

LANE TRANSIT DISTRICT

COMMUNITY INVESTMENT POLICY

PURPOSE

The Financial Health goal for the Lane Transit District (“District”) Board of Directors (“Board”) is to maintain the District’s financial condition while providing a consistent level of service. Achieving this goal requires strategic planning and management of the District’s capital assets (vehicles and infrastructure) in order to ensure existing assets are maintained in a state of good repair while anticipating and planning for future needs, trends and changes in the region. This includes investing in new technology and infrastructure that achieves our Strategic Business Plan (SBP) priorities of 1) customer satisfaction, 2) employee engagement, 3) community value, 4) financial health and 5) sustainability

This policy addresses the District’s ten-year Community Investment Plan (CIP) which is the District’s near and long term financial plan of investments needed to deliver essential transportation services that connect our community in a sustainable and equitable way. The CIP includes both planned investments and the planned resources needed to realize those investments.

The purpose of this policy is to provide guidelines for the conduct of a comprehensive process that allocates the District’s limited resources into community investment and management decisions.

BACKGROUND

The District has not historically had a formal community investment policy. However, it has annually created and updated a plan for its community investments utilizing relatively consistent criteria for investment assessment and prioritization. This policy formalizes the process and guidelines currently being used for community investment planning while allowing for routine review to ensure that the policy continues to align with updated strategic and other priorities.

POLICY

Community Investment Project Selection

The list of potential CIP projects comes from a variety of internal and external sources. Internal sources include long-range plans and policies as well as departmental capital replacement or technology upgrade needs. External sources are our Board, riders and community partners throughout Lane County.

An objective set of criteria will be used to assess and evaluate project proposals. Although specific criteria may be periodically updated, the following are the guiding principles to be considered in the development of such criteria (CIP criteria).

Guiding Principles:

- To deliver safe, equitable and dependable transportation services and facilities in an affordable, efficient, and cost-conscious manner
- To invest in a transparent, financially sustainable manner that is able to withstand annual revenue fluctuations
- To adjust to changes in community service needs and strategic business plan priorities
- To comply with all local, state and federal regulatory requirements
- To be a part of the climate change solution while building community resiliency

Annually, the District's Directors update and review new and existing community investment projects. Projects are evaluated using a set of CIP criteria consistent with the above principles and reviewed every three years as part of the SBP process. Projects with symbiotic relationships are grouped, and project cost and timing is revisited in light of current information. Funding and resource availability are assessed, projects are prioritized, and project timing is planned.

Community Investment Classification:

The District's community investments are classified into 3 tiers.

- Tier 1 projects: Projects that are already underway or full funding is secured/securable
- Tier 2 projects are planned, but not yet secured grant funding
- Tier 3 projects do not have an identified funding source

Community Investment Funding:

Our goal is to execute our CIP with the maximum use of non-local funding. Our goal is for greater than 70% of our community investment project costs to be covered by state and federal grants. To achieve this, funding may shift from the CIP in order to strategically maximize use of grant opportunities. The CIP will conservatively (highest use of general fund dollars) reflect funding resources required based on estimated project costs. Debt may be utilized if deemed necessary, but only if no other funding source is available and only with Board approval.

Capital Fund Budget:

Each year, the District will develop a Community Investment Plan which will contain the spending plan for Community Investment Projects. The first year of the adopted Community Investment Plan will be the current year forecast and the second year will be the Community Investment Plan Budget for the upcoming fiscal year. The CIP projects will be budgeted for in LTD's Capital Fund with Tier 1 projects given the highest priority. Tier 2 projects may be budgeted for in the upcoming fiscal year, but will only be executed if funding is secured or securable. Subsequent years are shown in the CIP for planning purposes and do not have approved appropriations.

Capital Budget Management:

Management of CIP projects is essential to create the best value for the District's taxpayers through capital spending. Project Managers are responsible for ensuring the following:

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- Preparing the project proposal including: 1) the project description including any grant-funded staff required, 2) analysis against the vetting criteria, 3) independent cost estimates in support of the project financial resource requirements, 4) the full project lifecycle cost budget by fiscal year, and 5) requested human resources both grant-funded and cross-organizational
- Project management including ensuring: 1) project phases are completed as scheduled/budgeted, 2) project is completed within project budget, 3) authorization of all project expenditures, 4) all regulations and laws are observed, 5) providing project and grant status reporting

Supply chain, contractor delays, fiscal capacity, grant timing and other factors may impact the timing of projects within the Capital Fund. The District will ensure that: 1) the annual capital fund budget is not exceeded without a supplemental budget and approval by the Board and 2) projects within the capital fund that have expenditure timing shifts do not exceed the total amount approved by the Board in the adopted CIP

Budget Committee:

The Budget Committee is comprised of all seven Board members and an equal number of appointed citizen members. Each year, the Budget Committee receives a presentation on the preliminary CIP. This committee is responsible for reviewing, discussing and recommending any necessary revisions to the preliminary CIP.

As part of the budget process, the preliminary CIP is updated to align with the proposed upcoming budget and to reflect funding availability updates, project timing adjustments, scope changes and new projects. The Budget Committee is provided a presentation that bridges the preliminary CIP to the final proposed CIP. This committee is responsible for forwarding the proposed CIP to the District Board with a recommendation to approve as presented or with proposed amendments.

Board:

In addition to participating on the Budget Committee, the District’s Board holds a public hearing on the preliminary CIP and the proposed CIP as part of the annual budget, CIP and long-range financial plan adoption process. The CIP is a planning document and does not have approved appropriations.

IMPLEMENTATION AND REVIEW

Upon adoption of this policy, the Board authorizes the Director of Finance to establish any standards and procedures which may be necessary for its implementation. The Director of Finance shall review this policy routinely and make any recommendations for changes prior to adoption by the Board of Directors.

MAINTENANCE

The Board of Directors is responsible for adopting updates to this policy, with staff assistance from the Director of Finance.

Adopted by LTD Board of Directors: _____