



Public notice was given to
The Register-Guard for
publication on September 1, 2016.

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

**Tuesday, September 6, 2016
5:30 p.m.**

**LTD BOARD ROOM
3500 East 17th Avenue, Eugene
(off Glenwood Boulevard)**

Dinner will be served beginning at 5:00 p.m.

A G E N D A

I. CALL TO ORDER – Committee Chair Dean Kortge

II. ROLL CALL AND INTRODUCTIONS – Chair Kortge

- | | | | | |
|------------------------------------|-----------------------------------|----------------------------------|------------------------------------|-----------------------------------|
| <input type="checkbox"/> Bruebaker | <input type="checkbox"/> Cline | <input type="checkbox"/> Diehl | <input type="checkbox"/> Gillespie | <input type="checkbox"/> Grossman |
| <input type="checkbox"/> Hinds | <input type="checkbox"/> Kortge | <input type="checkbox"/> Necker | <input type="checkbox"/> Nordin | <input type="checkbox"/> Pierce |
| <input type="checkbox"/> Smith | <input type="checkbox"/> Thompson | <input type="checkbox"/> Wildish | <input type="checkbox"/> Yeh | |

III. PUBLIC COMMENT – Chair Kortge

Public Comment Note: This part of the agenda is reserved for members of the public to address the Board on any issue. The person speaking is requested to sign-in on the Audience Participation form for submittal to the Clerk of the Board. When your name is called, please step up to the podium and give your name and address for the audio record. If you are unable to utilize the podium, you may address the Board from your seat.

Citizens testifying are asked to limit testimony to three minutes.

IV. APPROVAL OF MINUTES – Chair Kortge

V. WELCOME – General Manager Aurora Jackson

VI. FISCAL YEAR 2016-2017 SUPPLEMENTAL BUDGET PRESENTATION – LTD Staff

A. FY 2016-17 Supplemental Budget Overview

B. FY 2017-26 Capital Improvements Program

- C. Long-Range Financial Planning
- D. Next Steps: Three- and Ten-Year Implementation Plans

- VII. COMMITTEE DISCUSSION - Chair Kortge
- VIII. POLLING OF COMMITTEE MEMBERS – Chair Kortge
- IX. APPROVAL OF FY 2016-17 SUPPLEMENTAL BUDGET – Chair Kortge

- X. ADJOURNMENT - Chair Kortge

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 682-5555 (voice) or 7-1-1 (TTY, through Oregon Relay, for persons with hearing impairment.

BOARD BUDGET COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: August 17, 2016

ITEM TITLE: APPROVAL OF MINUTES

PREPARED BY: Jeanne Schapper, Executive Office Manager/Clerk of the Board

ACTION REQUESTED: Approval of minutes

BACKGROUND: The Board is asked to approve the minutes of the May 18, 2016, LTD Board Budget Committee meeting.

ATTACHMENTS: Minutes of the May 18, 2016, LTD Board Budget Committee Meeting

PROPOSED MOTION: Be it resolved that the minutes of the May 18, 2016, LTD Board Budget Committee are approved as presented.

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MINUTES OF DIRECTORS MEETING

LANE TRANSIT DISTRICT

BUDGET COMMITTEE MEETING

Wednesday, May 18, 2016

Pursuant to notice given to *The Register-Guard* for publication on May 3 and May 13, 2016, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District (LTD) held a Budget Committee meeting on Wednesday, May 18, 2016, beginning at 6:00 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

Present: Dean Kortge, Chair
Jon Hinds, Secretary
Kathryn Bruebaker
Jody Cline
Scott Diehl
Gary Gillespie
Julie Grossman
Ed Necker
Don Nordin
Jennifer Smith
Gary Wildish
Carl Yeh
A.J. Jackson, General Manager
Roland Hoskins, Director of Administrative Services
Cindi Hamm, consultant
Jeanne Schapper, Clerk of the Board

Absent: Angelynn Pierce

At the members' places were two documents: 1) *Lane Transit District Proposed Budget (Fiscal Year 2016-2017)* sample budget resolution; and 2) replacement page for page 11 of the *LTD Proposed Budget Fiscal Year 2016-2017*.

CALL TO ORDER/ROLL CALL — Mr. Wildish called the meeting of the Lane Transit District Budget Committee to order and called the roll.

WELCOME AND INTRODUCTIONS — Mr. Wildish welcomed Budget Committee members, and he requested staff to introduce themselves. Staff present were: Tom Schwetz, planning and development manager; Edward McGlone, government relations manager; David Collier, human resources manager; Mark Johnson, director of operations and customer satisfaction; Frank Wilson, public safety manager; Theresa Brand, transportation options program manager; Jake McCallum, operations manager; Meg Kester, marketing manager; Joe McCormick, facilities manager; Steve Parrott, intelligent transportation systems manager; Cheryl Munkus, internal auditor; and Chris Thrasher, administrative secretary.

ELECTION OF OFFICERS – Mr. Kortge volunteered to serve as chair of the Lane Transit District Budget Committee.

VOTE There being no other nominations, Mr. Kortge was elected chair by the following vote:
 AYES: Bruebaker, Cline, Diehl, Gillespie, Grossman, Hinds, Kortge, Necker, Nordin, Smith, Wildish, Yeh (12)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: Pierce (1)

Mr. Hinds volunteered to serve as secretary of the Lane Transit District Budget Committee.

VOTE There being no other nominations, Mr. Hinds was elected secretary by the following vote:
 AYES: Bruebaker, Cline, Diehl, Gillespie, Grossman, Hinds, Kortge, Necker, Nordin, Smith, Wildish, Yeh (12)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: Pierce (1)

PUBLIC COMMENT — There was no one wishing to address the Committee.

APPROVAL OF MINUTES (May 20, 2015) - Ms. Cline noted that her name was misspelled on pages 6 and 7 of the minutes (~~Kline~~, **Cline**).

MOTION Mr. Gillespie moved approval of the May 20, 2015, Budget Committee minutes as amended. Mr. Necker provided the second.

VOTE The minutes were approved as follows:
 AYES: Bruebaker, Cline, Diehl, Gillespie, Grossman, Hinds, Kortge, Necker, Nordin, Smith, Wildish, Yeh (12)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: Pierce (1)

FISCAL YEAR (FY) 2016-2017 PROPOSED BUDGET PRESENTATION – Mr. Hoskins described LTD's mission, values, and operating principles. He briefly reviewed Oregon's statutory requirements relating to budgets, including the makeup of the Committee, meeting process, public notice, and process for deliberation. Mr. Hoskins encouraged Committee members to ask questions when they had them. He summarized that the Budget Committee was being asked to recommend a FY 2016-2017 budget to the Board of Directors for adoption, either as proposed by staff or amended by the Committee.

Budget Message — Ms. Jackson described how LTD planned to invest in the community. The proposed budget included: an increase of \$1.2 million in new, improved, and more frequent bus service (a 5 percent increase over current service levels); the purchase of 10 new buses; continued construction of the West Eugene EmX system; expanded public safety patrol; added bus stations (at Harlow Road and Centennial Road); and a half-price fare program with area nonprofit organizations. Ms. Jackson said the proposed budget also reflected LTD's commitment to being responsible and efficient with public funds. She highlighted the fourth consecutive year of workers' compensation reductions and the investment in electric and hybrid-electric buses. LTD staff was not proposing an increase in passenger fares. Ms. Jackson described the budget risk factors, including payroll tax revenues, contract renegotiations, state funding levels, and

changing transportation patterns. She noted the proposed budget was conservative. For example, it did not reflect potential state funding changes from a potential 2017 transportation funding package. Ms. Jackson concluded her budget message by saying that the proposed budget reflected the previously approved Long-Range Financial Plan and Capital Improvements Program.

Proposed Budget — Ms. Hamm briefly reviewed the organization of the *Proposed Budget 2016-2017*. She explained that the agenda that evening was designed to look at revenues and expenditures by fund. The *General Information* and *Glossary* sections were provided as background material.

General Fund — Ms. Hamm noted that the line item detail for the General Fund began on page 13 of the proposed budget document.

Resources

Ms. Hamm reported revenues were projected to increase by 6.5 percent, primarily due to an increase in payroll taxes. Responding to Mr. Kortge's question as to why the increase, Ms. Hamm explained that it was in part due to improved economic conditions. Another factor was a large employer's shift from the state-in-lieu revenue stream to payroll taxes.

Mr. Gillespie asked if the estimated payroll tax revenue had been adjusted to account for the change in the minimum wage. Mr. Hoskins replied that it had not. An increase was projected, but staff wanted to wait for a few months of actual data before estimating the annual impact on revenue.

Ms. Hamm reviewed other revenue sources, comparing the FY 2015-16 Budget and Estimate to the Proposed FY 2016-17 Budget. Federal Assistance programs were relatively flat as were most forms of passenger fares. There had been a drop in farebox revenue, and LTD staff had proposed route revisions designed to increase ridership. Advertising, special services, and interest also were relatively flat. Ms. Hamm noted the increase in the Other Funds category and said it reflected the rebate from the Oregon Workers' Compensation program.

Expenditures

Personnel Services. Ms. Hamm emphasized that Personnel Services comprised the majority of General Fund expenditures. Eighty percent of personnel were in the Operations and Customer Satisfaction Division. Overall, the FY 2016-17 proposed budget included a \$3 million increase in personnel services. Answering Mr. Diehl's question about the 11.5 percent difference between the FY 2015-16 budget and estimate, Ms. Hamm explained that the budget assumed all full-time equivalent (FTE) positions were filled for the entire year when, in fact, there had been some vacancies.

