TECHNICAL MEMORANDUM #2

June 17, 2025
Project# 30857

To: Benton Area Transit Staff: Gary Stockhoff, PE; Charlene Pech

From: Nick Meltzer, PE; Amy Griffiths, PE; Susie Wright, PE; Jim Hamre; Kittelson & Associates, Inc.

RE: Benton County Transit Vision for Service Operations

Introduction

Kittelson & Associates, Inc. (Kittelson) is assisting Benton County with a program assessment of their transit service, known as Benton Area Transit (BAT). This memorandum documents the vision for service operations based on:

■ Key findings from the current services assessment (documented in Technical Memorandum #1: Benton County Transit Current Services Assessment) and peer agency interviews.

■ Work sessions with County and Corvallis Transit System staff and elected officials (presentation attached in Appendix A).

■ Follow up conversation with the Project Management Team, which consists of BAT staff

Figure 1 illustrates the process for developing the vision statement. The first step was to review current services, which included a summary of current transit provided and ridership levels over time, operating revenue and expenditures, FTA audits, and a comparison to peers' efficiency and effectiveness measures. Next, three peer agencies were interviewed to understand what challenges and opportunities exist in various service models. Findings were presented at a work session with County and City Staff to develop a draft vision and then discussed at a commissioner work session to refine the vision. In addition to the staff work session, Kittelson learned more about BAT's future needs during regular Project Management Team (PMT) meetings.

Figure 1. Process for Developing Vision Statement
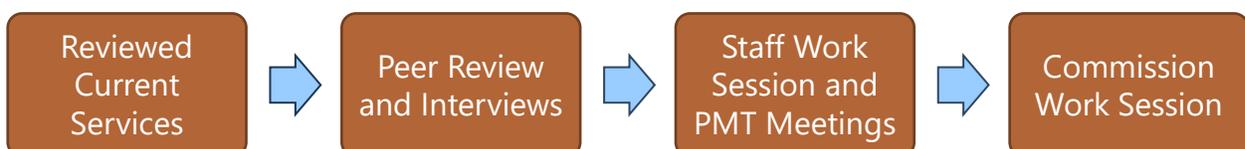
The vision is intended to guide the development of transit service alternatives evaluated later in the project.

Key Findings from Current Services Assessment

This section summarizes key findings from the current services assessment, documented in Technical Memorandum #1: Benton County Transit Current Services Assessment and refined based on peer agency interviews. These findings were presented to County and Corvallis Transit System staff and elected officials.

- Benton County provides intercity service and demand response service.

  - Demand response services are provided throughout the County.
  - Demand response service is expensive to operate.

- Benton County partners with Lincoln County to provide intercity service and with Corvallis to provide federally required paratransit service.
- Benton County needs additional staff to support the program, even with contracted models. There is not enough staff time to cover the day-to-day administration needs, which prevents the County from having time to consider longer term capital and service planning.
- Operating costs are below the market average of peers, but so are the rides per hour.

  - BAT provides less than half the rides per hour than the market average of peers for demand response services.
  - Non-profit contractor's service cost is below market value due to volunteer drivers/lower wages and benefits to paid staff, the County bearing administrative costs, and the County absorbing one-off 'surprise' costs.

- Costs would increase if anything changes, but future increases in costs are also anticipated under the current model. Funding is at risk with repeat FTA non-compliance findings.

  - Increased costs would lead to a decrease in services in the near-term. However, the change would support the longevity of the service and opportunities to expand services in the future as the current volunteer model has additional risks and is difficult to scale up.

- Operating with a non-profit that has a different guiding vision than the transit agency creates tension and challenges for service delivery.

These findings help guide the development of the vision statement. They inform the goals and tradeoffs that Benton Area Transit can use to select a service model that aligns with their values.

Staff and Commission Input

A staff work session was held on April 14 with the Benton County Deputy Administrator, the Benton County Public Works Director, the Benton County Grants Manager, Benton County Fleet Manager, the Benton County Special & Rural Transportation Coordinator, the City of Corvallis Transportation Division Manager, and the City of Corvallis Transportation Services Supervisor. Staff input that shaped the vision, and defined the goals below according to the following key interests and concerns:

