

## MINUTES OF BUDGET COMMITTEE MEETING

### LANE TRANSIT DISTRICT

Wednesday, April 28, 2004

Pursuant to notice given to *The Register-Guard* for publication on April 4, 2004, and April 14, 2004, and distributed to persons on the mailing list of the District, a meeting of the Budget Committee of Lane Transit District (LTD) was held on Wednesday, April 28, 2004, at 6:30 p.m., in the LTD Board Room at 3500 East 17<sup>th</sup> Avenue, Eugene.

	<u>Board Members</u>	<u>Appointed Members</u>
Present:	Susan Ban David Gant Gerry Gaydos Dave Kleger Virginia Lauritsen	Russ Brink Dwight Collins Elaine Guard Dean Huber Dean Kortge Maureen Sicotte Darrel Williams
Absent:	Pat Hocken Hillary Wylie	

**CALL TO ORDER:** Presiding Board Vice President Gerry Gaydos called the meeting to order at 6:32 p.m.

**APPROVAL OF MINUTES:** Minutes of the April 23, 2003, and April 24, 2003, Budget Committee meetings were approved by consensus.

**INTRODUCTIONS:** Members of the Committee, as well as staff, took turns introducing themselves.

**ROLL CALL:** General Manager Ken Hamm called the roll. The following staff also were present:

Mark Pangborn, Assistant General Manager  
Diane Hellekson, Budget Officer  
Carol James, Accounting Manager  
Todd Lipkin, GL/Grant Accountant  
Ron Berkshire, Director of Maintenance  
Mark Johnson, Director of Transit Operations  
Stefano Viggiano, Director of Development Services  
Mary Neidig, Director of Human Resources  
Terry Parker, Accessible Services Manager  
Andy Vobora, Service Planning & Marketing Manager  
Linda Lynch, Government Relations Manager  
Steve Parrott, Information Technology Manager  
Charlie Simmons, Facilities Services Manager  
Chris Thrasher, Recording Secretary

**WELCOME:** Mr. Gaydos welcomed everyone and thanked all for attending.

Mr. Hamm also thanked everyone for attending. As an overview, he stated that balance was the budget theme for the 2004-2005 fiscal year. Payroll tax revenue was flat, but expenses had grown steadily; therefore, the task of balancing operating expenses and operating revenues presented challenging decisions. Staff focus was to balance the internal needs of the organization, balance each fund as required by law, and balance the needs of today with the needs of the future. Long-term financial vitality would require prudent stewardship of the District's resources. LTD also would need to continue to pursue opportunities that would increase the District's financial resources. These are times that require careful analysis and careful decision making. Tightly constrained resources challenge the status quo and generate new discussions and decisions. He believed that it was imperative that the community and LTD develop new, innovative transportation solutions and that LTD believes that EmX is one solution for the need that is projected in the coming years.

Despite ongoing fiscal challenges, FY 2003-2004 was a year of accomplishments:

- The expansion of the Fleet Services building was completed to accommodate 60-foot articulated vehicles.
- Eighteen new 40-foot Gillig buses were purchased to replace a group of aging buses.
- Five 60-foot New Flyer articulated buses were purchased to replace aging buses and increase fleet efficiency.
- A new Springfield Station was nearing completion.
- The automated vehicle location/automated passenger count (AVL/APC) system was installed and put into operation.
- Property was purchased and planning completed for a new RideSource facility. Construction would begin in the summer of 2004.

Mr. Hamm thanked the team who worked hard on the budget, particularly the Finance Department.

**DOMINATION  
ELECTION**

**ELECTION OF OFFICERS:** Mr. Gaydos nominated Mr. Kortge, seconded by Mr. Kleger, for the position of Committee Chair. The Committee voted unanimously to elect Mr. Kortge as Committee Chair. Ms. Lauritsen nominated Mr. Williams, seconded by Mr. Kortge, for the position of Committee Secretary. The Committee voted unanimously to elect Mr. Williams as Committee Secretary.

