



Wednesday, May 10th, 2023
Hood River County Transportation District
1st Meeting of the Budget Committee
224 Wasco Loop, Board Conference Room
Hood River, OR 97031

5:00pm – 6:00pm

Agenda

The Hood River County Transportation District Budget Meeting can be attended live through Zoom conferencing technology. **Members of the public can attend by calling: 253-215-8782 Meeting ID: 897 8666 8143 Passcode: 526129 or join by computer: <https://us02web.zoom.us/j/89786668143?pwd=TKo2Snczb0pQR25xMmc3ZUNXdUZPUT09>**

- 1) Call Meeting to Order (5:00pm)**
- 2) Election of Budget Committee Chair**
- 3) Reading of Budget Message FY 2023-24 by Executive Director, Amy Schlappi**
- 4) Initial Review of Budget FY 2023-24**
- 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.



FY2024 BUDGET MESSAGE

DRAFT

Budget Message

Purpose of the Budget

In compliance with the State of Oregon Local Budget Law, the 2023-2024 (FY24) Budget beginning July 1, 2023, and ending June 30, 2024, 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, and capital for Administrative and Operating expenditures during the fiscal year.
- Offer guidance to the Board and district on overall operational priorities and expenditures.

Accomplishments of Fiscal Year 2023

During FY2023 the district made significant movement with Board goals to enhance local services, maintain and expand access to residents and visitors in other Gorge communities and the Portland Metropolitan area, and complete the Transit Master Plan Update 2023 Process.

Key outcomes included:

- Finalization of the Hood River County Transportation District Transit Master Plan Update 2023 and is expected to be adopted at the May 17, 2023, Board of Director's meeting. Throughout the planning process there was significant community engagement to understand opportunities and to craft proposed service options.
- 4-agency GORge pass is in its second year. Gorge Translink providers have made significant headway in aligning policies to improve user experience and consistency.
- Contracted with Skamania County and the Forest Service to provide the Dog Mountain Shuttle for the third year. Applied for ongoing sustainable funding through the Washington State Department of Transportation Consolidated Grants program.
- Provided the Gorge-To-Mountain service in-house for the second year. Ridership close to tripled from the FY2022 season from 2,902 to 7,910 in FY2023. Offered transit service that accommodated night-skiing for the first time. Staff worked with the Hood River Valley High School Ski team to ensure equitable access to the mountain for team members.
- Partnered with the City of Hood River on the Gorge Transit Connect (low-income pass) program and Downtown Employee Pass program for the second year.
- Purchased 2 new 14 passenger vehicles with 2 ADA securements and 1 new Electric van.
- Worked with the Forest Service, ODOT and other partners to ensure the success of the Multnomah Falls I-84 permit program and continuation of the program in Summer of 2023.
- Applied to the FTA Low or No Emission Bus Program requesting over \$6 million dollars in grant funding to purchase electric vehicles, facility modification and expansion and other funding programs that have not yet been awarded.
- Ridership overall is trending to increase by 40% from FY2022.

Overall Economic Outlook

The overall economic outlook for Hood River County Transportation District is good. The COVID-19 Pandemic impact has lessened, and staff has seen a significant increase in ridership over previous years. CAT received over \$1 Million from federal COVID related funding (CARES ACT, CRRSSA) in FY20, FY21, FY22, FY23 and expects to see an additional allocation this year. These funds have helped to maintain stability by addressing increased operational costs, fuel, vehicle expenses, and personnel wages and taxes due to inflation and other economic factors. STIF formula (payroll tax) funds are expected to continue an upward trend this year. FY2024 will be the first year of the new 2023-2025 Biennium, meaning the requested funding considered the increased operational costs of the district and will reduce the reliance on Federal CARES Act funding moving forward. Available Federal 5311 Formula Funds have increased dramatically due to a recalibration in the formula which represents the growth of the district. This has allowed the district to include two new Columbia Gorge Express vehicles in the FY2024 Budget. The district has also applied and expecting to be awarded several new funding streams which allows staff to begin implementation of the Transit Master Plan Update 2023.