- Provide efficient and quality service to Benton County residents that is financially sustainable.
- Develop clear decision-making metrics to inform decisions around scaling service.
- Provide a transparent and easy-to-use service.
- Keep vehicles maintained to avoid significant repairs.
- Integrate innovation in service delivery and utilize data for improving customer focused transit.
- Comply with federal and state requirements to minimize funding risk.
- Maintain a supportive relationship with staff and, as applicable, contractors. This includes alignment of all parties with Benton Area Transit's vision.
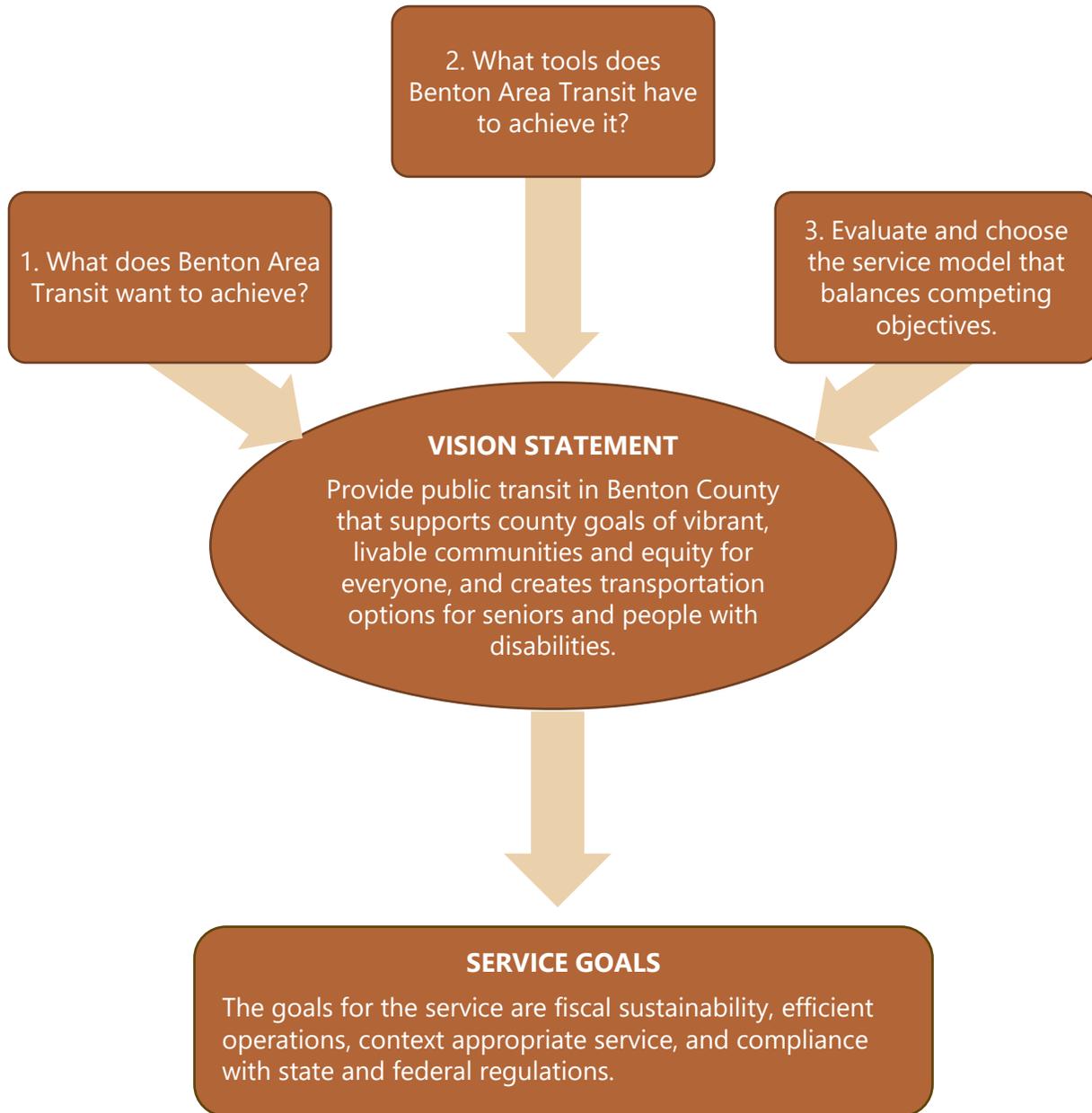- Formal assessment of eligibility of paratransit services.

A Board of Commissioners meeting was held on May 13. The project team provided an overview of the current service assessment, peer interviews, and shared the draft vision from staff. Commissioners were supportive of the overall importance of providing an efficient, fiscally sustainable service that maintains state and federal compliance. In addition, commissioners desired a vision that goes beyond the utilitarian language about requirements and efficiency and emphasized the heart (or value) of the service. They also wanted to add goals to leverage the state and federal funds available and to make the intergovernmental agreements (IGAs) simpler.

A follow up meeting with BAT staff helped solidify the final vision statement. Based on the input from staff and commissioners, the PMT recommend that the vision be broken into two parts: a vision statement for transit service and goal statements for how the service is operated.

Vision Statement

The vision statement helps define what Benton Area Transit wants to achieve. This, in combination with an understanding of what tools there are to achieve it, helps evaluate and choose the service model that balances competing goals. Figure 2 illustrates the questions that shape the need for a vision statement.

Figure 2. Vision Statement

2. What tools does Benton Area Transit have to achieve it?

1. What does Benton Area Transit want to achieve?

3. Evaluate and choose the service model that balances competing objectives.

VISION STATEMENT

Provide public transit in Benton County that supports county goals of vibrant, livable communities and equity for everyone, and creates transportation options for seniors and people with disabilities.

SERVICE GOALS

The goals for the service are fiscal sustainability, efficient operations, context appropriate service, and compliance with state and federal regulations.

GOALS AND OBJECTIVES FOR DECISION-MAKING

The following goals and objectives, for decision-making, defined in Table 1, are established to support Benton Area Transit defining service model alternatives and selecting an alternative that best supports the vision.

Table 1. Goals and Objectives for Decision-Making

Goal	Objectives
Fiscally Sustainable	– Program costs comparable to average of peer agencies – Program effectively leverages state and federal dollars to provide transit – Cost-efficient provision of demand response service – Providing staff positions for drivers that achieve living wages – Low annual cost variability – Low risk for insurance or other costs – Establish understanding of costs for providing service to support scaling
Customer Focused and Context Appropriate	– Services operated according to Benton Area Transit vision – Mix of services that balance productivity with coverage – Support testing and integration of emerging service delivery options – Transparent and easy-to-use service – Professional and friendly service – Ability to scale service operations up and down according to long range plan and funding availability
Efficient and Effective Operations	– Administrative capacity that meets the needs of operating transit (including reporting, grant tracking and applications, agency compliance reports, operating budget and funding, and contract procurement) – Service and capital planning capacity that meets the needs of operating transit (including long range planning and implementation, service expansion, and fleet maintenance and replacement) – Coordination capacity to engage with regional partner agencies – Ensure quick and efficient maintenance of vehicles
State and Federal Compliance	– Provide services that are federally required to receive funding – Proactively understand FTA requirements and address noncompliance findings should they occur

Next Steps

Based on the vision for service operations, the current services assessment, and the peer interviews, Kittelson will identify potential operational structures for Benton Area Transit.