**PUBLIC COMMENT:** Mr. Kortge opened the meeting for public comment. There was no public comment, and the public comment session closed.

**LOGISTICS AND AGENDA REVIEW:** Ms. Hellekson welcomed everyone and reviewed the general logistics for the meeting, which included asking questions, meeting times, refreshments, and an emergency phone number.

Ms. Hellekson stated that the budget notebook, which was delivered to each member the previous week for review, represented the proposed budget. The budget notebook is 100 percent staff owned. For public entities, the law requires citizen involvement in budget development. This Budget Committee consisted of seven LTD Board members and seven citizen members. Approval of the proposed budget required a "yes" vote from at least eight members of the Committee. The LTD Board has the authority to amend the approved budget on a limited basis without reconvening the full Committee. Once the Budget Committee approves the proposed budget, the LTD Board has until June 30, 2004, to adopt the budget. The adopted budget then would need to be filed with the State of Oregon by July 15, 2004.

The Committee was asked to keep in mind the following meeting goals:

- Are the assumptions valid?
- Given the need for tradeoffs, are proposed priorities appropriate for the short and long term?
- Are resources allocated in accordance with priorities and LTD's mission?
- Is the plan prudent?

The PowerPoint presentation for April 28 would include a financial overview, as well as discussion of key issues, the General Fund, and Accessible Services Fund, with most of the discussion centered around strategic issues. The presentation for the following night would include discussion of the Commuter Solutions Fund, Capital Improvements Program, Capital Projects Fund, and a budget summary. The Committee would be given ample opportunity for discussion throughout the presentations.

#### **BUDGET PRESENTATION:**

**Financial Overview.** Ms. Hellekson said that there were two budget themes for FY 2004-2005: (1) balance the transportation needs of the present with those of the future, and (2) identify sustainable fixed-route service goals. The first goal translated to current fixed-route service versus the investment in future service, such as bus rapid transit (BRT).

Key issues for resources were that tax receipts were flat and economic recovery slow. Key issues in regard to requirements were the rising operating expenses (fuel, labor contract) and the need for local match for federal funds (80 percent federal, 20 percent local). In order to stabilize fixed-route service, LTD in the last few years decreased transfers to capital. This budget proposed starting those transfers again in order to meet future capital match needs.

Recent results showed that payroll tax receipts increased 2.3 percent in FY 2000-2001, decreased 1.7 percent in FY 2001-2002, and increased .5 percent in FY 2002-2003. The decrease in FY 2001-2002 was a result of a downturn in the economy and a \$538,000 tax refund to a major payroll taxpayer. LTD challenged that decision in tax court. A 3.3 percent improvement was seen in FY 2003-2004 due to the assumption the tax court would rule in LTD's favor for return of the \$538,000. Staff proposed a 2 percent increase in FY 2004-2005 based on the assumption there would be a modest economic recovery with a continued increase in major construction projects.

In response to a question from Mr. Collins, Ms. Hellekson stated that the 30-year average of growth receipts was slightly higher than 4 percent as compared with the mid to late 1990s when it was 8-10 percent.

Recent results for Personnel Services expenditures showed a decrease in full-time equivalents (FTEs) and an increase in expenses. The components of Personnel Services consisted of salaries and wages (including FICA), retirement and pension, and insurance benefits. Growth of salaries and wages could be controlled somewhat. Retirement and pension contributions were affected by stock market performance. The increase in retirement and pension contributions was a result of having to fully fund the plans. For FY 2004-2005, the health insurance benefits were 18 percent of total Personnel Services costs in spite of controlling the growth of health insurance costs by half for administrative employees, which was a 10 percent increase over the previous year.

Payroll tax revenue was 70 percent of the operating subsidy for fixed-route service. Personnel Services was 70 percent of the operating costs. During the boom of the 1990s, payroll tax receipts were higher than Personnel Services expenses. The difference was invested in additional service and transfers to capital for the Capital Improvements Program, federal match, and future projects. In FY 2000-2001, payroll tax receipts equaled Personnel Services expenditures. Since that time, Personnel Services expenditures have been higher than payroll tax revenue, which has driven the need for strict control on Personnel Services expense growth.

