



## 2016 Budget



## **Mission Statement**

*“Pierce Transit improves people’s quality of life by providing safe, reliable, innovative and useful transportation services that are locally based and regionally connected.”*

## **Strategic Priorities**

*Service Excellence*

*Financial Stability*

*Community Engagement*

*Innovative Solutions*

*Economic Development*

*Sustainability*

*Engaged Workforce*



## **2016 BUDGET**

Fiscal Year January 1, 2016 through December 31, 2016

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Chief Executive Officer

Prepared By  
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For budget and other information about Pierce Transit visit [www.piercetransit.org](http://www.piercetransit.org)





## PIERCE TRANSIT 2016 BUDGET TABLE OF CONTENTS

*Information is available on Pierce  
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***[www.piercetransit.org](http://www.piercetransit.org)***

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*This section includes Pierce Transit  
Board of Commissioners, Pierce  
Transit Organizational Chart, and the  
Budget Message.*

## **2016 Budget**

### **Introduction**



BOARD OF  
COMMISSIONERS

*Pierce Transit is a separate municipal corporation, not part of the City of Tacoma or Pierce County.*

*Pierce Transit is governed by a nine-member Board. The Board is currently made up of elected officials representing Pierce County, Tacoma, Lakewood, Puyallup, University Place and the smaller cities and towns in Pierce County. The governance structure allows for a tenth, non-voting union representative; however, this right is currently not being exercised and the position is vacant.*



**Commissioner Rick Talbert**  
Pierce County Council  
Chair  
Term Expires 12/31/16



**Commissioner Steve Vermillion**  
Puyallup Council  
Vice Chair  
Term Expires 5/1/18



**Commissioner Don Anderson**  
Mayor of Lakewood  
Term Expires 12/31/15



**Commissioner Daryl Eidinger**  
Represents Fife, Milton and Edgewood  
Term Expires 05/01/18



**Commissioner Nancy Henderson**  
Represents Cities of: Pacific, Auburn, Ruston, Fircrest, Steilacoom and Gig Harbor  
Term Expires 05/01/18



**Commissioner Kent Keel**  
University Place Council  
Term Expires 12/31/15



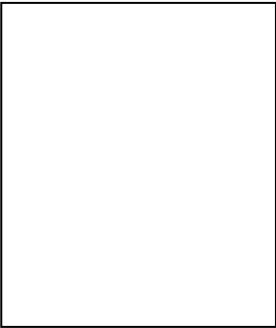
**Commissioner Pat McCarthy**  
Pierce County Executive  
Term Expires 5/1/16



**Commissioner Marilyn Strickland**  
Mayor of Tacoma  
Term Expires 12/31/15



**Commissioner Lauren Walker**  
Tacoma City Council  
Term Expires 12/31/15



**Vacant**  
Non-Voting Union Representative  
Term Expires N/A



2016 ORGANIZATIONAL CHART

CITIZENS OF PIERCE COUNTY

BOARD OF COMMISSIONERS

CHIEF EXECUTIVE OFFICER

Sue Dreier

CLERK OF THE BOARD/  
PUBLIC RECORDS OFFICER

Deanne Jacobson

Office of the CEO

Sue Dreier  
Chief Executive Officer

Division Admin  
Business Development  
Project Management  
Legal  
Public Relations  
Safety

ADMINISTRATION  
DIVISION

Vivienne Kamphaus  
Acting, Chief Administration Officer

Division Admin  
Human Resources  
Labor Relations  
Training

*Information Technology Department*

Department Admin  
Information Technology

*Marketing Department*

Marketing  
Administrative Services  
Customer Services  
Field Customer Services

*Risk Management Department*

Risk Management  
ADA

FINANCE  
DIVISION

Wayne Fanshier  
Chief Finance Officer

Division Admin

*Finance Department*

Department Admin  
Accounting  
Budgeting  
Revenue Accounting

*Procurement Department*

Department Admin  
Purchasing  
Warehousing

*Transit Development Department*

Department Admin  
Capital Planning  
Bus Stop Program  
Employer Services Admin  
Employer Services  
Vanpool  
*Service Planning*  
Service Planning Admin  
Bus Stop Program  
Planning  
Scheduling

OPERATIONS  
DIVISION

Doug Middleton  
Chief Operating Officer

Division Admin  
Radio Program Admin  
Maintenance Bus Radio Systems  
Facilities Management

*Fleet Maintenance Department*

Department Admin  
Automotive  
Bus Repair  
Maintenance Training

*Public Safety Department*

Department Admin  
Physical Security  
Public Safety Records  
Transit Police  
Uniform Security

*Transportation Department*

Department Admin

*Transportation Operators*

Operators Admin  
Operators Dispatch  
Operators

*Paratransit*

Paratransit Admin  
Paratransit Customer Service  
Paratransit Operations

*Transportation Service Support Department*

Service Support Admin  
Service Support Operations  
Bus Safety & Training





## 2016 BUDGET MESSAGE

**December 14, 2015**

**TO: Pierce Transit Board of Commissioners, Citizens and Employees**

**FROM: Sue Dreier, Chief Executive Officer**



I am pleased to present the 2016 Budget for your review and consideration. Pierce Transit is a strong and resilient Agency and has moved out of the Great Recession with determination and optimism. We enter 2016 with the understanding of the important and critical role that public transit plays in the health and vitality of our communities. We do this by serving the community with respect, collaborating internally and externally and caring for our customers, employees and business partners. We deliver reliable public transportation services that reduce the dependency on the automobile supporting our core mission and values.

Pierce Transit's mission, vision, and goals align with Pierce Transit's Board of Commissioner's strategic direction. The Strategic Plan ensures we have a common framework to guide us. The strategic priorities are:

1. **Service Excellence:** Achieve service excellence in the way the Agency performs its work and delivers transit service.
2. **Financial Stability:** Maintain long-term financial stability in order to maximize and sustain a consistent level of service to the public.
3. **Community Engagement:** Achieve a high level of confidence from our riders and the communities Pierce Transit serves.
4. **Innovative Solutions:** Develop innovative transportation services with community involvement, tailored to meet the diverse needs of residents.
5. **Economic Development:** Support local and regional development by increasing useful transit options in areas of economic activity.
6. **Sustainability:** Integrate operations, planning and construction business practices and strategies to support environmentally friendly sustainable practices.
7. **Engaged Workforce:** Involve employees in achieving the first six strategic goals.



## 2016 BUDGET MESSAGE

The *Back to Basics Initiative* aligns the budget process with the strategic plan. It prioritizes service first and is focused around three objectives:

- **Service Excellence:** Everyone we interact with – whether it's a customer, a member of the community, a contractor or a regional partner – will be offered the very best service.
- **Safety:** Pierce Transit will be an Agency where employee and customer safety is understood and accepted to be a top priority.
- **Community Engagement:** Pierce Transit staff will increase awareness of the value we add to the community by providing a high-quality transportation system and supporting economic growth in the region.

The goal in the 2016 Budget process was to limit expenses in order to provide funds for service restoration. We accomplished this mission and at a minimum 20,000 fixed route service hours will be restored in September 2016. This builds upon our service restoration of over 14,000 hours in 2015. Pierce Transit will have the capacity to restore modest service levels over the next six years if revenue and expense forecast perform as expected.

Additionally, in support of the Strategic Plan, Pierce Transit's budget will align with the goals of the Agency that include:

- Maximizing service efficiency and productivity
- Increase ridership as measured by boardings
- Improve our public image via high performance care of facilities
- Prepare for regional employment and population growth by collaborating with Sound Transit for seamless connections of ST2 and ST3 initiatives
- Continue to assure high-quality fixed route, paratransit and vanpool transportation services appropriate to the resources available
- Continue the planning process for High Capacity Corridor service on Pacific/SR7



## 2016 BUDGET MESSAGE

- Using Lean processes seek and implement new business models that improve efficiency and productivity in all areas of Pierce Transit
- Implement a Wellness Program
- Plan for the future of the Agency with a well-defined succession plan
- Continue to serve small communities with innovative thinking
- Seek opportunities to increase grant funded capital projects

### Overview

Pierce Transit's annual planning process has examined the economic forecasts, its programs, service, financial operations and financial outlook. Local economic conditions and consumer spending play major roles in the generation of sales tax revenue which is Pierce Transit's primary operating revenue source. The outlook for the economic future is improving at a moderate pace and as these conditions improve, so will our levels of service.

There are still uncertainties that could have impact for Pierce Transit's financial condition. Two of the uncertainties are the continued local economic growth and the settlement of the Amalgamated Transit Union (ATU) labor contract. Additionally, a long term transportation package has not been agreed upon at the Federal level.

The Bus and Bus Facility formula program was reduced under the *Moving Ahead for Progress in the 21<sup>st</sup> Century* (MAP21) Federal program and we continue our collective efforts to seek increased funding in this area. Sixty-seven of Pierce Transit's buses will be well past useful life over the next 5 years.

**Economic Condition and Outlook**

The U.S. economy is expected to grow by approximately 3.2 percent in 2015. Leading the national economic recovery is declining unemployment, declining oil prices, support from Federal Reserve policy, and pent-up demand as consumers regain confidence after nearly seven years of economic doldrums. Unemployment is expected to fall below 5% nationally, as a result of 3 million more Americans who found work in 2014, the largest number of jobs since 2008.

Local economic conditions and retail spending play major roles in the generation of sales tax revenue which is Pierce Transit's primary operating revenue source. Pierce Transit relies heavily on sales tax collected within its Public Transportation Benefit Area (PTBA) for its operating revenue. Sales tax contributes 73% of total budget operating revenues in 2016 (excluding Sound Transit regional transit service revenue) and is expected to generate \$74.1 million in sales tax revenue in 2016.

Pierce Transit's sales tax collections showed slight improvements during 2014, with year-end collections up 5.1% over 2013. Sales tax growth has continued through the most recent July 2015 sales tax collections. Changes in Gross Domestic Product (GDP), consumer disposable income and increased employment are some of the main drivers of the growth in sales tax. GDP is expected to grow by about 3.0% in 2015 and Washington State employment is expected to increase by approximately 1.1%. These factors are expected to contribute to a modest growth in Pierce Transit's sales tax revenue.

Though the economic recovery has been slow, there are signs that the Puget Sound economy will continue its steady improvement. The Port of Tacoma is expected to be a major driver of the Pierce County economy with continued growth in container volumes. The proximity to King County, with its solid growth led in part by Amazon.com and Boeing, will remain an important source of employment for Pierce County residents.



## 2016 BUDGET MESSAGE

With slow but steady economic growth over the last several years, consumption is finally returning to pre-recession levels. In 2016, the Puget Sound's retail sales are expected to grow by 3.9 percent. The Washington state unemployment rate, which ended 2014 at 6.3 percent, declined to 5.9 percent in March of 2015. Home sales are rebounding. Personal income growth is also expected to grow modestly in 2016. Falling gas prices are also expected to add to a more robust economy.

### **Budget Summary**

The 2016 Budget is approximately \$153 million. This is balanced by expected revenues and reserves. The gradual recovery of sales tax collections, continuing efforts to improve productivity as well as grants for service have resulted in service restoration plans to add over 20,000 fixed route service hours in 2016. A comprehensive system-wide service analysis will be completed and is expected to be implemented with the September 2016 service change. This service analysis will provide information in order to more effectively and efficiently utilize service hours.

This budget and service plan support our community by providing transportation access to jobs, school, medical appointments, shopping, and events. It also supports economic development, reduction in carbon emissions and congestion, and provides a lifeline access for those without cars in a growing population.

The Six-Year Financial Plan is sustainable. Reserves will be utilized over the next six years to restore additional service hours in 2017 and 2018, to provide capital acquisitions to support the service plans, and to meet the required reserve at the end of the six-year period. Reserves are in compliance with required levels established by the Board of Commissioners. This provides the ability to deal with adverse economic conditions, emergencies, and exposure to casualty and legal risks. The Agency has no long-term debt.



## 2016 BUDGET MESSAGE

Efforts are continuing to focus resources on restoring service, controlling costs, redesigning service delivery processes, and prioritizing the delivery of service to better align services based on customer needs. The Agency is committed to providing as much service as possible to the public. Service excellence, safety, and community engagement remain top priorities.

We are currently in a very exciting period for Pierce Transit and the communities we serve. We have come through the worst economic downturn since the Great Depression. The Agency is poised to move forward, collaborating with our cities and partner agencies in developing a vision that will result in a transportation network to meet the needs of our region into the future.

I would like to take this opportunity to thank the Pierce Transit Finance and Budget professionals for their thoughtful preparation of the 2016 Budget. It is a testament to the cooperation and moving forward spirit of the Agency.

I also thank the Pierce Transit Board of Commissioners for their commitment to public transit in our communities.

The 2016 Budget is balanced, sustainable, and focused on restoring a high-quality transportation system.

A handwritten signature in blue ink that reads "Sue Dreier". The signature is written in a cursive, flowing style.

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Sue Dreier, Chief Executive Officer



## 2016 BUDGET MESSAGE

### In brief:

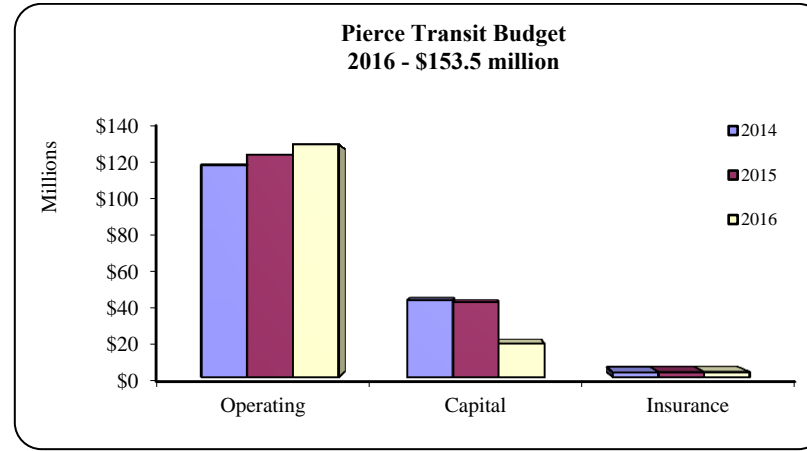
The 2016 budget totals \$153,490,644.

The Board of Commissioners appropriates all funds. The fund structure in the budget is the same as the audited financial statements. Pierce Transit is a single enterprise that uses the same accrual method of accounting as a private enterprise.

The budget is distributed across three major categories: Operating, Capital, and Insurance. These are treated as separate funds for budget purposes.

The operating budget finances the day-to-day operations of the Agency and provides operating transfers to support capital and insurance needs. The capital budget contains revenues and expenditures associated with capital acquisitions. The self-insurance budget is maintained for self-insurance expenses.

### Agency Budget Summary



The operating budget is the primary budget of the Agency. It includes revenue from fares, advertising, reimbursement from Sound Transit for regional service, sales tax, preventive maintenance, interest, other, and operating contributions. The operating budget expenditure categories include wages, benefits, maintenance and operating costs, non-operating expenditures, and transfers to the capital and insurance funds.

The capital budget revenues include federal and state grants, Sound Transit funding, interest earnings, and transfers from the operating fund. Capital expenditures include budgeted replacement vehicles, facilities, and maintenance equipment.

The self-insurance budget for self-insurance programs includes projected revenues for interest earnings on the insurance fund balance and transfers from the operating fund. Insurance expenditures include costs associated with workers' compensation benefits and unemployment costs.

