



**Wednesday, May 28<sup>th</sup>, 2025**  
**Hood River County Transportation District**  
**2<sup>nd</sup> Meeting of the Budget Committee**  
**224 Wasco Loop, Board Conference Room**  
**Hood River, OR 97031**

**5:00pm – 6:30pm**

### **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: 828 3576 4347 Passcode: 954147 or join by computer: <https://us02web.zoom.us/j/82835764347?pwd=FDgs1lMb81KrlQF6hE6akvuJ2kH4mb.1>**

- 1) Call Meeting to Order (5:00pm)**
- 2) Approval of April 23<sup>rd</sup> Meeting Minutes**
- 3) Review of April 23<sup>rd</sup> Budget Meeting, Requested Information, and Updates**
- 4) Public Comments**
- 5) Approval of the Budget FY2025-2026 & Tax Rate**
- 6) 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.*



**Wednesday, April 23rd, 2025**  
**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 – 6:30pm**

**Meeting Minutes**

**Budget Committee Meeting Attendees:**

**Committee Members:** Greg Pack, Jeremy Hull, Tamra Taylor, Matt Althoff, Cindy Walbridge, Leanne Hogie, Bo Jones.

**Staff:** Amy Schlappi, Tiah Mayhew, Tim Ravins

**Absent:** None

Amy called the meeting to order at 5:00pm.

**2) Election of Budget Committee Chair:**

Cindy made a motion to elect Leanne as Budget Committee Chair; Bo seconded the motion. Approved by all. Opposed by none.

**3) Reading of Budget Message FY25-26 by Executive Director, Amy Schlappi:**

Amy read the budget message which is included in the meeting materials, starting with the purpose of the budget and accomplishments of FY-2025. A few of the accomplishment highlights are that the District received and placed into operation two new 40ft Columbia Gorge Express vehicles, the 4-agency Gorge Transit Pass continues to see success, improved connection times for riders transferring between the different providers, created two new District held LGIP accounts for the STIF fund and Vehicle fund, procured new and improved dispatch technology to increase operational efficiency as well as improve rider experience and purchased an undeveloped parcel of land across the street from the CAT Transit Center. This site will be developed into a new park and ride, allowing the current park and ride location to be repurposed into a bus barn and maintenance facility capable of accommodating large vehicles.

Leanne was curious about the number of physical Gorge Passes sold compared to digital Gorge Passes. Staff informed the committee that they would gather the data and provide it at the next meeting.

The overall economic outlook for Hood River County Transportation District is good, if current funding sources remain stable and tariffs do not exponentially increase costs. The District is cautiously optimistic that current funding streams and awarded federal grants will not be impacted by the current federal government uncertainty. On July 1, 2025, the 25-27 biennium



will go into effect, allowing the District to utilize recently awarded/approved state and federal grant awards. This year the District will be shifting how the Federal 5311 Formula Funds are utilized, by utilizing them to fund the Hood River City, Upper Valley, and Dial-A-Ride services while leveraging STIF formula funds to pay for the match requirements. This will allow the District to use local funds to match capital grants and ensure the reserve/contingency balance remains healthy to protect the District from potential delays in reimbursements for federal grants.

Goals for FY26 include maintaining current service levels for year-round services, the transition of the Upper Valley deviated fixed route into a fixed route, increase efficiency of the Hood River City route by adding and relocating some of the stops. Adding a bus stop to the Columbia Gorge Express service in Cascade Locks at Forest Lane and Wa Na Pa which has been difficult due to the potential stop locations existing infrastructure, and continued implementation of the HRCTD Transit Master Plan. More goals are outlined in the meeting materials.

#### **4) Initial Review of Budget FY25-26:**

Amy explained that the Fiscal Year 2026 Budget allows CAT to maintain and enhance current services and continue implementation of key projects identified in the 2023 Transit Master Plan. The District's expectation is that ridership will continue to increase and be consistent with our ongoing investment.

The FY26 Budget has been broken out into resources, administrative requirements, operating requirements, and non-allocated requirements. The general budget consists of resources from federal and state grants, property tax revenues, and a variety of other smaller sources. CAT has included \$1.2 million in capital grant funds that were included in the FY25 budget that were not spent, and revenue was not received. In addition, CAT continues to carry over some Statewide Transportation Improvement Fund (STIF) Formula funds that were not spent in FY21-23 and FY23-25 funding cycles that have been reserved for bus stop improvements to ensure ADA accessibility but can also be used for Capital Expansion and Replacement. The staff has included resources for grants that have been awarded but have known reimbursement delays, restrictions due to the current federal government uncertainty, or the contracts have not yet been fully executed yet. These awards include \$483K for formula 5311 and 5310 funds, \$1.6 million for facility site development, \$540K for replacement vehicles, \$167K for increased demand response capacity, \$270K for the Gorge-To-Mountain Service, and \$6.5 million for electric vehicles and facility modifications as part of the FTA Low or No Bus Emissions program. Staff has included \$660K in loans that will be needed to assist with the match requirements for the FTA Low or No Emissions program. There was general discussion regarding resources.

