



LANE TRANSIT DISTRICT BOARD OF DIRECTORS BUDGET COMMITTEE MEETING

Tuesday, April 12, 2022 5:30 – 7:30 p.m.

VIRTUAL MEETING

Zoom details for viewing and public participation provided on the web calendar at www.LTD.org. Watch live (viewing only no participation) on channel 21 or via link: https://metrotv.ompnetwork.org/

AGENDA

Table with columns: ITEM, Time, Page. Includes items like CALL TO ORDER, ROLL CALL, COMMENTS FROM THE GENERAL MANAGER, AUDIENCE PARTICIPATION, ITEMS FOR ACTION, and ITEMS FOR BOARD RECOMMENDATION.

- C. FISCAL YEAR 2022-2031 LONG RANGE FINANCIAL PLAN: *Materials Included*
[Christina Shew] 6:55 p.m. 8

Action Needed: Board Recommendation

VII. ADJOURNMENT

7:30 p.m.

To request a reasonable accommodation or interpreter, including alternative formats of printed materials, please contact LTD's Administration office no later than 48 hours prior to the meeting at 541-682-5555 (voice) or 7-1-1 (TTY through Oregon Relay).



AGENDA ITEM SUMMARY

DATE OF MEETING: April 12, 2022
ITEM TITLE: PROPOSED FISCAL YEAR 2022-2023 BUDGET
PREPARED BY: Christina Shew, Director of Finance & Budget Officer
DIRECTOR: Mark Johnson, Interim General Manager
ACTION REQUESTED: Committee Approval with Board Recommendation

PURPOSE: To request that the Budget Committee approve the proposed FY2022-2023 (FY23) Budget and refer it to the LTD Board of Directors for adoption.

COMMITTEE COMMUNICATION:

- The Budget Committee meeting is scheduled to be held on April 12, 2022; notice was posted to the Eugene Register Guard on March 24, 2022 and on the District's website.
- The FY23 Budget was posted for public comment on April 5, 2022, and sent to Budget Committee members on April 5, 2022.

PUBLIC COMMUNICATION

- The Budget Committee meeting is scheduled to be held on April 12, 2022; notice was posted to the Eugene Register Guard on March 24, 2022 and on the District's website.
- The FY23 Budget was posted for public comment on April 5, 2022, and sent to Budget Committee members on April 5, 2022.

STRATEGIC BUSINESS PLAN: The District's FY22-24 Strategic Business Plan has five strategic areas of focus. These include 1) Customer Satisfaction 2) Employee Engagement 3) Community Value 4) Financial Health 5) Sustainability. Each of these priorities has tactics, milestones, and performance measures to ensure achievability and accountability. All District projects and matters brought before the Board align with one of these five strategic areas of focus.

This agenda item aligns with all five strategic area of focus.

DESCRIPTION: There are three key documents, developed with community input, that provide the information we need to develop a proposed budget. They are the Strategic Business Plan, the Long Range Financial Plan (LRFP), and the Community Investment Plan (CIP). Once adopted, the annual budget reflects the authorized amount that the District can spend during the specific 12 month period that begins every July 1 and ends June 30. The annual budget is guided by our vision to create a more connected, sustainable and equitable community and, as a result, reflects all five of our strategic areas of focus.

In accordance with ORS 294.408, the Board of Directors must adopt a budget for each of its six (6) funds by the close of the current fiscal year. For LTD, the fiscal year ends on June 30, 2022. Oregon Budget Law (ORS 294.321) is also designed to encourage citizen involvement in the budget process. The District achieves this by: 1) vetting the Budget through a Budget Committee comprised of all 7 Board members and an equal number of appointed citizen members, 2) holding public hearings and 3) accepting written public comments

There are 3 requirements before the LTD Board can adopt the budget: 1) Posting for public comment (ORS 294.401), 2) Approval by the Budget Committee as presented or amended (ORS 294.424), and 3) Holding a public hearing on the Budget Committee approved budget (ORS 294.453).

BACKGROUND: The proposed FY23 Budget, along with an amended FY2022-2031 CIP and FY2022-2031 LRFP were posted for public comment on Tuesday, April 5, 2022.

The Budget Officer has prepared the proposed FY23 Budget and associated explanatory documents in accordance with ORS 294.473.

ORS 294.414 requires that the Budget Committee hold one or more meetings for the purpose of:

- Receiving the FY23 budget message and the proposed FY23 Budget, and
- Providing members of the public with an opportunity to ask questions about and comment on the budget.

ORS 294.428 requires that the Budget Committee approve the proposed FY23 Budget as submitted by the Budget Officer or amended by the Budget Committee.