When Ms. Bruebaker asked if the wage increases included a cost of living adjustment (COLA), Ms. Hamm said yes. The COLA was 3.4 percent for those in the Amalgamated Transit Union (ATU) and 3 percent for non-union staff.

Ms. Grossman recalled that staff had previously stated the change in minimum wage was not expected to impact LTD. What about the issue of wage compression? Human Resources Manager David Collier responded that it was not an issue.

Discussion turned to the ATU and administrative retirement plans. Ms. Hamm explained that LTD had adopted a 10-year plan to eliminate the unfunded actuarial liability in the ATU plan and the administrative plan for employees hired prior to 2012. Mr. Kortge suggested targeting \$1 million of the probable payroll tax revenue increase to decrease the liability. Mr. Gillespie expressed concerns that the liabilities were still so high.

Addressing the administrative plan for employees hired January 1, 2012, forward, Ms. Hamm indicated that it was a defined contribution plan with an additional employee match opportunity. When Mr. Gillespie asked if the employee match was mandatory for the first six months, Mr. Hoskins confirmed that it was. Mr. Hoskins added that most employees (95 percent) did not opt out of the match after six months.

Materials and Services. Ms. Hamm gave an overview, noting the majority of the expenditures were in the Operations and Customer Satisfaction Department. When Mr. Kortge asked for clarification of the services in the department, Ms. Jackson explained that it was transit operations and maintenance.

Ms. Hamm noted that there were no significant changes in the proposed budget. Ms. Brand added that the FY 2015-16 estimate was lower than the FY 2015-16 budget because projects budgeted in the fiscal year had taken more than a year to complete.

Ms. Hamm reviewed line items for fuel and parts. Mr. Johnson explained that the proposed budget for fuel was higher than the current year's estimate because LTD had to use previously stored fuel, which cost more than the current market rate. He added that the parts inventory had to be expanded because there were more different models of buses to maintain. Responding to a question from Mr. Necker regarding the life of batteries in the new electric buses, Mr. Johnson noted that the batteries lasted the lifetime of the bus. Following up to inquiries from Mr. Hines and Ms. Bruebaker, Mr. Johnson said the manufacturer of the electric buses was BYD Company Limited. Each bus cost approximately \$800,000.

Professional Services: Ms. Hamm explained that both General Professional Services and Security were increased. Mr. Schwetz indicated that the increase in General Professional Services was to support the update to the Long-Range Transit Plan.

The Security increase was twofold: First, an additional 1.4 FTE was added. When Ms. Grossman asked how many FTEs were currently in the contract, Mr. Wilson said 13; the FY 2016-17 contract was for 14.4 FTE. Mr. Johnson added that the second factor was that the contract was up for renegotiation. Given the tight labor market for law enforcement professionals, he expected an increase in labor costs.

Ms. Hamm concluded the General Fund Materials and Supplies review. She noted Cleaning, Travel and Training, Utilities and Telecom, and Other Materials & Services were relatively flat. When Mr. Kortge asked if there was more detailed information on the Other Materials & Services, Ms. Hamm directed him to the departmental budgets (pages 17-39).

Ms. Grossman requested more information on the Travel and Training line item. Ms. Jackson described the training needed for newly hired professional staff. The program was managed through Human Resources. The plan is to hold some of the training in-house to limit travel costs. Mr. Gillespie added that some of the budget was for certification training for those on the Pension Trusts.

When Ms. Smith asked if the training budget covered the 20 new bus operators, Mr. Johnson said no; Operations had its own budget for training.

Insurance and Risk Services. Ms. Hamm reviewed the FY 2015-16 Budget, FY 2015-16 Estimate, and FY 2016-17 Proposed Insurance and Risk Services line items for payroll-related costs, vehicle liability, and general insurance premiums. There were no questions from Budget Committee members.

Transfers. Ms. Hamm described the three General Fund transfers: 1) Accessible Services; 2) Medicaid; and 3) Capital Projects. She noted that the Capital Projects transfer varied year-to-year, depending on what projects required LTD to match state/federal funds. Responding to Mr. Diehl's observation that the savings in FY 2015-16 between budget and actuals was greater than the amount reflected in the transfers, Ms. Jackson explained that it would be discussed in more detail later in the meeting when addressing working capital.

Ms. Cline asked why the Medicaid Transfer amount was 100 percent above the \$195,000 budgeted. Ms. Jackson described the significant increase in usage for transport to medical appointments for patients covered by the Oregon Health Plan and registered to the Trillium Community Care Organization (CCO). When Mr. Kortge asked if the number of people had increased, Ms. Jackson replied that there had been a small increase in membership but the cost driver was usage, which had skyrocketed.

Ms. Jackson addressed Mr. Nordin's question regarding receiving additional payment from the CCO. She said that LTD had renegotiated an increase in the per member/per month cost with Trillium.

Ms. Hamm asked if there were any other questions or comments regarding the General Fund revenues and expenditures in the proposed FY 2016-17 budget.

Ms. Grossman referenced the pie chart illustrating General Fund expenditures. She asked how LTD's allocations stood relative to best practices. Ms. Jackson said that the industry standard was for personnel costs to be at 70 percent of the expenditures; LTD was slightly under that amount. She noted that LTD was part of the American Bus Benchmarking Group (ABBG), and, therefore, was able to benchmark District performance to similarly sized transit districts. Ms. Jackson said that the goal was to decrease LTD's cost/transit hour to better approximate industry standards.

Mr. Wildish divided the total General Fund expenditures by the number of FTEs and noted a 14 percent increase over the last three years. When he asked if that was appropriate, Ms. Hamm questioned if it was the best measurement.

Ms. Jackson advised that the more common measure was cost of business divided by the hours of service. Mr. Schwetz added that there was an increase in hours of service: in FY 2015-16, LTD had provided 263,120 hours of service; in FY 2016-17, 277,339 hours of service were projected. Ms. Brand observed that LTD housed the Regional Transportation Option program, which included other transit services. She said those costs should be removed from LTD's cost of service when doing the aforementioned calculation.

Mr. Kortge questioned why no fare increase had been proposed. Past practice had been for revenue from fares to comprise 20 percent of the overall revenue stream.

Ms. Jackson explained that farebox revenue was close to the target. Any increase in fares likely discouraged some ridership, and ridership overall had declined in FY 2015-16.

Responding to a question from Mr. Hinds about the impact of the proposed new fare management system, Mr. Johnson described the information they expected to receive from the system. He said they had postponed the project because TriMet was developing a new application that may better serve LTD's needs.

In response to Ms. Smith and Ms. Bruebaker request for more information about the TriMet system, Mr. Parrott explained that TriMet staff were working with staff from the Oregon Department of Transportation (ODOT) to complete a gap analysis prior to upgrading their system. TriMet's system was envisioned to support mobile ticketing, fare card systems, open card systems, and multiple forms of payment. It did not include origin/destination information.

Discussion turned to the possibility of a fare-free transit system. Mr. Nordin advocated for it. Mr. Gillespie encouraged more Board discussion on the possibility. Ms. Jackson described some of the potential implications of a fare-free system, including public safety and demand management issues. Consensus was that discussion of a fare-free system was beyond the scope of the Budget Committee. The LTD Board would take up the discussion at a future meeting.

Before moving on to presenting the other funds, Mr. Hoskins noted that no adjustment had been made in the Capital Improvements Program (CIP). All CIP projects had been rolled forward in the proposed budget.

Accessible Services Fund — Ms. Hamm described the services provided through the Accessible Services Fund, including LTD's *RideSource* (Eugene-Springfield metro area), South Lane Wheels (Cottage Grove), Diamond Express (Oakridge), Rhody Express (Florence), and the Alternative Work Concepts program. She reviewed revenue sources, the largest being Federal Assistance, and noted revenue was relatively flat with the exception of the General Fund Transfer.

When Ms. Bruebaker asked about the sustainability of federal and state funding sources, Mr. McGlone explained that federal funding was very stable for the next five years because of the Fixing America's Surface Transportation (FAST) Act. State funding fluctuated more.

Mr. Gillespie noted that the Alternative Work Concepts program was very compatible with the Employment First Initiative recently implemented by the state for persons with developmental disabilities.

Turning to expenditures, Ms. Hamm explained that the metro-area services, including the American with Disabilities Act (ADA) *RideSource*, Transit Training and Hosts, and Special Transport, comprised the majority of the costs.

When Mr. Nordin observed that people in smaller communities did not receive comparable services, e.g., the *RideSource* Shopper, Ms. Jackson explained the need for population density in order to justify the return on investment of a rural route. Mr. Johnson added that accessible services had to mirror either a bus route or a shuttle service. Mr. Necker noted that the cost differential was substantial: the passenger cost per bus ride was \$3 as compared with the cost per paratransit ride, which was \$30.

Medicaid Fund — Ms. Hamm noted that the details were available beginning on page 44 of the proposed budget document. The Medicaid program provided transportation services to individuals who qualified for Oregon Health Plan coverage. She reviewed the revenues and expenditures.

Mr. Kortge questioned the expenditures for Program Administration, stating that it seemed high to him. Mr. Wildish estimated the Program Administration costs were 18 percent of the program budget.

Ms. Jackson explained that Program Administration included the centralized call center. Responding to a question from Ms. Bruebaker as to how the program worked, Ms. Jackson described how *RideSource* staff matched service requests to the lowest cost/best accommodation. Usually a fixed bus route was not the answer. She noted that almost half of all taxi rides in the metro area were generated by *RideSource*. Ms. Cline added that there was a lot of coordination involved, including confirmation of the medical appointment and pick-up/drop-off schedules.

Ms. Jackson noted that the Program Administration costs were billed to the CCO. Mr. McGlone added that Trillium funded approximately 300,000 rides each year. The prorated overhead cost was about 20 cents per ride.