Board Goals for the 2024 Budget Year

The Board has outlined the following goals for the FY24 Budget:

- Maintain current service levels for year-round services and the Gorge-to-Mountain Express. Expand summer service on the Columbia Gorge Express to mitigate congestion and safety concerns along the I-84 corridor. Add weekend service between Hood River and White Salmon/Bingen during the busy summer months if funding is awarded.
- Begin implementation of the HRCTD Transit Master Plan Update 2023.
- Update the Hood River County Coordinated Transportation 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.
- Initiate facility expansion and modifications to accommodate electrification and bigger vehicles.
- Implementation of vanpooling and other transportation options. If funding is awarded this will include e-bike lending library among other transportation options.
- Begin implementation of the Intelligent Information System project which includes improved dispatching software, real-time technology, automated passenger counters, and improved fare technology. These grant funded investments will improve rider experience and staff ability to analyze and track ridership.
- Expand outreach to vulnerable communities (i.e. Latino, Native American, seniors, individuals with disabilities etc.) to ensure access and awareness of transit. Ensure website and promotional materials are in plain language and have an accessible user interface.
- Explore innovative options and implement solutions to address specific transportation needs:
 - Local NEMT & Door through Door
 - After hour (hotel/bar/restaurant) shuttle

Overview of the FY2024 Proposed Budget

The Fiscal Year 2024 Budget allows for CAT to maintain and enhance current services and begin implementation of key projects identified in the Transit Master Plan Update 2023. Our expectation being that ridership will continue to increase and be consistent with our ongoing investment.

The budget strategy is outlined in the attached budget. The FY24 Budget has been broken out into resources, administrative requirements, and operating requirements.

- **Resources** – The general budget consists of resources from federal grants, state payroll tax collection, property tax revenues and a variety of other smaller sources. CAT will carry over \$600K in capital grant funds from FY23 and has allocated an additional \$600K in 5311 Formula Funds for large vehicles to be used on the Columbia Gorge Express. In addition, CAT continues to carry over some Statewide Transportation Improvement Fund (STIF) Formula funds that were not spent in the FY21-23 funding cycle that have been reserved for bus stop improvements to ensure ADA accessibility. Staff has included close to \$350K in different types of federal grant funds that have been applied for but have not been awarded per State of Oregon recommendations. It is important to note that due to the Board of Director's decision to move from an Accrual Accounting Basis to Modified Cash it will change when grant reimbursements are reflected in the budget.
- **Administrative Requirements** – Under Administrative Requirements staff have included Administrative Materials and Services, Administrative Personnel Services, and Administrative Capital Outlay.
- **Operating Requirements** – Under Operating Requirements staff have included Operating Materials and Services, Operating Personnel Services, and Operating Capital Outlay. The titles of the categories have changed from previous year's budgets, but the type of expenses included has not. Due to expected vehicle purchases \$158,698 is needed to match capital grants. This will reduce cash available in the contingency fund by close to \$100K.

In summary, the draft FY2024 Budget moves forward with Board goals to begin implementation of the Transit Master Plan Update 2023, continue efforts to increase ridership, build upon existing partnerships, and expand transit connectivity within the region.

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 this upcoming year and working with staff, the board and partner organizations to provide dependable, safe, and consistent public transit services to our community.



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 FY2024 budget to the public. We are committed to providing safe, reliable, accessible, and SUSTAINABLE public transit services far into the future.