Appendix A. Commission Work Session Presentation

WHY ARE WE HERE?

County requesting information on ways to improve or adjust the service delivery model for operating the transit system because:

1. Challenges working with current contractor to address noncompliance and lack of transparency in reporting
2. Interest in positioning the County to maximize the impact of recent increases in transit funding

WORK TO DATE

Current Services Assessment

- Reviewed current service offerings, budget and revenue, ridership data, compliance reviews
- Summarized challenges and opportunities under current service model

Staff Work Session

- Gathered feedback from Benton County and City of Corvallis Staff

AGENDA

- Welcome and Introductions
- Transit and Benton County
- Peer Agency Interviews
- Service Delivery Model Alternatives
- Future of Transit in Benton County
- Next Steps

WELCOME AND INTRODUCTIONS

Name

Role

Experience/Engagement with Benton Area Transit
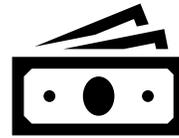
ASPECTS OF TRANSIT SERVICE

Operations

- Scheduling drivers, dispatching rides and drivers, incident response
- Safety training and drug/alcohol testing
- Software and office needs

Fleet/Facilities

- Number of spare vehicles, safe storage of vehicles
- Scheduling preventative maintenance, performing maintenance, mechanic training

Service/Capital Planning

- Service and resource planning
- Long range planning and implementation
- Project budgets
- Service expansion and fleet replacement

Administration

- Reporting (external and internal)
- Grant tracking/reimbursement
- Agency compliance
- Operating budget/funding
- Contract/procurement

Coordination

- Management/elected official reports
- Regional agency meetings, jurisdictions where service is provided
- Customer engagement

CURRENT STRUCTURE AND SERVICES

- Currently provided via a contractor (Dial-A-Bus)

- Fixed-Route Services
  - Coast to Valley Express
  - 99 Express

- Demand-Response Services
  - BAT Lift Countywide
  - BAT Lift Paratransit
  - DD 53 (development disabilities)
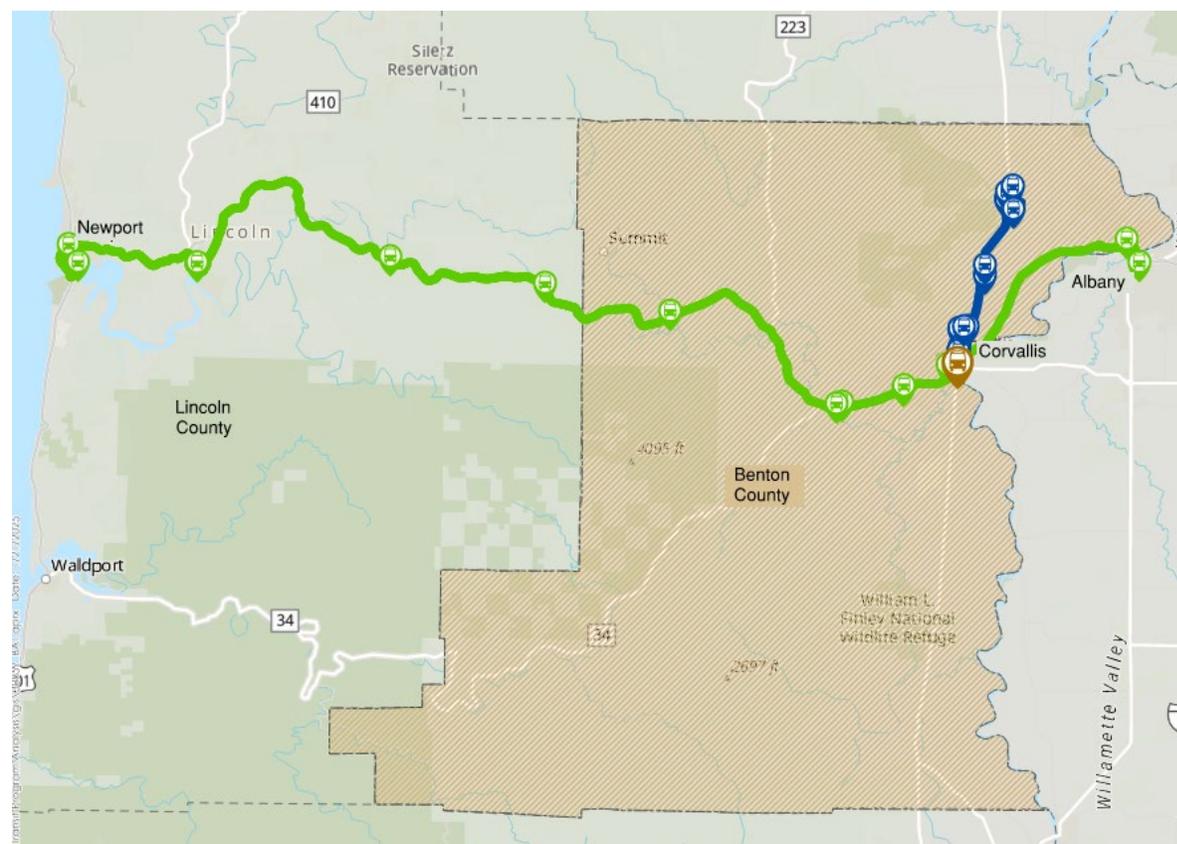
Legend:
— 99 Express
— Coast to Valley Express

