



Pierce Transit **BUDGET** Lakewood, WA



2007

The photographs on the cover of this document feature Pierce Transit modes of transportation. Included are Vanpool, BusPLUS, Specialized Transportation (SHUTTLE), and 30' and 40' buses.

Photos and design by Lind Simonsen and Lorie Bartnes

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2007 BUDGET

Fiscal Year January 1, 2007 through December 31, 2007

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Chief Executive Officer

Prepared By
The Finance and Administration Department

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Appreciation is extended to everyone who contributed to the development of the budget and to those who will implement the plan.

For budget and other information about Pierce Transit visit www.piercetransit.org



2007 BUDGET READERS GUIDE

In brief:

The adopted budget document contains a variety of information regarding Pierce Transit. To assist the reader in locating subjects of interest, this **Reader's Guide** and the **Quick Reference Guide** are provided. Additional information is provided in the **Table of Contents** and the **Appendix**.

The flow of the document is designed to assist the reader in understanding the current budget with analyses and comparisons, the organization, and the planning and budget processes including financial requirements.

Document Organization

The Pierce Transit Budget has six major sections: **Introduction, Budget Summary, Operating Budget, Capital Budget, Insurance Budget, and Appendix**. The Operating Budget is further separated by department: **Executive, Operations, Maintenance, Technology & Transit Development, Human Resources, and Finance & Administration**. The divisions in each department are included.

The **Introduction** contains the Board of Commissioners page, Organizational Chart, Budget Transmittal Budget In Brief, Fact Sheet and Resolution of adoption of the budget, information about Our Community, Our Customers, Agency Overview, and the Strategic Business Plan.

The **Budget Summary** provides a Financial Overview of the budget, Ending Balances Requirements, Debt, Personnel Summary and Detail of Changes, Strategic Approach to the Budget, Financial Policies and Goals, Basis of Budgeting, The Budget Process, Annual Budget Development Calendar, Mission, Objectives, and Performance Measures, and Statistical Information. The Financial Overview provides a comparison between the 2005 year-end actuals, 2006 amended budget, 2006 year-end estimate, and 2007 budget totals.

The **Operating Budget** contains revenue and expenditure descriptions, distributions, projections, comparisons, and analyses. The Department and Division budgets are included in this section with descriptions, organization charts, and narrative information.

The **Capital Budget** includes a Capital Improvements Summary, Capital Summary of financial comparisons, Capital Budget Summary by Department, Capital Budget by Division/Project, and Capital Budget Operating Costs.

The **Insurance Budget** includes an Insurance Summary, Insurance Summary of financial comparisons, and Insurance Expenditure Comparisons.

The **Appendix** includes a Service Area Map, Acronym List, and Budget Glossary.



2007 BUDGET QUICK REFERENCE GUIDE

In brief:

The Quick Reference Guide is provided to assist the reader in locating key information contained in the Pierce Transit budget.

Information on some of the interesting and significant happenings at Pierce Transit can be found on the dividers for each section of the document.

To find:

- The overall policies which guide the 2007 Budget
- The Agency's major expenditures and revenue sources
- The long-term financial outlook of the Agency
- Capital projects planned for 2007
- How Pierce Transit is organized
- Positions / FTEs budgeted for 2007
- Performance measures
- Ridership
- Primary responsibilities of the department
- Comparison of 2006 amended budget, 2006 year-end estimate, and 2007 budgeted expenditures
- Budget expenditures by division

Refer to:

Chief Executive Officer's Budget Transmittal Budget In Brief

Overall Summary

The Next Six Years; Financial Forecast

2007 Capital Budget

Pierce Transit Organizational Chart and Agency Overview

2007 Personnel Summary

Mission, Objectives, and Performance Measures Statistical Information

"Department Description" for the Department

"Department Expenditure Summary" for the Department

"2007 Budget Department Expenditure" for the Department

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Introduction

Budget Summary

Introduction

Capital Budget Introduction

Budget Summary

Budget Summary

Budget Summary

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Lynne M. Griffith became Chief Executive Officer at Pierce Transit



Lynne M. Griffith became Chief Executive Officer of Pierce Transit, the second largest transit agency in Washington State, in April of 2006. She brought with her 35 years of demonstrated leadership in the transportation industry. During the last five years, Griffith served as Executive Director and Chief Executive Officer of C-Tran of Vancouver, Washington. Griffith has also managed transit programs in the Atlanta, Georgia region, including the Metropolitan Atlanta Rapid Transit Authority (MARTA); Cobb Community Transit, and the Georgia Regional Transportation Authority. Griffith currently serves as the Vice Chair of the Washington State Transit Association, as an advisory board member for Washington's Office of Transit Mobility, and serves on the American Public Transportation Association's CEO Bus and Paratransit Committee.

"We will set a new course that positions Pierce Transit for continued success."

Public transportation is currently experiencing a time when the demand for services and facilities is high and support and funding is available to respond with improvements to services. We will work with our Board of Commissioners to develop a clear vision for Pierce Transit's future. The plan will define priorities and set a new course that engages our employees, customers, and community in strategically positioning Pierce Transit for success.

"As CEO, it's my job to make sure this organization has adequate funds, the proper tools, and administrative guidance to be successful," stated Griffith. "One of the most important goals of a leader is to help each employee become the greatest success possible."



Pierce Transit **BUDGET** 2007

Introduction

2007

Pierce Transit BOARD OF COMMISSIONERS

Principal Officials



**Commissioner
Bill Baarsma**
Mayor, City of Tacoma
Chairman
Term Expires 5/1/07



**Commissioner
John Ladenburg**
Pierce County Executive
Vice Chairman
Term Expires 5/1/08



**Commissioner
Gerald Gehring**
Cities of Puyallup/
University Place
Term Expires 5/1/09



**Commissioner
Dave Enslow**
Small Cities and Towns
Term Expires 5/1/07



**Commissioner
Calvin Goings**
Pierce County Council
Term Expires 5/1/09



**Commissioner
John Arbeen**
Lakewood City Council
Term Expires 5/1/08



**Commissioner
Terry Lee**
Pierce County Council
Term Expires 5/1/07



**Commissioner
Tom Stenger**
Tacoma City Council
Term Expires 5/1/08



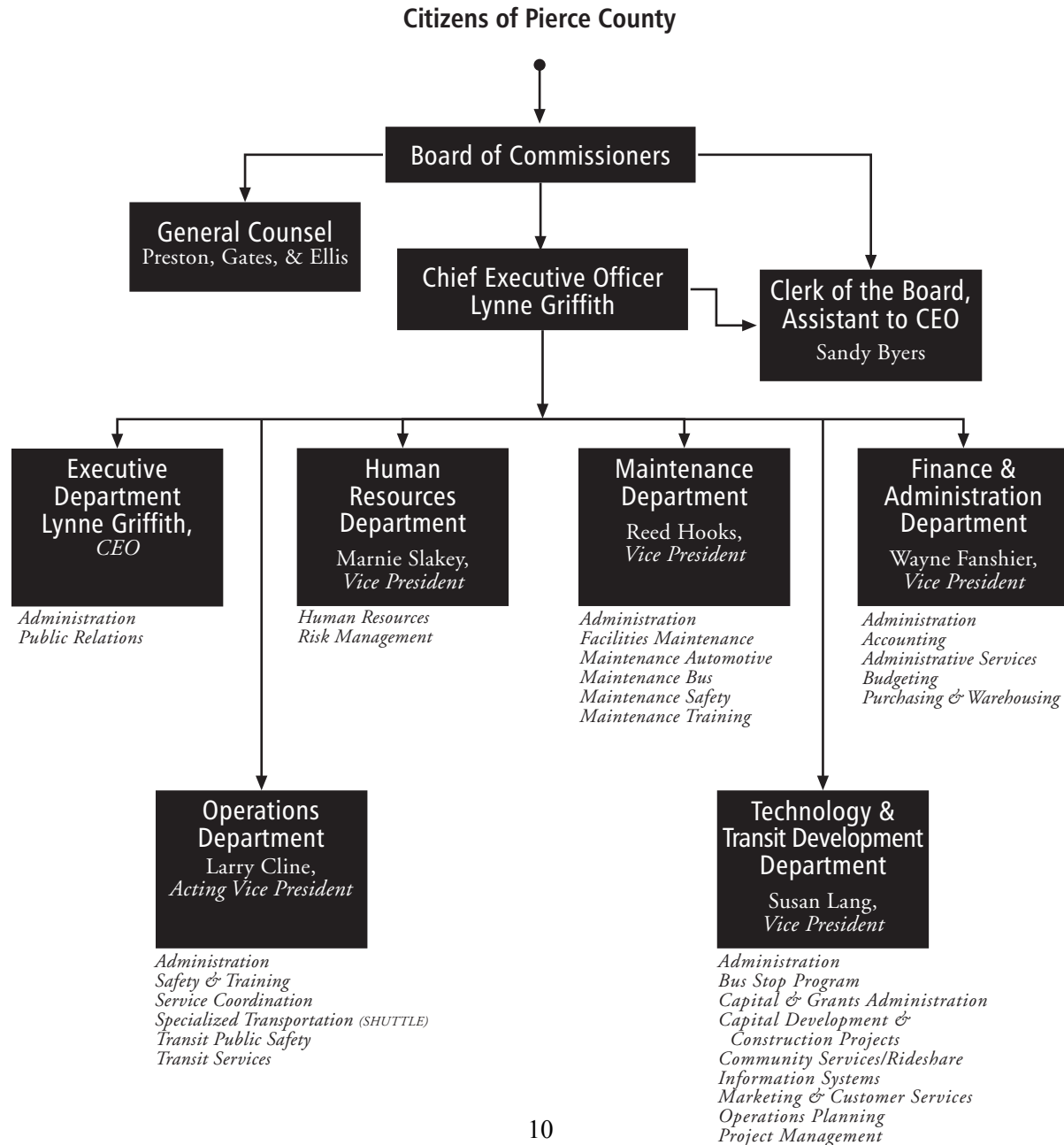
**Commissioner
Rick Talbert**
Tacoma City Council
Term Expires 5/1/09

Pierce Transit is a separate municipal corporation, not part of the City of Tacoma or Pierce County. A nine-member Board of Commissioners oversees the agency. The board is made up of elected officials.



