	76,930	471.8%
6,614	4,073	61.6%	7,500	54.3%	Interest Income	90,000	47,911	35,893	74.9%	52,500	68.4%
1,549,529	**1,486,331**	**95.9%**	**1,289,330**	**115.3%**	**Total Nonoperating**	**36,633,300**	**18,591,314**	**18,000,882**	**96.8%**	**18,784,510**	**95.8%**
2,243,056	**2,181,744**	**97.3%**	**1,937,565**	**112.6%**	**Total Revenues & Other Sources**	**44,228,300**	**23,170,981**	**22,774,970**	**98.3%**	**23,299,855**	**97.7%**

January 1 - 31					Expenditures & Other Uses	Year to Date Through January 31				
Prior Year	Current Year	% Prior	Budget	% Budget		Annual Budget	Prior Year	Current Year	% Prior	Budget	% Budget
776,123	964,637	124.3%	867,050	111.3%	Administration	10,405,200	5,661,278	5,879,410	103.9%	6,072,450	96.8%
1,747,065	1,894,796	108.5%	1,693,560	111.9%	Amalgamated Transit Union	20,522,900	11,193,758	11,496,132	102.7%	12,194,520	94.3%
(81,433)	(66,549)	81.7%	(69,740)	95.4%	Less Grant-Funded Expenditures	(836,800)	(494,185)	(471,769)	95.5%	(488,180)	96.6%
2,441,755	**2,792,884**	**114.4%**	**2,490,870**	**112.1%**	**Total Personnel Services**	**30,091,300**	**16,360,851**	**16,903,773**	**103.3%**	**17,778,790**	**95.1%**
24,551	15,451	62.9%	18,309	84.4%	Executive Office	309,500	161,158	195,803	121.5%	200,025	97.9%
153,751	118,684	77.2%	165,670	71.6%	Administrative Services	2,055,400	1,468,617	1,105,478	75.3%	1,214,890	91.0%
167,425	162,320	97.0%	216,460	75.0%	Customer Services & Planning	2,561,300	1,222,474	1,246,405	102.0%	1,490,980	83.6%
431,504	303,988	70.4%	458,562	66.3%	Operations & Customer Satisfaction	5,860,900	2,624,553	2,793,193	106.4%	3,511,974	79.5%
777,231	**600,443**	**77.3%**	**859,001**	**69.9%**	**Total Materials & Services**	**10,787,100**	**5,476,802**	**5,340,879**	**97.5%**	**6,417,869**	**83.2%**
3,379	139,674	4133.4%	164,980	84.7%	Transfer to Accessible Services Fund	1,979,700	1,158,148	719,579	62.1%	1,154,860	62.3%
-	15,129	N/A	14,330	105.6%	Transfer to Medicaid Fund	172,000	75,082	73,184	97.5%	100,310	73.0%
-	-	N/A	-	N/A	Transfer to Capital Projects Fund	3,351,500	1,792,700	3,351,500	187.0%	3,351,500	100.0%
3,379	**154,803**	**4581.1%**	**179,310**	**86.3%**	**Total Other Uses**	**5,503,200**	**3,025,930**	**4,144,263**	**137.0%**	**4,606,670**	**90.0%**
3,222,365	**3,548,130**	**110.1%**	**3,529,181**	**100.5%**	**Total Expenditures & Other Uses**	**46,381,600**	**24,863,583**	**26,388,915**	**106.1%**	**28,803,329**	**91.6%**
(979,309)	**(1,366,386)**	**139.5%**	**(1,591,616)**	**85.8%**	**Revenues less Expenditures**	**(2,153,300)**	**(1,692,602)**	**(3,613,945)**	**213.5%**	**(5,503,474)**	**65.7%**

Lane Transit District

Lane Transit District

Accessible Services Fund

Schedule of Revenues and Expenditures

January 31, 2015

Unaudited

January 1 - 31					Revenues & Other Sources		Year to Date Through January 31				
Prior Year	Current Year	% Prior	Budget	% Budget		Annual Budget	Prior Year	Current Year	% Prior	Budget	% Budget
31,151	27,535	88.4%	28,120	97.9%	Passenger Fares	337,500	191,874	202,176	105.4%	196,840	102.7%
20,578	228,132	1108.6%	244,110	93.5%	Federal Assistance	2,929,200	1,238,834	1,676,471	135.3%	1,708,770	98.1%
13,974	66,337	474.7%	105,640	62.8%	State Assistance	1,267,460	326,836	764,767	234.0%	739,480	103.4%
-	25,376	N/A	8,160	311.0%	Local Assistance	97,900	50,925	81,117	159.3%	57,120	142.0%
65,703	**347,380**	**528.7%**	**386,030**	**90.0%**	**Total Revenues**	**4,632,060**	**1,808,469**	**2,724,681**	**150.7%**	**2,702,210**	**100.8%**
3,379	139,674	4133.4%	164,600	84.9%	Transfer from General Fund	1,975,240	1,158,148	719,579	62.1%	1,152,200	62.5%
3,379	**139,674**	**4133.4%**	**164,600**	**84.9%**	**Total Other Sources**	**1,975,240**	**1,158,148**	**719,579**	**62.1%**	**1,152,200**	**62.5%**
69,082	**487,054**	**705.0%**	**550,630**	**88.5%**	**Total Revenues & Other Sources**	**6,607,300**	**2,966,617**	**3,444,260**	**116.1%**	**3,854,410**	**89.4%**