LTD has invested primarily in the Local Government Investment Pool (LGIP), with a smaller amount invested at local financial institutions. The LGIP interest rate was 6.5 percent as of December 31, 2000; 1.29 percent as of December 31, 2003; and 1.22 percent as of March 31, 2004.

LTD took the following steps to bring revenue in line with expenditures:

- Increased cash fares in July 2001 and pass and token fares in July 2002
- Increased rates for special event service in July 2003
- Discontinued transfer (grant match) from General Fund to Capital Projects Fund in September 2001
- Eliminated 2 Fleet Services positions and 11 administrative positions in November 2001
- Cut fixed-route service in September 2002 by approximately \$800,000, which resulted in a reduction of 19 bus operator positions

For the FY 2004-2005 budget, the Board gave staff the following direction:

- Manage total Personnel Services growth to a specified 4 percent target. Realistic growth from payroll tax receipts was approximately 4 percent. Personnel Services growth is tied to the growth of payroll tax receipts for long-term financial viability; therefore, the target for this line item is 4 percent.

- Negotiate an appropriate Amalgamated Transit Union (ATU) contract. The current four-year ATU contract would expire on June 30, 2004. If the contract were to continue without any adjustments, the annual growth of Personnel Services for the majority of LTD employees would be up to 10 percent. Adjustments would need to be made to meet the 4 percent box. Contract negotiations would begin on May 20, 2004.
- Defer consideration of a payroll tax rate increase. At the last legislative session, TriMet and LTD were given the authority to raise the payroll tax rate if the Districts could show findings that the local economy had recovered. Unable to prove that the local economy had recovered, the LTD Board directed staff to defer consideration of a payroll tax increase until next fiscal year.
- Restore annual transfer to Capital Projects Fund even if a service reduction resulted.
- Implement EmX Franklin Corridor service, plan for the EmX Pioneer Parkway Corridor, and defer third EmX corridor development.

In response to a question from Mr. Collins, Ms. Hellekson stated that 4.1 percent (2 percent every six months) was the annual cost-of-living increase per year on salaries for the current four-year ATU contract, which was above the CPI for all four years. Administrative employees received a 2 percent cost-of-living increase last year, which was more in line with the local norm. The proposal for administrative staff for FY 2004-2005 was 1 percent.

Mr. Kortge believed that 4 percent was a tight but fiscally sound cap; however, it could be a challenge for contract negotiations.

Mr. Kleger stated that Minneapolis/St. Paul was currently in its second month of strike. Honolulu went through two months of strike and Los Angeles three months before their strikes ended. Health insurance was a big issue throughout the country. He did not know how LTD could make any more cuts in service.

Ms. Hellekson stated that LTD currently had reserves in excess of what the Board requires by policy. If LTD believed that the economy was going to improve gradually over time, the District could buy down the effect in the short term by drawing down reserves to the point where the Personnel Services growth meets payroll tax revenue. She cautioned, however, that transfers could be spent only once because they are not an income stream.

Mr. Kleger asked what costs would be imposed if there were a need to borrow money to meet local match for replacement vehicles. Ms. Hellekson stated that process may not be necessary after all. There was currently a House Bill that included \$4 million for EmX Franklin Corridor vehicles, which would fully fund that piece. If that bill should pass, LTD would be able to defer debt financing vehicles past the eight-year window.

Mr. Kleger believed that by not putting money into capital, it would cost more later.

In response to a question from Mr. Williams, Ms. Hellekson stated that money for transfers to capital projects comes from payroll tax revenue.

Mr. Kortge noted that the assumption is an 80/20 federal match, which is subject to change. Ms. Hellekson stated that major New Starts projects were currently 50/50, but the CIP and LRFP assume 80/20 match.

In response to a question from Mr. Kortge, Ms. Hellekson stated that money was included in the budget for only the planning of future EmX projects beyond the Franklin and Pioneer Parkway Corridors.