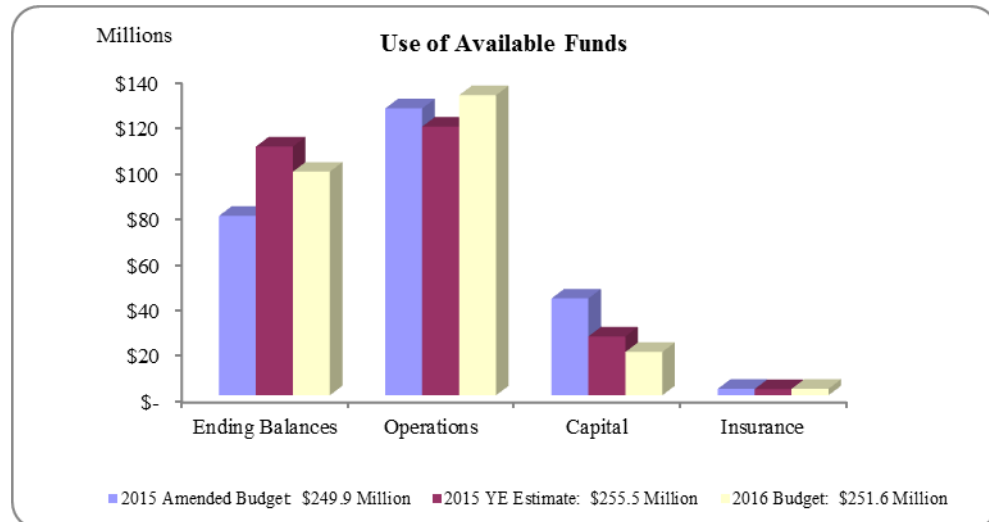
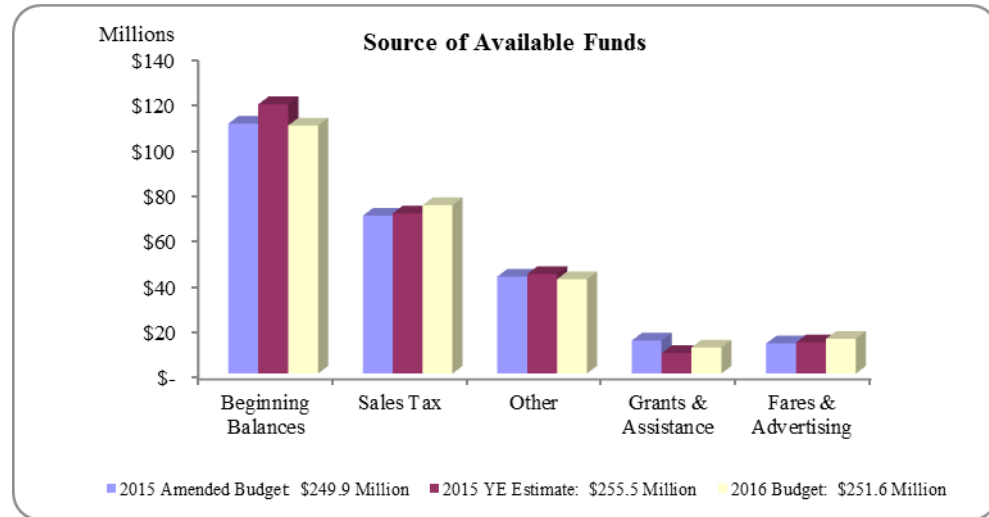


## 2016 BUDGET MESSAGE

A comparison of revenues and expenditures including beginning balances and ending balances for the total Agency 2015 Amended Budget, the 2015 Year-End Estimates, and the 2016 Budget is shown.

Sales tax revenue is gradually improving and offsetting other decreases in revenue.

Expenditure changes are driven by fixed route service changes and the carryover of capital projects.







## 2016 BUDGET MESSAGE

### In brief:

The budget includes operating revenues, operating expenditures, non-operating expenditures, and operating transfers.

Operating Revenues – Funds such as sales tax and fares received to pay for ongoing operations.

Operating Expenditures – Funds paid for providing transportation services.

Non-Operating Expenditures – Expenditures for the Pierce County Agreement for grant exchange funds.

Operating Transfers – Amounts transferred from the Operating Budget to the Capital and Insurance Budgets to fund expenditures and reserves.

### Operating Budget

The 2016 operating revenues of \$139,712,508 support the operating expenditures of \$130,895,108, non-operating expenditures of \$780,258, and operating transfers of \$9,266,121. Operating transfers support the self-insurance and capital programs and fluctuate from year to year depending on capital and self-insurance needs. The use of reserves is \$(1,228,979). Additional reserves will be utilized over the next six years to restore additional service hours in 2017 and 2018, to provide capital acquisitions to support service plans, and to meet the required reserves by the end of the six-year period.

The operating budget revenue for 2016 is increasing by 4.7% and operating expenditures are increasing 4.7% from the 2015 Amended Budget.

	2015 Amended	2016	Budget to Budget Change	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>%</u>
Operating Revenues	\$ 133,491,270	\$ 139,712,508	\$ 6,221,238	4.7%
Operating Expenditures	(125,021,531)	(130,895,108)	5,873,577	4.7%
	8,469,739	8,817,400		
Non-Operating Expenditures	(860,301)	(780,258)		
Operating Transfers	(23,518,465)	(9,266,121)		
Net Change - Reserves	<u>\$ (15,909,027)</u>	<u>\$ (1,228,979)</u>		

2015 Non-Operating Expenditures are for the payment of \$780,258 for the Pierce County Agreement grant exchange funds.



## 2016 BUDGET MESSAGE

### In brief:

The type of revenue and percent change from 2015 Amended Budget are provided in the table and briefly explained as follows:

Fares – service changes  
ridership projections  
average fare per boarding

Advertising – advertising demand

Sound Transit – reimbursement rate  
services provided

Sales Tax – estimated revenue

Interest – investment balance  
interest rates

Other – projected property sales

Operating Contributions – grants

### Operating Revenues

	2015 Amended	2016	Budget to Budget Change	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>%</u>
Operating Income				
Fares	\$ 12,483,534	\$ 14,527,774	\$ 2,044,240	16.4%
Advertising	763,000	763,000	-	0.0%
Sound Transit	37,309,657	38,651,000	1,341,343	3.6%
Non-Operating Income				
Sales Tax	69,476,194	74,106,092	4,629,898	9.7%
Preventive Maintenance	4,627,700	4,627,700	-	0.0%
Interest	95,000	120,000	25,000	26.3%
Other	5,235,564	2,318,295	(2,917,269)	-55.7%
Operating Contributions	3,500,621	4,598,647	1,098,026	31.4%
	<u>\$ 133,491,270</u>	<u>\$ 139,712,508</u>	<u>\$ 6,221,238</u>	<u>4.7%</u>

Fares - Revenues are estimated based on ridership and average fare per boarding projections. The average fare per boarding is expected to increase in 2016 to \$.95 from \$.85 per boarding. Average fare per boarding varies due to factors such as the percentage of boardings by fare type and category. Pierce Transit implemented revisions to its fares in 2014 to coincide with the replacement of its fareboxes. The revisions included elimination of paper transfers and the introduction of a new All Day Pass valid on Pierce Transit local service.

There is no projected adult fare increase included in the 2016 Budget revenue. The last adult fare increase was November, 2010. The increase was \$.25 for the local adult fare from \$1.75 to \$2.00. There is a proposed fare increase scheduled in March 2016 for senior/disabled, youth and paratransit (SHUTTLE) riders. Senior/ disabled, youth and SHUTTLE fares were last increased in March 2006.



## 2016 BUDGET MESSAGE

Advertising – The advertising budget reflects demand and the number of buses in service available for ads.

Sound Transit – Regional Transit Service budgeted revenue totals \$38,651,000 in 2016 and is expected to increase 3.6% from 2015 Budget. Pierce Transit is under contract with Sound Transit to provide regional express transit services. Sound Transit reimburses Pierce Transit for the cost of operating its service. For 2016, Sound Transit is increasing service hours 0.3% from 306,577 to 307,491. Sound Transit also reimburses for their share of costs associated with the Tacoma Dome Station, security, liability insurance, and special services.

Sales Tax - The sales tax projections are based on economic conditions and analysis of activity in the jurisdictions in the Public Transportation Benefit Area. Consumer spending plays a major role in the generation of sales tax revenue which is Pierce Transit's primary operating revenue source. Sales tax represents 73% of the operating budget revenue excluding Sound Transit. In 2016, sales tax is expected to total \$74,106,092. The 2016 Budgeted sales tax revenue is a 6.7% increase over the 2015 Budget. This consists of a 5.1% increase over 2015 year-end estimate and the 2015 year-end estimate is 1.6% over 2015 Budget. The outlook for the economic future is improving at a moderate pace and as these conditions improve, so will our levels of service.

Preventive Maintenance - This source is a Federal Transit Administration (FTA) 5307 grant. The 5307 grant is allocated based on certain performance measures including the number of passenger boardings and service hours provided, based on a two year lag. Preventive Maintenance for 2016 is \$4,627,700 and is authorized under the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21, Public Law 112-141). MAP 21 full reauthorization is pending congressional action. No additional increase is anticipated in 2016.

Interest - Interest revenue estimates are based on investment balances and projected interest rates. Interest rates and available funds to invest have increased slightly during 2015 resulting in increased interest revenue in 2016.



## 2016 BUDGET MESSAGE

Other - This revenue category includes \$1.0 million for a one-time sale of property, revenue from parking fees at the Tacoma Dome Station, revenue from the sale of vehicles at the end of their useful life, and miscellaneous sources. The 55.7% reduction in 2016 is primarily due to the one time sale of property in 2015.

Operating Contributions - Included in Operating Contributions are grants with Pierce County and the City of Tacoma for \$196,219 for Commute Trip Reduction (CTR) administration and Pierce County Employer Services Programs. Washington State Department of Transportation Regional Mobility Grants for peak hour service expansions is included for \$1,792,127. Also included is a Federal grant for \$80,960 for a community accessibility inventory program to help individuals with disabilities utilize bus service. The remainder of the funds provide services required by the Americans with Disabilities Act (ADA) through an agreement with Pierce County for the use of \$975,322 in federal formula funds and \$1,554,019 for a Washington Department of Transportation grant for special needs transportation.



## 2016 BUDGET MESSAGE

### In brief:

The 2016 Budget reflects the best use of the projected funds for the effective, efficient, and convenient provision of service to the community.

The type of expenditures and 2016 dollar and percent change from 2015 Amended Budget is provided in the table and is briefly explained as follows:

#### Wages –

Projected wage adjustments

#### Benefits –

Medical and Dental insurance premium increases

Employer contribution rate change for Washington State Public Employees Retirement System (PERS)

#### Maintenance & Operating (M&O) – Services increase

### Operating Expenditures

The focus for the 2016 Budget process was to limit expenses in order to provide funds for service restoration based on our *Back to Basics Initiative* that prioritizes service first and is built around the strategic priorities. That goal was accomplished and 20,000 fixed route service hours will be restored in September 2016. Operating expenses are projected to total \$130,895,108 for a 4.7% increase from the 2015 Amended Budget. The changes from the 2015 Amended Budget to the 2016 Budget are as follows:

	2015 Amended Budget	2016 Budget	Budget to Budget Change	
			Amount	%
Wages	\$ 59,318,841	\$ 61,064,863	\$ 1,746,022	2.9%
Benefits	24,483,131	27,384,694	2,901,563	11.9%
M & O	41,219,559	42,445,551	1,225,992	3.0%
Total Operations	125,021,531	130,895,108	5,873,577	4.7%
Non-Operating Expenditures	860,301	780,258	(80,043)	-9.3%
Total	\$ 125,881,832	\$ 131,675,366	\$ 5,793,534	4.6%

Wages - The 2016 Budget includes 916 positions and 897.5 full-time equivalents (FTEs). The 2.9% increase in wages includes an addition of twenty-two new positions directly related to restoring service hours and one reclassification of a contract services position for ORCA support personnel. The increase in wages also includes projected increases in wages and salaries.

Represented employees are 84% of the total Agency workforce. The Master Agreement with the transit union for the three-year period, July 1, 2011 through June 30, 2014, has ended and a new contract is being negotiated. The Master Agreement with the transit security officer union is for a four-year period, May 1, 2014 through April 30, 2018.



## 2016 BUDGET MESSAGE

The fuel prices for the 2016 Budget are shown below.

	2016 Budget
Unleaded	\$ 2.500
Diesel	\$ 2.500
CNG	\$ 0.714

Unleaded and diesel prices are per gallon and CNG prices are per gas gallon equivalent.

Benefits - The increase in benefits of 11.9% or \$2,901,563 is a result of staff increases, medical and dental premium increases, and an increase in the Washington State Public Employees Retirement System (PERS) employer contribution rates. PERS is projected to increase from 2015 Budget of 10.11% of eligible wages to 11.18% of eligible wages effective July 1, 2015.

Maintenance and Operations - The 2016 Maintenance and Operations (M&O) Budget is \$42,445,551. This is an increase of \$1,225,992 or 3.0% higher than the 2015 Amended Budget. The increase is to support the restoration of service and radio maintenance system and facility needs.

Fuel - Fuel costs of \$6,424,344 represent approximately 15.1% of the maintenance and operating budget. Compressed Natural Gas (CNG) comprises 18.1% of the fuel costs and is driven by CNG contracted prices. The Pierce Transit fleet is nearly 100% CNG powered and Sound Transit fleet is primarily diesel powered. The diesel and unleaded costs are estimated based on the best information available. A majority of diesel costs are reimbursed by Sound Transit.

Non-Operating Expenditures - 2016 Non-Operating Expenditures are for the payment of \$780,258 for the Pierce County Agreement grant exchange funds.



## 2016 BUDGET MESSAGE

### In brief:

#### Itemization of Budgetary Changes

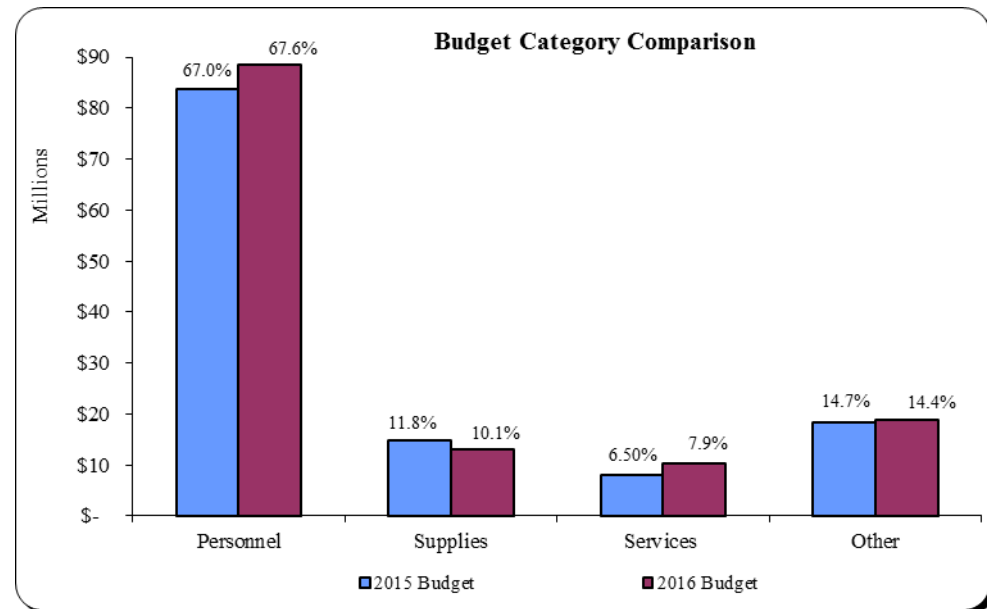
The 2016 total operating budget is 4.7% above the 2015 Amended Budget. An itemization of this increase is shown in the following chart.