January 1 - 31					Expenditures & Other Uses		Year to Date Through January 31				
Prior Year	Current Year	% Prior	Budget	% Budget		Annual Budget	Prior Year	Current Year	% Prior	Budget	% Budget
393,331	403,064	102.5%	439,080	91.8%	ADA RideSource	5,268,900	2,816,603	2,867,273	101.8%	3,073,560	93.3%
9,276	8,524	91.9%	12,560	67.9%	Transit Training & Hosts	150,600	71,386	64,037	89.7%	87,920	72.8%
8,679	10,781	124.2%	9,010	119.7%	Special Transport	108,100	59,064	55,467	93.9%	63,070	87.9%
411,286	**422,369**	**102.7%**	**460,650**	**91.7%**	**Total Eugene/Springfield Services**	**5,527,600**	**2,947,053**	**2,986,777**	**101.3%**	**3,224,550**	**92.6%**
1,598	10,041	628.3%	9,580	104.8%	South Lane	115,000	55,907	82,361	147.3%	67,060	122.8%
14,626	15,342	104.9%	15,680	97.8%	Florence	188,100	106,125	106,726	100.6%	109,760	97.2%
14,982	16,168	107.9%	20,260	79.8%	Oakridge	243,200	114,457	126,515	110.5%	141,820	89.2%
31,206	**41,551**	**133.1%**	**45,520**	**91.3%**	**Total Rural Lane County Services**	**546,300**	**276,489**	**315,602**	**114.1%**	**318,640**	**99.0%**
16,446	10,985	66.8%	21,670	50.7%	Mobility Management	260,000	87,223	61,328	70.3%	151,690	40.4%
-	517	N/A	780	66.2%	Crucial Connections	9,300	1,084	2,033	187.6%	5,460	37.2%
1,943	1,440	74.1%	2,670	53.9%	Veterans Transportation	32,000	6,988	7,513	107.5%	18,690	40.2%
5,943	7,979	134.3%	9,330	85.5%	Lane County Coordination	112,000	26,693	47,471	177.8%	65,310	72.7%
24,332	**20,921**	**86.0%**	**34,450**	**60.7%**	**Total Other Services**	**413,300**	**121,988**	**118,345**	**97.0%**	**241,150**	**49.1%**
-	-	N/A	14,000	0.0%	Transfer to Capital Projects Fund	168,000	-	-	N/A	98,000	0.0%
-	**-**	**N/A**	**14,000**	**0.0%**	**Total Other Uses**	**168,000**	**-**	**-**	**N/A**	**98,000**	**0.0%**
466,824	**484,841**	**103.9%**	**554,620**	**87.4%**	**Total Expenditures & Other Uses**	**6,655,200**	**3,345,530**	**3,420,724**	**102.2%**	**3,882,340**	**88.1%**
(397,742)	**2,213**	**-0.6%**	**(3,990)**	**-55.5%**	**Revenues less Expenditures**	**(47,900)**	**(378,913)**	**23,536**	**-6.2%**	**(27,930)**	**-84.3%**

Lane Transit District

Lane Transit District

Medicaid Fund

Schedule of Revenues and Expenditures

January 31, 2015

Unaudited

January 1 - 31					Revenues & Other Sources		Year to Date Through January 31				
Prior Year	Current Year	% Prior	Budget	% Budget		Annual Budget	Prior Year	Current Year	% Prior	Budget	% Budget
481,172	610,384	126.9%	552,400	110.5%	Medicaid Nonemergency Medical Transportation	6,628,800	3,087,369	4,316,416	139.8%	3,866,800	111.6%
37,727	50,263	133.2%	39,840	126.2%	Medicaid Waivered Transportation	478,100	267,215	386,518	144.6%	278,880	138.6%
518,899	**660,647**	**127.3%**	**592,240**	**111.6%**	**Total Revenues**	**7,106,900**	**3,354,584**	**4,702,934**	**140.2%**	**4,145,680**	**113.4%**
-	15,129	N/A	14,330	105.6%	Transfer from General Fund	172,000	75,082	73,184	97.5%	100,310	73.0%
-	**15,129**	**N/A**	**14,330**	**105.6%**	**Total Other Sources**	**172,000**	**75,082**	**73,184**	**97.5%**	**100,310**	**73.0%**
518,899	**675,776**	**130.2%**	**606,570**	**111.4%**	**Total Revenues & Other Sources**	**7,278,900**	**3,429,666**	**4,776,118**	**139.3%**	**4,245,990**	**112.5%**

January 1 - 31					Expenditures & Other Uses		Year to Date Through January 31				
Prior Year	Current Year	% Prior	Budget	% Budget		Annual Budget	Prior Year	Current Year	% Prior	Budget	% Budget
380,234	515,134	135.5%	447,150	115.2%	Services	5,365,700	2,429,179	3,571,611	147.0%	3,130,050	114.1%
6,288	7,896	125.6%	13,880	56.9%	Mobility Management	166,600	36,700	73,085	199.1%	97,160	75.2%
95,105	87,354	91.9%	91,370	95.6%	Program Administration	1,096,500	620,015	671,938	108.4%	639,590	105.1%
481,627	**610,384**	**126.7%**	**552,400**	**110.5%**	**Total Medicaid NEMT (Medical)**	**6,628,800**	**3,085,894**	**4,316,634**	**139.9%**	**3,866,800**	**111.6%**
31,515	47,426	150.5%	36,660	129.4%	Services	439,900	228,218	328,592	144.0%	256,620	128.0%
2,175	2,844	130.8%	1,740	163.5%	Mobility Management	20,900	12,564	22,741	181.0%	12,180	186.7%
400	256	64.2%	490	52.3%	Program Administration	5,900	3,599	2,444	67.9%	3,430	71.3%
16,441	14,865	90.4%	15,280	97.3%	Grant Program Match Requirements	183,400	115,926	105,926	91.4%	106,960	99.0%
50,531	**65,391**	**129.4%**	**54,170**	**120.7%**	**Total Medicaid Waivered (Non-Medical)**	**650,100**	**360,307**	**459,703**	**127.6%**	**379,190**	**121.2%**
532,158	**675,775**	**127.0%**	**606,570**	**111.4%**	**Total Expenditures & Other Uses**	**7,278,900**	**3,446,201**	**4,776,337**	**138.6%**	**4,245,990**	**112.5%**
(13,259)	**1**	**0.0%**	**-**	**N/A**	**Revenues less Expenditures**	**-**	**(16,535)**	**(219)**	**1.3%**	**-**	**N/A**

Lane Transit District

Lane Transit District
Capital Projects Fund
Schedule of Revenues and Expenditures
January 31, 2015
Unaudited

January 1 - 31					Revenues & Other Sources		Year to Date Through January 31				
Prior Year	Current Year	% Prior	Budget	% Budget		Annual Budget	Prior Year	Current Year	% Prior	Budget	% Budget
564,138	200,760	35.6%	7,159,500	2.8%	Federal Assistance	85,913,900	4,003,379	6,632,356	165.7%	50,116,500	13.2%
-	-	N/A	1,100,000	0.0%	State Assistance	13,200,000	-	-	N/A	7,700,000	0.0%
564,138	**200,760**	**35.6%**	**8,259,500**	**2.4%**	**Total Revenues**	**99,113,900**	**4,003,379**	**6,632,356**	**165.7%**	**57,816,500**	**11.5%**
-	-	N/A	-	N/A	Transfer from General Fund	3,351,120	1,792,700	3,351,500	187.0%	3,351,120	100.0%
-	-	N/A	14,000	0.0%	Transfer from Accessible Services Fund	168,000	-	-	N/A	98,000	0.0%
-	**-**	**N/A**	**14,000**	**0.0%**	**Total Other Sources**	**3,519,120**	**1,792,700**	**3,351,500**	**187.0%**	**3,449,120**	**97.2%**
564,138	**200,760**	**35.6%**	**8,273,500**	**2.4%**	**Total Revenues & Other Sources**	**102,633,020**	**5,796,079**	**9,983,856**	**172.3%**	**61,265,620**	**16.3%**