Highlights of the Budget

Resources

- Fare Revenue** – The low-cost annual GOrge Pass program has seen steady growth year over year with a large local following who consistently purchase the pass year after year. Partner transit providers and the HRCTD Board of Directors should consider increasing the cost to reflect rising operational expenses. Day passes have been very popular particularly on the Columbia Gorge Express and a large revenue generator. Staff are expecting a roughly 20% increase in one-way fares and day passes due to a trend of a steady increase in ridership.
- Contract Revenue** – Due to a contract with the U.S. Forest Service to staff the Multnomah Falls I-84 Permit program Contract Revenue is expected to increase by \$40K over FY2023.
- Federal Assistance** – Staff has reflected the accounting basis change from Accrual to Modified Cash which will impact 5311 and 5310 funds received in FY2024. Due to the 5311 allocated funds increase the district has access to \$592,218 in grant funds to purchase 2 new 30+ passenger buses for the Columbia Gorge Express service. The current Columbia Gorge Express vehicles are becoming very expensive to maintain due to increased repairs needed. One more allocation of CARES funding has been announced, staff is expecting to apply for roughly \$70K to help mitigate the impacts of costly vehicle repairs and operational expenses that were not able to be covered by grants in FY2023. Staff have applied for over \$6 million in FTA Low or No Emission Bus Program grant funds. If awarded only a small amount (\$45K) would be used in FY2024 to hire a consultant to help plan facility expansion and modification for large electric buses. 5311 Capital and 5339 funds have been rolled over from FY2023 due to delayed purchase of 1 Electric Van and 2 Electric Cutaways.
- State Assistance** – Staff has reflected the accounting basis change from Accrual to Modified Cash, which will impact Statewide Transportation Improvement Fund (STIF) Statewide Transportation Network funding for the Columbia Gorge Express service received in FY2024. A small amount of the STIF Discretionary funding has been included to begin the implementation of the Intelligent Information Systems project which was applied for and expected to be awarded. \$180,000 has been included for the Carbon Reduction Program that staff is applying for which will include an e-bike lending library and other transportation options/mobility services that have been identified as a need in the Transit Master Plan.
- Other Revenue** – The district is expecting to sell a portion of the aging fleet and is exploring the Local Government Investment Pool (LGIP) through the Oregon State Treasury. This potential revenue generator could generate \$20K in interest revenue if available cash (\$900K) is placed in an LGIP account. The Board will review at the May 17th Board meeting.

FY2023	RESOURCES	FY2024
\$ 1,238,056	Unallocated Beginning Fund Balance	\$ 1,008,000
165,000	STIF Dedicated Project Funds	192,000
1,403,056	Total Beginning Fund Balance*	1,200,000
200,000	Fare Revenue	216,000
60,000	Contract Revenue	104,224
1,485,566	Federal Assistance	1,675,170

1,487,200	State Assistance	1,989,537
210,000	Property Tax	210,000
61,258	Other Revenue	40,000
\$ 4,907,080	TOTAL RESOURCES	\$ 5,434,931

Administrative Requirements

Administrative Materials and Services:

- **Professional Fees** – Since the Transit Master Plan Update 2023 process will have concluded by June 30, 2023, consultant fees that existed in this bucket to complete the TMP are no longer needed. However, the district has contracted with a new outside accountant and will need a consultant who specializes in transit facility design and electrification if awarded and obligated the requested FTA Low or No Emission Bus Program grant funds in FY2024.

FY2023	Administrative Materials & Services	FY2024
100,081	Building Expenses	40,000
15,600	Office Supplies	18,000
149,800	Professional Fees	110,000
30,900	Other Administrative Expenses	12,700
296,381	Total Administrative Materials & Services	180,700

Administrative Personnel Services:

- **Administrative Wages** – Wages have decreased slightly due to personnel transitions and organizational restructuring. Staff has introduced a formalized pay step chart that is included in Exhibit A which creates an objective understanding of step increases if employee receives positive performance review and increase is recommended by manager. In previous years there have not been formalized step increases just cost of living and merit increases. There are 3 FTE's that are included in this category (Executive Director, Office Manager, Administrative Assistant/Dispatcher).

FY2023	Administrative Personnel Services	FY2024
223,200	Administrative Wages	239,562
30,648	Administrative ER Tax	36,025
43,200	Administrative Benefits	20,249
6,000	Administrative Accrued PTO	-
303,048	Total Administrative Personnel Services	295,836

Operating Requirements

Operating Materials and services:

- **Fuel** – Since gasoline prices remain volatile staff has allowed for an additional buffer in case prices increase or remain high.
- **Operation Expenses** – While the district has managed to obtain 3 new vehicles in FY23 most of the fleet is older and continues to have expensive repairs. The hope is to quickly procure 2 new vehicles for the Columbia Gorge Express, but there is concern that delivery will be delayed due to supply. The budget of \$169,000 for Operation Expenses allows needed repairs if vehicles are not able to be quickly replaced at the beginning of the fiscal year.
- **Communication Expenses** – There is an increase of more than \$30k due to the district utilizing new dispatch software that, while more expensive, has additional capabilities to improve user experience and service planning. The STIF Discretionary funds for the Intelligent Information Systems project that is expected to be awarded will help with this additional expense.
- **Vehicle Insurance** – Since the district has added used vehicles for seasonal services (Dog Mountain, Gorge-to-Mountain Express) and recently purchased new vehicles the insurance has increased.
- **Advertising and Marketing** – The expected expense has decreased substantially due to the conclusion of the Transit Master Plan as less resources are needed for outreach and marketing. Additionally, the GOrge Pass marketing partnership with the 4 Gorge Transit Agencies has proved to be a very effective marketing campaign and less district resources are needed to increase regional awareness. The district will continue to use the available resources for local marketing efforts.
- **Grant Contract Match Funds** – Adding vanpool services, E-bike Lending Library, other transportation options/mobility services, and contracting out the staffing of the Multnomah Falls Exit 31 permit program has led to a significant increase when compared to FY2023.