#### Itemization of Budgetary Changes

Category	% Change
Wages	1.4%
Benefits	2.3%
Services	1.9%
Supplies	-0.2%
Fuel	-1.1%
Repairs & Maintenance	0.0%
Rentals	0.0%
Utilities	0.3%
Purchased Transportation	0.0%
Insurance	-0.2%
Other	0.3%
<b>Total</b>	<b>4.7%</b>

### Budget category comparison

As shown in the graph below, the operating budget categories for 2015 Budget and 2016 Budget represent similar percentages of the total operating budget. Personnel costs are approximately 68%, supplies 10%, services 8%, and other 14%.





## 2016 BUDGET MESSAGE

### In brief:

The 2016 Capital Budget is comprised of the following categories.

#### Revenue Vehicles – 46%

*Provide customers a comfortable and reliable mode of transportation*

#### Passenger Facilities & Amenities – 17%

*Serve as the front door to the transit system*

#### Base Facilities – 20%

*Support the efficiency of the Agency*

#### Technology – 13%

*Improve information and services to the public*

#### Other – 4%

*Maintain equipment*

A detailed project list reflecting the responsible division, carryover, and grant support is located in the Budget Statistics section of this document.

### Capital

The Capital Budget presents the revenues and expenditures associated with capital development and acquisition. It includes funds for budgeted replacement vehicles, capital planning for the efficient use of base facilities, maintenance equipment, and off-site improvements. These items are distinguished from operating items due to their value (greater than \$5,000) and projected useful life (longer than one year). Capital expenses and grant reimbursements are budgeted by project. Projects are budgeted in their entirety when approved regardless of anticipated expenditure dates.

Capital projects for 2016 are budgeted at \$18,985,278. Approved but unspent projects are carried over to the following budget year. The 2016 Budget contains \$12,693,470 of prior year budgeted funds (carryover) and \$6,291,808 in new projects in 2016. Expenditures are supported by \$2,701,290 in grant revenue primarily from the Federal Transit Administration, Sound Transit, and a FEMA Transit Security Grant Program. Operating costs or anticipated savings associated with significant non-routine capital expenditures such as personnel, maintenance, and utility costs have been included in the operating budgets of the responsible department.

	Carryover	New	Total
<b>Revenue Vehicles</b>	\$ 6,805,165	\$ 1,946,406	\$ 8,751,571
(Bus - 9 @ 25' replacement, Bus - 6@40' expansion; Vanpool - 60 replacement)			
<b>Passenger Facilities and Amenities</b>	3,318,090	-	3,318,090
(Tacoma Dome Station, Air Spares, 512 P&R, 72nd St P&R )			
<b>Base Facilities</b>	914,539	2,843,000	3,757,539
(Buildings 1 and 4, West Base, Base Rewire & Electrical Needs)			
<b>Technology</b>	1,344,458	1,028,107	2,372,565
(ORCA II, Financial Management System, Portfolio Management System, RSM Ride Check System, CCTV, Server and Infrastructure Replacement)			
<b>Other</b>	311,218	474,295	785,513
(Support Vehicles, Maintenance, Admin. and Shop Equipment)			
	<u>\$ 12,693,470</u>	<u>\$ 6,291,808</u>	<u>\$ 18,985,278</u>





## 2016 BUDGET MESSAGE

### **Self- Insurance**

The 2016 Budget of \$2,830,000 reflects an increase of \$12,000 from the 2015 Amended Budget of \$2,818,000. This is a result of projected Workers' Compensation claims and associated costs. Unemployment costs have no projected changes from the prior year.

### **Ending Balances**

Ending balances include the required reserves for the operating, capital, and insurance funds. The Board of Commissioners designated balances policy follows:

Operating reserve - a minimum of two months of agency operating expenditures.

Capital reserve - a minimum amount equal to ten percent of the six-year average annual capital expenditures and fifty percent of the average annual grant funding programmed in the Six-Year Financial Plan.

Self-Insurance reserve - a level adequate to protect the agency from self-insurance claims (currently \$1 million).

### **Conclusion**

The 2016 Budget is balanced, sustainable, and focused on restoring a high-quality transportation system.



## 2016 BUDGET FACT SHEET

### Fact Sheet:

A Fact Sheet is prepared to accompany resolutions presented to the Board of Commissioners. It provides information about the item in the resolution including preceding actions affecting the current request. It also includes budget information, background, alternatives, and the recommendation.



FACT SHEET NO: 15-078

AGENDA DATE: 12/14/2015

### FACT SHEET

TITLE: Adoption of the Annual Budget for Fiscal Year 2016 DIVISION: Finance

ORIGINATOR: Wayne Fanshier  
Chief Financial Officer

PRECEDING ACTION: Review at Executive Finance Committee 10/15/15; Budget Public Hearing 11/09/2015

COORDINATING DEPARTMENT: All Departments

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution

#### BUDGET INFORMATION

##### 2016 Budget Appropriations

	Expenditures	Resources
Operating Budget		
Operating	\$ 130,895,108	\$ 53,941,774
Non-Operating	780,258	81,172,087
Operating Contributions	-	4,598,647
Operating Transfers	9,266,121	-
Use of Reserves	-	1,228,979
	<u>140,941,487</u>	<u>140,941,487</u>
Capital Budget		
Operating	18,985,278	2,726,290
Operating Transfers	-	5,815,560
Use of Reserves	-	10,443,428
	<u>18,985,278</u>	<u>18,985,278</u>
Insurance Budget		
Operating	2,830,000	5,000
Operating Transfers	-	3,450,561
Use of Reserves	-	(625,561)
	<u>2,830,000</u>	<u>2,830,000</u>
<b>Total Appropriations</b>	<b>162,756,765</b>	<b>162,756,765</b>
Less Operating Transfers	<u>(9,266,121)</u>	<u>(9,266,121)</u>
<b>Net Budget</b>	<b>\$ 153,490,644</b>	<b>\$ 153,490,644</b>

Explanation: The 2016 Budget totals \$162,756,765 for the operating, capital, and insurance budgets. Of this amount, \$9,266,121 is internal transfers, leaving a net budget of \$153,490,644.



## 2016 BUDGET FACT SHEET

FACT SHEET  
PAGE 2 of 2

### BACKGROUND:

The 2016 Budget is ready for adoption. This budget anticipates fixed route service hours of 464,000, service miles of 5,198,370, and 11,475,046 in ridership. Specialized Transportation (SHUTTLE) ridership is projected to be 371,378. Vanpool ridership is 950,000. Pierce Transit ridership for all modes is expected to be 12,796,424. Pierce Transit anticipates providing service hours of 307,491, service miles of 7,662,677, and 7,502,782 in ridership for Sound Transit Regional Transit Service.

To provide the projected levels of service for Pierce Transit and Sound Transit, the Agency's combined budget is \$162,756,765. Of this amount, \$9,266,121 represents internal transfers, leaving a net budget of \$153,490,644. The three components that make up this amount are the Operating Budget (86%), Capital Budget (12%), and Insurance Budget (2%). The 2016 Budget includes 916 positions and 897.5 full-time equivalents (FTEs). The Classification and Compensation Program for Non-Represented Positions annual maximum salary adjustment of 3% based on documented performance towards defined goals is included in the 2016 Budget.

Capital projects for 2016 are budgeted at \$18,985,278. Approved but unspent projects are carried over to the following budget year. The 2016 budget contains approximately \$12 million of prior year budgeted funds (carryover). Included are funds for vehicles, construction, technology, and administrative and maintenance equipment.

The insurance budget of \$2,830,000 included workers' compensation costs of \$2,705,000 and unemployment costs of \$125,000.

### ALTERNATIVES:

Modify the budget. The Board may at any time throughout the budget year make modifications to the budget.

### RECOMMENDATION:

Approve Resolution No. 15-071, adopting the 2016 Budget as presented at the November 9, 2015 Board Meeting.



## 2016 BUDGET RESOLUTION

### Resolution:

The resolution is the legal documentation of the formal action taken by the Board of Commissioners. It provides authority for the Agency to implement the action.

#### RESOLUTION NO. 15-071

A RESOLUTION of the Board of Commissioners of Pierce Transit  
Adopting the Annual Budget for Fiscal Year 2016

WHEREAS, the Chief Executive Officer has prepared a preliminary budget for fiscal year 2016; and

WHEREAS, the Executive Finance Committee has carefully reviewed the preliminary budget at its October 15<sup>th</sup> meeting; and

WHEREAS, the Board of Commissioners of Pierce Transit has carefully reviewed the preliminary budget at its November 9<sup>th</sup> meeting; and

WHEREAS, the Board of Commissioners at Pierce Transit held a public hearing on the preliminary budget at its November 9<sup>th</sup> meeting; and

WHEREAS, the Board of Commissioners of Pierce Transit has now determined that the preliminary budget provides for the efficient delivery of public transportation services within the financial capacity of Pierce Transit for 2016; and

WHEREAS, the 2016 Budget proposes service to provide 20,299,206 total passenger trips, requiring a workforce of 916 positions; and

WHEREAS, the Classification and Compensation Program for Non-Represented Positions was adopted by the Board of Commissioners on December 9, 2013 and revised November 10, 2014; and

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

Section 1. The Board of Commissioners hereby authorizes the annual budget for Pierce Transit for Fiscal Year 2016 as determined in the preliminary budget which was reviewed and adopted by the Board of Commissioners to its final form and content and, by this reference, incorporated herein as though fully set forth, and the same is hereby adopted as the annual budget for Pierce Transit for Fiscal Year 2016.

Section 2. The summary of the total estimated expenditures and resources for the appropriations are as follows:



32 RESOLUTION NO. 15-071  
33 PAGE 2



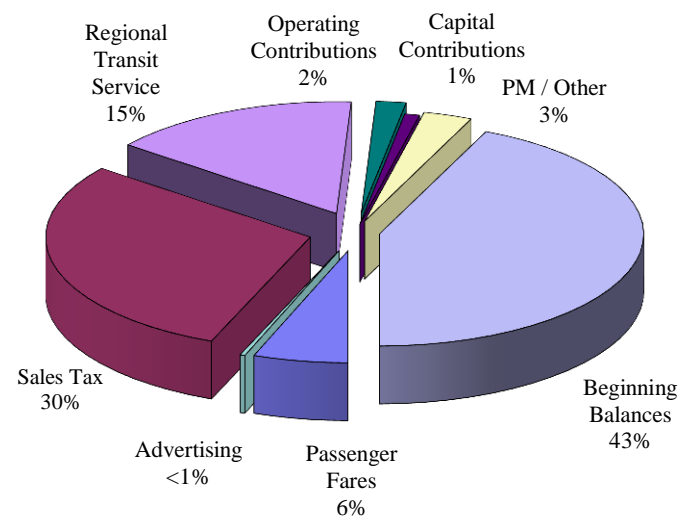
*A summary of Pierce Transit's budget is displayed in the following section. This summary is designed to present a brief overview of the Agency's financial outlook for the coming year. This information includes an overall summary, operating revenue summary, operating expenditure summary, capital summary, insurance summary, ending balances summary and an agency expenditure comparison.*

## **2016 Budget Summary**

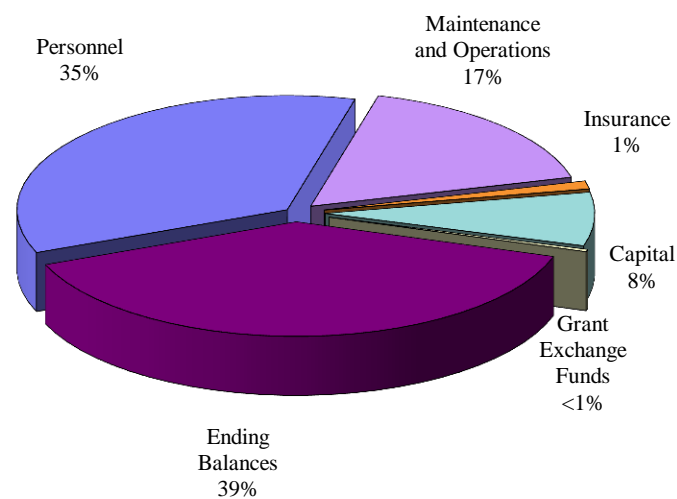




## Revenues



## Expenditures



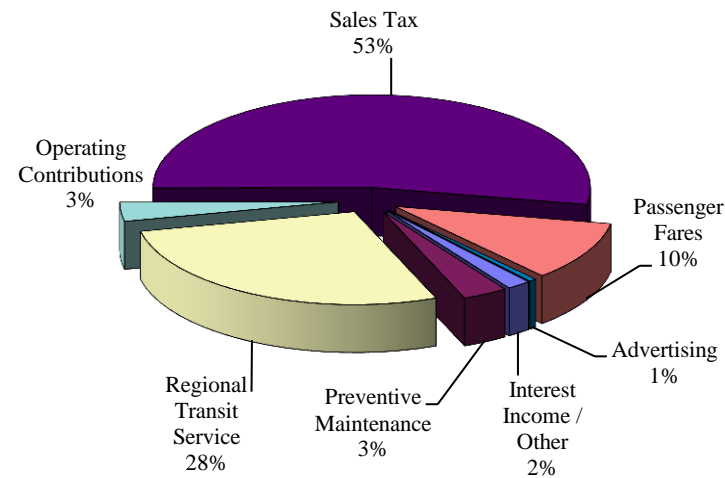
## 2016 BUDGET OVERALL SUMMARY

	2014 YEAR-END ACTUALS	2015 AMENDED BUDGET	2015 YEAR-END ESTIMATE	2016 BUDGET	% CHANGE 2016 BUDGET TO 2015 BUDGET
<b>REVENUES</b>					
<b>OPERATING INCOME</b>					
Passenger Fares	\$ 12,212,748	\$ 12,483,534	\$ 12,813,209	\$ 14,527,774	16.4%
Advertising	710,527	763,000	895,000	763,000	0.0%
Regional Transit Service (Sound Transit)	36,089,965	37,309,657	38,506,181	38,651,000	3.6%
<b>NON-OPERATING INCOME</b>					
Sales Tax	66,612,814	69,476,194	70,510,078	74,106,092	6.7%
Preventive Maintenance	6,635,282	4,627,700	5,082,836	4,627,700	0.0%
Other	5,012,075	5,367,264	5,300,384	2,883,260	-46.3%
<b>CONTRIBUTIONS</b>					
Operating	4,302,541	3,500,621	2,469,152	4,598,647	31.4%
Capital	7,782,172	6,383,951	1,454,853	2,286,325	-64.2%
<b>REVENUES</b>	<b>139,358,124</b>	<b>139,911,921</b>	<b>137,031,693</b>	<b>142,443,798</b>	<b>1.8%</b>
<b>BEGINNING BALANCES</b>					
Working Cash	79,544,188	91,839,884	98,347,580	91,851,513	0.0%
Insurance	2,362,635	1,183,270	429,949	374,439	-68.4%
Capital Reserve	28,196,953	17,014,085	19,740,699	16,935,743	-0.5%
<b>BEGINNING BALANCES</b>	<b>110,103,776</b>	<b>110,037,239</b>	<b>118,518,228</b>	<b>109,161,695</b>	<b>-0.8%</b>
<b>TOTAL REVENUES AND BALANCES</b>	<b>\$ 249,461,900</b>	<b>\$ 249,949,160</b>	<b>\$ 255,549,921</b>	<b>\$ 251,605,493</b>	<b>0.7%</b>
<b>EXPENDITURES</b>					
<b>OPERATING EXPENDITURES</b>					
Personnel	\$ 76,511,368	\$ 83,801,972	\$ 80,452,072	\$ 88,449,557	5.5%
Maintenance and Operations	35,041,365	41,219,559	36,899,758	42,445,551	3.0%
Insurance	2,616,060	2,818,000	2,691,040	2,830,000	0.4%
<b>NON-OPERATING EXPENDITURES</b>					
Debt Service	-	-	-	-	0.0%
Grant Exchange Funds	1,139,554	860,301	520,173	780,258	-9.3%
<b>CAPITAL EXPENDITURES</b>					
Capital	16,267,984	42,494,187	25,825,183	18,985,278	-55.3%
<b>EXPENDITURES</b>	<b>131,576,331</b>	<b>171,194,019</b>	<b>146,388,226</b>	<b>153,490,644</b>	<b>-10.3%</b>
<b>ENDING BALANCES</b>					
Working Cash	97,714,920	75,930,857	91,851,513	90,622,534	19.3%
Insurance	429,950	1,000,000	374,439	1,000,000	0.0%
Capital Reserve	19,740,699	1,824,284	16,935,743	6,492,315	255.9%
<b>ENDING BALANCES</b>	<b>117,885,569</b>	<b>78,755,141</b>	<b>109,161,695</b>	<b>98,114,849</b>	<b>24.6%</b>
<b>TOTAL EXPENDITURES AND BALANCES</b>	<b>\$ 249,461,900</b>	<b>\$ 249,949,160</b>	<b>\$ 255,549,921</b>	<b>\$ 251,605,493</b>	<b>0.7%</b>