2007

Pierce Transit ORGANIZATIONAL CHART





**2007 BUDGET TRANSMITTAL
BUDGET IN BRIEF**

In brief:

A balanced budget

Fiscally prudent

Sustainable

Reflects cost containment

Aligned with Six-Year Plan

Revenues support expenditures

Meets designated balance
requirements

Funds operating, capital, and
insurance programs

NOVEMBER, 2006

TO: PIERCE TRANSIT BOARD OF COMMISSIONERS, CITIZENS AND EMPLOYEES

FROM: LYNNE GRIFFITH, CHIEF EXECUTIVE OFFICER

I am pleased to present my first Pierce Transit Budget as adopted by the Board of Commissioners on December 11, 2006. Initially, I would like to share my business philosophy and areas of priority in providing quality transit service to the community.

Customers – Provide quality transportation choices that encourage citizens to use public transit.

Community – Provide community leadership through collaboration and building partnerships that increase the support for and an awareness of Pierce Transit.

Employees – Commit to a work environment that prioritizes employee development and where there is innovation, reward for change, openness, common goals, and belief in action.

Quality – Monitor performance to ensure quality transit services are offered in the most efficient, cost-effective, safe, and reliable manner.

Resources – Manage resources wisely positioning Pierce Transit as a responsible and competitive transportation option for the citizens of Pierce County.

Preparation of the 2007 Budget has included a back-to-basics approach that supports Pierce Transit's mission to "Deliver outstanding transportation services that match our customers' needs." Focusing our efforts on Pierce Transit's core business, moving people, requires an investment in strategies and programs that not only adds new routes and services, but also adds new riders to routes and services we already provide.



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

The 2007 Budget directs resources to major programs and services that will:

- Improve the quality and reliability of service
- Enhance security for customers and employees
- Train and develop employees
- Maintain essential equipment and facilities

Major Initiatives:

- Expanding range of effective and efficient services
- Broadening our relationships and ridership development
- Advancing major multi-year projects including the
 - Mobile Communications Project
 - Regional Fare Coordination Project (Smart Card)
 - Peninsula Park & Ride

Our goals include preserving future financial flexibility, maintaining prudent risk parameters, focusing on financial results, and taking a longer term view. We have searched for the basics, hunted for efficiencies, and aimed for productivity.

We have been challenged by competing priorities relating to service goals and capital requests while being observant of financial realities that limit our ability to meet all needs. One of the commitments we made to the public when voters supported an increase in Pierce Transit's sales tax was to continually review the way we do business and how we use available tax dollars. To achieve this and ensure competing priorities were fairly evaluated, a comprehensive prioritization process was formed and has been followed in developing all transit development plans.

We have evaluated and analyzed expenditure requests to assure the funds are directed to customer and employee needs. The results are improvements to facilities and services and a commitment to improving our employees' ability to provide effective transit services to the community. New shelters at bus stops, customer information and lighting improvements, expanded park and ride lots, more frequent services, new express services, and new flexible routes are addressed in the 2007 Budget. Initiatives have also been included to improve system reliability and the operating environment so that operators can more effectively meet customers needs for on-time and reliable service in both fixed route and SHUTTLE. There are also initiatives that directly support the operating environment, such as construction and implementation of a new mobile communications project, regional fare coordination project (Smart Card) and expansion of our base facility. Expenditures have also been included to ensure the safety and security of our customers and employees.



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF



The service improvements identified in the *2007 – 2012 Transit Development Plan* also respond to promises we made to the public to direct our investments in service and facility improvements to the most productive transit areas, are responsive to new and emerging markets, and continue to support community needs for transit service. The 2007 Budget incorporates improvements that continue to support the *Transit Development Plan* and translate into improved service in the South Hill area and new flexible route service in the Tacoma/Fife industrial area. It continues to improve the reliability of Pierce Transit's special needs transportation (SHUTTLE), expands the agency's most cost-effective service mode, vanpool, and adds express service that originates on the Peninsula.

Pierce Transit is also committed to developing positive and effective partnerships locally and regionally. Additional attention will be provided to relations with our local governmental agencies, the State Legislature, and regional partners. Collaboration and innovative ways to maximize the transit investments in the region are a priority and focused efforts will be made to improve the operational connectivity between Pierce Transit and Sound Transit.



Pierce Transit route improvements are projected to increase fixed route service hours by 4.6%, service miles by 6.1%, and ridership by 2.3%. The Sound Transit express bus service will experience a slight decrease as that agency directs more dollars to increased Sounder service. Factoring Sound Transit's reduction in service hours and miles, Pierce Transit will experience an increase in total service hours, service miles, and ridership with an estimated annual service hours of 780,327; 12,699,776 service miles; and 14,792,933 in overall fixed route ridership.

Specialized Transportation (SHUTTLE) ridership is projected to increase 0.5% for a total of 401,333, and Vanpool ridership increasing 9.8% to 859,000. The combined total annual ridership is expected to be 16,053,266.



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

The budget is fiscally prudent in that it is balanced and sustainable into future years. It provides a modest service increase while anticipating the capital and operating needs of the next six years. Cost control can be achieved by increasing productivity on existing service routes and searching for ways to be more efficient. The 2007 Budget factors a 3.9% increase in the cost per hour, while recognizing major items such as negotiated wage rates, mandated benefit increases by providers, and fuel costs. Fuel costs, representing approximately 7% of the operating budget, are estimated to increase \$511,143. Future fuel costs remain uncertain for unleaded and diesel fuel. The compressed natural gas fuel for 100% of our fixed route buses is set by contract at \$1.003 per therm until November 2007 and then increases to \$1.066.

A three-year contract with the Amalgamated Transit Union, Local 758, AFL-CIO effective July 1, 2005 provides a predictable wage cost for planning purposes through June 30, 2008. Negotiations with our medical plan providers this year resulted in increases of nearly 15%. To offset these increases, employee contributions will also increase to help control the escalating costs of health care benefits. Medical insurance premiums and state pension rate increases are likely to continue in the coming years.

Sales tax revenues continued to show improvement in 2006 with growth projections of 6% expected in 2007. This revenue, which represents 68% of the agency's operating revenue, will enable continued modest service improvements. Revenue projections are based on the local economy growing at a moderate pace and inflation at 4%.



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF



The budget is our annual economic blueprint and is driven by our Six-Year Financial Plan. As we look to the future, we will continue to seek new and innovative ways of doing business that ensures quality and cost-effective transit services are available to Pierce County citizens. Our goals and priorities will continue to be:

Customers and providing quality transportation choices that encourage citizens to use public transit.

Community in demonstrating leadership through collaboration and building partnerships that increase the support for and an awareness of Pierce Transit.

Employees in providing a work environment that prioritizes employee development and where there is innovation, reward for change, openness, common goals, and belief in action.

Quality by monitoring performance to ensure quality transit services are offered in the most efficient, cost-effective, safe, and reliable manner.

Resources by managing resources wisely positioning Pierce Transit as a responsible and competitive transportation option for the citizens of Pierce County.

The specifics of our 2007 Budget and the factors contributing to the changes from 2006 follow.


