

# Public Transit Update

## Financial Management and Long Range Capital Planning Issue

July/August

2001

### *New Buses for Marion and Polk Counties!*



A dedication was held on June 6th to celebrate the recent purchase of 15 buses. The buses will be providing rides

9 years old. With the addition of these new vehicles and expansion of the fleet the average age is now about 6 years old. These vehicles have new and improved features providing greater accessibility for seniors and the disabled.

These vehicles are part of the Oregon Transportation Network (OTN), conceived by Governor Kitzhaber, are used to establish transportation services in areas with no previous services and increase services that were already available. This helps to ensure that all Oregonians

for 5 transit programs in Marion and Polk counties. The programs receiving vehicles are: CherryLift, Wheels Community Transportation, Chemeketa Area Regional Transit System (CARTS), Silverton Hospital's Seniors Plus and Wheels of Joy - Non Emergency Transportation Service (NETS).

These vehicles are important because they are the direct result of the additional funding the 1999 legislature approved to provide more rides for elderly and disabled Oregonians. A year ago the vehicle fleet averaged about



have the mobility that leads to the quality of life we have come to cherish. As part of the OTN, these vehicles have enabled this region to expand services and implement the

C A R T S program, connecting 19 cities. Because of OTN funding, the rising cost of transportation has been offset and has allowed the expansion of services within the area.

The five buses that were just purchased cost \$205,000 and were purchased as part of Federal Transit Administration Section 5310 Elderly and Persons with Disabilities Capital Program funds.



#### What's Inside

Long Range Capital Planning .....	2
Legislative Update .....	3
Vanpooling... Is it really worth it? .....	5
The Bureaucrat Beat .....	5
Financial Management for Small Providers .....	6
ODOT Director Attends Commute Options Week .....	7
Ca\$h Control Tip\$ .....	8
Public Transit Calendar of Events .....	10
Long Range Capital Planning For The Small Provider .....	12
Options for Funding Rural Transit Programs .....	13

# Long Range Capital Planning

by Steve Dickey, Capital Programs Manager

The initial step involved in obtaining a vehicle, equipment, or other capital item with public funds is to develop a capital plan. By creating a plan the agency will have a “road map” to guide current and future procurement decisions. All too often decisions of this nature are made from a reactionary frame of mind. Some of the benefits to developing a capital plan include: better ability to manage capital assets, greater opportunity to use a more comprehensive approach in determining capital needs, more time to allow for public involvement, and the peace of mind in having some specific direction.

*a) Current Service Level Assessment* - The starting point of developing a capital plan is determining your agency’s current service level. Gathering this information will provide a benchmark level of service to measure against service needs in the area served by your agency. Your agency’s assessment of the service level should focus on the schedule and number of rides provided over a year, the type of rides, daily schedule peaks and lulls, seasonal fluctuations, and factors regularly affecting ridership.

Another factor to consider is if ridership is not consistent, is your system design driven by the fluctuation or does the system design contribute to the irregularity? Do your current customers require specialized transportation services i.e. curb to curb, door to door, or door through door? Do the vehicles in your system have any difficulty working in the environment required by your service i.e. narrow streets, tight corners or low clearance from trees or structures? Once these questions have been answered, your agency is ready for the next step.

*b) Needs Assessment* –With current service level assessment complete the next step is the needs assessment. This process will identify the gaps between your agency’s current level of service and the level of service needed to meet all of the transportation needs (consistent with your agency’s mission) that exist in your area. In this process it is highly recommended that your agency provide opportunity for public input. By

including the public, greater perspective can be gained on the needs of the community. One thing to keep in mind is that a true needs assessment will almost always create a list greater than what is possible to meet with available resources. This should not create concern, as this list of needs serves as a target or goal to aim for in your agency’s planning efforts.

*c) Current Level of Service & Expanding Level of Service Plans* – After completing the needs assessment and prioritizing your agency’s needs, your agency will need to decide what level of service will be provided. The very minimum is a plan to maintain or reduce current service levels. This basic maintenance plan is based on estimated dates when the vehicle or equipment will need to be replaced due to age, mileage, or condition criteria. This combined with estimated replacement costs will provide a target date and amount to specify in the capital plan.

For plans to expand or create new service designed to meet the identified needs the process is very similar. A determination must be made as to the type of vehicle or equipment needed to provide the new or enhanced service and when your agency intends to begin operating it. In either case your agency must keep in mind timing issues related to grant funding cycles and how long it takes for the vehicle or equipment to be delivered once the order has been placed.

*d) Plan Revisions* - A very important note for your agency to remember is that a capital plan is a living document. The plan should be reviewed annually and revised to stay current with the changing needs of your community. A plan that does not have a regular review process will soon become outdated and be of little value.

Tables for the assessments and revision are available from the Public Transit Division and can provide a reference to help in your long range capital planning process.

**Plan, n. planned, planning. n.**  
**1. drawing or diagram.**  
**2. intended scheme or method.**

# Legislative Update....

## *Special Focus: Transportation Spending Clears U.S. House Panel*

On June 12, the U.S. House transportation appropriations subcommittee approved its recommendations for next year's highway, transit, aviation, and related transportation spending levels. No real surprises, especially with regard to the highway and transit programs authorized under TEA-21.

About the only notable item in the transit program was the House subcommittee's recommendation to spend only \$5 million of federal transit formula grants on Winter Olympics transit investments (this year, Utah DOT received \$59.4 million in formula-based funding for the Olympic games, and President Bush had requested another \$60 million in FY 2002). Another, slightly unusual move was the subcommittee's specific recommendation that the Federal Transit Administration spend \$17.2 million on program oversight (typically, FTA's costs of overseeing its grant programs are covered through a small percentage of each grant).

