

SEPTEMBER 2022

COUNTY OF HAWAI'I

TRANSIT AND MULTI-MODAL TRANSPORTATION MASTER PLAN



SUPPLEMENT 2022



2022 SUPPLEMENT TO THE
County of Hawaii
TRANSIT AND TRANSPORTATION
MULTI-MODAL TRANSPORTATION
MASTER PLAN (AUGUST 2018)

September 2022

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TABLE OF CONTENTS

BACKGROUND AND PURPOSE	1
What is in this Supplement to the Master Plan?	2
Highlights of Accomplishments towards Achieving the Programs recommended in the Master Plan	2
Highlights of Conditions not Fully Anticipated in the Master Plan.....	2
SECTION 1: CONTEXT AND ASSESSMENT OF SYSTEM CONDITION	5
Mass Transit Agency Mission	5
Vision (Updated)	5
The Five Goals of the Master Plan	6
Multi-Modal Program on Hawai'i Island	6
Service Improvements Recommended for Public Transit	7
Priorities and Timeframes	8
Priority Program I: Transition to Zero Emissions Fleet by 2035.....	9
Priority Program 2: Hub Program	10
Priority Program 3: Manage a Robust Grant Program	10
SECTION 2: THE TRANSIT FLEET INVENTORY, REPLACEMENT, AND EXPANSION	11
Fleet Characteristics	11
Fleet Size and Mix	12
Vehicle Procurement	12
Large Bus Fleet Plan	13
Small Bus Fleet Plan	13
Non-Revenue Fleet Plan	13
Transition to Zero-Emission Buses	13
Importance of a Preventive Maintenance Program	16
Facilities Maintenance Plan	18
Transit Asset Management Plan (TAM Plan)	18
Conclusion	19

SECTION 3: STAFFING & ORGANIZATION CHART	21
Need for Additional Positions in Administration, Maintenance, and Federal Compliance .	21
Program Management and Support	23
Fleet and Facility Maintenance	23
Peer Review	24
Need for Maintenance Capability in Kailua-Kona.....	25
SECTION 4: OPERATING & CAPITAL FINANCIAL PLANS	27
Capital Financial Plan	27
Operating Financial Plan.....	28
Combined Capital and Operating Financial Plan	29
Sources of Revenue	36
General Excise Tax Surcharge.....	37
Financial Plan Without GET After January 2031.....	40
Island-Wide Fare Structure	44
APPENDIX 1: PEER REVIEW TABLES	47
Appendix 1A - Peer Review for Fixed Route and Commuter Bus Service Area and Population.....	48
Appendix 1B - Peer Review for Fixed Route and Commuter Bus, Vehicle, Vehicles Operated in Maximum Service, Vehicles Available for Maximum Service, Employee count.....	49
Appendix 1C - Peer Review for Fixed Route and Commuter Bus Unlinked Trips, Vehicle Revenue Miles, Vehicle Revenue Hours	50
Appendix 1D - Peer Review for Fixed Route and Commuter Bus Service Efficiency and Service Effectiveness	51
APPENDIX 2: CIRCULAR NO. 20-002	53

LIST OF TABLES

Table 2-1: MTA Average Age in Years in the Large Bus Fleet	12
Table 2-2: MTA Average Age in Years of the Small Bus Fleet	13
Table 2-3: Large Bus Fleet Plan (Expansion and Replacement) Fixed Route	14
Table 4-1: Capital Costs (page 1 of 2).....	30
Table 4-1: Capital Costs (page 2 of 2).....	31
Table 4-2: Operating Expenses by Fiscal Year (page 1 of 2).....	32
Table 4-2: Operating Expenses by Fiscal Year (page 2 of 2).....	33
Table 4-3: Financial Plan (page 1 of 2).....	34
Table 4-3: Financial Plan (page 2 of 2).....	35
Table 4-4: FY 2031 with Full GET Funding Versus Half GET Funding.....	37
Table 4-5: User Revenue by Fiscal Year (page 1 of 2)	38
Table 4-5: User Revenue by Fiscal Year (page 2 of 2)	39
Table 4-6: FY 2032 Funding Options with No GET	43
Table 4-7: Proposed Fares	45

LIST OF FIGURES

Figure 3-1: Proposed County of Hawai'i Mass Transit Agency Position Organization Chart	22
Figure 4-1: Contribution of Revenue Sources	36
Figure 4-2: Subsidy per Unlinked Passenger Trip by Mode and Overall System.....	39
Figure 4-3: 2032 Funding Scenario Using County Sources and Without GET	40
Figure 4-4: Combined Dedicated Funding & Expense Reduction Scenario.....	42

BACKGROUND AND PURPOSE



It has been three and a half years since the County of Hawai'i (COH) Transit and Multi-Modal Transportation Master Plan (Master Plan) was completed and presented to the administration and the County Council for use in preparing policies and adopting budgets. Remarkable accomplishments have been achieved, especially in the past year; and also, significant changes have occurred in ridership, travel needs, and available resources.

This Supplement to the Master Plan (Supplement) provides adjusted recommendations and justifications in the areas of

- Staffing (organization chart);
- Fleet Maintenance and the bus replacement program; and finally,
- Operations and Capital Budgets for the next several years.

The Supplement is an important addition to and should be considered with the base Master Plan, putting the Vision, Goals and Objectives from the 2018 Master Plan in the context of the current social and economic setting. The Supplement extends the time period for revenue and expenditures five years beyond the original Master Plan, adding the years FY 2028 through FY 2032.

Due to the rapid changes taking place at Hele-On and Mass Transit Agency's significant achievements at accomplishing service goals, it is advisable that the entire Master Plan be reviewed and updated after five years, or approximately in 2025, along with a new public input effort.

What is in this Supplement to the Master Plan?

- Section One re-caps the Master Plan Chapter 2 (Vision, Goals), Chapter 3 (Multi-Modal Program), Chapter 4 (Transit Service Plan) and Chapter 7 (Priorities for Timing of Implementation).
- Section Two revisits the Fleet Inventory, Fleet Replacement and Fleet Expansion program in light of grant opportunities currently available and reasonably expected to be available and in light of the goal to having a zero emissions fleet by 2030.
- Section Three revisits the staffing needed to fulfill local needs as well as state and federal requirements.
- Section Four updates the Financial Plans for Operations and for Capital Improvements and extends the time through FY 2032. This includes a review of revenue sources; and options for with and without the continuation of the General Excise Tax (GET) surcharge beyond 2030.

The recommendations made in this Supplement are based on available data and discussions with MTA and other County agencies. It did not include new public outreach or original data collection.

Highlights of Accomplishments towards Achieving the Programs recommended in the Master Plan

- New Service Contract with Roberts Hawaii (\$15.6 Million) was implemented in 2020 for three (3) years and with two (2) one (1) year extensions. This contract has helped achieve system reliability. The terms of the new service contract have features that have improved reliability of service; with the MTA providing buses from its fleet and Roberts supplementing the fleet as needed by the MTA to have an operating fleet of 32 buses on 14 routes. Other changes in the contract terms include collection of ridership and revenue data for reporting to Federal Transit Administration.

- Implementation of Service Route improvements and additions now provides all route service recommended in the Master Plan with a few exceptions. These additions started in September/October 2021; all routes recommended will be in full service when Roberts Hawaii is able to provide the required number of transit operators (i.e. bus drivers) which is expected in third quarter of 2022.
- Steady progress on building the county-owned bus fleet is underway and conversion to a zero emissions fleet are both likely to be completed in advance of the goals.
- Creation of a Social Media presence for public information.
- New logo, image, and marketing.
- Staff training, recruitment of new positions, and improved staff morale.
- Progress made on planning for hubs, building bus shelters, and installing improved signage.

Highlights of Conditions not Fully Anticipated in the Master Plan

- The COVID-19 pandemic can be dated to March 2020 when Governor Ige issued an Emergency Proclamation which was extended twenty-five times over a two-year period. These orders outlining what activities were allowed (with restrictions) and, what were prohibited. Adjustments due to COVID-19 continue to the present, although most federal restrictions applying to public transit were lifted in April 2022. The pandemic response resulted in fundamental changes in travel to work, school, and other trip purposes, due to changes in the economy of the County and the State, most notably the volatile changes in the visitor industry. Ridership declined 50%. Yet, transit offers an important piece of the recovery package, especially for those on the social spectrum who are transit dependent.

- The Federal government, in recognition of the essential nature of public transit, made grants available to public transit agencies during 2020 and 2021 for COVID-19 recovery under the Coronavirus Aid, Relief and Economic Security (CARES), Coronavirus Response and Consolidated appropriations Act (CRRSAA), and the American Rescue Plan (ARP). County of Hawaii realized three allotments of \$5,789,791, \$4,319,700 and \$1,879,773 respectively from this unanticipated source and it has ensured continued operations.
- Starting in 2022, with passage of the Federal Infrastructure package, MTA expects to receive close to 33% boost in Sections 5339 and 5311 FTA formula and discretionary grants, available for operations and capital respectively.
- MTA is actively managing over a dozen federal grants (awarded through the state). In 2021 they applied for eight grants and have eight more in preparation. Three (3) are awarded so far.
- The General Excise Tax source has come to replace the County General and Highway Funds as the major source of transit funding. But, the GET surcharge is due to expire in FY 2030. So, scenario review and a plan are now needed for the period beyond that.
- Recommendation for findings and deficiencies cited the State Management Review for State of Hawai'i by FTA conducted in 2021. This includes implementing improved oversight of sub-grantees, such as the County of Hawai'i. The MTA has prepared an Internal Action Plan to improve its reporting of grant activity, review of critical procurement and financial processes, and implementation of safety programs for a drug-free workplace.
- Recommendations from the ADA Compliance Audit in 2021 and agreement with US Department of Justice (DOJ). This includes transitioning flag stops to regular, accessible bus stops, and training for mechanics to improve availability of the wheelchair lifts.
- The commitment to zero emissions was made by all County Mayors in December 2017 to reach zero emissions of their transit fleets by 2035. It has also been made around the country with a major boost coming from the Biden Administration as part of their energy policies. While this creates some competition for electric buses coming off the assembly line, on the positive side, the bus manufacturing industry has made great strides to meet the demand for electric vehicles and associated infrastructure (charging stations). MTA's grant and bus procurement programs are being adjusted to convert to all electric, both for the large 40-foot buses and for the smaller 30- and 35- foot buses. Still, there is an over-lap when both diesel fuel and electric charging is needed.

SECTION 1: CONTEXT AND ASSESSMENT OF SYSTEM CONDITION

Section One re-caps essential elements of the Master Plan that are relevant to the overall picture and funding. Achievements are described and adjustment of timing recommendations are indicated based on accomplishments.



The Mass Transit Agency (MTA) provides island-wide public transportation system known as Hele-On. Services run seven days per week, almost 24 hours per day. The Hele-On system plays a critical part in the economy and the community. Many riders are low-income, have no other means of transportation, and are dependent on the system to get to work. Individuals with disabilities who are unable to use the regular fixed route services within Hilo, Puna, and Kailua-Kona are able to use paratransit services called Hele-On Kako'o.

Mass Transit Agency Mission

Create a high quality, multi-modal transportation system that provides safe, reliable, convenient, environmentally responsible, and cost-effective mobility choices that meet the needs of our residents and visitors.

Vision (Updated)

The residents and visitors to the County of Hawai'i are able to enjoy and use a seamless system of transit routes, bicycle and pedestrian facilities connected at clean and attractive hubs and bus stops. This inter-connected system is a desirable, safe and reliable preferred choice as an alternative to automobile use. The transportation system meets the needs for commuting, school trips, business and commerce, medical needs, shopping and recreation. It is readily accessible to all members of the community regardless of age or disability. Information for how to use the transportation system is readily available in real-time and on multiple platforms. The transportation system is environmentally sensitive, making use of fuels that create zero emissions and utilize renewable sources of energy at its facilities. The

system proactively seeks out federal and state grants to support the mission and to keep prices as affordable as possible to users.

Comments:

The Mission statement has been added. The Vision, as stated in Chapter 2 of the Master Plan is adjusted to reflect an aspirations and potential benefits.

The Five Goals of the Master Plan



Goal One:

Make riding transit easier, reliable, and more desirable than other options.



Goal Two:

Create a transit system to serve the employment and social needs of all people



Goal Three:

Implement technology to provide real time transportation information



Goal Four:

Create transportation hubs and bus stops with amenities that provide rider comfort and safety and that help support community and village gathering places



Goal Five:

Phase system implementation in a fiscally sustainable manner

Comments:

The five goals, as described in Chapter 2 of the Master Plan, remain appropriate and no changes are recommended.

Multi-Modal Program on Hawai'i Island

Several modes comprise the multi-modal program for the island, including:

- Public Transit
- Ride-share, including Vanpools and Carpools
- Paratransit
- Taxi
- Transportation Network Companies (TNC) such as Uber and Lyft
- Bicycling including bike share



- Roadways for cars, trucks and private buses

Accomplishments:

- MTA has funded PATH to continue the bike share (HIBIKE) program in Kailua-Kona and to extend it to Hilo. Further expansion to Waimea and Pahoa awaits roadway improvements (by state) that would make the roads there safer for bicycling
- MTA is negotiating an agreement with Enterprise Hawaii for a vanpool program, with MTA subsidizing vanpools at \$500 per month
- Shared taxi program continues in Hilo and Kailua-Kona
- MTA is discussing “last mile” subsidies with Uber and Lyft
- Free vaccination transportation on Uber (\$15 per trip) through December 31, 2021.
- Paratransit program has been expanded to Puna in compliance with FTA requirements for providing comparable service to fixed route service.

Comments:

The multi-modal program for the island, as discussed in Chapter 3 of the Master Plan, remains appropriate. Progress has been made and more is underway.

Further improvements to the island's multi-modal transportation system involve MTA working with Department of Public Works (DPW) on such items as pedestrian and bicycle paths/lanes; bus stop improvements; signage; additional connector and emergency roads, and the complete streets program for Hilo.

Service Improvements Recommended for Public Transit

The Master Plan focused on four areas for attention to the public transit system on the island which would improve its appeal and value to customers. These are to have better:

- Customer information, including schedules and routes, and bus stop identification
- Schedule adherence and safety by adding new buses and keeping them in good repair
- New service plan to include new circulator and cross-island routes, both Flex and Zone service, expanded hours and Sunday service
- Fleet preventive maintenance system and inventory control

Accomplishments:

(A) Improved customer information and ease in using transit

- Expanded social media presence
- New branding (red lehua)
- New web site and Google app has been available since mid-2021
- Trip planner for bus, bike and Uber rides using Moovit on Hele-On website, Google Play and Apple app store for mobile phone users
- Implemented Moovit trip planner mobility app
- Implemented Token Transit mobile app for fare payment

- Added GMV Synchronatics technology on eight buses
- Launched credit card sales
- Real time information for Routes 60, 301, and 403 on myheleonbus.org



(B) Transit service Network

- New routes and service were put into effect on September 5, 2021 adding six new routes (for a new total of 23). Added evening and Sunday service on 12 routes, and using interim hubs. Once Roberts Hawaii hires additional drivers the final route additions will be added (Volcano to Ocean View, Route 203 on Highway 190, micro-transit in Puna and Ka'u District.)
- Three express routes (Blue, Red and Green) went into effect
- Circulators in Waimea, Hilo, Pahoa and Kailua-Kona with consistent headways of 60-120 minutes
- Flex time service (within one mile) for routes in Fern Acres, Waimea, and Hamakua Coast (Route 60)
- Trolley route started along Ali'i Drive in Kailua
- Paratransit service in Pahoa to match fixed route service on Routes 40, 401, and 402
- Improved service to Hilo and Kona international airports
- Interim hubs at Kona Commons, Parker Ranch, and Puna Kai Shopping Center, as well as Kea'au and Prince Kuhio Plaza.

(C) Vehicle Fleet

- New vendors for bus washing, electronic fare boxes, and Automatic Vehicle Locator (AVL) system
- 38 buses are in some stage of procurement. This will lead to a fleet size of 55, with 40 in use during regular and peak service.
- Active transition to zero emissions (electric, hydrogen, and diesel hybrids) fleet including transit vehicles, seven paratransit and five additional non-revenue vehicles. Hydrogen buses (3) will start being used in Kailua-Kona service starting in 2022. \$5.2 Million for charging stations will come from federal “Low-No” Grants (2019 and 2021) and from the VW Settlement Fund.

Comments:

Service improvements, as discussed in Chapter 4 of the Master Plan, have seen nearly complete implementation. This is a great achievement. New routes were added in every district. An assessment of ridership and rider reactions should be conducted six (6) months and again twelve (12) months after they have been in effect in order to make route adjustments.

Ridership was 300,000 in 2021, a low due to COVID-19 restrictions on community activity.

Availability of county-owned buses remains a problem due to their age, requiring large contract expenses with the service operator. This will be reduced once the buses MTA is ordering start to arrive and be put into service.

Priorities and Timeframes

The Master Plan assigned priorities to five timeframes: Immediate, Short Term, Mid-Term, Long Term, and Vision. We are now in the midst of the Near-Term priority list, but accomplishments show that MTA is ahead of that timeframe in many areas, suggesting adjustments are appropriate.

Immediate (2018-2019)

1. Restore service reliability and get ridership back to previous high level of 1.2 million passengers per year. **(In Progress)**
2. Acquire up to 14 buses using previous grants and new capital funds to bring the fleet to 25. **(In Progress)**
3. Once fleet size is enlarged and reliability can be

restored, continue to add additional service hours and routes to create a hub-and-spoke pattern.

(Implemented)

4. Start Hilo to Kailua-Kona service using Saddle Road and Daniel K. Inouye Highway. **(Implemented)**
5. Continue to review paratransit service per federal requirements. **(Implemented)**
6. Create a multi-modal transportation system on the island. Embrace multiple vendors for providing bicycle, vanpool, transit and other multi-modal services. **(Implemented)**
7. Increase staffing of the MTA to adequately address the range of responsibilities being assigned to them. Add new positions for Garage Supervisor, Administrative Services Assistant I, and an Account Clerk. **(Implemented)**
8. Create a google transit app for rider information. **(Implemented)**

Accomplishments:

Virtually all eight (8) immediate priorities have been addressed. Reliability and extended service improvements are most noticeable.