Lynne Griffith, Chief Executive Officer



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

In brief:

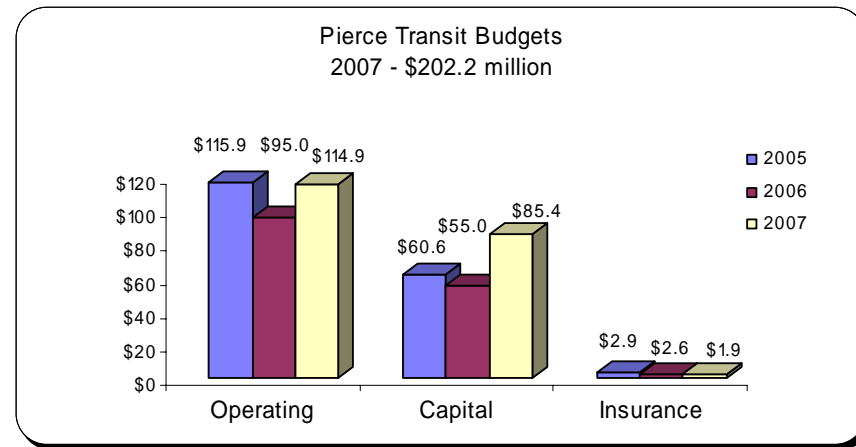
Pierce Transit is a single enterprise fund. The 2007 balanced budget totals \$202,177,800. Internal transfers are \$15,874,300 resulting in a net budget of \$186,303,500.

The Board of Commissioners appropriates all funds. The fund structure in the budget is the same as the audited financial statements.

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

The operating fund finances the day-to-day operations of the Agency. The capital fund contains revenues and expenditures associated with capital acquisitions. The insurance fund is maintained for the self-insurance expenses for liability claims, workers' compensation, and unemployment costs.

Agency Budget Summary



The operating fund is the primary fund of the Agency. The budget includes revenue from fares, advertising, sales tax, federal (preventive maintenance and ADA service) and state grant funding, reimbursement from Sound Transit for the Seattle Express service, interest earnings on the operating fund balance, and other operating revenue. The operating budget expenditure categories include wages and benefits, maintenance, and operating costs.

The capital budget revenues include federal and state grant funding, interest earnings on the capital reserve balance, and transfers from the operating fund. Capital expenditures include the acquisition of replacement and expansion vehicles, design and construction of passenger facilities and base improvements, technology projects, and the acquisition of information systems, communication systems, and administrative and maintenance equipment.

The insurance budget for administering self-insurance programs includes projected revenues for interest earnings on the insurance fund balance and transfers from the operating fund. Insurance expenditures include liability self-insurance claims, professional services, legal services, workers compensation, and unemployment costs.



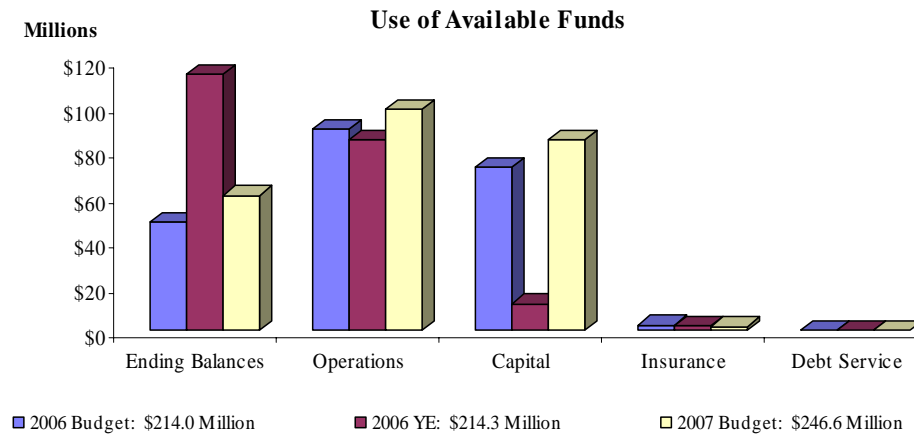
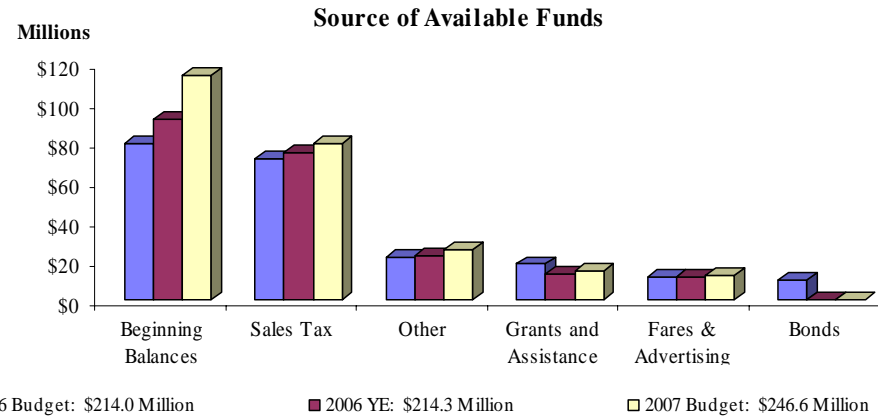
2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

A look at the future and the past

A comparison of revenues and expenditures including beginning balances and ending balances for 2006 budget, the 2006 year-end estimates, and 2007 budget is shown.

The major change in 2007 revenues is sales tax projections. The fare increase is based on estimated ridership projections.

Expenditure increases are driven by service increases, system growth, increased personnel costs for wage and labor agreement adjustments, health and retirement benefits, fuel costs, and capital projects.





2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

In brief:

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

Operating Revenues – Funds received to pay for ongoing operations.

Operating Expenditures – Funds paid for the cost of providing services.

Non-Operating Expenditures – Debt Service – Amount of money required to pay interest and principal on the Agency's borrowed funds.

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

Operating Budget

The 2007 operating revenues of \$116,449,700 support the operating expenditures of \$97,635,200. The operating budget revenue for 2007 is increasing by 8.4% and expenditures are increasing 9.7% over 2006 budget.

	2006 Amended <u>Budget</u>	2006 Year-End <u>Estimate</u>	2007 <u>Budget</u>	Budget to Budget Change	
				<u>Amount</u>	<u>%</u>
Operating Revenues	\$ 107,455,700	\$ 110,119,200	\$ 116,449,700	\$ 8,994,000	8.4%
Operating Expenditures	(89,027,300)	(84,538,400)	(97,635,200)	8,607,900	9.7%
	18,428,400	25,580,800	18,814,500		
Non-Operating Expenditures	(1,175,900)	(1,345,200)	(1,345,200)		
Operating Transfers	(4,782,400)	(4,782,400)	(15,874,300)		
Use Of Designated Balances	<u>\$ 12,470,100</u>	<u>\$ 19,453,200</u>	<u>\$ 1,595,000</u>		

Non-Operating Expenditures includes a debt service that is maintained for the authorized debt financing for the Agency. The 2007 budget includes a principal and interest bond payment of \$484,000. There are four remaining payments to satisfy the debt service requirement of the 1999 refinancing bonds, which are the only outstanding bonds.

The use of designated balances supports the acquisition of items in the Capital Budget.



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

In brief:

The type of revenue and 2007 dollar and percent change from 2006 budget are provided in the table and is briefly explained as follows.

Explanation of Change:

Fares –
ridership increase

Advertising –
advertising demand
new contract

Sales Tax – estimated increase

Operating Assistance – grants

Sound Transit –
reimbursement rate
services provided

Interest –
investment balance
interest rates

Other – salvage sales

Operating Revenues

	2006 Amended <u>Budget</u>	2006 Year-End <u>Estimate</u>	2007 <u>Budget</u>	Budget to Budget Change	
				<u>Amount</u>	<u>%</u>
Fares	\$ 10,862,600	\$ 10,566,300	\$ 11,717,200	\$ 854,600	7.9%
Advertising	897,000	944,200	837,500	(59,000)	-6.6%
Sales Tax	72,177,600	74,873,800	79,366,200	7,188,600	10.0%
Operating Assistance	5,959,200	6,682,100	5,969,100	9,900	0.2%
Sound Transit	16,445,500	15,137,300	16,289,300	(156,000)	-0.9%
Interest	762,100	1,524,600	1,982,200	1,220,100	160.1%
Other	351,700	390,900	288,200	(63,500)	-18.1%
	<u>\$ 107,455,700</u>	<u>\$ 110,119,200</u>	<u>\$ 116,449,700</u>	<u>\$ 8,994,000</u>	<u>8.4%</u>

Fares – Revenues are estimated based on ridership projections. There is no fare increase scheduled for 2007.

Advertising - Revenues are decreasing due to projected advertising demand and the new contract.

Sales Tax - The 2007 sales tax projection is based on a growth estimate of 6% over 2006 year-end estimate. If revenues exceed the projections, they will be used to accelerate services scheduled in the Six-Year Financial Plan.



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

Operating Assistance - This source consists primarily of Federal Transit Administration (FTA) 5307 Preventive Maintenance dollars of \$4,370,096 for 2007. The increase is a result of a change in the allocation of the funds to the Operating Budget to improve cash management as authorized by the FTA. Also included in the Operating Assistance is \$70,000 from the Jobs Access and Reverse Commute Program and \$70,000 from the State of Washington Commute Trip Reduction Program. 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 federal formula funds.

Sound Transit - Pierce Transit is under contract with Sound Transit to provide regional express services that operate within and from Pierce County. For 2007, Sound Transit is decreasing the service hours 1.4% from 157,084 to 154,865. The rate of reimbursement is a negotiated rate. Sound Transit also reimburses for their share of costs associated with the Tacoma Dome Station, security, liability claims, and special services.