Ms. Sicotte agreed with deferment of the payroll tax rate increase but believed the ATU could look at a payroll tax increase as a means to increase wages. Ms. Hellekson and several Board members did not believe there were economic indicators to justify a payroll tax increase at this time.

Ms. Hellekson continued the presentation by stating that the following strategic objectives were identified by senior staff:

- Maintain LTD's mission and vision.
- Balance the needs of the present with those of the future.
- Increase local revenue by evaluating potential future payroll tax rate increase, obtaining financial and in-kind support from local partners, and considering debt financing options in the future.
- Align General Fund expenditures with expected revenues.
- Maintain investment in bus rapid transit.
- Invest local dollars in capital projects.
- Maintain quality and standards.
- Preserve assets (e.g., buildings, stations)

Long-Range Financial Plan (LRFP) assumptions included the following:

- Consideration of increasing the payroll tax rate by .0002 effective January 1, 2006
- Favorable resolution of payroll tax court case (\$538,000)
- Gradual and sustainable improvement in the local economy
- Effective control of Personnel Services expenditures (wages, health insurance, retirement)
- Fuel price stability after FY 2004-2005
- Continued federal support of capital investment with formula funds and New Starts/Small Starts discretionary funds
- Local support of transportation capital investment

A summary schedule of combined five-year projections for operations showed that in each year of the LRFP, with the exception of Year 2, revenues exceeded expenses. The amounts shown as transfers to the Capital Projects Fund were the amounts required to match expected federal formula funds. If LTD should receive a large earmark grant, those amounts would need to be increased, possibly by more than 20 percent, in order to meet the local match requirements. In the short term, LTD has the ability to buy down reserves for a while.

A schedule of combined five-year projections for capital projects included projects associated with BRT, Springfield Station, fixed-route revenue vehicles, facilities and passenger

boarding improvements, RideSource facility, intelligent transportation systems, hardware/software, radio/communications, and accessible services.

Mr. Kortge asked if the recent fire on one of the New Flyer articulated buses had any effect on capital projects. Ms. Hellekson stated that all articulated buses were removed from service until the investigation was finished. However, articulated buses are more cost efficient to run.

Mr. Collins asked if there would be changes to fixed costs as capital projects are completed. Ms. Hellekson stated that extra costs were built into the LRFP. For example, the LRFP assumed almost \$200,000 in increased operating expenses for the Springfield Station. Some of that expense would be offset by tearing down the old Springfield Station. The LRFP also assumed additional expenses associated with EmX Pioneer Parkway because some of the service on that route did not currently exist. The EmX Franklin Corridor did not assume additional costs.

Mr. Williams asked what government entities were included in the strategic objectives to obtain financial and in-kind support from local partners. Ms. Hellekson stated that the local partners included the City of Springfield, City of Eugene, Lane County, and Oregon Department of Transportation (ODOT). Mr. Pangborn added that in regard to the EmX Pioneer Parkway Corridor, LTD had been talking with the City of Springfield and PeaceHealth regarding donation of land, which could be used as local match. Other resources included tapping into county road funds, and looking into regional solutions and private opportunities. Ms. Hellekson stated that LTD has an outstanding relationship with the Federal Transit Administration (FTA), which would look at an organization's financial base when making the selection for New Starts funding.

### **General Fund Proposed Budget.**

Current-year revenue estimates. Ms. Hellekson stated that payroll tax collection through March was as budgeted. To date, the payroll tax case had not been resolved; however, the FY 2004-2005 budget assumed LTD would win the case and would recover the funds from the State.

Revenue from advertising on the buses was down significantly from last year, as low as \$9,000 per month, compared with \$37,500 per month three years ago. Obie Media renegotiated its contract to eliminate the guarantee on sales. The contract would be rebid next fall. In response to a question from Ms. Guard, Ms. Hellekson stated that some agencies throughout the U.S. receive more revenue from advertising. Size, volume, and demographics make a big difference.

Staff expected interest rates to remain low at around 2 percent.

