



FY2025 BUDGET MESSAGE

ADOPTED JUNE 20TH, 2024

Budget Message

Purpose of the Budget

In compliance with the State of Oregon Local Budget Law, the 2024-2025 (FY25) Budget beginning July 1, 2024, and ending June 30, 2025, 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 2024

During FY24 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 Hood River County Coordinated Transportation Plan Process.

Key outcomes included:

- Finalization of the Hood River County Coordinated Transportation Plan was accomplished and adopted by the Board of Director's at the April 17, 2024, Board of Director's meeting. The significant community engagement that was done as part of the Transit Master Plan Update 2023 was used mostly to inform this plan.
- 4-agency Gorge Transit Pass is in its third year. Gorge TransLink providers have made significant headway in aligning schedules to improve user experience and consistency. The pass is now good for 365 days rather than a calendar year.
- Contracted with Skamania County, City of Stevenson, and the U.S. Forest Service to provide the Dog Mountain Shuttle for the fourth 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 service in-house for the third year. Ridership increased from the FY23 season from 7,190 to 8,722 in FY24. This is extra notable as the conditions were not as favorable as previous years. The district offered transit service that accommodated night-skiing Wednesday - Saturday. 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 Downtown Employee Pass program for the third year.
- Received funding for two new Columbia Gorge Express vehicles.
- Applied for funding for two additional new 35-40ft vehicles that can be used on seasonal services and accommodate recreational gear, and a low-floor Trolley.
- 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 2024.

- Awarded FTA Low or No Emission Bus Program funds for over \$6 million dollars in grant funding to purchase electric vehicles, facility modification and expansion.
- Ridership overall is trending to increase by 5% from FY23. It should be noted that the district did remove several services (Hood River Connect, Cascade Locks and The Dalles) this fiscal year due to low ridership and/or streamlining of operations.
- Gorge Transit Connect (low-income) fare program has expanded to new partner organizations.
- Created a District held LGIP account.
- Transitioned one of the 2 dispatcher roles into an Administrative Assistant role to assist the Office Manager and Executive Director with administrative duties.

Overall Economic Outlook

The overall economic outlook for Hood River County Transportation District is good. The COVID-19 Pandemic impact has ceased, and staff has seen a significant increase in ridership over previous years, however, it does seem to be stabilizing. CAT received over \$1.5 Million from federal COVID related funding (CARES ACT, CRRSSA) in FY20, FY21, FY22, FY23, and FY24. CAT was awarded one additional allocation of CARES Act funding in FY24 – 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. The District expects to receive the full allotment of STIF formula (payroll tax) funds in the current 2023-2025 biennium even though the funds have fluctuated on a quarter-to-quarter basis. Available Federal 5311 Formula Funds have increased dramatically due to a recalibration in the formula which represents the growth of the District. This allowed the District to include two new Columbia Gorge Express vehicles in the FY24 Budget, however they have not yet been delivered and are expected to arrive in early FY25. Payment is due upon delivery and expenses will then be reimbursed. If awarded recently applied for state and federal funds, the District will have funding available to purchase two new seasonal 35-40 ft vehicles with space for recreational gear, a trolley, a weekend dispatcher, and add weekend Dial-A-Ride service. These have all been added to the FY25 budget.

Board Goals for Fiscal Year 2025

The Board has outlined the following goals for the FY25 Budget:

- Maintain current service levels for year-round services, the Gorge-to-Mountain Express, Dog Mountain Shuttle, summer White Salmon and expanded summer Columbia Gorge Express service. Expand Dial-A-Ride service area and transition the Upper Valley deviated fixed route into a fixed route dependent on funding.
- Continue implementation of the HRCTD Transit Master Plan Update 2023.
- Continue and grow the multi-provider Gorge Transit Pass program and support the regional transit strategy as we 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. Continue to work on identifying a new location and securement of funding for the construction of a new Park and Ride and redevelopment of the old Park and Ride into a bus storage and maintenance facility.