January 1 - 31					Expenditures & Other Uses		Year to Date Through January 31				
Prior Year	Current Year	% Prior	Budget	% Budget		Annual Budget	Prior Year	Current Year	% Prior	Budget	% Budget
458,365	106,715	23.3%	7,266,490	1.5%	West Eugene EmX Extension	87,197,800	3,645,281	3,704,097	101.6%	50,865,430	7.3%
2,400	-	0.0%	50,000	0.0%	Gateway EmX Extension	600,000	127,433	10,371	8.1%	350,000	3.0%
3,046	34,114	1120.1%	59,680	57.2%	Main Street/McVay Transit Study	716,100	43,470	424,840	977.3%	417,760	101.7%
505	3,777	748.1%	53,170	7.1%	Northwest Eugene/LCC Transit Study	638,000	505	37,463	7421.3%	372,190	10.1%
464,316	**144,606**	**31.1%**	**7,429,340**	**1.9%**	**Total Frequent Transit Network**	**89,151,900**	**3,816,689**	**4,176,771**	**109.4%**	**52,005,380**	**8.0%**
11,251	1,696	15.1%	1,066,660	0.2%	Revenue Vehicles - Fixed Route	12,799,900	14,053	2,856,630	20326.9%	7,466,620	38.3%
73,466	70	0.1%	70,000	0.1%	Revenue Vehicles - Accessible Services	840,000	137,701	110,833	80.5%	490,000	22.6%
209	-	0.0%	8,330	0.0%	Support Vehicles	100,000	64,029	-	0.0%	58,310	0.0%
84,730	1,257	1.5%	61,820	2.0%	Stations, Shelters & Facilities	741,800	843,402	552,583	65.5%	432,740	127.7%
140,868	41,741	29.6%	215,820	19.3%	Computer Hardware & Software	2,589,900	423,907	628,088	148.2%	1,510,740	41.6%
4,918	-	0.0%	31,290	0.0%	Intelligent Transportation Systems	375,500	8,571	2,157	25.2%	219,030	1.0%
5,440	-	0.0%	60,300	0.0%	Transit Security Projects	723,600	9,792	-	0.0%	422,100	0.0%
-	503	N/A	54,480	0.9%	Communications Equipment	653,800	-	38,081	N/A	381,360	10.0%
-	73,000	N/A	2,500	2920.0%	Shop Equipment	30,000	14,864	75,440	507.5%	17,500	431.1%
-	-	N/A	11,670	0.0%	Miscellaneous Equipment	140,000	4,644	5,103	109.9%	81,690	6.2%
320,882	**118,267**	**36.9%**	**1,582,870**	**7.5%**	**Total Other Capital Outlay**	**18,994,500**	**1,520,963**	**4,268,915**	**280.7%**	**11,080,090**	**38.5%**
785,198	**262,873**	**33.5%**	**9,012,210**	**2.9%**	**Total Expenditures & Other Uses**	**108,146,400**	**5,337,652**	**8,445,686**	**158.2%**	**63,085,470**	**13.4%**

(221,060)	**(62,113)**	**28.1%**	**(738,710)**	**8.4%**	**Revenues less Expenditures**	**(5,513,380)**	**458,427**	**1,538,170**	**335.5%**	**(1,819,850)**	**-84.5%**

AGENDA ITEM SUMMARY

DATE: March 31, 2015

ITEM TITLE: ECONOMIC UPDATE

PREPARED BY: Todd Lipkin, Finance Manager/CFO

ACTION REQUESTED: None

BACKGROUND:

On March 30, 2015, the Eugene Chamber of Commerce will be holding its annual Economic Forecast. At the March 31 Board work session, staff will highlight some of the information learned from the economists on the panel and update some of the pertinent economic factors from the economic analysis that was commissioned in the spring of 2014.

ATTACHMENT: None.

PROPOSED MOTION: None

Q:\Reference\Board Packet\2015\3\Board-Budget Comm Spec Mtg 3-31-15\current conditions AIS.docx

AGENDA ITEM SUMMARY

DATE: March 31, 2015

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

PREPARED BY: Todd Lipkin, Finance Manager/CFO

ACTION REQUESTED: None

BACKGROUND:

The Long-Range Financial Plan (LRFP) is a 10-year plan that projects Lane Transit District's revenues and expenditures. An updated Plan will be presented to the Lane Transit District Board of Directors at its May 20, 2015, meeting for approval. The discussion at the March 31 strategic planning session will inform staff on the assumptions to use when drafting the Plan. The discussion is separated into three parts: 1) Long-Range Financial Plan Assumptions; 2) Plan Scenarios; and 3) Board Guidance. The currently approved Fiscal Year 2015-24 Long-Range Financial Plan is attached for your reference.

1) Long-Range Financial Plan Assumptions:

Staff will present recommended assumptions based on current conditions for the primary financial components of the LRFP. The primary financial components include wages, pension, medical insurance, fuel, other materials and services, and transfers to other funds. Staff work continues on the calculations; therefore, results will be presented at the March 31 meeting, and any applicable handouts also will be presented at that time.

2) Plan Scenarios:

The results of different scenarios for the proposed financial plan assumptions will be presented. The primary differences between the scenarios will be the assumptions for the payroll tax rate and future service increases, as most of the other factors are fairly stable.

3) Board Guidance:

Staff will seek final guidance regarding assumptions to include in the draft Long-Range Financial Plan that will be presented for approval at the May 20, 2015, Board of Directors meeting.

ATTACHMENT: Fiscal Year 2015-24 Long-Range Financial Plan.

PROPOSED MOTION: None

Q:\Reference\Board Packet\2015\3\Board-Budget Comm Spec Mtg 3-31-15\current conditions AIS.docx