Mr. Wildish stated his endorsement of the central dispatch approach of *RideSource*, specifically noting its efficiency.

Capital Projects Fund — Ms. Hamm detailed the Capital Projects Fund. Federal Assistance was the major source of resources. Ms. Jackson noted that it was important to keep sufficient General Fund resources to leverage state and federal programs. Ms. Hamm explained the volatility of the Capital Projects Fund. Each year showed the revenue and expenditures for entire projects, even if they took multiple years to complete. Mr. McCormack provided as an example the West Eugene EmX Extension project that was budgeted in FY 2015-16. It was now approximately 45 percent commercially complete, with an anticipated completion date of December 17, 2016. Similarly, the difference in budget and estimate for stations, shelters, and facilities reflected the encumbrance of the total amount needed at the beginning of the project--even though the expenditures had not occurred in the fiscal year.

Looking at expenditures, almost half supported the Frequent Transit Network (FTN). When Mr. Kortge asked for more information on the Frequent Transit Network, Mr. Schwetz explained that it was composed of major transit routes in the metro area. They included, but were not limited to, the EmX routes. The FTN tied transit lanes to local land use plans.

When Mr. Nordin asked why there was a difference between the FY 2015-16 budget and estimate for fixed-route vehicles, Ms. Jackson clarified that they had not yet taken delivery of the vehicles.

Ms. Jackson told the Budget Committee members that the Board had asked her to look at how to better reflect project progress and payments in the Capital Projects Fund.

Summary — Ms. Hamm summarized the General Fund Operating Budget (a 7.9 percent increase from FY 2015-16); the General Fund Non-Operating Budget (an 84.7 percent increase from the current year); the Accessible Services Fund (a 1.1 percent decrease in total budget and 3 percent decrease in General Fund transfer); the Medicaid Fund (a 26.6 percent increase from FY 2015-16); and the Capital Projects Fund (a 16.1 percent decrease from the current year).

Overall, the proposed appropriations were a net increase of 3.8 percent. Ms. Hamm explained that the savings between the budgeted and estimated expenditures in previous years, including FY 2014-15 (\$30,609,930), was reflected in the General Fund Non-operating Budget Working Capital line item. She offered that a more common term was *unappropriated ending fund balance* (UEFB). Ms. Hamm noted that the Government Finance Officers Association (GFOA) recommended that government agencies maintain a minimum of two months of operating expenditures in a reserve account. She added that the change in administration at LTD provided an opportune time for the Board to review its financial policies.

Mr. Diehl supported relabeling the line item as he thought the current title misleading.

Ms. Jackson reported that LTD was in a good position financially. She said that it would be important to strategically improve services over the next five to ten years. It also was wise to have reserves available for federal or state project match requirements.

Mr. Gillespie stated his agreement. He said that for transit districts to be competitive under the new federal transportation bill, more than a 20 percent match was needed.

Ms. Grossman also stated her support for having appropriate reserves. When she asked if the Working Capital money was earning interest, Ms. Hamm said yes; it was part of Oregon's Local Government Investment Pool.

COMMITTEE DISCUSSION – Mr. Kortge called for further discussion of the proposed budget.

APPROVAL OF BUDGET –

MOTION Mr. Diehl moved that the LTD Budget Committee approve the proposed Fiscal Year 2016-17 Budget as presented and forward it to the LTD Board of Directors for adoption. Mr. Hinds provided the second.

Mr. Kortge reiterated his previous proposal to increase the General Fund contribution to the pension funds by an additional \$1 million. Mr. Gillespie and Ms. Bruebaker supported his proposal.

Discussion turned to the best mechanism for determining how the \$1 million was to be divided between the ATU and Administration plans. Mr. Hoskins recommended that the Pension Fund Trustees was the appropriate body to determine the allocations. When Ms. Grossman asked who comprised the Committee, Mr. Hoskins explained that its six members were equally divided between ATU and Administration representatives.

AMEND Mr. Diehl offered to amend his motion to include \$1 million in additional General Fund appropriation to the pension plans, as determined by the Pension Fund Trustees. Mr. Hinds agreed to the amendment.

VOTE The amended motion was approved as follows:
 AYES: Bruebaker, Cline, Diehl, Gillespie, Grossman, Hinds, Kortge, Necker, Nordin, Smith, Wildish, Yeh (12)
 NAYS: None
 ABSTENTIONS: None
 EXCUSED: Pierce (1)

ADJOURNMENT – Mr. Kortge adjourned the meeting at 8:55 p.m.

Budget Committee Secretary

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BOARD BUDGET COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: September 6, 2016

ITEM TITLE: FISCAL YEAR 2016-2017 SUPPLEMENTAL BUDGET OVERVIEW

PREPARED BY: Aurora Jackson, General Manager

ACTION REQUESTED: None; informational only.

BACKGROUND:

On May 18, 2016, the LTD Board Budget Committee recommended forwarding the Proposed Fiscal Year 2016-2017 Budget to the Lane Transit District Board of Directors with an amendment to increase the pension contribution by \$1 million. On June 15, 2016, the Board adopted the budget as recommended by the Budget Committee. At both meetings, staff indicated that there would be a need to amend the Proposed Budget in order to incorporate changes that were not available at the time the Proposed FY 2016-2017 Budget was presented. Staff, with the assistance of financial consultants with expertise in public and federal funding, developed the proposed FY 2016-2017 Supplemental Budget that contains the following changes:

- Fund Balance/Reserves are presented in accordance with the newly adopted Fund Balance and Budgetary Reserve policy
- Proposed changes to LTD Organizational Chart
- Proposed changes to Transit Public Safety Services

Fund Balance and Budgetary Reserve Policy:

The LTD Board adopted a new Fund Balance and Budgetary Reserve Policy on August 17, 2016. This policy has been periodically reviewed and updated throughout the years with the last revision adopted on April 19, 2000.

The updated policy incorporates Government Finance Officers Association best practices and is in compliance with Oregon Budget Law requirements. The policy changes the amount of Fund Balance (working capital) retained in the General Fund to an amount that is estimated to be no less than two (2) months and no more than three (3) months of operating expenditures. This translates to maintaining a Fund Balance between 16.7 percent and 25 percent of operating expenditures, which reflects best practices thresholds for public entities. Previously, the policy's requirement was to maintain a fund balance between 7 percent and 13 percent of operating expenditures equating to less than one (1) month to one and a half (1½) months of operating expenditures. These percentages reflect inclusion of reserves.

The updated policy also changes the budgetary practice from appropriating ending Fund Balance in a reserve to leaving ending fund balance unappropriated. Adoption of the new policy provides staff with information to better estimate the amounts available for capital investment. The proposed Supplemental Budget transfers additional funding to the Capital Projects Fund.

Organizational Chart

The proposed change to LTD's Organizational Chart reflects changes to non-represented employees, with the exception of one change that adds an additional customer service representative to the Customer Services Division. The bulk of the change involves redistributing divisions from reporting to three (3) directors to reporting to two (2) assistant general managers. The assistant general managers' responsibilities either fall under administrative/support services or transportation/service delivery. Additional changes include reclassifications and addition of staff necessary to maintain tight financial control, strong project management, and coordinated communication channels.

The proposed organizational changes are estimated at more than \$900,000 if executed as budgeted. The actual impact to the budget will be significantly less and is based on LTD's ability to recruit and hire the proposed positions during the fiscal year. An important factor to consider is that the proposed organizational changes are purposely aimed to transition LTD to adopt modern business principles and incorporate technology that will reduce labor costs and create a sustainable financial structure.

Transit Public Safety Services

The FY 2016-2017 Adopted Budget allocates \$834,600 to cover the projected costs of the security contract. These costs have seen a steady increase over the past three years. In order to develop a plan for stabilizing security costs and to improve LTD's oversight over the program, it is proposed that LTD take over the direct operation of these services. The benefits to the program will include: reduced staff turnover, improved training opportunities and enhanced coordination with local law enforcement. It is anticipated that these changes will result in sustainable costs and improved public safety.

The existing security services contract expires at the end of the calendar year. If approved, LTD staff will develop a transition plan to implement direct operation of security services. This may include continuing the existing contract on a month to month basis. There is no additional funding being requested for this change as the adopted budget will cover all anticipated costs.

ATTACHMENTS: None

PROPOSED MOTION: None

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BOARD BUDGET COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: September 6, 2016

ITEM TITLE: FISCAL YEAR 2017-2026 CAPITAL IMPROVEMENTS PROGRAM

PREPARED BY: Aurora Jackson, General Manager

ACTION REQUESTED: None; informational only.

BACKGROUND:

The Draft Fiscal Year 2017-2026 Capital Improvement Program (CIP) was posted on the LTD website for public comment on August 15, 2016, along with the legal notice being published in *The Register-Guard*. The public comment period will remain open until 5:00 p.m. on September 16, 2016. A public hearing will be held at 5:30 p.m. on September 21, 2016, during the LTD Board of Directors regular meeting and before the Board considers adoption of the Draft FY 2017-2026 CIP. Comments received during the open comment period, as well as the Budget Committee recommendations, will be provided to the Board for consideration.

The Draft FY 2017-2026 Capital Improvements Program is a 10-year framework that provides direction and guidance for LTD to satisfy regional transportation demands through capital investments. It includes those projects that are currently in the capital budget and in various stages of planning, design, and construction. In addition, the CIP includes projects that have been identified through various planning efforts but do not currently have complete funding identified. Projects may be changed or eliminated due to changes in priority or funding. The CIP is updated and adopted annually by the LTD Board of Directors.

ATTACHMENT: Proposed FY 2017-26 Capital Improvements Program

PROPOSED MOTION: None.

