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**LANE TRANSIT DISTRICT  
BOARD OF DIRECTORS  
FINANCE COMMITTEE MEETING**

**February 18, 2009  
4:30 p.m. – 5:30 p.m.**

**LTD Conference Room A  
3500 East 17<sup>th</sup> Avenue, Eugene (in Glenwood)**

**AGENDA**

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I. CALL TO ORDER (Dean Kortge)	
II. ROLL CALL (Dean Kortge) Dubick _____ Kortge _____ Necker _____	
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**Alternative formats of printed material (Braille, cassette tapes, or large print) are available upon request. A sign language interpreter will be made available with 48 hours' notice. The facility used for this meeting is wheelchair accessible. For more information, please call 682-6100 (voice) or 1-800-735-2900 (TTY, for persons with hearing impairments).**

MINUTES OF FINANCE COMMITTEE MEETING  
LANE TRANSIT DISTRICT BOARD OF DIRECTORS

November 4, 2008

Pursuant to notice given to *The Register-Guard* for publication on November 2, 2008, a meeting of the Lane Transit District Board of Directors Finance Committee was held at 4:00 p.m. on November 4, 2008, at Lane Transit District, 3500 East 17th Avenue, Eugene.

**PRESENT** - Mike Dubick, Dean Kortge, Ed Necker

**CALL TO ORDER** – Mr. Kortge, chair of the committee, called the meeting to order at 4:00 p.m.

**ROLL CALL** – All committee members were in attendance. The following LTD staff also was present: Diane Hellekson, Mark Pangborn, Carol James, Stefano Viggiano, Andy Vobora, Todd Lipkin, Mary Adams, Mark Johnson, and Chris Thrasher.

**MINUTES** – Minutes from the February 20, 2008, meeting were approved by Mr. Dubick and Mr. Kortge. Mr. Necker abstained since he was not a member of the committee at that time.

**PRICING PLAN** – With raised fares and changed fare availability in the summer of 2008, coupled with increased ridership, fare revenues have increased well ahead of projections. In order to prepare for the fiscal year 2009-10 budget, Mr. Vobora, director of service planning, accessibility, and marketing, asked the committee for direction regarding possible changes to the District's fare structure and charter service rate. The discussion included the following:

- The committee was more in favor of raising the monthly pass fare rather than raising the cash fare. Mr. Vobora would compile peer analysis data for the committee's review.
- Rapidly increasing ridership, at peak travel times, has created capacity issues on some routes. Two contributing factors are increased use of group passes by current riders and expansion of the group pass program to new organizations. The pricing of group passes increases annually according to the Group Pass Policy. These increases are indexed to increased operating costs; however, there are some who question whether the program continues to be revenue neutral. According to the Group Pass Policy, annual increases are not to exceed the three-year rolling average of LTD cost increases. Language in the policy could be changed to allow for a few percentage points above the three-year rolling average. Group passes will increase 8.8 percent effective January 1, 2009. Mr. Vobora believed that data from the current group pass survey could provide the committee with additional information needed in order to analyze the base price. The committee felt that raising group pass fares could exert economic pressure.
- Staff recommended, and the committee supported, that all charter services be priced at the District's fully allocated rate to ensure all costs are covered. This method would keep rates in line with private carrier rates.

Mr. Vobora stated that staff was currently in discussions with the UO regarding their group pass program. Staff may be asked to calculate the cost for additional service.

General Manager Mark Pangborn stated that the Board, at a future meeting, will discuss buying more articulated buses in order to help alleviate capacity issues. Articulated buses provide 50 percent more capacity. The purchase of additional buses would also require a remodeling of the Maintenance facility to accommodate repair of the vehicles. Mr. Lipkin, financial services manager, noted that it could be 18-24 months before LTD could acquire the buses.