Lane Transit District

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

Payroll Tax Base: 5% Annual Increase

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

Strategic Planning Work Session

Lane Transit District • Eugene, Oregon • March 31, 2015

ltd.org

The Best Way to Connect

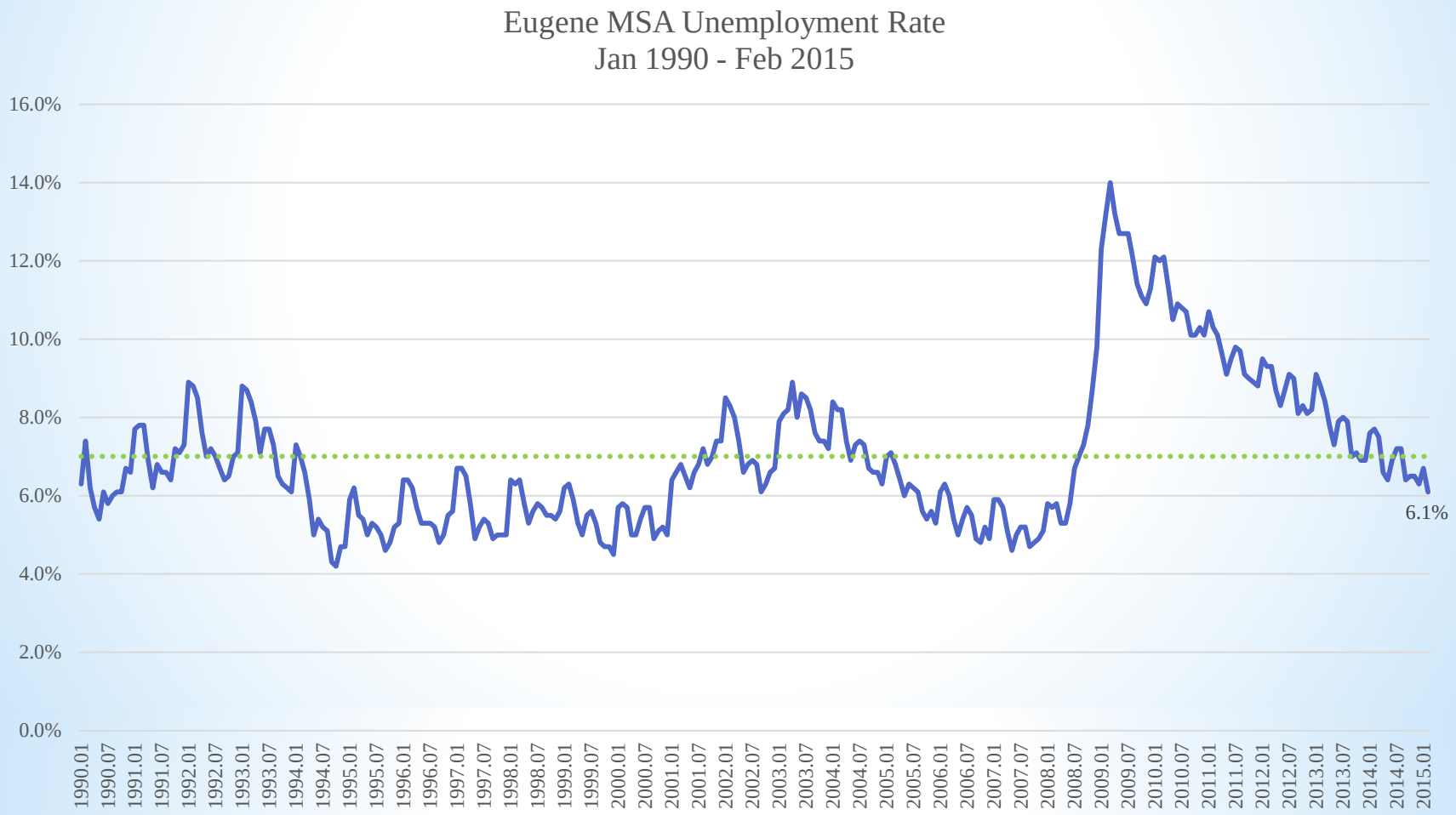
Agenda

- Financial Update
- Economy
- Legislative Update
- West Eugene EmX Extension
- User Benefit Upgrades
- Strategic Plan
- Past to Future
- Community Investment Scenarios

