



Tillamook County Transportation District

“Connecting the community through sustainable transit services”

April 28, 2023

OPERATIONAL MEMO- HIGH IMPORTANCE

Re: Sunset Empire Transportation District Closure

Drivers and Staff,

Effective today, April 28 2023, TCTD’s neighboring Transit District to the north (Sunset Empire Transportation District, SETD) is suspending all operations for an indeterminate amount of time. I’m sure this news will bring up a good number of questions from our employees, as well as our customers regarding how this impacts TCTD. Please read this notice fully and carefully to be sure everyone is on the same page with our knowledge, communication, and response to this news.

Most importantly, I would like to assure TCTD operations staff and drivers that the closure of SETD will not affect the employment status of anyone working for us. The causes for the SETD service suspension are in no way tied to our ability to execute our service plan, and therefore does not impact the employment of anyone at TCTD.

Additionally, it is imperative that all fixed route drivers are aware of our obligation to inform any northbound passengers on Route 3 to Cannon Beach that there will be NO TRANSFERS IN CANNON BEACH as of Saturday April 29th, 2023. This will naturally affect passenger’s public transit decisions so each rider who boards our northbound service on this route for the next week should be told directly by the driver of the change. It is not acceptable for TCTD to “strand” a passenger in Cannon Beach because they were not informed of the change. We are aware of the high number of riders who depend on our service to make this transfer, and it is our responsibility to educate those folks before they board our buses. TCTD will make every effort through our website, social media, and transit app service alerts to correctly inform passengers before they reach our bus stops. As drivers, please be diligent about speaking to your riders as they board.

As more details of these impacts become available to us in the upcoming week, administrative staff will update employees on any additional information you should be aware of as it pertains to this issue. Please keep in mind that real people have experienced a loss of employment because of this development and as good partners to our respected cohorts at SETD I would urge discretion about speculating regarding their futures.

It is due to your hard work and dedication to the mission, vision, and values at TCTD that through the tribulation of the last 3 years we remain in good position to continue service to our community. Thank you all!

Sincerely,

Mike Reed
Operations Superintendent



Tillamook County Transportation District

"Connecting the community through sustainable transit services"

May 1, 2023

MEMO TO GM BRIAN VITULLI

Re: Sunset Empire Transportation District Closure

Brian,

Today at our weekly staff meeting you requested a memo providing a summary of service impacts on TCTD Operations and timeline of events pertaining to the closure of Sunset Empire Transportation District.

- I received an email after-hours on April 27th, 2023 from TCTD GM Brian Vitulli notifying me of service suspension of all SETD operations at EOB on April 28th, 2023 and a request for notification of drivers and website updates to our riders
- Communicated the news with Finance Supervisor Cathy Bond the next morning to discuss how service suspension at SETD affects TCTD operations and finance. Cathy and I spoke with Jenn in operations at SETD and was told about the need to continue some kind of life sustaining transport for certain ADA riders in their NEMT service at approximately 9am
- I posted a service alert for all Rt 3 riders who may be seeking transfers with SETD service in Cannon Beach to inform them of the changes so no passengers would become "stranded" in Cannon Beach over the weekend
- Drafted a memo to all Operations drivers and staff to communicate the most important messaging they would need to know (see attached)
- Held meeting with Operations Coordinator Mark Stricker and dispatchers to explain the situation and cover best practices when handling questions from drivers and passengers
- The greatest impact on our service plan (at this time) is the high percentage of northbound riders from TCTD who have traditionally relied on making transfers with SETD in Cannon Beach. We have made no changes to our services at this time outside of M, W, F assistance with ADA riders in Clatsop County.

Mike Reed
Operations Superintendent

Sunset Empire Transit District Financial Situation

May 1, 2023

ODOT Talking Points

Current situation

- SETD's board voted to cease operations effective Sat. April 29, based on the transportation district's financial situation. We recognize the deep impact that SETD's service suspension is having on the community and some of its most vulnerable residents.
- Our team worked through the weekend and continues working to find a potential path forward to resuming service.
- ODOT has never been in the position of having a public transportation agency cease operations so abruptly without advance notice.
- We are currently developing an emergency bridge loan that would enable the district to offer a basic level of service and anticipate sending the loan documents to SETD on Tuesday, May 2 for their consideration and potential action.
- Any loan we might offer would be accounted for separately while we find out how the district got into its current financial situation.
- We are working with ODOT Audits and an independent third-party contractor to review SETD's financial situation.