Under Administrative Requirements staff have included Administrative Materials and Services, Administrative Personnel Services, and Administrative Capital Outlay. Under Operating Requirements staff have included Operating Materials and Services, Operating Personnel Services, and Operating Capital Outlay. Approximately \$1.2m of non-allocated resources are budgeted as contingency funds and funds reserved for future use.

Matt questioned the significant increase in the cost of operational benefits. Staff informed the committee that they would review the expense and report back at the next meeting.



Once the Budget Message was fully reviewed Amy then discussed the Salary Scale Review Memo that was handed out to all Budget Committee members in person and shared digitally so all participants could see the document. In FY2024 the District instituted a pay scale for all office staff/non-unionized employees to create a more structured approach to compensation. All drivers are considered collective bargaining unit employees, and their compensation is negotiated every 3 years and included in the union contract. The office staff/non-unionized pay scale included in the draft message was the original salary scale instituted in FY2024. Staff and the Budget Committee members discussed how it recently had become apparent that there were consistency and potential pay equity issues with that original salary scale that need to be addressed.

In partnership with the District's Human Resources consultant and outside accountant, staff created a couple of options for the budget committee to review and provide guidance. The main issues with the original pay scale were compression between positions, lack of clarity between performance increase and cost of living adjustments, inconsistent step increases, and encouragement of longevity within the District. Two options for a revised salary scale were included in the memo for discussion. Amy explained that both options address staff concerns; however, our Human Resources consultant would recommend option A if the budget committee and the Board feel comfortable with the financial implications.

There was a large amount of discussion regarding the two presented salary scale options. The committee recommended that staff continue to work with the Human Resources consultant on a proposed pay scale that alleviates the current concerns, confirm the financial impact and bring an updated version to the committee at the next meeting.

**Recess:**

Tamra made a motion to recess the Budget Committee Meeting; the motion was seconded by Bo. Approved by All.

Leanne recessed the meeting at 6:29 pm to be resumed on May 28th at 5pm.



# Memo

**To:** HRCTD - BOARD OF DIRECTORS  
**From:** Amy Schlappi, Executive Director  
**Date:** May 28, 2025  
**Re:** FY2025-26 Draft Budget Updates

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## Background

At the April 23rd Budget Committee meeting, Budget Committee Members asked for some additional information regarding a couple items included in the District's FY2025-26 Draft Budget.

1. **Comparison of digital versus physical Gorge Transit Passes Sold Fiscal Year 2024-25 through April 31, 2025:**
  - a. Token Transit Passes (Digital): 1,474
  - b. Physical: 978
2. **Review of Operations Benefits Expense:** Upon review staff noticed that a formula mistake was made resulting in the Operations Benefit cost of \$370,310 when it should have been \$222,788. This has been updated in the draft Budget Message and LB-20 that has been included in the meeting materials.
3. **Updated Office Staff Salary Scale:** Staff informed the Budget Committee of issues identified with the salary scale included in the original draft Budget Message salary scale. The issues prompting the change included:
  - a. **Pay compression:** In some cases, employees at Step 6 were earning the same or more than their supervisors at Steps 1, 2, or 3.
  - b. **Lack of clarity:** There was confusion about the distinction between performance-based increases and cost-of-living adjustments (COLA).
  - c. **Inconsistent step increases:** Pay progression between steps was not uniform.
  - d. **Absence of longevity pay:** Long-term employees were not adequately recognized in the current structure.

Working in collaboration with our Human Resources consultant and external accounting staff, we developed a few alternative pay scale models for the Budget Committee to consider. The Committee approved further research and directed staff to bring a refined solution to the second Budget Committee meeting. After careful evaluation, staff chose to present to the Board a model that does not use consistent percentage increases between pay grades. While this option departs from a uniform structure, it is the most fiscally



responsible, maintains employee compensation levels close to the current structure, and addresses most of the key issues identified in the existing scale. The Board approved staff to bring the updated scale to the Budget Committee. The updated scale has been included in the updated draft Budget Message included in the meeting materials.

