



**Agenda
Linn-Benton Loop TAC Meeting
Remote Only**

Date: Tuesday, March 9, 2021
Time: 3:00 – 5:00 pm
Location: Via Zoom: <https://us02web.zoom.us/j/85326167016>
Phone: 1-669-900-6833
Meeting ID: 853 2616 7016
Passcode: 2020
Contact: Nick Meltzer, Transportation Manager, 541-758-1911

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| 1. | 3:00 | Call to Order | Chair, Catherine Rohan |
| 2. | 3:05 | Agenda Review | Chair |
| 3. | 3:10 | Public Comment | Chair |
| 4. | 3:15 | Minutes of February 2, 2021 (Attachment A)
<i>Action Requested: Approval of Meeting Minutes</i> | Chair |
| 5. | 3:20 | Historical Federal 5307 Funds Discussion (Attachment B & C)
<i>Continuation of discussion from last meeting on allocation and spend down of FTA 5307 Funds</i>
<i>Action Requested: Comment for Forwarding to Board</i> | Nick Meltzer / Barry Hoffman |
| 6. | 4:00 | Loop FY21-23 Budget (Attachment D)
<i>Review of budget City of Albany submitted for Linn Benton Loop</i>
<i>Action Requested: Comment for Forwarding to Board</i> | Hoffman |
| 7. | 4:30 | Upcoming Fiscal Year Contributions
<i>Discussion of local match contributions for upcoming fiscal year operations.</i>
<i>Action Requested: Comment for Forwarding to Board</i> | All |
| 8. | 4:40 | Linn-Benton Loop Service Summer 2021
<i>Discussion of expansion of Linn-Benton Loop service in the summer of 2021; outreach and marketing development plans.</i> | All |
| 9. | 4:55 | Future Agenda Items | Chair |
| 10. | 5:00 | Adjournment | Chair |

The meeting location is accessible to persons with disabilities. Sign language, interpreter services or other accommodations can also be provided by contacting Emma Chavez at least 48 hours prior to the meeting. Emma can be reached at 541-967-8551 (TTY/TTD 711) or echavez@ocwcog.org.

**LINN-BENTON Loop TAC Meeting
Teleconference
Tuesday, February 2, 2021
2:30 – 4:30**

MEETING MINUTES

TAC Members: Barry Hoffman, Tim Bates, Brad Dillingham, Mark Volmert, Catherine Rohan, Stephen Dobrinich, Sheldon Flom, Sarah Bronstein, & Andrew Koll

Interested Parties: Lisa Scherf, Chris Bailey, Ted Frazier, Marilyn Smith, & Jenny Glass

Staff: Nick Meltzer & C. Clark

TOPIC	DISCUSSION	DECISION / CONCLUSION
1. Call to Order (2:33 pm)	The Chair, Catherine Rohan, calls to order at 2:33pm	The Chair continued with the meeting at 2:33pm.
2. Agenda Review (2:34 pm)	Mark Volmert wanted clarification on where CARES funding would be discussed, and it was concluded to be discussed in item 7 and/or 8. Catherine Rohan reviewed the agenda and the packet.	There were no changes to the agenda.
3. Election of Officers (2:35 pm)	A Chair and Vice Chair of the TAC shall be elected at the first regularly scheduled meeting of each calendar year and shall hold the office until their successors are selected. The Chair shall not serve for more than two consecutive years. Action Requested: Election of Officers Tim Bates nominated Catherine Rohan to continue to serve as Chair. Sarah Bronstein 2nded Bate's motion.	Catherine Rohan was nominated and approved to continue as the Chair. Tim Bates was nominated and approved to continue as the Vice Chair.

	<p>Catherine Rohan nominated Tim Bates, Mark Volmert 2nded motion.</p> <p>Mark Volmert moved to approve the motion for Catherine Rohan and Tim Bates to continue as Chair and Vice Chair</p>	
4. Public Comments (3:39 pm)	Introductions were done during this time due to new faces and names within the meeting.	There were no public comments.
5. Minutes of November 3, 2020 (Attachment A) (2:43 pm)	Action Requested: Approval of Meeting Minutes	Catherine moved to approve minutes and it was approved with a minor change to the minutes.
6. Budget and Ridership Reports (Attachment B & C) (2:43 pm)	<p>Barry Hoffman review the budget report first, for periods 4-6, Oct-Dec. He mentioned that there weren't any large expenditures that are of note beyond maintenance. Hoffman made a note of how inexpensive fuel was for the quarter.</p> <p>Tim Bates questioned about the fuel cost, if it was the cost itself or if the service was running less. Barry Hoffman mentioned that the Loop is running normal service routes expect for the Express.</p> <p>Tim Bates asked about how the Loop handled the snow, Hoffman said the drivers had a bad spot on Monroe Avenue, but overall everyone was on time and got lucky.</p> <p>The ridership table review showed that ridership is down due to COVID. October in 2019 had a little over 13,000 rides, and in October, 2020 had nearly almost 1,400 rides. Students and HP employees are mostly working from home still, and that we are following the national trend of low ridership.</p>	There was no need to make changes to the budget or ridership reports. Informational discussion only.

	<p>Tim Bates asked Sarah Bronstein on the “drop dead date” (when OSU will make a decision on in person classes) for the spring term, and Bronstein mentioned that it would be very surprising if they chose to have in-person classes in the spring term. She mentioned it’s possible for a hybrid model, but that’s unlikely since students are the last of the demographics to be vaccinated.</p> <p>Mark Volmert mentioned that the Saturday ridership is about 35% and regular ridership is about 10% This shows the importance of the Saturday service. Volmert and Barry Hoffman discussed the possible demographic of those riders. Tim Bates mentioned that their Sunday service is also ahead of ridership than the regular weekday or Saturday service, even though it has more limited hours of service, it is at 35-40% at of what it was before COVID.</p>	
<p>7. Federal 5307 Account Balance (Attachment D) (2:54 pm)</p>	<p>Action Requested: <i>Discussion to forward to the Board with action recommendations</i></p> <p>Barry Hoffman moved forward to discuss the context of needing to discuss the 5307 funds.</p> <p>5307 funds are given to the Loop system by AAMPO and CAMPO, via Albany and Corvallis transit systems, dedicated to running the Loop system. LBCC, OSU, and other small partners contribute the match money of that 5307 pot. Overtime, there has been less match money than there has been to contribution to that 5370 account for the Loop service, and so there has been a buildup of 5307 funding. This is due to the fact that expenses can only be reimbursed that have been paid by for by local funds. For example, if one dollar has been spent for local funds, the Loop can retrieve 50 cents worth back from the 5307 funding. However, there are many expenses that cannot be reimbursed from 5307 funds, such as overhead charges. Therefore they have to be paid</p>	<p>The Board meeting scheduled for February 23rd was decided to be a TAC meeting to continue this topic, and the Board meeting is to be pushed back to another time.</p>