Background

- ODOT's public transportation funding is governed by strict federal and state regulations. Our role at ODOT is to ensure that funds are being spent consistent with the terms of the agreements.
- Quarterly reports submitted by SETD to ODOT did not share any information about financial challenges at the district.
- At this time, ODOT has already distributed funds owed to SETD, consistent with the terms of existing agreements.

In addition, ODOT is facilitating discussions with the Special Districts Association of Oregon, neighboring transit providers as well as the Oregon Transit Association to see what assistance might be available to SETD. The Oregon Transportation Commission will consider approving a new request for state funding for SETD at its May 11, 2023 meeting. If the OTC approves that request, SETD may be eligible for additional state funds as early as July 1, pending the outcome of an independent upcoming financial audit and compliance review.



3600 3rd Street, Suite A, Tillamook, Oregon 97141
Telephone (888) 793-0439
nwrides@tillamookbus.com

Date: May 1, 2023
To: Brian Vitulli
From: Jules Hooter, Brokerage Manager
Re: Sunset Empire Transit District Closure

We were contacted on Friday, April 28th by Chief Operations Officer Jennifer Geisler regarding the closures of SETD. Her request was for assistance in covering the transportation needs of six Paratransit clients for life-sustaining dialysis. The following is a breakdown of what work has been done to mitigate this closure.

- Communicated with TCTD Operations Superintendent Mike Reed regarding availability and coordination of transportation in that area. The needs are Mon-Wed-Fri, and the times can be coordinated.
- Communicated with TCTD GM Brian Vitulli regarding approval to coordinate resources to the area on a temporary, emergency basis.
- Communicated with CPCCO Executive Director Mimi Haley regarding status of NW Rides members. Expressed our needs for possible assistance with funding for the non-NW Rides Paratransit clients in Clatsop County.
- Coordinated with TCTD dispatch regarding schedule availability.
- Talked to the clients. Determined that one was transferring to hospice, and one was able to get transportation through family/friends.
- Scheduled the remaining four to be transported by TCTD for the following week of May 1-5 to allow time to research other transportation and funding options.
- These paratransit trips require a \$2/per trip fee paid for by the client. Working to schedule other NW Rides trips that could be used to fill the schedule to make the day financially beneficial to TCTD.
- Communicated with NW Rides employees and members regarding the change in available services in Clatsop County. Suspended SETD in Ecolane to avoid future trips until further notice.
- Coordinated with other providers in Clatsop County to cover any NW Rides trips that were scheduled through SETD, as well as look for volunteers to assist with any non-NW Rides trips in that area.
- Coordinated with CPCCO management and staff regarding notification to members via update to NW Rides website page and IVR Bulletin messaging regarding changes.

MASS TRANSIT

MANAGEMENT

OR: Transit district threatens to suspend operations

At a special meeting, Sunset Empire Transportation District's executive director shared a memo that described the dire financial state of the agency and recommended that operations be suspended and employees be furloughed.

By Ethan Myers

Source The Daily Astorian, Ore. (TNS)

Apr. 19—In a startling recommendation, the executive director of the Sunset Empire Transportation District claimed the agency is out of money and that bus service and other operations should be suspended. But a decision was delayed after a possible financial lifeline emerged from the state.

At a special meeting of the transit district's board on Tuesday afternoon, Jeff Hazen, the executive director, shared a memo that described the dire financial state of the agency and recommended that operations be suspended and employees be furloughed.

The memo stated that a number of factors have led to a critical shortfall in cash, including delayed reimbursement payments from the state and rising operational expenses. Hazen said the transit district was short more than \$420,000 that was anticipated through state funding.

"We are out of money," Hazen said. "I don't see any other choice but to shut down service effective tomorrow morning. That's what I'm recommending."

Hazen said the transit district's bank was unable to provide a line of credit due to the agency's finances.

"We have enough cash on hand to pay our employees this Friday, but will not have the cash to pay out beyond that," he said.