Financial Update

Economy

Economy


Eugene MSA Unemployment Rate
Jan 1990 - Feb 2015
16.0%
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
6.1%
1990.01
1990.07
1991.01
1991.07
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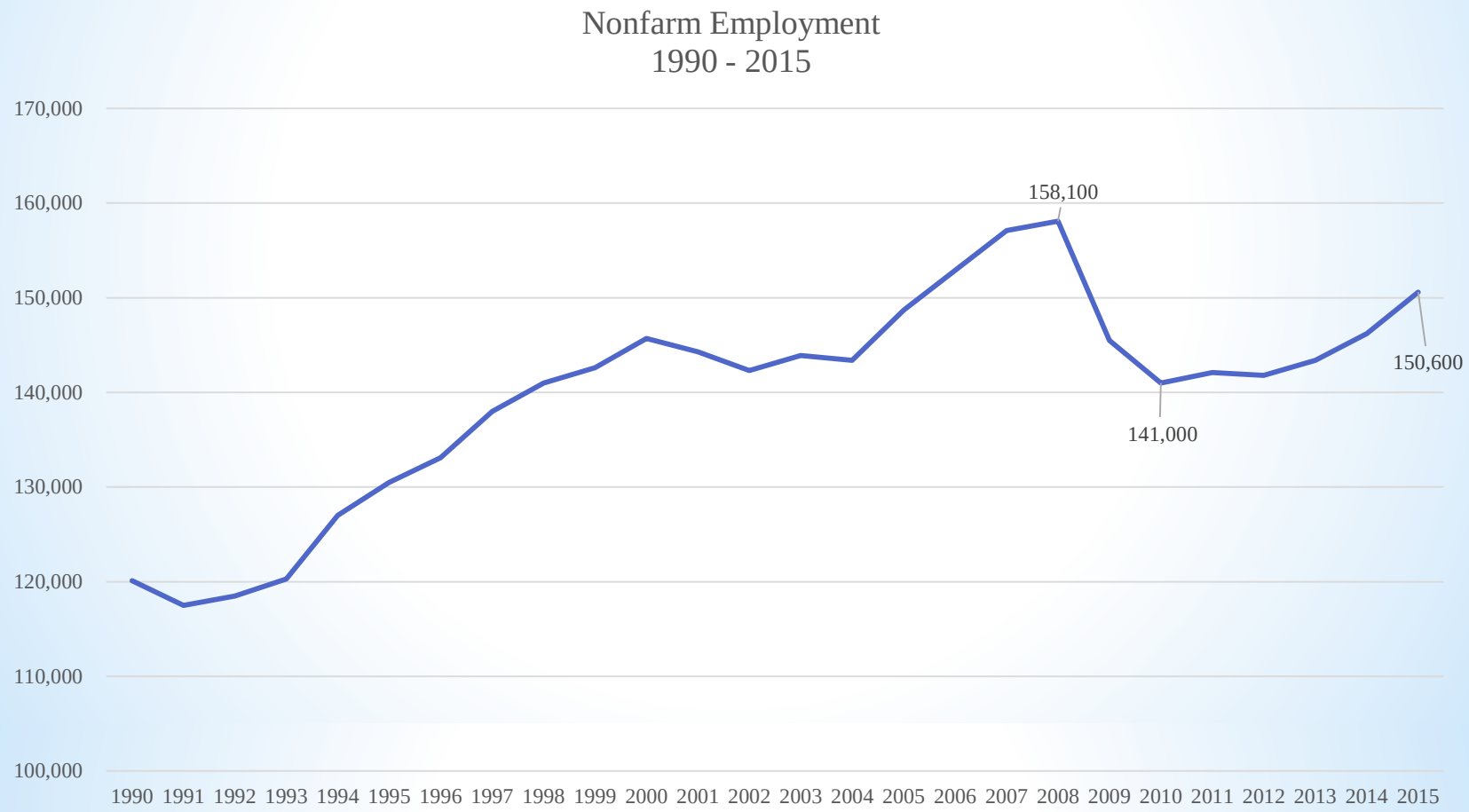
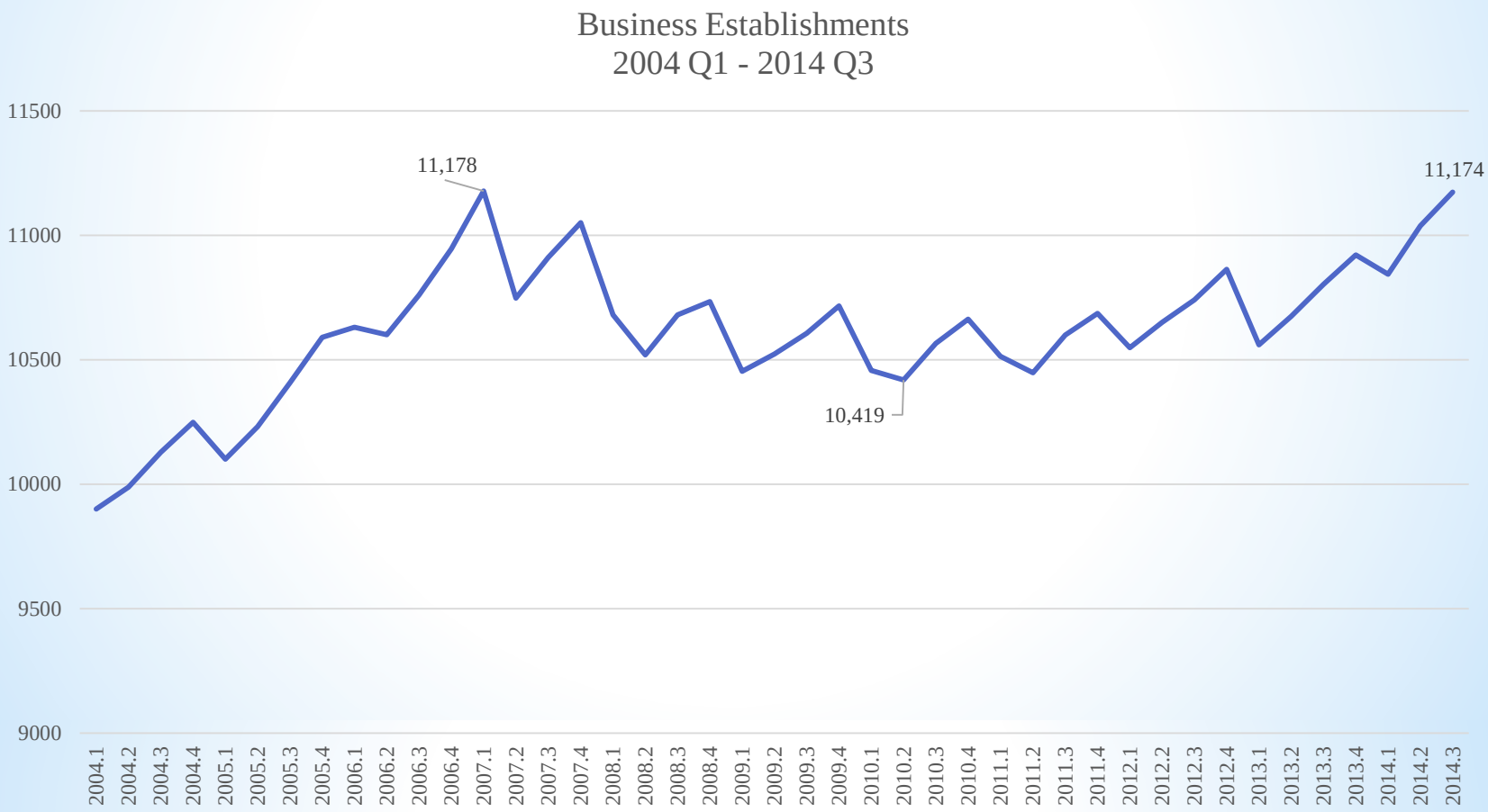
Economy


Nonfarm Employment
1990 - 2015
170,000
160,000
150,000
140,000
130,000
120,000
110,000
100,000
158,100
141,000
150,600
1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Economy


Business Establishments
2004 Q1 - 2014 Q3
11500
11000
10500
10000
9500
9000
11,178
10,419
11,174
2004.1
2004.2
2004.3
2004.4
2005.1
2005.2
2005.3
2005.4
2006.1
2006.2
2006.3
2006.4
2007.1
2007.2
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2009.4
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2010.2
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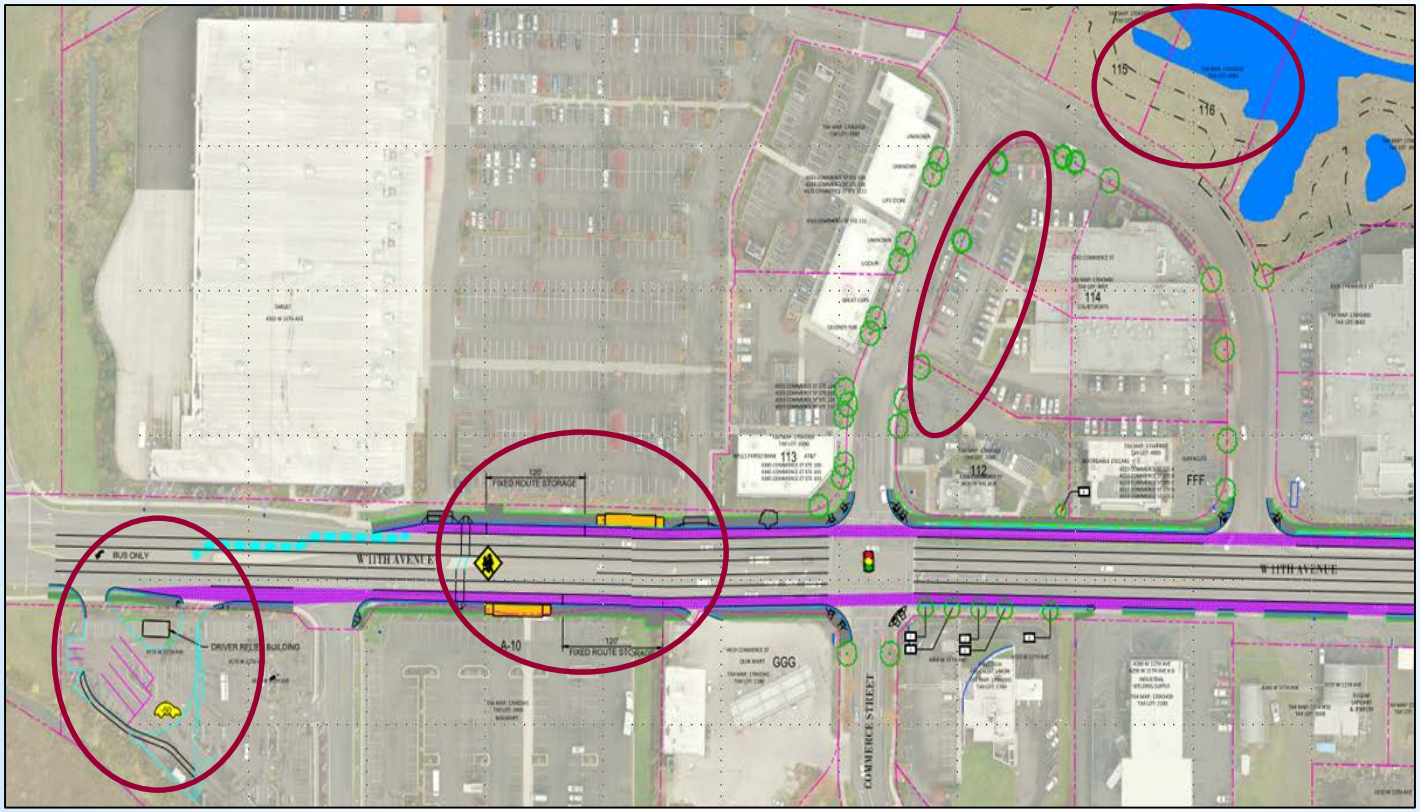
2011.4
2012.1
2012.2
2012.3
2012.4
2013.1
2013.2
2013.3
2013.4
2014.1
2014.2
2014.3