Interest - Interest revenue estimates are based on investment balances and projected interest rates.

Other - This revenue category includes revenue received from parking fees at the Tacoma Dome Station, revenue from the sale of vehicles at the end of their useful life, and miscellaneous sources. A Jobs Access and Reverse Commute Program (JARC) grant is included. These funds support van services for TANF and Welfare to Work recipients to transport eligible individuals with low income to and from jobs and activities related to their employment.



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

In brief:

The 2007 budget reflects the best use of the available funds for the efficient, effective, and convenient provision of service to the community.

The type of expenditures and 2007 dollar and percent change from 2006 budget is provided in the table and is briefly explained as follows.

Explanation of Change:

Wages –

- wage adjustments
- new personnel

Benefits –

- medical premium increases
- retirement costs

M&O –

- service increases
- fuel costs

Operating Expenditures

	2006 Amended <u>Budget</u>	2006 Year-End <u>Estimate</u>	2007 <u>Budget</u>	Budget to Budget Change <u>Amount</u>	<u>%</u>
Wages	\$ 48,971,700	\$ 46,221,400	\$ 52,763,300	\$ 3,791,600	7.7%
Benefits	12,774,500	11,161,000	15,078,600	2,304,100	18.0%
M & O	27,281,100	27,156,000	29,793,300	2,512,200	9.2%
Total Operations	89,027,300	84,538,400	97,635,200	8,607,900	9.7%
Non-Operating Expenditures	1,175,900	1,345,200	1,345,200	169,300	14.4%
Total	<u>\$ 90,203,200</u>	<u>\$ 85,883,600</u>	<u>\$ 98,980,400</u>	<u>\$ 8,777,200</u>	9.7%

The changes from the 2006 budget to the 2007 budget are as follows:

Wages – The 7.7% increase in wages includes scheduled wage adjustments, FTE increases, and the annualized cost of 2006 positions. The current Master Agreement with the transit union is for a three-year period, July 1, 2005 through June 30, 2008.

The primary drivers for position increases in 2007 are service improvements, system maintenance and the Regional Fare Coordination Project (Smart Card), Mobile Communications Project, ADA Eligibility and Specialized Transportation projects. The 39 changes in positions include 20 operators for service, 10 operations personnel in Safety and Training, Service Coordination, Specialized Transportation, Transit Public Safety, and Transit Services, five support personnel in Accounting, Community Services, Information Systems, and Project Management, and four Maintenance positions for increased expansion of buses, vanpools and support vehicles, and bus shelters and stops. Positions are increasing 4.1% over 2006.



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

Benefits - Benefit costs are accelerating due to health premium and retirement contribution increases, and the increase in personnel. The Washington State Public Employees Retirement System (PERS) is scheduled to increase the employer contribution rate from 3.69% to 5.47% of eligible wages effective January 1, 2007 and from 5.47% to 6.01% effective July 1, 2007.

Maintenance and Operations - The increase over 2006 is driven primarily by service, fuel costs, and the improved safety and security of our customers and employees. The focus for 2007 is on containing costs except where they directly affect service and ridership development. At the same time the budget recognizes rising costs for non-controllable items.

Fuel - Fuel costs, representing approximately 7% of the operating budget, are increasing \$511,000 or 0.6%. Compressed Natural Gas (CNG) comprises 56% of the fuel costs. The Pierce Transit fleet is 100% CNG powered. The increase in CNG price reflects the current contract price of \$1.003 and \$1.066 beginning in November 2007. The diesel and unleaded costs are based on the best information available. The costs have been extremely volatile in 2006.

The fuel prices from 2006 Amended Budget and 2007 Budget are shown below.

Fuel Prices

		2006	2007	\$ Change 2006 Budget
		Budget	Budget	to 2007 Budget
Unleaded	\$	2.550	\$ 2.550	\$ 0.000
Diesel	\$	2.850	\$ 2.850	\$ 0.000
CNG Jan/Oct	\$	0.870	\$ 1.003	\$ 0.133
CNG Nov/Dec	\$	1.010	\$ 1.066	\$ 0.056



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

In brief:

Operating expenses for 2007 are projected to total \$97.6 million.

Expenses are increasing \$8.6 million over 2006 budget as a result of service increases, additional personnel required to meet the increased service levels, labor agreement adjustments, medical premium and retirement cost increases, maintenance and operating cost increases attributable to the service increases, fuel prices, improved safety and security of our customers and employees, and inflation.

Debt

The 2007 Budget includes the principal and interest bond payment of \$484,000. There are four remaining payments to satisfy the debt service requirement of the 1999 refinancing bonds, which are the only outstanding bonds. Additional information regarding debt service is in the Debt section of this document.

Itemization of Budgetary Changes

The 2007 total operations budget is 9.7% above the 2006 budget. An itemization of this increase is shown in the following chart.

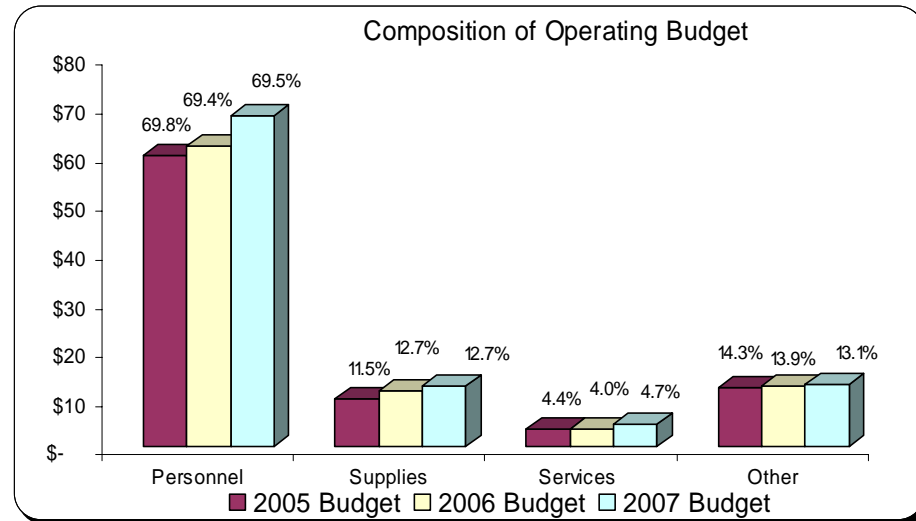
Category	% Change
Wages	4.3%
Benefits	2.6%
Services	1.1%
Supplies	0.0%
Fuel	0.6%
Insurance	0.0%
Repairs & Maintenance	-0.9%
Tires	0.1%
Rentals	0.2%
Utilities	0.0%
Other Contract Services	0.5%
Purchased Transportation	1.3%
Other	-0.2%
Total	9.7%



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

In brief:

As shown on the graph to the right, while the operating budget expenditures have increased, the composition of the budget is nearly identical in all years. Personnel costs continue to be approximately 70%, supplies 13%, services 4%, and other 13% of the operating budget.





2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

In brief:

The Capital Budget is comprised of the following categories.

Revenue Vehicles – 15%

Passenger Facilities and Amenities – 23%

Base Facilities – 14%

Technology – 46%

Other – 2%

A description of the major capital projects and a detailed project list reflecting the responsible division, carryover, and grant support are located in the Capital Budget section of this document.

Capital

Capital projects for 2007 are currently budgeted at \$85,417,320. Funds that are approved but unspent, are carried over to the following budget year. The 2007 budget contains approximately \$63 million of prior year budgeted funds (carryover) the majority of which is for the Mobile Communications Project at \$35.2 million and Peninsula Park & Ride at \$14.5 million. Expenditures are supported by \$13 million in grant revenue primarily from the Federal Transit Administration. Operating costs or anticipated savings associated with significant non-routine capital expenditures such as personnel, maintenance, and utility costs have been included in the budgets of the responsible division.

	Carryover	New	Total
Revenue Vehicles			
Buses - 21 expansion (10 delivered in 2007, 11 delivered in 2008)	\$ -	\$ 12,859,640	\$ 12,859,640
Vanpool Vans - 44 replacement, 20 expansion,			
Bus PLUS - 7 expansion,			
Shuttle Vehicles - 15 replacement			
Passenger Facilities and Amenities			
Parkland Transit Center, Peninsula Park and Ride Project,	17,551,323	1,944,495	19,495,818
Renovation of Tacoma Community College, Tacoma Mall			
Base Facilities			
Incremental expansion to existing base to increase capacity and efficiency including reconfiguration of base parking and circulation, addition of operators lobby to headquarters building, new bus wash and safety improvements to Building 1	5,241,716	6,624,904	11,866,620
Technology			
Mobile Communications Project and Regional Fare Coordination Project	38,680,094	742,212	39,422,306
Other			
Support Vehicles, Administrative and Maintenance Equipment	1,165,620	607,316	1,772,936
	<u>\$ 62,638,753</u>	<u>\$ 22,778,567</u>	<u>\$ 85,417,320</u>



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

Self-Insurance

The 2007 budget of \$1,905,800 reflects a decrease of \$686,300 from the 2006 budget of \$2,592,100. The decrease is a result of claims experience. For the last two and a half years, the Agency has seen a downward trend in accidents, an improved safety record, reduced on the job injuries and tort liability claims. As a result litigation costs have decreased and this has resulted in a 26% reduction in the expected claims payout for 2007. Sound Transit reimburses Pierce Transit for their actual self-insurance losses.

