
From: Madore, David
Sent: Mon 11/18/2013 3:23 PM
To: 'Jeff Hamm'; Madore, David
Subject: RE: C-Tran revenue source

Jeff,

Thank you for your reply. As your email conveyed, the failure of the planned 2013 sales tax increase leaves C-Tran with insufficient funds to continue the plans as proposed. In other words, you have confirmed that we don't have a workable plan for C-Tran to continue to provide basic service and BRT.

The question that I emailed to you was: "What finance plan provides for C-Tran's needs that increase from \$45,865,295 in 2012 to \$102,853,182 in 2030?" Your response, in short reveals that C-Tran does not have a plan.

As you confirmed during our last C-Tran Board meeting, the \$900,000 lower cost for the BRT plan is from a 25% cut in service hours along Fourth Plain for a more expensive service. Does that plan eventually restoring some of those service hours?

Since C-Tran is on an unsustainable financial track, rather than consuming \$6 million of our cash reserves for BRT, shouldn't we hold off on BRT in order to preserve those resources?

David

From: Jeff Hamm [mailto:JeffH@c-tran.org]
Sent: Monday, November 18, 2013 1:43 PM
To: Madore, David
Cc: Julie Syring; Diane O'Regan
Subject: RE: C-Tran revenue source

Commissioner Madore,

You are correct in that page 27 of the September 26 board meeting packet shows the value of truncated bus service savings going from \$1.031 million to \$2.312 million in 2030, an increase of 124% ($\$2,312,788 - \$1,031,341 / \$1,031,341 = 1.24$, or 124%). Page 27 showed how that increase over time was a combination of inflation and added service hours to meet anticipated ridership demand.

And indeed the HCT System and Finance Plan adopted by the Board in 2012 shows in the 'realistic' financial scenario of that plan a total C-TRAN operating budget of \$107,205,844 by 2030, an increase of 134% ($\$107,205,844 - \$45,865,295 / 45,865,295 = 1.34$, or 134%). The assumptions underlying the \$107 million budget are contained on pages 26 -38 of the HCT System and Finance Plan http://www.c-tran.com/assets/HCT/HCT_System_and_Finance_Plan-Final.pdf but in brief they are:

- Inflation Rate = 2.75% (Covers Rates for Services, Supplies, Utilities, Insurance, Taxes, and Miscellaneous Expenses) ;
- Salary & Wages Growth Rate = 3.5%;

-Benefits Growth Rate: 2013-2014 = 6%/year; 2015-2019 = 5.25%/years; 2020-2024 = 4.5%/year; 2025-2030 = 4%/year;

-Service Hours = In general, services hours for Fixed Route and CVAN vary from year to year. However, Fixed Route Average Annual Increase Between 2010-2030 = 1.2% (Includes BRT in 2015); CVAN Average Annual Increase Between 2010-2030 = 3.0%; LRT (Hours start in 2019 and stay constant thru 2030)

That plan, of course, assumed a one-tenth sales tax increase beginning in 2013. Based on the failure of that measure at the ballot box in 2012 it's up to the review of the C-TRAN 2030 Plan beginning next year to redraw the vision and/or the implementation strategy to arrive at service levels for all the agency's modes.

Jeff

From: Madore, David [mailto:David.Madore@clark.wa.gov]

Sent: Thursday, November 14, 2013 8:44 AM

To: Jeff Hamm; Madore, David

Subject: C-Tran revenue source

Jeff,

The total operations and maintenance expenses for all C-Tran service in 2012 is stated as approximately \$45,865,295 at:

<http://c-tran.com/assets/CAFR/C-TRAN 2012 CAFR.pdf>

The truncated bus service shown on page 27 of the September 26 meeting shows \$1,031,341 for 2012 and \$2,312,788 for 2030. That is a 224% increase.

Ref: [http://c-](http://c-tran.com/board meeting files/092613 Special Mtg Board Agenda Packet.pdf)

[tran.com/board meeting files/092613 Special Mtg Board Agenda Packet.pdf](http://c-tran.com/board meeting files/092613 Special Mtg Board Agenda Packet.pdf)

If the growth of total C-Tran expenses is proportional to the truncated bus service growth, then the total C-Tran expenses would also grow by 224% during those years from \$45,865,295 to \$102,853,182.

The truncated bus service is shown as revenue for Light Rail O&M. But of course, that is not revenue. It is an expense savings. The 0.7% sales tax paid in the service area is the revenue. What finance plan provides for C-Tran's needs that increase from \$45,865,295 in 2012 to \$102,853,182 in 2030?