

Linn County
Transportation Advisory Committee
February 10, 2021 1:30 pm
Zoom Teleconference
MINUTES

Members Present: Ken Bronson; Ted Frazier; Cris Kostol; Sandra Wess; Kindra Oliver; and Cindi Robeck

Staff Present: Mark Volmert

Visitors: Brittany Maudlin, Sunshine Industries; Alisha Tarr, Chamberlin House; Carrie Howell, Chamberlin House; and Lorelei LaVoie, Oregon Mennonite Residential Services

Call to Order

Ken Bronson called the meeting of the Linn County Transportation Advisory Committee (TAC) to order at 1:30 p.m. Members of the committee and members of the audience introduced themselves.

Public Comment Opportunity (not related to Section 5310 funding requests or allocations)

No comments from the public.

Clarification of STF Allocation Recommended by the TAC on February 9, 2021

Volmert indicated there was a small math error in yesterday's STF allocation. The recommended allocations total \$298,740 rather than \$299,660; a difference of \$920.

Motion by Kindra Oliver and second by Cris Kostol to increase the allocation to Volunteer Caregivers from \$41,240 to \$42,160. The motion passed unanimously.

Discussion regarding the 2021-2023 Section 5310 application and review process, including Oregon Government Standards and Practices provisions

Mark Volmert described the application and review process which is very similar to the process that has been used for several biennia. He briefly reviewed the public outreach and notification process regarding the availability of Section 5310 funds and the application process. Volmert reviewed the December 2020 Linn County Section 5310 Guide Book for applicants. He noted the Linn County Coordinated Public

Transit-Human Services Plan continues to serve as the guide for the investment of public transportation resources; in addition to local plans.

Consistent with the TAC's partnership efforts and in consideration of ODOT and federal requirements, the Albany Area MPO was invited to send a representative to join the TAC members for the review of Section 5310 funding requests and the subsequent recommendations to the Board of Commissioners. AAMPO has evidently decided not to send a representative.

Volmert provided background information about federal Section 5310 program in Oregon. (1) The Oregon Transportation Commission transfers about \$25 million each biennium from federal highway funds to the Section 5310 transit program. These funds are allocated, on a population basis, to counties/transit districts for their allocation to local transit programs. (2) The Federal Transit Administration allocates Section 5310 to states and urban programs based on population. Prior to 2013 the FTA funds were allocated to ODOT which then allocated the funds to counties/transit districts based on population. MAP-21, the 2012 federal transportation act, changed the allocation to provide 60% to large urban areas, 20% to small urban areas and 20% to rural areas. Jurisdictions in Oregon receive a total of about \$7.5 million from these FTA funds. About \$4.5 million is allocated directly to the three large urban areas in Oregon; \$1.5 million to seven small urban areas; and \$1.5 million to rural areas.

The small urban area funds are allocated by formula to local programs. Although the small urban areas funds must be spent for transit within the small urban areas, ODOT decided that the allocation decisions for small urban funds would remain with counties (similar to Section 5310 rural fund decisions) rather than the MPOs.

ODOT will develop a statewide competitive grant program with the Section 5310 FTA funds for rural areas.

The 2021-2023 "rural area" allocation to Linn County from the highway programs transfer is \$619,217. The 2019-2021 allocation was \$623,206 and the 2017-2019 allocation was \$630,509. The 2021-2023 allocation from FTA's "small urban area" bucket for the Albany urbanized area is \$211,968. The 2019-2021 allocation was \$204,539 and the 2017-2019 allocation was \$191,714.

Volmert indicated that all of the programs that have submitted applications are eligible to receive Section 5310 funds, all have submitted reports in a generally timely manner in the past biennia and all requests are consistent with the priorities identified in the Linn County Coordinated Plan and other transit plans.

Volmert reviewed the Oregon Government Standards and Practices provisions. There were no disclosures of conflicts of interest.

