

MINUTES OF FINANCE COMMITTEE MEETING  
LANE TRANSIT DISTRICT BOARD OF DIRECTORS

May 29, 2001

Pursuant to notice given to *The Register-Guard* for publication on May 29, 2001, a meeting of the Lane Transit District Board of Directors Finance Committee was held at 4:00 p.m. on May 29, 2001, at Lane Transit District, 3500 E. 17th Avenue, Eugene.

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

Absent: Gerry Gaydos, LTD Board Member

**I. CALL TO ORDER**

Ms. Hocken called the meeting to order at 4:15 p.m.

**II. ROLL CALL**

Also present were: Ken Hamm, General Manager; Mark Pangborn, Assistant General Manager; Diane Hellekson, Finance Manager; Carol James, Accounting Supervisor; Linda Lynch, Government Relations Manager; and Stefano Viggiano, Planning and Development Manager.

**III. BUS RAPID TRANSIT (BRT) FUNDING**

Ms. Lynch discussed the process of applying for New Starts money to fund the BRT project. She noted that Mr. Gaydos and Ms. Hellekson were reviewing copies of the rules from the Federal Register. No funds would be available until a new transportation bill is signed in October 2002 for FY 2002-03. Eighty-five percent of all New Starts projects in the final bill come from a list developed by the Federal Transit Administration (FTA). Staff would work toward getting on the FY 2003-04 list.

LTD would need to demonstrate that it could do the New Starts project, if funded, and still run a system and buy vehicles. A handout from a training class that Ms. Lynch attended was distributed. The group reviewed a chart outlining the evaluation and rating process. Staff would develop a plan for each factor listed below, which would be rated high, medium, or low by the FTA for an overall District rating:

- ❖ Financial rating
  - Non-Section 5309 share
  - Capital finance plan
  - Operating finance plan

- ❖ Project justification rating
  - Mobility improvements\*
    - Travel time savings
    - Low income households served
  - Environmental benefits
  - Operating efficiencies
  - Cost effectiveness\*
    - Transportation system user benefits
  - Land use\*
  - Other factors

*(\* Considered most important factors, but could change according to the project.)*

An overall project rating is broken down as follows:

- ❖ Highly recommended – project rated at least “medium-high” for both finance and project justification
- ❖ Recommended – project rated at least “medium” for both finance and project justification
- ❖ Not recommended – project not rated at least “medium” for both finance and project justification

Receiving a “not recommended” rating would not kill the project. That rating means the FTA does not believe the project is ready yet.

The following minimum project development requirements are not included in the overall rating but are major efforts and must be completed before a recommendation is sought:

- ❖ Metropolitan planning and programming requirements
- ❖ Project management technical capability
- ❖ NEPA process approvals
- ❖ Other

New Starts funding submittals can be viewed online on the FTA Web site. Staff would participate in additional training to learn more about the criteria and would build a timeline for completion of steps.

In regards to the Full Funding Grant Agreement, Ms. Lynch noted that the FTA is reluctant to recommend projects under \$25 million. However, Edward Thomas of the FTA believed LTD is well positioned to get full funding for future phases. A Full Funding Grant Agreement should be done for each BRT phase.

In response to a question from Ms. Hocken about local share, Ms. Hellekson stated that revenue bonds could not be used. Ms. Hocken asked if it was time to ask for money from the state. Ms. Lynch believed that LTD would need to have the first segment in place and that state funding would be a possibility in 2005. The federal government recommends looking to the private sector for a development partner (land acquisition, funding).

Ms. Lynch believed that enough work would be done on BRT to get funding from the reauthorization bill.

### **III. DEBT POLICY**

Ms. Hellekson stated that the Draft Debt Policy included in the agenda packet had been reviewed by LTD's attorneys and would go to the LTD Board on June 20, 2001.

In response to a question from Ms. Hocken, Ms. Hellekson stated that the resolution of intent is tied to the Capital Improvements Program and that the Financial Advisor is typical an attorney. A Request for Qualifications process would be used to select the Financial Advisor.

In response to another question from Ms. Hocken, Ms. James responded that taxable debt would be issued if property is not owned and there is credible lease back to the property. Ms. Hellekson stated that joint development opportunities might create taxable situations (e.g., financing on behalf of a partner who would be running a commercial enterprise).

### **IV. BUDGET PROCESS/PRESENTATION**

This year's budget meetings took two nights with the budget being approved on the last night without much discussion. Ms. Hellekson noted that this year's presentation did not follow the notebook layout. Staff had hoped that the budget notebook would provide the background information before the meetings and the presentation would show only the big picture. Questions were presented upfront before the presentation.

Mr. Hamm believed that that Board spent a significant amount of time reviewing budget items during the Board retreat and at its regular monthly meetings and, therefore, was very familiar with the budget. He noted that the following steps were taken in preparing the budget: Leadership Council looked at goals they believed the Board would approve, the LTD Board set objectives for the goals, and objectives were interpreted back into the performance groups in the budget.

The Committee believed the process lacked more meaningful discussion of concerns and suggested offering a question period after each section instead of wait until the end. The Committee also will review the agenda before the budget meetings next year.

### **V. FUTURE MEETINGS**

Ms. Hellekson asked the Finance Committee if they would like to be involved in selection of the Bond Council and Financial Advisor once the Debt Policy is approved by the LTD Board. The Committee chose to review a selection plan before determining their level of involvement.

**VI. ADJOURNMENT**

There was no further discussion and the meeting adjourned at 5:25 p.m.

(Recorded by Chris Thrasher, Lane Transit District)

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