Legislative Update

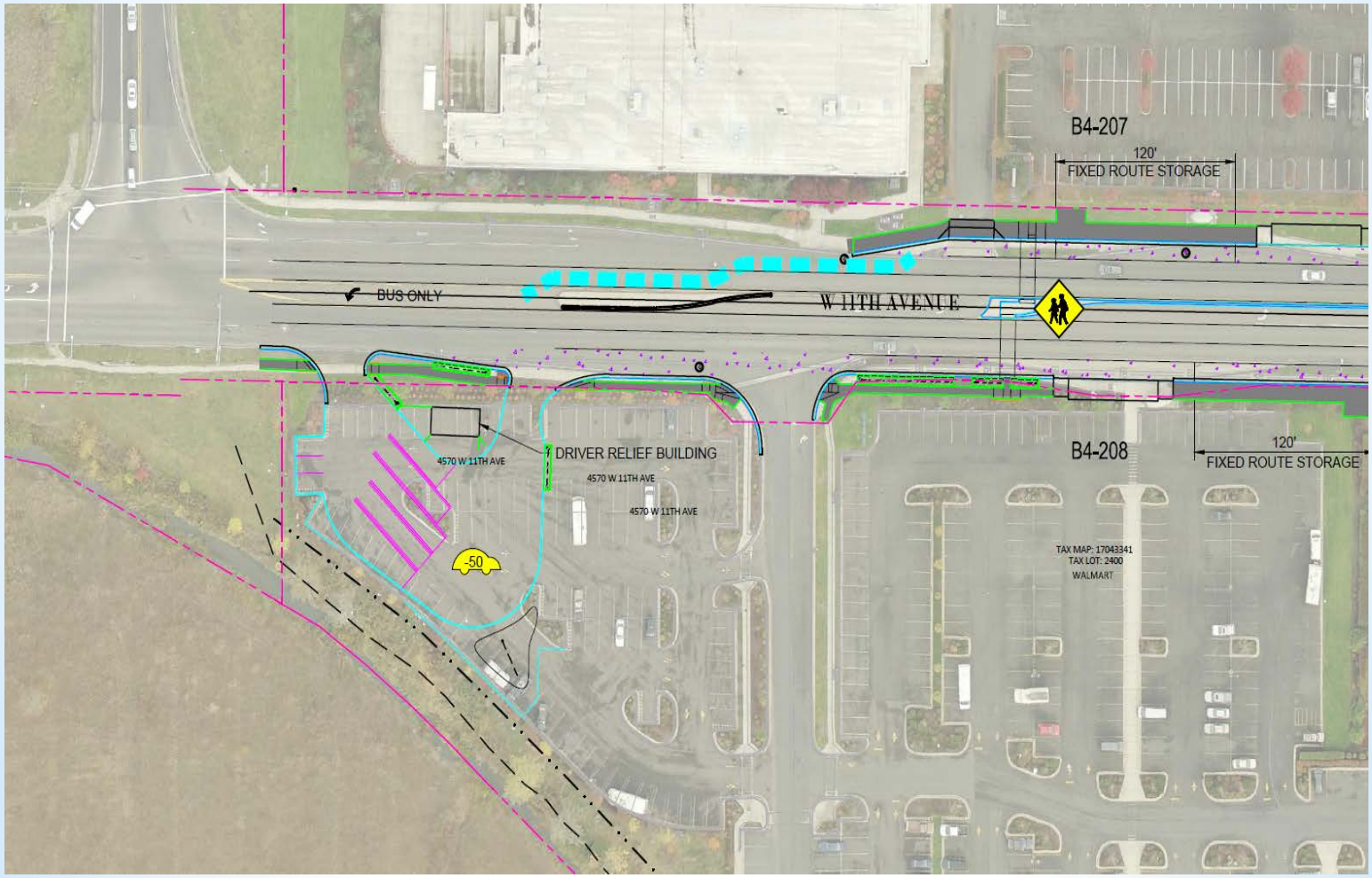
West Eugene EmX Extension

Design Solutions Example 1

Terminus stations moved from Commerce Street to West 11th Avenue with turnaround at Walmart



Design Solutions Turnaround/Driver Rest



Design Solutions Before

Eastbound on West 11th next to Walmart

Design Solutions After

Eastbound on West 11th next to Walmart

Design Solutions Before

Eastbound on West 11th between Bertelsen and Bailey Hill

Design Solutions After

Eastbound on West 11th between Bertelsen and Bailey Hill

Business Support

Workshops

Lane Small Business Development Center workshops (2 or 3 per quarter)

LTD Passes

Complimentary Group Pass for employees on route

Advertising

Promote the corridor businesses (bus, print, radio, mobile, web ads)

GO WEST HUNGRY PEOPLE, GO WEST.
FIND IT IN
WEST
EUGENE
6th • 7th • 11th
400+ BUSINESSES OPEN TO SERVE YOU

Construction

Timing

Fall 2014 – Fall 2017

Sequencing

1. **Charnelton**
2. **West 7th Avenue**
3. **West 6th Avenue**
4. **Garfield**
5. **West 11th Avenue**

Subject to change, and construction may occur on different streets simultaneously

Vehicle

Questions

User Benefit Upgrades

https://lane-transit.testcrafting.com/admin/beta_portal.php

Strategic Plan

What we heard

Our “Why”

We provide people with independence to achieve their goals, creating a more vibrant, sustainable, and equitable community.