Comments:

Ridership is below what is desired, but is expected to make a turn-around as the economy improves.

Near Term (2020-2025)

1. Acquire five to six (5-6) new and replacement vehicles per year to bring the fleet to 55. **(In Progress)**
2. Increase service to have all proposed circulators in place. **(Implemented)**
3. Continue the multi-modal program. **(In Progress)**
4. Plan, design, and build the Kailua-Kona hub. Consider options to provide light service from Kailua-Kona side.
5. Add staffing to include a Assistant Mass Transit Administrator, Inventory Clerk, and a second shift of four (4) mechanics and working supervisor. By the time the fleet size is 35, there should be no less than six mechanics. **(In Progress)**
6. Start to implement the bus stop numbering and signage program at all time spots. **(In Progress)**
7. Design and develop a Puna hub and complete roadway improvements to allow for Intra-Puna service. **(In Progress)**

Accomplishments:

- Bus acquisition program proceeds at an accelerated pace and fleet size should reach 55 by 2024-26 plus seven paratransit vehicles. This includes a mix of large buses, small buses, and thirteen support vehicles.
- The Kailua-Kona Hub project has a \$2.6 million appropriation designated for design, environmental review, and land acquisition. MTA issued a Request for Proposals (RFP) for a consultant.
- Pahoa Hub project is in site selection/EA preparation stage. It is being planned for co-location of a state library and has received a state TOD planning grant.
- Style and colors for signage and bus stop information is completed. Implementation to start in FY23.

Comments:

The average fleet age is 17.3 years in 2022. With an aggressive purchase plan from available grants (FTA Section 5339 and CDBG) this should drop below 6.0. See Section 2 of this Supplement.

As the Master Plan programs grow and the fleet size increases, staffing needs to include an Assistant Mass Transit Administrator and an additional maintenance crew is needed as soon as possible, no later than the FY23 budget. A fleet size of 55 (40 in peak service) would need eight (8) Transit Vehicle Mechanics I and three (3) Transit Vehicle Mechanics II to comprise three full crews. See Section 3.

Mid Term (2025-2030)

1. Reassess the paratransit program and expand it to other parts of the island. Add a paratransit clerk position, as additional fixed routes warrant complementary paratransit service.
2. Continue the multi-modal, bus stop and amenities programs.
3. Implement the multi-modal complete streets program for Hilo.

Accomplishments:

The paratransit program was reviewed with FTA and Department of Justice in 2021. New service was added in Puna to match the fixed route service there. Flex service is an important addition.

Comments:

Passenger amenities programs should continue and be expanded. Hubs should be implemented.

Long Term (2030-2035)

1. Plan, design, and construct a Waimea hub
2. Upgrade the Mo'ohau hub in downtown Hilo
3. Update this Transit Master Plan
4. Expand the number of runs for routes that have demonstrated consistently high ridership

Comments:

Given the current rate of progress, all items in this phase can be pushed forward to Mid-Term, 2025-30. Vision Period (2035-2040)

1. Service to operate a full hub and spoke pattern with hubs in Hilo, Kona, Waimea, Puna and Keauhou
2. Conduct robust bike Share, Vanpool and TNC programs
3. Have a full Public Information and Outreach Program

Comments:

All these efforts are underway. New details for future expansion should be forthcoming. It is timely now to start reviewing what type of base yard is appropriate in Kailua-Kona, size, and functions.

Priority Program I: Transition to Zero Emissions Fleet by 2035

The expectation for this priority program is to immediately order hybrid buses, and to purchase zero emission buses (hydrogen and battery electric) as experience is gained from use of these in the county terrain and route distances. The zero-emission time goal of 2035 will most likely be exceeded by five or more years. Zero Emissions Bus Plan (required by FTA) is under preparation (2022).



There are implications of zero-emission fleet to the budget: cost of a diesel bus at this time is \$600,000. A diesel hybrid bus is \$650,000, an electric bus is \$750,000, and a hydrogen bus is \$900,000.

As of early 2022,

- Three (3) hydrogen buses will go into service in 2022 on Kailua-Kono routes
- Five(5) electric battery buses and charging equipment will be purchased in 2022
- Three (3) diesel hybrid buses are meant to be purchased in 2022
- 28 future purchases would be a combination of diesel-electric, hybrid, electric, and/or hydrogen if approved by HDOT.

Priority Program 2: Hub Program

The Puna Transit Hub is a project jointly managed by Planning, MTA, Finance, and the Office of the Mayor. The consultant (SSFM International) has been engaged to prepare an environmental assessment and site selection.

Funds received from the State TOD Program in the amount of \$100,000; in addition, the State will make available \$1 million if the hub is co-located with a new library. There are \$350,000 in planning funds from the State Library to assist with this effort.

Kailua-Kona Hub (which could also co-locate with a base yard) and planning work for Waimea, Mo'ohau Bus Terminal, and Prince Kuhio Plaza is in procurement to hire a planning consultant. There are \$2.5 million in FTA funds earmarked for design, environmental review, and land acquisition.

Priority Program 3: Manage a Robust Grant Program

One of the successes of MTA in the past several months has been the ability to find grants and write attractive (and ultimately successful) grant proposals. As of October 2021,

- Six (6) Section 5311 discretionary grants are active; four (4) of these are fully spent and are ready for closeout. Balance \$9,094,668
- Eight discretionary Section 5339 are active, two (2) of these are mostly spent. Balance \$25,513,447
- Formula Section 5311 grant will need an extension to spend the \$2,967,834
- Formula Section 5339 will need to be drawn down in 2022 to spend the \$3,498,167

- Since June 2021 MTA pursued eight grants, and received three awards. Eight more are in pursuit
- Areas of Persistent Poverty Program, MTA has requested \$270,000
- Enhanced Mobility for Seniors and persons with disabilities, MTA has requested \$220,000 from HDOT.
- Innovative Mobility program, MTA has applied for \$259,000
- VW Mitigation Fund, MTA awarded \$1,176,607.
- MTA was awarded the American Rescue Plan to support public transit industry during the COVID-19 public health emergency in the amount of \$1,879,773, MTA was awarded \$4,319,700 from the Coronavirus Aid, Relief and Economic Security Act (CARES) and \$4,500,000 in operations funding and \$3,500,270 in vehicle purchase funding from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) of 2021.
- The Bipartisan Infrastructure Law (Biden Infrastructure) funds will become available in 2022 for four priorities: Safety, Modernization, Climate, and Equity.

Comments:

1. The accelerated pace of implementation of the Master Plan recommendation including the Priority Program elements of Zero Emission and Hub Program both require extensive coordination with other county agencies, state and federal entities, and private parties. This is labor intensive and underscores the urgency of adding an Assistant Mass Transit Administrator who can devote time to these and other efforts and to back stop the Mass Transit Agency Administrator who is spread very thin. See Section 3.
2. The sheer volume and diversity of funding sources, including grants, that make possible all the progress, requires effort and close attention by the Mass Transit Administrator. As the State Management Review of HDOT indicates, the state has been lax in its oversight, procedures, and reporting responsibilities. It is incumbent on MTA, as a sub-recipient to improve its own procedures, procurement, internal controls, timely reporting during the period of performance (POP), and closeout require additional personnel. That is why it is recommended to add an Accountant I in the Fiscal/HR unit of Administrative Support; along with an Assistant Mass Transit Administrator, a Secretary I, for the Mass Transit Administrator. See Section 3.

SECTION 2: THE TRANSIT FLEET INVENTORY, REPLACEMENT, AND EXPANSION

Section Two revisits the Fleet Inventory, Fleet Replacement, and Fleet Expansion program in light of grant opportunities currently available and reasonably expected to be available. The Supplement also addresses the goal of having a zero-emissions fleet operating by 2035. The 2018 Master Plan's Fixed Route Bus Inventory and Fleet Expansion plan included fiscal years 2017 through 2027. This Supplement will take the plan to Fiscal Year 2032.



At the time the Master Plan was completed (2018), MTA had an active fleet of 19 vehicles, and peak vehicle needs were 29 buses. This lack of buses required MTA to lease vehicles to provide service. As of November, 2021 and with expanded service (described in Section One: Service Improvement Accomplishments), the available County-owned fleet has increased to 28 buses, with additional vehicles being prepared for service. The goal is a fleet of 55 vehicles for fixed route with 40 needed for peak service.

Fleet Characteristics

The recommended composition of the fleet is based upon passenger demand, vehicle spares, and vehicle useful life.

- FTA requires a Spare ratio for both the bus fixed route fleet. The bus fleet spare ratio standard is 20 percent in urban areas, however FTA uses this guideline for rural areas even though it is not

mandated. These standards can be increased to provide sufficient spares with the addition of a second maintenance facility.

- Average bus fleet age standard should be 7 years or less and paratransit average fleet age should be 3 years.
- Vehicle size (less than 30-foot, 35-foot, and 40-45-foot) is based upon demand and geographic/terrain constraints of the routes.

The current (2022) overall age of MTA’s large bus fixed route fleet is 17.3 years. The industry standard for fixed route vehicles is an average useful life of 12 years. The 12-year average is applied to the large bus fleet in the updated Fleet Plan. Smaller buses can have lesser minimum life requirements (per Altoona Bus Test). In practice, transit systems often keep their best running vehicles longer than 12 years. But currently transit systems are using the 12-year retirement threshold to upgrade vehicle propulsion technology, especially to acquire non-emission vehicles (see Transition to Zero Emission Buses section below).

Fleet Size and Mix

The Master Plan recommended a fleet size of 55 large buses, with 40 needed for peak service operation. The mix would be altered somewhat to have a fleet size of 62: 47 large buses and 15 small and flex service vehicles. MTA has been actively working to increase the county-owned vehicles and to reduce dependence on contractor provided vehicles, which are a major cost in the operating budget. Between 2019 and 2021, four (4) El Dorado cutaways and seven (7) paratransit vehicles were added. In 2022, four (4) MCI commuter buses and three (3) hydrogen buses will arrive and be added to the fleet.

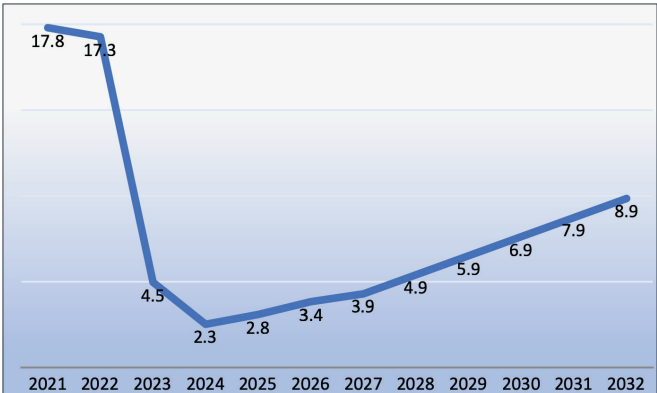
Vehicle Procurement

MTA is aggressively pursuing available grants to purchase vehicles. This includes the Section 5339 formula and discretionary capital grants from FTA. Also, one-time competitive grants from the VW Settlement Fund, and the “Lo-No” Federal Emissions Program. MTA also applied for or received other Federal fund sources including CDBG, CARES, CRRSAA and ARP. Additional federal funding is anticipated under the Bipartisan Infrastructure Law passed in the fall of 2021. Finding and using federal and

private grants greatly relieves the County budget while achieving system goals. The MTA large bus fleet size based on the expected delivery schedule will be 52 vehicles by 2025. MTA procured and received three (3) paratransit vehicles in 2021 and is expected to receive eight (8) small buses (less than 30-foot in length) to add to the fixed and flex route fleet. With delivery of these eight vehicles, MTA will have a small bus fleet of 22 vehicles. In 2023, 32 buses are planned for procurement, which will expand the fleet with an additional eleven buses to be received in 2024.

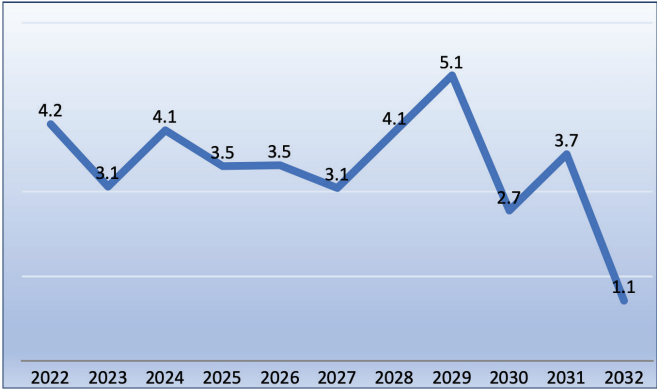
With these new buses, the average large bus fleet age drops to 2.3. Even with unexpected delays in bus delivery and prepping new buses for service, it is expected that those 32 new vehicles would be in service by 2025. The age gradually increases to 8.9 in 2032 as shown in the following figure. MTA will want to maintain the average fleet age as close to seven years as possible. This will require a minimum of ten (10) large bus new vehicles to be delivered in 2033 which would reduce the average fleet age to 7.6 years.

Table 2-1: MTA Average Age in Years in the Large Bus Fleet



Smaller vehicles used for paratransit and flex service have a much shorter useful life than the larger fixed route vehicles. These vehicles have a Useful Life of six years. The following figure shows MTA’s small bus average fleet age to 2032.

Table 2-2: MTA Average Age in Years of the Small Bus Fleet



Large Bus Fleet Plan

The table, **Large Bus Fixed Route Fleet Plan**, provides an updated Fleet Plan between the years 2022 and 2032 incorporating the assumptions discussed above. MTA continuously reviews ridership demand. It is anticipated that these reviews may identify the need to purchase additional vehicles above what is shown in the table. Additional vehicles may need to be placed into service in years 2027 or 2028 to accommodate the opening of a second maintenance facility in Kona along with increased passenger demand on selected routes. The budget year for these purchases would be approximately two years before the vehicles are needed to be in service.

The 40-foot buses have an average useful life of 12 years by industry standard, the smaller vehicles generally have a useful life of 7 to 9 years. Therefore, since MTA will have a fleet composed of over 42 percent smaller vehicles (by 2027), the overall average fleet age should be below six years.

Small Bus Fleet Plan

The **Small Bus Fleet Plan** identifies vehicles that are less than 30-feet. The majority of these vehicles will provide paratransit services in Hilo, Kailua-Kona, and Puna and Flex Route services identified for Puna, Waimea, North Kohala Coast, and the Hāmākua Coast between Hilo and Honokaʻa. This plan may need to be adjusted in 2027 or 2028 to accommodate potential increased paratransit demand. When a second maintenance facility opens in Kailua-Kona a plan will be needed to determine the optimal distribution of vehicles by location for over-night storage and daily maintenance.

Non-Revenue Fleet Plan

The non-revenue fleet includes driver relief vehicles and an additional shop vehicle. The non-revenue fleet would be increased from eight (8) to 13. These vehicles have an average useful life of eight (8) years.

Transition to Zero-Emission Buses

In December 2017, The County of Hawaiʻi adopted a policy to move to having a non-emission vehicle fleet by 2035. This will be accomplished through purchases to replace the existing fleet over time. In addition, there are infrastructure requirements such as charging stations for battery electric vehicles. A zero-emissions bus plan (ZEB) is underdevelopment.

Three hydrogen buses from US Hybrid are being added to the fleet in 2022 through a pilot program with National Energy Lab of Hawaiʻi Authority (NELHA). They will be used on routes in Kailua-Kona, re-fueled, and stored overnight at NELHA.

Five battery-electric buses (four (4) 35-foot and one (1) 40-foot) and charging equipment will be purchased in 2022 as part of a joint procurement with the counties of Maui and Kauaʻi (through the Hawaii Department of Transportation (HDOT)). In addition, three (3) diesel hybrid buses are planned for purchase in 2022. A planned purchase of 28 diesel buses is also pending a request for them to be converted to hydrogen or battery electric. The current (2022) base cost for various propulsion systems for a 40-foot bus is:

- Average diesel bus is \$600,000
- Average diesel hybrid bus is \$650,000
- Average electric bus is \$750,000
- Average hydrogen bus is \$900,000

Battery electric bus (BEB) ranges are dependent upon on-board battery size and the amount of energy used. The amount of energy used is influenced by trip length, assignment length, terrain, passenger load, and bus operator driving techniques.