	<p>100% by local funds, and cannot be reimbursed, so there is always an imbalance. This imbalance has been built up over time to about \$700,000 in 5307 funds.</p> <p>Barry Hoffman states that the question that needs to be addressed is what to do with that imbalance. He purposes to stop adding more 5307 funding to the pile for the next couple of years since the Loop will be unable to capture it and will compound the current problem. He asks what would be an appropriate balance to carry forward after fixing the 5307 imbalance. Hoffman purposes 9 months' worth of reimbursement.</p> <p>Catherine Rohan asked if Barry Hoffman is looking for comments to bring to the policy board. Hoffman agreed that we should tell the policy board about the current balance and ask what would be an appropriate balance. That for a few years, the Loop will not apply for additional 5307 funding, and drain it down to a more appropriate balance. Once that is done, AAMPO and CAMPO, through the cities, will go back to putting in an annual amount of 5307.</p> <p>Sarah Bronstein asked what the funds can be used for. Barry Hoffman said that when applying for the funding, it is labeled as either capital or operating, and it is discouraged be change it after. The \$700,000 is all for operating costs. Tim Bates mentioned that it is possible to change it, even though they don't like to do it, but we'll still be in the same situation now at a 20% match.</p> <p>Mark Volmert mentioned that this is the first time he has heard of this surplus and requests additional information about the budget before moving forward with a plan that removes funding from the budget. Volmert continues to that he wants to talk with ODOT as well because of additional funding options they have, and to</p>	
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	<p>continue this conversation at the next TAC meeting once more information has been provided.</p> <p>Barry Hoffman mentioned that we won't have a service at all without any local funding and match. They pay the bills, and the Loop is able to reimburse them through the federal funding. It is the federal funds that have outpaced what is able to be reimbursed, and not a surplus. It's not because we cannot capture most of these expenses without the match.</p> <p>A discussion between Barry Hoffman and Mark Volmert continued to go over the details of the topic.</p> <p>Mark Volmert wants to postpone this until the next meeting and Barry Hoffman wants to move forward.</p> <p>Lisa Scherf commented that there was an agreement struck by the counties and the cities that there was more federal money than had match available, and so structurally this has been building. Scherf asked if we can use the formula money in the STIF plans to match the 5307 funding, and not have that excess. Barry Hoffman believes that yes, it could be used and matched with the federal funding, but we would have to operate that many dollars of service to reimburse that funding, because it is in the operation category. We would have to operate to that level first, but that will leave us without that much money to draw from.</p> <p>Chris Bailey wanted to mention that there is not much time to discuss this because the deadline for the budget is in a couple of weeks. The budget needs to be approved in February. While we don't need a decision on the 9 months balance in the pool right now, we do need a budget finalized. We need to figure out what partnership amounts are going to be and what 5307 amounts are</p>	
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going to be. That budget can show STIF funds leveraging the 5307 money so we're not requiring as much local match money or do something different with how we're paying for existing service, but we need to develop a budget. Mark Volmert asks what needs to bring to the Board. Bailey said to recommend transit agencies not contribute more 5307 funding, to help reduce the 5307 funding pool, and to ask what would be a target amount to keep in that account.

Sarah Bronstein was intrigued by the possibility to shift the way funds are matched, but to leave money on the table seems foolish. She was thrilled to have an alternative way to fund the Loop.

Lisa Scherf said that the STIF funding isn't meant to be used for backfill, and using it in the way proposed would count as backfill because it isn't creating new service or funding new service, it would be funding existing service. That said, the legislature did allow for that this year, mostly because of the difficulty transit agencies have had to get local match, so this very discussion. You can't get federal money without a local match, and those local match revenues are down. Scherf says it is either backfill or expand, or some combination of both.

Tim Bates mentioned that STIF plans are due so soon, and asked, 1) is there even an opportunity to revise Benton and Linn Counties' STIF plans if we were to move forward with this, and 2) are there projects on the current STIF plans that would have to be unfunded?

Lisa Scherf said ODOT did not build in the ability to amend your STIF plan for the STIF cycle we are currently in. She is not sure if this will be the case for the next STIF cycle as well. Scherf noted that if were able to use the STIF money in the way discussed, we

	<p>would be using money already allocated to Loop (for the Loop expansion project) in Benton and Linn Counties' STIF plans. The difference is that the money wouldn't all be used for expansion, it would be used partially for backfill.</p> <p>Mark Volmert mentions not to use the word backfill, because it is accessing additional funds, and not taking any money away from others.</p> <p>Barry Hoffman mentioned there's a lot of different ways to play with the budget, he asked if we should keep the money in 5307 in reserve as mentioned in the memo.</p> <p>Catherine Rohan asked if the money goes away after a few years, Barry Hoffman answers that if the money goes stale, we would get phone calls to get it spent because that money is meant to be spent on the taxpayers. The money goes stale 4 years after the money was awarded, and the Loop is currently drawing from 2018.</p> <p>Mark Volmert requested a print out, year by year, of how the budget got to this \$700,000 surplus of 5307 funds.</p> <p>Nick Meltzer asked about the city budget and if it'll impact the next Loop budget if we don't know where the money is coming from yet. Chris Bailey says the budget will show as reimbursement as 5307, and she would characterize it as an over request from other transit agencies as oppose to an under request from cities. The budget would actually still show reimbursement even though there is no grant agreement going forward in the next fiscal year because the funds are still in the account. And that money will be drawn down from the older money first.</p>	
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	<p>A discussion on how to reduce the 5307 funding pool between Chris Bailey, Mark Volmert, Tim Bates, and Barry Hoffman, such as expanding service and which funding sources to use, and how much Corvallis contributed to the budget.</p> <p>Chris Bailey offered to show Mark Volmert the history of how we got here and how much money is in the Loop operating account. Bailey emphasized that this group needs to reach an agreement for a recommendations to bring it forward with the Board.</p> <p>Tim Bates wanted to point out to Mark Volmert that CAMPO had agreed to give to the Loop that has not been considered as part of the current budget but is still set aside for the Loop. This should help relieve some concern with being caught short with funding the Loop.</p> <p>Mark Volmert mentioned that he wants to meet in a month to discuss a recommendation to bring to the policy board, and moved to postpone this discussion. It is not seconded.</p> <p>Catherine Rohan asked about the timeline of what needs to be known by when. Chris Bailey mentioned that the draft budget currently does not have additional 5307 funding, and so if we choose to apply for more, that needs to change.</p> <p>Barry Hoffman and Mark Volmert discuss alternative methods to manage funding and the budget.</p> <p>Sarah Bronstein purposed an alternative, to use some of the 5307 to match STIF service expansion, rather than not getting the funding, to increase our spending rate. She is curious about unintended consequences from that option though.</p>	
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Chris Bailey mentioned that one of the consequences is that there might not be enough to pay for operational costs, due to double counting the funding. Adding additional services to drain down excess could lead to missing funds to pay for those additional services in the future. Lisa Scherf wanted to emphasize that we're not in the business of starting and stopping service. Things need to be sustainable beyond the original plan that was put into place.