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Capital Improvements Program FY2017: MASTER LIST OF ALL PROJECTS

Community Investment Projects	Funding Tier*	Estimate	Future Year Projections						Ten-Year Total
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY 2023-2027	
Frequent Transit Network		\$ 44,085,000	\$ 11,100,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 57,185,000
Franklin Boulevard Phase 1 Transit Stations	I	200,000							200,000
Main-McVay Transit Study	I	325,000							325,000
Moving Ahead	I	2,000,000							2,000,000
West Eugene EmX Extension	I	35,365,000	5,000,000						40,365,000
EmX Vehicle Docking Station	III			2,000,000					2,000,000
Willow Creek Station	I	2,000,000							2,000,000
Santa Clara/River Road Station	I	3,900,000	6,100,000						10,000,000
Bus Lane Improvements	I	295,000							295,000
Fleet		100,270	-	-	-	-	-	-	100,270
Florence/Yachats Pilot Program Vehicle		100,270							100,270
Facilities		4,726,854	1,030,000	2,030,000	4,030,000	2,030,000	1,030,000	1,150,000	16,026,854
Glenwood Facility Improvements	I	150,000	1,000,000	2,000,000	1,000,000	2,000,000	1,000,000	1,000,000	8,150,000
City of Eugene Pedestrian Bridge	I	1,472,854							1,472,854
Bus Shelters	I		30,000	30,000	30,000	30,000	30,000	150,000	300,000
RideSource Facility Improvements	II				3,000,000				3,000,000
Bus Parking Lot Improvements - Glenwood	I	3,064,000							3,064,000
Miscellaneous Improvements	I	40,000							40,000
Technology Infrastructure & System		950,500	5,667,000	125,000	100,000	100,000	100,000	-	7,042,500
Hardware & Software Improvements	I	375,500	2,167,000						2,542,500
Fare Management System	I	-	3,500,000	125,000	100,000	100,000	100,000		3,925,000
RideSource Call Center & Software Replacement	I	575,000							575,000
Other		155,000	-	-	-	-	-	-	155,000
Miscellaneous Improvements	I	155,000							155,000
Funding Total		\$ 50,017,624	\$ 17,797,000	\$ 4,155,000	\$ 4,130,000	\$ 2,130,000	\$ 1,130,000	\$ 1,150,000	\$ 80,509,624

*Funding Tiers:

- Tier I: Full funding identified
- Tier II: Projects contingent upon adequate available resources. The availability of these resources could impact the ability to move to Tier II projects forward.
- Tier III: Projects where a need exists but where no revenue source is currently identified. Should revenue sources be identified through federal, state, and local processes, these could move up to Tier I or Tier II.



State of Good Repair	Funding Tier*	Estimate	Future Year Projections						Ten-Year Total
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY 2023-2027	
Fleet		\$ 8,579,207	\$ 16,803,050	\$ 2,094,000	\$ 17,020,000	\$ 11,612,132	\$ 12,027,841	\$ 49,075,000	\$ 117,211,230
Accessible Services Vehicles	I	100,207	750,000	425,000	780,000	525,000	750,000	3,750,000	7,080,207
Miscellaneous Equipment	I	125,000	300,000						425,000
Revenue Vehicle Replacement 2017	I	7,400,000							7,400,000
Revenue Vehicle Replacement 2018	III		15,633,050						15,633,050
Revenue Vehicle Replacement 2019	III			1,576,000					1,576,000
Revenue Vehicle Replacement 2020	III				16,135,000				16,135,000
Revenue Vehicle Replacement 2021	III					11,012,132			11,012,132
Revenue Vehicle Replacement 2022	III						11,202,841	45,100,000	56,302,841
Shop Equipment	III	250,000	45,000	18,000					313,000
Support Vehicles	I	250,000	75,000	75,000	105,000	75,000	75,000	225,000	880,000
Vehicle Parts Replacements	I	137,000							137,000
Replacement of Bus Wheelchair Ramps	I	317,000							317,000
Facilities		723,000	-	-	-	-	-	-	723,000
Eugene Station	I	50,000							50,000
Administration Building	I	200,000							200,000
Fleet Building	I	415,000							415,000
RideSource Facility Improvements	I	50,000							50,000
Miscellaneous Equipment	I	8,000							8,000
Technology Infrastructure & System		2,865,900	875,685	1,035,375	1,006,960	1,102,000	1,147,000	5,735,000	13,767,920
Communications & Network Infrastructure	I	802,500	77,700						880,200
Computer Hardware	I		35,000	165,000	200,000	105,000	105,000	525,000	1,135,000
Computer Software	I	688,000	357,000	314,500	387,000	387,000	387,000	1,935,000	4,455,500
Computer Workstations & Peripherals	I		50,000	50,000	50,000	50,000	50,000	250,000	500,000
Copier/Printers/Scanners	II			25,000					25,000
Automated Vehicle Locator System	I	1,375,400							1,375,400
ITS Upgrades	II		355,985	480,875	369,960	560,000	605,000	3,025,000	5,396,820
Safety & Security		420,041	534,066	645,335	1,155,023	1,181,269	687,210	1,679,220	6,302,164
Bus Security Systems SGR/Upgrades	I	101,600	101,600	101,600	101,600	101,600	101,600	508,000	1,117,600
Security Systems SGR/Upgrades	I	318,441	317,466	100,000	585,610	585,610	585,610	1,171,220	3,663,957
Security Systems SGR/Upgrades	II	-		443,735	467,813	494,059			1,405,607
Target Hardening - Perimeter Fencing	II	-	115,000						115,000
Other		-	-	-	-	-	-	-	-
Funding Total		\$ 12,588,148	\$ 18,212,801	\$ 3,774,710	\$ 19,181,983	\$ 13,895,401	\$ 13,862,051	\$ 56,489,220	\$ 138,004,314

*Funding Tiers:
 Tier I: Full funding identified
 Tier II: Projects contingent upon adequate available resources. The availability of these resources could impact the ability to move to Tier II projects forward.
 Tier III: Projects where a need exists but where no revenue source is currently identified. Should revenue sources be identified through federal, state, and local processes, these could move up to Tier I or Tier II.

BOARD BUDGET COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: September 6, 2016

ITEM TITLE: LONG-RANGE FINANCIAL PLANNING

PREPARED BY: Aurora Jackson, General Manager

ACTION REQUESTED: None; informational only.

BACKGROUND:

Lane Transit District annually prepares its ten-year, Long-Range Financial Plan (LRFP), which becomes a resource in the development of the District's annual budget. Preparation for this document normally begins in March of each year. Due to extenuating circumstances, the Plan was not revised on schedule this past spring.

Given LTD's internal organizational restructuring, vacancies in the Finance Division, the recent updating of the draft Capital Improvement Program, and internal policy changes, the LRFP will next be updated in March 2017.

ATTACHMENTS: None.

PROPOSED MOTION: None.

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BOARD BUDGET COMMITTEE AGENDA ITEM SUMMARY

DATE OF MEETING: September 6, 2016

ITEM TITLE: APPROVAL OF FISCAL YEAR 2016-2017 SUPPLEMENTAL BUDGET

PREPARED BY: Cindi Hamm, CPA, Finance Department

ACTION REQUESTED: Approve amending the Fiscal Year 2016-2017 Adopted Budget for the General Fund, Accessible Services Fund, and Capital Projects Fund as described below and forwarding to the LTD Board of Directors for approval.

BACKGROUND:

The Fiscal Year 2016-2017 Adopted Budget is proposed to be adjusted for the following reasons:

General Fund

Resources - General Fund revenue is decreased by \$4.2 million of federal 5307 grant funding that has been used to augment preventive maintenance expense in the General Fund since the recession that began in late 2007. Previous to the recession, 5307 funding was fully used for capital investment. Due to the improved economy, General Fund revenue has increased sufficiently for 5307 funding to again be utilized for capital investment. Self-Employment Tax and State-in-Lieu revenues have been increased for FY 2016-17 to reflect higher than anticipated receipts during FY 2015-16. Total estimates for payroll related tax revenue for FY 2016-17 remain conservative.

Requirements – There are several actions affecting General Fund expenditures: 1) restructuring internal departments, including the addition of key positions; 2) creating an in-house Public Safety Services department rather than contracting for this service; 3) adding a budget for contractual services for the period before the vacant chief financial officer and controller positions in Finance are filled; 4) moving some budgeted funds for travel and training to the Human Resources and Executive divisions to enhance control and record keeping over training; and 5) correcting minor errors in the Adopted Budget.

Additionally, this Supplemental Budget incorporates adjustments to comply with the Fund Balance and Budgetary Reserve Policy approved by the Board on August 17, 2016. Ending working capital (or unrestricted fund balance) is budgeted equal to two months of operating expenditures and is not appropriated. This is a change from the prior policy of appropriating all ending working capital/ fund balance as a reserve. The remaining portion of working capital is budgeted for transfer to the Capital Projects Fund.

Accessible Services Fund

Resources – Federal and State Grant revenue are increased for Oregon Department of Transportation Agreement No. 31386, which funds 100 percent of three pilot programs in the Accessible Services Fund and provides match for federal funding for the purchase of a vehicle.

Requirements – Appropriations are increased for the three pilot programs that: 1) increase public transportation service for seniors and individuals with disabilities between Florence and Yachats, Oregon; 2) re-initiates a half-fare program with revised eligibility requirements and adds a customer service animal eligibility program through the Accessible Transportation Eligibility Pilot Program; and 3) maintains a regional volunteer driving pool.

Medicaid Fund

There are no adjustments to this fund.