- Refinement of the vanpooling program and implement e-bike lending library.
- Continued implementation of the Intelligent Information System project which includes improved dispatching software, real-time technology, automated passenger counters, reader boards and improved camera technology. These grant funded investments will improve rider experience and staff ability to analyze and track ridership. \$14,000 was added for match funds that will go towards a grant that the City of Sandy is leading, and CAT will be a part of. This grant will review the technology in CAT vehicles and guide future technological improvements. This grant works nicely with our STIF Discretionary Intelligent Information Systems grant.
- 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.
- Expand employee transportation benefits and pursue funding opportunities to create protected employee bike parking.

Overview of the FY25 Budget

The Fiscal Year 2025 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 is that ridership will continue to increase and be consistent with our ongoing investment.

The budget strategy is outlined in the attached budget. The FY25 Budget has been broken out into resources, administrative requirements, operating requirements, and non-allocated 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 has included \$1.4 million in capital grant funds that were included in the FY24 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 the FY21-23 funding cycle 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 over \$2 million in different types of federal grant funds that have been applied for but have not been awarded per State of Oregon recommendations. \$810K for new seasonal service vehicles that can accommodate recreational gear and a low-floor trolley, \$900K for facility site development, and \$400K for increased demand response capacity.
- **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 \$1.1m of non-allocated resources are budgeted as contingency funds and funds reserved for future use.

FY24	BUDGET SUMMARY	FY25
\$ 5,479,931	TOTAL RESOURCES	\$ 7,893,900
527,336	Total Administrative	852,126
3,991,214	Total Operating	5,942,115
961,381	Total Non-Allocated	1,099,659
\$ 5,479,931	TOTAL REQUIREMENTS	\$ 7,893,900

In summary, the FY25 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 FY25 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 \$1.16m from FY24; of this, \$200k is expected to be 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 but can also be used for Capital Expansion and Replacement. The remaining \$916k are unallocated funds.
- **Fare Revenue** – The low-cost annual Gorge Transit Pass program has seen steady 20% 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 in the next couple of years to reflect rising operational expenses. Staff are expecting a roughly 2% 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.
- **Federal Assistance** – Staff has included \$592,218 in 5311 grant funds to purchase 2 new 30+ passenger buses for the Columbia Gorge Express service that were originally included in the FY24 budget but was not spent nor received during the current fiscal year. The vehicles are on order but have not yet been delivered. These vehicles are expected in late summer or early fall of 2024. Staff additionally has included over \$663,516 in 5339 and 5311 funds for electric vehicles (not part of the No-Low award) that was also in the FY24 budget, but the funds were not spent nor was revenue received. These vehicles have not yet been ordered. The last allocation of CARES funding has been received, \$200K of which will be used to help mitigate the impacts of costly vehicle repairs and operational expenses. Staff has streamlined processes, discontinued the Cascade Locks and Connect services, and applied for more funding through other programs to mitigate the need for CARES. Staff was awarded over \$6 million in FTA Low or No Emission Bus Program grant funds. The agreement has not yet been finalized, but when it is, only a small amount (\$45K) would be used in FY25 to hire a consultant to help plan facility expansion and modification for large electric buses. Staff has applied for several grants including:
 - Vehicle Replacement funds to purchase 35-40ft vehicles with room for recreational gear to operate seasonal services and a low-floor trolley that would be used on the Hood River City Route.
 - 5339 funds to relocate the current Park and Ride so that the current Park and Ride can be redeveloped into a bus storage and maintenance facility and for the initial stages of implementing a mobility hub/transfer facility at the Hood River waterfront.
 - 5310 funds to expand demand response services which would allow the Upper Valley service to transition into a fixed route service.
- **State Assistance** – \$194K in STIF Discretionary funding has been included to implement the Intelligent Information Systems project, which will include installing an improved camera system on vehicles, reader boards, automated passenger counters, improved dispatching software and real-time technology. \$203K has been included for the Carbon Reduction Program which

includes capital infrastructure for an e-bike lending library. CAT has received \$40K in funding from WSDOT for the Weekend White Salmon Summer service and the Dog Mountain Shuttle and is working with ODOT to figure out a way for transit to serve Mitchell Point – this has not yet been confirmed but expected to be \$30K. 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.

