September, 2020 HB2017 Advisory Committee Meeting

Attendees: Tom Mills; Chris Fink, representing Commissioner Vega Peterson

Jarvez (chair), April Bertelsen, alternate to Art Pierce

• Tom begins meeting by reviewing WebEx interface with participants

• Jarvez reviews the agenda.

Public Comment

• Tom reminds the audience on procedures for soliciting public comment.

• Frank Bubenik, Mayor of Tualatin

The audience might have heard about congestion on Tualatin-Sherwood RD, but know that in Tualatin, there is an opportunity to meet regional transportation goals for equity and climate to address this problem. Investment in shuttles, regional bus, or rail requested; In 1997, the Tualatin Chamber of Commerce started an employment shuttle, which was transitioned to Ride Connection in 2014. They are excited to support RC and Washington County to extend service this year. A drastic increase in investment is needed to offer a competitive advantage. Additionally, they have been working with Clackamas County and their Transit development Plan and STIF-funded shuttle study between Tualatin and Oregon City. No direct service exists between these two suburbs. This route would connect Tualatin residents to a free clinic, a day home for families experiencing homelessness, a warming and cooling shelter, VA services in Oregon City, and a food pantry. Funding is needed to establish this service. They highly support the STIF Regional Coordination Program. At a minimum, they ask that funding be maintained at the same level, but want it to be drastically increased over time.

• Susan Nowack, Tualatin resident for 19 years, 2021 Chair-Elect for the Tualatin Chamber of Commerce and Chair of the Tualatin Aging Task Force

They are very excited on all fronts about HB2017, and shuttle service connecting Tualatin and Clackamas County. The Chamber of Commerce has lobbied for this service for years. 93% of Tualatin's workforce commute into town, with 15% coming from Clackamas County, according to the latest records. This 15% share of commuters are typically entry-level employees; accessible transportation key to their ability to get to and from work, as well as employment longevity; business community feels the same; Tualatin Aging Task Force has studied potential transit for several years, working with TriMet, Washington County, and Ride Connection with great city and Chamber support lobbying for service on Borland RD to connect with the Schoolhouse Pantry, Family Promises of Tualatin Valley, and the Borland free clinic. These seniors,

residents, and veterans without mobile options need these services on Borland RD, and across I-205 to the VA, and other Clackamas County-based services. TriMet has listened and worked with the City, Chamber, and Aging Task Force over the years to enhance transit in Tualatin; beneficial and accessible services on the west side of Tualatin now exist thanks to this work. She re-emphasizes the need for better access to the east side of the region, and thanks the committee for their work.

• Garret Prior

Offering transit service is one thing, but shifting attitudes and habits are another. A recent survey from Washington County's first and last mile study indicates that shuttles are the most favorable form of shared transportation for people who do not use it today. Additionally, once they try transit, they are much more likely to favorably view all types of shared transportation. A drastic shift in investment is needed to make these transportation alternatives more appealing to suburban users. For example, there are minimal future transit projects planned for suburban city-to-city connections in the fiscally constrained Regional Transportation Plan through 2040. For STIF, the need for regional coordination service funding is closer to $30 million, than $3 million. They are grateful for the proposed $3.1 million, and advocate maintaining this funding amount in the budget scenarios being discussed today. They suggest raising regional coordination funds to $4.1 million in FY22, and $5.1 million in FY23 to cover COLA and other inflation costs. They also recommend that the committee select the high draft budget scenario today.

STIF Formula Funds timeline

• Tom: just a couple of more months until we need to approve plan; goal today is to approve a draft plan suitable for public comment in October; preview of public feedback to be presented at October meeting; comprehensive review of public comment in November; committee to approve plan in November; goes to TriMet Board, then ODOT; TriMet Board will also see out-of-district plans; out-of-district plans also to be included in November review; providers to present committee; by January, out-of-district providers required to turn in final ODOT paperwork to Tom, who will combine that with the final paperwork to be submitted to ODOT; So far, everything is on target for the plan to be submitted on February 1.