Capital Projects Fund

Resources – Federal 5307 formula funding is anticipated for the Willow Creek Station, the West Eugene EmX Extension, purchase of 40-foot buses, the bus parking lot and Facilities office expansion project, security upgrades, and other small projects. A federal 5309 grant also will be used to fund the West Eugene EmX Extension. The Moving Ahead project will use a Surface Transportation Improvement Program Enhance grant. From the State, lottery funding is programmed for the West Eugene EmX Extension and *ConnectOregon* funding is anticipated for the Santa Clara/River Road Station and will fund the City of Eugene Pedestrian Bridge project.

Requirements – The FY 2016-17 amended Capital Projects budget includes appropriations for the ongoing West Eugene EmX Extension and for new projects, including the Santa Clara/River Road and Willow Creek stations, the Moving Ahead project, and various other improvements to the frequent transit network. Additionally, it funds 40-foot buses and Accessible Services vehicles; security improvements; various station, shelter, and facilities improvements, including expanding the bus parking lot, adding electric charging stations, and improving the fuel dispensing and bus interior cleaning systems. Appropriations also are included for an automated vehicle locator system and for computers, communications, and shop and other equipment.

ATTACHMENTS:

Proposed FY 2016-17 Supplemental Budget Summary by Fund and Department:

- 1) General Fund
- 2) Department Summary
- 3) Accessible Services Fund
- 4) Medicaid Fund
- 5) Capital Projects Fund

PROPOSED MOTION:

Be it resolved that the Lane Transit District Budget Committee approve the LTD Fiscal Year 2016-2017 Supplemental Budget as **presented** [as **amended**] and forward it to the LTD Board of Directors for adoption.

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**Lane Transit District
General Fund
Fiscal Year 2016-2017**

Resources	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2016-17 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
Beginning Working Capital	\$17,908,200	\$22,537,340	\$32,084,900	(\$1,244,904)	\$30,839,996
Operating Revenues					
Cash Fares & Passes	4,714,500	4,453,264	4,684,037		4,684,037
Group Passes	2,550,000	2,522,038	2,640,000		2,640,000
Advertising	437,000	443,887	445,000		445,000
Special Services	152,000	142,023	145,000		145,000
	\$7,853,500	\$7,561,212	\$7,914,037	\$0	\$7,914,037
Nonoperating Revenues					
Payroll Taxes	30,100,200	36,000,000	36,257,400		36,257,400
Self-employment Taxes	1,680,000	1,800,000	1,812,870	200,000	2,012,870
State-in-Lieu	200,000	340,172	350,000	62,000	412,000
Federal Assistance	5,050,000	5,437,966	5,050,000	(4,200,000)	850,000
State Assistance	0	0	0		0
Local Assistance	15,000	16,500	15,000		15,000
Miscellaneous	253,400	264,591	296,400		296,400
Interest	48,000	65,255	65,000		65,000
	\$37,346,600	\$43,924,484	\$43,846,670	(\$3,938,000)	\$39,908,670
Total Resources	\$63,108,300	\$74,023,036	\$83,845,607	(\$5,182,904)	\$78,662,703

Requirements	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2016-17 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
Operating Requirements					
Personnel Services	31,626,600	28,002,957	35,893,193	82,759	35,975,952
Materials & Services	9,848,200	8,318,788	9,995,675	67,114	10,062,789
Insurance & Risk Services	1,108,300	955,100	1,053,718	10,800	1,064,518
	\$42,583,100	\$37,276,845	\$46,942,586	\$160,673	\$47,103,259
Transfers					
Transfer to Accessible Services Fund	2,586,900	1,733,596	2,508,791		2,508,791
Transfer to Medicaid Fund	195,000	1,260,127	275,000		275,000
Transfer to Capital Projects Fund	1,667,600	1,667,600	2,509,300	15,978,623	18,487,923
	\$4,449,500	\$4,661,323	\$5,293,091	\$15,978,623	\$21,271,714
Reserves					
Operating Contingency	1,000,000		1,000,000		1,000,000
Self-Insurance, Risk, and HRA Liability	1,000,000		1,000,000		1,000,000
Working Capital	14,075,700		29,609,930	(29,609,930)	0
	\$16,075,700	\$0	\$31,609,930	(\$29,609,930)	\$2,000,000
Total Requirements	\$63,108,300	\$41,938,168	\$83,845,607	(\$13,470,634)	\$70,374,973
Unappropriated Ending Working Capital				\$8,287,730	\$8,287,730
Requirements and Working Capital	\$63,108,300	\$41,938,168	\$83,845,607	(\$5,182,904)	\$78,662,703

Total FTE	322.52	322.52	342.52	19.75	362.27
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Percentage Change Analysis	FY 2015-16 Estimate compared with FY 2014-15 Actual	FY 2016-17 Adopted compared with FY 2015-16 Budget	FY 2016-17 Amended compared with FY 2015-16 Budget
Total Resources	15.0%	32.9%	24.6%
Total Operating Revenues	-4.2%	0.8%	0.8%
Total Nonoperating Revenues	13.8%	17.4%	6.9%
Total Requirements	0.2%	32.9%	11.5%
Total Operating Requirements	0.8%	10.2%	10.6%
Total Transfers	-3.6%	19.0%	378.1%
Total Reserves		96.6%	-87.6%



**Lane Transit District
Department Summary
Fiscal Year 2016-2017**

Department Budget	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2016-17 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
EXECUTIVE OFFICE					
Executive Office					
Personnel Services	556,000	524,579	527,970	231,677	759,647
Materials & Services	175,100	154,080	200,015	6,525	206,540
	\$731,100	\$678,659	\$727,985	\$238,202	\$966,187
Public Affairs					
Personnel Services	124,600	103,643	126,200	293,680	419,880
Materials & Services	147,500	132,380	188,750	8,600	197,350
	\$272,100	\$236,023	\$314,950	\$302,280	\$617,230
Internal Audit					
Personnel Services	129,700	106,093	128,900	0	128,900
Materials & Services	9,700	4,630	10,700	(1,500)	9,200
	\$139,400	\$110,723	\$139,600	(\$1,500)	\$138,100
ADMINISTRATIVE SERVICES					
Human Resources					
Personnel Services	736,000	653,750	805,042	(56,834)	748,208
Materials & Services	328,000	279,000	358,500	83,000	441,500
	\$1,064,000	\$932,750	\$1,163,542	\$26,166	\$1,189,708
Finance					
Personnel Services	954,000	846,900	1,043,950	25,542	1,069,492
Materials & Services	233,700	251,460	293,800	431,000	724,800
	\$1,187,700	\$1,098,360	\$1,337,750	\$456,542	\$1,794,292
Information Technology					
Personnel Services	598,300	437,150	551,523	(42,608)	508,915
Materials & Services	468,200	409,800	580,100	(6,800)	573,300
	\$1,066,500	\$846,950	\$1,131,623	(\$49,408)	\$1,082,215
Insurance & Risk Services					
Materials & Services	9,000	8,000	10,800	5,400	16,200
Insurance & Risk Services	1,108,300	955,100	1,053,718	5,400	1,059,118
	\$1,117,300	\$963,100	\$1,064,518	\$10,800	\$1,075,318
CUSTOMER SERVICES & PLANNING					
Customer Services					
Personnel Services	644,200	553,300	662,462	107,870	770,332
Materials & Services	42,800	17,048	31,270	(4,000)	27,270
	\$687,000	\$570,348	\$693,732	\$103,870	\$797,602
Accessible Services					
Personnel Services	93,900	140,430	136,827	(15,599)	121,228
Materials & Services	0	0	0	(2,000)	(2,000)
	\$93,900	\$140,430	\$136,827	(\$17,599)	\$119,228
Marketing					
Personnel Services	661,800	569,540	584,747	13,198	597,945
Materials & Services	592,800	527,300	592,800	25,000	617,800
	\$1,254,600	\$1,096,840	\$1,177,547	\$38,198	\$1,215,745
Planning & Development					
Personnel Services	269,700	307,350	335,671	42,315	377,986
Materials & Services	57,400	54,700	178,900	(5,800)	173,100
	\$327,100	\$362,050	\$514,571	\$36,515	\$551,086
Service Planning					
Personnel Services	527,900	450,050	556,676	(32,536)	524,140
Materials & Services	114,500	124,600	96,800	(200)	96,600
	\$642,400	\$574,650	\$653,476	(\$32,736)	\$620,740
Point2point					
Personnel Services	512,400	449,300	567,725	(9,953)	557,772
Materials & Services	662,500	439,100	455,550	(4,125)	451,425
	\$1,174,900	\$888,400	\$1,023,275	(\$14,078)	\$1,009,197
Facilities Management					
Personnel Services	988,300	905,746	1,166,590	(289)	1,166,301
Materials & Services	1,367,400	1,464,700	1,531,600	75,000	1,606,600
	\$2,355,700	\$2,370,446	\$2,698,190	\$74,711	\$2,772,901



**Lane Transit District
Department Summary
Fiscal Year 2016-2017**

Department Budget	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2016-17 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
OPERATIONS & CUSTOMER SATISFACTION					
Transit Operations					
Personnel Services	19,830,000	17,278,900	23,156,108	(1,077,511)	22,078,597
Materials & Services	865,600	870,600	1,069,250	(859,800)	209,450
	\$20,695,600	\$18,149,500	\$24,225,358	(\$1,937,311)	\$22,288,047
Maintenance					
Personnel Services	4,576,700	4,181,400	4,977,579	(54,873)	4,922,706
Materials & Services	4,430,200	3,255,400	4,013,650	59,290	4,072,940
	\$9,006,900	\$7,436,800	\$8,991,229	\$4,417	\$8,995,646
Transit Training					
Personnel Services	219,800	267,176	239,924	(11,283)	228,641
Materials & Services	41,400	37,750	27,550	(6,500)	21,050
	\$261,200	\$304,926	\$267,474	(\$17,783)	\$249,691
Intelligent Transportation Systems					
Personnel Services	203,300	227,650	325,299	(15,409)	309,890
Materials & Services	302,400	288,240	355,640	(1,300)	354,340
	\$505,700	\$515,890	\$680,939	(\$16,709)	\$664,230
Public Safety Services					
Personnel Services				685,372	685,372
Materials & Services				270,724	270,724
	\$0	\$0	\$0	\$956,096	\$956,096
Total	\$42,583,100	\$37,276,845	\$46,942,586	\$160,673	\$47,103,259