Approval by the Budget Committee: Oregon Budget Law is designed to encourage citizen involvement in the control and expenditure of public funds by requiring a Budget Committee comprised of the LTD Board of Directors and an equal number of appointed electors to receive, consider and approve the proposed budget as presented or amended by the Budget Officer.

The Budget Committee last met on October 6, 2021, to review and approve the CIP and on April 7, 2021, to review the proposed FY2021-2022 (FY22) Budget. The proposed FY22 Budget was approved as presented and forwarded to the LTD Board of Directors with a recommendation for adoption.

CONSIDERATIONS: Staff recommends that the Budget Committee approve the proposed FY23 Budget as presented. Proposed Budget details are posted on the LTD website at www.LTD.org.

ALTERNATIVES:

- The Budget Committee may hold additional public hearings and/or additional Budget Committee meetings and/or postpone approval of the proposed FY23 Budget to an alternate date.
- The Budget Committee may amend and approve the proposed FY23 Budget as amended.

NEXT STEPS: Following the Budget Committee's approval, the LTD Board of Directors will hold a public hearing at its April 20, 2022, regular Board meeting on the Budget Committee approved budget (ORS 294.453). The proposed FY23 Budget will then be taken to the Board for adoption at its May 18, 2022, regular Board meeting.

SUPPORTING DOCUMENTATION:

- 1) Proposed FY23 Budget
- 2) PowerPoint Presentation – Proposed FY23 Budget, FY2022-2031 Amended CIP & FY2022-2031 Long Range Financial Plan

PROPOSED MOTION: I move that the LTD Budget Committee approve the proposed FY23 Budget as presented [amended] and forward it to the LTD Board of Directors with a recommendation for adoption.



AGENDA ITEM SUMMARY

DATE OF MEETING: April 12, 2022
ITEM TITLE: PROPOSED FISCAL YEAR 2022-2031 COMMUNITY INVESTMENT PLAN
PREPARED BY: Christina Shew, Director of Finance & Budget Officer
DIRECTOR: Mark Johnson, Interim General Manager
ACTION REQUESTED: Committee Approval with Board Recommendation

PURPOSE: To request that the Budget Committee approve the proposed FY2022-2031 Amended Community Investment Plan (CIP).and refer it to the LTD Board of Directors for adoption.

COMMITTEE COMMUNICATION:

- The preliminary FY2022-2031 CIP was posted for public comment on the Lane Transit District website on October 1, 2021.
- The FY2022-2031 preliminary CIP was reviewed and approved at the Budget Committee meeting held on October 6, 2021.
- A Public Hearing was held on the FY2022-2031 preliminary CIP on October 20, 2021.
- The Budget Committee meeting is scheduled to be held on April 12, 2022, and notice was posted to the District website on April 5 and in the Eugene Register Guard on March 24, 2022.
- The FY2022-2031 Amended CIP was posted for public comment on April 4, 2022, and sent to Budget Committee members on April 5, 2022.

PUBLIC COMMUNICATION

- The preliminary FY2022-2031 CIP was posted for public comment on the Lane Transit District website on October 1, 2021.
- The FY2022-2031 preliminary CIP was reviewed and approved at the Budget Committee meeting held on October 6, 2021.
- A Public Hearing was held on the FY2022-2031 preliminary CIP on October 20, 2021.
- The Budget Committee meeting is scheduled to be held on April 12, 2022; notice was posted to the District website on April 5 and in the Eugene Register Guard on March 24, 2022.
- The FY2022-2031 Amended CIP was posted for public comment on April 4, 2022, and sent to Budget Committee members on April 5, 2022.

STRATEGIC BUSINESS PLAN: The District's FY22-24 Strategic Business Plan has five strategic areas of focus. These include 1) Customer Satisfaction 2) Employee Engagement 3) Community Value 4) Financial Health 5) Sustainability. Each of these priorities has tactics, milestones, and performance measures to ensure achievability and accountability. All District projects and matters brought before the Board align with one of these five strategic areas of focus.

This agenda item aligns with all five strategic area of focus.

DESCRIPTION: The CIP is one of three key documents that provide the information we need to develop a proposed budget. The proposed FY 2022-2031 Amended CIP represents both our near and long term plan of investments needed in the next 10 years in order to continue to achieve our strategic business plan mission of connecting our community in a sustainable and equitable way. The CIP is updated and adopted annually.