• Draft Plan budget; Tom displays revenue projections; high, medium, and low; blue line indicates the $46 million in STIF money received last year; pandemic and associated recession complicate the process of predicting future revenues; high projections indicate slight decline this year, with growth again in FY22 and FY23; While

optimistic, it provides the most flexibility in spending money, even though it is likely revenues will fall short. The medium projections are based on projections from the department of Administrative Services and employer payroll tax collections, which saw a 20% decline in the last quarter. However, things are improving, hence the -17% in FY21. FY22 and FY23 are also following the DAS projections. The low projections are also relying on DAS data. What those scenarios might look like was discussed at the last HB2017 meeting. Tom refers to the Program Priorities on the left. The new priority is service preservation. Due to COVID, the legislation was amended in emergency session to allow us to use STIF funds to maintain service in the region, which includes all programs listed on-screen. It is essentially a reserve; how much to reserve for each program still needs to be determined. The programs are all the same. We are suggesting that we allocate money the same across all programs except for the capital and service program. In FY22-23, the capital is the same in most cases. The real flex in all of this is a little in capital, but also the amount to be set aside in the reserve fund. More money will be projected the higher they go. If not, it will be the first money to go down, with other programs holding. These numbers have also been refined a little bit; a little bit different from last month. Low-income fare for FY21-22 the same as last month; talking with low-income fare program folks, bumped up to $11 million for FY23; prior to pandemic, 30,000 participants; on track for 40,000 within the year, and 45,000 a few years later; This puts us back on track, assuming we are past the pandemic by 7/1/2022. recession still possible; additionally, service expansion money less than last time; service expansion slowed down a little bit; still a little bit of growth; will draw from same service improvements in 5-year plan; electric bus, regional coordination, YouthPass, and senior and disabled programs all remain the same; 2 years ago when plan was approved, plan was to keep them at $5 million a year; electric bus and regional coordination would stay at about $3 million, YouthPass about 1% per legislation, senior and disabled program about $1 million a year; as mentioned earlier, some flex over time in capital program; will change a little bit

• STF supplemental: state typically gives money from the general fund to supplement the STF program which goes towards transportation for seniors and PWD, primarily funded by cigarette tax, and non-automobile gas taxes; state draws from general fund to fill in the gap due to shrinking revenues from these tax sources; general fund supplement zeroed out in 2019 session; STIF program now responsible for filling gap; ODOT came back with recommendations in 2020 session, which were not approved due to the Republican walkout; approved in emergency session; program merge not to occur until 2024-25 biennium; recommends doing the supplemental before program is merged; 2.3 million annually would be part of program

Q&A

- **Dan: Tom, remind me; does the $8 million in service preservation in FY21 come from what used to be service expansion?**

- **Tom: yes; largely from service expansion and capital projects**

- **Mercedes: Can you share ridership trends with this group?**

- **TOM: another reason to slow things down on the service side; pandemic really hit us hard; at one point, ridership as low as 70% when lockdown first started; now hovering between a 55-60% decline; service initially cut back by 20%, now reduced by 10%; 2 areas of financial impact: payroll tax, a lagging funding source; hit not seen yet on STIF money; hit to come in October and January; big drop in fare revenue, hence the need for money in service preservation**

- **Commissioner Sabas has been listening intently from the beginning. Is this service preservation number preserving the service of the STIF dollars in particular; earlier he thought it was service preservation for the system at large; wants a clear understanding of that. He thinks there should be a relationship between service expansion and preservation; is the $9.8 million displayed on-screen a component of that? If there is a more negative financial income scenario, and high-income model is selected, will we be part of determining what is preserved, and what is cut? Who and/or where is getting cut is a big deal.**

- **Tom: Yes, this committee would be included in service cut decisions regardless of what scenario is decided upon. The committee has already voted to take a little bit out of capital if less revenue comes in. We can definitely meet with this committee and review the recommendations as we get towards the real nitty-gritty decision-making. Service expansion and service preservation are separate. In service expansion, a large chunk of the $13 million is for maintaining already-expanded service; service already expanded $6 million annually, must keep doing that every year; isn't just new things we will be doing this fiscal year; money available to add new service, although not by as much; money included to expand facilities to allow for more vehicle capacity; FY23 happens to be the year where construction will start on several of these expansions. money in there also for property acquisition for facility build-outs; lastly, money to buy new buses, also important for service expansion**

- **Paul assumed that service expansion was coverage; notes that Tom mentioned capital-related expenses; thought he heard in Tom's earlier explanation that service preservation was for service in general; response to chat question in regard to** whether monies being cut from service expansion was from the STIF program initiated in this group, or broader? He wants clarity, because the $9.8 million is likely a component of this service expansion.