Summary by Type	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2016-17 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
Personnel Services	31,626,600	28,002,957	35,893,193	82,759	35,975,952
Materials & Services	9,848,200	8,318,788	9,995,675	67,114	10,062,789
Insurance & Risk Services	1,108,300	955,100	1,053,718	10,800	1,064,518
Total	\$42,583,100	\$37,276,845	\$46,942,586	160,673	47,103,259

Personnel Profile	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2015-16 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
Executive Office	4.00	4.00	4.00	1.00	5.00
Public Affairs	1.00	1.00	1.00	3.00	4.00
Internal Audit	1.00	1.00	1.00	0.00	1.00
Human Resources	6.40	6.40	6.40	(0.40)	6.00
Finance	9.10	9.10	9.00	0.70	9.70
Information Technology	5.30	5.30	5.40	(0.30)	5.10
Customer Services	6.60	6.60	6.60	1.90	8.50
Accessible Services	2.60	2.60	2.60	(0.10)	2.50
Marketing	8.30	8.30	7.30	0.20	7.50
Planning & Development	5.64	5.64	5.94	0.90	6.84
Service Planning	3.70	3.70	3.70	(0.20)	3.50
Point2point	4.78	4.78	4.48	(0.10)	4.38
Facilities Management	10.10	10.10	11.10	(0.10)	11.00
Transit Operations	206.40	206.40	226.40	(0.40)	226.00
Maintenance	44.40	44.40	44.40	(0.40)	44.00
Transit Training	1.10	1.10	1.10	(0.10)	1.00
Intelligent Transportation Services	2.10	2.10	2.10	(0.10)	2.00
Public Safety Services				14.25	14.25
Total Full Time Equivalent (FTE)	322.52	322.52	342.52	19.75	362.27



**Lane Transit District
Accessible Services Fund
Fiscal Year 2016-2017**

Resources	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2016-17 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
Beginning Working Capital	\$215,200	\$212,330	\$212,200		\$212,200
Operating Revenues					
Passenger Fares	362,200	337,246	348,500		348,500
Federal Assistance	2,697,400	2,660,461	2,672,167	2,000	2,674,167
State Assistance	1,076,300	1,035,446	1,119,029	197,300	1,316,329
Local Assistance	123,200	123,400	123,408		123,408
Miscellaneous	0	50	0		0
	\$4,259,100	\$4,156,603	\$4,263,104	\$199,300	\$4,462,404
Other Sources					
Transfer from General Fund	2,586,900	1,733,596	2,508,791		2,508,791
	\$2,586,900	\$1,733,596	\$2,508,791	\$0	\$2,508,791
Total Resources	\$7,061,200	\$6,102,529	\$6,984,095	\$199,300	\$7,183,395

Requirements	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2016-17 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
Operating Requirements					
Eugene/Springfield Services					
ADA RideSource	5,823,800	4,949,645	5,819,400		5,819,400
Transit Training and Hosts	144,400	114,030	149,695		149,695
Special Transport	99,900	117,872	100,500		100,500
	\$6,068,100	\$5,181,547	\$6,069,595	\$0	\$6,069,595
Rural Lane County Services					
South Lane	124,900	128,104	126,200		126,200
Florence	193,800	186,265	199,600	75,000	274,600
Oakridge	243,800	209,587	233,100		233,100
	\$562,500	\$523,956	\$558,900	\$75,000	\$633,900
Other Services					
Mobility Management	175,000	117,407	150,000		150,000
Crucial Connections	5,300	2,805	5,300		5,300
Volunteer Coordination Pilot				37,800	37,800
EZ Access Pilot				86,500	86,500
Veterans Transportation	20,300	8,081	10,300		10,300
Lane County Coordination	100,000	56,525	60,000		60,000
	\$300,600	\$184,818	\$225,600	\$124,300	\$349,900
Total Operating Requirements	\$6,931,200	\$5,890,321	\$6,854,095	\$199,300	\$7,053,395
Transfer to Capital Fund	\$0	\$0	\$0	\$0	\$0
Contingency	\$130,000	\$0	\$130,000	\$0	\$130,000
Total Requirements	\$7,061,200	\$5,890,321	\$6,984,095	\$199,300	\$7,183,395

Percentage Change Analysis	FY 2015-16 Estimate compared with FY 2014- 15 Actual	FY 2016-17 Adopted compared with FY 2015- 16 Budget		FY 2016-17 Amended compared with FY 2015-16 Budget
Total Resources	0.2%	-1.1%		1.7%
Transfer from General Fund	42.7%	-3.0%		-3.0%
Total Requirements	0.2%	-1.1%		1.7%



**Lane Transit District
Medicaid Fund
Fiscal Year 2016-2017**

Resources	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2016-17 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
Beginning Working Capital	\$134,200	\$178,690	\$180,700	\$0	\$180,700
Operating Revenues					
Medicaid Nonemergency Medical Transport	8,578,000	9,150,700	11,175,754		11,175,754
Medicaid Waivered Transportation	638,600	430,987	454,593		454,593
State Assistance					
Interest					
	\$9,216,600	\$9,581,687	\$11,630,347	\$0	\$11,630,347
Other Sources					
Transfer from General Fund	195,000	1,260,127	275,000		275,000
	\$195,000	\$1,260,127	\$275,000	\$0	\$275,000
Total Resources	\$9,545,800	\$11,020,504	\$12,086,047	\$0	\$12,086,047

Requirements	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2016-17 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
Operating Requirements					
Medicaid Medical Services					
Services	7,197,500	8,302,300	9,247,600		9,247,600
Mobility Management	123,300	63,100	66,300		66,300
Program Administration	1,257,200	1,581,400	1,660,400		1,660,400
	\$8,578,000	\$9,946,800	\$10,974,300	\$0	\$10,974,300
Medicaid Non-Medical (Waivered) Services					
Services	608,600	619,089	690,000		690,000
Mobility Management	38,600	53,303	56,000		56,000
Program Administration	4,200	3,393	4,400		4,400
Grant Program Match Requirements	182,200	217,174	230,000		230,000
	\$833,600	\$892,959	\$980,400	\$0	\$980,400
Contingency	\$134,200	\$0	\$131,347		\$131,347
Total Requirements	\$9,545,800	\$10,839,759	\$12,086,047	\$0	\$12,086,047

Percentage Change Analysis	FY 2015-16 Estimate compared with FY 2014- 15 Actual	FY 2016-17 Adopted compared with FY 2015- 16 Budget		FY 2016-17 Amended compared with FY 2015- 16 Budget
Total Resources	23.6%	26.6%		26.6%
Total Requirements	24.1%	26.6%		26.6%



**Lane Transit District
Capital Projects Fund
Fiscal Year 2016-2017**

Resources	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2016-17 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
Beginning Working Capital	\$5,356,800	\$1,794,230	\$13,410,600	(\$13,410,600)	\$0
Grants					
Federal Assistance	78,379,700	36,210,849	58,990,035	(22,426,750)	36,563,285
State Assistance	15,483,000	15,312,915	9,177,473	1,455,382	10,632,855
Local Assistance	0	0	515,000	(515,000)	
	\$93,862,700	\$51,523,764	\$68,682,508	(\$21,486,368)	\$47,196,140
Other Sources					
Transfer from General Fund	1,667,600	1,667,600	2,509,300	15,978,623	18,487,923
Transfer from Accessible Services Fund	0	0	0		
	\$1,667,600	\$1,667,600	\$2,509,300	\$15,978,623	\$18,487,923
Total Resources	\$100,887,100	\$54,985,594	\$84,602,408	(\$18,918,345)	\$65,684,063

Requirements	FY 2015-16 Budget	FY 2015-16 Estimate	FY 2016-17 Adopted	FY 16-17 Supplemental (1) Change	FY 2016-17 Amended
Capital Outlay					
Frequent Transit Network					
West Eugene EmX Extension	72,740,000	36,641,368	40,744,200	(5,379,200)	35,365,000
Gateway EmX Extension		250	12,000	(12,000)	
Main Street-McVay Transportation Study	1,850,000	152,413	590,000	(265,000)	325,000
Santa Clara/River Road Station				3,900,000	3,900,000
Baldy View Bus Only Lane				70,000	70,000
18th & Oak Patch Traffic Signal				225,000	225,000
Franklin Boulevard Phase 1 Transit Stations				200,000	200,000
Willow Creek Station				2,000,000	2,000,000
Moving Ahead		950,561	1,590,545	409,455	2,000,000
	\$74,590,000	\$37,744,592	\$42,936,745	\$1,148,255	\$44,085,000
Other Projects					
Revenue Vehicles - Fixed Route	6,930,000	16,380	9,995,866	(2,141,866)	7,854,000
Revenue Vehicles - Accessible Services	0	880,628	875,000	(674,523)	200,477
Support Vehicles	100,000	143,025	250,000	0	250,000
Stations, Shelters & Facilities	2,421,800	815,304	3,980,304	1,894,991	5,875,295
Computer Hardware & Software	5,145,600	593,887	1,573,500	65,000	1,638,500
Intelligent Transportation Systems	698,000	165,890	3,531,300	(2,155,900)	1,375,400
Transit Security Projects	715,000	1,000,000	816,600	(715,000)	101,600
Communications Equipment	439,700	197,991	199,500	603,000	802,500
Shop Equipment	75,000	17,302	64,000	186,000	250,000
Miscellaneous Equipment	816,600		120,000	53,000	173,000
	\$17,341,700	\$3,830,407	\$21,406,070	(\$2,885,298)	\$18,520,772
Total Capital Outlay	\$91,931,700	\$41,574,999	\$64,342,815	(\$1,737,043)	\$62,605,772
Reserve for Future Capital	\$8,955,400	\$0	\$20,259,593	(\$17,181,302)	\$3,078,291
Total Requirements	\$100,887,100	\$41,574,999	\$84,602,408	(\$18,918,345)	\$65,684,063