Therefore, at this point, the House version of next year's transit spending appears as follows:

### Formula Grants

Sec. 5307 large-urban ..... \$2.9 billion  
Sec. 5307 small-urban ..... \$298.2 million  
Sec. 5311 nonurban transit .. \$223.4 million  
Sec. 5310 elderly/disabled ... \$84.6 million  
Sec. 5308 clean fuel bus ..... (added to Sec. 5309 bus grants)

Olympic Games ..... \$5.0 million  
Intercity Bus Accessibility .... \$7.0 million  
Alaska Railroad ..... \$4.8 million  
FTA Project Oversight ..... \$17.2 million  
Subtotal, Formula Grants ..... \$3.5 billion

### Sec. 5309 Major Capital Grants

Buses and bus facilities ..... \$618.2 million (includes \$50 million of Sec. 5308)  
"Rail Modernization" ..... \$1.1 billion  
New Rail Starts ..... \$1.1 billion  
Subtotal, Sec. 5309 ..... \$2.9 billion

### Other FTA Programs and Activities

Metropolitan planning ..... \$55.4 million  
Statewide planning ..... \$11.6 million  
State RTAP funds ..... \$5.3 million  
Research and tech asstce.. \$67.7 million  
Job Access grants ..... \$125.0 million  
University research ..... \$6.0 million  
FTA administrative costs \$67.0 million

**T**otal, house-proposed FTA spending, FY 2002 is \$6.7 billion

*Reprinted with permission from Community Transportation Association of America Capitol Clips.*

# Vanpooling... Is it really worth it?

By Kari Seely  
Public Information Rep.  
Public Transit Division

What comes to mind when you think of a vanpool? 12 or 13 happy people cruising down the road building life long friendships every day on their way to work? Probably not. Prior to working at ODOT, I thought those taking vanpools were hippies from Eugene trying to “save the earth”. Boy, have I come a long way. Amazingly, I have learned over the last several months that all kinds of people use vanpools as a method for getting to work, not just those dedicated individuals trying to “save the earth”.

Growing up in a (relatively) small town, I was very skilled at driving my car (incidents of road rage aside). I was raised to believe that my car was my *mobility*. I never knew that there were other ways to get around. I took the bus once, I think, to get somewhere when Mom couldn't drive. I have always driven when I wanted to get somewhere, and I thought I always would. Then I heard about vanpools.

What I have learned recently, thanks to Phil Warnock, Rideshare Coordinator from Cascades West Council of Governments, is that there are *LOTS* of different ways to get to work. Warnock coordinates vanpool and ridesharing information for Linn and Benton Counties. He spends a good amount of time “enlightening” people like me and showing them that they can save a lot of time, money and headache by using an alternate method of commuting. He coordinates with Mid-Valley Rideshare to include Marion and Polk counties in vanpooling.

Recently, Warnock received an email from a gentleman in Texas looking at moving to Corvallis in the summer. He has been using vanpools for quite sometime and was interested in the Corvallis to Salem vanpool. Apparently, much to Warnock's surprise, the vanpools are not losing

riders; they are gaining ridership and maintain long-term permanent commuters. Unfortunately, this made finding a spot for our newest Oregonian difficult. Fortunately, thanks to the hard work of John Parsons and Sean White, both vanpool drivers, the gentleman from Texas was able to secure permanent status on White's van, another Corvallis to Salem vanpool.

In fact, Parson's van was only on the road for a year before Warnock had to add White's Corvallis to Salem van. At this point, I found myself asking, “why are these vanpools so popular”? According to Warnock, for about \$90-100 per month, you can ride from Corvallis to Salem and not have to worry about gas, insurance, parking (which is ALWAYS an issue in Salem) or driving stress. One of the reasons vanpooling is so inexpensive is because it is subsidized by the Oregon Department of Transportation's Public Transit Division at \$4800 per van, per year.

Additionally, Warnock states that there has been incredible camaraderie with all the participants in the Corvallis to Salem vanpool. Speaking of camaraderie, the Eugene to Corvallis van stops at a Mennonite bakery in Harrisburg every other Friday for goodies on their way in. All the participants get up a bit earlier and get to the van in time to make this minor route deviation because they enjoy the additional time they get to spend with each other.

Apparently there are quite a few vanpools available: Corvallis to Salem, Eugene to Corvallis, Albany to Salem, Corvallis to Eugene, Eugene to Salem and Dallas to Salem. According to Warnock, these vans remove approximately 1.5 million Vehicle Miles Traveled (VMT) per year. To get a visual idea of what he meant, I had Warnock show me the following pictures. The picture on the left is the state's “Green” lot with approximately 40 cars viewable. The picture on the right is the vanpool equivalent of those 40 cars.





However, these two scenarios are not equivalent in the amount of pollution, VMT and stress reduced. When asked, most vanpool participants say the main reason they vanpool, besides the cost savings, is because they can work during the commute and don't have the stress of driving every day. They say that by the time they walk into their offices they are ready for the day, having had up to an hour to prepare.

While talking with Warnock, I discussed some of the vanpooling "myths" that I had heard (OK, they concerned me too!). First, I asked him how these vanpool drivers were able to afford the insurance on the vans. I told him I thought it must be expensive to insure, not only a 15 passenger van, but all the people too. Warnock told me that the insurance costs were included in the monthly van lease fee.

