

MINUTES OF ADJOURNED BUDGET COMMITTEE MEETING

LANE TRANSIT DISTRICT

Thursday, April 26, 2007

Pursuant to notice given to *The Register-Guard* for publication on April 1, 2007, and April 18, 2007, and at the April 25, 2007, Budget Committee meeting, and distributed to persons on the mailing list of the District, an adjourned meeting of the Budget Committee of the Lane Transit District (LTD) was held on Thursday, April 26, 2007, at 6:30 p.m., in the LTD Board Room at 3500 East 17th Avenue, Eugene.

	<u>Board Members</u>	<u>Appointed Members</u>
Present:	Susan Ban Debbie Davis Mike Dubick Greg Evans Mike Eyster Gerry Gaydos Dean Kortge	Dwight Collins Peter Davidson Jon Hinds Dean Huber Michael Langis Darrel Williams
Absent:		Russ Brink

CALL TO ORDER AND ROLL CALL: Committee Chair Dwight Collins declared the meeting reopened from the previous evening at 6:30 p.m. Mr. Pangborn called the roll. A quorum of the Committee was present. The following staff were also present:

Mark Pangborn, General Manager
Stefano Viggiano, Assistant General Manager
Diane Hellekson, Budget Officer
Carol James, Accounting Manager
Todd Lipkin, Grant Administrator
Mary Adams, Director of Human Resources & Risk Management
Tom Schwetz, Director of Planning & Development
George Trauger, Director of Maintenance
Mark Johnson, Director of Transit Operations
Terry Parker, Accessible Services Manager
Connie Williams, Commuter Solutions Manager
Steve Parrott, Information Technology Manager
Jeanne Schapper, Administrative Assistant
Chris Thrasher, Recording Secretary

WELCOME: Mr. Pangborn welcomed the Committee back for the second night of the budget meetings.

PUBLIC COMMENT: There was no public comment.

LOGISTICS AND AGENDA REVIEW: Ms. Hellekson thanked the Committee for returning for the continuation of the budget presentation and reviewed the general logistics for the meeting, which included asking questions, meeting times, and refreshments.

Ms. Hellekson stated that the presentation would include a brief recap and follow-up of the first night and discussion of the Commuter Solutions Fund, Accessible Services Fund, Capital Improvements Program, Capital Projects Fund, and a budget summary. The meeting would conclude with Committee discussion and action.

BUDGET PRESENTATION:

Recap of Previous Night's Meeting. Ms. Hellekson stated that the previous night's meeting covered a financial overview, performance measurements, policy direction from the Board, and the General Fund proposed budget.

Direction from the Board included the following:

- Invest in fixed-route service reliability.
- Invest in fleet maintenance.
- Assure facilities quality and preservation of assets.
- Invest in workforce development.
- Fully fund both retirement plans over 20 years.
- Continue to monitor and learn from Franklin EmX Corridor service.
- Plan for Pioneer Parkway EmX Corridor service in 2009.
- Continue investigation and analysis for third EmX corridor, possibly a West Eugene extension.
- Pursue progressive corridor enhancement (Bus Plus).

In regards to the General Fund proposed budget, Ms. Hellekson stated that a \$2.2 million transfer from the General Fund to the Capital Projects Fund was proposed for FY 2007-08 as compared to no transfer in FY 2006-07. With FY 2007-08 estimated revenues at approximately \$35.3 million and proposed operating requirements at \$33.3 million, a beginning working capital of \$6.1 million was proposed for FY 2008-09.

(Dean Huber arrived.)

Commuter Solutions Fund Proposed Budget. Ms. Hellekson stated that advisory organizations/partners for the Commuter Solutions program included the following:

- City of Eugene
- Lane Transit District
- Lane Regional Air Protection Agency
- Lane Council of Governments
- Oregon Department of Transportation
- Lane County
- City of Springfield
- City of Coburg

These agencies support LTD's strategic goal statements to develop innovative service that reduces dependency on the automobile and to provide progressive leadership for the community's transportation needs.

Programs under the Commuter Solutions Fund included the following:

- LTD group pass programs
- Regional carpools and Valley Vanpool partnership
- Emergency Ride Home program
- Congestion Mitigation Program
- Smart Ways to School program
- Park & Ride program
- Transit vouchers
- Bicycle commuting
- Walking programs
- Telecommuting

Total resources and requirements were budgeted at \$894,000, which was a 77.5 percent decrease over the current-year budget due to a \$3 million Student Transit Pass Program pass through appropriation in the form of a Business Energy Tax Credit (BETC). In addition to the beginning working capital at \$388,200 and LTD's contribution of \$5,000, these programs receive funding from federal grants, at \$485,800, and transportation demand management match from other local jurisdictions, at \$15,000.