The CIP has no spending authority. LTD's final decision to commit funds occurs through the annual budget process. Although the CIP is the starting point for the annual budget, the projects budgeted each year vary from those proposed in the CIP as a result of available funding and the funding needs of existing projects already underway. Projects proposed in the CIP reflect the planned project cost. The budget for the current state of a project may change between CIP adoption and project implementation

BACKGROUND: The FY2021-2030 CIP was last adopted by the Board at the May 19, 2021, regular Board meeting. Staff updated that CIP and presented the FY2022-2031 preliminary CIP to the Budget Committee on October 6, 2021. The Budget Committee approved the FY2022-2031 preliminary CIP and the Board held a public hearing on the FY2022-2031 preliminary CIP at their October 20, 2021, regular Board meeting. The preliminary FY2022-2031 CIP was amended ("FY2022-2031 amended CIP") to reflect updates to grant funding available, project timing adjustments, new projects and alignment with the proposed FY23 Budget.

The list of potential projects for inclusion in the CIP come from a variety of internal and external sources. Internal sources include planning & policy documents such as our fleet replacement or MovingAhead plans or our climate action policy. Departments also make requests based on capital or technology replacement needs. The District listens to our riders and community partners throughout Lane County to develop additional project proposals.

Project proposals are only included in the CIP if they align with the Strategic Business Plan. Project timing is dictated by available internal resources to execute and external resources to fund as projected in our Long range financial plan

Projects included in our CIP vary in size, cost and community benefit. Some projects are to maintain existing capital assets while others assist LTD in making the delivery of its service more efficient, safe and attractive. All projects either maintain our current infrastructure or respond to the changing needs of our riders and our community

The CIP has two fundamental objectives: 1) to make efficient use of LTD's financial resource, and 2) to implement regional priorities that anticipate the need for public transportation in the future. The CIP supports the collaborative efforts of the local and regional transportation plans. In that context, all projects are vetted against 7 criteria:

- 1) **Project Deferral Implication:** To what extent will deferring a project create unsafe conditions and/or cause noticeable disruption to the level of service or user benefits and/or put the District out of compliance with legal, compliance or regulatory mandates?
- 2) **Feasibility of Implementation:** What is the likelihood that the project will be completed within the requested budget and schedule?
- 3) **Operating Budget Impact:** What impact will the project have on the operating budget of the District and will the ongoing costs be sustainable given the projected incoming revenue sources?
- 4) **Ridership/Quality of Service Delivery:** What impact will this project have on ridership, quality of service delivery and benefits to the community?
- 5) **Economic Contribution:** How will a project increase the District's revenue, create jobs, and/or improve the local economy?
- 6) **Environmental Stewardship:** How will a project preserve the natural environment, conserve natural resources, reduce pollution, or otherwise contribute to a sustainable community?
- 7) **Other Benefits:** What benefits (beyond ridership/quality of service delivery) does the project have to the community (e.g. data insight, better transparency)?

All projects are also organized into three tiers based on their funding status as follows:

Tier I: Full funding has been secured.

Tier II: Funding is in the application process and/or funding source has been identified.

Tier III: Funding source has not yet been identified

CONSIDERATIONS: Staff recommends that the Budget Committee approve the FY2022-2031 Amended CIP as presented. The FY2022-2031 Amended CIP details are posted on the LTD website at www.LTD.org.

ALTERNATIVES:

- The Budget Committee may hold additional public hearings and/or additional Budget Committee meetings and/or postpone approval of the FY2022-2031 Amended CIP to an alternate date.
- The Budget Committee may amend and approve the FY2022-2031 Amended CIP as amended.

NEXT STEPS: Following the Budget Committee's approval, the LTD Board of Directors will hold a public hearing at its April 20, 2022, meeting. The FY2022-2031 Amended CIP will then be taken to the Board for adoption at its May 18, 2022, regular Board meeting.

SUPPORTING DOCUMENTATION:

- 1) FY2022-2031 Amended CIP
- 2) PowerPoint Presentation – Proposed FY23 Budget, FY2022-2031 Amended CIP & FY2022-2031 Long Range Financial Plan

PROPOSED MOTION: I move that the LTD Budget Committee approve the FY2022-2031 Amended CIP as presented [amended] and forward it to the LTD Board of Directors with a recommendation for adoption.



AGENDA ITEM SUMMARY

DATE OF MEETING: April 12, 2022
ITEM TITLE: PROPOSED FISCAL YEAR 2022-2031 LONG-RANGE FINANCIAL PLAN
PREPARED BY: Christina Shew, Director of Finance & Budget Officer
DIRECTOR: Mark Johnson, Interim General Manager
ACTION REQUESTED: Committee Approval with Board Recommendation

PURPOSE: To request that the Budget Committee approve the proposed Fiscal Year (FY) 2022-2031 Long-Range Financial Plan (LRFP) and refer it to the LTD Board of Directors for adoption.

COMMITTEE COMMUNICATION:

- The Budget Committee meeting is scheduled to be held on April 12, 2022, posted to the District website on April 5 and in the Eugene Register Guard on March 24, 2022.
- The FY2022-2031 LRFP was posted for public comment on April 5, 2022, and sent to Budget Committee members on April 5, 2022.