CURRENT STRUCTURE AND SERVICES

- Dial-A-Bus (DAB) is a non-profit contractor providing operations services for Benton Area Transit

- Benton County owns and brands the vehicles

- Contractor provides drivers, dispatchers, supervisors
  - Dispatchers and supervisors use County-owned equipment, office space and parking

- Contractor uses a mix of paid and volunteer drivers

Source: Philomath News

CURRENT STRUCTURE AND SERVICES

- Benton Area Transit staffing is integrated with City of Corvallis transit staffing through an intergovernmental agreement
- Current staffing:
  - Managed by Benton County Public Works Director
  - One full-time program manager for BAT (City of Corvallis employee, paid for by Benton County)
  - Additional staff support:
    - Program Assistant (Corvallis position funded by STIF)
    - Finance/Legal (County staff)
    - Transportation Supervisor (Corvallis staff, Benton County pays a portion)
- Corvallis contracts with BAT to provide federally required paratransit

GOVERANCE AND APPROVAL

- Benton Area Transit is a program within the Public Works Department
- County Public Works Director is signatory and executive of the agency on paper
  - Approves invoices under County authority
- BAT is governed by Benton County Board of Commissioners
- Citizen Advisory Committee makes biennial project recommendations (STIF Committee)

RIDERSHIP AND BUDGET OVERVIEW

- Fixed route ridership rebounded post pandemic, demand respond is returning to pre-pandemic levels more slowly
- BAT's annual operating revenues and expenses are approximately $2.66 million
- BAT's service area, ridership, and cost were compared with eleven peer agencies
- Both fixed route and demand response service costs are below market average

BELOW MARKET AVERAGE COST

Operating cost per hour of Benton Area Transit compared with peer transit agencies

Mode	BAT	Peer Agencies	Percent Difference
Commuter Bus (Intercity Routes)	$75	$141	-88%
Demand Response	$50	$109	-118%

Source: NTD Data 2023

BELOW MARKET AVERAGE TRIPS

Rides per hour of Benton Area Transit compared with peer transit agencies

Mode	BAT	Peer Agencies	Percent Difference
Commuter Bus (Intercity Routes)	2.44	2.77	-14%
Demand Response	1.29	2.66	-106%

Source: NTD Data 2023

FUNDING

- Federal
  - 5310 (Seniors and People with Disabilities)
  - 5311 (Rural transit service)
  - DD 53 (School transportation for people with developmental delays)
- Local
  - STIF (Oregon payroll tax and legacy STF funding)
  - Corvallis Contributions (Paratransit)
 - County Contributions (local funds)
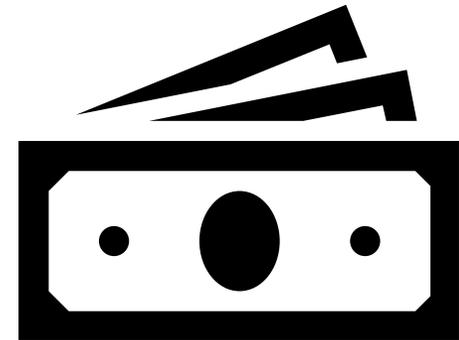
FEDERAL/STATE REQUIREMENTS

- Grant receiving and administering
  - Invoicing, progress reports, detailed reporting
- Certify legal, financial and technical capacity
- Continuing control over equipment and facilities
- Title VI Nondiscrimination program
- Competitive procurement and Buy America requirements
- Triennial audit
- Fleet management

CURRENT SERVICE DELIVERY MODEL CHALLENGES

- Federal Audit completed in November 2023
  - ODOT is accountable for ensuring federal compliance of pass-through funds (5310 and 5311)
  - >50% of annual operating revenue is federally sourced
- Eight (8) compliance findings and one (1) advisory recommendation
- Some findings are **repeat findings** from previous audit
- Findings result from the inability to track or measure contractor's actions to meet federal regulations
- Non-compliance must be reported on grant applications and can threaten funding
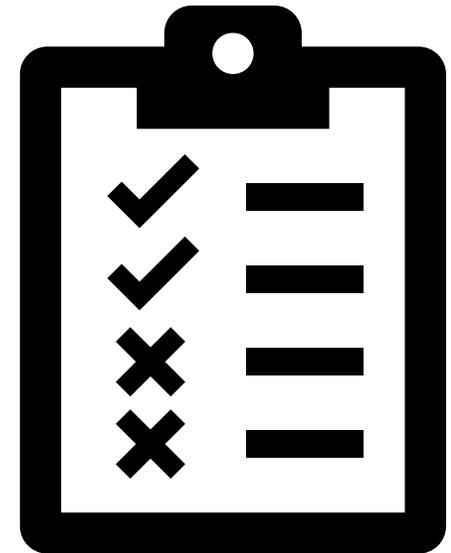
KEY TAKEWAYS FROM CURRENT SERVICES

Current service is a mix of intercity and demand response

Ridership is rebounding post COVID-19 for both services

Benton County maintains strong partnerships with the City of Corvallis and Lincoln County

The current contractor's operating costs are below the market average

Repeat audit findings and contractor compliance persist in creating service challenges

DISCUSSION

- Do you have questions or comments about the current structure and services provided?