Tim Bates asked Mark Volmert if he is comfortable to move this conversation to the Board. Volmert said he is not because he still has questions about leveraging STIF, and that we're suggesting to the Board for Corvallis and Albany not to contribute funding. Chris Bailey corrects Volmert that Corvallis and Albany will still be contributing funding to the Loop, it is split 50/50 between them, and that money has already been set aside for the Loop, and if the Loop draws down money it would be coming from Albany and Corvallis. The decision not to add more money effects operations 2 years from now. Volmert said that the issue is to decide if Albany and Corvallis will add more money into the account that it is a premature decision to move this to the Board.

Barry Hoffman wanted to emphasize that the Loop is healthy while we play with the 5307 funding. As an operator, he feels comfortable to move forward with no recommendation to the Board, but there should still be a discussion with the Board. The STIF is due in the early spring, which is when the funding gets finalized. The application won't move forward until a decision has been made.

Nick Meltzer offered to change the upcoming the Loop Board meeting on February 23rd to a TAC meeting. Chris Bailey said that Barry Hoffman needs a budget by February 19th, but the Loop will have a budget one way or another. Tim Bates and Sarah

	<p>Bronstein are both willing to spend some extra time next week to discuss the details of the 5307.</p> <p>It was agreed to push the Board meeting pushed back, and use the 23rd for a TAC meeting to discuss this topic further.</p>	
<p>8. COVID-19 Current Ridership and Service (4:10pm)</p>	<p>Barry Hoffman discusses the CDC's changes with recommendations with travel and masks. While it doesn't change much for the drivers or riders, it does require people who are waiting for a bus to wear a mask, which falls onto the bus drivers to reinforce.</p> <p>Mark Volmert wanted to ask about funding via the CARES act, and the money that Corvallis and Albany receive, and if there will be any additional costs for the Loop. Barry Hoffman confirms that the direct expense is only for a COVID threat such as shutting down service and/or having to lay off staff members due to COVID-19. Corvallis and Albany are using eligible expense for reimbursement for CARES Act funding, but the Loop, because of the way it is funded, it is not yet eligible. It technically can be used, but it is not yet needed.</p> <p>Mark Volmert discussed the CARES Act allocated funds for larger transit services. At first it went to all agencies, but now it is limited large agencies such as ODOT or Trimet. Tim Bates agreed with Volmert, that the CRRSAA, or the CARES 2, all went to the larger agencies.</p>	<p>Informational discussion only.</p>
<p>9. Updates & Other Business (4:19pm)</p>	<p>Barry Hoffman wanted to mention that two of the four new buses went on the line on Monday. They come with a lot of new technology. The other two will follow in at the end of March, weather dependent. Hoffman also mentioned real time transit</p>	<p>Informational discussion only.</p>

	<p>information is now live, it is currently up at Benton Area Transit. Mobile ticketing is coming soon too.</p> <p>Tim Bates mentioned a big thank you to Nick Meltzer and C. Clark for the Seamless project. The Seamless project promotes passenger predictions and real time data for buses and their routes, along with adding the ability for riders to purchase tickets online or with their phone through mobile ticketing. There is going to be a public launch of these features in the spring.</p> <p>Tim Bates said that Monday, February 1st was the 10 year anniversary of CTS being fareless.</p>	
9. Adjournment (4:24pm)	Catherine Rohan thanked the TAC and staff, and adjourned the meeting.	Meeting adjourned at 4:24 pm.



MEMORANDUM

Linn Benton Loop

Date: March 2, 2021
To: Linn Benton Loop TAC
From: Nick Meltzer, Transportation Programs Manager
Re: Excess 5307 Funding

This memorandum contains an overview of the Linn Benton Loop 5307 funds, their historical drawdown, and the estimate of excess funding, including a proposal to draw it down over time. This memo was created with input from Linn Benton Loop staff.

Overview

The Linn Benton Loop is funded through a combination of local contributions, Federal Transit Administration 5307 (small urban) funds, fare revenue, and Special Transportation Fund (STF)/Statewide Transportation Improvement Fund (STIF) funding. Beginning in FY2020, the Loop receives a significant influx of STIF funding from Linn and Benton counties, with the intended purpose to expand service in accordance with STIF legislation. The following list is an overview of the primary funding sources:

- Linn Benton Community College (in exchange for a group pass)
- Oregon State University (in exchange for a group pass)
- Albany Area MPO 5307 Funds
- Corvallis Area MPO 5307 Funds
- Special Transportation Fund (STF)/Statewide Transportation Improvement Fund (STIF)
- Fare Revenue

As with any federal funding, there are rules and limitations on how the 5307 monies are spent. Most importantly, those funds require a 50/50 match, and are reimbursement based. This means local funding (non-federal) must be expended first and then federal funds can be reimbursed for *most* expenses at a \$1 to \$1 ratio.

5307 Funding & Historical Drawdown

As described briefly above, local funding is required in order for the Loop to operate, as FTA 5307 funding requires a 50/50 match of non-federal money. In the course of a budget year, this results in local funding being drawn down first, and then any eligible expenses are reimbursed using federal funding. A detailed description of 5307 funding is attached.