Presentations by agencies regarding their 2021-2023 Section 5310 applications

Albany Call-A-Ride (Ted Frazier): Requests \$211,968 of Albany urbanized area funds for Albany Call-A-Ride “purchase service” operations.

Volmert provided some historic background. In 2013-2015 and 2015-2017 Linn County allocated all of the Albany “small urban area” funds to Albany Call-A-Ride. By using the “purchase service” provisions of federal law Albany Call-A-Ride can fund operations on an 80% federal/20% local match basis. Urban area Section 5307 transit operations are funded on a 50% federal/50% local match basis. Although some paratransit service requires only a 20% local match there is a limit to the amount of Section 5307 funds that can be matched 80%/20% for ADA paratransit service.

In 2017-2019 and 2019-2021, in order to fund the highest priority rural projects, Linn County transferred the allocation of \$55,000 for the Linn-Benton Loop from the “county rural area” bucket to the “AAMPO small urban area” bucket. In 2019-2021 this allocation was \$59,000. Linn County and Benton County decided to allocate 2021-2023 STIF funds in lieu of Section 5310 and STF funds; and the entire “AAMPO small urban” bucket of funds is therefore available to allocate to Albany Call-A-Ride.

Oregon Mennonite Residential Services (Loralei LaVoie): Requests \$8,076 for preventive maintenance for 3 vehicles.

Chamberlin House (Carrie Howell): Requests \$15,254 for preventive maintenance for 11 vehicles.

Senior Citizens of Sweet Home (Ken Bronson): Requests \$242,271 to acquire a large (35 seats + 2 wheelchair positions) vehicle and a van (7 seats + 1 wheelchair position) vehicle; \$120,000 for preventive maintenance for 16 vehicles; and \$166,449 for purchase service (operations) to support the Linn Shuttle’s “Express Service” between Lebanon and LBCC/Albany.

Lebanon LINX (Kindra Oliver): Requests \$25,124 for preventive maintenance for 7 vehicles; and \$10,095 to replace/retrofit camera equipment for three buses. Oliver clarified this is a “live video” system. With the replaced equipment all cameras would

be similar (the current cameras were manufactured by two companies which has resulted in operational challenges and high maintenance costs).

Sunshine Industries (Brittany Maudlin): Requests \$20,254 for preventive maintenance for 16 vehicles. Maudlin indicated, as she reported at the February 9 TAC meeting, that the COVID-related reduction in revenue prevents Sunshine Industries from replacing vehicles. With the termination of the SCSH DD 53 I/DD transportation program Sunshine Industries will be driving older vehicles more miles.

Public hearing regarding 2021-2023 Section 5310 allocations

Following the presentation about the programs, Ken Bronson opened the public hearing. No member of the public requested to speak and Bronson closed the public hearing.

Discussion and recommendations by the Review Committee regarding Section 5310 funds

Volmert clarified that the rural area requests total \$11,693 less than the available funds and ODOT/FTA does not allow the funds to be placed in a contingency account.

TAC members discussed the requests and noted the importance of providing preventive maintenance funds to programs.

Motion by Cris Kostol and seconded by Cindi Robeck to recommend that the Board of Commissioners allocate \$211,968 of Albany urbanized area funds to Albany Call-A-Ride for “purchase service” operations. The motion passed unanimously.

TAC members indicated, and Ken Bronson concurred, that the Senior Citizens of Sweet Home’s request for preventive maintenance funds is substantially larger than 2019-2021 and was sufficient to properly maintain the SCSH’s 16 vehicles. Lebanon LINX’s request is the same as 2019-2021. Although Lebanon LINX will have a couple of new vehicles (with a little less maintenance) the vehicles will travel additional miles with the city’s expanded service. TAC members indicated an additional \$3,000 would be appropriate. TAC members indicated the termination of the SCSH DD 53 I/DD transportation program will likely have a substantial impact in Sunshine Industries’ transportation program; and involve more miles driven by older vehicles. TAC members indicated an additional \$8,694 would be appropriate.