I also told Warnock that I was a bit worried about leaving my car in a Park and Ride lot. I thought that might be risky since the cars are known to be vacant for the entire day. Warnock told me that he had recently discussed this issue with the Oregon State Police and that they are increasing their patrols of Park and Ride lots, especially the lot at Highway 34, and the one off I-5 in Salem.

Lastly, I discussed the concern that, being a woman, I was a bit afraid to jump on a van with a bunch of strangers. Warnock said that was a common fear for first-time vanpool participants and stresses that vanpooling is very similar to riding the bus. There is safety in numbers. Vanpools contain up to 13 people, including the driver, making it one of the safest ways to commute. While there are no "all female" vans at this point, Warnock said that if there were ever a demand for that type of van, he would attempt to fill it.

So, finally, I started thinking, maybe my car wasn't the only way to get around. Being a fairly social person, the concept of a vanpool sounds very appealing. So did the fact that I might actually *SAVE* money (and the "earth" too) by vanpooling. Just taking the monetary calculations, I currently spend \$130 per month to drive in town (If you take the fact that I fill up my gas tank once a week for \$20 and parking costs \$50 per month). I could commute from Corvallis for less than \$100 per month. Imagine what a carpool, or taking the bus might save. For those on a tight budget, like myself, it's something to think about!

For more information about vanpooling, or ridesharing in general, please contact Phil Warnock at Cascades West Council of Governments at (541) 924-8404, or look them up online at [www.cwride.org](http://www.cwride.org). Also, the Public Transit Division has our own resident expert on ridesharing. Please contact Dan Kaempff, Transportation Demand Management Program Manager, at (503) 986-4131. He can answer all your statewide ridesharing questions, or help you set up a plan for ridesharing in your community.

## The Bureaucrat Beat

Who is this guy? Well, meet Jonathan David, Public Transit's new Statewide Public Transportation Planning Program Manager. What is a "Statewide Public Transportation Planning Program Manager," you say? Well, I am really glad you asked.

Jonathan will be providing planning assistance and guidance to all of Public Transit's transportation providers. He will administer all the FTA Federal Section 5303 Metropolitan Planning Organization and 5307 Urbanized Area Formula Funds.



Jonathan came to us from the ODOT Region 5 office in LaGrande. He was there as a regional planner, but missed his family (who still lived here in Salem) and wanted to come back, so now he is taking over for Linda Willnow. Linda has moved to into the planning section of ODOT to broaden her planning perspective. She will still be available to help Jonathan learn the ropes but is now able to concentrate on other planning areas.

If you need any planning assistance or would like to have some help with state or federal planning rules, please call Jonathan at (503) 986-4305, or email him at [jonathan.m.david@odot.state.or.us](mailto:jonathan.m.david@odot.state.or.us).

# Financial Management for Small Providers

by Ernie Palmer, General Manager, Basin Transit Service

When initially asked to offer some “secrets” to successful financial management I replied “It’s just common sense.” I still believe that, but now would add “It’s common sense and some luck”. Here’s what we try to do at Basin Transit Service and how we work. With effort and luck we find ourselves today in better shape financially than ever before.

First of all, as General Manager I am fiscally very conservative. Almost all who know me would label me as “cheap” and “tight fisted”. I take that label as a compliment. I spend every penny of public money as if it were my own money and as if it were my last penny. The ability to spend public funds is a trust given by the people and should be treated with respect. That doesn’t mean we are foolish about saving. We budget for what we *need* and spend the budget. Notice the operative word “need”? That’s a world different than “want”. Here are some practical ideas on how to be “cheap”, in no particular order.

1. Limit the number of people who can make purchases and incur debt. All purchases over \$10 require a purchase order and only the General Manager, Assistant Manager, and Lead Mechanic may sign purchase orders. The Lead Mechanic is limited to purchases under \$200. Petty cash purchases under \$10 must have a receipt. Make no exceptions.

2. Limit the in-house inventory. Do you really *need* a 6 month supply of pencils and other office supplies? Does your maintenance section *need* one of every conceivable part “just in case”? Do you really “*need*” all the administrative staff doing those tasks? For instance we have one “part time” finance clerk to do payroll and accounts payable. Our secretary is our dispatcher, receptionist, accounts receivable clerk, file clerk, and recording secretary. Keep on hand only what you absolutely *need* (people and materials) and require your supplier to keep the inventory available. If they value your business, they will.

3. Buy at the best price. Don’t buy local if they won’t be competitive. Viking Office Supply delivers in three days and might be cheaper than the local office supply store. You might gain some short term favor when you buy local, despite higher prices, but the folks who supply the funds to make those purchases will appreciate your business thrift in the long run.

4. Establish a schedule for payment to your suppliers. We only pay those who offer a discount for early payment on the 10<sup>th</sup> of each month. For all others we are “net 30 days” and don’t pay until the end of the month. It takes some adjustment, and some grumbling by suppliers, but it pays in the long run. After all the money is better off in your bank account earning interest than it is paying a bill immediately. Incidentally, most of your suppliers are on a similar schedule when it comes to paying their wholesalers so they know all about this despite their grouching.

5. Be absolutely honest at all times with everyone to whom you have a financial responsibility. Employees, suppliers, board of directors, etc. Working with people to have them extend payment deadlines is much easier when they believe your word is your absolute bond.