As not all expenses are eligible for reimbursement, there are often local funds (LBCC, OSU or fare revenue) that go unmatched. As year-end accounting often extends into the next fiscal year, this often results in "extra" 5307 funds. Additionally, over time the amount of 5307 funds contributed by AAMPO and CAMPO have outpaced the local contributions. The table below illustrates the change in the *budgeted* amount between 2014 and 2020 for 5307 funds, local contributions, and fares. It does not include all sources of revenue.

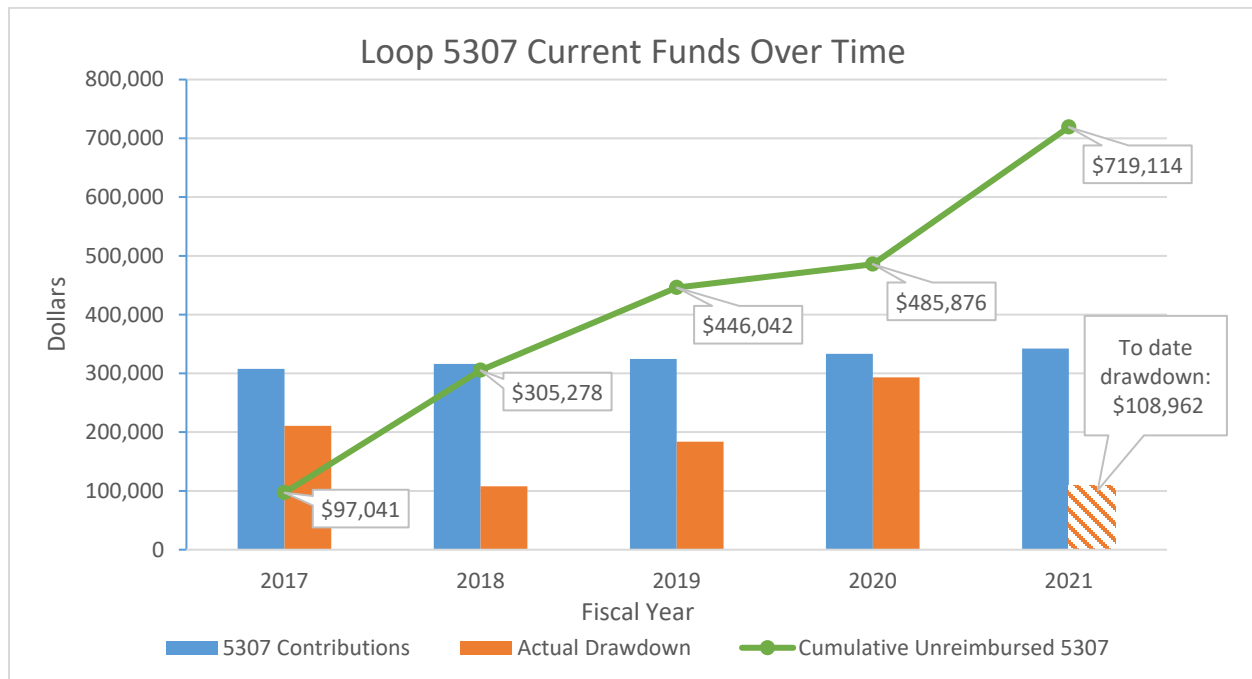
Year	5307 Funds	Local Contributions	Fares
2014	\$ 250,000	\$ 204,000	\$ 27,000
2020	\$ 342,200	\$ 248,800	\$ 26,000



The Linn Benton Loop TAC and Policy Board are staffed in-kind by the Albany Area MPO and Corvallis Area MPO

The Federal Transit Administration (FTA) allows for any “unused” 5307 funds to roll over into the next fiscal year, and intentionally draws down the “oldest” funds first. So for example, if \$20,000 of 5307 funds went unspent in FY14, the Loop would draw these funds down *first* in FY2015, *before* drawing down any FY15 funds. In this sense, if you have an annual budget that is roughly the same each year, and there is significant savings one year, then these funds would increase.

Over time, this created an excess in 5307 funding that continued to rollover into the next fiscal years. When Linn Benton Loop staff explored the issue in detail in preparation for the FY2021-2023 budget cycle, they projected the total excess funding to be approximately \$719,000. This is illustrated in the following chart.



Excess Funding Challenges & Options

If 5307 funds are continually added to Linn Benton Loop operations, and significant local funding is not added concurrently, the Loop runs the risk of not being able to spend all of the federal funding AAMPO and CAMPO contribute. One challenge worth considering is that even with the current surplus of funding, any service expansion would need funding identified for the long term in order to sustain it. Subsequently, this presents some options to move forward:

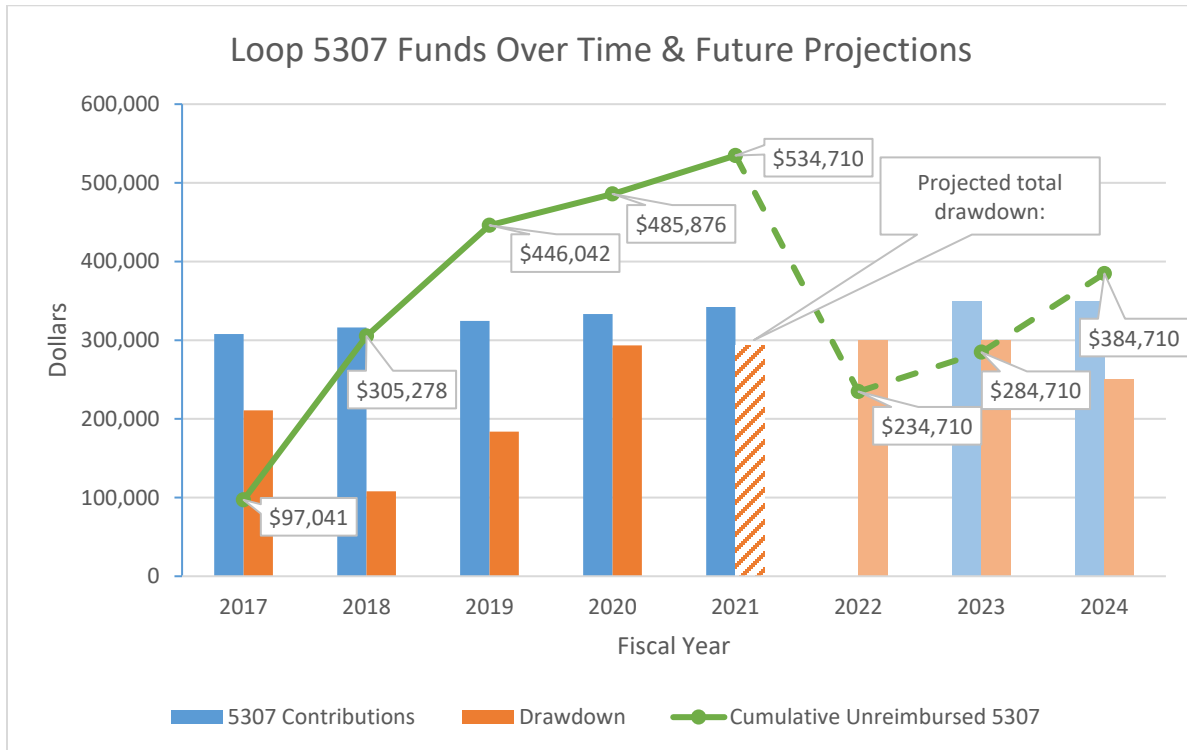
1. Increase local contributions from OSU and LBCC to match the increase in 5307 funding and expand LB Loop Service.
2. Explore other local sources of funding to match federal contributions such as STIF. As discussed above, this will likely create long term funding and service issues. Any expansion of service needs to be projected into future budget years to ensure ongoing operations funding can cover costs.
3. Reduce 5307 contributions from AAMPO and CAMPO for a time period.



- Identify a capital project *in combination* with local match funding that the LB Loop could pursue with the surplus.

Next Steps

The Linn Benton Loop operator has proposed option 3 above after discussions with Albany Transit and Corvallis Transit, who are responsible for contributing the portion of 5307 funds to Linn Benton Loop Operations. That would draw down the current surplus, while still leaving a contingency amount in the fund. That scenario is displayed below.



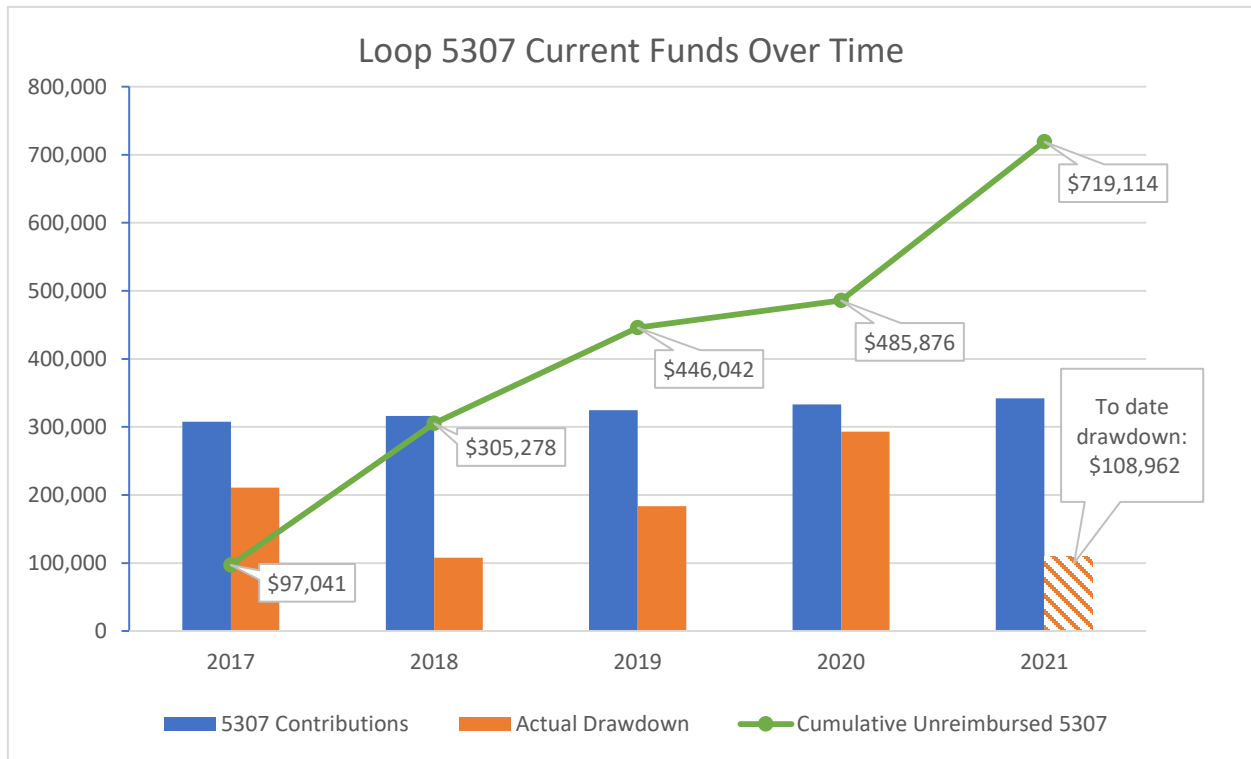
Linn Benton Loop staff request input from the Loop Technical Advisory Committee on their thoughts for next steps and will bring them to the Policy Board for consideration. The full details of the Linn Benton Loop funding can be found attached.