Calculating the estimated range for buses without prior operating experience on MTA's bus routes, starts with the vehicle's kilowatt-hour (kWh) of stored energy, reducing to a conservative usable energy amount of no

Table 2-3: Large Bus Fleet Plan (Expansion and Replacement) Fixed Route

Bus Description	Mode	Budget Year	Model Year	Year Added to Service										
				2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Alexander Dennis Enviro500	Commuter		1994	1	1									
Gillig Phantom	Fixed Route		1995	2										
Gillig Phantom	Fixed Route		1997	6										
Gillig Phantom	Fixed Route		1998	10	4									
Gillig Phantom	Fixed Route		2000	3										
Gillig Phantom	Fixed Route		2005	2										
Gillig Phantom	Fixed Route		2007	5										
MCI	Commuter		2009	1	1									
MCI	Commuter		2010	0										
Alexander Dennis Enviro500	Commuter		2013	1	1	1	1	1						
MCI	Commuter		2014	2	2	2								
MCI	Commuter		2014	2	2	2	2							
ENC XHF	Fixed Route		2015	1	1	1								
MCI	Commuter		2022	2	2	2	2	2						
MCI	Commuter	2020	2023	4	4	4	4	4	4	4	4	4	4	4
(1) 35-foot bus	Fixed Route	2021	2023		1	1	1	1	1	1	1	1	1	1
(1) 35-foot bus	Fixed Route	2021	2023		1	1	1	1	1	1	1	1	1	1
(2) 30-foot buses	Fixed Route	2021	2023		2	2	2	2	2	2	2	2	2	2
(1) 40-foot electric bus	Fixed Route	2021	2023		1	1	1	1	1	1	1	1	1	1
(2) 40-foot Hybrid buses	Fixed Route	2021	2023		2	2	2	2	2	2	2	2	2	2
(2) 30-foot buses	Fixed Route	2021	2023		2	2	2	2	2	2	2	2	2	2
(10) 40-foot buses	Fixed Route	2021	2023		10	10	10	10	10	10	10	10	10	10
(1) 35-foot Hybrid buses	Fixed Route	2021	2023		1	1	1	1	1	1	1	1	1	1
(4) 35-foot electric buses	Fixed Route	2021	2023		4	4	4	4	4	4	4	4	4	4
(8) 35-foot buses	Fixed Route	2021	2023		8	8	8	8	8	8	8	8	8	8
(3) 40-45 foot buses	Commuter	2021	2024			3	3	3	3	3	3	3	3	3
(3) 40 foot buses	Commuter	2021	2024			3	3	3	3	3	3	3	3	3
(5) 40-45 foot buses	Commuter	2021	2024			5	5	5	5	5	5	5	5	5
(6) 40-45 foot buses	Fixed Route	2030	2033											
(4) 35 foot buses	Fixed Route	2030	2033											
Total Active Fleet				42	50	55	52	50	47	47	47	47	47	47
Peak Assignment				34	39	39	39	39	39	39	39	39	39	39
Spares				8	11	16	13	11	8	8	8	8	8	8
Spare Ratio (%)				23.5	28.2	41.0	33.3	28.2	20.5	20.5	20.5	20.5	20.5	20.5
Average Fleet Age				17.3	4.5	2.3	2.8	3.4	3.9	4.9	5.9	6.9	7.9	8.9

Table 2-4: Small Bus Fleet Plan for Paratransit and Fixed Route

Bus Description	Mode	Budget Year	Model Year	Year Added to Service										
				2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
El Dorado Aero Elite - H2	Fixed Route		2012	2	2	2	2	2						
Arboc Sprit of Mobility	Flex Route		2013	1										
Dodge Caravan	Paratransit		2019	4	4	4								
El Dorado Aero Elite	Flex Route		2019	4	4	4	4							
El Dorado Aero Elite - H2	Fixed Route		2015	1	1	1	1							
Dodge Caravan	Paratransit	2019	2021	3	3	3								
(6) <30-foot buses	Fixed Route	2021	2023		6	6	6	6	6	6	6	6	6	
(2) <30-foot buses	Flex Route	2021	2023		2	2	2	2	2	2	2			
Minivan	Paratransit	2023	2025				7	7	7	7	7			
Minivan	Paratransit	2028	2030									7	7	7
(2) <30-foot buses	Paratransit/FR	2029	2031									2	2	2
<30-foot buses	Fixed Route	2030	2032											6
	Paratransit	2031	2033											
Total Active Fleet				15	22	22	22	17	15	15	15	15	15	15
Peak Assignment				13	13	13	13	13	13	13	13	13	13	13
Spares				2	9	9	9	4	2	2	2	2	2	2
Spare Ratio (%)				15.4	69.2	69.2	69.2	30.8	15.4	15.4	15.4	15.4	15.4	15.4
Average Fleet Age				4.2	3.1	4.1	3.5	3.5	3.1	4.1	5.1	2.7	3.7	1.1

Table 2-5: Non-Revenue Fleet Plan

Vehicle Description	Budget Year	Model Year	Year Added to Service										
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
94 P/U Truck #1GCGC24M7B2133657 CH1096		1994	1										
Ford F350 4X4 Supercab F/B #09871 CH3151		2003	1										
Ford F350 4X4 Supercab F/B #09871 CH3152		2003	1										
Ford Expedition 1FMPU16506LA35586		2006	1	1									
07 Ford E-450 Van 1FDXE45S970A56097		2007	1										
2014 Ford Focus 4DR #1FADP3F29EL219588		2014	1	1									
2018 Ford F-350 Truck JED02425 CH3471		2018	1	1	1	1							
2020 Ford Explorer #1FMSK8BB8LGB12813		2020	1	1	1	1	1	1	1				
Replacement Shop Truck		2023		4	4	4	4	4	4	4	4	4	
Expansion Driver Relief Vehicle		2023		4	4	4	4	4	4	4	4	4	
Replacement Office Vehicle	2022	2024			3	3	3	3	3	3	3	3	3
Replacement Shop Truck	2024	2026					1	1	1	1	1	1	1
Replacement Administrator Vehicle	2027	2029								1	1	1	1
Replacement Shop Truck	2030	2032											4
Replacement Driver Relief Vehicle	2030	2032											4
Total Active Fleet			8	12	13	13	13	13	13	13	13	13	13

more than 70 percent of stored energy. Using an average of kWh used per mile of 2.4 and 440 kWh of stored energy, a range of 125 miles would be estimated.

There are two basic options for charging BEBs: on-route charging located at transit centers or identified layover places and plug in charges at the maintenance facilities. Estimating charging times is like estimating BEB range without actual service experience. Charging is dependent upon energy used, battery size, and charging speed.

Purchasing BEBs with a 125-mile range and fast on-route and maintenance facility chargers will help ensure MTA has enough vehicles and charging equipment to provide consistent service. Experience with operating BEBs in the field may influence the fleet plan in future years, requiring more or fewer vehicles.

MTA has worked in partnership with HDOT and the counties of Maui and Kaua'i the Hawai'i Zero Emission Bus Project (HZEB). The plan details the steps, costs, and funding sources to procure battery electric buses (BEB). Details identified in the table Hawai'i Zero Emission Bus Project Detail include procuring charging equipment in addition to the vehicles, modifications to the maintenance facility to support BEB, employee training, and maintenance additions for the new propulsion. As shown in the table, sources include several Federal grant programs, Volkswagen settlement funds, potential Hawaiian Electric Company (HECO) participation, and local matching funds. These are summarized below:

Table 2-6: Hawaii Zero Emission Bus Project Funding Summary (as relates to County of Hawai'i)

SUMMARY	FEDERAL	LOCAL	TOTAL
HI-2019-008	\$1,060,000	\$255,294	\$1,315,294
FY21 Low-No	\$2,361,431	\$396,638	\$2,758,069
Total Federal	\$3,421,431		
Total Local	\$651,932		
Total VW	\$1,176,667		
Total HECO	TBD		
GRAND TOTAL (HAWAII)	\$5,250,030		

Importance of a Preventive Maintenance Program

A strong preventive maintenance program (PM) effectively reduces operational cost by decreasing the frequency of unscheduled maintenance activities. The PM program would be based on manufacturer-specific recommendations adjusted for local experience and local operating conditions. A solid preventive maintenance program maximizes useful vehicle life, is more cost effective over the life of the vehicle, and ensures that vehicles are maintained to the highest possible safety standards.

A recent audit of HDOT oversight program included the recommendation that grantees follow best practices for preventive maintenance by using FTA guidelines. The guidelines call for PM to be conducted every 6,000 miles, at intervals called "K" ramp ups. There are eight ramp-up levels until the vehicle reaches 48,000 miles. After that, the inspections occur based on revenue miles and/or time.

An aggressive preventive maintenance program schedules vehicle inspections and preemptive maintenance activities for each fleet category and for each propulsion system type. The allowable variance with all preventive maintenance inspections is plus/minus 600 miles. Maintenance inspection activities completed within this parameter are considered on-time.

Preventive maintenance for ADA related equipment covers wheelchair ramps, wheelchair lifts, securement equipment, securement belts, and annunciators are to be inspected on every 6,000-mile vehicle inspection cycle. Wheelchair lifts, ramps, securement belts and annunciators are to be inspected by the vehicle operator before a bus or paratransit vehicle is used for revenue service. Bus and paratransit operators are required to fill out a Vehicle Condition Report card prior to leaving the facility detailing the inspection of the ADA equipment. Following the FTA State Management Review of HDOT's oversight and a finding that preventive maintenance needed to be more rigorous, MTA is reviewing its maintenance practices to identify potential improvements to the overall vehicle maintenance program. Fluids and engine analysis is an integral part of the preventive maintenance program for gas, diesel, and hybrid vehicles. An engine oil analysis should occur

at 12K, 24K, 36K, and 48K (12,000-mile intervals) inspections, which is based on revenue mileage. A review is needed for other propulsion system types and their specific preventive maintenance procedures that MTA will need to adopt.

Quality Assurance

Quality assurance is the process of verifying or determining whether the end product meets and/or exceeds established industry standards. Quality assurance is a process-driven approach that follows specific and orderly steps to define and attain goals. The quality assurance course of action is defined by a Quality Assurance Inspection Checklist which MTA needs to develop and periodically review. Quality Assurance Checklists include Air Conditioning, Automotive, Electrical, Unit Repair, and Paratransit features. The Quality Assurance sequence is defined as:

- Vehicle is identified and assigned to a qualified technician for maintenance activity.
- Vehicle repair and quality assurance inspection performed by same qualified technician.
- Supervisor verifies repair and quality assurance inspection as complete.
- Supervisor performs periodic repairs and quality assurance validation.
- Supervisor routes vehicle to the next appropriate step as required.
- A comprehensive quality assurance audit is performed.
- Vehicle is rejected or deemed ready for revenue

service by the quality assurance inspector.

- Rejected vehicles are routed back for further corrective action.
- A closing review/audit is required on rejected vehicles before deemed ready for revenue service.

Brake Inspection

The Brake Inspection Program inspects and ensures that all revenue service vehicles are safe to be assigned to revenue service daily. Each vehicle is subjected to a thorough inspection once per week. The inspection consists of examining the foundation brakes, parking brake system, air brake system, safety interlock systems and draining of all air tanks on the coach. Twenty percent (20%) of the fleet are inspected daily (Monday through Friday). If brake system defects are found, the vehicle is immediately removed from service until the brake defects have been corrected and verified by the Quality Assurance procedures. The Brake Inspection Program also initiates brake relines by forwarding the daily Brake Inspection Sheet for evaluation of reline candidates. The smaller vehicles used for paratransit should have the entire brake system inspected at every 6K Lube Inspection and at each quality assurance inspection. If defects are detected, the vehicle is immediately removed from service until the brake defect is corrected and verified. The brake reline criteria is determined by a minimum of lining thickness of three (3) millimeters, the standard used by the City & County of Honolulu.

Table 2-7: Hawai'i Zero Emission Bus Project Detail (as it relates to the County of Hawai'i)

HAWAII ZERO EMISSION BUS PROJECT (HZE) SUMMARY OF FUNDING (HAWAII)	TOTAL HZE	HI-2019-008		VW	HECO	FY21 LOW-NO BREAKDOWN						
		Federal	Local			FY21 Low-No Award		FY20 5339 Rural Formula		FY21 5339 Rural Formula		Total FY21 Low-No
						Federal	Local	Federal	Local	Federal	Local	
BUY REPLACEMENT BUS												
Battery Electric Bus	\$4,296,143	\$810,000	\$190,294	\$1,176,667	-	\$1,716,667	\$302,941	\$84,638	\$14,936			\$2,119,182
AQUIRE MISC ELEC/POWER EQUIP												
Depot Chargers (Equipment Only)	\$417,000	\$70,000	\$25,000		-			\$35,036	\$3,893	\$254,764	\$28,307	\$322,000
ENG/DESIGN MISC ELEC/POWER EQUIP												
Depot Design & Construction Mgt	\$104,250	\$71,000	\$9,000		-			\$21,825	\$2,425			\$24,250
CONSTRUCT MISC ELEC/POWER EQUIP												
Depot Construction	\$312,750	\$100,000	\$30,000		-			\$164,475	\$18,275			\$182,750
Depot Charger Installation	\$41,700	\$9,000	\$1,000		-			\$28,530	\$3,170			\$31,700
AQUIRE SHOP EQUIPMENT												
Maintenance Tools, Equipment & PPE	\$52,125				-			\$46,913	\$5,212			\$52,125
EMPLOYEE EDUCATION/TRAINING												
Workforce Training	\$26,062				-			\$8,583	\$17,479			\$26,062
GRAND TOTAL (HAWAII)	\$5,250,030	\$1,060,000	\$255,294	\$1,176,667	-	\$1,716,667	\$302,941	\$390,000	\$65,390	\$254,764	\$28,307	\$2,758,069
Apportionment Balance Available						\$1,716,667		\$390,000		\$1,400,000		
Amount Remaining						-		-		\$1,145,236		

Updated: 10/25/2021

Bus and Paratransit Maintenance Management Systems

MTA maintenance division needs to develop a system of computerized forms and reports to manage each segment of vehicle maintenance activities. This computerized system will serve as the division's historical vehicle maintenance database. Documents would include:

- Vehicle Repair Orders (VRO's)
- Preventive Maintenance (PM) tracking report
- PM inspection forms that are based on 6,000-mile service intervals.
- Parts requests.

VRO's based on scheduled and/or unscheduled vehicle maintenance requirements are created. The PM work orders are initiated using component mileage threshold reporting. Preventive maintenance and road call recording are tracked in real time. Preventive maintenance schedules are based on vehicle mileage and component mileage thresholds that are updated daily. All PM measures are captured and stored in the maintenance management computerized based system.

Hard copy VRO's of all maintenance activities performed are kept on file and archived for the life of the vehicle. Preventive maintenance monthly reports are used to monitor fleet performance. The computerized system generates reports that the Maintenance Manager can use to track vehicles and/or components that exhibit high incidences of road calls. Major failures including mechanical failures and interrupted service and system malfunctions are reported and monitored.

Considering the current fixed route fleet is on average older than most systems, maintenance practices are very important. Developing PM and other maintenance reporting for multiple propulsions (such as hybrid, gas, electric, hydrogen, diesel) is important to monitor the costs of maintenance by propulsion providing the agency the best information for future vehicle purchases.

Facilities Maintenance Plan

The goal of facilities maintenance is "to ensure the availability of safe, reliable, efficient and secure facilities and equipment for Hele-On customers and employees."¹ This includes the Hilo maintenance facility, hubs including Mo'ohau Bus Terminal, park-and-ride lots, and the equipment associated with these facilities.

A facilities maintenance plan develops the procedures and makes sure they are followed to maximize cost effectiveness of maintenance efforts consistent with safe operations through a balance of preventive maintenance, corrective maintenance, and systems improvements, where necessary. This includes an inventory of all facilities and equipment, log of maintenance activities and repairs, daily janitorial services, and identification of those facilities and equipment that need replacement or major repairs. Maintenance include HVAC, electrical, plumbing, lifts, and general aesthetics (painting, flooring), safety equipment including locks and alarms, and land scaping and vegetation.

Transit Asset Management Plan (TAM Plan)

The Federal Transit Administration (FTA) requires public transit providers that receive Federal transit assistance to undertake certain transit asset management activities. Transit asset management is the strategic and systematic practice of procuring, operating, inspecting, maintaining, rehabilitating, and replacing transit capital assets to manage their performance, risks, and costs over their life cycles. Doing so provides safe, cost-effective, and reliable public transportation. Asset management is a cornerstone of effective performance management. Asset management improves reliability, safety, cost management, and customer service. Direct recipients of federal dollars for capital acquisitions are required to prepare their own TAM Plans, updated every four (4) years. TAM Plans are not submitted to FTA but are required to be available. As a subrecipient, MTA would submit TAM Plan elements to HDOT for their TAM Plan.

1 Goal and section adapted from Miami Dade County Facilities Equipment & Maintenance Plan, June 2005

FTA established four performance measures to approximate the State of Good Repair (SGR) for four categories of capital assets. Calculating performance measures helps transit agencies to quantify the condition of their assets, which facilitates setting targets that support local funding prioritization.²

Table 2-8: FTA Established Performance Measures

ASSET CATEGORY	TOTAL
Rolling Stock	% of revenue vehicles exceeding useful life benchmark (ULB)
Equipment	% of non-revenue service vehicles exceeding ULB
Facilities	% of facilities rated under 3.0 on the
Infrastructure	N/A for MTA

The condition measure used in the NTD is the five-point scale used by FTA’s Transit Economic Requirements Model (TERM). Agencies must use this scale to report the condition of their facility assets. This scale has the following values:

Table 2-9: TERM Scale Values

RATING	CONDITION	DESCRIPTION
Excellent	4.8 - 5.0	No visible defects; new or near new condition; may still be under warranty if applicable
Good	4.0 - 4.7	Good condition, but no longer new; may be slightly defective or deteriorated, but is overall functional
Adequate	3.0 - 3.9	Moderately deteriorated or defective, but has not exceeded useful life
Marginal	2.0 - 2.9	Defective or deteriorated; in need of replacement; exceeded useful life
Poor	1.0 - 1.9	Critically damaged or in need of immediate repair; well past useful life

An asset is deemed to be in good repair if it has a rating of 3, 4, or 5 on this scale. Likewise, a facility is deemed to not be in good repair if it has a rating of 1 or 2. FTA requires that facility condition data be fully updated every four years, at a minimum. Agencies may choose to assess a quarter of their facilities every year, or more frequently. Each annual report must include updated facility condition data based on any assessments completed since the last report. Note: Only facilities with direct capital responsibility require condition assessments.

Conclusion

As a recipient of Federal funds (through HDOT) for vehicle purchases, MTA must keep federally funded vehicles, equipment, and facilities in good operating condition. MTA must keep Americans with Disabilities Act (ADA) accessibility features on all vehicles, equipment, and facilities in good operating order. A vigorous PM program must be developed immediately. That along with the planned growth in the fleet size and mix of propulsion types underscore the critical need to add additional trained mechanics and the additional of a Transit Maintenance Manager (new position). This is discussed further in the next section, Staffing and Organization Chart.

2 FTA TAM Facility Performance Measure Reporting Guidebook Condition Assessment Calculation, March 2018.

SECTION 3: STAFFING & ORGANIZATION CHART

Section Three revisits the staffing needed to fulfill local needs as well as state and federal requirements. The Master Plan discussed staffing needs in Chapter 7. Figure 7-3 presented a proposed organizational chart. Some important positions have been created and filled, including Garage Supervisor, and two Account Clerks. This Supplement presents a revised review of staffing needs and justification for added positions. The organization chart for MTA reflecting these needs is shown on the next page.