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PEER AGENCY INTERVIEWS

- Initially used National Transit Database to find "similar agencies"
  - Geographic area served, trips per year, service miles, types of service, service area population
- Worked with Project Management Team to identify 3 peer agencies for interviews
- Interview goals:
  - Learn how peer agencies deliver their services
  - Learn how the requirements, opportunities, and constraints are different when operating service in-house versus contracting the transit service
- Asked a series of questions about type of service, service expansion, financial tracking, reporting, training, liability etc.
- Understand challenges and benefits associated with service delivery models

PEER AGENCY INTERVIEW THEMES

- Different challenges associated with expanding service
  - Amending contracts vs. hiring staff/purchasing vehicles
- Both models require appropriate staffing levels
  - Contracted service does not mean one person can manage the whole program
  - Driver shortages persist among both models
- Fleet and facility arrangements vary but there is always some shared responsibility
- Relationship to operations staff is important
- Budget consistency of month-to-month vs year-to-year
- Services offered and decision making consistent among both models
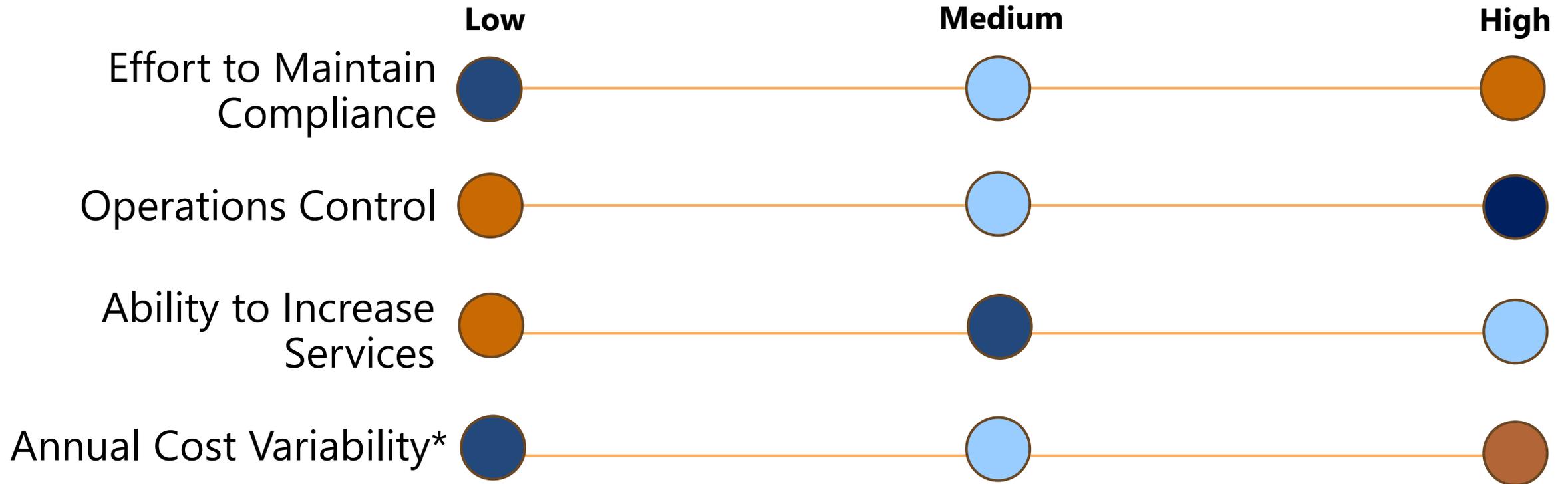- Limited capacity for service planning on both models

SERVICE MODEL AND LEVEL OF EFFORT

Service Model	Operations *Scheduling, Training, Software*	Fleet & Facilities *Storage, preventative maintenance, repairs*	Service & Capital Planning *Fleet replacement plans, long- and short- range service planning*	Administration *Reporting, grant tracking, compliance, budgeting*	Coordination *Internal reporting, regional meetings, customer engagement*
Self Perform	High	High	Medium	High	Medium
Private For-Profit	Low	High	Medium	Medium	Medium
Private Non-Profit	Medium	High	Medium	High	Medium

SERVICE MODEL AND VALUES ALIGNMENT

	Low	Medium	High
Effort to Maintain Compliance	BAT Self Perform	Private For-Profit Contractor	Private Non-Profit Contractor
Operations Control	Private Non-Profit Contractor	Private For-Profit Contractor	BAT Self Perform
Ability to Increase Services	Private Non-Profit Contractor	BAT Self Perform	Private For-Profit Contractor
Annual Cost Variability*	BAT Self Perform	Private For-Profit Contractor	Private Non-Profit Contractor

Legend:
- BAT Self Perform
- Private For-Profit Contractor
- Private Non-Profit Contractor

*For-profit contractor costs variability is low under a contract, but can be high between contracts

KEY TAKEAWAYS FROM PEER INTERVIEWS/SERVICE MODEL ASSESSMENT

Service should be aligned with values

Additional County staffing is needed

Costs will increase if anything changes, but most of the revenue is at risk with noncompliance findings

Non-profit contractor's service cost is below market value

FUTURE OF TRANSIT IN BENTON COUNTY

What are we doing currently and is it all required?

What do we want to achieve?

What tools do we have to achieve it?

Evaluate and choose the best option*

*Optimize interests for all → Good policy balances competing objectives

TRADEOFFS

- Must Benton County continue to provide transit service?
  - County vision and goals support it
  - Majority of staff and residents agree on the value it provides
  - STIF funding requirements, 5310 funding
- Must Benton County provide demand response service to the entire county?
- Must Benton County provide paratransit for Corvallis Transit System?