- **Other Revenue** – The District is expecting to sell a portion of the aging fleet and has created a Local Government Investment Pool (LGIP) account through the Oregon State Treasury. This potential revenue generator could generate \$20K-\$40K in interest revenue if available cash (\$900K) is placed in an LGIP account.

FY2024	RESOURCES	FY2025
\$ 1,053,000	Unallocated Beginning Fund Balance	\$ 960,000
192,000	STIF Dedicated Project Funds	200,000
1,245,000	Total Beginning Fund Balance*	1,160,000
216,000	Fare Revenue	226,000
104,224	Contract Revenue	127,000
1,675,170	Federal Assistance	3,614,949
1,989,537	State Assistance	2,510,951
210,000	Property Tax	215,000
40,000	Other Revenue	40,000
\$ 5,479,931	TOTAL RESOURCES	\$ 7,893,900

Administrative Requirements

Administrative Materials and Services:

- **Professional Fees** – Professional fees increased dramatically due to \$300K added for project management, architectural, engineering, and design expenses as part of the 5339 – Facility Site Development project that would relocate the current Park and Ride and pay for initial site development work for the mobility hub and key transfer facility at the Port of Hood River’s Lot 1. This grant has been applied for but has not yet been awarded. The District is searching for a new Auditor and expects the cost to be significantly more than the previous Auditor due to low supply and high demand. Union negotiations as part of the new Union Contract that will begin July 1, 2025 will result in increased labor attorney costs. Additionally, a consultant will be used to help finalize upcoming route changes for the Hood River City and Upper Valley routes. The funds set aside in FY24 for a consultant who specializes in transit facility design and electrification as part of the FTA Low or No Emission Bus Program that the District was awarded but not used as the contract is still in the process of being finalized.

FY2024	Administrative Materials & Services	FY2025
85,000	Building Expenses	40,000
18,000	Office Supplies	18,000
110,000	Professional Fees	475,000
14,700	Other Administrative Expenses	14,200
\$227,700	Total Administrative Materials & Services	\$ 547,200

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. The chart was modified to include a Project Coordinator at the direction of the Board, but there is no additional cost of living increase recommended for the Office Manager or the Executive Director. There are three FTE’s that are included in this category (Executive Director, Office Manager, Project Coordinator). At the 1st Budget Committee meeting, Budget Committee members asked staff to include more project management support. Staff did this by turning the Administrative Assistant role into a Project Coordinator role which increased Administrative Personnel Services.
- **Administrative Benefits** – Benefits are expected to increase 7% from FY24. All three administrative personnel receive health stipends which are reflected in wages rather than benefits.

FY2024	Administrative Personnel Services	FY2025
241,562	Administrative Wages	264,543
36,025	Administrative ER Tax	30,881
22,049	Administrative Benefits	9,502
\$299,636	Total Administrative Personnel Services	\$ 304,926

Administrative Capital Outlay:

No administrative capital outlay is anticipated for FY25.

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. Even with this buffer, prices are expected to remain below the FY23 actual costs of \$298K.
- **Operation Expenses** – While the District has ordered two new vehicles in FY24, they have not yet been delivered and most of the fleet is older and continues to have expensive repairs. If the Vehicle Replacement grant (two 35-40ft vehicles and one low-floor Trolley) is awarded this will assist in reducing reliance on older vehicles, but they are 1.5 years out from implementation. The budget of \$208,752 for Operation Expenses allows for needed repairs. Some of this is 5310 funds that will need to be used by the end of the FY23-FY25 biennium.
- **Communication Expenses** – There is an increase of roughly \$30k due to STIF Discretionary funds for the Intelligent Information Systems project that was awarded, which will assist the District with improving the dispatching software and real-time information.
- **Vehicle Insurance** – Staff is expecting the insurance to stay relatively the same. As the District removes aging vehicles from the fleet and replaces them with newer vehicles, staff is expecting the number of extra vehicles required to be reduced lowering the overall insurance cost.
- **Driver Expenses** – The driver training, medical exams, drug testing, and uniform expenses remains relatively stable, with an anticipated cost of \$10K for FY25.
- **Advertising and Marketing** – The expected expense has decreased substantially 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** – As there was a delayed start of the vanpool program, E-bike Lending Library, and other transportation options/mobility services from FY24, the anticipated match funds for these programs have been included for FY25. Other 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 match funds for a technology project that will be led by the City of Sandy.