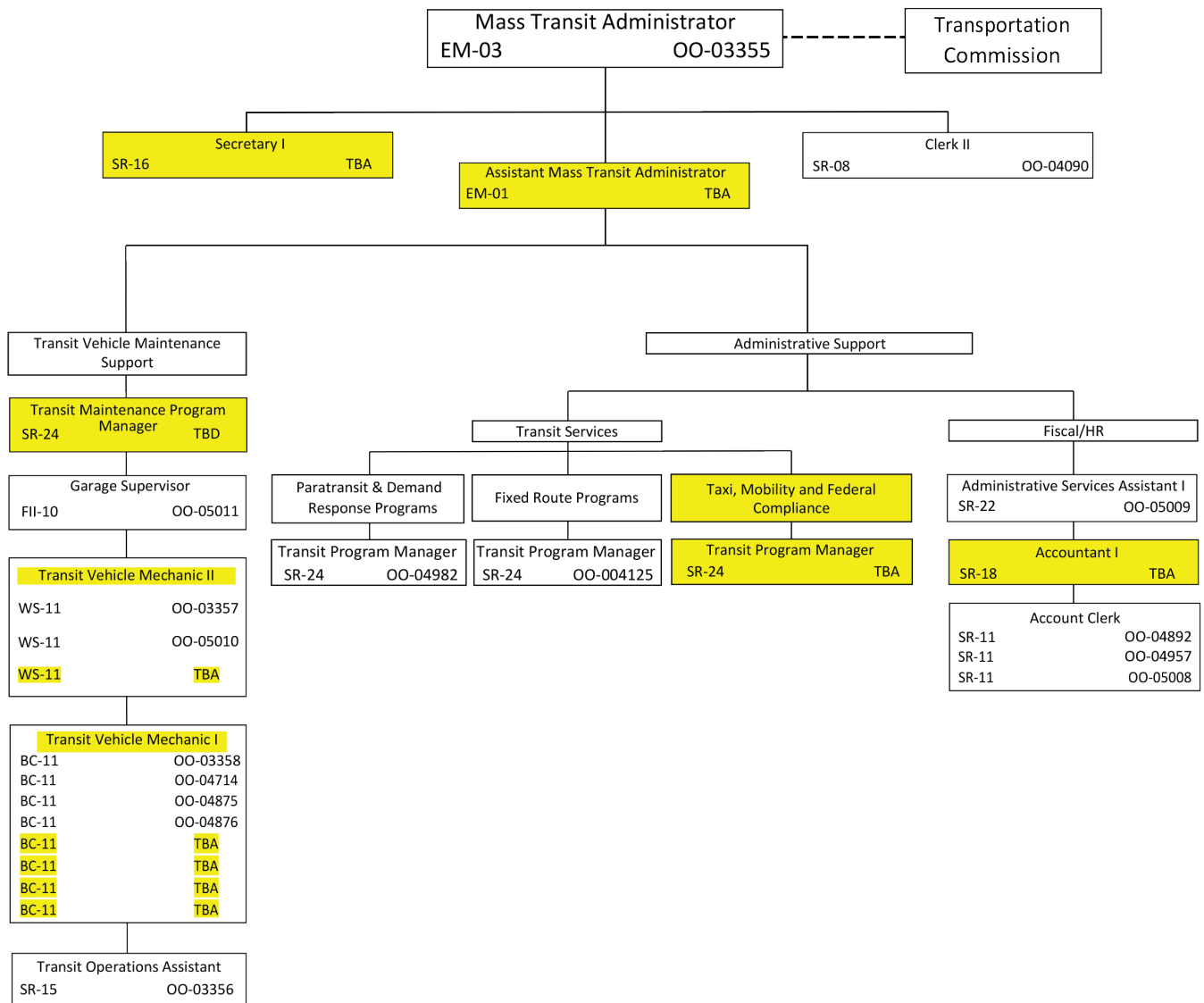


Need for Additional Positions in Administration, Maintenance, and Federal Compliance

The improvements at MTA are impressive and forward thinking, but there is a grave need to hire more staff. This is evident in three important areas: Administration, Maintenance, and Federal Compliance.

- The Mass Transit Administrator position classification should be reviewed and upgraded, commensurate with his/her duties and consistent with the similar civil service position in other departments and agencies the County. Division Chiefs in larger department are EM-7, -8, or -9.
- The Mass Transit Administrator should have a Secretary I to support his/her active schedule and breadth of responsibilities.
- Expansion of activities to essentially a 24-7 operation and the coordination needed for transition to an all-electric fleet underscores the urgent need for an Assistant Mass Transit Administrator, as had been recommended in the Master Plan. The classification would be two levels below the Mass Transit Administrator.
- Growth depends on a robust grant application and grant management system. This requires creation of a Mobility and Compliance Program Manager who ensures federal compliance and an Accountant I in the Fiscal/HR division.
- FTA and HDOT have emphasized the critical nature of having a best practices preventive program. That combined with the program initiative for zero-

Figure 3-1: Proposed County of Hawai'i Mass Transit Agency Position Organization Chart



Note: Position Mass Transit Assistant SR-12 [00-04893] is eliminated and reclassified into a Transit Program Manager. Colored boxes signify proposed new positions.

emissions means there will be a variety of types of vehicles in the fleet. Ensuring federal compliance for asset management leads to the recommendation for a Transit Maintenance Program Manager, the same level as the other transit program managers (SR 24).

- Increasing the fleet size to 35 and then on to 55 requires a third shift consisting of four (4) Transit Vehicle Mechanics I and a working supervisor (Transit Vehicle Mechanic II).
- The role for a Kailua-Kona-based maintenance crew has been reviewed for the near term.
- Investigate the desirability of having dedicated cleaning crews for the bus stops and transit centers. Currently this is contracted out on a limited scale.

Program Management and Support

This Supplement recommends creating four new administrative positions and filling them upon approval of the FY 2023 Budget: Assistant Mass Transit Administrator; Accountant; reclassification of the Mass Transit Administrator; and a Transit Program Manager; and Secretary to the Mass Transit Administrator.

This should greatly reduce the current practice of moving people off one task to help with a current priority or crisis. MTA, in the opinion of this consultant, has always been too short-handed for the responsibilities assigned to it, leaving no back-up for emergencies, vacancies, and employees on leave. At times, other departments in the County have had to loan staff to fulfill a pressing need at MTA. The new proposed Organization Chart in this Supplement shows both new positions (highlighted) and positions being moved within the organization. See Figure 3-1.

The Master Plan anticipates a substantial amount of extended effort and breadth of subordinate employees to be overseen by the Mass Transit Administrator. These duties are more commensurate with the duties of a division head in a department (which is an EM-7 or EM-8). In the City & County of Honolulu, the parallel position is an EM-8 and this person has at least two levels of authority above them. In Kauaʻi, the position is an EM-3, which is comparable to Hawaiʻi County. In Maui, the comparable position has no rating, and the salary is set by a Salary Commission; department heads

on Maui are EM-7. A review is in order to properly classify the Mass Transit Administrator. See Appendix 2 for the associated pay scales.

Fleet and Facility Maintenance

This Supplement recommends filling five (5) positions in the maintenance unit: Four (4) Transit vehicle Mechanics I and one (1) Transit Vehicle Mechanic II. This grouping would comprise a third shift, allowing more round the clock maintenance function. It could also be used to help staff up a facility in Kailua-Kona, when that is ready.

The look, cleanliness, and security of the bus system is important to attracting riders. MTA is committed to a multi-year program for installing shelters, informational signage, and passenger amenities island-wide. Within three (3) to five (5) years (approximately FY 2026) as these reach a critical number, the County should create two (2) or three (3) bus stop (and hub or transit center) cleaning crews under the supervision of MTA Maintenance Program Manager.

As an example of this elsewhere, the County of Kauaʻi has two utility workers who are each assigned a well-supplied truck to do the cleanings. They clean the Eiwa Street stop and restroom daily and the other 115 island wide bus stops on a two-week rotation. Duties include: wipe down and disinfect, power wash, cut grass and greenery, minor repairs, update flyer and schedule postings, and generate work orders when needed.



As seen in the picture above, they post a sign on the truck saying “Bus Stop Cleaning in Progress.” This is a reminder to passersby that the County takes pride in its appearance and the community can also. Similar cleanliness is needed on the inside and outside of the buses, which is currently assigned to Roberts Hawaii under their contract.

Peer Review

The assessment of vehicle maintenance staffing needs included a review of peer agencies to ascertain their staffing levels. The data shown in Appendix 1A through D – Peer Review is taken from the 2019 National Transit Database (NTD). While 2020 NTD data tables are available, the impact from the Covid-19 pandemic was not representative of normal operations. The FTA requires all systems accepting federal monies to report annually to the NTD. The NTD records the financial, operating, and asset condition of transit systems helping to keep track of the industry and provide public information and statistics.³ NTD data is available publicly and is beneficial for

multi-year comparisons, peer reviews, and trend analyses. It contains a wealth of information such as agency funding sources, inventories of vehicles and maintenance facilities, safety event reports, measures of transit service provided and consumed, and data on transit employees. This last category of data on transit employees is broken down by vehicle operators, administration, vehicle maintenance, and facility maintenance employees.

Definitions

Two measures were considered appropriate for comparison to MTA, to see where the county fits compared to the range and the median.

VOMS = Vehicles operating fixed route and commuter service in maximum service

VAMS = Vehicles available for maximum service

Table 1 shows there are 44 peers for average VOM; and 59 peers for average vehicles available for maximum service (VAMS). MTA averages for the Fiscal Year (FY) 2023 projections are compared to the per 39 VOMS and 52 VAMS.

Discussion

- MTA’s service area is much larger than any other peer systems. The average service area for the peer group is 338 square miles. MTA service area is 4,028 square miles.
- Of the 24 peer systems, six (6) had two (2) operating/maintenance facilities.
- Most systems used full time vehicle maintenance personnel; five systems also added part time vehicle maintenance employees.
- The peer systems have an average of 18 full time maintenance employees to service fixed route and commuter bus vehicles. These numbers do not include paratransit or facility maintenance employees. MTA currently has six (6) full time maintenance employees. The Supplement recommends increasing this number to eleven (11) by adding four (4) Mechanic I and one (1) Mechanic II position.

3 The National Transit Database (NTD) | FTA (dot.gov)

- On average, 2.6 vehicles (operated in maximum service) are assigned per maintenance employee for the peer systems. MTA has the highest vehicle count to employee ratio at 6.5 when comparing VOMS
- The peer average is 3.7 vehicles per maintenance employee when using the service vehicles available for maximum service (VAMS) metric. The MTA the ratio is 8.7, over double the peer.

Adding the five maintenance employees recommended would decrease the vehicle load to 3.5 VOMS and 4.7 VAMS per maintenance employee, still above the average, but more reasonable. Ideally, MTA would have 15 vehicle maintenance employees to match the peer average for the fixed route and commuter bus fleet. Decreasing the number of vehicles per maintenance employee to a more practicable level will help ensure service consistency with fewer service disruptions due to vehicle failure.

Furthermore, it is noted that there is a high need for trained mechanics in different specialties for the mix of vehicle propulsion systems: diesel, diesel hybrid, electric, and hydrogen vehicles being procured or already in service.

The comparisons cited above do not include paratransit services. Many systems, including many of the peer systems, contract paratransit services including dispatch, operating, and maintenance functions. MTA currently contracts Hilo, Puna, and Kailua-Kona paratransit service operations, but not service. For those peers that do maintain the paratransit vehicles, the average number of VOMS to maintenance employee is about five (5). MTA will need to add maintenance employees if paratransit vehicles are added to the fixed route and commuter bus fleet.

Need for Maintenance Capability in Kailua-Kona

MTA is responsible for an exceptionally large service area. The current maintenance facility and operating base is in Hilo. The Master Plan recommended a second operating and maintenance facility be in the Kona service area. Full implementation of the Master Plan would place at least 15 buses including spares for fixed route and commuter bus within the Kailua-Kona service area (North Kohala to Pahala). All of the

hydrogen buses would be based and serviced out of Kona. It is recommended that the facility have four (4) or more bays.

- Functions would include daily interior and exterior washing, fueling; and also, preventative maintenance for the fleet assigned to the Kailua-Kona side.
- Fluids (e.g. engine oil, transmission, coolant, power steering fluid, windshield wiper fluid, etc.)
- Preventive Maintenance and record keeping
- Limited body work (e.g. seat and scrape repair).

The description of maintenance services for the new facility is subject to further review, but the site selected should be adequate for growth. Major repair, warranty, engine overhaul, and body work would continue to be done in the Hilo base yard.

The Master Plan estimated full implementation of Kailua-Kona base yard in FY 2027. A new facility would need to be able to maintain and store up to 25 vehicles with room for growth. Maintenance, dispatch, bus operators, and administration personnel would report to the Kailua-Kona facility. Finally, overnight parking sites are needed for Waimea and Ka'u to support unmet operational needs.

SECTION 4: OPERATING & CAPITAL FINANCIAL PLANS

Section Four updates the Financial Plans for Operations and for Capital Improvements and extends the time from FY 2023 through FY 2032. This includes a review of revenue sources; and options for with and without the continuation of the GET surcharge beyond 2030.

In 2018, when the Master Plan was completed, the County had just voted to Implement a GET surcharge of .025 percent starting in January 2019 and dedicated to transportation needs at MTA and DPW. It was initially passed for one year so the Master Plan presented financial plans for with and without this source beyond that one year. Council later extended the GET to the full term allowed under State law (FY 2030). It is due to expire in FY 2030.



The individual components of the financial plan are connected. If for example, capital expenditures such as vehicle purchasing do not occur when planned, operating expenses may increase due to additional maintenance of older vehicles past their useful life. If planned hiring, such as mechanics do not occur, then vehicle reliability can fail increasing operations and maintenance costs. Tables begin on Page 30.

Capital Financial Plan

Capital costs are presented by budget year as shown in Table 4-1 Capital Costs. Budget year is July to June of the following year. MTA typically will apply for grants to help off-set costs, and the savings are realized 1-2 two years later. The capital plan has four major components:

- Fleet composed of large buses, small buses and paratransit vehicles, and non-revenue vehicles (See Section 2 for details).

- **Facilities including expanding the current maintenance facility in Hilo and development of a new maintenance facility in Kailua-Kona by the year 2026.** Costs for planning, design, environmental review; land acquisition; and finally, construction of a new facility are shown. Expansion of the Hilo facility is needed due to expanding fleet and multiple propulsions requiring additional space for fueling/charging. Also included in this category are new transit or mobility hubs, park and ride lot improvements, and passenger amenities including shelters, Americans With Disabilities Act (ADA) upgrades, and signage.
- **Passenger Systems include a new fare collection system and electronic information.**
- **Bikeshare is identified as a separate line item. While Hele-On is a partner in Bikeshare but may need to bear full responsibility for funding if grants are not readily available.**

Fleet capital costs are shown for the large bus, small bus, and non-revenue fleet. In FY 2021 and 2022, MTA successfully applied for Federal grants to purchase 32 vehicles for delivery by FY 23 to 24. The majority of these vehicles will have a useful life of 12-years for large buses and 5- to 7-years for small buses. Generally, maintaining a fleet of 60 vehicles would require MTA to purchase five or six vehicles a year. However, due to the urgent need to replace the fleet and because grants for this were available in FY21, these vehicles will be replaced starting in FY30 as shown in the Table 4-1. Purchases for fleet In FY23 include seven (7) paratransit vans and three (3) replacement office vehicles. Between FY24 and FY27, a maintenance shop truck and administrative vehicle are scheduled for purchase, while in FY28 seven (7) paratransit vans will be purchased, and in FY29 two (2) cutaway paratransit vehicles are scheduled for purchase as well as eight (8) non-revenue vehicles. FY30 has the largest number of replacement vehicles identified for purchase including four (4) 35-foot and six (6) 40-foot battery electric buses. Eight (8) vehicles are purchased in FY31 and 32.

A separate line-item has been added to the Capital Costs plan to identify the investment in Zero-Emissions Infrastructure. This program includes adding charging equipment and hydrogen fueling stations to both maintenance facilities and charging equipment to Transit Hub locations including Mo'ohau, Waimea, Pahoa, Haw'i, and Waikoloa.

The bus stop, shelter and signage programs remain ongoing through this time period as shown under **Facilities**. The majority of the new installations of the Signs and Wayfinding program is scheduled to be complete in FY28 with the opening of new hubs and the Kailua-Kona maintenance facility. This is reflected in the decrease in capital costs for this category in later years.

The Facilities program includes the planning, design, and construction of a new maintenance base in Kailua-Kona and expansion of the Hilo facility. Seven new transit hubs and the rehabilitation of two hubs are part of the Facilities program. New transit hubs in in Pahoa and Kailua-Kona as first priorities and then Kea'au, Waimea, Waikoloa, Ocean View, and Honoka'a are second priorities, the rehabilitation of Mo'ohau Bus Terminal is a first priority while rehabilitation of Prince Kuhiō Plaza is a second priority. Transit hubs would include bus bays, shelters, benches, trash cans, bike racks, parking, building with community room/restroom, electric vehicle charging and secure bus parking.

The Facilities program includes upgrades to the park-and-ride lots as well as new bus storage facilities in Ocean View and Waimea.

Passenger Systems include installing new fare collection and electronic information on all revenue service vehicles. These systems are identified in the next couple budget cycles to provide retrofitting on buses already in service or purchased without the systems. The fare system budget estimate is based upon retrofitting 20 buses. All new revenue vehicle purchases will have these systems in the specifications and will no longer need to be a line item.

The final capital cost category is for the **Bikeshare** expansion program.

Operating Financial Plan

The operating financial plan shown in Table 4-2 shows operating expenses by fiscal year for each mode. The State of Hawai'i Department of Business, Economic Development & Tourism (DBEDT) has forecast the Consumer Price Index (CPI) for years 2023 at 2.6 percent, 2024 at 2.3 percent, and 2025 at 2.1 percent. Given current national and international events, the

Financial Plan has taken a more conservative approach of using three (3) percent beyond 2025.

Existing MTA bus services are shown in two categories: Current Routes & Additions to Current Routes and New Routes. It is expected that after nine (9) months to one year of operating new routes, MTA will review the impact of new services. This review may lead to an increase or decrease in the number of bus trips, an adjustment to the span of service on weekdays and weekends and route alignment adjustments to better serve County residents, businesses, and visitors.

The decrease in costs shown under Existing Services in FY24 and FY25 reflects the cost savings from not using contractor-provided vehicles that MTA will realize due to the purchasing of new buses. The Plan assumes the final new fixed route bus routes identified in the Master Plan are added in FY 2024.