Current-year expenditure estimates. Although medical insurance was over budget by \$100,000 due to an arbitration that resulted in an award to reimburse employees, Personnel Services were on target because two full-time positions remained vacant the entire year and capital project work was charged to contra accounts.

For Materials & Services, fuel prices, which were budgeted at \$.93 per gallon, were averaging, as of March 31, \$1.0044 per gallon for the year. Also, steps were taken to further eliminate discretionary spending for travel and training.

FY 2004-2005 revenues. Payroll taxes were budgeted at \$18,338,100, which consisted of a 2 percent increase over last year, award of the tax court case, and additional current-year revenue from the tax court case. Other budgeted revenue included fares and group passes at \$4.6 million, state-in-lieu payments at \$1.2 million, self-employment taxes at \$1.1 million, and other revenue at \$1.1 million. Factoring in beginning working capital at \$8.2 million, revenues totaled \$34,539,430. LTD policy requires that beginning working capital must be at least \$3 million. It would be allowable to spend that fund down to \$3 million if needed to smooth out fixed-route service.

Over the last couple of years, payroll taxes, state-in-lieu payments, self-employment taxes, and other revenue have remained relatively flat while fares and group pass revenue have climbed slightly.

FY 2004-05 revenue projections for passenger fares reflected an overall 3 percent increase over FY 2003-2004 estimated revenue and included a change in the discount on three-month passes, elimination of wholesale discounts for agencies, a group pass rate increase, and no change in cash and monthly pass fares.

Mr. Collins added that another way to increase revenue for passenger fares was to increase ridership. Ms. Hellekson noted that elasticity is built into fares: for every 10 percent increase in fares, there typically is a loss of 4 percent in ridership. Seventy percent of LTD riders use a fare instrument other than cash, which is an extraordinarily high percentage of prepaid fares compared with other districts.

Revenue projections for payroll taxes, self-employment taxes, and state-in-lieu payments reflected a 2 percent increase over FY 2003-2004 estimated revenues. Ms. Hellekson stated that there were signs of change in the state-in-lieu receipts. Most of the income from state-in-lieu revenue was from the University of Oregon. Last year, enrollment at the University of Oregon reached a record high, and additional UO staff was added to accommodate the growth. However, after failure of the statewide temporary tax measure, a number of state positions in Lane County were eliminated.

Mr. Kortge asked why the self-employment tax revenue had remained flat. Ms. Hellekson stated one theory was that as the regular economy goes down and jobs are lost, more people become self-employed but they do not necessarily make any money at it. The overwhelming majority of revenue from self-employment taxes is from partnerships (e.g., doctors, lawyers, accountants). Ms. James added that TriMet currently was researching self-employment collection rates to see if and where there is underreporting.

Summary. Ms. Hellekson told the Committee that in the summary tables "actual" was compared with "estimated" and "budget" was compared with "proposed." In reviewing the General Fund Resources Summary, the estimated total resources showed a 6.2 percent increase over the previous year, and the proposed budget versus current-year budget appropriations were up 6 percent.

Ms. Hellekson showed in a pie chart a breakdown of the proposed General Fund revenues: Payroll Taxes, 70 percent; Passenger Fares, 17 percent; State-in-lieu Payments, 5 percent; Self-employment Taxes, 4 percent; Other Operating, 3 percent; Operating Grants, <1 percent; and Interest, 1 percent.



Ms. Hellekson stated that the General Fund Requirements Summary showed a 7.6 percent increase in estimated current-year expenditures versus actual expenditures for last year, and proposed budget versus current-year budget was up 6 percent.

The budget for Personnel Services changes required holding growth to 4 percent. This would be accomplished by controlling annual wage increases (1 percent for administrative employees, ATU pending new contract); cutting service by 4 percent, including an attrition reduction of 7 FTE; increasing salaried retirement plan contributions by 1.7 percent of salaries and ATU plan contributions by \$.30 per hour; and holding growth of administrative employee health insurance benefits to 10 percent.