STIF Program Overview

Information about each of the STIF fund programs, solicitation schedules, and announcements.

Learn More

5310 REQUIREMENTS

Enhanced Mobility of Seniors & Individuals with Disabilities - Section 5310

- States, local government authorities, and designated recipients are direct recipients, local government authorities, private nonprofit organization, and operators of public transit are eligible subrecipients
- Formula funding to meet needs of older adults and people with disabilities → allocated based on state's share of the population for these groups
- Capital projects, education programs, leased transportation services
- Up to 10% can be used for administrative, planning, and technical assistance
- Match requirements are 20% for capital costs and 50% for operating assistance
- Tracking of on time performance (e.g. pick up and drop off windows) is required

5311 REQUIREMENTS

Formula Grants for Rural Areas – 5311

- States and Tribes are direct recipient, state or local government authorities, nonprofit organizations, and operators of public transit are eligible subrecipients
- Formula funds → allocated based on land area, population, vehicle revenue miles, and low-income individuals in rural areas
- Capital, planning, and operating assistance to states to support public transportation in rural areas
- 15% or more must be allocated to intercity bus transportation
- Match requirements are 20% for capital costs, 50% for operating assistance, and 20% for ADA non-fixed route paratransit
- States must provide complementary paratransit if FTA 5311 funds are used to operate a fixed route service

TRADEOFFS

- Could service be reduced in a reasonable way?
  - Should Benton County provide demand response service to the entire county?
  - Should Benton County provide demand response service every day of the week? (BAT Lift only Monday – Saturday)
  - Should the relationship between Benton County and Corvallis change? In what way?

WHAT DO OTHER AGENCIES DO TO ADDRESS LIMITED FUNDING?

Improve efficiency of demand-response

- Combine demand-response trips
- For local routes, operate deviated-fixed routes to serve countywide demand response needs

Reduce service hours (and/or self perform)

- Operate services for outlying communities on limited days per week

Focused on required offerings

- 5310, 5311, Paratransit Requirements

WHEN TO USE A CONTRACTOR

- With or without a contractor, BAT is responsible for the majority of the elements of service delivery

- What settings are contractors most helpful? When flexibility in staffing is needed to support service.
  - Seasonal service
  - Pilot service
  - Note: Volunteer model is highly difficult to scale

- Non-Profit organizations have their own distinct visions. This creates friction if that vision does not exactly align with Benton County's vision.

FUTURE OF TRANSIT IN BENTON COUNTY

What do we want to achieve?

→ *Provide public transit service to Benton County residents that is fiscally sustainable, efficient, and maintains state/federal compliance.*

What tools do we have to achieve it?

→ *Control of funding, control of staffing, control of service model, control of service area, types and times of service*

Evaluate and choose the best option*

→ *What is the range of possibilities?*

*Optimize interests for all. Good policy balances competing objectives

PROPOSED VISION

Provide public transit service to Benton County residents that is fiscally sustainable, efficient, and maintains state/federal compliance.

Is there anything we should consider for developing the vision for future service delivery?

DISCUSSION AND NEXT STEPS

- Are there other comments or questions you want to make sure we've heard as we develop service scenarios?