		FTA 5310	FTA 5307	SPECIAL TRANSIT FUND: LINN	SPECIAL TRANSIT FUND: BENTON	STIF - LINN	STIF - BENTON	STIF - DISC.	LBCC	OSU	BUS FARES	MISC. REV.
2014	Budgeted	80,500	250,000	-	4,000	n/a	n/a	n/a	102,000	102,000	27,000	-
	Actual	71,763	206,080	-	4,000				101,800	102,000	28,687	432
	Difference	8,737	43,920	-	-				200	-	(1,687)	(432)
2015	Budgeted	71,500	278,600	-	4,000	n/a	n/a	n/a	105,500	105,500	28,000	-
	Actual	70,721	188,285	-	4,000				105,500	105,500	25,443	172
	Difference	780	90,315	-	-				-	-	2,557	(172)
2016	Budgeted	25,000	294,600	12,700	44,000	n/a	n/a	n/a	108,500	108,500	27,000	-
	Actual	29,760	205,909	16,320	22,000				(117,300)	(117,300)	22,285	-
	Difference	(4,760)	88,691	(3,620)	22,000				225,800	225,800	4,715	-
2017	Budgeted	25,000	307,800	12,700	22,000	n/a	n/a	n/a	111,700	111,700	22,000	-
	Actual	22,904	210,759	16,320	22,000				111,700	111,700	24,948	-
	Difference	2,096	97,041	(3,620)	-				-	-	(2,948)	-
2018	Budgeted	27,500	316,200	17,000	22,000	n/a	n/a	n/a	113,900	113,900	22,000	-
	Actual	25,266	107,963	16,320	22,000				113,900	113,900	24,409	(38)
	Difference	2,234	208,237	680	-				-	-	(2,409)	38
2019	Budgeted	27,500	324,500	17,000	22,000	n/a	n/a	n/a	117,300	117,300	25,000	-
	Actual	24,980	183,736	16,320	22,000				117,300	117,300	21,546	38
	Difference	2,520	140,764	680	-				-	-	3,454	(38)
2020	Budgeted	27,500	333,200	24,000	23,000	12,500	12,500	n/a	120,800	120,800	26,000	-
	Actual	28,320	293,366	23,040	17,625	-	-		123,200	120,800	14,551	(32)
	Difference	(820)	39,834	960	5,375	12,500	12,500		(2,400)	-	11,449	32
2021	Budgeted	27,500	342,200	24,000	23,000	270,000	270,000		124,400	124,400	27,000	-
	Actual	14,160	108,962	11,520	11,750	-	-	-	124,400	124,400	26	-
	Difference	13,340	233,238	12,480	11,250	270,000	270,000	-	-	-	26,975	-

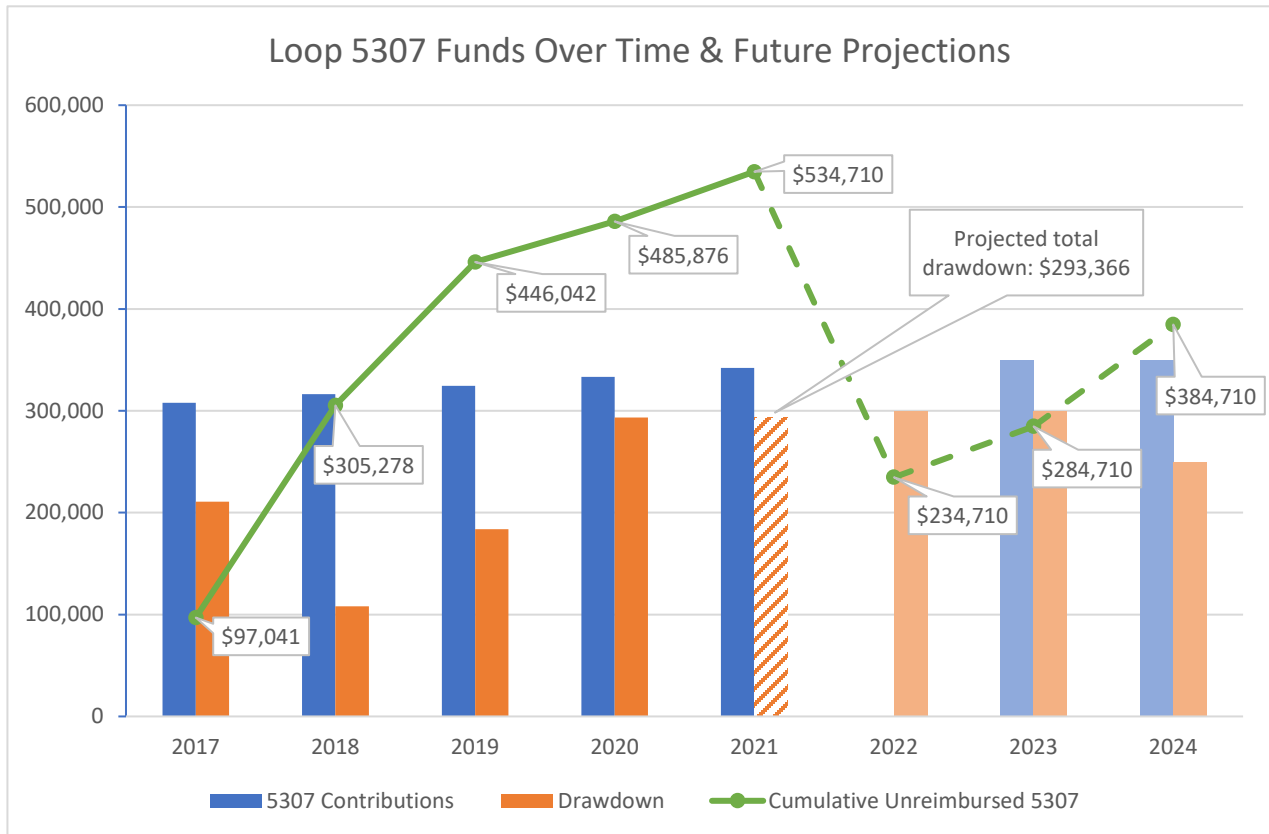
Year	5307 Contributions	Actual Drawdown	Cumulative Unreimbursed 5307
2017	307,800	210,759	97,041
2018	316,200	107,963	305,278
2019	324,500	183,736	446,042
2020	333,200	293,366	485,876
2021	342,200	108,962	719,114

Note that \$108,926 is the year to date drawdown. This number is expected to increase as the year continues.



Year	5307 Contributions	Drawdown	Cumulative Unreimbursed 5307
2017	307,800	210,759	97,041
2018	316,200	107,963	305,278
2019	324,500	183,736	446,042
2020	333,200	293,366	485,876
2021	342,200	293,366	534,710
2022	-	300,000	234,710
2023	350,000	300,000	284,710
2024	350,000	250,000	384,710

Note that \$293,366 is the projected total drawdown for 2021. Thus projection is based on the prior year's drawdown and may change.