An administrative employee survey resulted in the following order of priority for benefits: (1) retirement, (2) merit increases, and (3) health care. Since health care benefits were estimated to increase 18 percent, staff were researching options in order to stay within 10 percent growth. More than three quarters of LTD employees are represented by the ATU. Benefits were status quo for that group until a new contract is signed. If a new contract is not finalized by January 2006, contract employees would continue to receive a full year of managed care health care benefits at a higher cost to the District.

Ms. Hellekson showed in a pie chart how personnel allocation was distributed by department, with Transit Operations amounting to 69 percent; Fleet Services, 16 percent; Development Services, 7 percent; Finance and Information Technology, 4 percent; General Management, 2 percent; and Human Resources and Insurance, 2 percent. She noted that 85 percent of total Personnel Services went directly toward bus trips on the road and administrative overhead was less than 10 percent.

The budget for Materials & Services changes showed a decrease in parts costs due to 18 new Gillig vehicles still under warranty. Fuel prices remained volatile. The average price for fuel for the fiscal year through April 23, 2004, was \$1.0044 per gallon. The FY 2004-2005 budget proposed \$1.13 per gallon.

Another pie chart showed the breakdown of Materials & Services appropriations: Fleet Services (for fuel and bus parts), 40 percent; Facilities Services (for cleaning supplies, repair, tools), 13 percent; Insurance, 18 percent; Transit Operations (for uniforms), 9 percent; Marketing, 6 percent; and Other Departments, 14 percent.

(The Committee took a break at 8:10 p.m. and resumed at 8:20 p.m.)

Ms. Hellekson showed a pie chart of General Fund appropriations: Personnel Services, 70 percent; Materials & Services, 16 percent; Insurance & Risk, 4 percent; Transfer to Accessible Services, 5 percent; Transfer to Capital, 5 percent; and Transfer to Commuter Solutions, less than 1 percent.

A number of uncertainties remained for the General Fund, one being the negotiation of a new ATU contract. The first negotiation session would be May 20, 2004. In response to a question from Mr. Huber, Ms. Neidig stated that management staff would propose a four-year contract, although the last two ATU contracts were three-year contracts. Mr. Collins asked if the budget process influenced negotiations. Ms. Neidig stated that it would set the target. Ms. Hellekson stated that management needed the support of the Budget Committee to stay within the 4 percent growth box.

Other uncertainties for the General Fund included:

- Health care and other impacts on Personnel Services growth control
- Results of the tax court case (\$1 million one time; \$250,000 ongoing)
- Future implementation of payroll tax rate increase
- Fuel prices

In regard to Personnel Services growth, Mr. Kleger added that LTD was fortunate to have good employees who stay even though industry standards are much higher in other parts of the country. Ms. Lauritsen believed that LTD was in line with area standards.

In summary, Ms. Hellekson restated that the budget proposal for the General Fund showed \$34,539,430 in total resources and total requirements, which was a 6 percent increase over the appropriations for the current year. Ms. Hellekson noted that the Budget Committee has the authority to make changes.

In response to a question from Ms. Lauritsen, Ms. Hellekson stated that \$980,000 was budgeted for fuel for next year. If the price for fuel were to rise to \$2 per gallon, the Board could decide to pull the extra dollars from current-year working capital reserves.

Mr. Brink stated that LTD contracts with Downtown Eugene Incorporated for security services. He believed the budget as presented was prudent. He supported resuming transfers to the capital program and believed that holding Personnel Services growth to 4 percent would be a challenge.

Mr. Collins asked where funding would come from if more than 4 percent was needed for Personnel Services growth. Ms. Hellekson stated that there would need to be a reduction in fixed-route service.

Mr. Kortge asked if the Budget Committee would have to approve a budget change if the ATU contract resulted in a 6 percent growth compared with the budgeted 4 percent growth. Ms. Hellekson stated that the Budget Committee would need to reconvene if management staff were to propose a significant change in the overall appropriation that exceeded 10 percent of any one fund's total. In the case of the General Fund, the amount would have to be a change of \$3.5 million.

Mr. Huber asked how staff estimated the fuel price for the budget. Mr. Berkshire stated that LTD monitors the industry, uses information from a petroleum industry group, and queries suppliers. Making an estimate is difficult in a volatile market.

