



Thursday, May 19th, 2022

**Hood River County Transportation District
1st Meeting of the Budget Committee
224 Wasco Loop, Board Conference Room
Hood River, OR 97031**

4pm – 5:30pm

Agenda

The Hood River County Transportation District is taking measures to limit exposure of COVID-19. In support of state and federal guidelines for social distancing, HRCTD will hold this meeting by using Zoom Conferencing technology. Members of the public can attend by calling (253)215-8782, Meeting ID 839 3677 1614, Passcode 886328 or join by computer:
<https://us02web.zoom.us/j/83936771614?pwd=UDIYYzBPTeRuYmljeXhINS8vWGRTZz09>

- 1) Call Meeting to Order (4:00pm)**
- 2) Election of Budget Committee Chair**
- 3) Reading of Budget Message FY 2022-23 by Incoming Executive Director**
- 4) Initial Review of Budget FY 2022-23**
- 5) Meeting Adjourned**

To request a reasonable accommodation or language interpreter, including alternative formats and translation of printed materials, please contact CAT's Administration Office no later than 48 hours prior to the meeting at 541-386-4202 (voice) or 7-1-1 (TTY through Oregon Relay Service).

Take CAT to the Meeting! Call (541) 386-4202 for more information on routes and services that come to the CAT Administrative Offices.

Se Habla Español.



Budget Message

Purpose of the Budget

In compliance with the State of Oregon Local Budget Law, the 2022-2023 (FY23) Budget beginning July 1, 2022, and ending June 30, 2023 is submitted to the Budget Committee for approval. As prepared and submitted, the annual budget is intended to serve as a financial plan for the Board's goals for the coming fiscal year. To that end the Budget should:

- Outline the forecasted expenditure requirements to meet those goals and the proposed means for financing those requirements.
- Provide a financial overview of the use and deployment of personnel, materials, and services during the fiscal year.
- Offer guidance to the Board and district on overall operational priorities and expenditures.

Accomplishments of Fiscal Year 2022

During FY2022 the district made significant movement with Board goals to enhance local services, promote the economic recovery of our area from the COVID-19 pandemic, and maintain and expand access to residents and visitors in other Gorge communities and the Portland Metropolitan area.

Key outcomes included:

- Hood River City Route evening service and weekend service was expanded, and year-round weekend service was added.
- Amy Schlappi was promoted from the Planning & Development Manager to the Executive Director Position after an extensive search.
- 4-agency GORge pass was launched in July 2021.
- Contracted with Skamania County to provide the Dog Mountain Shuttle for the second year.
- Provided the Gorge-To-Mountain service inhouse, reducing overall costs.
- Implemented the Gorge Transit Connect (low-income pass) program.
- Continued to support local community efforts (Hood River County Health, One Community Health, The Next Door, inc. Emergency Services) to ensure residents have access to COVID testing and vaccinations as well as other social service needs.
- Secured over \$500,000 in capital grant funds for an additional 2 Electric Vehicles and another \$500,000 for a summer expansion of the Columbia Gorge Express to Cascade Locks.
- Began implementation of the 2017 Transit Master Plan Update, including significant public engagement to understand how the district should grow in the next 5-10 years.

Impacts of the COVID Pandemic

The COVID-19 Pandemic has continued to create a variety of challenges and opportunities for CAT and other transit providers in Oregon. Additional CARES Act funding opportunities have been announced, but not yet awarded. Ridership levels have increased but have been impacted by new variants of the virus throughout the year. Staff continues to adapt as requirements related to COVID-19 change to ensure the safety of riders and staff and that they feel comfortable providing and using CAT services. Please see economic outlook where we address the ongoing impacts on inflation and the overall economy.

Board Goals for the 2023 Budget Year

The Board has outlined the following goals for the FY23 Budget:

- Complete the formal update to the Transit Master Plan.
- Continue and grow the multi-provider GOrge Pass program and support the regional transit strategy and work toward improved connectivity throughout the Gorge.
- Identify and secure opportunities for staff training in human Resources, leadership, and overall transit operations training.
- Renovate the CAT office to accommodate growing staff and support expansion of services.
- Secure funding to maintain existing services and implement service expansion prioritized in the Transit Master Plan.
- Expand outreach to vulnerable communities (i.e. Latino, Native American, seniors, individuals with disabilities etc.) to ensure access and awareness of transit.
- Explore innovative options and implement solutions to address specific transportation needs:
 - Local NEMT & Door through Door
 - After hour (hotel/bar/restaurant) shuttle
 - Shared-bike program

Overview of the FY2023 Proposed Budget

The Fiscal Year 2023 Budget allows for CAT to maintain and enhance current services and identify funding streams for new services. Our expectation being that ridership will begin to recover from covid this year and we will see an increase in ridership that is consistent with our ongoing investment.