**REVENUE SCENARIOS** – Ms. Hellekson, director of finance and information technology, distributed copies of three revenue scenarios that showed the cumulative revenue loss over a five-year period:

- (1) Optimistic -- \$6,959,720
- (2) Prolonged U-shaped recession -- \$8,412,720
- (3) Deep and prolonged recession -- \$12,175,720

The information illustrated the effect on payroll tax receipts of different economic assumptions. She noted that a small deviation from the Long-Range Financial Plan could have serious consequences for LTD.

To date, payroll tax receipts are equal to the receipts received a year ago; however, staff do not expect to see the budgeted 8 percent increase.

If the Capital Improvements Program (CIP) was adjusted to include only essential items and major capital projects, it could free up \$3.2 million over the next three years.

The credit market's effect on a public entity's ability to finance projects does not have a direct impact on LTD, in the short term, because LTD is not looking to issue bonds, for example. It does, however, have a more direct effect on LTD because the ability for other public agencies to finance their projects generates payroll tax revenue for LTD.

Ms. Hellekson asked the Committee for direction regarding using federal funds in the short term for operating expenses, which staff supports; thoughts on the state of the economy; and using the revenue analysis for the Long-Range Financial Plan.

Mr. Dubick believed that the current recession would last longer than previous recessions. From a capital standpoint, he recommended looking at projects LTD is committed to do. He believed manufacturing is effected by the credit crunch and is down.

Mr. Kortge recommended building in just the rate increase on the revenue scenarios. He believed companies could cut back or stop providing health care benefits but health care delivery would continue.

Currently, there are no major construction projects that would generate payroll tax revenue. The impact of the closure of Hynix, a major employer, will be a loss of about \$100,000 per quarter, but the health care industry is growing.

Mr. Kortge asked for an assessment on credit risk. Ms. James responded that public agencies are paying more in interest and it will get harder to produce the necessary project revenues to

cover the debt. Private/public partnerships may be discontinued. They may not be able to get credit insurance to establish an AAA rating. Since the market is tight, bonds are not selling.

Ms. Hellekson believed that the federal government is aware of the problem and is working to make it better. She agreed that the recession may be long but not as deep, and it could take longer for the credit market to rebound.

The committee asked for scenarios regarding the use of federal formula funds for operations. Mr. Viggiano, assistant general manager, stated that LTD should be cautious to not become dependent on using federal funds for operations. Assuming that the Transportation Equity Act (TEA) will be reauthorized, LTD should receive more formula funds. All Medicaid and rural service is being reported through the brokerage.

The committee believed a two-year U-shaped recession scenario was more realistic.

**EMPLOYMENT TRENDS** – Ms. James, chief accountant/internal auditor, stated that Lane County employment information for August 2008 was included in the agenda packet. She distributed copies of the November 2008 Lane County Labor Trends report, which reported September 2008 employment. The monthly publication is available online. The reports show that unemployment is going up.

**NEXT MEETING** – The full Board would participate in a work session on December 5. A Board Finance Committee meeting would be scheduled in January or February 2009.

**ADJOURNMENT** – There was no further discussion, and the meeting adjourned at 5:30 p.m.

(Recorded by Chris Thrasher, Lane Transit District)

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## AGENDA ITEM SUMMARY

**DATE OF MEETING:** February 18, 2009

**ITEM TITLE:** Audit Services Contract

**PREPARED BY:** Carol A. James, Chief Accountant/Internal Auditor

**ACTION REQUESTED:** None

**BACKGROUND:** The contract with Grove, Mueller & Swank, P.C., for audit services will expire May 30, 2009. Periodically, the contract for audit services should be rebid. In the past, staff has prepared a request for proposals (RFP) for audit services. Responses were then reviewed by a committee of staff and at least one member of the Board of Directors. A recommendation was then forwarded to the full Board for its approval. While staff feels this process has worked well in the past, it is appropriate to remind the members of the Finance Committee that the auditors report directly to the Board. As such, the Board may wish to select the auditors independently of staff.