PUBLIC COMMUNICATION

- The Budget Committee meeting is scheduled to be held on April 12, 2022; notice was posted to the District website on April 5 and in the Eugene Register Guard on March 24, 2022.
- The FY2022-2031 LRFP was posted for public comment on April 5, 2022, and sent to Budget Committee members on April 5, 2022.

STRATEGIC BUSINESS PLAN: The District's FY22-24 Strategic Business Plan has five strategic areas of focus. These include 1) Customer Satisfaction 2) Employee Engagement 3) Community Value 4) Financial Health 5) Sustainability. Each of these priorities has tactics, milestones, and performance measures to ensure achievability and accountability. All District projects and matters brought before the Board align with one of these five strategic areas of focus.

This agenda item aligns with all five strategic area of focus.

DESCRIPTION: The LRFP is one of three key documents, developed with community input, that provide the information we need to develop a proposed budget and the timing of community investment projects. It is a 10 year plan that projects the anticipated resources and expenditures over a 10 year period. At its core, the LRFP aligns our financial capacity with the objectives outlined in our Strategic Business Plan and is therefore aligned with all five of our strategic areas of focus. It is updated, at a minimum when the Strategic Business Plan is updated, but ideally on an annual basis.

The LRFP has no spending authority. The District's final decision to commit funds occurs through the annual budget process. The LRFP is the starting point for the new annual budget. This plan illustrates the interconnections between our revenues, anticipated expenditures and the timing of our community investments. As the anticipated resources and economic conditions change each year from those planned in the LRFP, the proposed budget is adjusted accordingly to ensure the long-term financial well-being of the District and the sustainability of our existing services.

The LRFP was last adopted by the Board at the May 19, 2021, regular Board meeting.

The District's fiscal environment is always changing, especially in the current pandemic times. The traditional budget model, budgeting for cost, leads to a spending profile that attempts to sustain existing programs and services – without the financial resources to support those services. It is important therefore, to consider what level of service is maintainable over time to avoid increases to service that must be decreased due to reliance on variable or fluctuating

fund sources. The resource projections in the LRFP are a key factor in determining both the planned timing of projects in the Community Investment Plan and the design and level of our services.

Delivering our mission to connect our community through quality service, reliable vehicles, solid infrastructure and collaborative programs to serve our community's diverse mobility needs requires ongoing resources. The most significant ongoing resource is from payroll taxes (representing ~80% of general fund resources pre-pandemic). Our payroll tax projections are based on the projections from the Oregon State Office of Economic Forecasting using two variables: 1) Oregon Average Wages and 2) Total Nonfarm Employment. FY22 and FY23 are intentionally conservatively forecasted to ensure that we continue to live within our affordable means and because there are still many economic headwinds with COVID-19 variant risks and continuing world destabilizing events.

In the short-term, our LRFP relies on Federal COVID-19 stimulus grant assistance to bridge revenue to expenditure gaps as a result of both lower revenues and increased costs resulting from COVID-19 and its ever-changing variants. In FY23, significant service changes are not expected as we are spending FY23 gathering data through the comprehensive operations analysis which will inform how we build back our service and increase ridership. The increased ridership will result in associated passenger fares beyond FY23. Costs are currently high from pandemic-induced record high inflation, increased COVID-19 protocols, worker absences and supply chain issues. In the medium- to long-term costs are expected to decrease as the cost to operate post pandemic normalize.

CONSIDERATIONS: Staff recommends that the Budget Committee approve the proposed FY2022-2031 LRFP as presented. The proposed FY2022-2031 LRFP details are posted on the LTD website at www.LTD.org.

ALTERNATIVES:

- The Budget Committee may hold additional public hearings and/or additional Budget Committee meetings and/or postpone approval of the proposed FY2022-2031 LRFP to an alternate date.
- The Budget Committee may amend and approve proposed the FY2022-2031 LRFP as amended.

NEXT STEPS: Following the Budget Committee's approval, the LTD Board of Directors will hold a public hearing at its April 20, 2022, regular Board meeting. The proposed FY2022-2031 LRFP will then be taken to the Board for adoption at its May 18, 2022, regular Board meeting.

SUPPORTING DOCUMENTATION:

- 1) Proposed FY 2022-2031 LRFP
- 2) PowerPoint Presentation – Proposed FY23 Budget, FY2022-2031 Amended CIP & FY 2022-2031 LRFP

PROPOSED MOTION: I move that the LTD Budget Committee approve the proposed FY2022-2031 LRFP [amended] and forward it to the LTD Board of Directors with a recommendation for adoption.