The recommendation caught some board members off guard.

"This is a great transportation system and I'll be devastated by what we're doing," Pamela Alegria, a board member, said. "As a board member, I am not going to see this close and I will do everything I can to keep it open."

Alegria pressed Hazen to delay a decision and explore other avenues to keep the transit district running.

"The problem is I can't make employees work if I know I can't pay them in two weeks," Hazen said.

Before the board could reach a conclusion, Arla Miller, a representative from the Oregon Department of Transportation's public transportation division, pointed to a possible reprieve.

Miller said she could potentially release up to \$800,000 from a contingency in the Statewide Transportation Improvement Fund.

"This is an emergency situation and we do not want to strand Oregonians or have you lose employees or shut down the service," she said.

Miller said she has made the request to release the funding and would get an answer as soon as possible. Hazen said he was unaware of the option.

"If Arla can pull this through, which I believe she can, then we'll be OK," Hazen said.

The board approved delaying a decision until the transit district receives a response from the state on the contingency money. The board also authorized Hazen to seek other financing options, including through the Special Districts Association of Oregon, of up to \$1 million.

Suspension of the transit district's operations would have an impact across the region, especially among vulnerable populations who rely on the bus and other services for transportation.

The Lower Columbia Connector, one of the transit district's routes, also takes riders between Astoria and Portland several times a day.

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TransitTalent

Sunset Empire Transportation District to suspend operations

Troubling financial conditions surfaced recently, prompting the Astoria, Ore., transit district's board to vote unanimously to discontinue operations indefinitely and furlough employees.

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April 28, 2023

By Ethan Myers, The Daily Astorian

ASTORIA, ORE. — The Sunset Empire Transportation District will suspend bus service and other operations starting Saturday after the agency's troubling financial condition came to light.

The transit district's board voted unanimously on Thursday afternoon to discontinue operations indefinitely and furlough employees.

"The message is we will not be offering any public transportation services effective Saturday due to the financial situation that we're in. We will get it restarted as soon as we have a financial package in place. And we'll get the process to restart up and running as soon as possible," Jeff Hazen, the transit district's executive director, told The Astorian.

The transit district's bus routes and paratransit services connect passengers across Clatsop County. The Lower Columbia Connector also takes passengers between Astoria and Portland. The agency has an annual budget of \$6.6 million and had 46 employees as of earlier this month.

While Hazen has referred to a six-figure shortfall, the transit district has also reported that ridership is up 11% year to date.

In an extraordinary meeting on Thursday at the Astoria Transit Center, the board weighed financial options, heard from the Oregon Department of Transportation and met in an emotional executive session to evaluate Hazen's job performance.

In the morning, Hazen said he was communicating with a consultant to pursue financing options and was waiting to hear back, so the board put off a decision until late afternoon in the hopes of securing a last-minute reprieve.

The transit district foreshadowed the decision at a special board meeting on April 18, when Hazen first made the startling recommendation to suspend operations and claimed the agency was out of money. A decision was postponed after Hazen and the board learned of a possible financial lifeline from the state.

Over the past several days, Hazen declined to provide updates when asked by The Astorian and pointed to the board meeting on Thursday for the next announcement.

Outside the Astoria Transit Center on Thursday afternoon, passengers were disappointed.

Scott Staples, of Svensen, said he uses the bus to get to work.

"Everybody will tell you that it would be devastating to the town," he said. "It's ABC, with no public transportation, a lot of people can't get to jobs."

Tom Estes, of Warrenton, said he uses the bus to get to work, run errands and attend doctors' appointments.

"Well, that sucks," he said of the transit district's decision.

Estes also worried about the impact on older people.

"I know a lot of older people that use it," he said. "And that's gonna hurt a lot of older, elderly people, because how are they going to get back and forth to their doctors' appointments or the grocery stores?"

Lydia Ely of The Astorian contributed to this report.

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Sunset Empire Transportation District to suspend operations

Bus service will shut down on Saturday

By [Ethan Myers, The Astorian](#) Apr 27, 2023



Citing a dire financial situation, the Sunset Empire Transportation District will suspend operations.
Lydia Ely/The Astorian

The Sunset Empire Transportation District will suspend bus service and other operations starting Saturday after the agency's troubling financial condition came to light.