## Operating Revenues



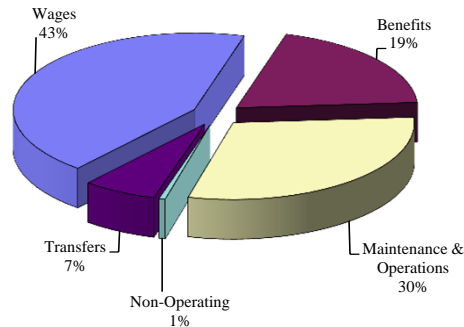
## 2016 BUDGET OPERATING SUMMARY - REVENUES

	2014 YEAR-END ACTUALS	2015 AMENDED BUDGET	2015 YEAR-END ESTIMATE	2016 BUDGET	% CHANGE 2016 BUDGET TO 2015 BUDGET
<b>OPERATING REVENUES</b>					
<b>OPERATING INCOME</b>					
Passenger Fares	\$ 12,212,748	\$ 12,483,534	\$ 12,813,209	\$ 14,527,774	16.4%
Advertising	710,527	763,000	895,000	763,000	0.0%
Regional Transit Service (Sound Transit)					
Express Reimbursement	35,029,480	36,294,014	37,503,538	37,604,645	3.6%
TDS Reimbursement	847,832	777,643	777,643	846,355	8.8%
Special Service Reimbursement	188,035	200,000	200,000	200,000	0.0%
Other Reimbursement	24,618	38,000	25,000	-	-100.0%
<b>OPERATING INCOME</b>	<b>49,013,240</b>	<b>50,556,191</b>	<b>52,214,390</b>	<b>53,941,774</b>	<b>6.7%</b>
<b>NON-OPERATING INCOME</b>					
Sales Tax	66,612,814	69,476,194	70,510,078	74,106,092	6.7%
Preventive Maintenance	6,635,282	4,627,700	5,082,836	4,627,700	0.0%
Interest Income	79,483	95,000	105,000	120,000	26.3%
Other	4,896,440	5,235,564	4,512,945	2,318,295	-55.7%
<b>NON-OPERATING INCOME</b>	<b>78,224,019</b>	<b>79,434,458</b>	<b>80,210,859</b>	<b>81,172,087</b>	<b>2.2%</b>
<b>OPERATING CONTRIBUTIONS</b>					
CTR / Vanpool Assistance	147,751	100,902	131,219	196,219	94.5%
Grant Exchange Funds	1,353,882	1,075,376	650,216	975,322	-9.3%
Operating Grants - Other	1,443,923	695,960	344,610	1,873,087	169.1%
Special Needs Transportation Grant	1,356,985	1,628,383	1,343,107	1,554,019	-4.6%
<b>OPERATING CONTRIBUTIONS</b>	<b>4,302,541</b>	<b>3,500,621</b>	<b>2,469,152</b>	<b>4,598,647</b>	<b>31.4%</b>
<b>TOTAL OPERATING REVENUES</b>	<b>131,539,800</b>	<b>133,491,270</b>	<b>134,894,401</b>	<b>139,712,508</b>	<b>4.7%</b>
<b>BEGINNING BALANCE</b>	<b>79,544,188</b>	<b>91,839,884</b>	<b>98,347,580</b>	<b>91,851,513</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUES AND BEGINNING BALANCE</b>	<b>\$ 211,083,988</b>	<b>\$ 225,331,154</b>	<b>\$ 233,241,981</b>	<b>\$ 231,564,021</b>	<b>2.8%</b>



**2016 BUDGET  
OPERATING SUMMARY - EXPENDITURES**

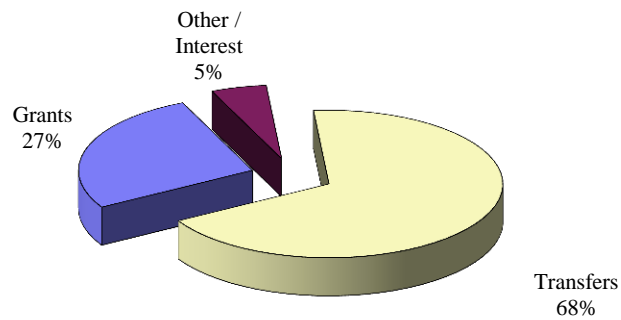
**Operating Expenditures & Transfers**



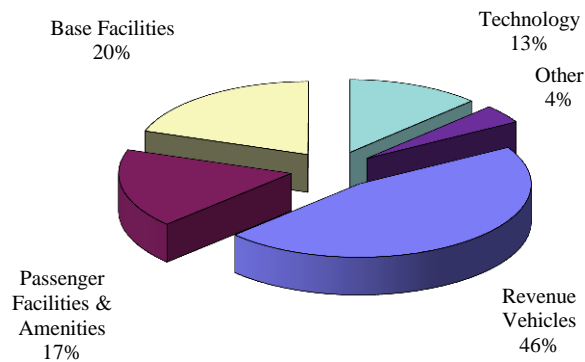
	2014 YEAR-END ACTUALS	2015 AMENDED BUDGET	2015 YEAR-END ESTIMATE	2016 BUDGET	% CHANGE 2016 BUDGET TO 2015 BUDGET
<b>OPERATING EXPENDITURES</b>					
<b>OPERATING</b>					
<b>PERSONNEL</b>					
Wages	\$ 54,326,151	\$ 59,318,841	\$ 57,296,985	\$ 61,064,863	2.9%
Benefits	22,185,217	24,483,131	23,155,087	27,384,694	11.9%
<b>PERSONNEL</b>	<b>76,511,368</b>	<b>83,801,972</b>	<b>80,452,072</b>	<b>88,449,557</b>	<b>5.5%</b>
<b>MAINTENANCE &amp; OPERATIONS</b>					
Supplies	13,235,781	14,814,473	13,213,092	13,178,261	-11.0%
Services	4,820,233	8,060,663	6,554,355	10,405,482	29.1%
Insurance (Purchased)	2,384,464	2,391,618	2,258,972	2,116,997	-11.5%
Utilities	1,330,277	1,528,500	1,707,200	1,878,500	22.9%
Repairs	430,965	622,952	656,204	677,808	8.8%
Rentals	310,079	472,570	473,203	457,509	-3.2%
Purchased Transportation	7,848,907	8,180,053	7,493,395	8,202,451	0.3%
Other	4,680,659	5,148,730	4,543,337	5,528,543	7.4%
<b>MAINTENANCE &amp; OPERATIONS</b>	<b>35,041,365</b>	<b>41,219,559</b>	<b>36,899,758</b>	<b>42,445,551</b>	<b>3.0%</b>
<b>OPERATING EXPENDITURES</b>	<b>111,552,733</b>	<b>125,021,531</b>	<b>117,351,830</b>	<b>130,895,108</b>	<b>4.7%</b>
<b>NON-OPERATING EXPENDITURES</b>					
Grant Exchange Funds	1,139,554	860,301	520,173	780,258	-9.3%
<b>NON-OPERATING EXPENDITURES</b>	<b>1,139,554</b>	<b>860,301</b>	<b>520,173</b>	<b>780,258</b>	<b>-9.3%</b>
<b>TOTAL EXPENDITURES</b>	<b>112,692,287</b>	<b>125,881,832</b>	<b>117,872,003</b>	<b>131,675,366</b>	<b>4.6%</b>
<b>TRANSFERS</b>					
Liability and Other Insurance Transfer	(1,144,072)	455,477	83,940	103,697	-77.2%
Workers' Comp. Transfer	1,820,853	2,174,553	2,546,090	3,346,864	53.9%
Capital Reserve	-	20,888,435	20,888,435	5,815,560	-72.2%
<b>TRANSFERS</b>	<b>676,781</b>	<b>23,518,465</b>	<b>23,518,465</b>	<b>9,266,121</b>	<b>-60.6%</b>
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<b>113,369,068</b>	<b>149,400,297</b>	<b>141,390,468</b>	<b>140,941,487</b>	<b>-5.7%</b>
ENDING BALANCE	97,714,920	75,930,857	91,851,513	90,622,534	19.3%
<b>TOTAL OPERATING EXPENDITURES AND ENDING BALANCE</b>	<b>\$ 211,083,988</b>	<b>\$ 225,331,154</b>	<b>\$ 233,241,981</b>	<b>\$ 231,564,021</b>	<b>2.8%</b>



## Capital Revenues & Transfers



## Capital Expenditures

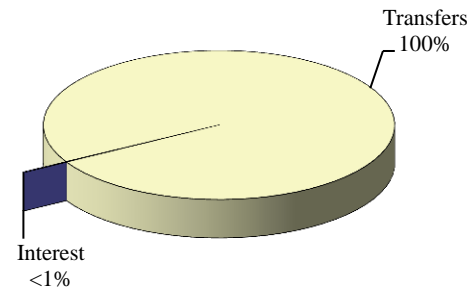


## 2016 BUDGET CAPITAL SUMMARY

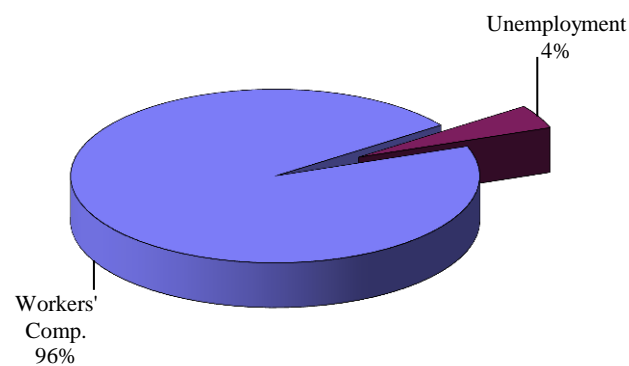
	2014 YEAR-END ACTUALS	2015 AMENDED BUDGET	2015 YEAR-END ESTIMATE	2016 BUDGET	% CHANGE 2016 BUDGET TO 2015 BUDGET
<b>CAPITAL REVENUES</b>					
<b>REVENUES</b>					
Grants	\$ 7,782,172	\$ 6,383,951	\$ 1,454,853	\$ 2,286,325	-64.2%
Other Capital Revenue / Interest	29,558	32,000	676,939	439,965	1274.9%
<b>REVENUE</b>	<b>7,811,730</b>	<b>6,415,951</b>	<b>2,131,792</b>	<b>2,726,290</b>	<b>-57.5%</b>
<b>TRANSFERS</b>					
Capital Reserve	-	20,888,435	20,888,435	5,815,560	-72.2%
<b>TRANSFERS</b>	<b>-</b>	<b>20,888,435</b>	<b>20,888,435</b>	<b>5,815,560</b>	
<b>CAPITAL REVENUES</b>	<b>7,811,730</b>	<b>27,304,386</b>	<b>23,020,227</b>	<b>8,541,850</b>	<b>-68.7%</b>
<b>BEGINNING BALANCE</b>					
Capital Reserve	28,196,953	17,014,085	19,740,699	16,935,743	-0.5%
<b>TOTAL CAPITAL REVENUES AND BEGINNING BALANCE</b>	<b>\$ 36,008,683</b>	<b>\$ 44,318,471</b>	<b>\$ 42,760,926</b>	<b>\$ 25,477,593</b>	<b>-42.5%</b>
<b>CAPITAL EXPENDITURES</b>					
<b>CAPITAL ACQUISITION</b>					
Revenue Vehicles	\$ 7,675,219	\$ 18,856,392	\$ 9,801,351	\$ 8,751,571	-53.6%
Passenger Facilities & Amenities	1,061,742	1,849,971	1,537,173	3,318,090	79.4%
Base Facilities	1,757,098	5,445,150	493,775	3,757,539	-31.0%
Technology	4,497,316	14,659,040	12,620,470	2,372,565	-83.8%
Other	1,276,609	1,683,634	1,372,414	785,513	-53.3%
<b>CAPITAL EXPENDITURES</b>	<b>16,267,984</b>	<b>42,494,187</b>	<b>25,825,183</b>	<b>18,985,278</b>	<b>-55.3%</b>
<b>ENDING BALANCE</b>					
Capital Reserve	19,740,699	1,824,284	16,935,743	6,492,315	255.9%
<b>TOTAL CAPITAL EXPENDITURES AND ENDING BALANCE</b>	<b>\$ 36,008,683</b>	<b>\$ 44,318,471</b>	<b>\$ 42,760,926</b>	<b>\$ 25,477,593</b>	<b>-42.5%</b>



