



**Wednesday, May 10th, 2023**  
**Hood River County Transportation District**  
**1<sup>st</sup> Meeting of the Budget Committee**

**224 Wasco Loop, Board Conference Room**  
**Hood River, OR 97031**

**5:00pm – 6:00pm**

**Meeting Minutes**

**Budget Committee Meeting Attendees:**

**Committee Members:** Tamra Taylor, Jeremy Hull, Darrell Roberts, Lara Dunn, Cindy Walbridge

**Staff:** Amy Schlappi, Tiah Mayhew, Jeff Acciaioli

Amy called the meeting to order at 5:02pm. Committee members and staff introduced themselves.

**Election of Budget Committee Chair**

Tamra made a motion for Jeremy to be Budget Committee Chair, the motion was seconded by Darrell and unanimously approved by the Budget Committee. Jeremy made a motion for Darrell to be Budget Committee Vice-Chair, the motion was seconded by Lara and unanimously approved by the Budget Committee.

**Reading of Budget Message FY 2023-24 by Executive Director**

Amy read the Budget Message for FY 2023-24. The Budget Message covered the purpose of the budget, the accomplishments of the past fiscal year, goals for the upcoming fiscal year, and an overview of the FY2023-2024 proposed budget.

**Initial Review of Budget FY 2023-24**

Amy reviewed the FY2023-2024 proposed budget and discussed the resources, administrative requirements, and operating requirements, by highlighting:

- **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 17<sup>th</sup> Board meeting.
- **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.
- **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).
- **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.
- **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.
- **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.

There was a large amount of discussion regarding the budget, including:



- Grant contract match expenses and the increase due to the Multnomah Falls Timed Use Permit Program.
- Outreach to vulnerable communities and ridership demographics.
- Match amounts for special projects and vehicle grants. The district will hopefully purchase more vehicles this year than is typical. This will use more reserve funds than ideal.
- Health stipends that employees are eligible for are attributed to wages instead of benefits. This is different than how it was done historically.
- Office staff step increases.
- Potential need to increase personnel wages and benefits pending upcoming board meeting.
- Building renovation expenses were pushed from FY23 to FY24 since the district might receive funding that would assist with those expenses.
- The Hood River County Transportation District Transit Master Plan which is expected to be adopted May 17, 2023.
- Expenses included in the Administrative Expense line item.

The committee discussed if the scheduled 2<sup>nd</sup> Budget Committee Meeting was needed for additional deliberation. It was agreed that it was not needed, staff will cancel the May 24<sup>th</sup> meeting. The 3<sup>rd</sup> Budget Committee Meeting where Public Comment will be heard will be June 7, 2023.

**At 6:27 PM Tamra made a motion to adjourn the meeting, the motion was seconded by Cindy and unanimously approved by the committee.**