



January 12, 2021

TO: Columbia County Rider Transit Advisory Committee

FR: John Dreeszen, Interim Director

RE: Budget, STIF and Service Recommendations – FY22 and FY23

Please consider the following for our upcoming meeting next week:

BUDGET: Our grant funding for the coming biennium remains fairly stable, although STIF funding estimates reflect the economic downturn associated with the COVID-19 Pandemic. Total revenues this current fiscal year are expected to be roughly \$236,000 below budget due to a nearly 50% decline in fares and earned revenue, over-expenditure of 5310 funds in the prior year and substantially lower useable 5311(f) funding than anticipated. Next year, still lower fares and earned income are expected, together with lower STIF funding, lower 5311 funding (no extra CARES Act money) and lower support from the County's Economic Development Fund.

As outlined in my presentation last June to the County Budget Committee, my plan for this coming biennium has been to reduce or eliminate the use of STIF funding as the primary funding source for any line of service and to refocus its use as matching funds for our 5311 and 5310 grants. STF funding will be used in conjunction with 5310 funds to support Dial-A-Ride Services. The purpose of this strategy is to identify the baseline of funding – without any reliance on local tax support, loans from the County General Fund, or heavy infusions of support from the County Economic Development Fund – within which CC Rider must operate to maintain a sustainable financial outlook.

STIF: Based on the above, I propose the following four projects for use of our expected STIF funding:

Project A – Match for our 5311 Grant. This will assure full access to our largest federal grant which supports all forms of rural transportation. This will require \$215,620 of our STIF funding in each of the next two years.



Project B – Match for our 5310 Grants. This will assure full access to our primary federal grant supporting elderly and disabled rider services. This will require \$20,471 of our STIF funding in each of the next two years.

Project C – Match for our pending 5339 Grant vehicle purchases. This will provide the match for the 4 new vans and 2 new large buses we have on order, eliminating our reliance on less certain sources of local funding to complete this purchase. This will require \$108,000 of our STIF funding, probably all in FY22.

Project D – Contingency Reserves in the event of lower than expected revenues and/or higher than expected expenses. These funds can be accessed upon successful documentation of need to ODOT. This will require \$69,779 of our STIF funding in FY22 and \$200,045 of our STIF funding in FY23.

These four projects fully account for our estimated STIF proceeds of \$413,870 in FY22 and \$436,136 in FY23.

STIF Guidelines require that the CCRTAC Committee, acting as the CCR STIF Advisory Committee, approve and prioritize projects to be included in the FY22 and FY23 STIF Plan to be submitted to ODOT no later than February 1, 2021.

SERVICE RECOMMENDATIONS: Funding from our 5311 grant has historically been used to support our Line 1 Portland Commuter Service, although these funds can also be used to support deviated-fixed route services and Dial-A-Ride services. I propose we use these funds (along with a small grant of STIF funds we receive from TriMet) to continue supporting Line 1, but at a lower level than the current ten trips per day we are currently providing.

Next, I propose that we use our 5310 grants (along with support from our STF grant) to continue supporting Dial-A-Ride and Portland Medical Run services at or near their current levels, with promotions to encourage the use of Dial-A-Ride by the general public once priority service has been assured for seniors and the disabled.

I propose that our Line 3 South County Flex route, our Line 5 North County route and our Line 6 Nehalem Valley (Vernonia) route, all of which are now largely or entirely funded with STIF dollars, all be suspended until such time as additional funding becomes available.

Finally, I propose that we continue discussing options for our now-suspended Line 2 PCC/185th route with PCC representatives with the strong recommendation that service be established only when funding support from PCC is sufficient to cover all of the direct driver, fuel and preventive maintenance costs associated with this service. Re-establishing this service without full PCC funding support will result in a drain on funding for other services.

All changes from our current service levels require review by the CCRTAC, solicitation of public input by CC Rider staff, and approval following a public hearing by the Board of County Commissioners.

SUMMARY: Since FY14, CC Rider has experienced a steady and persistent increase in costs; contractor costs, administrative overhead costs and indirect operating costs. In the first few years, these costs were sustained by drawing down accumulated reserves and then by borrowing from the County General Fund. Beginning in late FY18, efforts began to fine-tune service levels and stop the cycle of annual borrowing. Service adjustments were implemented on several lines in hopes of reviving community interest and use of the service, but these failed to yield ridership increases and eventually threatened to continue the financial downward cycle of the organization.

The proposed grant use reconfiguration and service level changes, while drastic, aim to finally return CC Rider to a point where services offered most closely match community demand and are within the constraints of known federal, state and local funding sources. Your support of these proposals will be appreciated.