Discussion. Mr. Pangborn explained that the bulk of the funding for the Commuter Solutions Fund is federal grant funds passed through the State. Any capital purchases, e.g., Park & Ride facilities, would come from other sources.

Accessible Services Fund Proposed Budget. Ms. Hellekson stated that accessible services are offered in order to meet Americans with Disabilities Act requirements.

Complementary paratransit services are provided within a ¼-mile boundary of LTD's core service. RideSource provides curb-to-curb service as well as a weekly grocery service (RideSource Shopper). The Transit Host & Training Program offers one-on-one support for riders using the fixed-route service. With actual costs to provide a ride on RideSource averaging between \$18 and \$20, it is cost efficient to train people to use the fixed-route service. Ms. Ban noted that the Transit Hosts are people with disabilities.

Additional services provided under the Accessible Services program include Volunteer Escort, a county-wide door-to-door service; services for persons with mental disabilities and homelessness, provided by White Bird Clinic; Small City & Rural services; and Elderly & Disabled services.

Specialized transportation and small city services included the following contracts within the LTD service area:

- RideSource – operated by Special Mobility Services and serving Eugene and Springfield
- South Lane Wheels – serving Cottage Grove and Creswell

- Transit Host & Training Program – operated by Alternative Work Concepts
- White Bird Clinic – providing services for people with mental disabilities or who are homeless

Specialized transportation and small city services included the following contracts outside the LTD service area:

- Diamond Express – operated by Special Mobility Services and providing an Oakridge to Eugene connection
- Rhody Express – operated by River Cities Taxi and serving Florence
- South Lane Wheels – serving south Lane County
- Volunteer Escort – provided by various operators

This fund has both in-district and out-of-district resources. The in-district resources directly buy services (we contract to provide). The out-of-district resources pass through.

Plans are being finalized for a brokerage/call center to provide Lane County Medicaid trip planning. This service would include centralized call taking, eligibility verification, scheduling, and quality assurance and would be housed under the *RideSource* contract to maximize efficiency and share costs. LTD has a development agreement with the State of Oregon, which included \$600,000 in start-up costs, and a coordinator was hired in January 2007. In the two-year implementation cycle, it is expected that the brokerage would begin operation in June 2008.

Current *RideSource* key issues included a projection that ridership would increase to 7.5 percent, an increase in actual miles traveled averaging 12.3 percent per year in the last three years, and a reduction in Special Transportation Fund allocation.

Ms. Hellekson showed in a chart that *RideSource* vehicle rides and taxi rides were increasing while volunteer rides through other agencies and *RideSource* volunteer rides were decreasing, which indicates that there is greater demand and fewer volunteers to provide the rides.

Ms. Hellekson showed in another chart that *RideSource* resources were greater than the funding provided by the LTD General Fund, and the trend line for vehicle miles traveled was upward.

In response to a question from Mr. Collins, Ms. Hellekson stated that it is more cost efficient to group rides. Ms. Parker stated that there has not been a large increase in the number of riders; however, there has been an increase in the number of requested rides and longer rides. *RideSource* is providing an average of two rides per hour, compared to an average of three rides per hour in previous years. The brokerage should provide a means of grouping rides with Medicaid trips that are fully funded.

Mr. Evans asked what would happen if demand could not be met. Ms. Parker stated that the Federal Transit Administration's Office of Civil Rights deals with compliance issues. The FTA could demand that other federal funding be redirected to meet those demands. Ms. Parker added that LTD is well regarded at the Office of Civil Rights, and LTD has been meeting demands since 1993.

In response to a question from Mr. Hinds, Ms. Parker stated that LTD was applying for some new vehicles for RideSource, but LTD does not want to be the sole provider. It is important to engage all providers, e.g., ambulances, handicabs, etc., throughout the county.

The budget proposal for the Accessible Services Fund showed \$4,970,990 in total resources and requirements, which was a 24.7 percent increase over the appropriations for the current year. Ms. Hellekson stated that the transfers from the General Fund to the Accessible Services Fund were an increase over the previous year of 7.5 percent in FY 2003-04, 17.6 percent increase in FY 2004-05, and 10.4 percent increase in FY 2005-06. In FY 2006-07, the transfer was estimated to increase 31.1 percent. The amount budgeted for FY 2007-08 was \$1,934,530, or an 11.7 percent increase.

In response to questions from Mr. Collins, Ms. Parker stated that new line items were added, which are related to the development of the brokerage, and FTE was increased from 1.5 to 3.

Mr. Davidson asked if the Oregon Health Program was paying for the cost of the Medicaid trips. Ms. Parker stated that LTD would be the brokerage manager to pool all the rides. The State would pay for an average ride rate, which could be changed quarterly.