6. Apply for every grant under the sun. Make certain you have any local match required before doing so, but sometimes grants are available that have no match. If you’re small enough and nonprofit you probably are eligible for the various foundation grants out there that are 100%. I know of a local nonprofit agency that received a foundation grant to supply the 20% local match required in an ODOT 80/20 capital grant. Cost to the agency - zero. If you don’t have the skills necessary to write grants, find a local volunteer or ask the Public Transit Division for help.

7. Never hide or bury an expense. If it’s donated or contributed, always assign a dollar value and record it somewhere. Some day you might have to pay for that

service or product and if you don't keep good records you will never know the true cost. Never assign a cost that belongs in one line item to another line item simply because you are overspent in one area. Always put expenses where they belong so you build an historical budget pattern. It helps budget for next year to know real line item expenses.

8. Resist the temptation or social/political pressures to offer a service for which you don't have long term financing to pay for it.

These then are some of the fundamentals of "small town-small operations" financial management. If none of the above appeals to you then do what I have done. Work at it for 26 years and sooner or later you're bound to get it right. Good luck.

## ODOT Director Attends Commute Options Week

ODOT Director Bruce Warner and Transportation Commissioner Randy Pape' traveled to Bend to help kick off the 11<sup>th</sup> Annual Commute Options Week and honor a local business for their successful Commute Options Program.



St. Charles Medical Center received its second "Business of the Year" Award for implementing a program that encourages employees to bike, walk, carpool and telecommute to work. The partnership between the Bend Chamber of Commerce, ODOT and Commute Options is in its sixth year.

Improving the health of employees, decreasing traffic and air pollution, and reducing the need for costly new parking lots are benefits from St. Charles' involvement with commute options. "St. Charles continues to show the vision and leadership needed to meet the transportation challenges for its employees. They truly are the model all can learn from," said Warner. The Commute Options Transportation Demand Management efforts continue to promote activities such as park and ride lots and vanpools.



Commissioner Randy Pape' added that the relationship between Commute Options, the city of Bend and ODOT continues to be positive and aggressive towards finding alternative forms of travel. Bob Bryant, Region 4 Manager, also provided remarks during the award presentation.



### *Just A Reminder...*

*The annual Oregon Transit Association (OTA) Conference is scheduled for October 28-30th at the Seaside Convention Center in Seaside Oregon.*

*Contact: Cindy Robert, OTA  
Phone: (503) 636-8188  
Email: ZRGroup@aol.com*

# Ca\$h Control Tip\$

Being a good steward of public funds is required to receive grants from the Oregon Department of Transportation. The Public Transit Division expects all grantee agencies to have basic cash control procedures that safeguard public investment and protect the agency. Cash control procedures are evaluated during financial reviews performed by ODOT staff.

Cash control includes all the actions managers take in order to ensure the safe and orderly movement of cash and other revenue from the time that it leaves the possession of the customer until it is deposited at the bank. Sound cash control reflects upon the management of a company as a whole. Cash control procedures include volunteer as well as paid staff.

The chain of cash control can only be as strong as its weakest link. Among rural and special transportation programs, good cash control and management practices are often inhibited by lack of resources and personnel. However, recent evidence has demonstrated that embezzlement and other forms of cash control abuse is found in the smallest transportation programs.

There are three fundamental safety rules for cash control. First, the recording and the handling of cash should always be viewed as two separate functions. Such an outlook ensures that any fraud will require the collusion of two or more people in order to escape detection.

Second, money counting procedures should be subject to periodic spot-checks by management, including someone from the board of directors if the agency is very small. Occasional review by outsiders (internal auditors or independent public accountants) may help in finding areas for improvement.

Finally, staff responsibility should be traceable. Staff should be required to initial the documents they produce, in order for management to know who is responsible for them. By requiring staff to explain any deviations from prescribed conduct, the efficiency and effectiveness of the money counting is likely to improve.

Abuse of cash, including fares, is a fairly common problem especially in cases where the public transportation system does not use registering fareboxes. While farebox revenues are clearly the greatest concern to managers of transit agencies, revenue that is collected in other places is also vulnerable. The following is a brief list of common fare collection and other revenue problems that have been identified in Oregon and in other states:

- Passengers may not pay full fare or they may use tickets or passes for which they are not eligible.
- Staff theft problems include: Skimming revenue, pocketing fares and other incoming revenue, misuse of fareboxes, loaning passes or providing free rides to passengers are common methods of stealing fares.
- On-board fare collection procedures may be inadequate.
- Maintenance of fareboxes/vaults and keys may be inadequate.
- Procedures to correlate the passenger counts with the fare revenue may be inadequate.
- Money handling procedures for revenues collected through the mail or at ticket sales locations may be inadequate.
- Petty cash and credit card procedures may be inadequate.
- Revenue counting procedures and timeliness may be inadequate.
- Revenue may not be retained in a secure location prior to deposit.
- Deposit procedures may be inadequate.
- Cash revenue is used as petty cash: cash revenue is used to cover cash expenses before appropriate accounting procedures document the income.

To combat fare theft and other revenue vulnerabilities, these recommended minimum cash control actions should be in place:

- Establish written cash control procedures that include consequences of theft. Drivers and any other staff that handle money should be required to sign the policy. Be rigorous when enforcing the cash management policy.
- Safeguard the business through insurance. However, insurance is not a substitute for good cash management procedures!
- Develop procedures that avoid having a single



individual responsible for counting and otherwise managing revenue. Two persons should be responsible to collect, count, and transfer revenues.