U.S. Department of Transportation
Federal Transit Administration



FACT SHEET:
URBANIZED AREA FORMULA PROGRAM GRANTS
49 U.S.C. Chapter 53, Sections 5307 & 5340

	FY16 (in millions)	FY17 (in millions)	FY18 (in millions)	FY19 (in millions)	FY20 (in millions)
Passenger Ferry	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Urbanized Area Formula (5307)	\$4,508.90	\$4,599.68	\$4,696.90	\$4,797.11	\$4,899.45
Growing States/High Density Formula (5340)	\$536.26	\$544.43	\$552.78	\$561.31	\$570.03
Urbanized Area Formula Program TOTAL	\$5,075.16	\$5,174.11	\$5,279.68	\$5,388.42	\$5,499.48

PROGRAM PURPOSE: The Urbanized Area Formula Funding program (49 U.S.C. 5307) makes Federal resources available to urbanized areas and to Governors for transit capital and operating assistance and for transportation related planning in urbanized areas. An urbanized area is an Census-designated area with a population of 50,000 or more as determined by the U.S. Department of Commerce, Bureau of the Census.

Statutory References: 49 U.S.C. Section 5307 and 5340 / FAST ACT Sections 3004, 3016

Program Requirement: <https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/urbanized-area-formula-program-program-guidance-and>

Eligible Recipients: Funding is made available to designated recipients, which must be public bodies with the legal authority to receive and dispense Federal funds. Governors, responsible local officials and publicly owned operators of transit services are required to designate a recipient to apply for, receive, and dispense funds for urbanized areas pursuant to 49 U.S.C. 5307(a)(2). The Governor or Governor's designee is the designated recipient for urbanized areas between 50,000 and 200,000.

Eligible Activities: Eligible activities include planning, engineering, design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses, overhaul of buses, rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and

some Americans with Disabilities Act complementary paratransit service costs are considered capital costs. For urbanized areas with populations less than 200,000, operating assistance is an eligible expense.

For urbanized areas with 200,000 in population and over, funds are apportioned and flow directly to a designated recipient selected locally to apply for and receive Federal funds. For urbanized areas under 200,000 in population, the funds are apportioned to the Governor of each state for distribution.

What's Changed?

The 100 Bus Rule has been expanded to include demand-response service, excluding ADA complementary paratransit service. An exception to the 100 Bus Rule has been added as well. If a public transportation system executes a written agreement with one or more other public transportation systems within the urbanized area to allocate funds by a method other than by measuring vehicle revenue hours, each public transportation system that is part of the written agreement may follow the terms of the written agreement instead of the measured vehicle revenue hours.

Under Grant Recipient Requirements, a provision has been added that directs recipients to maintain equipment and facilities in accordance with their transit asset management plan.

Recipients are no longer required to expend 1% of their funding for associated transit improvements. However, recipients are still required to submit an annual report listing projects that were carried out in the preceding fiscal year.

Funding:

Federal Share: The Federal share is not to exceed 80 percent of the net project cost. The Federal share may be 90 percent for the cost of vehicle-related equipment attributable to compliance with the Americans with Disabilities Act and the Clean Air Act. The Federal share may also be 90 percent for projects or portions of projects related to bicycles. The Federal share may not exceed 50 percent of the net project cost of operating assistance.

Formula Details: Funding is apportioned on the basis of legislative formulas. For areas of 50,000 to 199,999 in population, the formula is based on population and population density. For areas with populations of 200,000 and more, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles as well as population and population density.

Passenger Ferry Grant Program: \$30 million is set aside for passenger ferry grants, to be allocated through competitive selection.

Anything else relevant: Funds are available the year appropriated plus five years.

Other:


- Match can come from [other Federal \(non-DOT\) funds](#). This can allow local communities to implement programs with 100 percent federal funding.
- Agencies that receive Section 5307 funding must offer [half fare or reduced fare](#) to people with disabilities and seniors during off-peak hours for fixed-route services.

For Additional Information on FTA and the FAST Act, please visit: www.transit.dot.gov/fastact



MEMO

TO: Linn-Benton Loop Technical Advisory Committee

VIA: Barry Hoffman, Transit Manager 

DATE: January 26, 2021, for the February 2, 2021, Meeting

SUBJECT: Unreimbursed Federal Transit Administration 5307 Linn-Benton Loop Operating Funds

Action Requested:

Discussion and direction for appropriate operating fund balance in Federal Transit Administration (FTA) 5307 operating account.

Discussion:

Yearly, both AAMPO and CAMPO contribute FTA Section 5307 funding toward Linn-Benton Loop (Loop) operations. This contribution is made through the cities of Corvallis and Albany by directing some of the annual apportioned amount from each City's FTA Section 5307 funding towards the Loop operations. These funds pay for eligible operating expenditures at a 50/50 match. They are received based on a reimbursement process, and not all Loop expenses are reimbursable.

At the end of the current fiscal year, and after all eligible expenses for FY 2020-21 are reimbursed, the City of Albany is projecting a balance of approximately \$700,000 of Loop-designated operating funding from both AAMPO and CAMPO in the Section 5307 Loop Operating Account at the FTA. As a point of reference, the Loop received \$293,000 in Section 5307 reimbursements last fiscal year, so this projected balance represents approximately 2.3 times the annual reimbursement from this fund.

Background

Each year Albany and Corvallis staff work together to request a certain dollar amount to be set aside by AAMPO and CAMPO for Loop operating support. These funds are described in annual grant agreements with the FTA. Albany staff also requests funding from LBCC and OSU as the two primary local partners in the Loop service. Other local partners, such as Good Samaritan Hospital, contribute much smaller amounts. While the AAMPO and CAMPO Section 5307 operating fund contribution can only be accessed to reimburse eligible operating expenditures, other local contributions must provide the matching 50 percent of operating costs plus must also bear the additional burden of paying for any expenses that are not allowed to be reimbursed under 5307 rules.

Reimbursement requests for eligible expenses are made to the FTA quarterly. If a grant allocation is not fully drawn down within the fiscal year, those funds remain available for reimbursement for up to four additional fiscal years. Section 5307 fund reimbursements are requested from the oldest grants first so we can close out old grants before drawing down new grants. This is not a completely unique situation: Albany Transit System (ATS) and Corvallis Transit System (CTS) regularly have some Section 5307 operating funds from previous fiscal years to draw down.