• Tom: service preservation came from what we planned to do in service expansion, but is not a component of the $13 million right now; would fill the gap in the employer payroll tax revenue; TriMet doesn't want to be in a situation in which they are expanding service in one area, and cutting it in another. They still hope to expand service a little bit, although not as much.

• Paul: In essence, the employee tax will backfill the employer tax base. Tom confirms.

• Julie Wilcke: First of all, she thanks TriMet for taking a proactive approach in having the STF Supplemental included in the 22-23 plan for STIF. In regards to the 2.3, the general fund contribution to STIF in the 19-21 biennium was 10.1, but 7.8 came out of STIF because there were additional funds available in discretionary pots to make up the difference; at this point, unknown if these funds available in 22-23; 2.3 will not make services for seniors and PWD whole.

• Looking at 22-23, there are low-income fare and service expansion increases in evaluating where service preservation will be used. Will the 23 budget include the increases, and then we'll determine where the 9.8 million is used by program, or will it remain flat at FY22? It's a philosophy on how the committee will decide where the service preservation funds will be used. Will it be to preserve existing services first, or will the increase in programs during FY23 be taken into consideration?

• Tom doesn't have the answer yet. Bernie: Julie is asking whether we're going off the F22 base or the FY21 base in FY23; not sure that we've delved into that level of detail yet, partially because we are waiting to see how COVID affects our payroll tax receipts, both HB2017 and the employer payroll tax. To the extent that we can, we'll seek to expand service. We've got a conservative option here, which is to hold some money back in the first half of the biennium, to see how the payroll tax receipts come in; if higher than expected, we won't need that reserve, and will put it into expanding service. If revenues come in lower, then we at least have a reserve to preserve existing service. The baseline will depend on economic performance, and what kind of revenue comes in during FY22. Julie understands.

• Mary Lou previously had a question, but it has already been answered.

• Walter: Based on all that has happened now, do we have a new service expansion plan based on COVID? If so, what areas will be expanded? Tom: In October, we will

release some service proposals which are revenue-neutral. We will continue to look at the economic situation, and funding that is coming in. We may have opportunities to increase service elsewhere. At this time, Tom does not know where those areas will be. We will have to look at revenues and a list of service expansions in the plan to see what can be afforded. Tom is reluctant to make a projection on what bus lines will be improved. Any service expansions will be drawn from the list in the PTIP.

• April is thinking about what may be done based on revenue conditions. It sounds like if we don't need service preservation funds, then they would go to service expansion. Will the plan reflect that direction to automatically put it to service expansion, or will the committee need to discuss fund distribution? If we are looking at using service expansion to backfill, how will it be distributed? From ODOT, it sounds like it would be available for all programs. Will we have a plan to prioritize recipients?

• Tom: Yes, we'll talk to the committee about service preservation money re-distribution. If a program is in particular need of backfilling or boosting, it can be done. It will be tricky with ODOT regulations and plan requirements; shadow budget may need to be included in plan to have the ability to use it even if it can't be fully funded; Bernie: no place in ODOT plan structure for contingencies; shadow capital project to be created to serve as a contingency; April: Will we get to see shadow contingency plans in November, or will the committee discuss allocating preservation once we know that we're in that scenario? Tom: To clarify, service preservation is intended to backfill employer payroll tax reductions, which is the most likely scenario. A high-end scenario is exciting, but very unlikely. Tom commits to the money going towards preserving service. If by a miracle the high is a reality, and payroll tax revenue is fully funded, we will have a draft budget of how the monies would be re-distributed.