- Require money-handling employees to take annual vacations. This allows you to monitor any unexplained differences which could be due to staff theft. For agencies with part-time and volunteer staff, monitor revenues relative to personnel changes.
- Do not have petty cash. Instead, identify businesses that will allow a restricted number of staff to purchase on account. Identify businesses that operate on the just-in-time principle to reduce waiting time for non-emergency purchasing.
- Credit cards should be limited to specific authorized individuals. Credit card bills should be reviewed completely before payment. Credit cards receipts should be turned in daily.
- Develop policies and procedures that define personal use of business property and facilities including when and how reimbursement will be required.
- Have a safe of a size adequate to store all cash, checks, tickets and passes. Access to the safe should be restricted.
- Established a method of enumerating and accounting for tickets and passes. Destroy used tickets and passes.
- Cash purchases should be accompanied by a pre-numbered duplicate receipt to the buyer. This includes the driver, if the driver is required to handle cash.
- Checks should be restrictively endorsed as soon as possible.
- Avoid procedures that require the driver to handle cash. Policies requiring exact fare, simplifying fare structure, encouraging pre-purchased passes and gaining the assistance of agencies purchasing tickets and passes for their clients will assist in reducing passenger fare evasion and reduce cash handling by the driver.
- All public transit buses and vans should have fareboxes that lock with a key. Although fareboxes are expensive, they are the best way to increase security on the vehicle. Fare boxes are manual (non-counting) or counting.
- Drivers should inspect each fare when manual fareboxes are used. This inspection should be hands-off – unless the passenger is disabled, the driver should not place the fare into the farebox.
- All drivers should be required to count

passengers by fare type as they board. Use a tally sheet, or passenger counter devices. At the completion of the day, each driver should turn in their passenger report.

- Correlate passenger tallies with fares collected for individual vehicles.
- Spot-check driver procedures on a regular basis.
- Maintain inventory of fareboxes, keys and vaults if used. Maintain strict distribution of keys.
- Fareboxes or the vaults should be removed from the vehicle daily to be counted.
- Fareboxes/vaults should be removed from vehicles before vehicles go to garage for service.
- Deposit tickets should be detailed to show source of cash being deposited.
- Make daily deposits.
- Periodic comparison of duplicate receipts with amounts actually deposited should be made to ensure that all money received was deposited.
- Established a procedure to ensure that the deposit is made appropriately. Assign the responsibility for deposits to one person, and establish a procedure for deposit when that person assigned for daily deposits is unavailable.
- Vary the route to the bank.

The following publications have information about financial management in the transit industry. You can get copies by calling Public Transit Division at 503-986-3300.

Burkhardt, Hamby, et al, *Comprehensive Financial Management Guidelines for Rural and Small Urban Public Transportation Providers*, AASHTO Multi-State Technical Assistance Program, September 1992. Primarily for smaller agencies.

*Financial Management for Transit: A Handbook*, Institute for Urban Transportation, Indiana University for UMTA, Final Report April 1985, DOT-I-86-10. Primarily for larger agencies that use fareboxes with vaults and counting rooms.

*Transit Risk Manager for Bus System* - Software for Windows. Transit Cooperative Research Program, May 1996. Includes a segment on cash handling.

# Public Transit Calendar of Events

## July -

### Public Transit Important Dates:

*5303* grant recipients can expect executed agreements this month.

*First Quarter Payments* processed for all received STF formula grant applications.

*Federal Grant Recipient Training*, Salem, OR. Region X staff participating.

### Training and Events:

*7-11th - Automated People Mover Committee of the American Society of Civil Engineers 8<sup>th</sup> International Conference on Automated People Movers*, San Francisco, CA. (206) 432-2323

*9-11th - Efficiencies in ParaTransit Scheduling and Dispatching*. University of Wisconsin, Milwaukee, WI.  
Phone: (414) 227-3337  
Fax: (414) 227-3330  
Email: [cted@uwm.edu](mailto:cted@uwm.edu)

*15-18th - Western Association of State Highway and Transportation Officials Annual Meeting*, Scottsdale, AZ.  
Phone: (602) 712-8836  
Website: [washto@wsdot.wa.gov](mailto:washto@wsdot.wa.gov)

*16-27th - Carfree & Carefree 2001*, Sponsored by Westside Transportation Alliance.  
Contact: Judy Edwards  
Phone: (503) 617-4844

*23-24th - Employment Transportation Workshop*. University of Wisconsin, Milwaukee, WI.  
Phone: (414) 227-3337  
Fax: (414) 227-3330  
Email: [cted@uwm.edu](mailto:cted@uwm.edu)

*25-26th - FY 2001 Financial Management Systems Seminar*, Washington, DC, Federal Transit Administration  
Phone: (215) 496-9100 ext. 160

*31-August 2nd - FTA State Program Manager's Meeting*, Washington D.C.

## August -



### Public Transit Important Dates:

*15th* - Quarterly Reports now due to PTD for fourth quarter FY 01.

### Training and Events:

*5-8th - American Public Transportation Association Intermodal Operations Planning Workshop*, Cleveland, OH  
Phone: (202) 496-4800

Website: [www.meetings@apta.com](mailto:www.meetings@apta.com)

*13-16th - Transit Management Workshop*, University of Wisconsin, Milwaukee, WI.  
Phone: (414) 227-3337  
Fax: (414) 227-3330  
Email: [cted@uwm.edu](mailto:cted@uwm.edu)

*19-22nd - ACT International Conference*, Portland OR.  
Contact: Dan Kaempff  
Phone: (503) 986-4131

## September -

### Public Transit Important Dates:

*End of Quarter* - Public Transit Grant recipients' Quarterly Reports due to PTD in 45 days for first quarter of FY 02.