The salary scale results in an estimated **increase of \$10,253** in current wages and an **increase of \$14,087** in total personnel expenses to the **FY26 budget**, primarily affecting the **Operations Personnel** category. Staff acknowledge that this increase represents a necessary investment to ensure **compliance with pay equity standards** and to address identified compensation issues.

- 4. Updated Operations Personnel Expense:** Staff are currently participating in ongoing negotiations with the Union to update the current Collective Bargaining Agreement. Staff has increased this line item to account for changes that have been discussed with the Union but not yet been finalized. These changes have been discussed with the Board.

#### **Action Required**

The Budget Committee is asked to review and discuss the changes to the updated draft Budget Message and approve the FY2025-26 Budget as presented or amended and submit a recommendation to the Board.



# FY2026 BUDGET MESSAGE

DRAFT MAY 28, 2025

# Budget Message

## Purpose of the Budget

In compliance with the State of Oregon Local Budget Law, the 2025-2026 (FY26) Budget beginning July 1, 2025, and ending June 30, 2026, 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 2025

During FY25 the District made significant progress toward achieving Board goals to enhance local services, maintain and expand access for residents and visitors in other Gorge communities as well as the Portland Metropolitan area.

Key outcomes included:

- 4-agency Gorge Transit Pass is in its fourth year. Gorge TransLink providers continue to work together to improve rider experience and operational efficiencies. The pass transitioning to a 365-day pass has proven to be very popular among riders.
- Contracted with Skamania County, City of Stevenson, and the U.S. Forest Service to provide the Dog Mountain Shuttle for the fifth year. The District was awarded funding through the Washington State Department of Transportation Consolidated Grants program for a portion of this program for the FY23-25 biennium.
- Provided the Gorge-To-Mountain Express service in-house for the fourth year. Ridership increased from the FY24 season from 8,722 to 9,125 in FY25.
- Partnered with the City of Hood River on the Downtown Employee Pass program for the fourth year.
- Two new 40ft Columbia Gorge Express vehicles were purchased and placed into operation. These vehicles should reduce required repairs and expenses, in addition to being more fuel efficient.
- Awarded funding for two additional new 35-40ft vehicles that can be used on seasonal services and accommodate recreational gear.
- 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 the Summer of 2025.
- Ridership overall for FY25 is trending to increase by 10% from FY24.
- Gorge Transit Connect (low-income) fare program has expanded to new partner organizations.
- The District held LGIP account allowed the district to double the interest accrued by its reserve holdings.

- Created two new District held LGIP accounts for the STIF fund and Vehicle fund.
- Purchased an undeveloped parcel of land across the street from the CAT Transit Center. This site will be developed into a new park and ride, allowing the current park and ride location to be repurposed into a bus barn and maintenance facility capable of accommodating large vehicles.
- Procured new and improved dispatch technology to increase operational efficiency and improved rider experience.
- Worked with a consultant to identify strategies to operationally improve the Hood River City Route and create a more convenient service.

## **Overall Economic Outlook**

The overall economic outlook for Hood River County Transportation District is good, if current funding sources remain stable and tariffs do not exponentially increase costs. The District is cautiously optimistic that current funding streams and awarded federal grants will not be impacted by federal government uncertainty.

The COVID-19 Pandemic impact has ceased, and staff have seen a significant increase in ridership over previous years, however, it does seem to be stabilizing. CAT received over \$2 Million from federal COVID related funding (CARES ACT, CRRSSA) in FY20, FY21, FY22, FY23, FY24, and FY25. No additional CARES Act allocations will be made. 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.

On July 1, 2025, the 25-27 biennium will go into effect, allowing the District to utilize recently awarded/approved state and federal grant awards. This year the District will be shifting how the Federal 5311 Formula Funds are utilized, by using them to fund the Hood River City, Upper Valley, and Dial-A-Ride services while leveraging STIF formula funds to pay for the match requirements. This will allow the District to use local funds to match capital grants and ensure the reserve/contingency balance remains healthy to protect the District from potential delays in reimbursements for federal grants.

## **Board Goals for Fiscal Year 2026**

The Board has outlined the following goals for the FY26 Budget:

- Maintain current service levels for year-round services, the Gorge-to-Mountain Express, Dog Mountain Shuttle, and Weekend White Salmon.
- Transition of the Upper Valley deviated fixed route into a fixed route.
- Increase efficiency of the Hood River City route, add bus stops at strategic locations to reduce the need for flag stops, and install permanent bus stop infrastructure.
- Add a bus stop on the Columbia Gorge Express service in Cascade Locks at Forest Lane and WaNaPa.
- Continue implementation of the HRCTD Transit Master Plan Update 2023.
- Continue and grow the multi-provider Gorge Pass program and support the regional transit strategy and work toward improved connectivity throughout the Gorge.
- Ongoing training for staff in human resources, leadership, and overall transit operations.