• Mercedes: Thinking back to the 10% service reductions, is restoring the cut service being funded through service expansion, service preservation, or somewhere else? Tom: That is not included right now. The $9.8 million in service preservation is if we have to cut service even further than we already have. It is actually to prevent us from cutting more service. There's still the possibility of future cuts, even with the $9.8 million. Bernie: CARES Act funding allowing us to maintain current level of service; likely to run out, where we are faced with a situation where we either cut deeper, or backfill with service preservation dollars.

• Tom acknowledges Deanna's participation as Co-Chair.

• Paul: We seem to be drifting from the legislative intent for the STIF dollars; originally was excited that HB2017 dollars would increase coverage; if funds are continuously tapped, concerned that intent will not be fulfilled, with no reliable means for potential new riders to access transit; recalls that ridership increased during the last recession; things might look rosier, even though employee taxes go down; not sure how that pencils out though; always the possibility that more will drive with a recovered economy and lower gas prices

• Tom suggests bringing this to a vote; last month, committee voted on program priorities; now we vote on the high, medium, or low scenario

• Deanna calls for a motion. Roy Rogers makes a motion to approve the highest scenario. Commissioner Sabaas seconds. Tom: We will ask for discussion, then ask people to indicate if they are voting against it. If enough people are, a roll call will be done.

• Discussion

• April: one concern of voting for the high projection is that it may be too optimistic; would also rather the committee further discuss, leaning towards the medium scenario; if things rosier than thought, committee will have more perspective on the situation, and could think what to do with the funding; if STIF funds higher, probably a better scenario for payroll tax as well

• Tom: chat requesting to go back to the slides showing budget scenarios; Bernie: In response to April, staff was initially thinking along the same lines, but maximum amount of money projected in STIF plan is a cap which cannot be altered for 2 years, with no opportunity to amend the plan if revenues are higher than expected; idea to make plan big enough to accommodate expected revenues, but make expenditures smaller, with the expectation that the real number will be lower. April understands. She just wants the committee to discuss fund distribution in the event of a high scenario. Bernie agrees; will come back to committee on regular basis.

• Mercedes agrees with April.

• Aaron in response to Commissioner Sabbaas; if ridership increases, decreases in available seats due to pandemic still needed; doesn’t see how bringing more income is possible as buses would need to be added; Tom: recession very different from last one

• Mercedes concerned about creating unrealistic expectations, as it will be part of a public engagement process, especially in regards to aiming for the high scenario;

Deanna agrees; committee likely to discuss in the future on how to cut the budget; appreciates opportunity to be flexible

• The motion passes unanimously.

Outreach

• Tom: Now that we have a draft plan, we will reach out to the public. The outreach will include the revenue-neutral service improvements, which is the virtual carrot. Outreach will go live online on 10/16; materials being prepared; 2 online open houses, one of them in Spanish, will promote online outreach with community-based organizations through the multi-cultural contract; will have early results at next meeting in early October; open to feedback on how to be effective in outreach during the pandemic

• Mary Lou finds it challenging as sole STFAC rep to feel good about how much the STFAC understands what's going on with the process and budget; wonders if one of the open houses can be targeted to those members, as their participation is critical for their understanding; Tom agrees; Jan: working with Tom to set up a STFAC meeting; Mary Lou is pleased.

• Walter: October, particularly after the 16th, will be very hectic for CBO partners, as ballots will have dropped. When thinking about timing, are they being planned in relation to the election? Tom: not so much; evening open houses around 6-7:30 contemplated; will ask for help promoting it from community partners; can look at other dates besides October 28-29; Walter not saying they are bad dates for all, but best to not assume they are good for everyone in light of the upcoming election; Tom suggests getting dates of availability from CBO partners; Walter emphasizes meeting folks where they are during this special time; would not take out the co-hosting piece, which could be very helpful.

• April: How long will the online survey be open? Will it be boosted after the election? Tom: until November 6; committee meets again on November 20, sooner due to Thanksgiving; gives them time to compile information, especially the open-ended responses; April suggests holding it open through the weekend; Tom agrees to close it on 11/9. He finds that we get a real spike in response in the first 3-7 days, and it drops after that. Staff generally resends it, getting another smaller spike. About 80% of response is in the first week. April agrees, but also mentions that a push after Election Day may be helpful.

• Meeting adjourns at 9:18 AM