Ending Balances

Ending balances include the required designated balances for the operating, capital, and insurance funds. The designated balances are set by the Board of Commissioners as follows:

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

Capital reserve - a minimum amount equal to 10% of the six-year average annual capital expenditures and 50% of the average annual grant funding programmed in the six-year financial plan

Insurance reserve - a level adequate to protect the agency from self-insurance claims (currently \$4 million).



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

In brief:

“The Puget Sound area will register solid economic gains in 2007.”

Tacoma’s financial barometer continues to rise with positive activity in several key economic indices, according to the Tacoma-Pierce County Chamber’s Pierce County Economic Index report given during the Chamber’s Horizons 2007 forecast event.

Optimism prevails with the editors of the *Puget Sound Economic Forecaster* according to the December 2006 predictions.

“The region is clearly outperforming the rest of the country.”

Economic Outlook

The local economic conditions play a major part in the sales tax revenue generation for Pierce Transit. The sales tax rate for Pierce Transit at six-tenths of one percent is anticipated to generate over \$79 million dollars in sales tax revenue in 2007. In creating the long-term financial plan and preparing the annual budget, local conditions and issues are closely examined. A major source of information is The Pierce County Economic Index Report (PCEI). The report is provided annually and supported by major Pierce County businesses and the Tacoma-Pierce County Chamber. This report, prepared by University of Puget Sound professors Bruce Mann, Ph.D. and Douglas Goodman, Ph.D., continues to be the foremost regional tool for planning ahead. Information from the report follows.

Pierce County’s economic performance will remain solid through 2007, with the PCEI moving up by 3% during the year. For the two years of 2005 and 2006, the PCEI will move up by cumulative 10.4%, one of the best two-year periods on record.

2005 economic growth in Pierce County was very good, the third strongest year over the past 30 years. Economic activity will continue to move upward through 2006 and 2007 will also register solid economic gains.

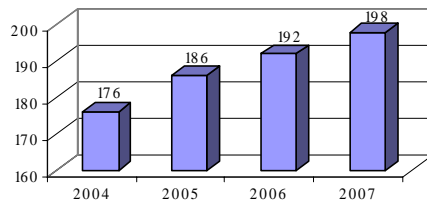
The local economy is growing in response to two sets of forces. First, the economy is still recovering from the last slowdown. In addition, new development forces, attitudes, and opportunities are adding to the “recover growth.”

From 2004 through 2006 employment has increased by 4.5% per year, well above the 2.7% average of the past 30 years for Pierce County. The rate of



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF

Pierce County Economic Index
(1985 = 100)



new job creation will remain in the 2% range for most of 2007. The unemployment rate will move up a bit to a 5.5% yearly average.

In 2005 the dollar volume of spending going into county sales registers increased by 9.2%. Fourth quarter's holiday shopping in 2006 will be up by 6.9% more than the record set in 2005. 2006 sales within Pierce County will reach almost \$6 billion during the year. About three percentage points of this growth will be due to higher prices, so the volume of goods leaving the shelves should be up by almost 4% for this holiday season.

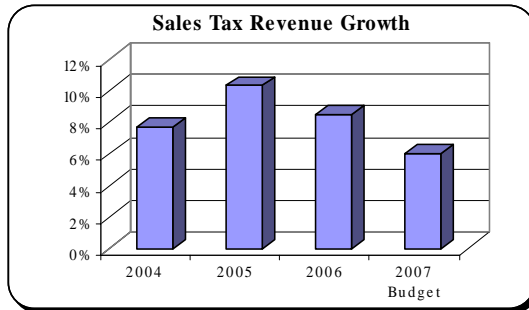
Sales growth will continue in 2007 but at a slower pace. Real retail sales in the first three quarters of 2007 will move up by 2%. The holiday shopping season in 2007 will set a record in terms of dollar volume for retail sales. Spending will be 5.25% more than the pace in 2006. While this is good solid performance, this is a slower pace than experienced in the past few years, primarily due to fewer new stores and outlets opening in the marketplace during 2007.

Total real (in constant year-2000 dollars) personal income increased during 2005, moving up by 5.6%. Total real personal income will grow by 5.1% during 2006. Total real personal income will move up by 4.1% in 2007 as county residents will bring home just more than \$30 billion.

Real per capita personal income (the average income) has historically increased at a much slower rate than total income. This pattern changed in 2005; now the two move more in tandem. Per capita income from 2004 through 2007 will increase at an average annual rate of 8.0%. By the end of 2007 it will increase to \$39,800 – a 25% gain in three years!



2007 BUDGET TRANSMITTAL BUDGET IN BRIEF



Throughout the last three years, a bright spot in the Pierce County economy has been the retail sector. This has proved to be very advantageous for Pierce Transit. Total sales were stronger than anticipated and Pierce Transit sales tax revenues increased 6.64 % in 2003, 7.66% in 2004, 10.67% in 2005 and are projected to reach 8.6% in 2006. Inflation remains low and not likely to increase significantly and the growing local economy is anticipated to drive retail spending activity again in 2007. The good job growth, in-migration, and rising incomes will all provide a push for retail spending in the county. However, some offsetting forces will moderate the growth. A fear about rising interest rates will keep home equity borrowing in check. A slower housing market will reduce the number of households moving, meaning less associated spending. This results in a projection for sales tax revenue to increase six percent over the 2006 year-end projection. This is consistent with the average collection over the last six years and correlates with the predictions of the local forecasters.

Conclusion

We are confident that the 2007 Budget will continue to provide an improved range of attractive transportation services that will increase the use of public transportation and benefit the community.





2007 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.



AGENDA NO: 5

AGENDA DATE: 12/11/06

FACT SHEET

TITLE: Adoption of the 2007 Budget

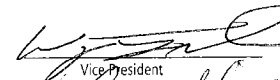
DEPARTMENT: Finance & Administration

ORIGINATOR: Wayne Fanshier

PRECEDING ACTION: Public Hearing on the Preliminary 2007 Budget November 13, 2006
Adoption of the 2007-2012 Transit Development Plan

COORDINATING DIVISION: All

APPROVED FOR SUBMITTAL:


Vice President

APPROVED FOR AGENDA:


Chief Executive Officer


Legal Counsel

ATTACHMENTS: Resolution

2007 Budget Appropriations	BUDGET INFORMATION	
	Expenditures	Revenues
Operating Budget		
Operating	\$97,635,200	\$116,449,700
Debt Service	484,000	-
Pierce County Agreement	711,200	-
Special Needs	150,000	-
Operating Transfers	15,874,300	-
Change in Designated Balance	-	(1,595,000)
	<u>114,854,700</u>	<u>114,854,700</u>
Capital Budget		
Operating	85,417,300	15,643,800
Operating Transfers	-	15,000,000
Use of Designated Balance	-	<u>54,773,500</u>
	<u>85,417,300</u>	<u>85,417,300</u>
Insurance Budget		
Operating	1,905,800	193,500
Operating Transfers	-	874,300
Use of Designated Balance	-	<u>838,000</u>
	<u>1,905,800</u>	<u>1,905,800</u>
Total Appropriations	202,177,800	202,177,800
Less Operating Transfers	(15,874,300)	(15,874,300)
Net Budget	<u>\$186,303,500</u>	<u>\$186,303,500</u>

Explanation: The 2007 Budget total expenditures projected for the year in operating, capital, and insurance are \$202,177,800. Of this amount, \$15,874,300 is internal transfers, which leaves a net budget of \$186,303,500.



2007 BUDGET FACT SHEET

FACT SHEET PAGE 2

BACKGROUND: Pierce Transit's 2007 Budget is ready for adoption. Pierce Transit route improvements are projected to increase fixed route service hours by 4.6%, service miles by 6.1%, and ridership by 2.3%. The Sound Transit express bus service will experience a slight decrease as that agency directs more dollars to increased Sounder service. Factoring Sound Transit's reduction in service hours and miles, Pierce Transit will experience an increase in total service hours, and miles and ridership with estimated annual service hours of 780,327, 12,699,776 service miles, and 14,792,933 in overall fixed route ridership.

Specialized Transportation (SHUTTLE) ridership is projected to increase by 0.5% for a total of 401,333, and Vanpool ridership by 9.8% to 859,000. The combined total Agency annual ridership is expected to be 16,053,266.

To provide the planned level of service (Local, Bus PLUS, Express, SHUTTLE and Vanpool) for 2007, the Agency's combined budget is \$202,177,800. Of this amount, \$15,874,300 represents internal transfers, which leaves a net budget of \$186,303,500. The three components that make up this amount are the Operating Budget (57%), Capital Budget (43%), and Insurance Budget (<1%).

