

Tillamook County Transportation District
FY 2023-2024 TCTD Budget Committee Meeting
Thursday, May 11, 2023- 6:00PM
Transportation Building
3600 Third Street, Tillamook, OR
Meeting Minutes



1. **Call to Order:**

TCTD Board Chair Mary Johnson called the meeting to order at 6:01 PM.

2. **Roll Call:**

TCTD Board Members Present:

Mary Johnson, TCTD Board Chair (Zoom)
Linda Adler, TCTD Board Director (Zoom)
Gary Hanenkrat, TCTD Board Director
Marty Holm, TCTD Board Director
Jackie Edwards, TCTD Board Director

TCTD Budget Committee Members Present:

Chris Kell, TCTD Budget Committee
Justin Aufdermauer, TCTD Budget Committee **ABSENT**
Ron Rush, TCTD Budget Committee
Jim Heffernan, TCTD Budget Committee
Tyler Hellner, TCTD Budget Committee

TCTD Staff Members Present:

Brian Vitulli, General Manager/Budget Officer
Cathy Bond, Finance Supervisor
Jules Hooter, NW Brokerage Manager
Mike Reed, Operations Superintendent
Natalie Zuercher, Administrative Assistant/Board Clerk

Guests:

None

3. **Public Comments and/or Concerns**

GM Vitulli read a message regarding Justin Aufdermauer not being present tonight.

Dir. Adler asked if Justin Aufdermauer saw the earlier budget or second budget. FS Bond said not the most recent version.

4. **Election of TCTD Budget Committee Chair for FY 2023-2024:**

Motion by Committee Member Ron Rush to appoint Chris Kell as Budget Committee Chair for FY 2023-2024. *Motion Seconded* by Board Director Marty Holm.

Motion Passed Unanimously

5. **Reading and acceptance of the Budget Officer's message:**
General Manager/Budget Officer Brian Vitulli read the Budget Officer's message for FY 2023-2024 into the record.

6. **Line-by-line discussion of the FY 2023-2024 budget by fund:**
(1B) LB20- General Fund Resources

FS Bond went into discussion regarding the General Resource page looking into this next fiscal year. Line 4 is a conservative estimate. State Revenue is high. Capital grant includes the shop lift. Missed grant 5310 award. STIF grant revenue for match, adjusted that page. Transferred General Fund to operate expenses and capital.

Dir. Adler expressed concern that we wouldn't comingle with NW Rides. FS Bond said that line 3 is what the District earns in fare revenue, this is Tillamook County payment for services performed on behalf of NW Rides.

(2B) LB30A TCTD Administration- General Fund

FS Bond explained that she didn't have to make changes from the previous version sent out. Transit Center Employee will be an administrative employee. All wages for all employees include a 15% from year over year. We currently offer a hiring and retention bonus, felt like we needed to absorb it. Line 22 shows that the veteran grant is expiring. ODOT is working to find more money.

(3B) LB-30A TCTD Operations- General Fund

FS Bond said she forgot to correct the .25 on the dispatcher. Increased payroll but didn't increase health care because of extra board employees. Line 3 and 4 changed for payroll. Are approved for 18 full-time and 14 part-time drivers. Added 15% for CBA.

Dir. Adler asked about 15% increase and if it is negotiated. FS Bond said we have to budget in anticipation if we don't have money for it, we don't want to offer it.

(4B) LB-30A TCTD Maintenance- General Fund

FS Bond relayed that this has not yet been approved by the Board but we would like to have two full-time mechanics. This will be explained in a resolution. We need to budget for this in anticipation.

(5B) LB-30A Requirements not allocated- General Fund

FS Bond explained this is money that has been put into play and waiting for expense to come down to pay or is money that we are anticipating is approved through STIF.

Adjusted line item 7 and 8. Going to transfer from Capital Reserve as needed for projects. Adjusted Vehicle Reserve because of expecting vehicles.

(6B) LB-11 Property Management- Enterprise Fund

FS Bond stated that this is the leasing money that we receive. The transfer fund is to balance out all the costs with this property. Auditors say we have \$45,000 from property management on Working Capital side.

(7B) LB-11 Capital Reserve Fund

FS Bond said this is money left over from the previous year minus expenses. Will receive \$25,000 in interest.