Ms. Hellekson stated that money from the General Fund provides funding for RideSource, the Transit Host Program, the Transit Training Program, and program administration. In-district resources included State Special Transportation Fund money (cigarette tax), Federal 5317 New Freedom funds, federal Developmentally Disabled funds, Medicaid and other social service contracts, Oregon Department of Transportation (ODOT) grants, and RideSource fares. RideSource fares are twice the fixed-route service fare; however, riders can purchase a discount ticket book. Out-of-district resources included State Special Transportation Fund money, Federal Small City & Rural Assistance (Section 5311) funds, Medicaid and other social service contracts, and ODOT grants.

Discussion. In response to a question from Mr. Evans, Ms. Parker stated that Federal 5317 New Freedom funding provided transportation to people who are homeless and provided the Transit Host Program funding to train riders how to use EmX. LTD was the first agency in the region to request New Freedom funding.

In response to a question from Mr. Dubick, Ms. Parker stated Lane County was the last county in Oregon to establish a Medicaid brokerage. LTD's program was being modeled to meet the federal government's "one place to call" initiative, and staff has been working with the Lane Council of Government's Senior & Disabled Services, which has been acting as a brokerage for 15 years. Experience has shown that brokerage resources have skyrocketed when first put in place; therefore, LTD is relying on local figures when estimating costs. Staff predict that expenditure growth would slow with the use of the brokerage.

Mr. Davidson asked what the Lane Individual Practice Association (LIPA) was currently spending on Medicaid transportation and if there was a strategy to pull people in. Ms. Parker estimated the amount to be between \$2 million and \$3 million. The Medicaid rides would be charged first, followed by the ADA rides.

Mr. Collins believed the brokerage was a good service to provide to the community.

In response to a question from Mr. Kortge, Ms. Parker stated that the increase in mileage was because homes were being built further out from the downtown core.

In response to a question from Mr. Williams, Ms. Parker stated that the brokerage would be a call center for rural service also. In fact, rural service would be the first to be phased in.

Capital Improvements Program (CIP). Ms. Hellekson stated that the Capital Improvements Program was approved by the Board in March 2007. The Board gave staff planning direction that included the following:

- Plan and build the Pioneer Parkway EmX corridor.
- Plan for a third corridor, possibly in West Eugene, in time for next transportation bill approval.
- Implement progressive corridor enhancements (Bus Plus).
- Increasing cost and complexity of capital projects mandates long-term planning.
- Major projects such as EmX are tied to federal funding cycles (FY 2006-2009 and FY 2010-2015).
- EmX is an integral part of the Regional Transportation Plan.
- Replace existing bus fleet on a life-cycle cost schedule.
- Continue improvements to customer services with facilities, equipment, and technology.
- Continue productivity and efficiency improvements with allocations to technology and equipment.

Ms. Hellekson showed in a chart the comparison of EmX and other capital projects per fiscal year, with purchases of revenue vehicles slated for FY 2009-10 and FY 2013-14.

As shown in a pie chart, the proposed eight-year allocations were for Franklin EmX Corridor with vehicles at \$5,150,000; Pioneer Parkway EmX Corridor with vehicles at \$36,425,000; third corridor EmX at \$50,700,000; and other capital projects at \$67,456,230. With EmX projects totaling \$92,275,000, the eight-year allocations for other capital projects were broken out in a pie chart as follows: revenue vehicles at \$17,195,000; technology at \$15,952,900; Accessible Services and Commuter Solutions at \$9,857,590; passenger boarding improvements (PBI)/facilities at \$16,649,700; progressive corridor enhancement at \$3,290,000; and other projects at \$4,511,040. The amount budgeted for Accessible Services and Commuter Solutions is primarily for the purchase of RideSource vehicles.

Mr. Evans asked if staff was looking at portal technology. Mr. Parrott stated that LTD was looking into itinerary planning, which seemed to be the direction other agencies were going. In regards to the brokerage service, staff was researching different software programs that would match trips in the most efficient manner possible.

In response to a question from Mr. Davidson, Ms. Hellekson stated that \$750,000 was budgeted for additional service for Pioneer Parkway EmX. Nothing was budgeted for additional service for the West Eugene extension.

The five-year summary for the Capital Improvements Program showed a budget of \$15,309,960 in FY 2007-08; \$29,968,730 in FY 2008-09; \$28,937,010 in FY 2009-10; \$4,448,300 in FY 2010-11; and \$7,616,300 in FY 2011-12.

In response to a question from Mr. Collins, Ms. Hellekson stated that the EmX vehicles were included in the project cost.