Operating expenditures are budgeted at \$97,635,200. Additionally, the budget includes Non-Operating expenditures of \$1,345,200, and Operating Transfers of \$15,874,300. Expenditure increases of 9.7% in 2007 over 2006 are driven primarily by service, personnel increases for wage and labor agreement adjustments, benefit increases, fuel costs, and the improved safety and security of our customers and employees. The focus for 2007 is on containing costs except where they directly affect service and ridership development. At the same time the budget recognizes rising costs for non-controllable items.

The 2007 service results in a workforce of 987 positions. The primary drivers for position increases in 2007 are service improvements, system maintenance and the Regional Fare Coordination Project (Smart Card), Mobile Communications Project, ADA Eligibility and Specialized Transportation projects. The 39 changes in positions include 20 operators for service, 10 operations personnel in Safety and Training, Service Coordination, Specialized Transportation, Transit Public Safety, and Transit Services, five support personnel in Accounting, Community Services, Information Systems, and Project Management, and four maintenance positions for increased expansion of buses, vanpools and support vehicles, and bus shelters and stops. Positions are increasing 4.1% over 2006. The total workforce consists of 679 Operations employees, 166 Maintenance employees, and 142 support employees.

Capital projects for 2007 are budgeted at \$85,417,300. It includes funds for vehicles, construction, administrative and maintenance equipment, and off-site improvements. Approved but unspent projects are carried over to the following budget year. The 2007 budget contains approximately \$63 million of prior year budgeted funds (carryover) the majority of which is for the Mobile Communications Project at \$35.2 million and Peninsula Park & Ride at \$14.5 million.

The insurance budget of \$1,905,800 reflects a decrease of \$686,300 from 2006. The agency has seen a downward trend in accidents, an improved safety record, reduced on the job injuries and tort liability claims.

Revenue to support the 2007 budget will come from a variety of sources. The operating budget's revenues include \$79,366,200 million in sales tax, \$11,717,200 million in fares, \$4,370,100 from the Federal Transit Administration (FTA) for preventive maintenance, and \$16,289,300 for the Sound Transit service reimbursement. Funds to support



2007 BUDGET FACT SHEET

FACT SHEET PAGE 2

the capital budget are provided by Federal Transit Administration grants, Sound Transit, and local revenues. Local revenues also fund the insurance budget.

The Agency will begin 2007 with \$114,305,200 in designated balances and end 2007 with \$60,288,700. The ending balance consists of \$51,344,400 in the operating reserve, \$4,944,300 in the capital reserve, and \$4,000,000 in the insurance reserve. These reserves meet the Pierce Transit Board of Commissioners adopted reserve policy.

The 2007 Preliminary Budget was reviewed by the Board of Commissioners Administrative/Finance/Audit Committee on November 6, 2006 and the Board of Commissioners at the Public Hearing on November 13, 2006.

ALTERNATIVES: The Agency is required to have an adopted budget for 2007. The Board, prior to that time or anytime throughout the budget year, can make modifications to the budget.

RECOMMENDATION: Adoption of the 2007 Budget



2007 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. 06-073

A RESOLUTION of the Board of Commissioners of Pierce Transit
Adopting the Annual Budget for Fiscal-Year 2007

WHEREAS, the Chief Executive Officer has prepared a preliminary budget for
Fiscal Year 2007; and

WHEREAS, the Board of Commissioners of Pierce Transit has carefully
reviewed the preliminary budget; and

WHEREAS, the Board of Commissioners of Pierce Transit has now
determined that the preliminary budget assures the efficient and satisfactory delivery of public
transportation services to the residents within the boundaries of Pierce Transit; and

WHEREAS, the 2007 Budget proposes service to provide 16,053,266
passenger trips, and the service requires a workforce of 987 positions, which have been
evaluated and analyzed by the Human Resources Department; and

WHEREAS, the Board of Commissioners of Pierce Transit has recognized that
the salaries and wages in the 2007 Budget may represent partial compensation; and

WHEREAS, applicable state law requires that the Board of Commissioners of
Pierce Transit declare the salaries and wages paid to the non-bargaining personnel on and
after January 1, 2007 to be partial compensation for services rendered on and after January 1,
2007 in order to permit any retroactive compensation changes; and

WHEREAS, Pierce Transit provided public notice and conducted a public
hearing; and

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

Section 1. The annual budget for Pierce Transit for Fiscal Year 2007 as
determined in the preliminary budget which was reviewed 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 2007.

Section 2. The summary of the total estimated revenues and expenditures for
appropriations for each separate fund of Pierce Transit and the aggregate totals for all funds
combined are as follows:



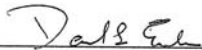
2007 BUDGET RESOLUTION

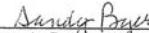
1	2007 Appropriations		
2		Expenditures	Revenues
3			
4	Operating	\$114,854,700	\$114,854,700
5	Capital	85,417,300	85,417,300
6	Insurance	<u>1,905,800</u>	<u>1,905,800</u>
7	Total Appropriations	202,177,800	202,177,800
8			
9	Less Operating Transfers	<u>(15,874,300)</u>	<u>(15,874,300)</u>
10			
11	Net Budget	<u>\$186,303,500</u>	<u>\$186,303,500</u>
12			
13			

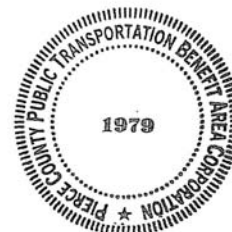
14 Section 3. The Chief Executive Officer is hereby authorized to staff up to 987
15 positions to meet the objectives of the 2007 Budget.

16 Section 4. The salaries and wages paid to the non-bargaining personnel on
17 and after January 1, 2007 are only partial compensation for services to be rendered to Pierce
18 Transit during the first pay period commencing on or after January 1, 2007 and pay periods
19 thereafter.

20 ADOPTED by the Board of Commissioners of Pierce Transit at a regular
21 meeting thereof held on the 11th day of December, 2006.


William H. Baarsma, Chairman
Board of Commissioners

ATTEST: 
Sandy Byers, CMC
Clerk of the Board



RESOLUTION NO. 06- 073
PAGE 2



**2007 BUDGET
GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)
DISTINGUISHED BUDGET PRESENTATION AWARD**

*The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Pierce Transit, Washington** for its annual budget for the fiscal year beginning **January 1, 2006**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.*

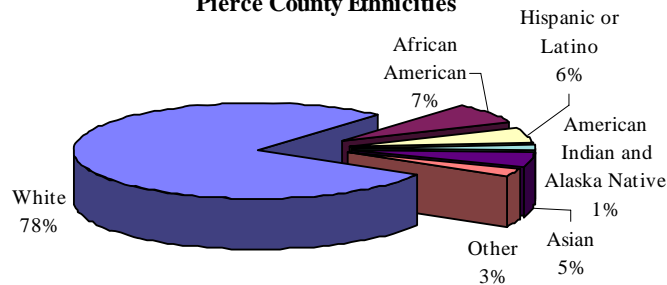
This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.





2007 BUDGET OUR COMMUNITY

Pierce County Ethnicities



Pierce County is ideally located in the central Puget Sound region. As a gateway to the Pacific Rim, Pierce County ranges from the shores of Puget Sound to Mount Rainier. The largest city, Tacoma, is located just 36 miles south of Seattle and 28 miles north of the state capital, Olympia.

Pierce County's official and most recent 2005 population estimate is 755,900 according to the state Office of Financial Management up from 586,000 in 1990. There is an increase of 11,900 from the prior year, 1% for unincorporated and 1% for the incorporated population.

According to the 2000 Census, the Pierce County population of 733,700 was comprised of 50% female, 34% under 18 years of age, and 10% over 65. Ethnicities include 78% white, 7% black or African American, 5.5% Hispanic or Latino, 1.4% American Indian and Alaska Native, 5.1% Asian, and 3% other persons. Foreign-born persons represent 8% of the population. Eighty-seven percent are high school graduates and 21% have a bachelor's degree or higher.

The diverse and rich culture is evidenced by the African American Museum, Chihuly at Union Station / International Glass Museum, Children's Museum, Tacoma Art Museum, Washington State History Museum, more than 36 denominations and religions with over 600 places of worship, and an estimated 32,000 Indian people served by the Puyallup Tribe.

The English Sea Captain George Vancouver explored Puget Sound in 1792. Later, the Hudson's Bay Company established a fort and trading post. In 1854, Job Carr chose a spot for what he hoped would become the terminus for the Northern Pacific Railroad (NP). The NP arrived in 1873, creating growth for Tacoma to become one of the Pacific Northwest's leading cities. The County of Pierce was created on December 22, 1852 by the Territorial Legislature of Oregon.