The budget strategy is outlined in the attached budget. There are three major funding sources, they include:

- **General Budget** – The general budget is made up of federal grants, property tax revenues, state payroll tax collection and a variety of other smaller sources. CAT has had to continue to carry over \$500K in capital grant funds from FY21 and FY22 due to bus delivery delays stemming from COVID-19 induced supply chain issues. In addition, CAT continues to carry over some Statewide Transportation Improvement Fund (STIF) Formula funds that were not spent in the FY19-21 funding cycle. In large part, these carryovers were due to COVID, which caused much of the planned service expansion in FY20 and FY21 to be moved to FY22 and FY23. Other federal COVID related funding (CARES ACT, CRRSSA and Rescue ACT) continue to offer some revenue relief for CAT and other transit agencies as we look to restore confidence in the system. CAT

applied for roughly \$500K through an additional round of CARES ACT funding in early May 2022. We expect to know if that or a partial amount is awarded in June 2022. This year CAT will be creating the FY24/FY25 STIF Plan with input from the HRCTD STIF Committee. This plan will shape how the STIF Formula funds for those years will be spent within the community.

- **Columbia Gorge Express (CGE) Service** – The CGE connects The Dalles, Hood River, Cascade Locks, Multnomah Falls, and Portland and is funded by STIF Discretionary Funds. In FY21 CAT was awarded just over \$1 million for service in FY22 and FY23. A new grant funding application and associated match amount will need to be approved this coming year should the board wish to continue the CGE Intercity service in FY24 and FY25. The new grant match rate is expected to be as high as 50% and will be an important source of discussion for the Budget next year.
- **Gorge to Mountain (G2M) Hwy 35 Service** – G2M connects Hood River to the Upper Valley and Mt. Hood Meadows during the winter and is typically funded by Federal Lands Access Program (FLAP) funds. CAT has included \$80,000 in G2M revenues and expenditures in the FY2023 Budget. CAT applied for \$880,000 of Federal Lands Access Program (FLAP) competitive grant funds for FY2023-2024 in June 2021. The district should receive a final decision in Fall 2022.

In summary, the draft FY 2023 Budget moves forward with Board goals to complete the 2017 Transit Master Plan (TMP) Update, continue efforts to increase ridership, provide staffing necessary to prepare the district for the implementation of short-term goals identified in the TMP and continue and expand transit connectivity within the region.

I wish to thank Patty Fink for her dedicated service as the Executive Director of HRCTD since 2017. During her tenure she has led the charge of transitioning the district from a strictly Dial-A-Ride system to a fixed-route system that connects residents of the county to services and opportunities within the county and in the Portland Metropolitan Region. Additionally, CAT has become a household name and a service that transit dependent and choice transit riders use daily to go to work, medical appointments, grocery stores, social and recreational activities.

Further, I want to thank the citizens of Hood River County and our riders for the continued support of their public transportation system.

I look forward to taking the helm and steering the agency into this next phase and building upon the partnerships that Patty has created with local and regional organizations.

Amy Schlappi
Executive Director
Hood River County Transportation District
(dba Columbia Area Transit)

Hood River County Transportation District

dba Columbia Area Transit

Vision

To connect the people and communities of Hood River County with an accessible and more sustainable future.

Mission

We provide safe, reliable, accessible, and efficient public transportation services in Hood River County and offer critical regional connections to Portland, Washington State and throughout the Gorge.

Values

Safety – We will ensure the safety of our employees, customers, and transit systems.

Customer Service – We will work with our customers to meet their needs and exceed their expectations.

Sustainability – We will continuously improve and be accountable for our financial, environmental, and social outcomes.

Integrity – As stewards of public resources, we will use our assets prudently and conduct ourselves honestly and respectfully.