- Continue to focus on improved driver training and programs.
- Initiate facility expansion and modifications to accommodate electrification and bigger vehicles.
- Initiate the construction of the new park and ride as funding allows.
- Continue to 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.
- Continue to explore innovative options and implement solutions to address specific transportation needs:
  - Local NEMT & Door through Door
  - After hour (hotel/bar/restaurant) shuttle
- Procure new vehicles for local and regional services.

## Overview of the FY26 Budget

The Fiscal Year 2026 Budget allows for CAT to maintain and enhance current services and continue implementation of key projects identified in the Transit Master Plan Update 2023. Our expectation is that ridership will continue to increase and be consistent with our ongoing investment.

The budget strategy is outlined in the attached budget. The FY26 Budget has been broken out into resources, administrative requirements, operating requirements, and non-allocated requirements.

- **Resources** – The general budget consists of resources from federal and state grants, property tax revenues, and a variety of other smaller sources. CAT has included \$1.2 million in capital grant funds that were included in the FY25 budget that were not spent, and revenue was not received. In addition, CAT continues to carry over some Statewide Transportation Improvement Fund (STIF) Formula funds that were not spent in FY21-23 and FY23-25 funding cycles that have been reserved for bus stop improvements to ensure ADA accessibility but can also be used for Capital Expansion and Replacement. The staff has included resources for grants that have been awarded but have known reimbursement delays, restrictions due to the current federal government uncertainty, or the contracts have not yet been fully executed yet. These awards include \$483K for formula 5311 and 5310 funds, \$1.6 million for facility site development, \$540K for replacement vehicles, \$167K for increased demand response capacity, \$270K for the Gorge-To-Mountain Service, and \$6.5 million for electric vehicles and facility modifications as part of the FTA Low or No Bus Emissions program. Staff has included \$660K in loans that will be needed to assist with the match requirements for the FTA Low or No Emissions program.

- **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.
- **Non-Allocated Requirements** – Approximately \$1.2m of non-allocated resources are budgeted as contingency funds and funds reserved for future use.

<b>FY25</b>	<b>BUDGET SUMMARY</b>	<b>FY26</b>
\$ 7,893,900	TOTAL RESOURCES	\$ 14,865,178
\$ 852,126	Total Administrative	\$ 924,290
\$ 5,942,115	Total Operating	\$12,611,814
\$ 1,099,659	Total Non-Allocated	\$1,329,074
<b>\$ 7,893,900</b>	<b>TOTAL REQUIREMENTS</b>	<b>\$ 14,865,178</b>

In summary, the FY26 Budget moves forward with Board’s goals to implement the Transit Master Plan Update 2023, continue efforts to increase ridership, replace aging vehicles, 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 FY26 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

- **Beginning Fund Balance** – Staff anticipates a beginning fund balance of approximately \$1.3m from FY25; of this, \$200k is expected to be Statewide Transportation Improvement Fund (STIF) Formula funds that were not spent in the FY21-23 and FY23-25 funding cycles that have been reserved for bus stop improvements to ensure ADA accessibility but can also be used for Capital Expansion and Replacement. \$40k of the restricted funds are from vehicle sales and must be used to purchase new vehicles. The remaining \$1.06 million are unallocated funds.
- **Fare Revenue** – The low-cost annual Gorge Transit Pass program has seen steady 30% growth year over year with a large local following who consistently purchase the Pass year after year. Staff are expecting a roughly 4% increase in one-way fares due to a trend of a steady increase in ridership.
- **Contract Revenue** – Due to an ongoing contract with the U.S. Forest Service to staff the Multnomah Falls I-84 Permit program and operate the Dog Mountain Shuttle, Contract Revenue is expected to remain similar to FY24 and FY25.
- **Federal Assistance** – Staff has included over \$663,516 in 5339 and 5311 funds for electric vehicles (not part of the FTA Low-No Emissions Bus program) that were in the FY24 and FY25 budgets, but the funds were not spent nor was revenue received. These grants were amended to purchase gas vehicles and have been ordered. Two 35-40ft-replacement vehicles that were also included on the FY25 Budget, but the funds were not spent nor was revenue received due to the reimbursement being delayed are also included. Staff was awarded over \$6 million in FTA Low or No Emission Bus Program grant funds to assist with facility modification and electrification of the fleet. The agreement has not yet been executed, when it is executed there will be a quick timeline for when we will be able to use the funds and what work can be done may be restricted. Federal 5339 funds were awarded to relocate the park and ride so that the current park and ride can be redeveloped into a bus storage and maintenance facility and for the implementation of an interregional transit hub at Lot 1 near the Hood River waterfront. \$800K of these funds were applied for but have not yet been awarded. The remaining anticipated federal revenue consists of 5311 and 5310 formula and 5310 discretionary funding. This revenue partially funds ongoing operations for the Hood River City Route, Dial-A-Ride, and Upper Valley service, preventative maintenance, and mobility management.
- **State Assistance** – CAT has applied for but not yet been awarded \$164K in funding from WSDOT for the Weekend White Salmon service and the Dog Mountain Shuttle. The remaining anticipated state revenue consists of Statewide Transportation Improvement Fund (STIF) formula and discretionary funding, and revenue from the statewide Mass Transit Tax. This revenue funds all or partial amounts of ongoing operations for the Columbia Gorge Express, Hood River City Route, Dial-A-Ride, Upper Valley, Gorge-to-Mountain Express, outreach, and mobility projects.
- **Loan and Bond Revenue** - \$660K in loan funds will be required to help pay for the Low or No Emission Bus Program match requirements. This loan has not yet been acquired.