2007 BUDGET OUR COMMUNITY



Today, Pierce County with 24 cities and towns contains a diverse economy and is home to the deep water Port of Tacoma convenient to Pacific Rim Trade; world class firms including Boeing, Intel, and the Frank Russell Company; and three major military installations employing approximately 33,000 military and civilian employees. The major industries include the manufacturing of aerospace equipment, plastics, machinery, food products, and electronics. Wholesale/distributing, healthcare, and tourism also contribute to the vitality of the county. Agricultural products include berries, lettuce, beans, cabbage, radishes, and green onions. The county also is the number one producer of the nation's rhubarb supply and is second in the state for tulips and daffodils.

The Pierce County Economic Index reports the rate of job growth in Pierce County during 2006 will be 2.8%, this translates to about 7,200 new jobs. They predict the rate of job creation will remain in the 2% range for most of 2007. On an annual basis, the Pierce County unemployment rate for 2007 will average 5.5%. With the average unemployment rate on the low side, some upward pressure on wages will be felt in 2007.

A strong Pierce County economy will keep total personal income moving up in 2007. The growth will be 4.1% during 2007 as good job opportunities continue to be created. The median household money income in 1999, as provided in the 2000 Census data, was \$45,204 and the per capita money income was \$20,948. The average income for a Pierce County resident will be about \$39,800 by the end of 2007, up from \$31,600 in 2004 for a 25% gain in three years!

Pierce County is a multi-model transportation community supported by two ferry systems, a major port, an extensive transit system, a freight rail network, numerous small airports, and a network of state and local roadways. Tacoma Link Light Rail runs in downtown Tacoma and an all-rail connection from Tacoma to Seattle is provided by the Sounder. A new suspension bridge is being built parallel to the existing Narrows Bridge to create a safer, less-congested access from the Key Peninsula to Interstate 5 (I-5).





2007 BUDGET OUR COMMUNITY



The current bridge is one of the longest suspension bridges in the world and connects Tacoma and the Gig Harbor peninsula. I-5 slices through Pierce County from north to south. By 2020, the daily vehicle miles traveled by the population is anticipated to grow from its present 13.9 million to 19.2 million trips, a 38% increase. With time being lost for residents and businesses, transportation has reached a critical point. Projects are being identified and, in some cases, funded and completed or are under construction. Transportation is an integral part of making Pierce County more livable.

Educational opportunities abound in the county with a branch campus of the University of Washington, two private university campuses, two technical colleges, two community colleges, and a number of private educational institutions.

A wide variety of entertainment options are available with extensive waterfront development, a Museum of Glass, featuring Chihuly glass, a historic 1,186 seat theater, another 742 seat theater, a professional theater company, the largest wooden domed arena in the world with an exhibition hall that hosts numerous events, the sixth largest fair in the world, and a Sound-to-Narrows marathon. There are also excellent skiing conditions with Crystal Mountain Ski Resort located in Pierce County. Recreation areas include Mount Rainier National Park, six state parks located on salt water, Northwest Trek, and Point Defiance Park, second in size to New York City's Central Park.

The Tacoma-Pierce County area is one of the five regions designated America's Most Livable Places for 2004 by the Washington, D.C. based Partners for Livable Communities. Criteria included preparation for the new economy; investments to the civic center or "regional living rooms"; housing opportunities; regional cooperation; events and celebrations; leadership and teamwork; neighborhood innovations; the environment; resources for human development; and finance. For the second time, the City of Lakewood has been named one of the 100 Best Communities for Young People by America's Promise – The Alliance for Youth. The organization challenges communities to make commitments to improving conditions for children.



2007 BUDGET OUR CUSTOMERS

In brief:

Commuters



Non-commuters Students



As stated in the Agency's Mission, Pierce Transit's primary purpose is to deliver outstanding transportation services that match our customers' needs. To that end, Pierce Transit has designed services to match the needs of both choice riders and people without access to private vehicles. Choice riders elect to use our service rather than use other available transportation, while others may have no other means of transportation.

The majority of choice riders are commuters who use our local fixed route system as well as the express services between Tacoma, Seattle, Sea-Tac, Auburn, Olympia, and Gig Harbor. The express service is specifically designed to compete with the automobile in terms of travel time, which makes it appealing to those who have other means of transportation. Another service primarily used by choice riders is the rideshare service. Customers use this service to coordinate vanpools and carpools with others who have similar destinations.

Customers without private vehicles make up approximately 40% of the Agency's local fixed route ridership. They are generally workers or students who use the local service and Specialized Transportation (SHUTTLE) services to conduct their daily living. For many using our SHUTTLE service, Pierce Transit provides the only means of mobility. Nearly a third of the riders are under 24 years of age and are equally split male and female. The average length of time riders have been using the service is a little over five years with 33% riding ten or more years.



In brief:

Public Transportation Benefit Area
(PTBA)

Metropolitan Municipal Corporation
of the State of Washington

Authorized to perform the function
of public transportation in
Pierce County



**2007 BUDGET
AGENCY OVERVIEW**

The Pierce County Public Transportation Benefit Area Corporation, commonly referred to as Pierce Transit, is a municipal corporation formed under authority of Chapter 36.57A of the Revised Code of Washington. Commonly known as "Pierce Transit," the Agency provides transportation services in the urbanized area of Pierce County.

The Authority's service area includes the incorporated cities and towns of Bonney Lake, Buckley, DuPont, Edgewood, Gig Harbor, Fife, Fircrest, Lakewood, Milton, Orting, Pacific, Puyallup, Ruston, Steilacoom, Sumner, Tacoma and University Place, along with some unincorporated areas of Pierce County. It covers approximately 414 square miles containing an estimated population of 721,445.

Pierce Transit has been providing public transportation to the people of Pierce County since 1980, when the Public Transportation Benefit Area (PTBA) was created. A map of the Pierce Transit service area is located in the Appendix of this document. Ridership on the system has grown from 9.4 million in 1980 to 16.1 million projected for 2007.

The system has evolved from one focused primarily on fixed-route services to a broad-based system offering a range of services in an increasingly diverse market base. Pierce Transit offers four types of services: local fixed route, express fixed route, specialized transportation (SHUTTLE), and rideshare/vanpools. In addition, rideshare matching services and commute trip reduction assistance is provided to local and regional employers.



2007 BUDGET AGENCY OVERVIEW

Board of Commissioners

Nine members

Three-year term

Elected officials

The nine member Pierce Transit Board of Commissioners is responsible for governance of the Agency. All members must be elected officials of the jurisdiction they represent. The Board has three members of the Tacoma City Council, a member of the Lakewood City Council, three members of the Pierce County Government, one member rotated between the cities of Puyallup and University Place, and a member selected by the remaining small cities and towns within the boundary of Pierce Transit. Bill Baarsma, City of Tacoma Mayor, is the chairman of the Board of Commissioners. The vice-chairman is Pierce County Executive John Ladenburg. The current members are shown on the Board of Commissioners page in this section.

Agency

Six departments

Thirty-four divisions

Pierce Transit's organization includes six departments: Executive, Operations, Maintenance, Technology & Transit Development, Human Resources, and Finance & Administration. The Chief Executive Officer and each department vice president comprise the Executive Team, which oversees the operation of the Agency.

The departments are organized in divisions. A description of each department and the associated divisions is found in the Department Budgets.



2007 BUDGET SERVICES PROVIDED BY PIERCE TRANSIT

In brief:

Broad Based System

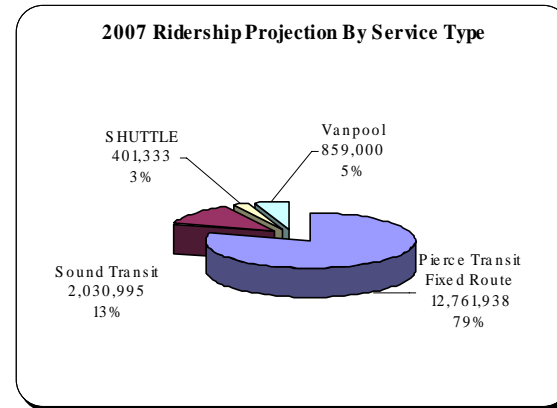
Range of Services

Diverse Market

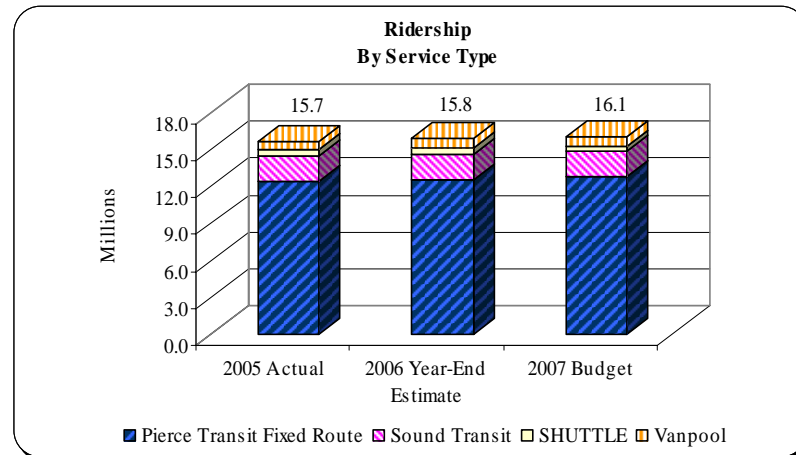
Type of Service

- Pierce Transit Fixed Route
 - Local
 - Express
 - BusPLUS
- Sound Transit
- Specialized Transportation (SHUTTLE)
- Rideshare/Vanpools

The type of service and number of riders and percent of total for 2007 is projected as follows:



Agency ridership has grown over the last three years. Ridership is projected to increase 1.6% in 2007 over the 2006 year-end estimates. Pierce Transit Fixed Route Local & Express is increasing 2.3% and Sound Transit service is decreasing 5.4%. SHUTTLE is anticipated to be up by 0.5% and Vanpool up by 9.8%.