- Explore service options
  - Cost implications of scaled service (i.e. changes to days of operation, etc)
  - Changes and impacts to coordination with Corvallis
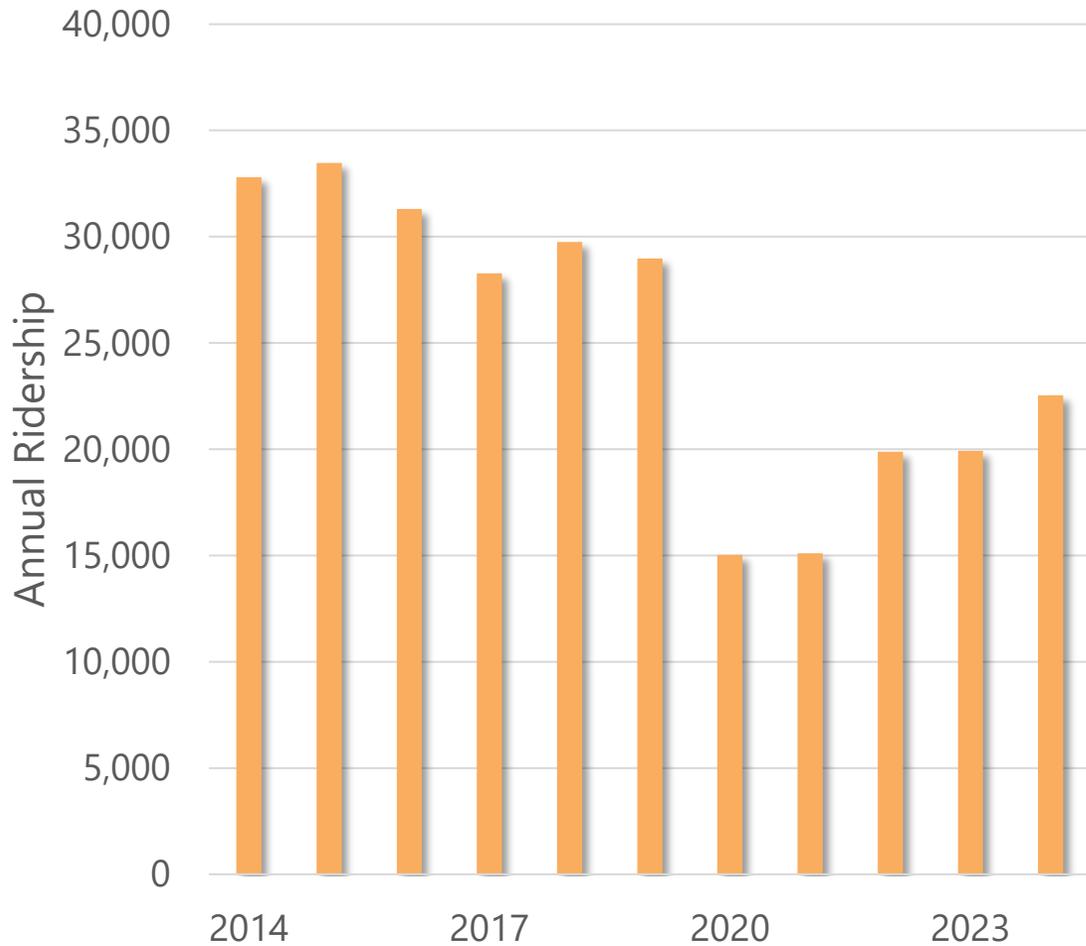 - Self perform cost approximation
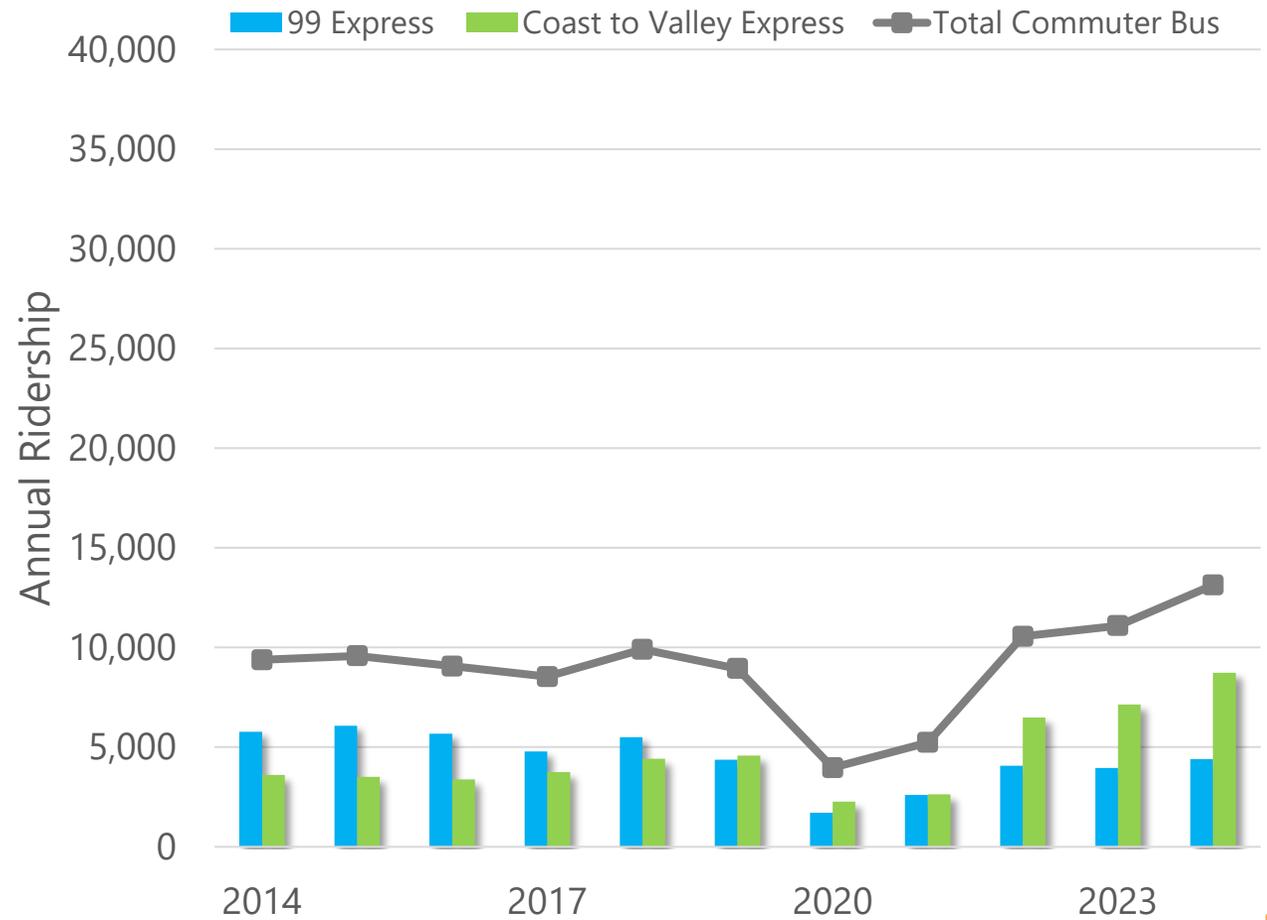
ADDITIONAL INFORMATION