## Insurance Revenues & Transfers



## Insurance Expenditures

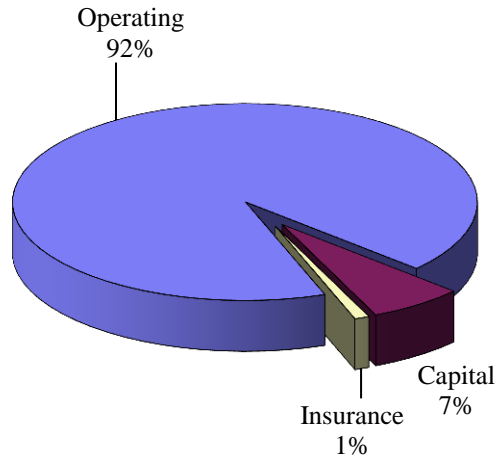


## 2016 BUDGET INSURANCE SUMMARY

	2014 YEAR-END ACTUALS	2015 AMENDED BUDGET	2015 YEAR-END ESTIMATE	2016 BUDGET	% CHANGE 2016 BUDGET TO 2015 BUDGET
<b>INSURANCE REVENUES</b>					
<b>REVENUES</b>					
Liability Insurance Interest	\$ -	\$ 1,787	\$ -	\$ -	-100.0%
Workers' Comp. Interest	6,457	2,476	5,387	4,941	99.6%
Unemployment Insurance Interest	137	437	113	59	-86.5%
<b>REVENUES</b>	<b>6,594</b>	<b>4,700</b>	<b>5,500</b>	<b>5,000</b>	<b>6.4%</b>
<b>TRANSFERS</b>					
Liability Insurance Transfer	-	371,537	-	-	-100.0%
Workers' Comp. Transfer	1,820,853	2,174,553	2,546,090	3,346,864	53.9%
Unemployment Insurance Transfer	(1,144,072)	83,940	83,940	103,697	23.5%
<b>TRANSFERS</b>	<b>676,781</b>	<b>2,630,030</b>	<b>2,630,030</b>	<b>3,450,561</b>	<b>31.2%</b>
<b>REVENUES AND TRANSFERS</b>	<b>683,375</b>	<b>2,634,730</b>	<b>2,635,530</b>	<b>3,455,561</b>	<b>31.2%</b>
<b>BEGINNING BALANCES</b>					
Liability Insurance	463,753	654,676	-	-	-100.0%
Workers' Comp. Insurance	489,620	362,971	242,758	228,195	-37.1%
Unemployment Insurance	1,409,262	165,623	187,191	146,244	-11.7%
<b>BEGINNING BALANCES</b>	<b>2,362,635</b>	<b>1,183,270</b>	<b>429,949</b>	<b>374,439</b>	<b>-68.4%</b>
<b>TOTAL INSURANCE REVENUES AND BEGINNING BALANCES</b>	<b>\$ 3,046,010</b>	<b>\$ 3,818,000</b>	<b>\$ 3,065,479</b>	<b>\$ 3,830,000</b>	<b>0.3%</b>
<b>INSURANCE EXPENDITURES</b>					
Liability Insurance	\$ -	\$ 528,000	\$ -	\$ -	-100.0%
Workers' Comp. Insurance	2,537,925	2,165,000	2,566,040	2,705,000	24.9%
Unemployment Insurance	78,135	125,000	125,000	125,000	0.0%
<b>INSURANCE EXPENDITURES</b>	<b>2,616,060</b>	<b>2,818,000</b>	<b>2,691,040</b>	<b>2,830,000</b>	<b>0.4%</b>
<b>ENDING BALANCES</b>					
Liability Insurance	463,753	500,000	-	-	-100.0%
Workers' Comp. Insurance	(220,995)	375,000	228,195	875,000	133.3%
Unemployment Insurance	187,192	125,000	146,244	125,000	0.0%
<b>ENDING BALANCES</b>	<b>429,950</b>	<b>1,000,000</b>	<b>374,439</b>	<b>1,000,000</b>	<b>0.0%</b>
<b>TOTAL INSURANCE EXPENDITURES AND ENDING BALANCES</b>	<b>\$ 3,046,010</b>	<b>\$ 3,818,000</b>	<b>\$ 3,065,479</b>	<b>\$ 3,830,000</b>	<b>0.3%</b>



## Ending Balances

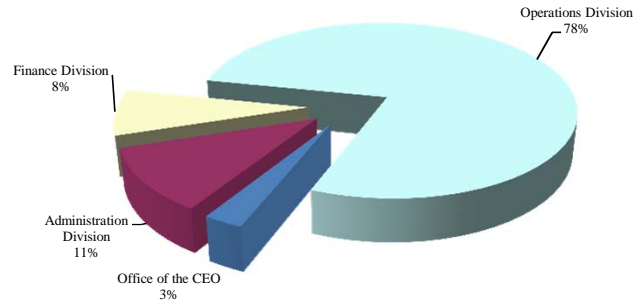


## 2016 BUDGET ENDING BALANCES

	2014 YEAR-END ACTUALS	2015 AMENDED BUDGET	2015 YEAR-END ESTIMATE	2016 BUDGET	% CHANGE 2016 BUDGET TO 2015 BUDGET
<b>OPERATING</b>					
Revenues	\$ 131,539,800	\$ 133,491,270	\$ 134,894,401	\$ 139,712,508	4.7%
Less: Expenditures	(112,692,287)	(125,881,832)	(117,872,003)	(131,675,366)	4.6%
<b>Subtotal</b>	18,847,513	7,609,438	17,022,398	8,037,142	5.6%
Plus: Beginning Balance	79,544,188	91,839,884	98,347,580	91,851,513	0.0%
Less: Transfers					
Capital Reserve	-	(20,888,435)	(20,888,435)	(5,815,560)	-72.2%
Insurance	(676,781)	(2,630,030)	(2,630,030)	(3,450,561)	31.2%
<b>ENDING OPERATING BALANCE</b>	<b>\$ 97,714,920</b>	<b>\$ 75,930,857</b>	<b>\$ 91,851,513</b>	<b>\$ 90,622,534</b>	<b>19.3%</b>
<b>CAPITAL</b>					
Revenues	\$ 7,811,730	\$ 6,415,951	\$ 2,131,792	\$ 2,726,290	-57.5%
Plus: Transfers					
Capital Reserve	-	20,888,435	20,888,435	5,815,560	-72.2%
<b>Subtotal Revenue</b>	7,811,730	27,304,386	23,020,227	8,541,850	-68.7%
Less: Expenditures	(16,267,984)	(42,494,187)	(25,825,183)	(18,985,278)	-55.3%
<b>Subtotal</b>	(8,456,254)	(15,189,801)	(2,804,956)	(10,443,428)	-31.2%
Plus: Beginning Balance	28,196,953	17,014,085	19,740,699	16,935,743	-0.5%
<b>ENDING CAPITAL BALANCE</b>	<b>\$ 19,740,699</b>	<b>\$ 1,824,284</b>	<b>\$ 16,935,743</b>	<b>\$ 6,492,315</b>	<b>255.9%</b>
<b>INSURANCE</b>					
Revenues	\$ 6,594	\$ 4,700	\$ 5,500	\$ 5,000	6.4%
Plus: Transfers	676,781	2,630,030	2,630,030	3,450,561	31.2%
<b>Subtotal Revenue</b>	683,375	2,634,730	2,635,530	3,455,561	31.2%
Less: Expenditures	(2,616,060)	(2,818,000)	(2,691,040)	(2,830,000)	0.4%
<b>Subtotal</b>	(1,932,685)	(183,270)	(55,510)	625,561	-441.3%
Plus: Beginning Balance	2,362,635	1,183,270	429,949	374,439	-68.4%
<b>ENDING INSURANCE BALANCE</b>	<b>\$ 429,950</b>	<b>\$ 1,000,000</b>	<b>\$ 374,439</b>	<b>\$ 1,000,000</b>	<b>0.0%</b>
<b>GRAND TOTAL - ALL BALANCES</b>	<b>\$ 117,885,569</b>	<b>\$ 78,755,141</b>	<b>\$ 109,161,695</b>	<b>\$ 98,114,849</b>	<b>24.6%</b>



**Agency Operating Budget**



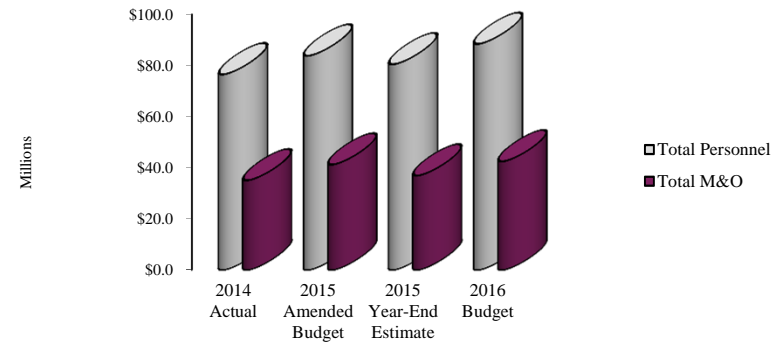
**2016 OPERATING BUDGET  
AGENCY EXPENDITURE COMPARISON**

Description	2014 Actual	2015 Amended Budget	2015 Year-End Estimate	2016 Budget	% Change 2016 Budget to 2015 Budget
<b>Personnel</b>					
Wages	\$ 54,326,151	\$ 59,318,841	\$ 57,296,985	\$ 61,064,863	2.9%
Benefits	22,185,217	24,483,131	23,155,087	27,384,694	11.9%
<b>Personnel</b>	<b>76,511,367</b>	<b>83,801,972</b>	<b>80,452,072</b>	<b>88,449,557</b>	<b>5.5%</b>
<b>Maintenance and Operations</b>					
Supplies	13,235,781	14,814,473	13,213,092	13,178,261	-11.0%
Services	4,820,233	8,060,663	6,554,355	10,405,482	29.1%
Insurance	2,384,464	2,391,618	2,258,972	2,116,997	-11.5%
Utilities	1,330,277	1,528,500	1,707,200	1,878,500	22.9%
Repairs & Maintenance	430,965	622,952	656,204	677,808	8.8%
Rentals	310,079	472,570	473,203	457,509	-3.2%
Other	12,066,506	12,693,130	11,416,829	12,879,241	1.5%
Repairs & Maint Contract Services	441,223	498,353	483,103	509,603	2.3%
Other Improvements	21,837	137,300	136,800	342,150	149.2%
<b>Maintenance and Operations</b>	<b>35,041,365</b>	<b>41,219,559</b>	<b>36,899,758</b>	<b>42,445,551</b>	<b>3.0%</b>
<b>Total *</b>	<b>\$ 111,552,732</b>	<b>\$ 125,021,531</b>	<b>\$ 117,351,830</b>	<b>\$ 130,895,108</b>	<b>4.7%</b>

Total FTE's 875.5 875.5 897.5  
Total Positions 893.0 893.0 916.0

\* Does not include Non-Departmental, Debt Service, Transfers or Self-Insurance Expenditures

**Expenditure Summary**







*This section includes Operating Statistics for all modes of service, Personnel Summary, Capital Program, Capital Budget by Project, and an Insurance Expenditure Comparison.*

## **2016 Budget**

## **Statistics**







**2016 Budget  
Operating Statistics  
All Modes**

	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>% Change 2015 - 2016</b>
<b>Pierce Transit</b>			
<b>Fixed Route Local &amp; Express</b>			
Ridership	10,792,701	11,475,046	6.3%
Service Hours	442,542	464,000	4.8%
Service Miles	4,961,958	5,198,370	4.8%
<b>Sound Transit</b>			
<b>Fixed Route Express</b>			
Ridership	7,480,480	7,502,782	0.3%
Service Hours	306,577	307,491	0.3%
Service Miles	7,639,900	7,662,677	0.3%
<b>Total Fixed Route (Pierce Transit &amp; Sound Transit)</b>			
Ridership	18,273,181	18,977,828	3.9%
Service Hours	749,119	771,491	3.0%
Service Miles	12,601,858	12,861,047	2.1%
<b>SHUTTLE</b>			
Ridership	378,603	371,378	-1.9%
Service Hours	189,220	187,860	-0.7%
Service Miles	2,738,744	2,730,176	-0.3%
<b>Vanpool</b>			
Ridership	950,000	950,000	0.0%
Service Hours	147,000	147,000	0.0%
Service Miles	5,000,000	5,000,000	0.0%
<b>AGENCY TOTAL (Pierce Transit and Sound Transit Fixed Route, SHUTTLE &amp; Vanpool)</b>			
Ridership	19,601,784	20,299,206	3.6%
Service Hours	1,085,339	1,106,351	1.9%
Service Miles	20,340,602	20,591,223	1.2%



## 2016 BUDGET PERSONNEL SUMMARY

### In brief:

Pierce Transit workforce is representative of the diversity of customers served.

The ethnicity of the workforce is

White – 66%

African American – 19%

Asian – 8%

Hispanic – 4%

Native American – 1%

Pacific Islander – 1%

More than one race – 1%



### Personnel Summary

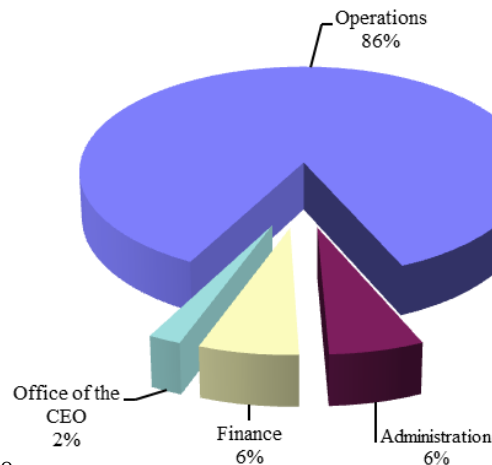
The 2016 Budget includes 916 positions and 897.5 full-time equivalents (FTEs). This is an increase of 23 positions or 2.5% from the 2015 Budget. The increase includes 22 positions in Operations for directly operated service and one position in Finance for an Employer Service Administrator from a reclassification of a professional service contract for One Regional Card for All (ORCA) support.

The 22 Direct Operating Positions include:

10 Transit Operators	1 Service Station Attendant
6 Relief Transit Operators	1 Facilities Custodian I
1 Journey Level Mechanic	3 Public Safety Officers

The Operations Division, which includes Maintenance personnel, represents 784 or 86% of total positions. The remaining 132 positions or 14%, are in the Office of the CEO, Finance Division, and Administration Division.

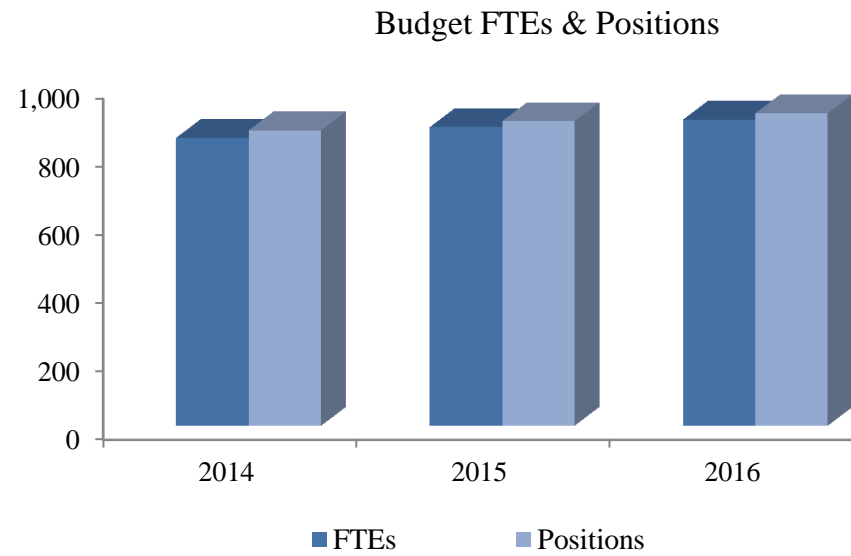
### 2016 Budget Positions





## 2016 BUDGET PERSONNEL SUMMARY

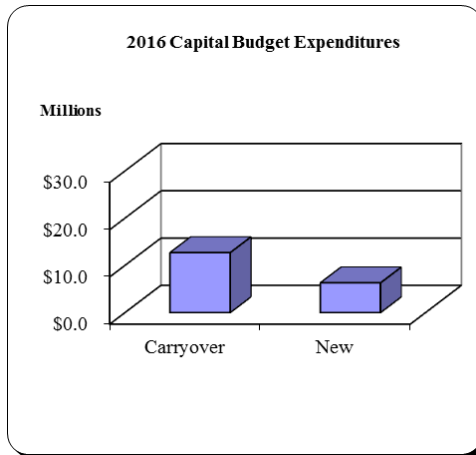
Budget FTEs							
2014 Budget	2015 Budget	2016 Budget	2015-2016 Change	2014 Budget	2015 Budget	2016 Budget	2015-2016 Change
844.0	875.5	897.5	22.0	866.0	893.0	916.0	23.0





## 2016 BUDGET CAPITAL PROGRAM

### In brief:



- Major projects spanning more than one year account for a significant portion of the budget.
- Investment supports public transportation needs in Pierce County.
- Provides critical infrastructure for the transit system.

The 2016 Capital Budget consists of a variety of projects primarily for the replacement and refurbishment of existing equipment and facilities including some multi-year projects that are carried over.