If the Committee chooses to use it, staff has prepared a request for proposal with the following tentative timeline:

Mail RFP	March 30
Responses due	May 4
Interviews	May 15
Selection	May 20
New contract signed by June 1, 2009	

**ATTACHMENTS:** None

**RESULTS OF RECOMMENDED ACTION:** Process for selection of auditors approved and member(s) of selection committee appointed

**PROPOSED MOTION:** None

## AGENDA ITEM SUMMARY

**DATE OF MEETING:** February 18, 2009

**ITEM TITLE:** PUBLIC TRANSIT DIVISION DISCRETIONARY GRANT APPLICATIONS FOR 2009 – 2011 BIENNIUM

**PREPARED BY:** Terry Parker, Accessible Services Manager

**ACTION REQUESTED:** None

**BACKGROUND:** The Oregon Department of Transportation (ODOT) Public Transit Division administers a grant program that combines several sources of federal and state funds. There is approximately \$15 million for distribution statewide, with nearly \$1.3 million designated for Lane County for transportation projects that benefit older adults and people with disabilities.

LTD, as the STF (Special Transportation Fund) Agency for Lane County is required to review, rank, and agree to accept funding for local projects that potentially will be funded with money from this program. LTD serves as the coordinator for all discretionary project applications within Lane County. LTD will be submitting a consolidated application that reflects priorities established in the Lane Public Transit-Human Services Coordinated Plan (Lane Coordinated Plan) and program requirements.

The Lane Coordinated Plan 2009 Update, approved by the Board in January 2008, outlines these funding priorities for Lane County projects, which were used to rank project proposals.

**First Priority - Maintain existing service levels of viable operations.** Ensure that transportation services and connections remain at their current level for people who depend on public transportation services in Lane County.

This supports existing transportation providers' projects that:

- Have shown to be effective in meeting community transportation needs
- Require ongoing capital and operating assistance to maintain current level of service
- Continue to demonstrate effective transportation operations within Lane County's coordinated network

**Second Priority - Respond to growth within existing services.** Allow for measured increases where demand points to an unmet need within the current limits of the service.

This supports existing providers' projects that:

- Require capital and operating assistance to meet growing demand for service within present boundaries
- Are able to improve efficiency and functionality by building on existing infrastructure

This supports potential new providers or services by:

- Allowing for growth but not automatically extending new service without a careful evaluation of transportation needs in different locations or by other providers

**Third Priority - Respond to emerging community needs.** Take action on opportunities to coordinate and expand service by developing new partnerships and reacting to newly identified transportation needs and gaps.

This supports projects that:

- Are under development and bring new resources
- Address identified transportation needs and gaps and/or focus on an underserved group of individuals
- Improve efficiency and effectiveness of the overall system
- Provide an added benefit to the transportation services network and riders
- Are innovative in their approach in reaching out to new riders or geographic areas

A Notice of Fund Availability was placed in the legal section of the Eugene *Register-Guard* on November 11, 2008, a public workshop was held on November 12, 2008, project proposal application forms for Lane County projects were widely distributed, and completed applications were accepted at LTD until Friday, January 9, 2009. A local Grant Review Committee made up of members of the Accessible Transportation Advisory Committee and staff from Lane Council of Governments, the local Metropolitan Planning Organization, reviewed and ranked 13 project proposals that were submitted under the Older Adults and People with Disabilities section of the grant program and review two projects, one each under the Job Access Reverse Commute (JARC) and New Freedom programs.

The attached list outlines the proposed ranking and funding allocations that the Grant Review Committee is submitting for consideration to the Accessible Transportation Advisory Committee (ATC).

Please note that the ATC will be reviewing this same recommendation on Tuesday, February 17, 2009, just one day before the LTD Board meeting. If there are any modifications to the grant proposal, LTD staff will provide a written and verbal update at the Board meeting.