BUDGET COMMITTEE PRESENTATION

September 6, 2016



AGENDA

General Fund

Adjustments, Reorganization, Public Safety,
Fund Balance Policy

Accessible
Services Fund

New Grant

Capital
Projects Fund

Projects

Next Steps

Three- and Ten-Year Implementation Plan

Questions,
Comments, &
Recommendations

Motion



General Fund Adjustments

- 5307 Preventative Maintenance
 - From General Fund
 - To Capital Projects Fund
- Increased Self-Employment and State-in-Lieu-of Tax Revenue
- Additional Appropriations for Contractual Services

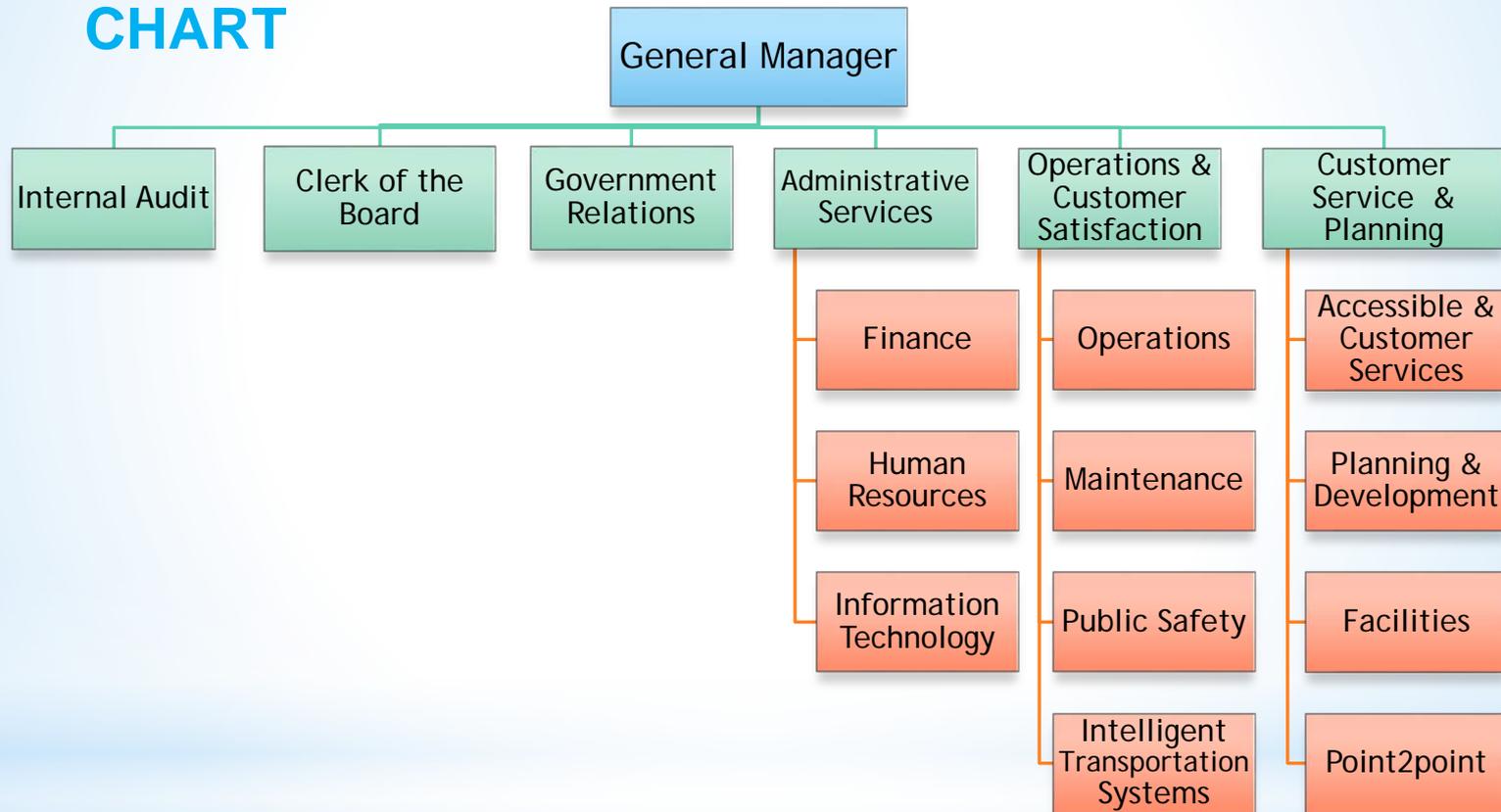
General Fund Adjustments

- Adjusted Pension Contributions for Salaried Plan
- Adjusted Maintenance Supplies
- Moved Training Budget
- Added Vacancy Factor
- Corrected Budget Report Error

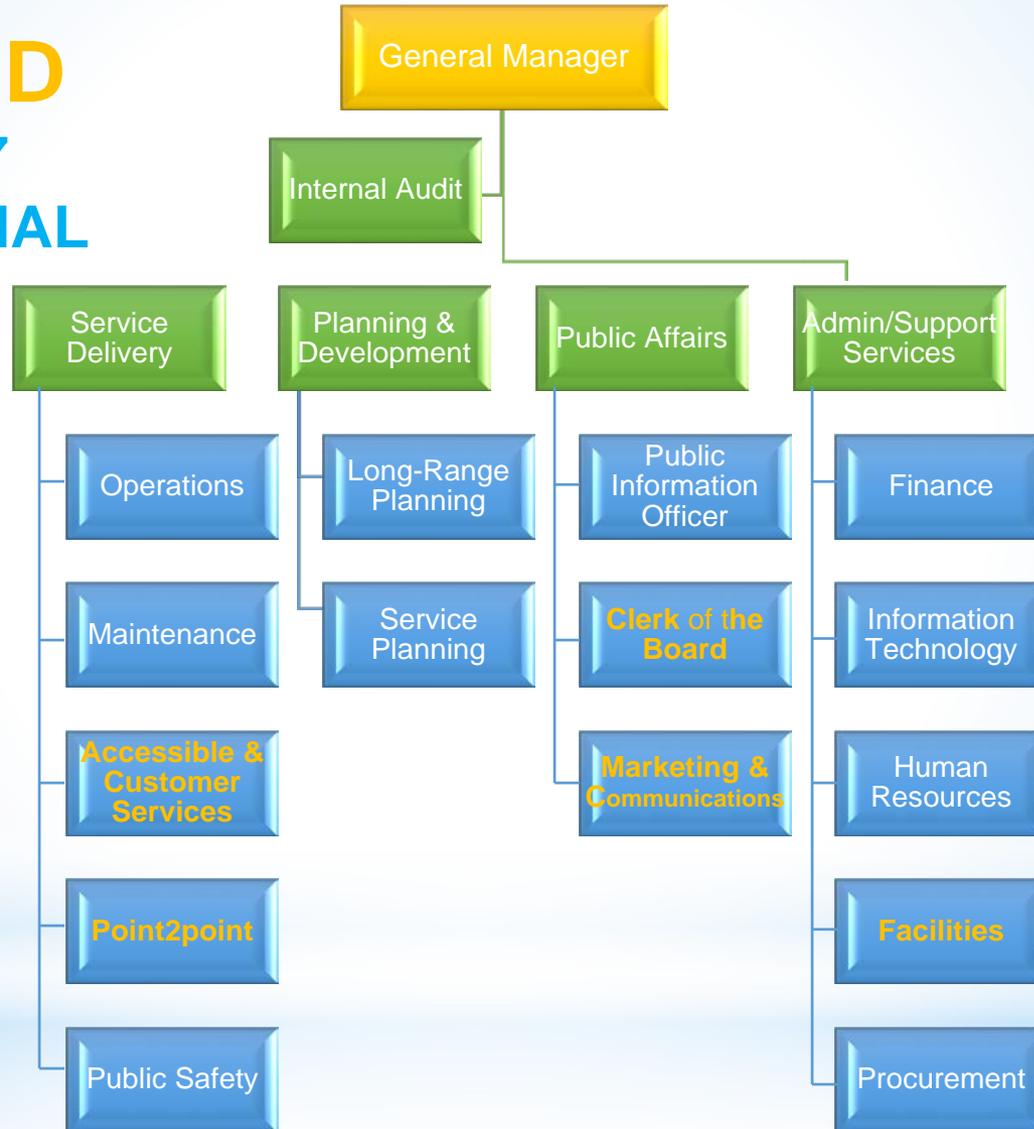
Reorganization

- ❑ Administrative level - only 1 represented employee
- ❑ Redistribution of staff reporting to directors
- ❑ Reclassification of positions
- ❑ Adopt efficiencies and modern business principles