Ms. Hellekson showed in a pie chart the eight-year funding summary for capital improvement projects:

- Federal Discretionary Funds (5309) at \$32,054,000
- Federal Formula Funds (5307) at \$37,468,830
- EmX Federal Discretionary Funds at \$22,950,000 (not yet secured)
- Other Federal Funds at \$8,900,000 (not yet secured)
- Other Local Funds at \$19,400,000 (not yet secured)
- Local Cash Reserves at \$15,283,360
- Other Grant Funding at \$14,920,000
- Other Funds at \$1,876,430

Mr. Evans asked if LTD was eligible for Homeland Security funding to pay for the new radio system. Mr. Parrott stated that LTD was eligible for the funding. However, funding is disbursed at the state and regional level and applicants must go through a coordination program. Typically the funding goes to police, fire, and paramedic units. Transit has not been a recipient.

Ms. Hellekson discussed the proposed funding for the Capital Improvements Program projects, which included federal grants, a United Front request for radio infrastructure replacement and money for EmX planning, state grants, State Transportation Program grants, and cash reserves. To date, over half of the funding has been secured. Funding for the third EmX corridor was the only uncertainty for the CIP.

Capital Projects Fund Proposed Budget. Ms. Hellekson stated that the proposed resources for the Capital Projects Fund was \$26,027,600, a 22.9 percent decrease over appropriations for the current year. The budget proposal for appropriated requirements showed \$21,292,700 for capital projects, of which \$4,075,000 was slated for EmX projects, and \$4,734,900 in fund balance reserves.

In response to a question from Mr. Evans, Mr. Parrott expanded that "passenger information systems" was the line item for real-time passenger information projects, and "intelligent transportation systems" was the grouping for connections with the traffic systems, including traffic prioritization or pre-emption.

In response to a question from Ms. Ban, Ms. Parker stated that the brokerage would be housed at the RideSource facility, and the budget included reconfiguration of the facility with the addition of call-taking equipment.

Budget Summary. In summary, Personnel Services changes for FY 2007-08 included an addition of 7 FTE, at an expenditure increase of 8.4 percent over current year, for a total of 337 FTE. Materials & Services changes were proposed to increase

9.2 percent, which included fuel at \$130,280, River Road Station lease at \$50,000, contractual security at \$50,000, and an insurance expense increase at \$183,690.

In response to a question from Mr. Kortge regarding fuel price estimates, Mr. Trauger stated that staff reviewed crude oil price history and consulted with the vendor who supplies the fuel to arrive at an estimate. Ms. Hellekson stated that a contingency is built into the General Fund from which to pull funds for fuel costs beyond the budgeted estimates.

In summary, the proposed appropriations for FY 2007-08 were as follows:

- General Fund (Operating Budget) -- \$33,322,480 – 8.4 percent increase from current year
- General Fund (Non-Operating Budget) -- \$10,263,450 – 22.9 percent increase from current year
- Commuter Solutions Fund -- \$894,000 – 77.5 percent decrease from current year
- Accessible Services Fund -- \$4,970,990 – 24.7 percent increase in total budget from current year; 24.4 percent increase in General Fund transfer
- Capital Projects Fund -- \$26,027,600 – 22.9 percent decrease from current year
- Total FY 2007-08 Proposed Appropriation -- \$75,478,520 – 6.6 percent decrease from current year.

Ms. Hellekson ended the presentation by referring the Committee to page 11 in the budget notebook for a chart of the FY 2007-08 proposed budget. She noted that public entities are required to appropriate 100 percent of project costs even if all the money is not spent in that year.

She thanked Carol James, Todd Lipkin, and Chris Thrasher for their help putting together the budget notebook and presentation. She also thanked other staff members—Larry Storm, Shawn Bird, Ruth Brister, Jonnie Myers, and other LTD staff—for helping with production and distribution.

Discussion. Ms. Hellekson turned the meeting over to the Committee for discussion.

Mr. Dubick stated that LTD does a good job of budgeting. He was concerned about the ability to fund the increased demand for accessible services and encouraged staff to look for ways to increase resources. LTD does a good job of providing services based on its resources.

Ms. Ban agreed with Mr. Dubick and believed the budget proposal was one of the most optimistic in comparison to prior years.

Mr. Evans asked if LTD was working with other properties to put together a coalition to address accessibility issues at the congressional and state levels. Mr. Pangborn stated that there is a bill to get an additional 3 cents from the tobacco tax for transit.

Mr. Collins believed the proposed budget was one of the best he has seen in comparison to prior years. He was pleased that the vision and long-term strategies for the EmX project have turned out well and that EmX has been accepted by the community. He predicted that planning for the Pioneer Parkway EmX would go more smoothly.

Motion

Mr. Gaydos moved, seconded by Mr. Dubick, that the LTD Budget Committee approve the proposed fiscal year 2007-08 budget as presented and forward it to the LTD Board of Directors for adoption.

VOTE

There was no further discussion and the motion was approved unanimously.

Mr. Pangborn thanked the Committee for their participation.

ADJOURNMENT: There was no further discussion, and the meeting adjourned at 8:23 p.m.



Committee Secretary