Revenue Vehicles – Pierce Transit currently operates an active fleet of 149 buses, 366 vanpool vans, and 100 SHUTTLE vehicles. Revenue vehicles are replaced on a regular cycle. The replacement schedule meets or exceeds Federal Transit Administration requirements that a vehicle not be removed from service prior to the completion of its useful life. With recent reductions, Pierce Transit has a fixed route fleet with an average age of 8.8 years. The actual replacement of vehicles will be on an as-needed basis and the Agency continues to extend the useful life of vehicles wherever possible.

Passenger Facilities & Amenities – Funds are budgeted for necessary repairs and refurbishments at several locations including Tacoma Dome Station, and 512 Park & Ride, 72<sup>nd</sup> Street Transit Center, as well as Transit Oriented Development at the Air Spares property near the Tacoma Dome Station.

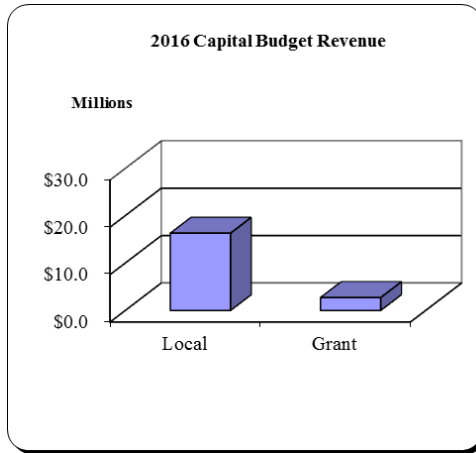
Base Facilities – Funds are budgeted for necessary repairs and refurbishments to base facilities and systems, and the acquisition of additional property for the base.

Technology – Funds are budgeted for for maintenance and upgrade of several critical software and systems, as well as replacement of infrastructure that has reached the end of its useful life. Some of these projects include the financial management system replacement, server and infrastructure replacement, portfolio management software, and Closed Circuit Television (CCTV).

Other – Other capital projects include replacement of non-revenue support vehicles (trucks, forklifts, cars, etc.), and maintenance and administrative equipment.



- Local funds
- Grant funds



## 2016 BUDGET CAPITAL PROGRAM

Carryover funds – As a matter of policy, Pierce Transit budgets funds in the year in which the Agency anticipates entering into a contract for service or acquisition. This generally results in funds that carry over from the previous budget year for projects in process. At the time the budget is prepared, the amount to be carried over is estimated. The estimated amounts are revised as necessary when the final year end expenditures are available, generally during the first quarter of the year.

Grant funds – Federal grant revenues for 2016 in the capital program are expected to be nearly \$3 million and include the following projects:

- Tacoma Dome Station Mid-Life Maintenance \$2 million
- Fixed Video at Radio Sites

State Grants and Other Capital Assistance are expected to be nearly \$2 million for the Base Master Plan project.

The detailed 2016 Capital Budget list follows.



## 2016 CAPITAL BUDGET BY PROJECT NUMBER

Project Biographical Data		Responsibility	Account Tracking		Multi-Year Budget Data				2016 Annual Project Budget Data			Funding of 2016 Project Amount	
L i n e  #	Project		Cost Center	Project Number	Total Project Budget	Prior Year Expenditures (through 12/31/14)	Estimated 2015 Expenditures	Project Closeout - Amount Returned to Reserves At Close	Estimated Project Carryover from 2015 into 2016	New 2016 Project Allocation Amount	Total 2016 Annual Capital Budget	Local (Pierce Transit) Funded	Estimated Grant Funding
1	TDS Mid-Life Maintenance	Finance	411000	0315	2,871,045	182,449	84,356	-	2,604,240	-	2,604,240	418,915	2,185,325
2	112th Street & Pacific/SR-7 Transit Access Mods	Finance	411000	0343	2,375,658	1,058,421	756,579	560,658	-	-	-	-	-
3	Master Key System Replacement	Operations	645000	0344	110,889	48,345	62,544	-	-	-	-	-	-
4	Bldg. 4 Modifications	Finance	411000	0345	2,443,317	1,592,509	409,151	441,657	-	-	-	-	-
5	Adept Version Upgrade	Administration	262000	0358	157,119	136,978	20,141	-	-	-	-	-	-
6	Maintenance Management System	Administration	262000	0359	539,312	180,022	323,763	35,527	-	-	-	-	-
7	Limited Access Control Software	Administration	262000	0361	204,951	180,015	24,936	-	-	-	-	-	-
8	ORCA (Regional Fare Integration)	Finance	243000	0364	5,296,645	4,690,210	-	-	254,623	351,812	606,435	606,435	-
9	LAN Replacement 2013--CLOSED 2015	Administration	262000	0386	358,939	338,865	-	20,074	-	-	-	-	-
10	CAD AVL System Upgrade 2013	Administration	262000	0387	404,269	-	104,000	300,269	-	-	-	-	-
11	Fare Box Replacement 2013	Administration	262000	0388	3,700,000	2,160,474	1,539,526	-	-	-	-	-	-
12	TDS G Street Expansion Zone	Finance	411000	0390	744,024	80,327	524,673	139,024	-	-	-	-	-
13	TRAX Data Coverage Upgrade	Operations	662000	0397	192,257	-	192,257	-	-	-	-	-	-
14	Radio Subscriber Replacement	Operations	662000	0398	2,154,188	1,663,802	490,386	-	-	-	-	-	-
15	Bus Replacement 2013	Operations	652000	0406	4,215,900	4,190,997	24,903	-	-	-	-	-	-
16	Ticket Vending Machine Purchase	Finance	243000	0407	109,771	-	109,771	-	-	-	-	-	-
17	AV System Replacement - Bldg. 5	Administration	262000	0410	546,452	-	410,000	136,452	-	-	-	-	-
18	Supervisor Vehicle Computer Replacement	Administration	262000	0413	169,788	2,085	167,703	-	-	-	-	-	-
19	CAD AVL System Upgrade 2014 and 2019	Administration	262000	0415	454,780	-	454,780	-	-	-	-	-	-
20	Cameras on Buses	Administration	262000	0416	2,050,391	13,176	2,036,824	391	-	-	-	-	-
21	End Point Security--CLOSED 2015	Administration	262000	0417	90,255	-	24,123	66,132	-	-	-	-	-
22	Facilities Critical Repairs	Finance	411000	0418	714,850	-	100,000	-	614,850	-	614,850	614,850	-
23	Support Vehicle Replacement 2014	Operations	651000	0420	696,229	619,753	76,476	-	-	-	-	-	-
24	Shuttle Replacement 2014	Operations	651000	0422	417,727	-	50,000	367,727	-	-	-	-	-
25	Vanpool Replacement 2014	Operations	651000	0423	1,539,424	-	1,539,424	-	-	-	-	-	-
26	Vanpool Expansion 2014	Operations	651000	0424	325,000	-	325,000	-	-	-	-	-	-
27	Brake Lathe Replacement 2014--CLOSED	Operations	652000	0426	18,830	-	12,396	6,434	-	-	-	-	-
28	Trolley Vehicle Expansion--CLOSED 2014	Operations	652000	0427	234,650	56,097	3,977	174,576	-	-	-	-	-
29	Building 4 Roof Deck Replacement	Operations	653000	0428	334,752	277,884	24,824	32,044	-	-	-	-	-
30	Radio Subscriber Replacement/Bus, Shuttle and Support	Operations	662000	0429	2,244,848	717,066	1,527,782	-	-	-	-	-	-
31	CAD AVL GPS Repeater 450 MHz Data Radio Project	Operations	662000	0430	3,402,197	60,735	3,341,462	-	-	-	-	-	-
32	Bus Replacement 2014	Operations	652000	0442	5,411,413	2,050	5,409,363	-	-	-	-	-	-
33	DFAR	Operations	645000	0443	45,000	11,316	33,684	-	-	-	-	-	-
34	Financial Mgmt Sys Repl 2015	Finance	241000	0445	1,010,000	-	-	-	1,010,000	-	1,010,000	1,010,000	-
35	Copier Repl 2015	Administration	262000	0446	437,600	-	437,600	-	-	-	-	-	-
36	Network Infrastructure Repl 2015	Administration	262000	0447	680,518	-	680,518	-	-	-	-	-	-
37	SAN 2015	Administration	262000	0448	191,450	-	131,542	59,908	-	-	-	-	-
38	Portfolio Mgmt Software 2015	Executive	263000	0449	130,000	-	65,000	-	65,000	-	65,000	65,000	-
39	Air Spare/TDS Transit Oriented Development	Finance	411000	0450	99,000	-	-	-	99,000	-	99,000	99,000	-
40	RSM Ridecheck Software 2015	Operations	451000	0451	184,835	-	170,000	-	14,835	-	14,835	14,835	-
41	Emergency Warning System Repl 2015	Operations	645000	0452	466,874	-	-	-	466,874	-	466,874	466,874	-
42	Shuttle Fleet Replacement 2015	Operations	651000	0453	2,368,440	-	2,368,440	-	-	-	-	-	-
43	Vanpool Fleet Replacement 2015	Operations	651000	0454	1,780,120	-	-	1,780,120	-	-	-	-	-
44	Support Vehicle Replacement 2015	Operations	651000	0455	411,711	-	411,711	-	-	-	-	-	-
45	Vanpool Fleet Expansion 2015	Operations	651000	0456	550,000	-	80,244	469,756	-	-	-	-	-
46	Auto Shop Equip Repl 2015	Operations	651000	0457	28,679	-	28,679	-	-	-	-	-	-
47	Paint Booth Heater Refurbishment 2015	Operations	651000	0458	60,170	-	60,170	-	-	-	-	-	-
48	Auto Shop Hoist Repl 2015	Operations	651000	0459	311,218	-	-	-	311,218	-	311,218	311,218	-



2016 CAPITAL BUDGET BY PROJECT NUMBER

Project Biographical Data		Responsibility	Account Tracking		Multi-Year Budget Data				2016 Annual Project Budget Data			Funding of 2016 Project Amount	
L i n e  #	Project		Cost Center	Project Number	Total Project Budget	Prior Year Expenditures (through 12/31/14)	Estimated 2015 Expenditures	Project Closeout - Amount Returned to Reserves At Close	Estimated Project Carryover from 2015 into 2016	New 2016 Project Allocation Amount	Total 2016 Annual Capital Budget	Local (Pierce Transit) Funded	Estimated Grant Funding
49	Bus Fleet Replacement 2015	Operations	652000	0460	1,069,875	-	-	-	1,069,875	-	1,069,875	1,069,875	-
50	Bldg 1 and 4 Rewire 2015	Administration	262000	0461	447,665	-	-	-	447,665	-	447,665	447,665	-
51	Critical Electrical Needs in Base Power 2015	Operations	653000	0462	59,800	-	59,800	-	-	-	-	-	-
52	TDS Bus Shop Lighting 2015	Operations	653000	0463	71,565	-	71,565	-	-	-	-	-	-
53	Radio Subscriber Repl for Bus, Shuttle & Support Veh 2015	Operations	662000	0464	819,499	-	819,499	-	-	-	-	-	-
54	Radio Shop Equip 2015	Operations	662000	0465	235,611	-	235,611	-	-	-	-	-	-
55	Bus Fleet Expansion 2015	Operations	652000	0469	5,735,290	-	-	-	5,735,290	-	5,735,290	5,735,290	-
56	CCTV Video Retention Expansion	Operations	645000	TBA	48,000	-	-	-	-	48,000	48,000	48,000	-
57	Money Counting Room Sorter Replacement	Finance	242000	TBA	12,581	-	-	-	-	12,581	12,581	12,581	-
58	Support Fleet Replacement	Operations	651000	TBA	391,714	-	-	-	-	391,714	391,714	391,714	-
59	Network Infrastructure Replacement	Administration	262000	TBA	213,330	-	-	-	-	213,330	213,330	213,330	-
60	Vanpool Fleet Replacement	Operations	651000	TBA	1,946,406	-	-	-	-	1,946,406	1,946,406	1,946,406	-
61	Training Fare Boxes	Operations	643000	TBA	70,000	-	-	-	-	70,000	70,000	70,000	-
62	Base Master Plan Update and Facility Needs Assessment	Finance	411000	TBA	253,000	-	-	-	-	253,000	253,000	152,000	101,000
63	West Base Property Acquisition	Finance	411000	TBA	2,590,000	-	-	-	-	2,590,000	2,590,000	2,590,000	-
64	Radio Site Fixed Video	Operations	662000	TBA	414,965	-	-	-	-	414,965	414,965	-	414,965
Grand Total					\$ 67,664,786	\$ 18,263,576	\$ 25,825,183	\$ 4,590,749	\$ 12,693,470	\$ 6,291,808	\$ 18,985,278	\$ 16,283,988	\$ 2,701,290





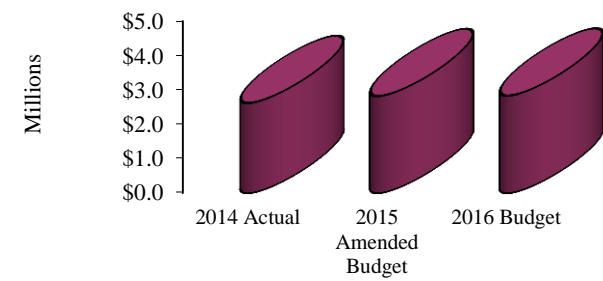
### Insurance Expenditure Comparison



## 2016 BUDGET INSURANCE EXPENDITURE COMPARISON

Description	2014 ACTUAL	2015 AMENDED BUDGET	2016 BUDGET	% Change 2016 Budget to 2015 Budget
Liability & Other Insurance	458,372	528,000	-	-100.0%
Workers' Comp. Insurance	2,079,553	2,165,000	2,705,000	24.9%
Unemployment Insurance	78,135	125,000	125,000	0.0%
<b>TOTAL INSURANCE</b>	<b>\$ 2,616,060</b>	<b>\$ 2,818,000</b>	<b>\$ 2,830,000</b>	<b>0.4%</b>

### Expenditure Summary





*This section includes the Six-Year Financial Plan Operating Revenues & Expenditures, Ending Balances, and the 2016-2021 Six-Year Capital Plan.*

*A Six-Year Financial Plan is prepared to ensure fiscal sustainability over time.*

