



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of June 26, 2023

Title/Subject

Renew a Transportation Services Agreement with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) for the Hermiston HART Bus Route.

Summary and Background

CTUIR has been providing an intra-city bus route within Hermiston since early 2018 through its KAYAK Public Transit division. The service has since been expanded over time to operate a full 12 hours per day Monday through Friday 7am to 7pm. This agreement would preserve that service in its current level of service.

The agreement was originally envisioned as the City of Hermiston paying Kayak a certain amount for the service, which could be used as local match against outside operational grant funding. In order to ensure appropriate match, the City's contribution was originally \$150,000 per year from the General Fund. Based on grant funding, that amount was dropped to \$125,000 per year. Then with uncertainties around the COVID-19 Pandemic, the City and Kayak agreed to tap a built-up reserve balance. Since that time, the annual cost to the City from July 1, 2021 through June 30, 2023 has been \$50,000.

The proposed two year agreement for July 1, 2023 through June 30, 2025 is now being recommended at \$25,000 per year, as KAYAK continues to utilize the reserve balance to cover local matching on grant funds. So far KAYAK has done very well in obtaining grant funding to prevent the fund balance from declining over time, so this additional cut-back on the City's contribution is intended to preserve City resources within the General Fund, with an understanding that this cost may be subject to increasing in the future if grant funding is eliminated.

For context, operating a 12 hour per day, 5 day per week service for \$25,000 per year comes out to \$8.01 per hour; which is obviously a bargain when factoring in the costs of driver salaries/benefits, the buses themselves, maintenance, overhead (scheduling, grant management, accounting), etc. Kayak has done very well to leverage this local contribution.

Tie-In to Council Goals

Transportation: Improve mobility and transportation

Fiscal: Maintain service levels, evaluate the current budget and understand options to increase revenues

Fiscal Information

See Background

Alternatives and Recommendation

1. Approve Agreement.
2. Reject Agreement
3. Recommend Changes.

Recommended Motion

Motion to renew the Transportation Services Agreement with the Confederated Tribes of the Umatilla Indian Reservation for the Hermiston HART Bus Route.

Submitted By:

Mark Morgan