FY 2015-2016 ORGANIZATIONAL CHART



PROPOSED FY 2016-2017 ORGANIZATIONAL CHART



PROPOSED FY 2016-2017 ORGANIZATIONAL CHART

AGM
SERVICE
DELIVERY

OPERATIONS

MAINTENANCE

PUBLIC
SAFETY

ACCESSIBLE &
CUSTOMER
SERVICES

POINT2POINT

OPS/MAINT
TRAINING

NOTABLE CHANGES

- Director of Operations
- Operations Supervisor
- Customer Service Representative
- Public Safety



PROPOSED FY 2016-2017 ORGANIZATIONAL CHART

AGM
ADMINISTRATIVE SERVICES

FINANCE

HUMAN
RESOURCES

INFORMATION
TECHNOLOGY

FACILITIES

PROCUREMENT

COMPLIANCE

NOTABLE CHANGES

- Financial Analyst
- Compliance



PROPOSED

FY 2016-2017 ORGANIZATIONAL CHART



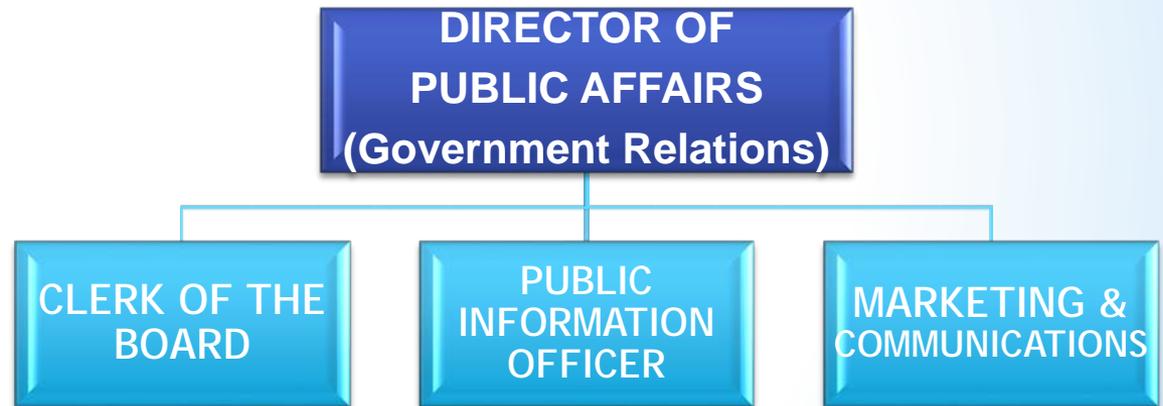
NOTABLE CHANGE

- Associate Planner

PROPOSED

FY 2016-2017

ORGANIZATIONAL CHART



NOTABLE CHANGES

- Public Information Officer
- Project Communication Coordinator

PUBLIC SAFETY

- ❑ Contracted Services
 - G4S History
 - Current Situation

- ❑ Direct Management
 - Public Safety Officers - Employees of LTD
 - Improved Recruitment and Retention

- ❑ Budget Impact
 - Budget Neutral for the Current Budget Year

FUND BALANCE & BUDGETARY RESERVE POLICY

- ❑ Updated and Compliant with Oregon Budget Law
- ❑ Unappropriated Fund Balance
- ❑ Changed Reserved Requirement
 - From: 1 to 1½ Months of Reserves
 - To: 2 to 3 Months of Reserves

RECAP

- ❑ General Fund Operating Difference
\$160,673
- ❑ Transfer to Capital Projects Fund
\$15,978,623
- ❑ Unappropriated Fund Balance

ACCESSIBLE SERVICES FUND

- New Grants - Pilots
- Florence/Yachats
 - Service for Seniors and People with Disabilities
 - Vehicle (included in Capital Improvements Program)
 - EZ Access/Service Animal
 - Volunteer Coordination



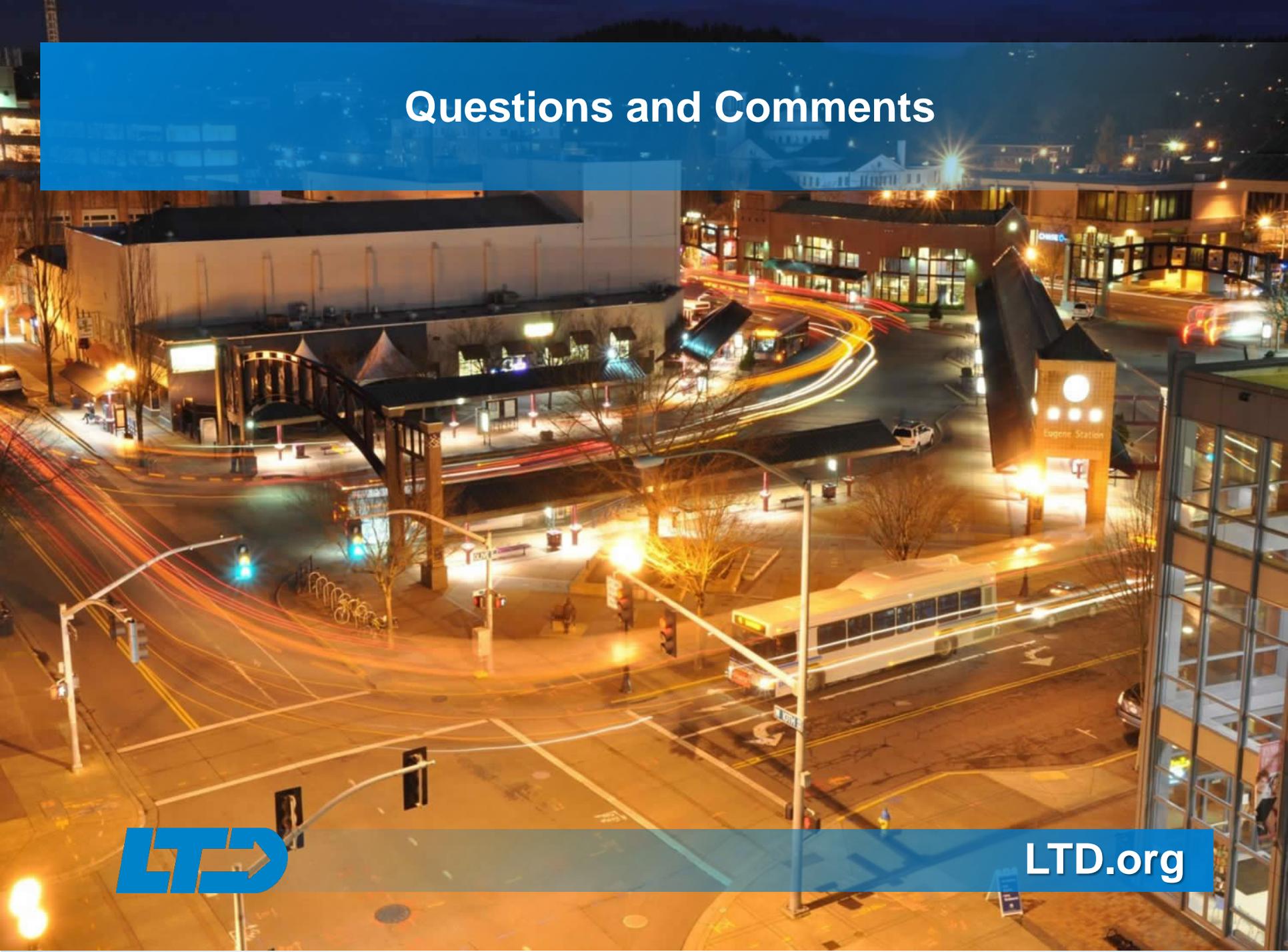
CAPITAL IMPROVEMENTS PROGRAM

- Align Projects with Funding Sources
- Working Capital Projects Fund Requirements Aligned with New Policy
- Review of Notable Projects in Current Year
- Review of Future CIP Requirements

NEXT STEPS

- Long-Range Financial Planning
- Three-Year Implementation Plan
- Ten-Year Implementation Plan

Questions and Comments



West Eugene EmX Project Update for Liz Cooney

August 19, 2016

Project Status:

- Construction is 60% complete
- Work on 6th and 7th, Garfield is complete
- W 11th will be largely complete by end of October 2016
- Remaining work spans from Seneca to Garfield and will be complete in Spring 2017
- Service begins September 2017

Project Budget:

- Initial design cost = \$96.5 million
- Final design cost = \$100 million
 - + \$3.4 million for added contingency

Changes that impacted budget:

- Project was bid after initial plans were approved by City of Eugene, ODOT, and FTA
- Since the bid was accepted, significant changes have been made to the design to meet changed or new requirements including:
 - Increased storm water treatment requirements
 - Increased ADA requirements
 - Increased pavement depth requirements
 - Increased tree improvements

Examples of changes that drove costs:

- \$1.7 million in changes to permitted drawings after bid
- \$900,000 in tree improvements including deeper soil depth, concrete bracing
- \$720,000 in cost increase due to unmapped underground conflicts
- \$500,000 in cost increase due to improved storm water treatment
- \$380,000 in cost increase due to change in permitted pavement depth

Related Project Added:

- Addition of a new terminus at Willow Creek
- Install new signalized pedestrian crossing
- Add transit center to incorporate into regional transit network
- Funded with \$2.0 million in federal formula funds

Funding sources:

Funding Source	Final Design budget
Federal Small Starts	\$75 million
Oregon Lottery Bonds	\$17.8 million (\$3 million reduction over anticipated)
Connect Oregon Grants	\$1.6 million
Federal Formula Funds	\$2.0 million
Local Funds	\$3.4 million
Total	\$100 million

New Funding Source and Cost Assignments:

Funding Source	Amount	Assigned to
Local Funds	\$3.4 million	Project contingency