## **2016 Budget**

# **Six-Year Financial Plan**

**PIERCE TRANSIT**  
**2016-2021 Six-Year Financial Plan**  
**Operating Revenues & Expenditures**

(Millions)	2015 YE Est	2016 Budget	2017	2018	2019	2020	2021
<b>REVENUES -</b>							
BEGINNING WORKING CASH	<b>\$98.347580</b>	\$91.851513	\$90.622534	\$74.054075	\$72.255654	\$57.277953	\$43.016243
<b>OPERATING INCOME</b>							
FARES AND PASSES							
Local Fares	9.219039	10.814265	11.039334	12.765882	12.893540	14.293758	14.405385
Express Fares (Excludes ST)	0.049916	0.060700	0.059430	0.066343	0.067007	0.074122	0.074863
Shuttle	0.361854	0.352809	0.363393	0.413695	0.426106	0.480688	0.495108
Vanpool	3.182400	3.300000	3.610000	4.085000	4.085000	4.560000	4.560000
Subtotal- Fares and Passes	12.813209	14.527774	15.072158	17.330919	17.471652	19.408568	19.535357
SALES TAX	70.510078	74.106092	77.996662	82.286478	87.017951	92.239028	97.773369
OPER. ASSIST. CTR/VANPOOL	0.131219	0.196219	0.100990	0.100990	0.100990	0.100990	0.100990
SPECIAL NEEDS PROGRAM FUNDS	1.343107	1.554019	1.227010	0.932412	0.932412	0.932412	0.932412
INTEREST	0.105000	0.120000	0.000000	0.000000	0.000000	0.000000	0.000000
<b>ADVERTISING</b>							
Contract Advertising - Pierce Transit Revenue	0.895000	0.763000	0.750000	0.750000	0.750000	0.750000	0.750000
<b>SOUND TRANSIT</b>							
ST Express Reimb.	37.503538	37.604645	41.135820	43.366754	47.186990	49.717435	52.415594
ST TDS Reimb.	0.777643	0.846355	0.846355	0.871746	0.897898	0.924835	0.952580
Special Service	0.200000	0.200000	0.200000	0.206000	0.212180	0.218545	0.225102
Other ST Reimb.	0.025000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
<b>MISCELLANEOUS</b>							
Operating Grant - Other (Homeland Sec/Reg Mob	0.344610	1.873087	1.476239	1.160352	0.580176	0.000000	0.000000
Operating Grant (5307)/Pierce County	0.650216	0.975322	0.975322	0.975322	0.975322	0.975322	0.975322
Preventive Maint. (5307) / ADA	5.082836	4.627700	4.627700	4.627700	4.627700	4.627700	4.627700
Other Miscellaneous	4.512945	2.318295	0.200000	0.200000	0.200000	0.200000	0.200000
TOTAL OPERATING INCOME	134.894401	139.712508	144.608256	152.808672	160.953270	170.094834	178.488426
TOTAL REVENUES & WORKING CASH	\$233.241981	\$231.564021	\$235.230790	\$226.862747	\$233.208924	\$227.372786	\$221.504668

**PIERCE TRANSIT**  
**2016-2021 Six-Year Financial Plan**  
**Operating Revenues & Expenditures**

(Millions)	2015 YE Est	2016 Budget	2017	2018	2019	2020	2021
<b>EXPENDITURES -</b>							
<b>Ongoing Operations</b>							
Wages	\$57.296985	\$61.064863	\$64.155465	\$69.014907	\$71.946867	\$75.154079	\$78.195731
Benefits	23.155087	27.384694	30.688055	34.224308	37.012358	40.133404	43.373619
M & O	18.322932	23.356591	22.486292	23.198672	23.894632	24.614048	25.349815
Fuel	6.199817	6.624344	6.684162	6.907946	7.057333	7.216733	7.369685
Parts	4.725554	4.080298	4.083203	4.270222	4.398329	4.534680	4.666187
Purchased Trans.	7.493395	8.202451	8.026029	8.202902	8.385195	8.573077	8.766718
Bridge Tolls	0.158060	0.181867	0.183992	0.189076	0.194302	0.199673	0.205194
TOTAL EXPENDITURES: w/out Debt Payment and Depreciation	117.351830	130.895108	136.307198	146.008033	152.889016	160.425693	167.926950
<b>Non-Operating Costs</b>							
Payments to Pierce Co for 5307 Agreement	0.520173	0.780258	0.780258	0.780258	0.780258	0.780258	0.780258
Subtotal	0.520173	0.780258	0.780258	0.780258	0.780258	0.780258	0.780258
EXPENDITURES (w/ Debt & Reimbursements)	117.872003	131.675366	137.087456	146.788291	153.669274	161.205951	168.707208
CURRENT REVENUES LESS CURRENT EXPENDITURES	17.022398	8.037142	7.520800	6.020381	7.283997	8.888882	9.781217
<b>TRANSFERS -</b>							
Capital Reserve	20.888435	5.815560	21.174359	4.816455	19.169281	19.965402	17.318741
Insurance	2.630030	3.450561	2.914900	3.002347	3.092417	3.185190	3.280746
Subtotal Transfers	23.518465	9.266121	24.089259	7.818802	22.261698	23.150592	20.599487
TOTAL EXPENDITURES AND TRANSFERS	141.390468	140.941487	161.176715	154.607093	175.930972	184.356543	189.306695
ENDING WORKING CASH	91.851513	90.622534	74.054075	72.255654	57.277953	43.016243	32.197974
REQUIRED CASH	19.558638	21.815851	22.717866	24.334672	25.481503	26.737616	27.987825
TOTAL EXPENDITURES & WORKING CASH	\$233.241981	\$231.564021	\$235.230790	\$226.862747	\$233.208924	\$227.372786	\$221.504668
<b>MARGIN / (DEFICIT)</b>	<b>\$72.292875</b>	<b>\$68.806683</b>	<b>\$51.336208</b>	<b>\$47.920982</b>	<b>\$31.796450</b>	<b>\$16.278627</b>	<b>\$4.210149</b>

**PIERCE TRANSIT**
**2016-2021 Six-Year Financial Plan**
**Ending Balances**

(Millions)	2015 YE Est	2016 Budget	2017	2018	2019	2020	2021
<b><u>OPERATING FUND</u></b>							
Operating Fund Beginning Balance	98.347580	91.851513	90.622534	74.054075	72.255654	57.277953	43.016243
<b>Revenue</b>							
Operating Income	134.894401	139.712508	144.608256	152.808672	160.953270	170.094834	178.488426
Subtotal - Operating Revenue	134.894401	139.712508	144.608256	152.808672	160.953270	170.094834	178.488426
<b>Expenditures</b>							
Operating Expenditures	117.872003	131.675366	137.087456	146.788291	153.669274	161.205951	168.707208
Transfers	23.518465	9.266121	24.089259	7.818802	22.261698	23.150592	20.599487
Subtotal - Operating Expenditures	141.390468	140.941487	161.176715	154.607093	175.930972	184.356543	189.306695
<b>Operating Fund Ending Balance</b>	<b>\$91.851513</b>	<b>\$90.622534</b>	<b>\$74.054075</b>	<b>\$72.255654</b>	<b>\$57.277953</b>	<b>\$43.016243</b>	<b>\$32.197974</b>
<b>Required Margin</b>	19.558638	21.815851	22.717866	24.334672	25.481503	26.737616	27.987825
<b>Margin / (Deficit)</b>	72.292875	68.806683	51.336208	47.920982	31.796450	16.278627	4.210149
<b><u>CAPITAL FUND</u></b>							
Beginning Reserves	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
<b>Revenue</b>							
<b>5307 Funding</b>							
5307 Earned Share	5.082836	4.627700	4.627700	4.627700	4.627700	4.627700	4.627700
5307 Competitive Funds	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Less Preventive Maintenance	-5.082836	-4.627700	-4.627700	-4.627700	-4.627700	-4.627700	-4.627700
5307 Funds Available for Capital Projects	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
<b>Pierce County 5307</b>							
5307 Revenues from Pierce Co Agreement	0.650216	0.975322	0.975322	0.975322	0.975322	0.975322	0.975322
Pierce Co. 5307	-0.650216	-0.975322	-0.975322	-0.975322	-0.975322	-0.975322	-0.975322
Pierce County 5307 Available for Capital	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
<b>Flexible Funds &amp; Earmarks</b>							
Federal Flex Funds - Regional	0.000000	0.000000	0.000000	0.000000	2.720000	2.720000	2.640000
Federal Flex Funds - Countywide	0.258775	0.000000	4.500000	4.500000	0.000000	0.000000	0.000000
Earmarks - 5309	0.405601	1.775530	0.000000	0.000000	0.000000	0.000000	0.000000
<b>Sound Transit</b>							
Sound Transit Base Expansion	0.000000	0.000000	0.000000	2.053800	0.000000	0.000000	0.000000
Sound Transit - Other Capital	0.000000	0.510795	0.000000	0.000000	0.000000	0.000000	0.000000
<b>Other Funding</b>							
State Funding	0.790477	0.000000	0.000000	0.855000	0.000000	0.000000	0.000000
Interest	0.025000	0.025000	0.000000	0.000000	0.000000	0.000000	0.000000
Other Capital Revenues	0.651939	0.414965	0.000000	0.000000	0.000000	0.000000	0.000000
<b>Contributions from Other Funds</b>							
Transfer from Operating Fund	20.888435	5.815560	21.174359	4.816455	19.169281	19.965402	17.318741
<b>Total Capital Revenues &amp; Reserves</b>	<b>23.020227</b>	<b>8.541850</b>	<b>25.674359</b>	<b>12.225255</b>	<b>21.889281</b>	<b>22.685402</b>	<b>19.958741</b>

**PIERCE TRANSIT**
**2016-2021 Six-Year Financial Plan**
**Ending Balances**

(Millions)	2015 YE Est	2016 Budget	2017	2018	2019	2020	2021
<b>Expenditures</b>							
Revenue Vehicles	9.801351	8.751571	19.281980	6.195788	16.745424	15.405699	15.197540
Passenger Facilities & Amenities	1.537173	3.318090	1.015839	0.000000	0.000000	0.700000	3.300000
Base Facilities	0.493775	3.757539	0.460000	3.984500	0.000000	0.000000	0.327800
Technology	12.620470	2.372565	3.639245	0.635450	1.021000	2.746474	0.771936
Other	1.372414	0.785513	1.277295	1.409517	4.122857	3.833229	0.361465
Total Capital Expenditures (Inflated)	25.825183	18.985278	25.674359	12.225255	21.889281	22.685402	19.958741
<b>USE OF CAPITAL RESERVE</b>	<b>-2.804956</b>	<b>-10.443428</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>

**CAPITAL RESERVE**
**Revenue**

Beginning Reserves	\$19.740699	\$16.935743	\$6.492315	\$6.492315	\$6.492315	\$6.492315	\$6.492315
Total Capital Revenues	23.020227	8.541850	25.674359	12.225255	21.889281	22.685402	19.958741
<b>TOTAL CAPITAL RESERVE REVENUES &amp; BEGINNING RESERVE</b>	<b>42.760926</b>	<b>25.477593</b>	<b>32.166674</b>	<b>18.717570</b>	<b>28.381596</b>	<b>29.177717</b>	<b>26.451056</b>

**Expenditures**

Capital Expenditures	25.825183	18.985278	25.674359	12.225255	21.889281	22.685402	19.958741
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<b>CAPITAL RESERVE - Req'd \$6.492315</b>	<b>\$16.935743</b>	<b>\$6.492315</b>	<b>\$6.492315</b>	<b>\$6.492315</b>	<b>\$6.492315</b>	<b>\$6.492315</b>	<b>\$6.492315</b>
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**INSURANCE FUND**
**Revenue**

Beginning Balance	\$0.429949	\$0.374439	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
Interest on Insurance Fund	0.005500	0.005000	0.000000	0.000000	0.000000	0.000000	0.000000
Transfer	2.630030	3.450561	2.914900	3.002347	3.092417	3.185190	3.280746

**Expenditures**

Payments from Insurance Fund	2.691040	2.830000	2.914900	3.002347	3.092417	3.185190	3.280746
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<b>Insurance Fund Ending Balance</b>	<b>\$0.374439</b>	<b>\$1.000000</b>	<b>\$1.000000</b>	<b>\$1.000000</b>	<b>\$1.000000</b>	<b>\$1.000000</b>	<b>\$1.000000</b>
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<b>TOTAL ENDING BALANCES</b>	<b>\$109.161695</b>	<b>\$98.114849</b>	<b>\$81.546390</b>	<b>\$79.747969</b>	<b>\$64.770268</b>	<b>\$50.508558</b>	<b>\$39.690289</b>
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### 2016 - 2021 PROPOSED SIX YEAR CAPITAL PLAN BY COST CENTER

L i n e #	Project Biographical Data	Responsibility	Account Tracking		2016 Annual Budget Data		2017-2021 Project Forecast						
	Project Title	Division	Cost Center	Project Number	2015 Est. Carryover Amount	2016	2017	2018	2019	2020	2021	Total	
1	Document Management System	Executive	111000	TBA	\$ -	\$ -	\$ 232,400	\$ -	\$ -	\$ -	\$ -	\$ 232,400	
2	Money Counting Room Sorter Replacement	Finance	242000	TBA	-	12,581	-	-	-	-	-	12,581	
3	ORCA 2	Finance	243000	0364	254,623	351,812	689,686	-	-	81,365	166,936	1,544,422	
4	Financial Mgmt. Sys Repl. 2015	Finance	241000	0445	1,010,000	-	-	-	-	-	-	1,010,000	
5	Agency Plotter Replacement	Administration	262000	TBA	-	-	-	-	18,000	-	-	18,000	
6	Bldg. 1 and 4 Rewire 2015	Administration	262000	0461	447,665	-	-	-	-	-	-	447,665	
7	Business Intelligence System	Administration	262000	TBA	-	-	-	-	-	-	-	-	
8	CAD AVL System Upgrade	Administration	262000	TBA	-	-	-	-	-	800,000	-	800,000	
9	Copier Repl. 2015	Administration	262000	TBA	-	-	-	-	-	-	-	-	
10	Customer Resource Management System Replacement	Administration	262000	TBA	-	-	-	120,450	-	-	-	120,450	
11	Hastus Upgrade 2017 and 2020	Administration	262000	TBA	-	-	501,609	-	-	501,609	-	1,003,218	
12	Marketing Printer and Plotter Replacement	Administration	262000	TBA	-	-	66,950	-	-	-	-	66,950	
13	Network Infrastructure Repl.	Administration	262000	TBA	-	213,330	785,000	340,000	797,000	883,500	430,000	3,448,830	
14	Service Supervisor Vehicle Computer Replacement	Administration	262000	TBA	-	-	-	-	-	200,000	-	200,000	
15	Shuttle Scheduling Software Replacement	Administration	262000	TBA	-	-	963,600	-	-	-	-	963,600	
16	Storage Area Network	Administration	262000	TBA	-	-	400,000	175,000	200,000	280,000	175,000	1,230,000	
17	Vinyl Cutter Repl. 2016	Administration	262000	TBA	-	-	-	-	6,000	-	-	6,000	
18	Portfolio Mgmt. Software 2015	Executive	263000	0449	65,000	-	-	-	-	-	-	65,000	
19	Air Spare/TDS Transit Oriented Development	Finance	411000	0450	99,000	-	-	-	-	-	-	99,000	
20	Articulated Bus Infrastructure (route 1)	Finance	411000	TBA	-	-	53,856	106,920	-	-	-	160,776	
21	Base Master Plan Update and Facility Needs Assessment	Finance	411000	TBA	-	253,000	-	-	-	-	-	253,000	
22	Building 1 Expansion	Finance	411000	TBA	-	-	460,000	3,984,500	-	-	-	4,444,500	
23	Facilities Critical Repairs	Finance	411000	0418	614,850	-	-	-	-	-	-	614,850	
24	Pac Ave SR-7 P&R Bus Turnaround	Finance	411000	TBA	-	-	-	700,000	3,400,000	3,400,000	-	7,500,000	
25	South Hill P&R	Finance	411000	TBA	-	-	-	-	-	700,000	3,300,000	4,000,000	
26	TDS Mid-Life Maintenance	Finance	411000	0315	2,604,240	-	-	-	-	-	-	2,604,240	
27	Transit Center Shelter Refurbishment	Finance	411000	TBA	-	-	1,015,839	-	-	-	-	1,015,839	
28	Vanpool Carport	Finance	411000	TBA	-	-	-	-	-	-	-	-	
29	West Base Property Acquisition	Finance	411000	TBA	-	2,590,000	-	-	-	-	327,800	2,917,800	
30	RSM Ridecheck Software 2015	Operations	451000	0451	14,835	-	-	-	-	-	-	14,835	
31	Training Fare Boxes	Operations	643000	TBA	-	70,000	-	-	-	-	-	70,000	
32	CCTV Video Retention Expansion	Operations	645000	TBA	-	48,000	-	-	-	-	-	48,000	
33	Emergency Warning System Repl. 2015	Operations	645000	0452	466,874	-	-	-	-	-	-	466,874	
34	Physical Protection System Integration Phase 1	Operations	645000	TBA	-	-	-	-	-	-	-	-	
35	Auto Shop Hoist Repl. 2015	Operations	651000	0459	311,218	-	-	-	-	-	-	311,218	
36	Shuttle Fleet Replacement	Operations	651000	TBA	-	-	-	-	3,492,004	2,062,126	4,016,896	9,571,026	
37	Support Fleet Replacement	Operations	651000	TBA	-	391,714	311,087	516,211	546,152	400,471	317,309	2,482,944	
38	Vanpool Fleet Replacement	Operations	651000	454/TBA	-	1,946,406	2,138,184	856,061	706,740	587,683	1,197,559	7,432,633	
39	Wheel Alignment System Replacement (Auto Shop Equip)	Operations	651000	TBA	-	-	24,024	32,000	7,463	9,152	10,000	82,639	
40	Bus Fleet Expansion 2015	Operations	652000	0469	5,735,290	-	6,500,000	-	-	-	-	12,235,290	
41	Bus Fleet Replacement	Operations	652000	460/TBA	1,069,875	-	10,643,796	5,339,727	12,546,680	12,755,890	9,983,085	52,339,053	
42	Crash Avoidance System	Operations	652000	TBA	-	-	842,380	-	-	-	-	842,380	
43	Parts Cleaner Cabinet Replacement (Bus Shop Equip)	Operations	652000	TBA	-	-	45,948	54,386	169,242	23,606	34,156	327,338	
44	Radio Site Fixed Video	Operations	662000	TBA	-	414,965	-	-	-	-	-	414,965	
Total					\$ 12,693,470	\$ 6,291,808	\$ 25,674,359	\$ 12,225,255	\$ 21,889,281	\$ 22,685,402	\$ 19,958,741	\$ 121,418,316	
Anticipated Grant Revenues					2,175,498	515,965	4,500,000	7,408,800	2,720,000	2,720,000	2,640,000	22,680,263	



*This section includes the  
Acronym List  
and  
Budget Glossary.*

## **2016 Budget**

## **Appendix**





## 2016 BUDGET ACRONYM LIST

Acronyms are words formed from the initial letters of other words most commonly used in the context of the budget.