*30th* - Federal Grant Applications Due

### Training and Events:

*September-October - Transit Marketing Phase 1,*

*Strategy and Research* (8 weeks), NTI Internet Based Training. Contact: Scott Ruddick  
Phone: (416) 365-9800 ext. 201  
Email: [answers@transittraining.com](mailto:answers@transittraining.com)

Website: [www.NTIONLINE.com](http://www.NTIONLINE.com)

*September-October - Transit Scheduling* (8 weeks), NTI Internet Based Training. Contact: Scott Ruddick  
Phone: (416) 365-9800 ext. 201  
Email: [answers@transittraining.com](mailto:answers@transittraining.com)

*16-17th - Design Build Project Development*, Denver RTA Administrative Offices, Denver, CO.  
Contact: Registrar, National Transit Institute  
Fax: (732) 932-1707  
Website: [www.NTIONLINE.com](http://www.NTIONLINE.com)

*September-October - Transit Planning - The Basics* (8 weeks), NTI Internet Based Training. Contact: Scott Ruddick  
Phone: (416) 365-9800 ext. 201  
Email: [answers@transittraining.com](mailto:answers@transittraining.com)

*28-30th - Annual Oregon Transit Association Conference*, Seaside Convention Center Seaside Oregon.  
Contact: Cindy Robert, OTA  
Phone: (503) 636-8188  
Email: [ZRGroup@aol.com](mailto:ZRGroup@aol.com)

*September-October - Creating and Delivering Training Online: A Comprehensive Program for Transit Trainers* (8 weeks), NTI Internet Based Training. Contact: Scott Ruddick  
Phone: (416) 365-9800 ext. 201  
Email: [answers@transittraining.com](mailto:answers@transittraining.com)

*28-31st - American Public Transportation Association Bus Equipment and Maintenance/Procurement and Materials Management Workshop*, Fort Worth, TX  
Phone: (202) 496-4800  
Website: [www.meetings@apta.com](http://www.meetings@apta.com)

*26-27th - FY 2001 Financial Management Systems Seminar*, Denver, CO, Federal Transit Administration  
Phone: (215) 496-9100 ext. 120

## October -

### Public Transit Important Dates:

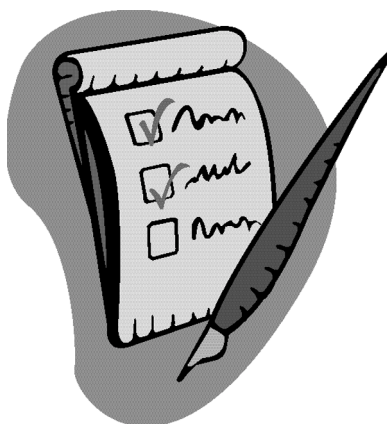
*Payments issued* for all federally funded discretionary grant applications.

### Training and Events:

*1-4th - APTA Annual Conference*, Philadelphia, PA.

*1-2nd - Elements of Contracting*, University of Wisconsin, Milwaukee, WI.  
Phone: (414) 227-3337  
Fax: (414) 227-3330  
Email: [cted@uwm.edu](mailto:cted@uwm.edu)

*10-12th - Comprehensive ADA Paratransit Eligibility*, Intercity Transit, 526 Pattison Ave. SE. Olympia, WA.  
Contact: Registrar, National Transit Institute  
Fax: (732) 932-1707



## November -

### Public Transit Important Dates:

Notice of annual **5303** and 5307 appropriations upon receipt of Federal Register.

*Project Identification* - 5309 requests for FY 2003.

*15th* - Quarterly Reports now due to PTD for first quarter FY 02.

### Training and Events:

*November-December - Transit Marketing Phase 1, Strategy and Research* (8 weeks), NTI Internet Based Training. Contact: Scott Ruddick  
Phone: (416) 365-9800 ext. 201  
Email: [answers@transittraining.com](mailto:answers@transittraining.com)

*November-December - Transit Planning - Advanced Concepts* (8 weeks), NTI Internet Based Training.  
Contact: Scott Ruddick  
Phone: (416) 365-9800 ext. 201  
Email: [answers@transittraining.com](mailto:answers@transittraining.com)

# Long Range Capital Planning For The Small Provider

*Written by: Heather Ornelas, Tillamook County Transportation District General Manager*

Too often small providers work hand to mouth and feel that they do not have the luxury of planning for future capital projects. But, long range capital planning is as essential for small providers as it is for large transit districts. A good planning process using lots of public involvement can prepare your system for future growth and get a jump on managing your large capital projects.

**Starting Point:** Do you and your board always complain that you never have time to talk about the future? One of the best ways to begin is with a “retreat” or special planning session of your Board of Directors. (If your Board is removed from transit activities then I suggest a group consisting of a Board member, transit staff, advisory committee members, and community leaders.) It is important to find a comfortable space and give everyone a reason to want to give up at least a day or better yet a weekend to this process.

The idea is to allow lots of time in a relaxed situation for the group to talk about future needs. Use a SWOT to begin, where you can discuss your systems Strengths, Weaknesses, Opportunities, and Threats. This process will allow the group to then identify the most important projects, discuss strategies and build a consensus. Then take the identified needs and projects and discuss them with your advisory and community groups. The benefit to this approach is that you avoid situations where people join teams with competing ideas, and the public gets small steady doses of your agency’s future plans. When you come forward with funding requests or support on grant projects you will not get the “surprise” response. Build a team approach with your community for large capital projects and you can avoid conflict.