Our “How”

- We serve the community with respect.
- We continuously question if there’s a better way.
- We plan for a sustainable future.
- We collaborate internally and externally.
- We care for our employees, our customers, and our business partners.

“Our What”

- We provide reliable transit services that address the needs of the community.
- We provide a viable alternative to the automobile through high-quality transportation options, programs, and services.
- We provide leadership in transportation planning in our communities.
- We maintain safe and accessible vehicles, services, and facilities.
- We practice sound fiscal management.

Campaign Strategy

- Humanize the brand
- Utilize a relational outreach model

Tactics – Relationship Building

- Group Pass
  - Face-to-Face meetings
  - Single point of contact
  - Needs assessment and support model implemented

- Community Involvement
  - Community members who work for LTD
  - Allow, encourage and help employees with involvement
  - Tracking

Tactics – Marketing

- I Believe Campaign
  - Designed to remind the community “Why” we do what we do
  - 6 Believe Statements with 2 supporting facts for each
  - 18-24 month run
  - All Channels
    - Radio, TV, Web, Print, Social Media, Buttons

- Story Box
  - 52 vignettes that allow riders to tell their story
  - Posted on our Blog

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We provide 11.1 million rides a year to bring families together, take people to work, and students to school.

Lane Transit District

This is what drives us.

We believe most people would rather get there faster.

This year, EmX routes reduced travel time by 25%

Lane Transit District

This is what drives us.

ltd.org

The Best Way to Connect

I BELIEVE IN
TRANSIT
FOR
going to school
ltd.org

I BELIEVE IN
TRANSIT
FOR
time for myself
ltd.org

I BELIEVE IN
TRANSIT
FOR
exploring my town
ltd.org

I BELIEVE IN
TRANSIT
FOR
running errands
ltd.org

I BELIEVE IN
TRANSIT
FOR
saving money
ltd.org

I BELIEVE IN
TRANSIT
FOR
getting to work
ltd.org

I BELIEVE IN
TRANSIT
FOR
getting fit
ltd.org

I BELIEVE IN
TRANSIT
FOR
making connections
ltd.org

I BELIEVE IN
TRANSIT
FOR
all of us
ltd.org

I BELIEVE IN
TRANSIT
FOR
independence
ltd.org

I BELIEVE IN
TRANSIT
FOR
going green
ltd.org

I BELIEVE IN
TRANSIT
FOR
snow days
ltd.org

Questions

Past to Future

Community Investment Scenarios

Community Investment Scenarios

	2015-16	2016-17	2017-18
1/1/2017 Increase	$750,000	$750,000	$1,100,000

Impacts:

- Three consecutive years of increasing community investment
- Minimum user benefit upgrades balanced with service increases

Community Investment Scenarios

	2015-16	2016-17	2017-18
1/1/2016 Increase	$750,000	$1,200,000	$1,100,000

Impacts:

- Three consecutive years of increasing community investment
- Maximum user benefit upgrades

Community Investment Scenarios

	2015-16	2016-17	2017-18
No Rate Increase	$0	$0	$1,100,000

Impacts:

- Maintain current level of community investment the next two years
- Limited user benefit upgrades
- No fare management operational support

Community Investment Scenarios

	2015-16	2016-17	2017-18
1/1/2017 Increase	$750,000	$750,000	$1,100,000
1/1/2016 Increase	$750,000	$1,200,000	$1,100,000
No Rate Increase	$0	$0	$1,100,000

CONSTRUCTION PHASE

WEST EUGENE EmX

West Eugene EmX

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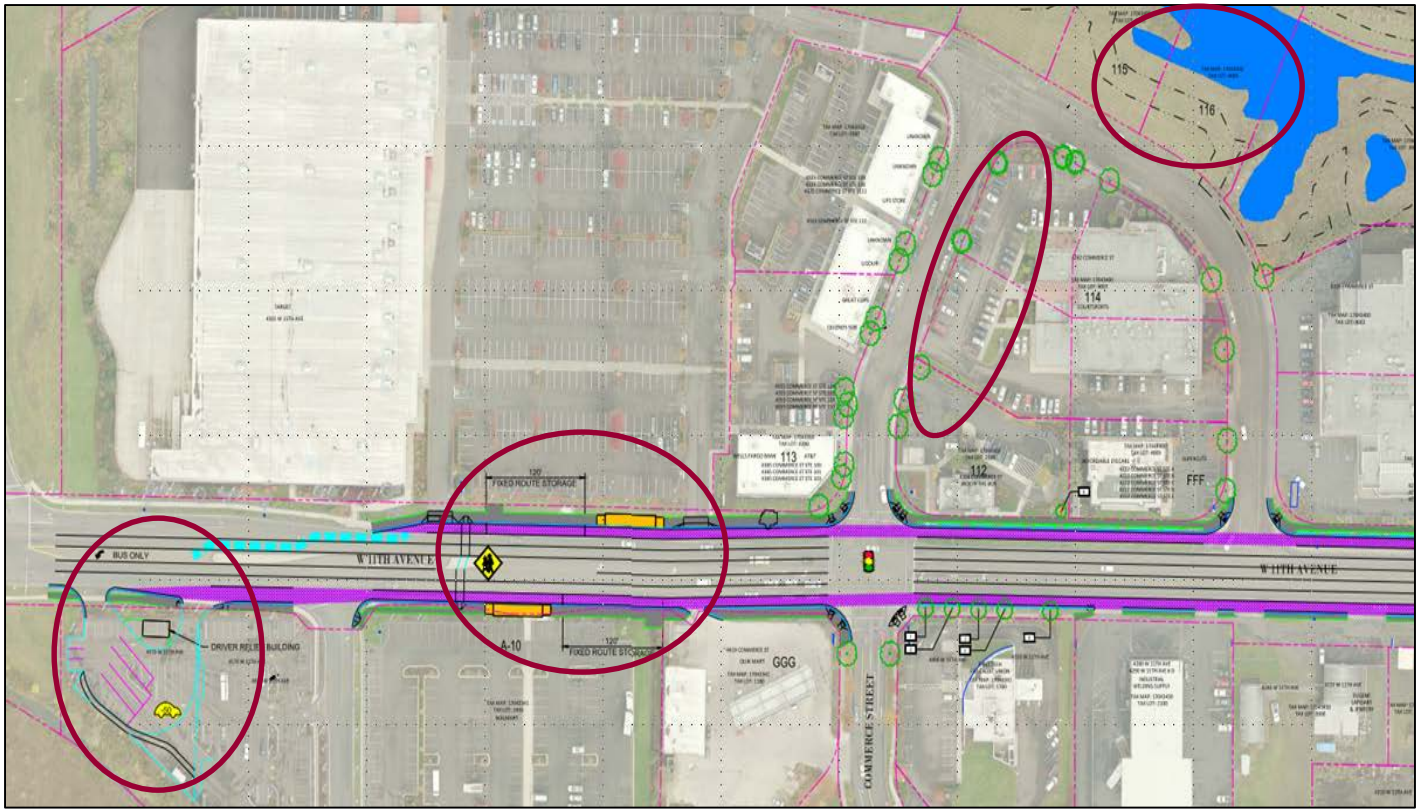