(8B) LB-11 Vehicle Purchase Reserve

Dir. Hanenkrat asked about the service truck. FS Bond replied that TCTD purchased the service truck and trailer because of in house maintenance and cost savings. The service tech can fully service in Salem and Lincoln City now because of this. This reduced the Capital Reserve. The Working Capital from resource account is the reserve money leftover when all other reserves are depleted.

FS Bond said this money is for the local match, we have grant projects that are earmarked for this money.

(9B) LB-11 Bus Wash Maintenance Reserve

FS Bond explained that it is not a necessity to replenish this at this point. This is a resource in lieu of the warranty.

(10B) LB-10 Special Transportation Fund

FS Bond said STF and STIF are now merged into the STIF Fund. There is still money here that is STF, but you will see this on the STIF page. STF is up for review in 2024. Will eventually remove from District's budget.

(11B) LB-10 Northwest Oregon Transit Alliance- Special Fund

FS Bond discussed that Sunset Empire Transportation District will not be able to contribute their match. ODOT is keeping grants whole with Sunset but removing Sunset's project. They are trying to reinstate services as quickly as they can.

Dir. Holm asked about no contribution with SETD if we are partners. FS Bond said their footprint is small in partnership right now, but we need their service and partnership. ODOT advised us that they prefer SETD not be a contributing partner for this next fiscal year.

Dir. Holm said we still must do all the things with NWOTA, but do we need to distribute for the administration absorption. FS Bond replied that there is a small contribution; ODOT didn't say they won't but will remove match on Capital Project.

Dir. Holm asked if we could give them limited services. Dir. Hanenkrat added that they need to be included in everything.

GM Vitulli relayed that he attended the ODOT quarterly transit provider meeting and heard that SETD could potentially restart Highway 101 service this coming Monday. Dir. Adler interjected that they are publishing schedules on their Facebook page.

FS Bond said it won't hurt us if SETD is not able to pay their partnership share but we can put it back into the budget to see if SETD can potentially pay. Dir. Holm said we should with the expectation that they will pay.

Dir. Adler explained in SETD's past struggle we put down half for what they owe. FS Bond replied that she doesn't remember that.

CM Kell said she agrees with Dir. Holm, we shouldn't penalize them more, as we are hoping the best for them.

FS Bond said we will remove capital and add the \$12,000 partnership contribution back into the budget.

Dir. Hanenkrat asked if this comes across as we know better than them. FS Bond replied we are removing them from capital projects, but we removed contribution because ODOT said we shouldn't expect any money from them.

(12B) LB-10 NW Rides- Special Fund

FS Bond discussed changes that we are hoping to have with CareOregon in having a full-time person to do billing because of higher work volume. We are approved for 8 people but will come to Board for approval of 9th person. Added 12.5% more to add a full-time billing person. NW Rides has reserve money, but the State does pay for all expenditures. If we go over or under budget it goes back into the program. We run under budget here.

(13B) LB-10 Statewide Transportation Improvement Fund

FS Bond said this had a major overhaul regarding STIF plan. We also received STIF Formula plan. STIF for CARE needs to be half, that total should go back to regular total. Line 14 will change.

CM Rush asked about grants written before he retired; seem different than what was originally written for. FS Bond replied that he wrote a biennium grant, and this is for the fiscal year.

GM Vitulli asked about STIF line numbers. FS Bond replied that she forgot to change the narrative because that was the original amount and then found information on how they are split apart. Changing line #6 and #14 will result in a different total.

Dir. Holm asked if we are reducing line 6. FS Bond said that's correct.

7. **Approval of the TCTD FY 203-2024 budget as presented or amended:**

Dir. Holm raised concerns regarding the 15% wage increase; should not be included in base wage as we are raising the ceiling significantly. If we budget 10% that's still aggressive but if there is still a need for retention and recruitment, then it should be separate.

CM Rush asked about segregating those.

CM Kell said you need to separate those, acknowledged Dir. Holm's concerns. Dir. Holm added that this wouldn't need to be budgeted but if it is, it needs to be separate. Dir. Adler agreed, said it needs to be put to the side.

Dir. Hanenkrat asked about a separate line item. FS Bond replied that in this regard you are still budgeting it.

FS Bond said that we will take a morale hit. Dir. Hanenkrat shared that the County just gave a 5% increase to all employees.