- **Other Revenue** – The District is expecting to sell a portion of the aging fleet and has benefited from interest generated through three Local Government Investment Pool (LGIP) accounts through the Oregon State Treasury.

<b>FY2025</b>	<b>RESOURCES</b>	<b>FY2026</b>
\$ 960,000	Unallocated Beginning Fund Balance	\$ 1,060,000
\$ 200,000	STIF Dedicated Project Funds	\$ 240,000
\$ 1,160,000	Total Beginning Fund Balance*	\$ 1,300,000
\$ 226,000	Fare Revenue	\$ 221,000
\$ 127,000	Contract Revenue	\$ 117,000
\$ 3,614,949	Federal Assistance	\$ 10,243,927
\$ 2,510,951	State Assistance	\$ 2,038,067
\$ 0	Bond & Other Debt Revenue	\$ 658,184
\$ 215,000	Property Tax	\$ 225,000
\$ 40,000	Other Revenue	\$ 62,000
<b>\$ 7,893,900</b>	<b>TOTAL RESOURCES</b>	<b>\$ 14,865,178</b>

## Administrative Requirements

### **Administrative Materials and Services:**

- **Professional Fees** – Professional fees were reduced slightly as the project management, architectural, engineering, and design expenses for the new park and ride and the interregional transit hub were moved to administrative capital outlay.

<b>FY2025</b>	<b>Administrative Materials &amp; Services</b>	<b>FY2026</b>
40,000	Building Expenses	55,000
18,000	Office Supplies	18,000
475,000	Professional Fees	443,090
14,200	Other Administrative Expenses	12,200
<b>\$547,200</b>	<b>Total Administrative Materials &amp; Services</b>	<b>\$ 528,290</b>

### **Administrative Personnel Services:**

- **Administrative Wages** – In FY24 staff introduced a formalized pay step chart that is included in Exhibit A which creates an objective understanding of step increases if an employee receives a positive performance review, and an increase is recommended by the manager. This model has been updated from the FY25 structure per guidance from the Board and Budget Committee. There are three FTE's that are included in this category (Executive Director, Office Manager, Project Coordinator).
- **Administrative Benefits** – Benefits are expected to increase 8% from FY25. All three administrative personnel receive health stipends which are reflected in wages rather than benefits.

<b>FY2025</b>	<b>Administrative Personnel Services</b>	<b>FY2026</b>
264,543	Administrative Wages	278,000
30,881	Administrative ER Tax	33,000
9,502	Administrative Benefits	10,000
<b>304,926</b>	<b>Total Administrative Personnel Services</b>	<b>\$ 321,000</b>

### **Administrative Capital Outlay:**

The Administrative Capital Outlay includes the administrative office facility updates as part of the FTA Low or No Emission Bus Program grant.