Other modal services, including Shared Taxi (including Uber & Lyft), Bikeshare, Paratransit, and ADA Paratransit are escalated at the same rates as fixed route services. The vanpool program is capped at 120 vanpools subsidized at \$500 per month each.

Combined Capital and Operating Financial Plan

The combined capital and operating financial plan for the transit system and related programs is shown in Table 4-3. Bus operations, other modal operations, and capital investments are identified in more detail in Tables 4-1 and 4-2. Overall operating and capital expenses range from about \$42,660,000 in FY 2024 to \$30,263,000 in FY 2029. These costs will be partly offset by revenues and grants which will be discussed in the next section.

Major capital investments including expanding the Hilo maintenance facility, construction of the Kailua-Kona maintenance facility, development of seven new transit hubs and the rehabilitation of two current hubs, and improvements to the park-and-ride lots are scheduled for the next several years. Capital costs taper down until FY 2030 when major vehicle purchases will be needed to begin replacing the large bus fleet.

Administration and maintenance costs include nine

(9) additional positions and upgrades to two current positions in FY 2023. This category increases in FY 2027 to account for the addition of maintenance and administrative personnel due to the new Kona maintenance facility. Other operations and maintenance costs have been separated into three cost categories: administrative (supplies, advertising, utilities), bus operations (fuel, parts, tools), and facilities (security, cleaning). Costs are escalated at 3% per year after FY25.

Fiscal Year 2023 has higher costs in several categories that will impact operating expenses during the year. This includes a printing cost of about \$430,000 for the new Hele-On bus and logo designs. Annual costs will return to about \$70,000 plus escalation following implementation in FY 2023. Another one-time expense increase is for bus parts to maintain an aging fleet. As new buses arrive and are put into service this cost will be reduced by over \$1 million as shown for fuel and parts in FY 2024 in Table 4-3.

Table 4-1: Capital Costs (page 1 of 2)

	CAPITAL COST BY BUDGET YEAR				
ITEM	2023	2024	2025	2026	2027
FLEET (all vehicles)					
specifications	\$20,000				\$20,000
Large Bus Fleet	\$1,800,000				
Small Bus Fleet	\$700,000				
Non-Revenue Fleet	\$105,000	\$86,800			\$50,000
Fleet Subtotal	\$2,625,000	\$86,800			\$70,000
FACILITIES					
Bus Stops (ADA & Shelters)					
planning & design/survey	\$270,000	\$30,000	\$30,000	\$30,000	\$30,900
land acquisition	\$205,000	\$140,000	\$140,000	\$140,000	\$144,200
Installation	\$450,000	\$350,000	\$350,000	\$350,000	\$360,500
Signs & Wayfinding					
planning & design/survey	\$50,000				
procurement					
installation	\$350,000	\$100,000	\$100,000	\$100,000	\$100,000
Transit Hubs					
planning & design/survey	\$950,000	\$650,000	\$650,000	\$650,000	\$650,000
land acquisition	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
construction		\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Zero Emissions Infrastructure	\$1,000,000	\$1,200,000	\$1,000,000	\$1,000,000	
Maintenance Facility					
planning & design/survey	\$125,000				
land acquisition					
construction		\$2,500,000			
equipment			\$400,000		
installation			\$150,000		
planning & design/survey	\$1,800,000				
land acquisition	\$1,500,000				
construction		\$4,000,000			
equipment				\$500,000	
installation				\$250,000	
Park & Ride Lots	\$250,000	\$1,070,000	\$1,070,000	\$250,000	\$1,070,000
Facilities Subtotal	\$7,950,000	\$16,040,000	\$9,890,000	\$9,270,000	\$8,355,600
PASSENGER SYSTEMS					
Fare Collection System					
specifications	\$20,000				
procure & install	\$400,000	\$400,000			
Electronic Information					
Apps & Information	\$250,000				
planning & specifications	\$100,000				
procure & install	\$330,000				
WI-FI on buses		\$300,000			
Passenger Systems Subtotal	\$1,100,000	\$700,000	\$0	\$0	\$0
BIKESHARE Match	\$181,200			\$500,000	
TOTALS	\$11,856,200	\$16,826,800	\$9,890,000	\$9,770,000	\$8,425,600

Table 4-1: Capital Costs (page 2 of 2)

	CAPITAL COST BY BUDGET YEAR					
ITEM	2028	2029	2030	2031	2032	SUBTOTAL
FLEET (all vehicles)						
specifications		\$35,000				\$75,000
Large Bus Fleet			\$9,633,500	\$7,676,000	\$7,300,000	\$26,409,500
Small Bus Fleet	\$789,000	\$578,000	\$1,776,000			\$3,843,000
Non-Revenue Fleet		\$544,000				\$785,800
Fleet Subtotal	\$789,000	\$1,157,000	\$11,409,500	\$7,676,000	\$7,300,000	\$31,113,300
FACILITIES						
Bus Stops (ADA & Shelters)						
planning & design/survey	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$559,874
land acquisition	\$148,526	\$152,982	\$157,571	\$162,298	\$167,167	\$1,557,745
Installation	\$371,315	\$382,454	\$393,928	\$405,746	\$417,918	\$3,831,862
Signs & Wayfinding						
planning & design/survey	\$50,000					\$100,000
procurement						\$0
installation	\$100,000	\$20,000	\$20,000	\$20,000	\$20,000	\$930,000
Transit Hubs						
planning & design/survey	\$650,000					\$4,200,000
land acquisition	\$1,000,000					\$6,000,000
construction	\$5,000,000					\$25,000,000
Zero Emissions Infrastructure						\$4,200,000
Maintenance Facility						
planning & design/survey						\$125,000
land acquisition						\$0
construction						\$2,500,000
equipment						\$400,000
installation						\$150,000
planning & design/survey						\$1,800,000
land acquisition						\$1,500,000
construction						\$4,000,000
equipment						\$500,000
installation						\$250,000
Park & Ride Lots	\$1,070,000	\$250,000		\$250,000		\$5,280,000
Facilities Subtotal	\$8,421,668	\$838,218	\$605,265	\$872,823	\$640,907	\$62,884,480
PASSENGER SYSTEMS						
Fare Collection System						
specifications						\$20,000
procure & install						\$800,000
Electronic Information						
Apps & Information						\$250,000
planning & specifications	\$100,000					\$200,000
procure & install						\$330,000
WI-FI on buses						\$300,000
Passenger Systems Subtotal	\$100,000	\$0	\$0	\$0	\$0	\$1,900,000
BIKESHARE Match		\$500,000				\$1,181,200
TOTALS	\$9,310,668	\$2,495,218	\$12,014,765	\$8,548,823	\$7,940,907	\$97,078,980

Table 4-2: Operating Expenses by Fiscal Year (page 1 of 2)

SERVICE	CAPITAL COST BY BUDGET YEAR				
	2023	2024	2025	2026	2027
EXISTING SERVICE					
Current Routes & Additions to Current Routes	\$16,375,015	\$14,223,670	\$11,714,617	\$12,066,056	\$12,428,038
NEW ROUTES					
Route 12 (two round trips)	\$230,000	\$235,290	\$240,231	\$247,438	\$254,861
Route 60 Hilo/Honokaa Flex Service	\$340,598	\$348,432	\$355,749	\$366,421	\$377,414
Route 203 North Kona via Highway 190	\$428,348	\$438,200	\$447,402	\$460,824	\$474,649
Zones and Flex Service Adjustments	\$244,927	\$250,560	\$255,822	\$263,496	\$271,401
Fixed Route Operations Subtotal	\$17,618,888	\$15,496,152	\$13,013,821	\$13,404,236	\$13,806,363
SHARED TAXI/TNC	\$1,000,000	\$1,023,000	\$1,044,483	\$1,075,817	\$1,108,092
BIKE SHARE (Expansion Kailua-Kona, Hilo, Waimea)	\$174,300	\$130,000	\$132,730	\$136,712	\$140,813
PARATRANSIT	\$1,500,000	\$1,534,500	\$1,566,725	\$1,613,726	\$1,662,138
ADA PARATRANSIT	\$515,000	\$526,845	\$537,909	\$554,046	\$570,667
VANPOOL	\$300,000	\$570,000	\$720,000	\$720,000	\$720,000
Other Modes Subtotal	\$3,489,300	\$3,784,345	\$4,001,846	\$4,100,302	\$4,201,711
Totals	\$21,108,188	\$19,280,497	\$17,015,668	\$17,504,538	\$18,008,074
Notes: 1. 2.6% escalation 2023, 2.3% in 2024, 2.1% in 2025, then increased to 3%. 2. FYs 24 and 25 show a decrease in operating costs for current routes due to the addition of MTA buses and less need on renting buses to provide scheduled service. 3. Shared Ride is capped at \$1,000,000 in 2023 and 2024, then escalated at 3% per year. This category includes introduction of working with TNCs such as Uber/Lyft. 4. Bike Share has an annual operation fee to maintain bikes. In addition to supporting the travel mode, MTA provides matching funds for grants. \$54,300 is estimated local match for a Transportation Alternatives Program (TAP) grant in 2023. 5. ADA Paratransit current service cost is based upon an estimate of \$515,000 for FY23 with escalation provided above. 6. Vanpool is based on 50 vanpools in FY2023, 95 total in FY2024 and 120 in later years. Based on \$500 per month subsidy.					

Table 4-2: Operating Expenses by Fiscal Year (page 2 of 2)

SERVICE	CAPITAL COST BY BUDGET YEAR				
	2028	2029	2030	2031	2032
EXISTING SERVICE					
Current Routes & Additions to Current Routes	\$12,800,879	\$13,184,905	\$13,580,452	\$13,987,866	\$14,407,502
NEW ROUTES					
Route 12 (two round trips)	\$262,507	\$270,382	\$278,494	\$286,848	\$295,454
Route 60 Hilo/Honokaa Flex Service	\$388,736	\$400,398	\$412,410	\$424,783	\$437,526
Route 203 North Kona via Highway 190	\$488,888	\$503,555	\$518,662	\$534,222	\$550,248
Zones and Flex Service Adjustments	\$279,543	\$287,930	\$296,568	\$305,465	\$314,628
Fixed Route Operations Subtotal	\$14,220,554	\$14,647,171	\$15,086,586	\$15,539,183	\$16,005,359
SHARED TAXI/TNC	\$1,141,335	\$1,175,575	\$1,210,842	\$1,247,167	\$1,284,582
BIKE SHARE (Expansion Kailua-Kona, Hilo, Waimea)	\$145,038	\$149,389	\$153,870	\$158,487	\$163,241
PARATRANSIT	\$1,712,002	\$1,763,362	\$1,816,263	\$1,870,751	\$1,926,874
ADA PARATRANSIT	\$587,787	\$605,421	\$623,584	\$642,291	\$661,560
VANPOOL	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000
Other Modes Subtotal	\$4,306,162	\$4,413,747	\$4,524,559	\$4,638,696	\$4,756,257
Totals	\$18,526,716	\$19,060,917	\$19,611,145	\$20,177,879	\$20,761,616
Notes: 1. 2.6% escalation 2023, 2.3% in 2024, 2.1% in 2025, then increased to 3%. 2. FYs 24 and 25 show a decrease in operating costs for current routes due to the addition of MTA buses and less need on renting buses to provide scheduled service. 3. Shared Ride is capped at \$1,000,000 in 2023 and 2024, then escalated at 3% per year. This category includes introduction of working with TNCs such as Uber/Lyft. 4. Bike Share has an annual operation fee to maintain bikes. In addition to supporting the travel mode, MTA provides matching funds for grants. \$54,300 is estimated local match for a TAP grant in 2023. 5. ADA Paratransit current service cost is based upon an estimate of \$515,000 for FY23 with escalation provided above. 6. Vanpool is based on 50 vanpools in FY2023, 95 total in FY2024 and 120 in later years. Based on \$500 per month subsidy.					

Table 4-3: Financial Plan (page 1 of 2)

EXPENSES	CAPITAL COST BY BUDGET YEAR				
	2023	2024	2025	2026	2027
Operating Expenses					
Administration & Maintenance S&W	\$2,092,284	\$2,140,407	\$2,185,355	\$2,250,916	\$2,918,443
Fringe & Benefits	\$650,000	\$664,950	\$678,914	\$699,281	\$720,260
Administration (office, advertising)	\$1,108,000	\$686,000	\$700,406	\$721,418	\$743,061
Bus Operations	\$17,618,888	\$15,496,152	\$13,013,821	\$13,404,236	\$13,806,363
Bus Operations (fuel, parts, etc.)	\$2,960,000	\$1,766,000	\$1,803,086	\$1,857,179	\$1,912,894
Information Systems Maintenance	\$208,000	\$125,000	\$127,625	\$131,454	\$135,397
O&M Facilities (bases, stops, hubs)	\$760,000	\$875,000	\$1,408,000	\$1,450,240	\$1,493,747
Special Projects	\$700,000	\$300,000	\$300,000	\$300,000	\$300,000
Other Modal Operations	\$3,489,300	\$3,784,345	\$4,001,846	\$4,100,302	\$4,201,711
Capital Investments	\$11,856,200	\$16,826,800	\$9,890,000	\$9,770,000	\$8,425,600
Subtotal Expenses Subtotal	\$41,442,672	\$42,664,654	\$34,109,054	\$34,685,025	\$34,657,476
FUNDING SOURCES	2023	2024	2025	2026	2027
User Revenue					
Bus Fare Revenue	\$0	\$0	\$897,000	\$1,117,513	\$1,285,139
Other Revenue	\$405,000	\$410,000	\$556,718	\$701,731	\$705,721
Subtotal User Revenue	\$405,000	\$410,000	\$1,453,718	\$1,819,244	\$1,990,861
Grants					
Federal Operating Grant	\$2,159,939	\$1,500,000	\$1,575,000	\$1,653,750	\$1,736,438
Federal Bus & Facilities, formula	\$6,561,431	\$1,400,000	\$1,470,000	\$1,543,500	\$1,620,675
Bus & Facilities; competitive	\$2,361,431	\$3,700,000	\$1,500,000	\$1,500,000	\$1,500,000
Other Funding & Grants; competitive	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
Subtotal Grants	\$12,382,801	\$7,900,000	\$5,845,000	\$5,997,250	\$6,157,113
County Funding:					
General Obligation (GO) Bonds (CIP)	\$2,810,000	\$9,950,000	\$6,650,000	\$6,650,000	\$6,650,000
General & Highway Fund	\$0	\$0	\$0	\$0	\$0
General Excise Tax					
Estimated Excise Tax Revenue	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
GET Transit Funding	\$25,844,871	\$24,404,654	\$20,160,336	\$20,218,532	\$19,859,503
GET Other Transportation Projects	\$24,155,129	\$25,595,346	\$29,839,664	\$29,781,468	\$30,140,497
SUMMARY	2023	2024	2025	2026	2027
Total Expenses	\$41,442,672	\$42,664,654	\$34,109,054	\$34,685,025	\$34,657,476
Revenues	\$405,000	\$410,000	\$1,453,718	\$1,819,244	\$1,990,861
Grants	\$12,382,801	\$7,900,000	\$5,845,000	\$5,997,250	\$6,157,113
County GO Bonds (CIP)	\$2,810,000	\$9,950,000	\$6,650,000	\$6,650,000	\$6,650,000
GET Transit Funding	\$25,171,596	\$24,404,654	\$20,160,336	\$20,218,532	\$19,859,503
County General Fund	\$0	\$0	\$0	\$0	\$0
County Highway Fund	\$0	\$0	\$0	\$0	\$0
Total Funding Sources	\$41,442,672	\$42,664,654	\$34,109,054	\$34,685,025	\$34,657,476
GET Other Transportation Projects & Carryover	\$24,155,129	\$25,595,346	\$29,839,664	\$29,781,468	\$30,140,497

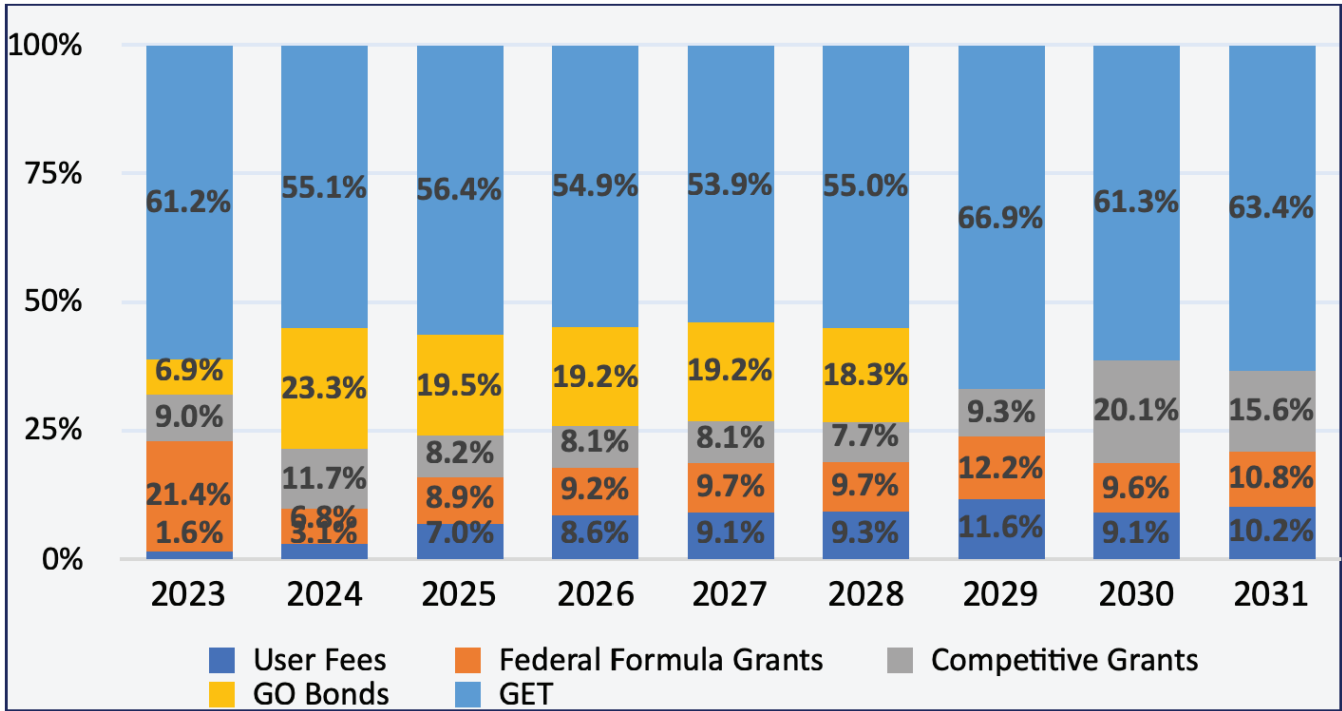
Table 4-3: Financial Plan (page 2 of 2)