FY2023	Operating Materials & Services	FY2024
7,210	Vehicle Expenses	7,200
288,000	Fuel	312,000
125,000	Operation Expenses	169,000
37,440	Communication Expenses	69,850
34,800	Vehicle Insurance	45,000
20,000	Driver Expenses	15,000
120,000	Advertising & Marketing	40,000
112,917	Grant/Contract Match Funds	350,000
\$ 745,367	Total Operating Materials & Services	\$ 1,008,050

Operating Personnel Services:

- **Operations Wages** - Wages have decreased slightly due to personnel transitions and organizational restructuring. Staff has introduced a formalized pay step chart for office staff that is included in Exhibit A which creates an objective understanding of step increases if employee receives positive performance review and increase is recommended by manager. In previous years there have not been formalized step increases just cost of living and merit increases based on performance reviews. There are 4 FTE's (Transit Operations Manager, 3 Field Supervisors)

that are included in Operating Personnel Services and considered office staff not drivers. Drivers do have a more formalized pay increase structure and is described in detail in the Union Contract.

FY2023	Operating Personnel Services	FY2024
1,144,200	Operations Wages	1,070,261
112,255	Operations Employer Tax	165,481
158,200	Operations Benefits	181,277
8,000	Operations Accrued PTO	-
\$ 1,422,655	Total Operating Personnel Services	\$ 1,417,019

Operating Capital Outlay:

- **Operating Capital Outlay** – If the district receives all vehicles that have been awarded grant funds the district will have 3 new electric vehicles and 2 new gasoline vehicles. However, staff are cautious in optimism as it has been very difficult to get a hold of transit vehicles due to supply chain issues. Staff expects to spend \$92K in bus stop improvements for ADA accessibility and \$30K in automatic passenger counters as part of the Intelligent Information Systems project.

FY2023		FY2024
\$ 957,760	Operating Capital Outlay	\$ 1,530,020

Exhibit A: Proposed Staff Salary Scale

Step increases are contingent on a positive performance evaluation and the recommendation of the manager and that funds are available. If approved by the budget committee the employee handbook will also be updated to reflect changes and require board approval.

Position	Step1	Step 2	Step 3	Step 4	Step 5	Step 6
Executive Director	\$87,360	\$91,520	\$96,096	\$100,901	\$105,946	\$111,243
Transit Operations Manager	\$72,000	\$75,600	\$79,380	\$83,349	\$87,516	\$91,892
Office Manager	\$69,992	\$73,000	\$76,650	\$80,483	\$84,507	\$88,732
Field Supervisor	\$56,160	\$58,968	\$61,916	\$65,012	\$68,263	\$71,676
Dispatch/Administrative Assistant	\$24.00 (hourly)	\$25.20 (hourly)	\$26.46 (hourly)	\$27.78 (hourly)	\$29.17 (hourly)	\$30.63 (hourly)

Hood River County Transportation District

General Fund

(Fund)