<b>FY2025</b>	<b>Administrative Capital Outlay</b>	<b>FY2026</b>
<b>\$0</b>	<b>Total Administrative Capital Outlay</b>	<b>\$ 75,000</b>

## 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.
- **Vehicle Expenses** – While the District has just received two new vehicles in FY25 the remainder of the fleet is older and continues to have expensive repairs. The Vehicle Replacement grant (two 35-40ft vehicles) has been awarded will assist in reducing reliance on older vehicles, but they are 1.5 years out from implementation due to expected reimbursement delays. In FY25 staff were approved to amend two vehicle grants (two cutaways and 1 van) from an electric fuel type to gas due to a low availability of electric vehicles. The budget of \$228,800 for Vehicle Expenses allows for needed repairs. This year staff placed Repairs and Preventative Maintenance under Vehicle Expense and removed from Operations Expenses to add clarity. Vehicle Insurance was also added to the Vehicle Expenses line item. Vehicle Insurance did increase a minor amount due to the new large buses.
- **Operation Expenses** – There were several changes under the Operations Expense in comparison to FY25. For clarity Communication Expense was rolled under Operation Expenses and in FY25 staff were able to pay for dispatch technology for the next 3 years up front which decreased the expected expense.
- **Driver Expenses** – The driver training, medical exams, drug testing, and uniform expenses remains relatively stable, with an anticipated cost of \$13K for FY26.
- **Advertising and Marketing** – The expected expense remains relatively similar to FY25 but did decrease substantially from prior years due to the success of the Gorge Transit Pass marketing partnership with the four Gorge Transit Agencies. This partnership has required fewer District resources to increase regional awareness. The District will continue to use the available resources for local marketing efforts.
- **Grant Contract Match Funds** – Expenses included in this category are Gorge Transit Pass distributions to other providers, contracting out the staffing of the Multnomah Falls Exit 31 permit program, and outreach consultant. This line item is lower than last year as the E-Bike Lending Library, Vanpool, and Drunk Driving reduction programs were not able to move forward.

FY2025	Operating Materials & Services	FY2026
280,000	Fuel	250,000
255,952	Vehicle Expenses	228,800
97,900	Operation Expenses	29,820
10,000	Driver Expenses	13,000
19,500	Advertising & Marketing	13,500
257,000	Grant/Contract Match Funds	171,000
<b>\$ 920,352</b>	<b>Total Operating Materials &amp; Services</b>	<b>\$ 706,120</b>

**Operating Personnel Services:**

- **Operations Wages** - Wages have steadily increased due to annual wage increases, and additional drivers and dispatchers needed to operate the expanded demand response program. There are four FTE's (one Transit Operations Manager and three Field Supervisors) that are included in Operating Personnel Services and considered office staff not drivers. These employees are included in the salary scale detailed in Exhibit A. Drivers have a more formalized pay increase structure, which is described in detail in the Union Contract.
- **Operations Benefits** – Benefits are expected to increase 8% from FY25. Since several operating personnel waive their insurance and receive health stipends instead, that expense is reflected in Operations Wages.

<b>FY2025</b>	<b>Operating Personnel Services</b>	<b>FY2026</b>
1,230,049	Operations Wages	1,250,500
165,312	Operations Employer Tax	171,000
213,749	Operations Benefits	222,788
<b>\$ 1,609,110</b>	<b>Total Operating Personnel Services</b>	<b>\$ 1,644,288</b>

**Operating Capital Outlay:**

- **Operating Capital Outlay** – If the District receives all vehicles that have been awarded grant funds the District will have three new gas vehicles, two new diesel vehicles, and six new electric vehicles. However, staff are cautious in optimism as it has been very difficult to get a hold of transit vehicles due to supply chain and range issues (electric vehicles). Charging infrastructure and facility modifications have been included as part of the FTA No or Low Emissions Bus program grant however the implementation plan is a little murky due to the grant contract not yet executed and grant timeline restrictions. Additionally, staff has included 5339 funds to design and construct the interregional transit hub on the Port of Hood River's Lot 1. A portion of these funds have been awarded and the other piece has been applied for but not yet awarded.

<b>FY2025</b>		<b>FY2026</b>
<b>\$ 3,412,653</b>	<b>Operating Capital Outlay</b>	<b>\$ 10,261,406</b>

**Non-Allocated:**

As the District does not plan to spend all available resources in the current year, staff has budgeted the remaining \$1.3m of resources as follows:

- **Contingency** – Approximately \$489K of unallocated resources are reserved for contingency spending, in the event or a major, unforeseen event that would significantly adjust the budgeted expenditures for FY26.

**Reserve for Future Use** – The District plans to reserve approximately three months of operating expenses, or \$800K, to carry forward into future year.

<b>FY20245</b>	<b>Non-Allocated</b>	<b>FY2026</b>
	Debt Service	0
399,659	Contingency	489,074
0	Restricted Funds	40,000
700,000	Reserve for Future Use	800,000
<b>\$ 1,099,659</b>	<b>Total Non-Allocated</b>	<b>\$ 1,207,505</b>

**Additional Notes:**

There are several vehicles/special projects included in the FY26 budget. The total cost of the projects and match are included below. If all vehicles are delivered and capital projects completed in FY26 the District would be responsible for \$1,376,135 in match which is included in the budget.