**Put it in Writing:** When you have reached a consensus, take the time to write your long-range capital plan out and identify projects and their expected start and end times. The first two years should be fairly detailed and if it is a large project, try to break out the phases in the

plan. Whenever possible try to list funding strategies or connect the project to a budget process. Projects slated for years past the first few can be less detailed. These tips will make building a project plan and project management that much easier.

**Building a Project Plan:** A project plan will be needed by the time you enter the budget season for any project requiring funding during that fiscal year. As a small provider you will not have all the answers before entering a project, but you can get a well educated guess to help you create a timeline and funding needs. Use architects, planners, facility managers, land assessors, and lots of phone time to research estimated costs and pitfalls for your project. For financing information I suggest talking to the Oregon Transportation Infrastructure Bank or SDAO’s Flex-Lease Program. If you are interested in Federal or State Grants for large capital projects talk to the PTD.

## **Suggestions:**

- Visit other systems to see what they have or are working toward. I meet with a group of system managers every couple months to swap ideas and news.
- Start a Capital Reserve Fund as soon as possible. When you have your plan in place and need to start on a project before grant funding is in place you will have a nest egg for things like needs assessments, environmental assessments, technical consulting, and earnest money.
- Remember Murphy’s Law; there are always unforeseen hurdles so build extra time into your plan, especially for anything requiring construction and/or real estate acquisition.
- People like to know what something will cost, so get as educated a guess as possible, know that soft costs average 25%(design, consulting, etc), and add a 10 to 15% contingency amount on top.
- Leaving grant money on the table is a crime, but not a bad as writing grant requests that don’t keep up with inflation and unexpected design changes.



- Long Range Capital Plans are living documents and flexible to changes in your systems financial strength and economic changes. Be ready if changing conditions should require “your” favorite project to be shelved or pushed back.

I have developed this process for the Tillamook County Transportation District and we are having success with our planning process, but we learn as we grow. I hope this information will help your small transit agency get a handle on long range capital planning. Please let me know what has worked for your system.

## Options for Funding Rural Transit Programs

Source	Requirements and "Attached Strings" (Comments)	Reasonable Expectations
Section 5311 (18) funding	General public rural operating, admin. And capital funding; match requirements for each pot are determined by the state; match can be cash or in-kind	Allocations for each state vary by population; Expect from 10-50% Section 5311 (total budget)
Section 5311-J (18-I) Intercity Bus	15% of Section 5311-J (discretionary funding) is reserved for inter-city bus service; Funds can be reallocated back to Sect. 5311, if inter-city allocations are less than available funding	Most states have at least one or two recipients; usually long-haul services
Section 5310 (16) funding capital equipment for Elderly and Disabled programs	Formula funding for capital expenditures; vehicles, equipment, computers, shelters, bus bike racks, radios, etc.; usually 80/20 split	Primarily used for vehicle rehabs, replacement or expansion
Section 5307 (9) funding Administered directly by FTA, not through state DOTs	Planning/Operating/admin/capital for small urban (50,000-200,000) and large urban (greater than 200,000) populations; 80/20 split for non-operating and 50/50 split for operating; recipients may extend a portion of their service in unincorporated areas but it must be a part of coordinated urban service.	Eligible recipients use funds or turn back to state for reallocation; devastating cuts have hurt urban operators
Section 5309 (3) Discretionary funding; recipient must be public body or public entity	Discretionary \$\$ for capital funding (401%. For the establishment of new rail projects; 4017. To improve existing rail or fixed guideways; 20% for replacement or rehab of bus systems) 80/20 split; funds are federally earmarked (takes an act of congress): Denver and Portland received funding for light rail projects.	Recipients are usually public rail systems, cities, TA or urban; rural and small urban systems getting more Sect. 5309 \$ since ISTEA
Section 5303 (8) Urban planning funds	Direct FTA funding for transit planning in urbanized areas: 80/20 split; recipient must be over 200,000 population	Can be used by system or pooled with MPO's
Section 5313(b) (26-a-2)	Planning funds for studies, new or expanded service; typically how TDP's are funded; 80/20 split	Demonstration Project funding capital; start-up
RTAP - Rural Transit Assistance Program; a subcomponent of Section 5311(h)(2) (18)	Formula funding generally administered by state DOT's or sometimes, state association for training, research and technical assistance for rural and specialized transit operators; sometimes funds pay for person at DOT to administer rural funds	Bus roadeo, training, D/A consortiums, tech. Assistance eligible for RTAP funding