FY2024	Operating Materials & Services	FY2025
7,200	Vehicle Expenses	7,200
312,000	Fuel	280,000
169,000	Operation Expenses	208,752
69,850	Communication Expenses	92,900
45,000	Vehicle Insurance	45,000
15,000	Driver Expenses	10,000
40,000	Advertising & Marketing	19,500
350,000	Grant/Contract Match Funds	257,000
\$ 1,008,050	Total Operating Materials & Services	\$ 920,352

Operating Personnel Services:

- **Operations Wages** - Wages have steadily increased due to annual wage increases, and additional drivers and dispatchers to operate the expanded demand response program (pending grant approval). In FY24 staff 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 a positive performance review, and an increase is recommended by the manager. The chart has been updated to be compliant with the recent D.O.L. increased salary scale that is effective July 1st, 2024; there is no additional cost of living increase recommended. 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. Drivers have a more formalized pay increase structure, which is described in detail in the Union Contract.
- **Operations Benefits** – Benefits are expected to increase 7% from FY24. Since several operating personnel waive their insurance and receive health stipends instead, that expense is reflected in Operations Wages.

FY2024	Operating Personnel Services	FY2025
1,086,261	Operations Wages	1,230,049
169,513	Operations Employer Tax	165,312
197,370	Operations Benefits	213,749
\$ 1,453,144	Total Operating Personnel Services	\$ 1,609,110

Operating Capital Outlay:

- **Operating Capital Outlay** – If the District receives all vehicles that have been awarded grant funds the District will have three new electric vehicles and two new diesel 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). Staff also included the three Vehicle Replacement vehicles (two 35-40 ft vehicles and one low-floor Trolley), although it has not yet been awarded. Staff expects to spend \$167K on capital assets for an e-bike lending library and \$200K in automated passenger counters, reader boards, and an improved camera system as part of the Intelligent Information Systems project.

FY2024		FY2025
\$ 1,530,020	Operating Capital Outlay	\$ 3,412,653

Non-Allocated:

As the District does not plan to spend all available resources in the current year, staff has budgeted the remaining \$1.1m of resources as follows:

- **Contingency** – Approximately \$400K of unallocated resources are reserved for contingency spending, in the event of a major, unforeseen event that would significantly adjust the budgeted expenditures for FY25.
- **Reserve for Future Use** – The District plans to reserve approximately three months of operating expenses, or \$700K, to carry forward into future year.

FY2024	Non-Allocated	FY2025
261,381	Contingency	399,659
100,000	Restricted Funds (STIF)	-
600,000	Reserve for Future Use	700,000
\$ 961,381	Total Non-Allocated	\$ 1,099,659

Additional Notes:

There are several vehicles/special projects included in the FY25 budget. The total cost of the projects and match are included below. If all vehicles are delivered in FY25 the District would be responsible for \$420,514 in match which is included in the budget.

Match Requirements – Vehicles/Special Projects	Total Cost	Match
Carbon Reduction Program	227,227	23,336
5339 - 1 Electric Vehicle	200,000	36,412
5311 Formula - 2 Vehicles	658,020	65,782
5311 Capital - 2 Electric Vehicles	550,000	56,484
Vehicle Replacement – 3 Vehicles	900,000	90,000
5339 – Facility Site Development	1,000,000	100,000
Intelligent Information Systems - Capital	237,406	47,481
Intelligent Information Systems - Operating	5,094	1,019
Total	\$ 3,777,747	\$ 420,514

Exhibit A: Staff Salary Scale

Step increases are contingent on a positive performance evaluation and the recommendation of the manager and that funds are available.

Position	Step 1	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	\$58,656	\$60,000	\$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)
Project Coordinator	\$27.00 (hourly)	\$28.35 (hourly)	\$29.77 (hourly)	\$31.26 (hourly)	\$32.82 (hourly)	\$34.46 (hourly)