While the AAMPO and CAMPO 5307 operating funds have been put into grant agreements for Loop operating expenses, they have not been fully reimbursed each fiscal year. Simply put, the AAMPO and CAMPO contributions have outpaced our ability to fully draw them down using our limited local match funding.

Options Moving Forward

ATS and CTS staff met to discuss the best path forward. It seems clear that the two transit agencies should avoid continuing to add Section 5307 operating funds onto the carryover for a limited time. Staff from both agencies felt the Loop should reimburse eligible operating expenditures using the existing funds in the FTA 5307 account for some time. However, staff also agreed that a balance should be maintained in the FTA 5307 Loop operating account that can be used in case of operating contingency such as a delay in future authorization of federal funding. The staff recommendation is to keep approximately nine months of reimbursement (\$225,000) in the account for such contingencies.

Staff also recommends a regular report to the Loop Technical Advisory Committee (TAC) and Loop Policy Board on the Section 5307 operating balance at each meeting along with the standard revenue and expenditure reports. This Section 5307 report should indicate that the existing balance is drawing down over the course of the next 12 to 18 months until it reaches approximately \$225,000. Staff will reinstate Section 5307 operating allocations when appropriate to continue to fund Loop operations while maintaining that balance. Under this proposed plan, ATS and CTS will not contribute additional Section 5307 operating funds in fiscal year 2021-2022, but the Albany budget document will show reimbursement from existing Section 5307 operating grants.

Other Section 5307 Funding

ATS and CTS will continue to direct funds from their Section 5307 allocation toward preventive maintenance. Preventive maintenance expenditures are reimbursed at 80 percent with only 20 percent local match required. The Loop has fully reimbursed the eligible preventive maintenance funds from Section 5307 every year. In past years, each transit agency has directed \$18,000 of their Section 5307 allocation to Loop preventive maintenance. Because the expenses each year outpace the available funds for reimbursement, staff is recommending increasing the allocation for preventive maintenance to \$24,000 from both CTS and ATS.

Impacts on Loop Expansion

The Loop Development Plan calls for approximately doubling the current amount of service. However, there has never been an expectation that Section 5307 funds would be increased to pay for the expansion, and traditional local funds available for match are already fully dedicated to existing expenses. The expansion was intended to be paid for primarily using State Transportation Improvement Funds (STIF) funding. STIF formula applications have been submitted to both Benton County and Linn County and are on track for funding in the 2021-23 biennium.

Future Discussion

Staff from both CTS and ATS have identified these steps moving forward to best use the available Section 5307 funding for Loop operations, but the challenge of limited local match for Loop operating expenses remains. This is an issue that the Loop TAC and Policy Board will need to address in order to continue to provide sustainable, meaningful Loop service to the community.

Revenues	Budget 21-22	Budget 22-23	Total Biennial Budget	Personnel Notes
FTA Section 5310 Grant	-	-	-	
FTA Section 5310 Grant Linn County			-	Now in STIF request
FTA Section 5307 Grant (AAMPO)	105,500	113,400	218,900	Albany MPO, 50/50 match burn existing
FTA Section 5307 Grant PM (AAMPO)	24,000	24,000	48,000	80/20 Match 5307
FTA Section 5307 Capital		21,600		Farboxes for existing vehicles 80/20
FTA Section 5307 Grant (CAMPO)	105,500	113,400	218,900	Corvallis MPO 50/50 Match burn existing
FTA Section 5307 Grant (CAMPO)	24,000	24,000	48,000	80/20 Match 5307
FTA Section 5307 Capital		21,600		Farboxes for existing vehicles 80/20
Special Transit Fund: Linn Co.			-	now in STIF request
Special Transit Fund: Benton Co.			-	now in STIF request
STIF Linn County Operating	324,000	324,000	648,000	Expanded service (replaces 5310)
STIF Linn County			-	
STIF Benton County Operating	324,000	324,000	648,000	Expanded service (replaces STF)
STIF Benton County			-	
STIF Discretionary			-	
LBCC Partnership	128,100	131,900	245,200	LBCC partnership
OSU Partnership	128,100	131,900	245,200	OSU partnership
Bus Fares	13,000	30,000	43,000	no fares 1st half of fy 22, then fares in FY 23
Advertisement Revenue	-	-	-	
Interest			-	
From Equipment Replacement	-	10,800	10,800	match to Fareboxes 80/20
Beginning Balance	-		-	
Revenues Total	\$1,176,200	\$1,270,600	\$2,417,200	

Draft

Object Code	Personnel	Budget 21-22	Budget 22-23
510010	Wages & Salaries	\$ 302,000	\$ 315,200
520010	Temporary Employees	82,000	82,000
530010	Overtime	20,000	20,000
540050	Unemployment Claims	-	-
560001	Employer Medical	156,200	179,600
560005	Employer Dental	12,700	14,600
560008	Employer Vision	4,800	5,500
560010	Employer Paid Benefits	28,100	29,100
560012	Employer Paid Def Comp	2,000	2,100
560014	Employer Paid LTD/Life	3,200	3,300
560016	Employer Paid Workers Comp	21,500	22,300
560018	Employer Paid Oregon WBF	2,100	4,000
560020	PERS	106,300	110,600
560030	HRA Veba	12,400	12,400
	Personnel Subtotals	\$ 753,300	\$ 800,700
600115	Insurance & Bonds	\$ 18,000	\$ 18,000
600400	Contractual Services	\$ 3,700	\$ 3,700
602300	Software License Fees	700	700
610005	Advertising & Publication	100	100
610100	Duplication & Fax	1,500	1,500
661022	credit card fees	500	500
610130	Education & Training	800	800
610405	Materials & Supplies	3,000	3,000
610420	Meeting & Conferences	600	600
610425	Memberships & Dues	1,100	1,100
610545	Printing and Binding	1,600	1,600
610750	Uniforms	1,000	1,000
610800	Vehicle Fuel Charges	92,500	92,500
630000	Electricity	1,500	1,500
630005	Natural Gas	200	200
630010	Telephone	1,500	1,500
630400	Water Service	800	800
630410	Stormwater Service Charge	400	400
650015	Maint: Communications Equip	500	500
653600	Vehicle Maintenance	89,300	89,300
655100	Maint:Building	-	-
660100	CS: Building Maintenance	4,100	4,300
660200	CS: Administration	4,100	4,500
660210	CS: Finance	20,000	20,900
660211	CS: CMO	11,700	12,200