**ATTACHMENT:**

Recommendation of the Grant Review Committee  
Proposed Lane County Public Transit Division Discretionary Grant projects for 2009-2011 Biennium

**PROPOSED MOTION:**

None

**ATTACHMENT**  
**ODOT Public Transit Division**  
**Discretionary Grant – Recommended Ranking and Funding Allocations**

LTD Grant Review Committee:      L.M. Reese, Chair                      Susan Payne, LCOG MPO  
    Hugh Massengill                      Mark Phinney  
    Bob Proctor  
    Sherrin Coleman, ODOT Public Transit District (Ex-Officio)

**Older Adults and People with Disabilities Program**

RANK	Agency	Project Description	Amount Requested	Amount Funded
1	Special Mobility Services, Inc.	Vehicle Preventive Maintenance	\$181,334	\$181,334
2	Special Mobility Services, Inc.	Vehicle Replacement (11 RideSource & 1 Florence)	\$721,429	\$721,429
3	LCOG Senior & Disabled Services	Non-Medical Transportation for Medicaid Recipients (matching grant)	\$51,942	\$51,942
4	LCOG Senior & Disabled Services	Volunteer Escort	\$126,612	\$126,612
5	White Bird Clinic	Mental Health and Homeless Transportation Services	\$75,000	\$72,845
6	Pearl Buck Center, Inc.	Pre-School Transportation Services	\$95,266	\$92,528
7	South Lane Wheels	South Lane - Public Transportation Operations	\$12,226	\$12,226
8	St. Vincent De Paul Society	Replacement Vehicle	\$31,406	\$31,406
9	Willamalane Senior Center	Replacement Vehicle	\$46,982	\$0
10	South Lane Wheels	Route-Around-Town – New Vehicle	\$179,460	\$0
11	South Lane Wheels	Route-Around-Town Operations Expansion	\$10,206	\$0
12	South Lane Wheels	Mobility Management Project	\$38,660	\$0
13	South Lane Wheels	Route-Around-Town Bus Stop Signs	\$4,486	\$0

**Metro - Job Access Reverse Commute Program**

RANK	Agency	PROJECT DESCRIPTION	Amount Requested	Amount Funded
N/A*	Lane Transit District	Work transportation with Lane Developmentally Disabilities Services	\$160,000	\$160,000

\*One application received

**New Freedom Program**

RANK	Agency	PROJECT DESCRIPTION	Amount Requested	Amount Funded
N/A*	Lane Transit District	Integrated Eligibility Assessments with Senior & Disabled Services	\$140,000	\$140,000

\*One application received



## Oregon Public Transit Discretionary Grant Program for Lane County

Fiscal Years 2010 & 2011  
Older Adults & People with Disabilities  
JARC & New Freedom - Metro Only

- Combines federal 5310 & State money for Older Adults & People with Disabilities
- Allocates by statewide formula
- Metro JARC & New Freedom projects solicited at the same time but under separate review
- Local decisions made within annual budget cycle

### Funding Highlights

- LTD will be direct recipient of grant funds & conducts local selection process
- Evaluate by coordination & local priorities – maintain, expand to meet demand, and new
- Combine projects for greater flexibility and to streamline administration
- Opportunity to "trade" capital for ADA operations

### Process Highlights

- Preventive maintenance is not limited to a per-vehicle cap
- ADA paratransit operations allowed for the 1<sup>st</sup> time (under purchased service)
- Vehicles meet age or mile criteria, not both
- LTD given flexibility in conducting local application and review process

### Changes

- October & November –
- ODOT and LTD Workshops
  - Distribute forms and information
  - Convene Grant Review Committee
  - Establish and communicate process and procedures
  - Provide technical assistance

### Schedule

Applications due January 9

#### 15 Projects for Older Adults Program

- 2 Projects for RideSource vehicle replacement & ADA operations
- 1 Project pulled due to cancellation of program
- 1 each Metro – JARC & New Freedom

### Applications

- Place in 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> priorities as outlined in Coordinated Plan
- Independent scoring by Committee members
- Review and ranking
- Assign funding & allocations
- Presentations & comments by applicants
- Accessible Transportation Advisory Committee holds public hearing – no testimony

**Grant Review Committee**