<b>Match Requirements – Vehicles/Special Projects</b>	<b>Total Cost</b>	<b>Match</b>
5339 - 1 Gas Vehicle (Van)	200,000	36,412
5311 Capital - 2 Gas Vehicles (Cutaways)	550,000	56,484
Vehicle Replacement – 2 Diesel Vehicles (35 – 40ft)	601,806	61,806
5339 – Facility Site Development	1,762,500	162,500
FTA No or Low Emissions Electrification and Facility Modifications	7,543,340	1,058,933
<b>Total</b>	<b>\$10,657,646</b>	<b>\$1,376,135</b>

## Exhibit A: Staff Salary Scale

FY26 (2.5% Step & Variable Paygrades)								
Position	Base	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Executive Director	\$96,000	\$98,400	\$100,860	\$103,382	<b>\$105,966</b>	\$108,615	\$111,331	\$114,114
Transit Operations Manager	\$77,600	\$79,540	\$81,529	<b>\$83,567</b>	\$85,656	\$87,797	\$89,992	\$92,242
Office Manager	\$76,600	\$78,515	\$80,478	\$82,490	<b>\$84,552</b>	\$86,666	\$88,833	\$91,053
Field Supervisor	\$63,000	\$64,575	<b>\$66,189</b>	<b>\$67,844</b>	\$69,540	\$71,279	\$73,061	\$74,887
Dispatch (Hourly)	\$53,670	\$55,011	\$56,387	<b>\$57,796</b>	\$59,241	\$60,722	\$62,240	\$63,796
Project Coordinator (Hourly)	\$57,554	<b>\$58,992</b>	\$60,467	\$61,979	\$63,528	\$65,117	\$66,745	\$68,413
<b>Wage Cost for FY26</b>	<b>\$592,751</b>							

### Salary Scale Policy:

- The **Base** rate represents the starting pay for a position.
- **Step 1** may be granted after the employee successfully completes the probationary period and receives a positive performance evaluation.
- **Subsequent step increases** will occur annually on **July 1**, subject to **manager approval**.
- Employees who receive an overall rating of **“Does Not Meet Expectations”** on their annual performance review will **not advance to the next step** until sufficient improvement is demonstrated.

### Cost-of-Living Adjustment (COLA) Policy:

In addition to the annual step increases shown in the salary scale, each year the Budget Committee determines the **Cost-of-Living Adjustment (COLA)** to take effect at the start of the new fiscal year (**July 1**). The COLA may range from **0% to a maximum of 5%**, depending on

budget capacity. When funding permits, the District aims to align its COLA with the **Social Security COLA**.

**Promotions to Higher Classifications:**

When an employee is promoted to a position within a **higher job classification and salary range**, they will be placed at the **next highest pay step** within the new range.

*For example:* A Dispatcher at Step 7 who is promoted to a Field Supervisor role may be placed at **Step 1 or higher** within the Field Supervisor pay scale, depending on the structure of the salary range.

Hood River County Transportation District

General Fund

(Fund)