Motion by Cindi Robeck and seconded by Sandra Wess to recommend that the Board of Commissioners allocate to Section 5310 funds to the following programs:

\$242,271 to the Senior Citizens of Sweet Home for the acquisition of two vehicles

\$166,449 to the Senior Citizens of Sweet Home for purchase service (operations) to support the “Lebanon Express” between Lebanon-LBCC/Albany

\$120,000 to the Senior Citizens of Sweet Home for preventive maintenance

\$28,124 to the City of Lebanon for preventive maintenance

\$28,948 to Sunshine Industries for preventive maintenance

\$15,254 to Chamberlin House for preventive maintenance

\$8,076 to Oregon Mennonite Residential Services for preventive maintenance

\$10,095 to the City of Lebanon for equipment purchase

The motion passed unanimously.

Follow up on December 29 TAC meeting discussion regarding the City of Albany’s transportation programs including budget items

Volmert reported he had a lengthy telephone call with Chris Bailey from the City of Albany on December 31 regarding the TAC’s recommended 2021-2023 STIF allocations to the Albany Transit System.

Bailey expressed substantial concern about the TAC recommendation that Albany contribute \$100,000 per year of Section 5307 funds to help fund the expansion of ATS service from about 20 hours a day to about 36 hours a day. She indicated the City of Albany contributes far more in local funds to its transit programs than other cities in Linn County; and other programs were not contributing federal funds for the expansion of their services. She also said this could place the STIF allocation process “at risk”.

Volmert agreed that the City of Albany, with a long standing annual General Fund contribution of about \$675,000 to public transportation, allocates far more local funds than the smaller cities of Lebanon and Sweet Home. But, whereas Lebanon receives \$95,000 per year in federal Section 5311 funds and the Senior Citizens of Sweet Home

receives \$144,000 per year in Section 5311 funds for the Linn Shuttle and \$105,000 for the Sweet Home Dial-A-Bus, Albany receives nearly \$1 million a year in Section 5307 funds. This is approximately \$600,000 a year more than it received in Section 5311 funds (for ATS and the Linn-Benton Loop) before AAMPO was established, taking into consideration the comparison of the Linn-Benton Loop's prior Section 5311 funding and its current Section 5307 co-funding from CAMPO. Volmert told Bailey that TAC members, while understanding Albany's need to fund a bus barn and its caution about using "one time only funds" for operations, are cognizant that Albany received \$2,700,000 in CARES Act funds. Lebanon received \$95,000 in CARES Act operations funds; the Linn Shuttle received \$144,000; and the Sweet Home Dial-A-bus received \$105,000. At the December 29 TAC meeting Volmert indicated Albany received more than \$2,700,000 in CARES Acts funds and Barry Hoffman incorrectly reported the amount was \$1,700,000. Volmert also noted that Lebanon received \$70,000 in 2019-2021 STIF funds for a vehicle and Albany received \$440,000 in 2019-2021 STIF funds for an ATS vehicle.

At the end of the lengthy discussion, Bailey indicated the City of Albany will match, in each year of the 2021-2023 biennium, the first \$100,000 of STIF funds with \$100,000 of Albany's locally controlled federal funds. This is consistent with the TAC's December 29 recommendation.

Bailey wanted two items clarified in the record. Volmert said he will note the informational items in the record of a future TAC meeting when it is discussed. Since the discussion between Bailey and Volmert was held after the December 29 TAC meeting the clarification cannot be placed in the minutes of that meeting. It is also very important to understand that the discussion was "informational" only and did not change the TAC's recommendation. Placing a note in the record, following a discussion at a future TAC meeting, is simply a clarification of Albany's position.

The two items Bailey requested items to note in the record:

1. Albany is contributing locally controlled federal funds for the expansion of transit service but other programs will receive STIF funds without a similar commitment.