EXPENSES	CAPITAL COST BY BUDGET YEAR				
	2028	2029	2030	2031	2032
Operating Expenses					
Administration & Maintenance S&W	\$3,005,996	\$3,096,176	\$3,189,062	\$3,284,734	\$3,383,276
Fringe & Benefits	\$741,868	\$764,124	\$787,047	\$810,659	\$834,979
Administration (office, advertising)	\$765,353	\$788,313	\$811,963	\$836,321	\$861,411
Bus Operations	\$14,220,554	\$14,647,171	\$15,086,586	\$15,539,183	\$16,005,359
Bus Operations (fuel, parts, etc.)	\$1,970,281	\$2,029,389	\$2,090,271	\$2,152,979	\$2,217,568
Information Systems Maintenance	\$139,459	\$143,643	\$147,952	\$152,391	\$156,963
O&M Facilities (bases, stops, hubs)	\$1,538,560	\$1,584,716	\$1,632,258	\$1,681,226	\$1,731,662
Special Projects	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Other Modal Operations	\$4,306,162	\$4,413,747	\$4,524,559	\$4,638,696	\$4,756,257
Capital Investments	\$9,310,668	\$2,495,218	\$12,014,765	\$8,548,823	\$7,940,907
Subtotal Expenses Subtotal	\$36,298,900	\$30,262,497	\$40,584,462	\$37,945,011	\$38,188,381
FUNDING SOURCES	2028	2029	2030	2031	2032
User Revenue					
Bus Fare Revenue	\$1,477,910	\$1,625,701	\$1,788,271	\$1,967,099	\$2,163,808
Other Revenue	\$713,101	\$717,270	\$721,483	\$725,740	\$736,328
Subtotal User Revenue	\$2,191,011	\$2,342,972	\$2,509,755	\$2,692,839	\$2,900,136
Grants					
<i>Federal Operating Grant</i>	\$1,823,259	\$1,914,422	\$2,010,143	\$2,110,651	\$2,216,183
<i>Federal Bus & Facilities, formula</i>	\$1,701,709	\$1,786,794	\$1,876,134	\$1,969,941	\$2,068,438
<i>Bus & Facilities; competitive</i>	\$1,500,000	\$1,500,000	\$6,845,700	\$4,605,600	\$5,840,000
<i>Other Funding & Grants; competitive</i>	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
Subtotal Grants	\$6,324,968	\$6,501,217	\$12,031,977	\$9,986,191	\$11,424,621
County Funding:					
General Obligation (GO) Bonds (CIP)	\$6,650,000	\$0	\$0	\$0	\$0
General & Highway Fund	\$0	\$0	\$0	\$12,632,990	\$23,863,624
General Excise Tax					
Estimated Excise Tax Revenue	\$50,000,000	\$50,000,000	\$50,000,000	\$25,000,000	\$0
GET Transit Funding	\$21,132,921	\$21,418,309	\$26,042,730	\$12,632,991	\$0
<i>GET Other Transportation Projects</i>	\$28,867,079	\$28,581,691	\$23,957,270	\$12,367,009	\$0
SUMMARY	2028	2029	2030	2031	2032
Total Expenses	\$36,298,900	\$30,262,497	\$40,584,462	\$37,945,011	\$38,188,381
Revenues	\$2,191,011	\$2,342,972	\$2,509,755	\$2,692,839	\$2,900,136
Grants	\$6,324,968	\$6,501,217	\$12,031,977	\$9,986,191	\$11,424,621
County GO Bonds (CIP)	\$6,650,000	\$0	\$0	\$0	\$0
GET Transit Funding	\$21,132,921	\$21,418,309	\$26,042,730	\$12,632,991	\$0
County General Fund	\$0	\$0	\$0	\$9,474,743	\$17,897,718
County Highway Fund	\$0	\$0	\$0	\$3,158,248	\$5,965,906
Total Funding Sources	\$36,298,900	\$30,262,497	\$40,584,462	\$37,945,011	\$38,188,381
<i>GET Other Transportation Projects & Carryover</i>	\$28,867,079	\$28,581,691	\$23,957,270	\$12,367,009	\$0

Sources of Revenue

Over the past two years, the major sources of revenue for MTA have been the State GET surcharge and federal funds. This will remain the case through FY 2030. Figure 4-1 shows the major revenue sources and their percent of contribution toward MTA expenses by fiscal year through FY 2031. As shown the GET surcharge accounts for over 50 percent of funds for each year. Fiscal year 2032 is not shown in this table as the GET sunsets on December 31, 2030. Each of these revenue sources are discussed in the following paragraphs.

Figure 4-1: Contribution of Revenue Sources



Currently, MTA receives approximately \$1.4 million per year. The Federal Bus & Facilities capital grant formula program (5339(a)) is likewise expected to have at least a minimum increase to \$1.4 million. Both of these formula grant programs are passed through the HDOT to MTA. Combined these two programs will provide a minimum of 6.8 percent of funding in FY 2024 to a high of 21.4 percent of funding in FY 2023.

The goal is for competitive capital federal grants to fund the cost of bus fleet expansion, with MTA paying the local match. The competitive grants are for vehicle and facilities purchases and can have a significant impact on funding for the system when successful. In addition,

Federal Formula Funds

The Infrastructure Investment and Jobs Act passed in the fall of 2021 means more federal funds will come to MTA and the County. The emphasis is on Safety, Modernization, Climate and Equity, all goals that are well suited to the mission and objectives of the MTA Master Plan. Over the first five years of the program, these funds are anticipated to grow as much as 33% in formula programs.

The Federal operating grant formula for rural areas (5311) is expected to increase at a minimum to \$1.5 million in FY 2024 with following years showing an escalation of the funding by about five percent per year.

there are discretionary grants for such efforts as rural transportation, commuter services, and electric vehicle (EV) charging that will be actively pursued. MTA has been very success in obtaining grants over the past year. This plan, however, maintains a conservative estimate for grant revenues.

General Excise Tax Surcharge

In the first year that the County of Hawai‘i collected the GET allowed under State law, it was assessed at the rate of 0.25 through the year 2019. After that, it was raised to 0.50. While there was some dip during the COVID-19 period when people were not traveling, the GET surcharge has proven to be an excellent source of funding for county transportation programs, including, but not only public transit.

For planning purposes, this plan holds constant at \$50,000,000 the amount raised each year from GET. While this could rise or fall according to economic conditions, especially tourism, the GET Surcharge raises enough to cover the full cost of transit expenses after user fees and Federal grants are deducted, or around \$22 million per year. The difference in what is collected (around \$28 million) is applied to other transportation projects of the County such as roadways and bridges.

The GET will be in effect until the law sunsets on December 31, 2030 (which is mid-year FY2031). Because it is unknown what the legislature will do about extending it, this financial plan addresses FY 2032 as WITHOUT the GET source, discussed later in this section of the supplement. Table 4-3 shows that GET funding is used for FY 2031.

It is estimated that the GET would raise \$25 million for FY 2031 (half of the annual estimate of \$50 million). There are two options for using the GET in FY 2031. The first uses the full GET funds as shown in Table 4-4. This would require \$265,982 in County General Funds to meet expenses. An alternative for FY 2031 is to use County funds from the Highway and General Funds for half of the resources needed and using the remainder from the GET. The remaining just over \$12 million GET funds would be available for other County projects. As shown in Table 4-4, the 75 percent of the County funding portion is assigned to the General Fund with 25 percent coming from the Highway Fund.

Table 4-4: FY 2031 with Full GET Funding Versus Half GET Funding

SUMMARY	FY 2031 USING FULL GET FUNDS	FY 2031 USING 50% GET FUNDS
Total Expenses	\$37,945,011	\$37,945,011
Fare Revenue	\$2,692,839	\$2,692,839
Grants	\$9,986,191	\$9,986,191
County GO Bonds (CIP)	\$0	\$0
GET Transit Funding	\$25,000,000	\$12,632,991
County General Fund	\$265,982	\$9,474,743
County Highway Fund	\$0	\$3,258,248
Total Funding Sources	\$37,945,011	\$37,945,011
<i>GET Other Transportation Projects & Carryover</i>	\$0	\$12,367,009

County Funds

There are three major categories of County funding that MTA can access in addition to the GET. These are:

- **General Obligation Bonds (GO Bonds).** GO Bonds are usually packaged for major capital investments. The GO Bonds have been identified for funding of the maintenance facility and transit hubs. However, if MTA is successful in being awarded discretionary Federal grants for these projects, then the amounts shown in Table 4-3 would be reduced for GO Bond funding.
- **County Highway Fund.** Almost 40 percent of the Highway Fund comes from fuel taxes. Street Use fees and a Public Utility Franchise tax are other components of this fund's revenues.
- **County General Fund.** Real property taxes comprise 76.4 percent of revenues in the County General Fund.

Prior to the GET being implemented, MTA was funded primarily through the Highway and General Funds.

User Fares and the Free Fare Pilot

Fares raise \$560,000 in revenues per year. This is less than 1% of all operating costs and requires positions just for cash handling. MTA implemented a Fare Free Pilot Program for fixed route and ADA paratransit services on February 27, 2022. The program is expected to run for about two years. The program will allow time for MTA to build ridership, introduce the community to the new service improvements, set a new image for using the bus, and install new fare collection and

Table 4-5: User Revenue by Fiscal Year (page 1 of 2)

SERVICE	USER REVENUE BY FISCAL YEAR				
	2023	2024	2025	2026	2027
BUS SERVICES					
Annual Passenger Trips	500,000	650,000	747,500	859,625	988,569
Revenue per Unlinked Trip	\$0.00	\$0.00	\$1.20	\$1.30	\$1.30
Bus Passenger Fares	\$0.0	\$0.0	\$897,000	\$1,117,513	\$1,285,139
ADA PARATRANSIT					
Annual Passenger Trips	7,880	8,700	9,570	10,527	10,843
Revenue per Unlinked Trip	\$0.00	\$0.0	\$2.40	\$2.40	\$2.40
Paratransit Passenger Fares	\$0.0	\$0.0	\$22,968	\$25,265	\$26,023
SHARED TAXI					
Annual Passenger Trips	150,000	152,000	155,000	155,775	156,554
Revenue per Unlinked Trip	\$2.50	\$2.50	\$3.25	\$4.15	\$4.15
Shared Taxi Passenger Fares	\$375,000	\$380,000	\$503,750	\$646,466	\$649,699
OTHER (advertising; taxicab licenses)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
TOTALS	\$405,000	\$410,000	\$1,453,718	\$1,819,244	\$1,990,861

passenger information infrastructure. Table 4-5 shows no Bus Services or ADA Paratransit revenue for FY 2023 and FY 2024. The table shows User Fare Revenues resuming January 1, 2025.

The last year when Hele-On was free was from 2005 to 2013 and in 2013 that was also the year with the highest ridership (1.2 million passengers). Fare free would be a social benefit to the community while it is in recovery mode from both the volcanic eruption (Puna District) and the pandemic (island wide). Other places which have gone fare-free include Missoula, Montana; Olympia, Washington; and Burlington, North Carolina. After the three-year pilot is complete, MTA will assess what has occurred and make further recommendations. During this time, MTA also plans to select its preferred payment approach and purchase equipment by then, including, but not limited to the option of participating in the HOLO Card (Stored Value cards) system of the City & County of Honolulu.

Farebox Recovery and System Subsidy

Many systems have policies that set a farebox recovery ratio (FRR), usually a range based on historical data. Per the National Transit Database, farebox recovery for rural systems nationwide averages under 10 percent. Farebox recovery is the portion of expenses paid directly by passengers. It is recommended that MTA

resist efforts to establish a FRR above ten percent even though the FRR is expected to increase over the next several years. This can be revisited after several years of data showing that MTA's FRR is substantially higher than ten percent. However, it is important to avoid any automatic service reduction or fare increase if the FRR is not met.

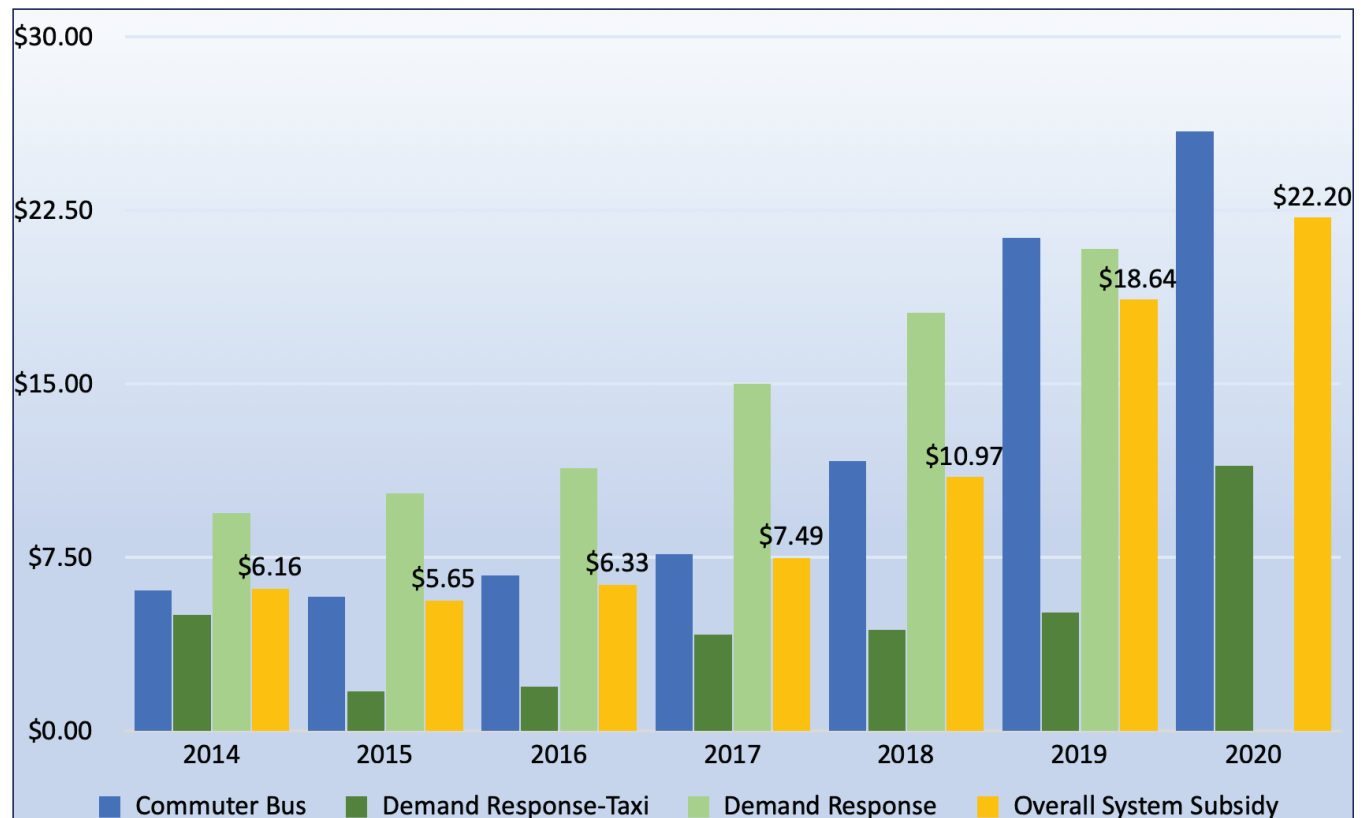
Figure 4-2 presents the county subsidy per unlinked passenger trip by mode and for the overall system. Unlinked passenger trips are defined as the number of passengers boarding public transportation vehicles. Passengers are counted each time they board a vehicle. If a passenger transfers to another vehicle they are counted again. Modes include commuter bus, demand response, and the taxi demand response services. Fare policy impacts revenue and subsidy. For example, free transfers decrease revenue per passenger boarding since passengers pay once.

Subsidy is determined by the operating expense by mode or combined system per unlinked passenger trip (operating expenses divided by number of unlinked passenger trips) minus fare revenue per unlinked trip. The figure provides the overall system subsidy per unlinked passenger trip. As shown, demand response trips had a much higher subsidy up until 2019, where commuter bus had a slightly higher subsidy. In 2020 data reported to the NTD appears to combine the taxi demand response statistics with the demand response

Table 4-5: User Revenue by Fiscal Year (page 2 of 2)

SERVICE	USER REVENUE BY FISCAL YEAR				
	2028	2029	2030	2031	2032
BUS SERVICES					
Annual Passenger Trips	1,136,854	1,250,539	1,375,593	1,513,153	1,664,468
Revenue per Unlinked Trip	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30
Bus Passenger Fares	\$1,477,910	\$1,625,701	\$1,788,271	\$1,967,099	\$2,163,808
ADA PARATRANSIT					
Annual Passenger Trips	11,168	11,503	11,848	12,204	12,570
Revenue per Unlinked Trip	\$2.70	\$2.70	\$2.70	\$2.70	\$3.20
Paratransit Passenger Fares	\$30,154	\$31,058	\$31,990	\$32,950	\$40,223
SHARED TAXI					
Annual Passenger Trips	157,337	158,123	158,914	159,709	160,507
Revenue per Unlinked Trip	\$4.15	\$4.15	\$4.15	\$4.15	\$4.15
Shared Taxi Passenger Fares	\$652,947	\$656,212	\$659,493	\$662,790	\$666,104
OTHER (advertising; taxicab licenses)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
TOTALS	\$2,191,011	\$2,342,972	\$2,509,755	\$2,692,839	\$2,900,136

Figure 4-2: Subsidy per Unlinked Passenger Trip by Mode and Overall System



Source: National Transit Database

Note: In 2020 Demand Response-Taxi and Demand Response were reported as a combined category.

category. Overall, the system subsidy has increased since 2017.