Historical Data			Adopted Budget This Year Year 2024-25	RESOURCE & REQUIREMENTS	Budget for Next Year: FY2025-26		
Actual		Proposed By Budget Officer			Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2022-23	First Preceding Year 2023-24						
				<b>RESOURCES</b>			
1	\$ 1,323,339	\$ 797,350	\$ 960,000	1 Unallocated Beginning Fund Balance	\$ 1,060,000		1
2	165,000	200,000	200,000	2 Restricted Funds	240,000		2
3	(376,695)			3 Prior Period Adjustment			3
4	1,111,644	997,350	1,160,000	4 Total Beginning Fund Balance*	<b>1,300,000</b>	-	-
5				5			5
6	201,765	217,495	226,000	6 Fare Revenue	221,000		6
7	63,044	112,484	127,000	7 Contract Revenue	117,000		7
8	1,149,759	903,848	3,614,949	8 Federal Assistance	10,243,927		8
9	1,325,392	1,511,094	2,510,951	9 State Assistance	2,038,067		9
10	-	-	-	10 Bond & Other Debt Revenue	658,184		10
11	217,316	224,265	215,000	11 Property Tax	225,000		11
12	78,258	73,480	40,000	12 Other Revenue	62,000		12
13				13			13
14	<b>\$ 4,147,178</b>	<b>\$ 4,040,016</b>	<b>\$ 7,893,900</b>	14 <b>TOTAL RESOURCES</b>	<b>\$ 14,865,178</b>	<b>\$ -</b>	<b>\$ -</b>
15				15			15
				<b>REQUIREMENTS</b>			
				<b>Administrative</b>			
				<b>Administrative Materials &amp; Services</b>			
17				17 Building Expenses	55,000		17
18				18 Office Supplies	18,000		18
19	51,474	53,214	40,000	19 Professional Fees	443,090		19
20	20,025	17,287	18,000	20 Other Administrative Expenses	12,200		20
21	141,490	95,046	475,000	21 <b>Total Administrative Materials &amp; Services</b>	<b>528,290</b>	-	-
22	13,085	10,091	14,200	22 <b>Administrative Personnel Services</b>			
23	<b>226,074</b>	<b>175,638</b>	<b>547,200</b>	23 Administrative Wages	278,000		23
24				24 Administrative ER Tax	33,000		24
25				25 Administrative Benefits	10,000		25
26	217,013	225,809	264,543	26 Administrative Accrued PTO	-		26
27	21,195	23,164	30,881	27 <b>Total Administrative Personnel Services</b>	<b>321,000</b>	-	-
28	6,710	4,333	9,502	28 <b>Administrative Capital Outlay</b>	<b>75,000</b>		
29	-	-	-	29			29
30	<b>244,918</b>	<b>253,306</b>	<b>304,926</b>	30 <b>Total Administrative</b>	<b>\$ 924,290</b>	<b>\$ -</b>	<b>\$ -</b>
31				31			31
32	-	<b>73,821</b>		32			32
33				33			33
34	<b>\$ 470,992</b>	<b>\$ 502,765</b>	<b>\$ 852,126</b>	34 <b>Operating</b>			
35				35			35
				<b>Operating Materials &amp; Services</b>			
36				36 Fuel	250,000		36
37				37 Vehicle Expenses	228,800		37
38	298,289	211,875	280,000	38 Operation Expenses	29,820		38
39	243,066	146,092	255,952	39 Driver Expenses	13,000		39
40	46,816	54,451	97,900	40 Advertising & Marketing	13,500		40
41	17,581	11,253	10,000	41 Grant/Contract Match Funds	171,000		41
42	57,699	18,193	19,500	42 <b>Total Operating Materials &amp; Services</b>	<b>706,120</b>	-	-
43	79,212	149,361	257,000	43 <b>Operating Personnel Services</b>			
44	<b>742,663</b>	<b>591,225</b>	<b>920,352</b>	44 Operations Wages	1,250,500		44
45				45 Operations Employer Tax	171,000		45
46				46 Operations Benefits	222,788		46
47	1,106,762	1,032,212	1,230,049	47 Operations Accrued PTO	-		47
48	131,643	140,844	165,312	48 <b>Total Operating Personnel Services</b>	<b>1,644,288</b>	-	-
49	153,920	160,552	213,749	49 <b>Operating Capital Outlay</b>	<b>10,261,406</b>		
50	-	-	-	50			50
51	<b>1,392,325</b>	<b>1,333,608</b>	<b>1,609,110</b>	51 <b>Total Operating</b>	<b>\$ 12,611,814</b>	<b>\$ -</b>	<b>\$ -</b>
52				52			52
53	<b>543,848</b>	-	<b>3,412,653</b>	53 <b>Non-Allocated</b>			
54				54 Debt Service	-		54
55	<b>\$ 2,678,836</b>	<b>\$ 1,924,833</b>	<b>\$ 5,942,115</b>	55 Contingency	489,074		55
56				56 Restricted Funds	40,000		56
57				57 Reserve for Future Use	800,000		57
58	-	-	-	58			58
59	-	-	399,659	59			59
60	-	-	-	60 <b>Total Non-Allocated</b>	<b>\$ 1,329,074</b>	<b>\$ -</b>	<b>\$ -</b>
61	-	-	700,000	61			61
62	-	-	-	62			62
63	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,099,659</b>	63 <b>TOTAL REQUIREMENTS</b>	<b>\$ 14,865,178</b>	<b>\$ -</b>	<b>\$ -</b>
64				64			64
65	<b>\$ 3,149,828</b>	<b>\$ 2,427,598</b>	<b>\$ 7,893,900</b>	65 <b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
66	<b>\$ 997,350</b>	<b>\$ 1,612,418</b>	<b>\$ -</b>	66 Restricted Funds	\$ -		66
67	200,000	\$ 270,351		67 Unallocated Beginning Fund Balance	\$ -		67
68	\$ 797,350	\$ 1,342,067	\$ -	68			68