Community Driven – As stakeholders in Hood River County, we strive to ensure our services contribute to the social, cultural, and economic betterment of all residents.

Innovation – We will pursue opportunities to enhance value for our customers.

Collaboration – We will cultivate strong partnerships, community connections and links to other types of travel.

Teamwork – As a team, we celebrate diversity, foster effective communication; and promote advancement and longevity.

Hood River County Transportation District is proud to present the FY2023 budget to the public. We are committed to providing safe, reliable, accessible, and SUSTAINABLE public transit services far into the future.

Overall Economic Outlook

The overall economic outlook for Hood River County Transportation District is good. CAT received over \$1 Million from federal COVID related funding (CARES ACT, CRRSSA) in FY20, FY21, FY22 and expects to see an additional allocation this year. These funds have helped to maintain stability for the district and have allowed us to move forward with planned enhancements. We expect STIF formula (payroll tax) to continue an upward trend this year with the restoration of normality after COVID-19.

We have been somewhat conservative in our fare revenue estimates as COVID-19 continues to create obstacles, but we are excited about the 4 agency GOrge Pass marketing plan and optimistic with the results from the summer marketing push.

Rising costs due to inflation and stresses on the world supply chain from COVID-19 has caused a sharp increase for vehicles, vehicle parts, labor, repairs, and general goods expenses. Due to labor shortages and rising cost of living within the Gorge, the district significantly increased wages and benefits for staff in February of 2022. This is particularly evident under the direct service staff line item in the proposed FY23 Budget when compared with the original FY22 Budget. The war in Ukraine has caused fuel prices to increase exponentially. We have placed a buffer for the fuel expense line item in case this crisis continues to get worse and cause long term effects on the global fuel supply.

Major Budget Additions

It is important to highlight and call out specific new revenues or expenditures that have been added to this year's budget, they include:

- Service hour additions enhancing services in Hood River on evening and weekends throughout the year as part of the FY 22-23 STIF Plan.
- Increased service levels on the Columbia Gorge Express between Portland, Multnomah Falls, and Cascade Locks during the summer of 2022.
- Implementation of the 2017 Transit Master Plan Update.
- New capital projects (including ADA improvements) that were identified by the community as part of the FY 22-23 STIF Plan.
- Office renovations to allow for growing staff and more effective for needs.
- Identify and secure opportunities for staff training in human Resources, leadership, and overall transit operations training.

Reserve Funds

HRCTD continues to have a good-sized reserve funds. You will however see a reduction of the STIF reserve funds as we were able to spend down roughly \$150K of those funds this year. STIF Formula funds are one of the only State funding sources we receive upfront each quarter. These funds are allocated to our District on a quarterly basis, based on the STIF plan which is approved every two years by the Board on the recommendations of the HRCTD STIF committee. This plan will need to be updated this upcoming year. For more information on this STIF plan & expenditures, please check our website. <https://www.ridecatbus.org/stfstifcommittee/>