ISTEA Flexible Funding/Capital; ISTEA funds are administered through FHWA, but may be passed through to FTA	Surface Transportation Funds (STP) can be used for transit capital projects only. Recipient must be a public body; absolutely essential to have the support of city/county public works and the board of county commissioners/supervisors; STP programmed funding conducted through the counties, MPO's or region; usually 80/20 split	Ask for vehicle, maintenance equipment or facilities funding; Allocations for capital may be spread over several years;
State Transit Funding	Often formula-based funding on population or allocated as a percentage of specific tax (gas tax in many states, cigarette tax in Oregon; lottery \$ in AZ.); often created by Constitutional amendment or voter initiative	Five states have no state funding for transit; others chronically under funded; most cutting
Patron or User Fares	Most states (not all) have legislative mandates that requires a fixed percentage for farebox recovery; urban/rural may have different requirements for fixed-route service or paratransit service	Rural transit operators are often hesitant to charge reasonable fares; If you value the service, so will your patrons
Title III-B of the Older Americans Act	Formula funding for a variety of senior services, including transportation; may be administered by the County, Association of Governments or locally by senior centers;	Federal cuts in this funding have already begun;
Medicaid funding for transit to eligible clients	Usually administered by states; usually contracts with local transit operators for eligible Medicaid trips; legislative statutes may cap reimbursement; Medicaid reimbursement often fills short of the cost; try to coordinate other passengers with Medicaid users; if the current system works and you're not going broke, don't fix it!	Flat rite per/trip +a per/mile variable is the typical reimbursement
Transit funding for individuals w/Developmental Disabilities thru community center boards	Provides employment transit to sheltered workshops or mainstreamed businesses;historically state DD funding provided for own transit, or contracted transit to other entities; funding is declining	New opportunities to coordinate or consolidate transit services, as fed/state support dwindles
Human service funding for Transit (Social services, Head Start, public health, mental health, etc.)	Human service funding for transit is typically not considered when budgets are developed; should contract with provider for transit to specific: HS programs at a non-profit rate; study the feasibility of consolidating transportation resources; notorious non-players	Cost per hour, per trip or per mile are the most common methods; need fully-allocated cost
Community Development Block Grant	Federal funding allocated by formula to states; passed-through to political entities cities and/or counties;	Allocated for capital projects; usually expect 10% to 70%
United Way/Community Chest	Limited resources; however, they like funding multi-agency proposals for critical needs (food, shelter, family/child programs); sell transit as the key to must human service delivery systems	Ask for 10% of operating budget or for funding for a special project

Municipality Funding (All cities within service area)	Until communities value transit as a vital service for its citizens, there will be little chance for funding; your most powerful advocates for city funding are your passengers--use them!	20-30% of annual budget; ask for federal funding match+ operating
County Funding	Counties usually want to fund services in areas of unmet needs; propose regional or inter-city transit to get rural citizens to activity centers; ask for on-going operating or local match funds	Counties tend to Grease the squeakiest wheels; ask for 20-30%; match for capital
Service Contracts with mission-related populations	Every time you agree to provide a segment of service, you need to know your fixed and variable costs; perception is that transit is an entitlement; determine contract pricing based on fact, instead of your heart! Absolutely essential to know your fully allocated costs by segment.	Costs are typically based on per/hour and/or a per mile charge;
School District	An opportunity to contract with local transit provider to provide bus service to isolated children or children with disabilities; could be a barter arrangement in exchange for mid-day local usage of school buses and/or peak use of your drivers for school transportation;	Notorious non-players in coordination efforts; may change with declining funding; Feds may relax regs.
In-kind Services (May be extended by county, city, human service agency or private business)	County/city maintenance crews could maintain vehicles; purchasing fuel from city/county will cut tax costs; office space, use of office equipment, telephone, etc. are often extended by host agencies/entities	Many in-kind arrangements already exist; its typically the norm in rural areas
Fundraising activities; special events, sales, dinners, etc.	This is usually the (my) least favorite way to get transit funding; easier sell it you're raising funds for a specific project; often not worth the time and effort; potentially a community rallying project; transit doesn't have strong volunteer base--a necessity when looking at labor for event	\$1,000 - \$5,000+ if the event is successful; may take years to get name recognition, but one good idea is golden!
Churches, Temples or other religious congregations	Usually willing to donate for specific programs, in fairly small amounts; often will donate if one or more parishioners benefit from transit service; may share use of church vehicle for specific times/service; need to define benefits to church such as paying insurance and maintenance for church with shared vehicle use;	Builds church and community pride in local transit service; go for event or capital purchase or shared arrangement
University, vo-tech or trade school contract for service	Most effective if you get a per/head fee for a specific period of time; can also contract for specific market service--(CU late night 10:30 pm 2:30am weekends); know fully-allocated costs!	Maintaining service slats will be critical to get Higher Ed to play and pay
Advertising with rolling billboards and interior advertising	Develop clear, consistent standards for getting rolling boards or signage items made; don't make any promises about where buses will be operating; offer discounts for long contracts	Can be profitable if someone maintains consistently
Investment income	Need to use carry-over, profit, funds dedicated for capital replacement; if agency is public, investments need to be low-risk;	Can generate modest/significant revenues
Planned Giving and bequests	Need to groom perspective givers; create a link between the organization and the giver; need regular care and feeding for the long-term, large gifts; need to hire a professional in this area	Expect 10-100% - of the estate, if deceased has a link to the transit service



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Address Correction Requested

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## Public Transit Update

The *Public Transit Update* is a bi-monthly newsletter from the Oregon Department of Transportation's Public Transit Division. For additional copies or to request information, please contact Kari Seely at (503) 986-6579, or email at [Kari.L.Seely@odot.state.or.us](mailto:Kari.L.Seely@odot.state.or.us).

### Address Correction?

Send the section with your address on it, with any changes, to our return address or fax to (503) 986-4189.

### Who Do I Call?

The Public Transit Division is made up of several program managers skilled at helping transportation providers and others with their questions. For a staff listing, please visit our website or call (503) 986-3300

### Did You Know...

The Public Transit Division has an extensive website with the following items available:

- ❑ Grant applications
- ❑ Vehicles for sale
- ❑ State Agency Transportation Coordination Book
- ❑ Intercity Passenger Biennial Report
- ❑ PTD news releases
- ❑ Provider links
- ❑ Staff phone numbers and email addresses
- ❑ Current and past newsletters

Visit our website at <http://www.odot.state.or.us/pubtrans>