

MINUTES OF FINANCE COMMITTEE MEETING
LANE TRANSIT DISTRICT BOARD OF DIRECTORS

August 16, 2007

Pursuant to notice given to *The Register-Guard* for publication on August 14, 2007, a meeting of the Lane Transit District Board of Directors Finance Committee was held at 4:00 p.m. on August 16, 2007, at Lane Transit District, 3500 East 17th Avenue, Eugene.

PRESENT - Mike Dubick, Dean Kortge, Debbie Davis

CALL TO ORDER – Mr. Kortge, chair of the committee, called the meeting to order at 4:02 p.m.

ROLL CALL – All committee members were present. The following LTD staff also attended: Diane Hellekson, Mark Pangborn, Carol James, Stefano Viggiano, Andy Vobora (for Florence service discussion), and Chris Thrasher.

MINUTES – The minutes of the June 5, 2007, meeting were approved.

FLORENCE SERVICE – Mr. Vobora, director of service planning, accessibility, and marketing, distributed copies of a draft document of frequently asked questions regarding proposed bus service to Florence. He had been receiving feedback from the stakeholders and welcomed comments from the committee as the document would be used as a reference tool.

Mr. Vobora had plans to meet with the Transportation Advisory Committee (TAC), which oversees the Rhody Express service in Florence. The TAC was asked by the city manager to gather background data to present to the city council. Mr. Vobora has also met with the Florence Chamber of Commerce.

Service planning is still in the early stages. Staff have asked the Oregon Department of Revenue to calculate potential payroll tax revenue. In response to a question from Mr. Kortge, the casino is not part of the tax base; however, they indicated they would participate.

Early in-service costs were between \$350,000 (direct cost rate) and \$650,000 (fully allocated cost rate). The Board would need to determine the costing factor. Mr. Viggiano stated that Cottage Grove service was calculated using the fully allocated rate. Mr. Vobora believed there would be enough revenue from payroll tax, state-in-lieu tax, and the casino contribution to support the service.

In response to Mr. Dubick's question, estimates only included service to Florence and not to towns along the route.

Ms. James added that no additional vehicles for Florence service had been included in the current Capital Improvements Program. Mr. Vobora estimated that six trips a day would require two extra peak-service buses.

CAPITAL IMPROVEMENTS PROGRAM

River Road Station Land Acquisition – Mr. Viggiano, assistant general manager, stated that the LTD Board approved purchase of the land used for the River Road Station and that Lane County is willing to sell to LTD. However, the County is looking at an option to retain a portion of the lot in the southwest corner to lease to an interested business as a revenue source. From an operating standpoint, the option would work. The site would allow for 115 spaces, which is more than adequate, with a possible opportunity to expand parking to the east. The County's appraisal was \$2.4 million for the entire site or \$1.7 million for the partial site. LTD would order an appraisal, which should be completed by mid-September.

In response to a question from Mr. Dubick, staff have identified projects in the Capital Improvements Program that would need to be reprioritized in order to pay for the land acquisition.

In response to a question from Mr. Kortge, Mr. Viggiano stated that the current lease expires September 29. Starting September 30, the County must receive market rate of return for the property. If the property needed to be partitioned, that process could take 8-10 months. The Federal Transit Administration (FTA) would also need to review the appraisal and approve the purchase.

Should LTD purchase the entire lot, the Board would need to decide whether or not to lease the southwest corner.

The Board may be asked to approve a resolution for short-term borrowing.

14th Avenue Bike Path Security Cameras – Mr. Viggiano stated that the City of Springfield approved construction of a bike path along 14th Avenue and extending 14th Avenue from Henderson Avenue to Glenwood Blvd. LTD offered to donate a portion of the land along the northern side of LTD's Glenwood facility subject to FTA approval. The land donation agreement would include a stipulation that the property would revert back to LTD if it ceased being used as public right-of-way.

Ms. James, accounting manager, stated that staff originally proposed installing security cameras at a cost of \$100,000 along LTD's property but has since decided to wait to see if cameras are needed. A security expert suggested lower-cost ways of protection such as not having anything of value visible on the other side of the fence or having a place where people could hide, and lighting.

Additional Spare EmX Vehicle – Mr. Viggiano stated that the current vehicle plan for the Pioneer Parkway EmX includes eight buses for service with two spares. Franklin EmX service experience indicates a need for an additional spare vehicle. Funding for the bus would be through a United Front request.

Mr. Pangborn stated that staff would prefer to purchase the Pioneer Parkway vehicles 6-12 months prior to start of service.

Veneta Park & Ride – Mr. Viggiano stated that the City of Veneta wants to purchase a small triangular piece of property owned by ODOT near a shopping center off of Territorial, south of Highway 126, and develop it as a transit station. Staff believe the downtown location is good, there is a need, could include a Park & Ride, and would benefit the Florence service, if approved. LTD would partner with the City of Veneta for purchase of the property and construction of the station and have filed a *ConnectOregon* pre-application.

Mr. Dubick preferred that LTD purchase and manage the property.

AUDIT – Ms. James reiterated that the relationship is to be between the auditors and the Board and does not need to go through staff. The auditor's business card was distributed and an article on new standards for auditors was included in the agenda packet. Mr. Dubick recommended distributing the article to all the Board members.

It is the Board's job to make sure the systems are set up correctly and be willing to enforce the controls.

Ms. Hellekson, director of finance and information technology, stated that most public agencies have an internal auditor. It could be a necessity for LTD in the future.

NEXT MEETING -- The next Board Finance Committee meeting was scheduled for October 3 to discuss the Long-Range Financial Plan, Capital Improvements Program, River Road Station land purchase, and the additional EmX vehicle.

ADJOURNMENT – There was no further discussion, and the meeting adjourned at 5:00 p.m.

(Recorded by Chris Thrasher, Lane Transit District)