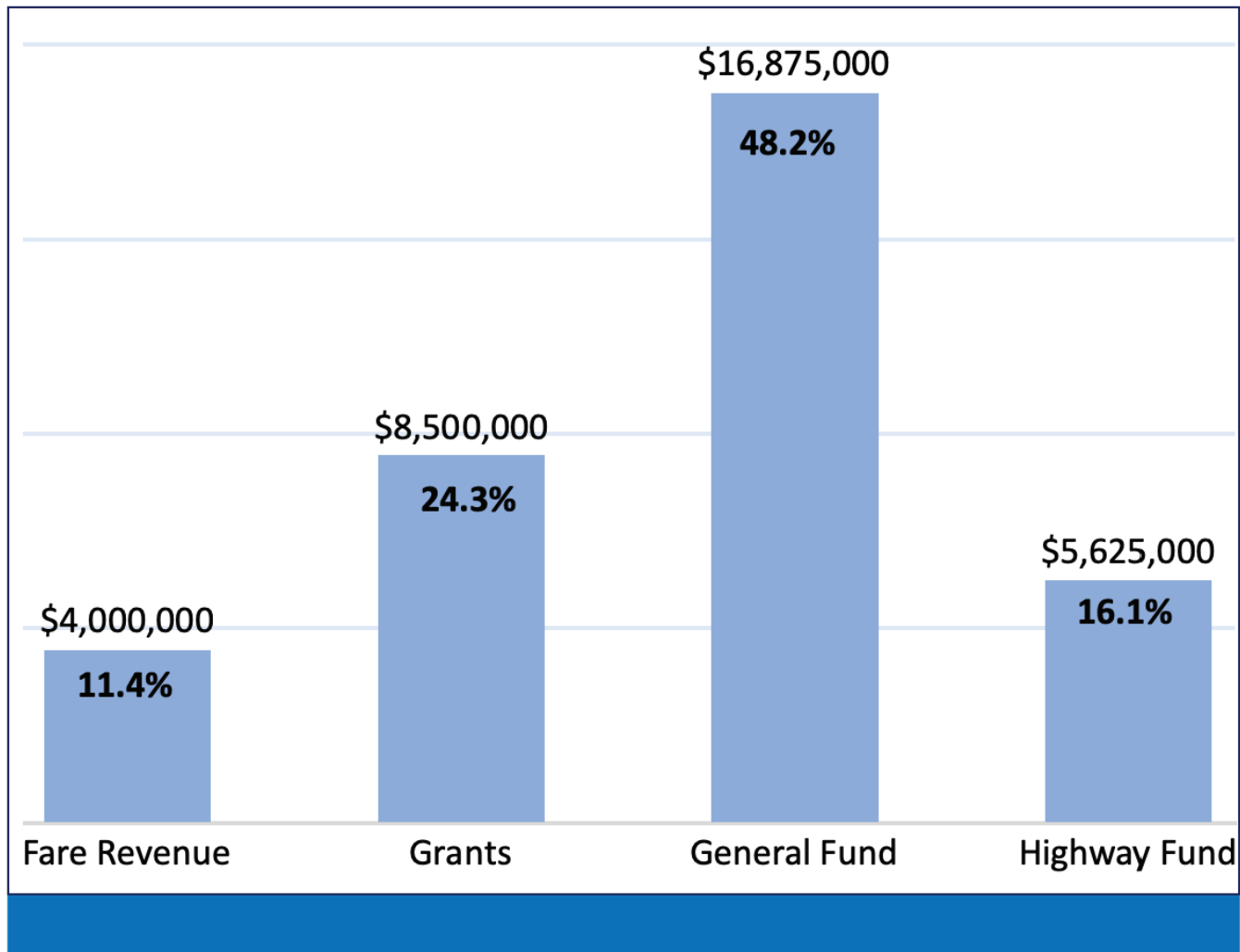
Revenues for bus and ADA paratransit services are calculated based upon annual passenger trips and revenue per passenger board (unlinked trip). The rates estimated per trip is based upon MTA experience. Fare increases were not recommended during the Transit Master Plan implementation due to the need to concentrate resources on building the agency and its dependability. However, the Transit Master Plan did recommend discontinuing transfers in favor of a one-day pass. With the implementation of the new fare equipment, MTA will be able to implement pass programs. During this period revenues from shared taxi. MTA expects minimal revenue from advertising and other sources.

Financial Plan Without GET After January 2031

The last year of the Financial Plan, FY 2032, is presented without the GET funding source in Table 4-3. If the State Legislature extends the GET, and the County Council approves the extension then that revenue source would be used. However, if GET is not available, then County funding sources would be needed to fund the system. As shown in Table 4-3, the remaining expenses of about \$23.9 million after fare revenues and grants are applied would be from County Funds; 75 percent General Fund and 25 percent from the Highway Fund.

By FY 2032, the major capital projects other than on going vehicle purchases have been purchased or built. MTA will have had ten years of dependable service

Figure 4-3: 2032 Funding Scenario Using County Sources and Without GET



delivery. The new bus routes and other modal services will also have had ten years of experience for MTA to determine appropriate levels of service in response to customer demand. With these accomplishments, it is expected the level of expenses will be predictable. If additional funds are not available, then County funds would be between 60 to 70 percent of MTA funding to maintain the system. Figure 4-3 shows the average annual breakdown of funding sources without GET. County funds are divided with seventy-five percent from the General Fund and 25 percent are from Highway Fund.

Without County funding commitments, the system would degrade and not meet its Mission:

Create a high quality, multi-modal transportation system that provides safe, reliable, convenient, environmentally responsible, and cost-effective mobility choices that meet the needs of our residents and visitors.

Federal and State Programs

In addition to the formula and discretionary or competitive Federal grant opportunities, there are other Federal programs that could potentially be tapped for funding. For example, the “Community Development Block Grant (CDBG) program supports community development activities to build stronger and more resilient communities. To support community development, activities are identified through an ongoing process. Activities may address needs such as infrastructure, economic development projects, public facilities installation, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, homeowner assistance, etc.” This Housing and Urban Development Department (HUD) related program provided the County with \$2,739,143 in funding in 2021. Transit which falls under infrastructure and public services, would be in competition with other County needs. Other sources such as the Older Americans Act which is passed to the County Office on Aging may provide some funding. It is expected, however, that these secondary funding sources would provide a limited amount of revenue. With aggressive grant applications and partnerships, MTA could receive up to \$1.5 million annually.

County Tax Increases for Dedicated Transit Funding

MTA does not have a permanent dedicated funding source for its programs. If the GET is not extended the County should consider identifying permanent dedicated funding. Two major sources for revenue are Real Property Taxes in the General Fund and the Fuel Tax in the Highway Fund. Increasing taxes on one or both for a dedicated MTA funding source is defensible. MTA serves residents, businesses, and visitors and they rely upon a dependable service.

Increasing the Real Property Tax two percent, based on current estimates, would provide almost \$7.1 million, annually. Increasing the Fuel Tax 4 cents, based on current estimates, would provide about \$3 million annually. Currently, the Hawai‘i County fuel tax is 23 cents. Increasing the tax by 4 cents would be about a 17 percent increase, although negligible compared to fuel prices.

The stipulation for these two increases would be these revenues are dedicated to transit. Combined, this dedicated funding would provide about 30 percent of revenue needs. These tax increases would need to be supplemented with additional funding from both the General and Highway Funds. The intent is to provide a base of dedicated funding, that will be supplemented with user fees, grants, and other sources of funding.

Expense Reduction and User Fee Increase

Along with dedicated County funding sources and new funding from State and Federal programs, and potential new partnerships, MTA may need to reduce expenses and increase revenues from fares and fees. In both cases, higher fares and service reduction, impacts will occur to ridership numbers. On average, a five (5%) percent increase in fares will result in a ten (10%) percent decrease in ridership. This decrease in ridership impacts expected fare revenues. Service reductions have a similar impact on ridership. In most cases, ridership can be expected to rebound in two years assuming reliable service provision is maintained.

Assuming a ten (10%) percent decrease in expenses and a ten percent increase in fares and fees, an average of almost \$3.9 million reduction in County funding could be realized. The expense decrease may be met by lower

inflation factors than assumed, efficiency adjustments in service, and lower use of the other modes such as paratransit, vanpools, and taxi thereby reducing the system's subsidy requirement.

The additions of dedicated funding sources from the Highway and General Funds, together with aggressive grant writing and development of partnerships, a ten percent increase in user fees and fares, and a 10 percent reduction in expenses will reduce the overall commitment of County funds from about 64 percent shown in Figure 4-3 to 49 percent including the dedicated funding. This funding scenario based upon average annual expenses of \$35 million by FY 2032 is presented in Figure 4-4. The \$35 million is the average for Total Operating and Capital Expenses shown in Table 4-3.

Table 4-6 presents how the two funding scenarios shown in Figures 4-3 and 4-4 would be applied to FY 2032. As shown, County Funds from the General and Highway Funds would provide \$23,863,624 or about 69 percent of total funding in the “FY 2032 USING COUNTY FUNDS/NO FARE INCREASE OR SERVICE REDUCTION” scenario.

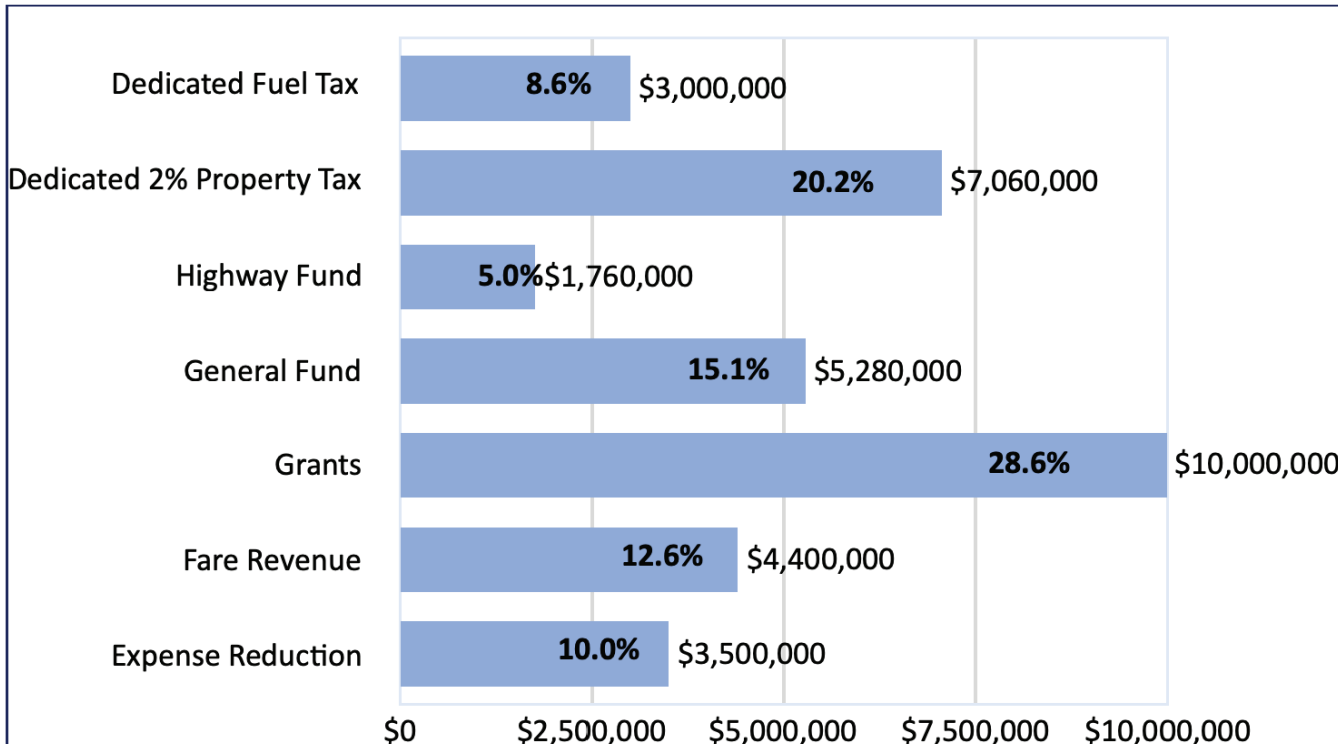
The second scenario starts with a reduction in the Total Expenses due to expense reduction. Fares and grants are higher and two new dedicated County funding sources are identified. These include the 2 percent increase on the Real Property Tax which is dedicated to MTA funding and the 4-cent increase in the fuel tax also dedicated to MTA. These two dedicated funding sources will fluctuate so the County General and Highway Funds would also fluctuate to provide the difference. Even though the two dedicated sources are County Funds, the overall impact on County services are minimized since these are increased amounts. This diminishes the impact on the General and Highway fund which transit competes with other funding priorities.

Other Strategies

The following two strategy categories should be undertaken.

Impact Fees: Currently major developments through the permitting process are required to provide infrastructure and install bus stops with passenger amenities within or connecting to their developments. This is particularly noticeable in Kona where bus stops have been constructed. For particularly large

Figure 4-4: Combined Dedicated Funding & Expense Reduction Scenario



developments, an annual fee equal to the provision of one bus route, approximately \$300,000, or other metric could be part of the permitting process. The annual fee would be required over a set number of years depending upon development size. Or, alternatively, the developer could be required to provide an annual bus pass to each household upon occupancy for housing developments and a set number of passes based on employment projections for major employment centers or mixed-use developments.

The annual pass could be provided at a bulk purchase discount rate. For example, annual passes usually are priced for 11 months, with the 12th month free. Prior to the fare free implementation, the MTA monthly pass was \$60. An annual pass in this scenario would cost \$660. This fee could be reduced to \$600 for an annual pass with a set number of pass purchases under a new U-Pass or E-Pass program.

Fare Structure: Over the next three years, Hele-On will be fare free as discussed previously. During this time period, MTA has the opportunity to review the fare structure. Day, monthly, and annual pass options can be made available with the new fare collection system. Specialized passes can be offered to schools (universities) and major employment centers such as a U-Pass or E-Pass. Many systems partner with universities and major employers to provide discounted annual passes for bulk purchases. The benefit for MTA is that purchases, and revenues, are up-front.

The University of Hawai'i campuses as well as the community colleges and other universities on Honolulu are part of TheBus' U-Pass program. In some universities the students pay a transportation fee as part of their tuition payments which includes a transit pass for the quarter or semester. This is an automatic fee, although some institutions provide an opt-out option. With new technologies the passes could be combined with other modes such as bike share to provide a benefit to students or employees and encourage alternative travel to campuses or employment centers.

Another benefit of the new fare collection system is that MTA can easily introduce other fare categories such as a surcharge for commuter trips. A new fare structure to include taxi and other mode fees should be implemented no later than 2030. This will allow MTA time to monitor revenues and ridership and identify and implement any needed adjustments.

Table 4-6: FY 2032 Funding Options with No GET

FY 2032 SUMMARY	FY 2032 USING COUNTY FUNDS/NO FARE INCREASE OR SERVICE REDUCTION	FY 2032 USING MULTIPLE STRATEGIES
Total Expenses	\$38,188,381	\$34,688,381
Fare Revenue	\$2,900,136	\$4,400,000
Grants	\$11,424,621	\$12,924,621
County General Fund	\$17,897,718	\$5,477,820
County Highway Fund	\$5,965,906	\$1,825,940
Dedicated General Fund	\$0	\$7,060,000
Dedicated Highway Fund	\$0	\$3,000,000
County GO Bonds (CIP)	\$0	\$0
GET Transit Funding	\$0	\$0
Total Funding Sources	\$38,188,381	\$34,688,381

Island-Wide Fare Structure

Fare Recommendations

Table 4-7 provides the proposed fares when MTA reintroduces fares on January 1, 2026. These fares are for the major services and do not include all requirements or exceptions. Fare categories have been increased to include a Day Pass good for 24-hours and a 7-day pass which is good for a one-year period.

With the introduction of the Day pass that would be valid for 24 hours, it is recommended that free transfers be discontinued. Passengers would be required to pay for each bus boarding. Eliminating transfers reduces confrontations between drivers and passengers and adds efficiency to operations by not taking time to verify transfer time limits. Encouraging the use of passes reduces cash transactions also providing operational efficiencies and less driver interactions.

Fare Free

Hele-On became fare free on February 27, 2022. The fare free program is scheduled to end on December 31, 2023, although there is a proposal to extend the fare free program two years to December 31, 2025. There are several arguments **in favor** of remaining fare free. The main argument is it is easy. No need for passengers or drivers to worry about proper fares, passenger identification for reduced fares, or other restrictions. Passengers can board at any door for those vehicles with multiple doors which speeds the boarding process resulting in increased schedule adherence. Additionally, fare free systems eliminate cash handling, counting, and verification.

Other benefits include increasing transit ridership which reduces personal vehicle travel, adding additional dollars to the economy assuming money not being spent on transit fares or personal vehicle fuel are spent elsewhere in the economy, and potentially fewer traffic crashes. An increase in walking to and from transit may provide increased physical activity for passengers with the associated health benefits.

Arguments **against fare free** include potential abuses by passengers. These invariably involve “joy-riding” for air conditioning or entertainment purposes. In some cases, disruptive passengers that have “settled

into the bus seat” have conflicts with other passengers that can distract drivers creating tense situations for all. The Hele-On Rules of the Road is being codified into Chapter 18 to make it an infraction to ride buses without a destination.

While small in the overall revenue picture, fare free means no passenger fares. Hele-On passenger fares have contributed about 10 percent of the overall funding for the system (fixed-route, commuter, and ADA paratransit). This loss of passenger funding would need to be replaced with County and/or Federal funds. Politically, some believe that passengers have more respect for a system if they are contributing with fares.

MTA has the benefit of this current multi-year fare free experience to determine if the benefits outweigh potential negative abuses.

Shared-Ride Fares

Shared ride is open to all potential passengers in areas that have participating taxi companies or TNCs; currently in Hilo. Based upon Hele-On shared-ride rules, the maximum subsidy is \$18.60 based on current taxi rates for a five (5) mile trip. Current taxi rates are listed in Section 18-49 of the County Code⁴ and are composed of:

- \$3.00 initial meter actuation plus 1/8 mile and
- \$0.40 for each additional 1/8 mile

Passengers are responsible for any additional costs over the subsidy permitted for their trip. It is recommended that the MTA regularly review and update the Shared-Ride rules based on program performance.