The transit district's board voted unanimously on Thursday afternoon to discontinue operations indefinitely and furlough employees.

The loss of bus service will be particularly difficult for vulnerable people who do not have many transportation options.

"The message is we will not be offering any public transportation services effective Saturday due to the financial situation that we're in. We will get it restarted as soon as we have a financial package in place. And we'll get the process to restart up and running as soon as possible," Jeff Hazen, the transit district's executive director, told The Astorian.

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'Yellow flags'

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Over the past several days, Hazen declined to provide updates when asked by The Astorian and pointed to the board meeting on Thursday for the next announcement.

Debbie Boothe-Schmidt, the board chairwoman, said she did not learn of the financial issues until two weeks ago. She asked Hazen when the transit district was aware that funds were low.

"We noticed earlier this month. We've been tracking it, watching it and we were hopeful that we'd be able to get through it, but it didn't come to fruition," Hazen replied.

Karyn Criswell, a state Department of Transportation public transportation district administrator, revealed Thursday that a contingency from the Statewide Transportation Improvement Fund — the potential lifeline — had already been dispersed to the transit district and was not an option.

Criswell noted that the transit district gave the state no indication, including in quarterly reports, that finances were dire until she received word last week.

She also said the state is coordinating with an auditor and an independent compliance reviewer to complete a financial audit on the transit district as soon as possible. The agency already had a compliance review with the state scheduled for May.

"What we found at a high level, given what we found to date, we are concerned about whether state and federal funds are being expended in a manner that is substantially compliant with our existing agreements and with regulations," Criswell, who appeared at the meeting remotely, said of a preliminary review.

Criswell also cited discrepancies between several figures in reports that were provided to the board versus the state, as well as numbers on bank statements that differed from reports to the state.

“Those were a few of the things we’re seeing that raise yellow flags and that have caused us to want to engage an auditor to look more deeply into what’s going on and help get to the root of it and see how we can help the district to address those issues,” she said.

Concerns were raised during the meeting about the transit district’s accounting software, which has reportedly led to errors and discrepancies.

Some reimbursement funds, Criswell said, are being withheld from the transit district until the audit is complete. The transit district is also set to receive more funds from the state through the next two-year budget cycle.

The board inquired about different avenues to continue operations.

“This will destroy a lot of what has been done here. The riders suffer from this and the employees. It doesn’t seem like we have a backup,” Pamela Alegria, a board member, said.

But Hazen reiterated concerns about the lack of cash flow and being able to pay employees.

“The board is going to need to make a decision today,” Hazen said. “ ... I don’t have a source of money right now to operate.”

‘Gut punch’

Several transit district employees were emotional as the decision became inevitable.

“This has been a gut-punch meeting. Last week was a gut punch,” Kathy Kleczek, a transportation options specialist, said. “All week, all we heard was everything is fine, everything’s been fixed, don’t worry, it’s all OK. And that was through the grapevine, no direct communication. So to hear this today is a gut punch. It’s important that you know that.”

Nicholle Searle, a paratransit supervisor, said she would have to contact 60 riders who rely on paratransit service to let them know that they will not have transportation.

“I have elderly and disabled riders who are expecting rides on Monday,” she said. “I have riders who are going through dialysis, lifesaving treatments that they need to prepare, ask family, ask neighbors and being — excuse me, but — willy-nilly about ... a decision — these people don’t have that kind of time to sit and wait.”

Jason Jones, a mobility manager, recommended that the transit district write letters to private medical transportation providers to request lowering their rates to meet the needs of transit district riders, which Hazen said he would do.

The transit district has struggled over the past few years to attract bus drivers. Jennifer Geisler, a supervisor, warned that some drivers may not return if the transit district gets back up and running.

“Drivers are leery. We already have a handful that were planning on retiring. If we close they will not come back,” she said. “We might find seven to run service, but I don’t know if we could do a full service that we have on the road today.”

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Lydia Ely of The Astorian contributed to this report.

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Reporter

Ethan Myers is a reporter at The Astorian. Contact him 509-638-9863 or emyers@dailyastorian.com