**Accessible Services Fund Proposed Budget.** Ms. Hellekson stated that the Accessible Services Program consisted of RideSource, which is run by Special Mobility Services; Rhody Express, which operates in Florence; and Diamond Express, which travels between Oakridge and Eugene.

Contracts within the LTD service area included RideSource services; South Lane Wheels, serving Cottage Grove and Creswell; Transit Host & Training Program, operated by Alternative Work Concepts; and White Bird Clinic for mental health support.

A new RideSource facility would be built next fiscal year. Management staff predicted a break-even operating expense change because LTD would no longer have to pay to rent a facility and the facility would be more energy efficient.

The Transit Host & Training Program trains RideSource guests to use the regular fixed-route service. The difference in cost of a ride is \$20 for RideSource versus \$4 for regular fixed-route service. The program currently had two people working 20 hours per week at the Eugene Station.

Contracts outside the LTD service area included the Diamond Express, Rhody Express, South Lane Wheels (serving Dorena, Culp Creek, and Saginaw), and RideSource Escort (for medical trips within Lane County).

In-District resources included the LTD General Fund, which paid for RideSource and Alternative Work Concepts; State Special Transportation Fund; Federal Developmentally Disabled funds; and Medicaid and other social service contracts. Last year, LTD expected a loss of \$250,000 from the State Special Transportation Fund, which did not happen. That amount was added back into this year's budget.

Out-of-District resources came from the State Special Transportation Fund, Federal Small City & Rural Assistance, and Medicaid and other social service contracts. LTD received federal Section 5311 pass-through grants in support of out-of-district programs.

The budget proposal for the Accessible Services Fund showed \$2,591,540 in total resources. Demand for RideSource services was increasing due to an aging local population.

Services offered to meet the Americans with Disabilities Act requirements for "complementary paratransit" within a three-quarter-mile boundary of LTD core service included RideSource's curb-to-curb service, RideSource Shopper, and the Transit Host & Training Program. Additional services included RideSource and Medical Escort door-to-door service, White Bird Clinic transportation for persons with mental health issues, Small City & Rural Programs, and Elderly & Disabled Services Programs.

In response to a question from Mr. Brink, Ms. Hellekson said that guests pay a fare and agencies provide funding on behalf of some riders. She added that by law LTD could charge up to double the regular fare for accessible services.

The proposed budget for the Accessible Services Fund showed \$2,567,340 in total requirements. Ms. Hellekson noted that pass-through funds show up as both resources and requirements.

In response to a question from Mr. Williams, Ms. Parker stated that regular fare for RideSource is \$2.50 for a one-way trip. RideSource also offered a discounted book of 10 tickets for \$20.

In response to a question from Mr. Collins, Ms. Hellekson stated that a transfer from the Accessible Services Fund to the Capital Projects Fund was for the purpose of buying vehicles. Ms. James added that part of the carry-over amount from LCOG was special transportation funds that the Accessible Services Advisory group committed to the match for vehicle purchase. The transfer reflects the amount required for match. Ms. Hellekson noted that some pass-through grants are funded at 90 percent and even 100 percent.

Mr. Huber asked if the Oakridge and Florence services operated only in those areas. Ms. Hellekson stated that Rhody Express operates only in Florence; however, Diamond Express travels between Oakridge and Eugene. Both services were funded with state pass-through funds.

Mr. Gant asked if the disabled community felt pushed to ride regular fixed-route service. Ms. Parker stated that the younger population wants to be independent and not have to rely on RideSource; the elderly population may be more hesitant to try something new. This community has strong advocates for the disabled and has a positive relationship with LTD. LTD's accessible services programs are models for other agencies throughout the country. Mr. Kleger added that LTD provided incentives when lifts were first installed on the buses, and also offers lift training for first-time riders.

**ADJOURNMENT:** With no further discussion, the meeting adjourned to 6:30 p.m., on Thursday, April 29, 2004, in the LTD Board Room.

  
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Committee Secretary