Historical Data			RESOURCE & REQUIREMENTS	Budget for Next Year: FY2023-24					
Actual		Adopted Budget This Year Year 2022-23		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body			
Second Preceding Year 2020-21	First Preceding Year 2021-22								
1			1	RESOURCES		1			
2	\$ 1,052,530	\$ 1,173,051	\$ 1,238,056	2	Unallocated Beginning Fund Balance	\$ 1,008,000	2		
3		330,000	165,000	3	STIF Dedicated Project Funds	192,000	3		
4	1,052,530	1,503,051	1,403,056	4	Total Beginning Fund Balance*	1,200,000	4		
5				5			5		
6	61,556	202,694	200,000	6	Fare Revenue	216,000	6		
7	19,868	45,100	60,000	7	Contract Revenue	104,224	7		
8	671,361	600,127	1,485,566	8	Federal Assistance	1,675,170	8		
9	1,175,444	1,207,117	1,487,200	9	State Assistance	1,989,537	9		
10	206,607	206,158	210,000	10	Property Tax	210,000	10		
11	55,800	46,355	61,258	11	Other Revenue	40,000	11		
12				12			12		
13	\$ 3,243,166	\$ 3,810,602	\$ 4,907,080	13	TOTAL RESOURCES	\$ 5,434,931	\$ -	\$ -	13
14				14					14
15				15	REQUIREMENTS				15
16				16	Administrative				16
17				17	Administrative Materials & Services				17
18	29,033	63,696	100,081	18	Building Expenses	40,000			18
19	18,912	15,718	15,600	19	Office Supplies	18,000			19
20	92,767	136,082	149,800	20	Professional Fees	110,000			20
21	8,114	13,428	30,900	21	Other Administrative Expenses	12,700			21
22	148,826	228,924	296,381	22	Total Administrative Materials & Services	180,700	-	-	22
23				23					23
24				24	Administrative Personnel Services				24
25	170,201	242,055	223,200	25	Administrative Wages	239,562			25
26	14,073	22,577	30,648	26	Administrative ER Tax	36,025			26
27	20,355	22,599	43,200	27	Administrative Benefits	20,249			27
28	10,976	564	6,000	28	Administrative Accrued PTO	-			28
29	215,605	287,795	303,048	29	Total Administrative Personnel Services	295,836	-	-	29
30				30					30
31	-	-	-	31	Administrative Capital Outlay	-			31
32				32					32
33	\$ 364,431	\$ 516,719	\$ 599,429	33	Total Administrative	\$ 476,536	\$ -	\$ -	33
34				34					34
35				35	Operating				35
36				36	Operating Materials & Services				36
37	2,879	9,268	7,210	37	Vehicle Expenses	7,200			37
38	117,667	226,435	288,000	38	Fuel	312,000			38
39	65,229	135,346	125,000	39	Operation Expenses	169,000			39
40	31,005	49,062	37,440	40	Communication Expenses	69,850			40
41	13,346	25,162	34,800	41	Vehicle Insurance	45,000			41
42	10,513	8,344	20,000	42	Driver Expenses	15,000			42
43	91,963	168,229	120,000	43	Advertising & Marketing	40,000			43
44	135,317	75,393	112,917	44	Grant/Contract Match Funds	350,000			44
45	467,919	697,239	745,367	45	Total Operating Materials & Services	1,008,050	-	-	45
46				46					46
47				47	Operating Personnel Services				47
48	591,234	839,847	1,144,200	48	Operations Wages	1,070,261			48
49	68,978	98,947	112,255	49	Operations Employer Tax	165,481			49
50	82,372	84,289	158,200	50	Operations Benefits	181,277			50
51	21,348	-	8,000	51	Operations Accrued PTO	-			51
52	763,932	1,023,083	1,422,655	52	Total Operating Personnel Services	1,417,019	-	-	52
53				53					53
54	143,833	85,222	957,760	54	Operating Capital Outlay	1,530,020			54
55				55					55
56	\$ 1,375,684	\$ 1,805,544	\$ 3,125,782	56	Total Operating	\$ 3,955,089	\$ -	\$ -	56
57				57					57
58				58	Non-Allocated				58
59	-	-	1,016,869	59	Contingency	303,306			59
60	-	-	165,000	60	Restricted Funds (STIF)	100,000			60
61	-	-	-	61	Reserve for Future Use	600,000			61
62				62					62
63	\$ -	\$ -	\$ 1,181,869	63	Total Non-Allocated	\$ 1,003,306	\$ -	\$ -	63
64				64					64
65	\$ 1,740,115	\$ 2,322,263	\$ 4,907,080	65	TOTAL REQUIREMENTS	\$ 5,434,931	\$ -	\$ -	65
66	\$ 1,503,051	\$ 1,488,339	\$ -	66	Ending Fund Balance	\$ -	\$ -	\$ -	66
67	330,000	165,000	-	67	STIF Dedicated Funds	\$ -			67
68	\$ 1,173,051	\$ 1,323,339	\$ -	68	Unallocated Beginning Fund Balance	\$ -	\$ -	\$ -	68