FS Bond added that in working with auditors, you want to build a budget that you can account for the costs. I understand what Dir. Holm is saying because we must budget it and we can do a secondary line item that's fine. If we budget for retention and bonuses, then there is an idea that this bonus is still going. It has always been identified as a hiring and retention bonus.

CM Rush asked if it was COVID money. FS Bond replied yes.

Dir. Holm expressed that we must make an educated guess of growth and 10% is top line. If we put 10% in the budget that's what they are going to get, if negotiations turn out to be more, we make an amended budget. FS Bond said the budgeted line item for wages decreased.

CM Heffernan asked about calling it something different maybe the 15% might include some wages or some extra people in the line item. FS Bond replied that we

built this into the budget but with no commitments, and we do need to know where we would absorb that cost.

Dir. Holm said we have to increase wages; they will go up regardless, but I don't agree with 15%. I think that's unheard of. People will notice this and be shocked.

FS Bond explained that on page 3 you will see that the proposed budget is \$300,000 less than last year. Wages were overestimated as a result of this. They added 1.5% to cover. Dir. Holm added that this could change, you could have a low number on payroll.

BC Johnson asked about moving difference to Operating Contingency. FS Bond said we can move it in contingency and once negotiations happen, we can do supplemental budget. Dir. Holm thinks that is the same thing, it doesn't achieve anything. FS Bond added that these are just anticipated budgets and grants absorb that as well.

Dir. Holm said if we plan for a 10% increase with another grant with hiring and retention and another 10%, that's 20% but the budget reflects something more conservative and appropriate. If you do 15% you would be way above.

Dir. Hanenkrat asked where the reduction would go. Dir. Holm replied we would just end up lowering the budget.

FS Bond expressed that the resource is an expectation and resources we have to work with. Some grants we haven't got final approval. Likely to have more resources than not.

Dir. Holm said we could put into unallocated; we use those if we need that. I can't see providing the 15% wage increase. Dir. Hanenkrat agreed.

FS Bond suggested reducing it to 10% and moving 5% to operating contingency. If we need to do a supplemental budget, we can.

GM Vitulli added we are dealing with one fiscal year, it's appropriate to deal with 10% and negotiate what those out years are with future budgets.

Dir. Holm said we are running against a budget deadline with new contract which is why we are running into this problem.

Dir. Adler asked if she could get the amended budget before the June meeting. FS Bond replied I don't think we can throw a meeting together that soon, the public budget hearing will be in June.

RESTATED MOTION

MOTION by Dir. Holm to approve the FY 2023-2024 Tillamook County Transportation District budget to send it to the Tillamook County Transportation District Board of Directors for a public Budget Hearing with the following changes:

1. Decrease payroll budgeted from 15% to 10% but budget 5% into contingency.
2. Add \$12,000 NWOTA Partner Contributions for Sunset Empire Transportation District.
3. Correct CARE STIF total impacting contingency.

Motion seconded by Dir. Hanenkrat.

MOTION PASSED UNANIMOUSLY

MOTION by Dir. Holm that the Tillamook County Transportation District Budget Committee approves the 2023-2024 fiscal year budget in the amount of \$17,999,846.00. *Motion seconded by Dir. Edwards.*

MOTION PASSED UNANIMOUSLY

MOTION by Dir. Holm that the Tillamook County Transportation District Budget Committee approves taxes for the 2023-2024 fiscal year at the rate of \$0.20 per \$1,000 (\$1,166,163) of assessed value for operating purposes in the General Fund. *Motion seconded by Committee Member Heffernan.*

MOTION PASSED UNANIMOUSLY

8. Committee Member Comments/ Concerns

Dir. Holm: Thanked everyone who participates.

CM Kell: Thanked staff for doing this.

CM Rush: Thanked staff and Cathy.

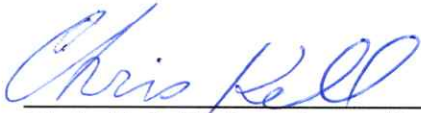
GM Vitulli: Thanked Board and Committee.

9. Adjournment:

Committee Chair Chris Kell adjourned the meeting at 7:57 PM.

These minutes are approved on this 15th day of June, 2023.

Attest:



Chris Kell, Budget Committee Chair



Brian Vitulli, General Manager