ADA – American Disabilities Act  
APTA – American Public Transportation Association  
BVP – Bulletproof Vest Partnership  
CAFR – Comprehensive Annual Financial Report  
CCTV – Closed Circuit Television  
CMAQ – Congestion Mitigation & Air Quality Program  
CNG – Compressed Natural Gas  
CTR – Commute Trip Reduction  
DOT – Department of Transportation  
FEMA – Federal Emergency Management Agency  
FTA – Federal Transit Administration  
FY – Fiscal Year  
GFOA – Government Finance Officers Association  
GROW AMERICA ACT – Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America  
ISTEA – Intermodal Surface Transportation Efficiency Act  
JARC – Job Access and Reverse Commute  
MAP 21– Moving Ahead for Progress in the 21<sup>st</sup> Century Act (P.L. 112-141)  
ORCA – One Regional Card for All  
OJP – Office of Justice Programs  
PCEI – Pierce County Economic Index  
PL – Public Law  
PT – Pierce Transit  
POV – Privately Owned Vehicle  
PTBA – Public Transportation Benefit Area  
RCW – Revised Code of Washington



## 2016 BUDGET ACRONYM LIST

SAFETEA-LU – Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users  
SHUTTLE – Specialized Transportation  
ST – Sound Transit  
SUV – Special Use Van  
TANF – Temporary Aid to Needy Families  
TBSH – The Bus Stops Here  
TDP – Transit Development Plan  
TDS – Tacoma Dome Station  
USDOT – United States Department of Transportation  
UZA – Urbanized Area  
VP – Vanpool  
WATPA – Washington Auto Theft Prevention Authority  
WSDOT – Washington State Department of Transportation  
YE – Year End



## 2016 BUDGET GLOSSARY

*Accounting System* – Pierce Transit is a single enterprise that uses the accrual method of accounting. Under this method of accounting, revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received.

*Accrual Accounting* – A basis of accounting in which revenues and expenses are allocated to the year in which they are incurred, as opposed to when cash is actually received or spent.

*Accrual Basis* – The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

*ADA Americans With Disabilities Act* – Federal legislation mandating specific requirements for vehicles and facilities to accommodate the disabled.

*Agency* – As a government agency, Pierce Transit is often referred to as “the Agency” in this document and in other Pierce Transit publications.

*Annual Ridership* – The total number of passenger boardings on fixed route, SHUTTLE, or vanpool in a year.

*Annual Service Hours* – The number of hours of service provided during one year.

*Appropriation* – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

*APTA* – American Public Transportation Association. National, nonprofit trade association representing the public transit industry.

*Basis of Accounting* – The term that describes the criteria governing the timing of the recognition of transactions and events.

*Beginning Reserve Balance* – The fund balance as of January 1 that includes designated and undesignated amounts.



## 2016 BUDGET GLOSSARY

*Boardings* – Passengers are counted each time they board revenue vehicles no matter how many vehicles they use to travel from their origin to their destination. The official name of this statistic in National Transit Database (NTD) terms is “unlinked passenger trip.”

*Bond* – Long-term debt issued by an agency to help finance new acquisitions of property, facilities and equipment.

*Budget* – A financial plan to allocate financial resources to personnel, equipment, and facilities to deliver transit services to the public. It serves four main purposes: a policy statement, an operation guide, a financial plan, and a communication device.

*Budget Amendment* – A budget amendment is a formal action of the Board of Commissioners. An amendment is required in accordance with the Agency budget procedures.

*Budget Revision* – A budget revision is a record of change to the budget. A completed budget revision form is required for a revision.

*Capital Budget* – The Capital Budget is a portion of the annual budget that appropriates funds for the purchase of capital items. It includes funds for capital purchases such as vehicles, construction of new facilities, maintenance machinery, and off-site improvements. In addition, payroll costs and supplies may be capitalized if they are a portion of a project greater than \$5,000. These items are distinguished from operating items due to their value (greater than \$5,000) and projected useful life (greater than one year). Effective 2002.

*Capital Fund Account* – An account used to segregate a portion of the Agency's equity to be used for future capital program expenditures. The amount of the capital account is roughly equal to the Agency's annual equipment depreciation and an amount identified as being needed for future capital acquisition.

*Capital Reserve* – Reserves established to meet expenditure requirements for capital programmed in the Six-Year Financial Plan – a minimum amount equal to ten percent of the six-year average annual capital expenditures and fifty percent of the average annual grant funding programmed in the Six-Year Financial Plan.



## 2016 BUDGET GLOSSARY

*Congestion Mitigation & Air Quality Program (CMAQ)* – A federal program that funds transportation projects that will contribute to meeting the attainment of national ambient air quality standards.

*Cost per Passenger* – The cost of carrying each passenger. This is determined by dividing the total cost of carrying all passengers by the total number of passenger trips.

*Cost per Vehicle Mile* – The cost of traveling one mile. This is determined by dividing the total cost of providing service by the total number of miles traveled.

*Deadhead Time* – The number of hours a bus is traveling while not in revenue service. Includes travel between the garage and the beginning/end of a route or travel between two routes when the vehicle is not actually in service.

*Debt* – The amount of money required to pay interest and principal on the Agency's borrowed funds.

*Debt Service* – The annual debt service requirements and future debt service schedule associated with the bonds currently outstanding as determined by the debt policy. Debt service includes the principal and interest payment obligations for the defined periods.

*Department* – An sub-organizational unit of a Division responsible for achievement of specific Agency objectives such as service support, facilities management, and procurement.

*Division* – An organizational unit of the Agency responsible for carrying out Agency functions such as Operations and Finance.

*DOT* – See USDOT and WSDOT

*Dwell Time* – The scheduled time a vehicle is allowed to discharge and take on passengers at a stop, including opening and closing doors.

*Encumbrances* – A classification of expenditures committed for goods or services for which payments have not been made.



## 2016 BUDGET GLOSSARY

*Ending Reserve Balance* – The fund balance as of December 31 that includes designated and undesignated amounts.

*Enterprise Fund* – An enterprise fund is a type of proprietary fund used to account for a government's business-type activities. An enterprise fund may be used to report any activity for which a fee is charged to external users for goods or services. Enterprise funds are commonly used by transit districts to focus attention on the cost of providing services, and they serve to highlight the portion of that cost being borne by taxpayers.

*Expenditures* – Decrease in net current assets. Expenditures include debt service, capital outlays, and those current operating costs that require the use of current assets.

*Expenses* – Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

*Express* – A segment of fixed route service that operates between major commuting centers without intermediate stops. This service is designed to be faster and more direct than local fixed route service. Express service is made up of Sound Transit service and other express services.

*Farebox Recovery Ratio* – The amount of total fares collected divided by total costs. This ratio indicates how much the passenger provides toward the total cost of service.

*Fiscal Year* – The fiscal year for Pierce Transit is the calendar year January 1 through December 31.

*Fixed Guideway (fg)* – A Public transportation facility using and occupying: a separate right-of-way (ROW) or rail for the exclusive use of Public Transportation; or a fixed catenary system usable by other forms of transportation.

*Fixed Route* – Bus operations that adhere to a published schedule on specific routes.

*Full-time Equivalents (FTEs)* – A unit used for measuring personnel according to the percentage of hours worked annually, based on a 40-hour workweek / 52 weeks / 2080 hours.



## 2016 BUDGET GLOSSARY

*Fund* – A fiscal or accounting entity with a self-balancing set of accounts. A fund is established for the purpose of carrying on specific activities in accordance with specific limitations.

*Fund Balance* – Fund balance is the difference between assets and liabilities. The fund balance consists of required reserves set by the Board of Commissioners policy and unreserved amounts.

*Grants* – A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital depending on the purpose of the grant.

*Grow America Act* – Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America is the proposed multi-year surface transportation reauthorization proposal in 2014.

*Insurance Fund Account* – This account reflects the Agency's self-insured risk management programs: workers' compensation, and unemployment benefits. Operating funds pay an appropriate premium into this fund, which then pays valid claims. Dedicated cash funds to cover potential claims have been accumulated and are maintained in this account. These funds are restricted in their use.

*Insurance Reserve* – Reserves set at a level to adequately protect the Agency from self-insurance risks. The risks and reserve levels will be evaluated annually.

*JARC* – Job Access and Reverse Commute program. A grant funding support van services for Temporary Aid to Needy Families (TANF) and Welfare to Work recipients to transport eligible individuals with low income to and from jobs and activities related to their employment.

*Layover Time* – The time a bus is not in service between two scheduled trips.

*Local Service* – Fixed route bus service which travels within the local service area and makes regular and frequent stops. Pierce Transit's local service extends north to the Federal Way Transit Center in south King County, south to Spanaway, west to University Place and Steilacoom, and east to Puyallup.



## 2016 BUDGET GLOSSARY

*Maintenance and Operation Expenditures (M&O)* – This term refers to expenditures paid to obtain goods or services; including such items as services, supplies, fuel, utilities, insurance, etc. This category does not include personnel or capital expenditures.

*MAP-21 Moving Ahead for Progress in the 21<sup>st</sup> Century Act (P.L. 112-141)* – Federal legislation funding surface transportation programs through the Federal Transit Administration for fiscal years 2013 and 2014. It replaces *SAFETEA-LU*.

*Mission Statement* – This statement defines the purpose of Pierce Transit, thus providing long-term guidance to the Agency. This Mission Statement is the basis of the Agency's strategy priorities, annual goals, and objectives.

*Modified Accrual Basis of Accounting* – This method recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. Non-revenues and expenditures, including capital grant receipts, and capital acquisitions are budgeted on an accrual basis. Debt service principal is budgeted on a cash basis.

*Net Cost per Passenger* – A measure of the cost-effectiveness of a transit system. This is determined by subtracting total fare revenue from the total cost of providing service, divided by the number of passenger trips.

*One Regional Card for All (ORCA)* – The seamless fare system for the region's customers. It enables agencies to offer transit fare options, reduce media confusion, and improve interagency fare revenue reconciliation through an apportionment process. Regional fares are shared by the participating agencies which include Community Transit, Everett Transit, Kitsap Transit, King County Metro, Pierce Transit, Sound Transit, and Washington State Ferries.

*Operating Budget* – A plan of expenditures and proposed sources of financing current service. The operating budget does not include capital funds. The principle sources of revenue are operating income, sales tax, investment income and grants. All divisions are financed through this budget.

*Operating Expenditures* – The outflow of funds paid, or to be paid, for current goods and services.





## 2016 BUDGET GLOSSARY

*Operating Reserve* – Reserves maintained to provide a sufficient working capital and balance to finance cash flow requirements, unanticipated downturns in revenues, and provide funds for emergency expenditures - a minimum of two months of operating expenditures.

*Operating Revenue* – Funds that the Agency receives as income to pay for ongoing operations. It includes such items as: taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

*Passengers per Vehicle Hour* – The number of passenger trips taken during one hour of service. This is calculated by dividing the total number of service hours by the number of passenger trips.

*Performance Indicators* – Measures by which Pierce Transit evaluates the effectiveness and efficiency of its operations.

*Personnel* – This item includes the cost of all salaries, wages, overtime, and benefits associated with the Agency's staff.

*Platform Hours* – At Pierce Transit, the terms platform hours and service hours are interchangeable (see Service Hours).

*Regional Fare Coordination Project (ORCA / Smart Card)* - The Regional Fare Coordination (RFC) Contract, Joint Consultant contracts, and the combined Agency activities related to the RFC System. The System, which comprises Community Transit, Everett Transit, Kitsap Transit, King County Metro, Pierce Transit, Sound Transit, and Washington State Ferries, will provide a common, non-cash fare system throughout the Agencies' service areas.

*Replacement* – Capital items having reached the end of a minimum normal service life.

*Required Reserve* – The amount approved by the Board of Commissioner for the account groups operating, capital, and insurance account groups needed to mitigate current and future risks.



## 2016 BUDGET GLOSSARY

*Service Miles* – A calculation of service based on the number of miles a vehicle is on the road (includes revenue, recovery, and deadhead miles but not training or maintenance road test miles).

*SHUTTLE* – see Specialized Transportation also known as SHUTTLE.

*Single-Enterprise Fund* – Pierce Transit is a single-enterprise fund. Within the single fund, there are account groups (operating, capital, and insurance).

*Smart Card* – see Regional Fare Coordination Project.

*Sound Transit* – Regional Transit Authority. A cooperative known as “Sound Transit” which includes Pierce, King, and Snohomish counties, established to implement a regional, integrated, transit system throughout the Puget Sound area.

*Specialized Transportation* – An Agency program whereby transportation services are provided to the area disabled.

*Transfers* – Amounts transferred from the operating budget to the insurance and capital budgets. These amounts represent the annual contribution to these budgets.

*Unreserved Amount* – The designated or undesignated fund balance resources available for spending.

*USDOT* – United States Department of Transportation. The federal agency responsible for overseeing, regulating and providing financial assistance to ensure safe, effective national transportation systems including the Federal Transit Administration.

*Vanpool* – A group of 5 to 15 people sharing the ride in an 8, 12, or 15-passenger van.

*Vehicle Hours* – Aggregation of time during which a transit vehicle leaves the operating base, is available for service, and returns to the operating base. Includes layover and deadhead hours.

*Working Cash* – Excess of readily available assets over current liabilities or cash on hand equivalents that may be used to satisfy cash flow needs.

## 2016 BUDGET GLOSSARY

*WSDOT* – Washington State Department of Transportation. The state agency responsible for carrying out state transportation programs including public transportation.



# Pierce Transit