Volmert indicated the Linn County TAC's recommended STIF allocations to three programs assumed concurrent contributions: (1) Benton County STIF funding for ATS service in North Albany; (2) Benton County equal STIF funding for the Linn-Benton Loop; and (3) Oregon DHS funding for the Medicaid Title XIX DD53 Local Match Program.

2. Albany’s agreement to provide locally controlled federal funds in 2021-2023 is not a commitment to provide funds in the future.

Volmert indicated Linn County’s allocation of 2021-2023 STIF funds to programs is not a commitment to provide a specific level of STIF funding in 2023-2025.

The general approach of Linn County, in allocating funds, is to assist in the development of financially sustainable public transportation services. Programs that are successful, efficient and cost effective should continue to be funded, if at all possible. ODOT supports this concept. STIF revenue is, however, based on a payroll tax so the 2023-2025 revenue is unknown at this time. Linn County has not committed to funding specific programs in 2023-2025 or to specific levels of 2023-2025 STIF allocations.

TAC members appreciated the update provided, as well as prior individual updates, and concurred with Volmert’s response.

TAC members then discussed the on-going, and escalating, financial issues with the City of Albany. Beyond the allocation of money Linn County has a fiduciary responsibility for the funds it allocates to local programs. In recent biennia Linn County’s annual allocation of STF and Section 5310 funds to Albany’s public transportation programs has totaled about \$150,000. In the 2021-2023 biennium the total, including STIF funds, will be nearly \$1,000,000.

Members discussed Albany’s current lack of information and transparency; and indicated Albany has not yet responded to the questions about Linn-Benton Loop and ATS account balances that were asked at the December 29 meeting.

Members discussed the need for all partners to clearly understand the financial picture of Albany’s public transportation programs. This includes the importance of tracking all revenue and expenses; and reconciling all account balances.

The potential preparation of an audit was brought up. TAC members said Linn County has not previously requested an audit of a program beyond the basic annual financial audits prepared by cities and large non-profit agencies. In response to a question about “what is the role of the TAC?” there was agreement that one of the key roles is “to recommend to the Board of Commissioners the allocation of financial resources”. Since this requires, particularly when the allocation involves huge sums of money, a clear understanding of the financial picture of a program and since Albany has not

responded to the TAC’s request for information TAC members indicated some type of audit would be appropriate.

Volmert indicated Albany, like all cities, prepares an annual financial audit. The audit, however, is generally a high level overview of the city’s financial status. It would generally not include, for example, a review of funds in an FTA account that are not part of the city’s current budget. If, for example, Albany has \$2,000,000 in its FTA account but has only budgeted \$500,000 of this sum to be spent in a year the audit would generally only include a review of the \$500,000 that is in the city’s budget; not the entire balance in the account.

Volmert said an “agreed upon procedures audit” is different. It would provide information enabling parties to evaluate specific fiscal items and procedures. It is more of a “fact finding effort” than a traditional financial audit by an independent fiscal expert who applies “agreed upon procedures” to the subject matter. Linn County would tell the auditor the general purpose of the audit. The county and the auditor would agree upon the specific items to review and the procedures/standards. This could include a review of the history of FTA revenue, the expenses that were reimbursed, the account balances, the procedures used by Albany to draw down FTA funds and, depending on the findings, recommendations regarding amendments to the procedures. The auditor would essentially be an independent “fact finder” and, unlike a standard financial audit, would not issue an opinion or conclusion about the overall financial status/position of the city.

TAC members agreed, given the confusion about financial matters including FTA account balances and given the lack of response from Albany, that an “agreed upon procedures audit” was the appropriate course of action.

Motion by Cindi Robeck and seconded by Sandra Wess to recommend that Linn County request permission from the City of Albany to conduct an “agreed upon procedures audit” of Albany’s public transportation programs.

The motion passed unanimously.

Other Matters

There were no other matters discussed.

Adjournment

The meeting adjourned at 3:20 p.m.

Submitted by:

Mark Volmert