General Fund 100

GENERAL FUND

Revenue

100

Historical Data						
Actual		Supplemental Budget FY22	RESOURCE DESCRIPTION	FY23 Proposed Budget	Budget Committee Recommendation 2023	Board Adopted 2023
Actual Budget FY20	Actual Budget FY21					
RESERVE FUNDS						
959,235	\$ 1,080,091	\$ 1,213,649	Unencumbered Reserve Funds	\$ 1,238,056		
	\$ 330,000	\$ 330,000	STIF Dedicated Project Funds (*)	\$ 165,000		
\$ 959,235	\$ 1,410,091	\$ 1,543,649	Total Reserve Funds	\$ 1,403,056		
REVENUE						
\$ 198,435	\$ 150,000	\$ 150,000	4001 - Fare Revenue	\$ 200,000		
\$ 95,271	\$ 30,000	\$ 30,000	4100 - Contract Revenue	\$ 60,000		
\$ 493,671	\$ 949,322	\$ 317,814	4200 - Federal Assistance	\$ 1,210,566		
\$ 1,304,535	\$ 1,168,475	\$ 1,395,475	4300 - State Assistance	\$ 1,487,200		
\$ 169,160	\$ 200,000	\$ 200,000	4500 - Local Assistance	\$ 210,000		
\$ 12,894	\$ 45,000	\$ 65,000	4600 - Other Revenue	\$ 61,258		
\$ 152,500	\$ 372,000	\$ 472,000	4700 - Federal CARES ACT	\$ 275,000		
\$ 2,426,466	\$ 2,914,797	\$ 2,630,289	Total Available Funds	\$ 3,504,024		
OPERATING EXPENSE						
\$ 2,773	\$ 7,210	\$ 7,210	5005 Vehicle Expenses	\$ 7,210		
\$ 101,165	\$ 260,000	\$ 260,000	5015 - Fuel	\$ 288,000		
\$ 56,055	\$ 81,238	\$ 160,000	5020 - Operation Expenses	\$ 125,000		
\$ 25,768	\$ 32,833	\$ 32,833	5100 - Communication Expense	\$ 37,440		
\$ 15,014	\$ 17,048	\$ 28,611	5200 - Vehicle Insurance	\$ 34,800		
\$ 7,808	\$ 12,600	\$ 12,600	5500 - Driver Expenses	\$ 20,000		
\$ 217,030	\$ 40,000	\$ 120,000	5600 - Advertising & Marketing	\$ 120,000		
\$ 178,641	\$ 32,000	\$ 62,000	5700 - Grant / Contract Match Funds	\$ 112,917		
\$ 604,254	\$ 482,929	\$ 683,254	Total Operating Expense	\$ 745,367		
ADMINISTRATIVE EXPENSE						
\$ 32,754	\$ 58,300	\$ 58,300	7003 - Building Expenses	\$ 100,081		
\$ 13,488	\$ 15,600	\$ 15,600	7100 - Office Supplies & Expense	\$ 15,600		
\$ 85,534	\$ 123,100	\$ 123,100	7300 - Professional Fees	\$ 149,800		
\$ 8,354	\$ 11,340	\$ 11,340	7400 - Other Administrative Expense	\$ 30,900		
\$ 140,130	\$ 208,340	\$ 208,340	Total Administrative Expense	\$ 296,381		
ADMINISTRATIVE PERSONNEL EXPENSE						
\$ 174,180	\$ 227,220	\$ 227,220	8003 - Admin Wages	\$ 223,200		
\$ 11,695	\$ 22,770	\$ 22,770	8030 - Admin ER Taxes	\$ 30,648		
\$ 15,178	\$ 30,390	\$ 30,390	8080 - Admin Benefits	\$ 43,200		
\$ 10,383	\$ 3,446	\$ 3,446	8081 - Admin - Accrued PTO Amount	\$ 6,000		
\$ 211,436	\$ 283,826	\$ 283,826	Total Administrative Personnel Expense	\$ 303,048		
DIRECT SERVICE PERSONNEL EXPENSE						
\$ 590,155	\$ 810,508	\$ 1,086,555	8103 - Direct Service Wages	\$ 1,144,200		
\$ 31,645	\$ 84,588	\$ 105,048	8130 - Direct Service ER Taxes	\$ 112,255		
\$ 71,900	\$ 134,579	\$ 167,131	8180 - Direct Service Benefits	\$ 158,200		
\$ 23,024	\$ 3,886	\$ 4,826	8181 - Direct Service - Accrued PTO Amount	\$ 8,000		
\$ 716,724	\$ 1,033,561	\$ 1,363,561	Total Direct Service Personnel Expense	\$ 1,422,655		
CAPITAL OUTLAY						
\$ 597,405	\$ 863,500	\$ 231,902	9000- Capital Expenses	\$ 907,760		
			9999-Other Income, Expense Depreciation			
\$ 597,405	\$ 863,500	\$ 231,902	Capital Expenses	\$ 907,760		
\$ 2,426,466	\$ 2,914,797	\$ 2,630,289	Total Revenue	\$ 3,504,024		
\$ 2,269,950	\$ 2,872,156	\$ 2,770,882	Total Expense	\$ 3,675,211		
\$ 156,516	\$ 42,641	\$ (140,593)	Net Income	\$ (171,187)		
\$ 1,115,751	\$ 1,122,732	\$ 1,403,056	Project Available Funds at EOY	\$ 1,231,869		
		\$ 165,000	Amount of Balance that is STIF Roll Forward			
		\$ 1,238,056	Unencumbered Reserve Funds	\$ 1,231,869		