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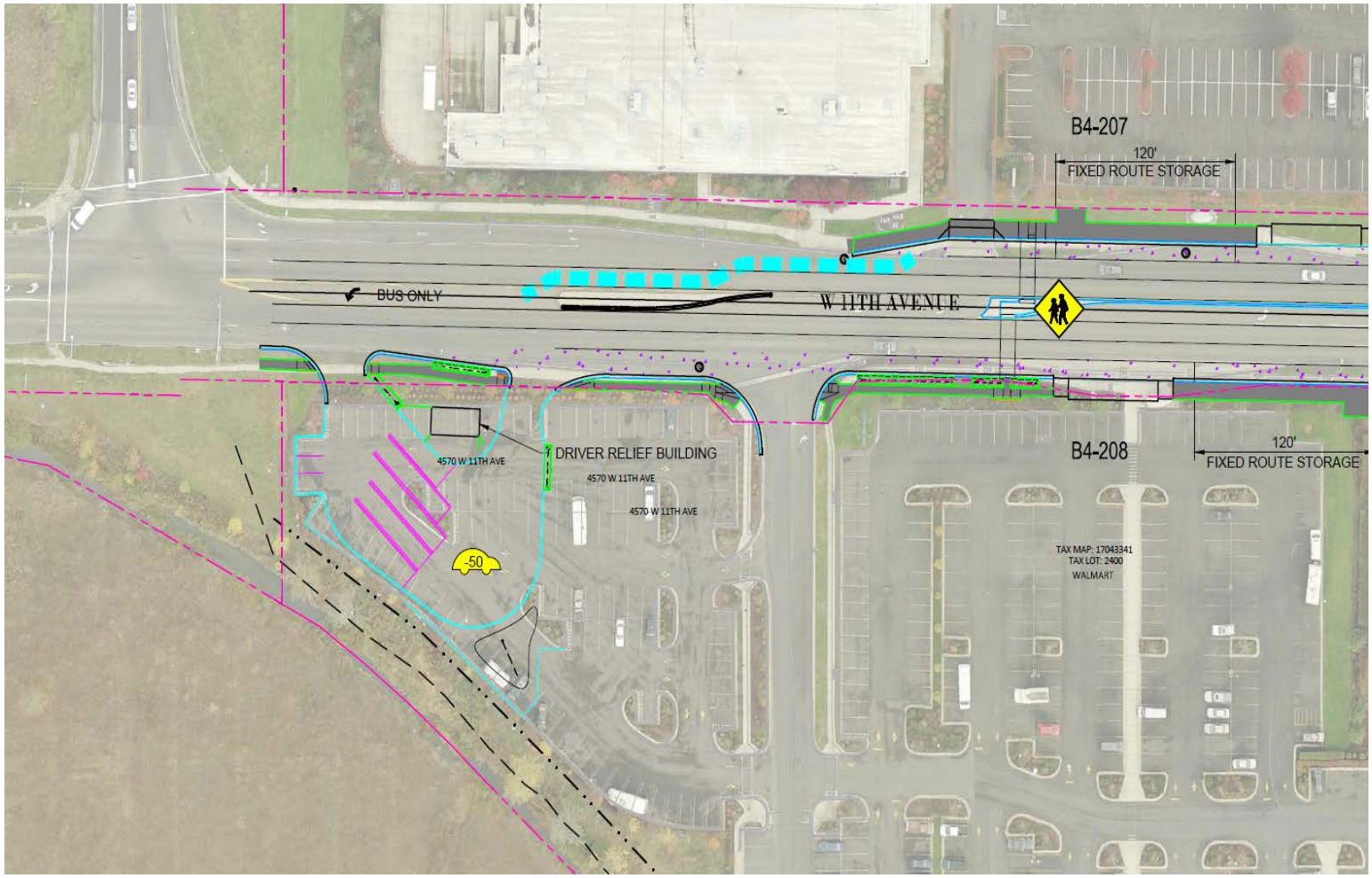

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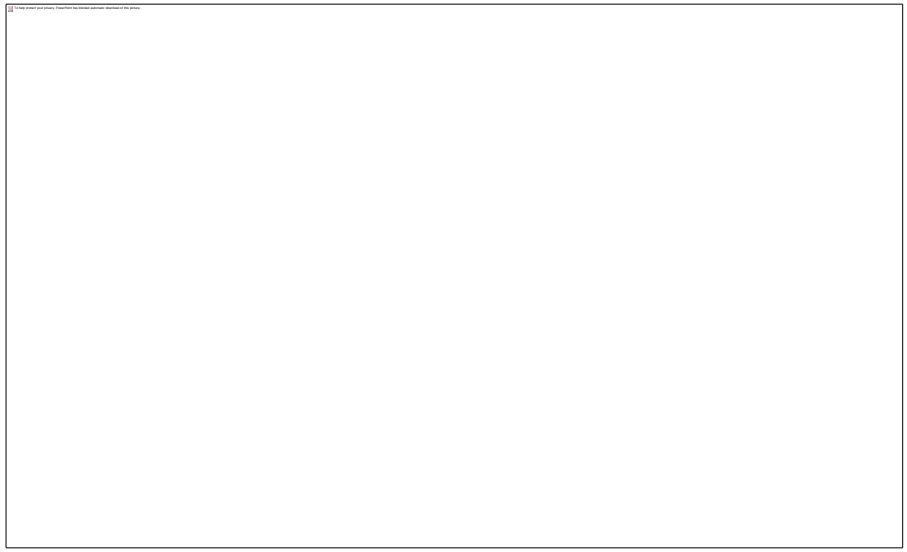

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LTD “We Believe” Campaign

What we heard

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FOR
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TRANSIT
FOR
exploring my town
ltd.org

I BELIEVE IN
TRANSIT
FOR
running errands
ltd.org

I BELIEVE IN
TRANSIT
FOR
saving money
ltd.org

I BELIEVE IN
TRANSIT
FOR
getting to work
ltd.org

I BELIEVE IN
TRANSIT
FOR
getting fit
ltd.org

I BELIEVE IN
TRANSIT
FOR
making connections
ltd.org

I BELIEVE IN
TRANSIT
FOR
all of us
ltd.org

I BELIEVE IN
TRANSIT
FOR
independence
ltd.org

I BELIEVE IN
TRANSIT
FOR
going green
ltd.org

I BELIEVE IN
TRANSIT
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snow days
ltd.org

Questions