

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Lane Transit District (LTD) Service Reductions

Meeting Date: February 17, 2010
Department: Public Works
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Agenda Item Number: B
Staff Contact: Rob Inerfeld
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ISSUE STATEMENT

Mostly due to a decline in payroll tax revenues, Lane Transit District (LTD) faces a \$6.5 million gap in its operating budget. LTD is proposing service cuts of approximately 20 percent to address this shortfall. The proposed changes to service are being vetted with the community between January and April 2010. The attached memo from LTD staff provides more detail on the current situation and public process.

BACKGROUND

See Attachment A for background information.

RELATED CITY POLICIES

From Eugene-Springfield Transportation System Plan (TransPlan):

TSI Transit Policy #1: Transit Improvements

Improve transit service and facilities to increase the system's accessibility, attractiveness, and convenience for all users, including the transportation disadvantaged population.

From Adopted Growth Management Policies:

Growth Management Policy 11

Increase the use of alternative modes of transportation by improving the capacity, design, safety, and convenience of the transit, bicycle, and pedestrian transportation systems.

COUNCIL OPTIONS

Discuss and provide feedback.

CITY MANAGER'S RECOMMENDATION

Discuss and provide feedback.

SUGGESTED MOTION

None.

ATTACHMENTS

- A. 2010 Annual Route Review AIS
- B. Annual Route Review 2010 – Service Change Summary for FY 10-11
- C. Tier 2: Additional Items to Reduce Hours/Cost
- D. 2010 Service Reduction/Redesign Proposal
- E. 2010 Annual Route Review Public Involvement

FOR MORE INFORMATION

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AGENDA ITEM SUMMARY

DATE OF MEETING: February 17, 2010

ITEM TITLE: 2010 ANNUAL ROUTE REVIEW

PREPARED BY: Andy Vobora, Director of Service Planning, Accessibility, and Marketing

ACTION REQUESTED: Discuss and provide feedback.

BACKGROUND: Lane Transit District evaluates its routes on an annual basis. This process concludes in the spring when the LTD Board of Directors adopts a service plan for the coming fiscal year. The state of the economy and the direct impact of continuing high unemployment have taken a toll on the District's primary source of operating income, the payroll tax. This dramatic reduction in payroll tax receipts has created a \$6.5 million budget gap that must be filled through reductions in the operating budget. Current plans call for a \$3 million reduction in 2010 and a \$3.5 million reduction in 2012.

At this time last year, LTD developed a route redesign plan that reduced nearly 15 percent of bus service hours. However, approval of the American Recovery and Reinvestment Act (federal stimulus funding) in early 2009 provided sufficient additional transit funding so that only a 3 percent service reduction was implemented. Those stimulus funds are being spent along with LTD reserve funds this fiscal year, but by year-end, the budget gap must be addressed. There is discussion of additional federal funds becoming available later this year. However, the Senate must still act; and there are no details regarding the amount of funding, criteria for use, or when the funds would be dispersed. The LTD staff and Board are proceeding into the Annual Route Review and budget processes by assuming that no new federal funds will be available. If funds become available, staff will present the LTD Board with a plan that shows how best to apply these funds in order to balance the budget over the coming years.

To prepare a balanced FY 2010-11 operating budget, LTD service planners are in the process of identifying areas to trim bus service hours by approximately 20 percent. These plans are being vetted with the community between January and April 2010. The Springfield City Council reviewed the plan at its January 25 work session, and the Lane County Commissioners reviewed the plan at a joint session with the LTD Board on February 8. Many open houses and public hearings have been scheduled, and the LTD Board will make its final decision on service changes on April 21, 2010. Riders also have complete access to the details of the service plan by visiting LTD's website.