Ridership and budget details

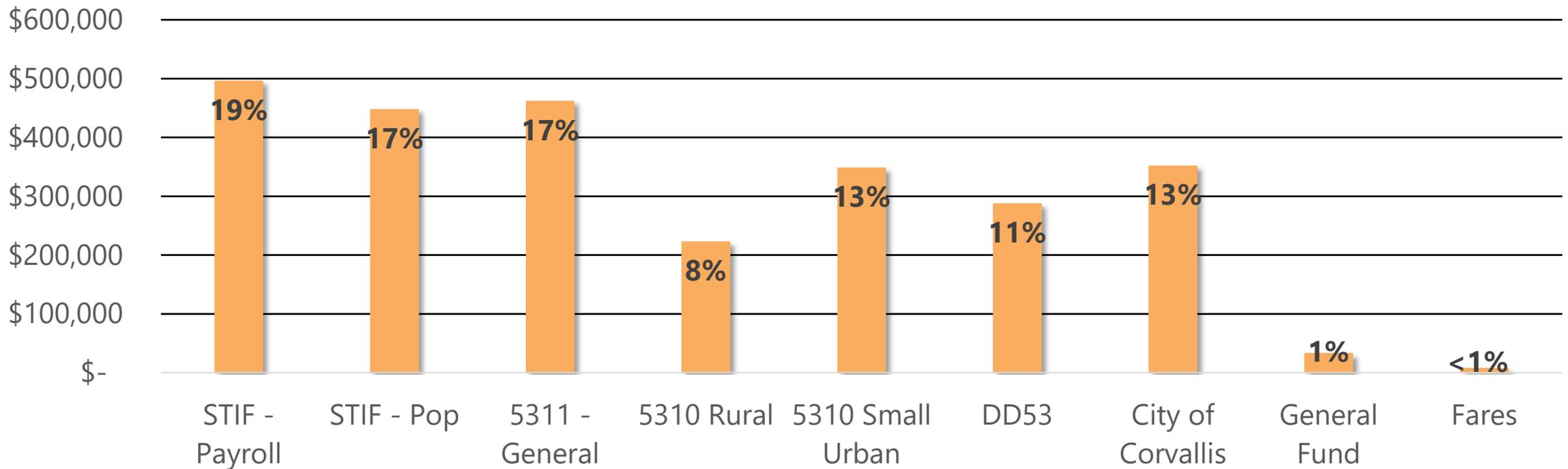KITTELSON & ASSOCIATES

RIDERSHIP

BAT Lift Annual Ridership

Annual Commuter Bus Ridership

REVENUE

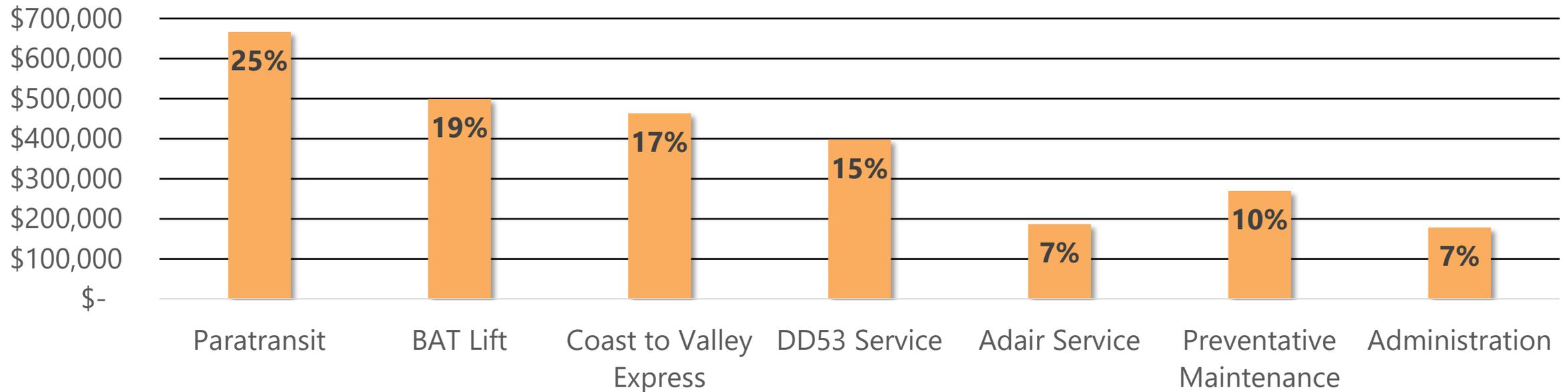BAT Transit Annual Operating Revenues 2023-2025*
Total = $2,661,247 Million

Total Biennial Revenue (Including Capital Expenses): $4.7 Million

*County staff provided a biennial budget which Kittelson divided in half for analysis

EXPENSES

Benton Area Transit Annual Operating Expenses 2023-2025*
Total = $2,661,247

Operating costs and expenses match → Changes in operating expenses will result in changes in service

*County staff provided a biennial budget which Kittelson divided in half for analysis

PEER COMPARISON

Provider	Location	Urban/ Rural (iNTD)	Service Provider
Benton Area Transit	**Benton County, OR**	**Urban**	**Purchased Transit**
Lincoln County Transit	Lincoln County, OR	Rural	Directly Operated
Columbia County Rider Transportation	Columbia County, OR	Rural	Directly Operated
Josephine Community Transit	Josephine County, OR	**Urban**	Directly Operated
Mid-Columbia Economic Development District	Wasco County, OR	Rural	Directly Operated
Malheur Council on Aging and Community Services	Malheur County, OR	Rural	Directly Operated
Curry County Public Transit	Curry County, OR	Rural	Directly Operated
Cities Area Transit	City of Grand Forks, ND	**Urban**	Directly Operated
Casper Area Transit	City of Casper, WY	**Urban**	Directly Operated
Grand Valley Transit	County of Mesa, CO	**Urban**	**Purchased Transit**
City Coach	City of Vacaville, CA	**Urban**	**Purchased Transit**
Whatcom Transportation Authority	Whatcomb County, WA	**Urban**	Directly Operated