4 Chapter 18 (hawaiiicounty.gov) updated through Ordinance 22-62, effective 6/15/22

Table 4-7: Proposed Fares

FARE TYPE	COST
Cash Fare:	
Non-discounted, single ride trip	\$2.00, fixed route, commuter \$2.00 additional charge per flex route pick up or drop off
Discounted, single ride trip – Seniors (60 and older), Persons with Disabilities with appropriate ID card, Students with valid school ID, Youth 5 through 17, valid Medicare Card holders, Veterans with valid DD-214 document	\$1.00, fixed route, commuter \$2.00 additional charge per flex route pick up or drop off
Under 5 years old	No charge (when traveling with a fare paying person)
Flex route 10-ride deviation pass	\$20.00
Transfers – discontinued	
Passes, unlimited rides:	
Day Pass (24-hour pass), non-discounted	\$5.00, fixed route, commuter
Day Pass (24-hour pass), discounted (see above requirements)	\$2.50, fixed route, commuter
7-Day Pass, non-discounted	\$30.00, fixed route, commuter
7-Day Pass, discounted (see above requirements)	\$15.00, fixed route, commuter
31-Day Pass, non-discounted	\$60.00, fixed route, commuter
31-DayPass, discounted (see requirements)	\$30.00, fixed route, commuter
Flex Routes	\$2.00 upcharge per pick up or drop off on flex routes is in addition to the pass cost
Paratransit & Rural Demand Response Services	
One-way trip	\$4.00 or twice the non-discounted one-way trip
Passenger companion	\$4.00 or twice the non-discounted one-way trip
Personal care attendant	No charge

APPENDIX 1: PEER REVIEW TABLES

1 A Fixed Route Service Area and Population

1 B Vehicles Operated in Maximum Service (VOMS) and Vehicles Available in Maximum Service (VAMS)

1 C Unlinked Trips, Vehicles Revenue Miles, Vehicles Revenue Hours

1 D Service Efficiency and Service Effectiveness

Appendix 1A - Peer Review for Fixed Route and Commuter Bus Service Area and Population

System Name	City	State	Service Area Statistics	
			Square Miles	2020 Census Population
Billings Metropolitan Transit	Billings	MT	53	110,323
City of Gardena Transportation Department	Gardena	CA	40	463,968
City of Santa Rosa	Santa Rosa	CA	51	308,231
Culver City Municipal Bus Lines	Culver City	CA	33	341,718
El Dorado County Transit Authority	Diamond Springs	CA	1,551	147,200
Everett Transit	Everett	WA	34	111,262
Gold Coast Transit	Oxnard	CA	84	367,260
Golden Empire Transit District	Bakersfield	CA	111	500,977
Link Transit	Wenatchee	WA	197	108,660
Missoula Urban Transportation District	Missoula	MT	70	73,340
Montebello Bus Lines	Montebello	CA	151	315,074
Monterey-Salinas Transit	Monterey	CA	294	435,594
Placer County Dept. of Public Works & Facilities	Auburn	CA	471	386,166
Rogue Valley Transportation District	Medford	OR	50	132,022
San Joaquin Regional Transit District	Stockton	CA	1,426	762,997
San Luis Obispo Regional Transit Authority	San Luis Obispo	CA	130	206,008
Santa Barbara Metropolitan Transit District	Santa Barbara	CA	52	199,668
Santa Cruz Metropolitan Transit District	Santa Cruz	CA	446	274,146
Skagit Transit	Burlington	WA	760	115,484
SunLine Transit Agency	Thousand Palms	CA	1,120	466,366
Torrance Transit System	Torrance	CA	103	606,847
Valley Regional Transit	Meridian	ID	66	338,759
Whatcom Transportation Authority	Bellingham	WA	776	225,099
Yakima Transit	Yakima	WA	33	100,715
Averages:			338	295,745
County of Hawai'i Mass Transit Agency	Hilo	HI	4,028	201,513

Source: 2019 National Transit Database

Note: Hawai'i square miles is total land area, not service area.

Appendix 1B - Peer Review for Fixed Route and Commuter Bus, Vehicle, Vehicles Operated in Maximum Service, Vehicles Available for Maximum Service, Employee count

System Name	Vehicles Operated in Maximum Service (VOMS)	Vehicles Available for Maximum Service (VAMS)	Vehicle Maintenance Employee Count		VOMS per Vehicle Maintenance Employee	VAMS per Vehicle Maintenance Employee	Number of Facilities
			Full Time	Part Time			
Billings Metropolitan Transit	18	25	3.5		5.1	7.1	1
City of Gardena Transportation Department	43	68	21.7		2.0	3.1	1
City of Santa Rosa	26	31	13.0		2.0	2.4	1
Culver City Municipal Bus Lines	44	54	17.9		2.5	3.0	1
El Dorado County Transit Authority	19	28	3.7		5.1	7.6	1
Everett Transit	31	41	9.0		3.4	4.6	1
Gold Coast Transit	47	56	23.0	1.0	2.0	2.3	1
Golden Empire Transit District	69	88	32.3		2.1	2.7	1
Link Transit	33	44	16.2	1.8	1.8	2.4	1
Missoula Urban Transportation District	21	24	7.4		2.8	3.2	1
Montebello Bus Lines	67	72	27.0		2.5	2.7	1
Monterey-Salinas Transit	78	120	41.0		1.9	2.9	2
Placer County Dept. of Public Works & Facilities	21	34	1.4	5.3	3.1	5.1	2
Rogue Valley Transportation District	21	26	12.0		1.8	2.2	1
San Joaquin Regional Transit District	79	128	29.0		2.7	4.4	2
San Luis Obispo Regional Transit Authority	25	42	8.9		2.8	4.7	1
Santa Barbara Metropolitan Transit District	93	117	22.0	9.0	3.0	3.8	1
Santa Cruz Metropolitan Transit District	74	94	33.9		2.2	2.8	1
Skagit Transit	21	42	9.7		2.2	4.3	1
SunLine Transit Agency	58	72	32.3		1.8	2.2	2
Torrance Transit System	48	56	29.4		1.6	1.9	1
Valley Regional Transit	43	55	17.2		2.5	3.2	2
Whatcom Transportation Authority	47	61	18.9		2.5	3.2	1
Yakima Transit	20	31	2.0	3.0	4.0	6.2	2
Averages:	44	59	18.0		2.6	3.7	
County of Hawai'i Mass Transit Agency	39	52	6.0		6.5	8.7	1
County of Hawai'i Mass Transit Agency	39	52	11.0		3.5	4.7	1

Source: 2019 National Transit Database

Notes: MTA's VOMS and VAMS are projected for FY2023 for planning purposes. All other MTA statistics are from 2019 NTD.

The second Mass Transit Agency line shows the VOMS and VAMS with additional maintenance employees. This brings MTA closer in line with peer systems.

Appendix 1C - Peer Review for Fixed Route and Commuter Bus Unlinked Trips, Vehicle Revenue Miles, Vehicle Revenue Hours

System Name	2019 Statistics			
	Unlinked Passenger Trips	Vehicle Revenue Miles	Vehicle Revenue Hours	Operating Expenses
Billings Metropolitan Transit	424,671	606,184	41,735	\$3,893,242
City of Gardena Transportation Department	2,920,856	1,691,303	136,619	\$12,832,130
City of Santa Rosa	1,817,112	1,026,468	86,386	\$7,901,618
Culver City Municipal Bus Lines	4,600,876	1,656,768	169,841	\$23,608,735
El Dorado County Transit Authority	356,969	822,438	38,593	\$5,480,180
Everett Transit	1,606,899	1,195,418	103,309	\$15,385,230
Gold Coast Transit	3,524,674	2,163,227	201,431	\$21,052,979
Golden Empire Transit District	6,196,795	3,885,910	308,984	\$27,164,041
Link Transit	979,166	1,883,755	91,510	\$12,428,376
Missoula Urban Transportation District	1,556,774	686,258	50,193	\$5,543,103
Montebello Bus Lines	5,258,035	2,357,424	235,654	\$27,919,966
Monterey-Salinas Transit	4,228,507	4,577,352	274,468	\$38,250,540
Placer County Dept. of Public Works & Facilities	711,484	1,535,019	73,896	\$12,522,341
Rogue Valley Transportation District	1,184,003	976,332	67,339	\$10,340,721
San Joaquin Regional Transit District	3,583,078	2,601,253	184,599	\$33,593,843
San Luis Obispo Regional Transit Authority	1,039,546	1,361,513	57,008	\$7,284,538
Santa Barbara Metropolitan Transit District	6,432,190	2,606,184	219,864	\$25,467,695
Santa Cruz Metropolitan Transit District	5,045,972	2,867,890	207,348	\$40,459,619
Skagit Transit	706,442	1,354,903	77,023	\$9,525,227
SunLine Transit Agency	4,039,450	3,364,995	228,131	\$27,310,333
Torrance Transit System	3,595,705	2,096,764	167,395	\$34,298,864
Valley Regional Transit	1,213,678	1,556,235	105,051	\$10,915,400
Whatcom Transportation Authority	4,451,508	2,123,146	152,623	\$21,237,451
Yakima Transit	949,560	797,155	51,551	\$7,308,778
Averages:	2,767,665	1,908,079	138,773	\$18,405,206
County of Hawai'i Mass Transit Agency	511,412	1,705,076	48,884	\$11,557,853

Source: 2019 National Transit Database

Appendix 1D - Peer Review for Fixed Route and Commuter Bus Service Efficiency and Service Effectiveness

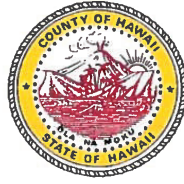
System Name	Service Efficiency	Service Effectiveness		
	Operating Expenses per Vehicle Revenue Hour	Operating Expenses / Unlinked Trip	Unlinked Trips / Vehicle Revenue Mile	Unlinked Trips / Vehicle Revenue Hour
Billings Metropolitan Transit	\$93.28	\$9.17	0.7	10.2
City of Gardena Transportation Department	\$93.93	\$4.39	1.7	21.4
City of Santa Rosa	\$91.47	\$4.35	1.8	21.0
Culver City Municipal Bus Lines	\$139.00	\$5.13	2.8	27.1
El Dorado County Transit Authority	\$142.00	\$15.35	0.4	9.2
Everett Transit	\$148.92	\$9.57	1.3	15.6
Gold Coast Transit	\$104.52	\$5.97	1.6	17.5
Golden Empire Transit District	\$87.91	\$4.38	1.6	20.1
Link Transit	\$135.81	\$12.69	0.5	10.7
Missoula Urban Transportation District	\$110.44	\$3.56	2.3	31.0
Montebello Bus Lines	\$118.48	\$5.31	2.2	22.3
Monterey-Salinas Transit	\$139.36	\$9.05	0.9	15.4
Placer County Dept. of Public Works & Facilities	\$169.46	\$17.60	0.5	9.6
Rogue Valley Transportation District	\$153.56	\$8.73	1.2	17.6
San Joaquin Regional Transit District	\$181.98	\$9.38	1.4	19.4
San Luis Obispo Regional Transit Authority	\$127.78	\$7.01	0.8	18.2
Santa Barbara Metropolitan Transit District	\$115.83	\$3.96	2.5	29.3
Santa Cruz Metropolitan Transit District	\$195.13	\$8.02	1.8	24.3
Skagit Transit	\$123.67	\$13.48	0.5	9.2
SunLine Transit Agency	\$119.71	\$6.76	1.2	17.7
Torrance Transit System	\$204.90	\$9.54	1.7	21.5
Valley Regional Transit	\$103.91	\$8.99	0.8	11.6
Whatcom Transportation Authority	\$139.15	\$4.77	2.1	29.2
Yakima Transit	\$141.78	\$7.70	1.2	18.4
Averages:	\$132.58	\$8.12	1.4	18.6
County of Hawai'i Mass Transit Agency	\$236.43	\$22.60	0.3	10.5

Source: 2019 National Transit Database

APPENDIX 2: CIRCULAR NO. 20-002

**Appendix 2: Circular No. 20-002 from County of Hawaii Department of Human Resources regarding Excluded Managerial Compensation Plan (EMCO) Instructions
BU 35**

Harry Kim
Mayor



William V. Brilhante, Jr.
Director of Human Resources

County of Hawai'i Department of Human Resources

Aupuni Center • 101 Pauahi Street, Suite 2 • Hilo, Hawai'i 96720 • (808) 961-8361 • Fax (808) 961-8617
website: <http://hawaiicounty.gov/human-resources> e-mail: jobs@hawaiicounty.gov

Circular No. 20-002

To: Department and Agency Heads
From: William V. Brilhante, Jr., Director of Human Resources
Date: September 28, 2020
Subject: **Excluded Managerial Compensation Plan (EMCP) Instructions BU35**



Policy

Pursuant to §89C, HRS, the County of Hawai'i may determine the salary and benefit adjustments that are relevant for its Excluded Managerial employees in BU35 (hereinafter "employees") based upon my recommendations as the Director of Human Resources.

Furthermore, §89C, HRS requires in relevant part that 1) employees and employee organizations representing them have an opportunity to provide input on adjustments that are relevant and important to them for my approval and 2) adjustments shall result in compensation and benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining for counterparts and subordinates within the County of Hawai'i.

The following instructions comply with the aforementioned legal requirements and effectuate the County of Hawai'i's Excluded Managerial Compensation Plan (hereinafter "EMCP") for such employees as it relates to Executive Order No. 158 dated June 17, 2013.

This supersedes Circular No. 17-004 dated September 15, 2017.

Salary and Within Range Progression (WIRP) Schedules

Effective July 1, 2019, employees shall be placed on the attached salary schedule designated as Exhibit A.

Effective July 1, 2020, employees shall be placed on the attached salary schedule designated as Exhibit B.

Hawai'i County is an Equal Opportunity Provider and Employer.

Compensation

- A. The salaries of employees shall be placed on the attached salary schedules designated as Exhibits A and B as appropriate, and adjusted in the following manner from July 1, 2019 through June 30, 2021:
1. Effective July 1, 2019
 - a. Employees shall receive a 2.15% increase to their June 30, 2019 basic rate of pay.
 - b. Employees not assigned to the salary schedule shall receive a 2.15% pay increase to their June 30, 2019 basic rate of pay.
 2. Effective July 1, 2020
 - a. Employees shall receive a 2.03% increase to their June 30, 2020 basic rate of pay.
 - b. Employees not assigned to the salary schedule shall receive a 2.03% pay increase to their June 30, 2020 basic rate of pay.
- B. "Within Range Progression" (hereinafter "WIRP") means the adjustment of an Excluded Manager's basic rate of pay by adding the flat dollar amount applicable to the Excluded Manager's respective pay range in the EMCP as provided for in the WIRP schedule.
1. Based on the appropriate WIRP amounts in Exhibits A and B, employees shall be entitled to receive a WIRP increase during the period July 1, 2019 through June 30, 2021 on their WIRP date.
 2. If the WIRP increase in B.1 results in an amount which is above the maximum rate of the applicable pay range on Exhibits A and B, the employee shall be compensated at the maximum rate.
- C. Lump Sum Payment
1. Effective July 1, 2019, employees who were on at the maximum rate of the pay range as of June 30, 2019, shall receive a lump sum payment of \$750. Employees who are less than full-time shall receive a prorated amount.
 2. Effective July 1, 2020, employees who were on at the maximum rate of the pay range as of June 30, 2019, shall receive a lump sum payment of \$750. Employees who are less than full-time shall receive a prorated amount.

Circular No. 20-002
September 28, 2020
Page 3 of 4

Compensation Adjustments

Compensation adjustments shall be in accordance with Department of Human Resources procedures for Compensation.

You may contact Lee Botelho at 961-8361 or by email at lee.botelho@hawaiiicounty.gov if you have any questions or concerns regarding the above.

Attachment

LB/WVB:gy

Attachment to Circular No. 20-002 (BU35)

Exhibit A – Salary/WIRP Schedule 07/01/19

	EM SALARY SCHEDULE				EM WIRP SCHEDULE	
	Minimum		Maximum		Monthly	Annual
	Monthly	Annual	Monthly	Annual		
EM-01	\$5,560	\$66,720	\$10,243	\$122,916	\$173	\$2,076
EM-02	\$5,783	\$69,396	\$10,654	\$127,848	\$180	\$2,160
EM-03	\$6,014	\$72,168	\$11,080	\$132,960	\$188	\$2,256
EM-04	\$6,256	\$75,072	\$11,523	\$138,276	\$195	\$2,340
EM-05	\$6,505	\$78,060	\$11,983	\$143,796	\$203	\$2,436
EM-06	\$6,765	\$81,180	\$12,463	\$149,556	\$211	\$2,532
EM-07	\$7,037	\$84,444	\$12,961	\$155,532	\$219	\$2,628
EM-08	\$7,318	\$87,816	\$13,480	\$161,760	\$228	\$2,736

Exhibit B – Salary/WIRP Schedule 07/01/20

	EM SALARY SCHEDULE				EM WIRP SCHEDULE	
	Minimum		Maximum		Monthly	Annual
	Monthly	Annual	Monthly	Annual		
EM-01	\$5,673	\$68,076	\$10,451	\$125,412	\$177	\$2,124
EM-02	\$5,901	\$70,812	\$10,871	\$130,452	\$184	\$2,208
EM-03	\$6,137	\$73,644	\$11,305	\$135,660	\$191	\$2,292
EM-04	\$6,383	\$76,596	\$11,757	\$141,084	\$199	\$2,388
EM-05	\$6,638	\$79,656	\$12,227	\$146,724	\$207	\$2,484
EM-06	\$6,903	\$82,836	\$12,716	\$152,592	\$215	\$2,580
EM-07	\$7,180	\$86,160	\$13,225	\$158,700	\$224	\$2,688
EM-08	\$7,467	\$89,604	\$13,754	\$165,048	\$233	\$2,796

Recommended for
Assistant Mass Transit
Administrator

Recommended for
Mass Transit
Administrator




Hele-On

County of Hawai'i Bus