2007 BUDGET SERVICES PROVIDED BY PIERCE TRANSIT

Pierce Transit Fixed Route

Local

Local fixed route bus service is provided along 45 routes, using over 1,236 miles of streets, roads, and highways throughout Pierce County. One hundred percent of this service is wheelchair accessible. The local fixed route service begins at 4:08 a.m. with the last bus ending its service day at 12:57 a.m. Fixed route service is centered on a network of transit centers and park and ride lots. This system allows for more efficient operations by coordinating service between transit centers and park and ride lots, which provide convenient route connections and time transfers. These facilities are located in high pedestrian traffic areas such as the Tacoma Mall, Tacoma Community College, Parkland, Southeast Tacoma (72nd St.), Puyallup, Tacoma Dome, Lakewood, and Commerce Street. With over 12 million passenger boardings expected in 2007, local fixed route bus service constitutes the largest portion of the Agency's mix of services and accounts for 79% of the Agency's total ridership.

Express

Pierce Transit provides four commute hour express routes. Separate routes link Downtown Tacoma with South Hill and Gig Harbor. Two Olympia Express routes provide service between Pierce County and Downtown Olympia.

BusPLUS

BusPLUS service was first implemented in 2003 as an alternate to fixed route services in low-density neighborhoods. It combines elements of fixed route services with dial-a-ride, thus eliminating the need for a separate paratransit service. The design of BusPLUS services varies depending on the needs of the area being served, but typically combines scheduled service to regular bus stop locations but also permits customer-initiated deviations. BusPLUS service may replace existing fixed route and paratransit service or may be introduced into areas where service has not previously been provided.





2007 BUDGET SERVICES PROVIDED BY PIERCE TRANSIT



Sound Transit

Pierce Transit operates nine express routes that are funded by Sound Transit. They link Pierce County with destinations in King County, including Downtown Seattle, the University of Washington, SeaTac Airport, and Downtown Auburn. Sound Transit express services also link Bonney Lake and Sumner with Downtown Tacoma. With the construction of High Occupancy Vehicle (HOV) lanes along the I-5 corridor, Sound Transit express routes effectively compete with private automobiles in terms of travel time. In 2007, it is estimated that Sound Transit will account for approximately 13% of the Agency's total ridership. Express service begins at 2:47 a.m. and ends at 12:23 a.m.

Specialized Transportation (SHUTTLE)

The Specialized Transportation Division (SHUTTLE) offers ADA paratransit service to individuals who are not able to utilize Pierce Transit's fixed route services. It will provide over 401,000 passenger trips in 2007, nearly 3% of the Agency's total ridership. The service covers the same areas served by the local fixed route system and operates during the same hours using lift-equipped vehicles.



Rideshare/Vanpools

Pierce Transit's rideshare program was implemented in 1982. Pierce Transit helped form a Regional Ridematch system in 1991, a state-wide system in 2005, and actively participates in keeping this system up to date so that ridematch services can be provided to individuals who have similar commute origins and destinations. This web-based system currently has a base of over 13,000 names from which to match carpools and vanpools.

The Agency's Vanpool program was added to its mix of services in 1987. A vanpool is a group of 5 to 15 people sharing a ride in an 8, 12, or 15-passenger van. During 2007, the Vanpool program will operate a total of 310 vehicles (including 1 lift-equipped).



2007 BUDGET
SERVICES PROVIDED BY PIERCE TRANSIT



Pierce Transit owns, maintains, manages, insures, and licenses the fleet. The nearly 2,400 participants in the Agency's vanpool program pay approximately 85 percent of the program's administration and operating costs through fares. In 2007, the vanpool program will provide approximately 859,000 passenger trips for approximately five percent of the Agency's total ridership. A subset of the vanpool program is the Specialized Transportation Division, in cooperation with Vanpool Services, will provide 31,341 passenger trips through the SHUTTLE Special Use Van program. A SHUTTLE Special Use Van (SSUV) is a 15-passenger van supplied to sheltered workshops to transport their developmentally disabled clients to and from work. Pierce Transit absorbs the cost of the vehicle acquisition, maintenance, and insurance. In turn, the workshop is responsible for providing a qualified driver and scheduling daily pick-ups and drop-offs of clients. The SSUV program is a creative option for reducing costs and improving service quality to people with disabilities.



2007 BUDGET PHYSICAL PLANT

The transit base:

The Agency headquarters facility is a 20-acre maintenance, operations, and administrative center located at 3701 96th Street SW in Lakewood, Washington.

Additional facilities owned and/or maintained by Pierce Transit include transit centers and stations, park and ride lots and bus stops.

Other facilities and those served jointly by Sound Transit and Pierce Transit are also included in this section.



Transit Centers and Stations

- ❖ **72nd Street Transit Center** - The 72nd Street Transit Center is located on the northwest corner of E. 72nd Street and Portland Avenue E in Tacoma. This facility has a 68-stall park & ride lot and is served by five bus routes making 270 weekday trips to this facility.
- ❖ **Commerce Connections Transfer Facility** - Located along Commerce Street between S. 9th and S. 13th Streets in Tacoma's downtown core, Commerce Connections includes a customer service office (The Bus Shop), ten passenger boarding zones, and a bus turnaround/layover facility. Each weekday 27 bus routes make 1,332 trips through this location.
- ❖ **Lakewood Towne Center Transit Center** - This facility is located in the northern peripheral area of the Lakewood Towne Center. It is served by 10 bus routes making 788 trips through this facility each weekday. Pierce Transit's main customer service function is located in a retail storefront adjacent to the Lakewood Towne Center and within 100 yards of the transit center.
- ❖ **Parkland Transit Center** - The Parkland Transit Center is located on the northwest corner of Pacific Avenue and S. 121st Street in Parkland. Each weekday, six bus routes make 424 trips through this facility, which includes a 62-stall park & ride.
- ❖ **South Hill Mall Transit Center** - The South Hill Mall Transit Center is located in Puyallup on the northwest corner of 5th Street SE. and 112th Street E., next to the south end of the South Hill Mall. Each weekday, seven bus routes make 204 trips through this 350 stall facility.



2007 BUDGET PHYSICAL PLANT



- ❖ **Tacoma Community College Transit Center** - Located on the Tacoma Community College campus on the northeast corner of S. 19th and Mildred Streets in Tacoma, this facility is served by 10 bus routes making 622 weekday trips. Adjacent to the transit center is a 95-stall park & ride.
- ❖ **Tacoma Dome Station** - This facility is located two blocks north of the Tacoma Dome on Puyallup Avenue between E Street and G Street. The Tacoma Dome Station is the Tacoma station for the Sounder Commuter Rail and Link Light Rail. The Greyhound passenger terminal is also located at the station. The 14 routes that serve this facility make a total of 596 weekday trips. It consists of a 2,363 parking stall garage connected to a covered waiting area that serves seven local routes and seven regional express routes. Other amenities include bike lockers and racks, 24-hour security, and a customer service outlet.
- ❖ **Tacoma Mall Transit Center** - The Tacoma Mall Transit Center is located across S. 48th Street on the south side of the Tacoma Mall. Ten bus routes make 623 weekday trips through this facility.



Park & Ride Lots and Bus Stops

- ❖ **Park & Ride Lots** - Pierce Transit's fixed-route bus service operates in proximity to 17 of the 19 park & ride lots in Pierce County. Pierce Transit owns three of these lots. The Washington State Department of Transportation (WSDOT), the City of Tacoma, and other public or private entities own the remaining park & ride lots. A total of 5,081 parking spaces (including the Tacoma Dome Station and transit centers) are located in park & rides within Pierce County.



2007 BUDGET PHYSICAL PLANT



- ❖ **Bus Stops** - There are over 3,325 bus stops in Pierce Transit's system. There are 533 shelters installed at key bus stops and more than 731 benches installed at bus stops throughout the system. A stand-alone bench program, however, is rapidly expanding the number of bus stops with seating capability as part of the Bus Stop Program. Installation of additional benches and shelters as well as other improvements are underway. Currently, 99.8% of the stops meet ADA accessibility standards. Those that do not were established prior to the passage of the ADA and will continue to be improved within budgetary and physical limitations.

Other Facilities

- ❖ **17th & Broadway Transit Facility** - Located on the west side of Broadway at 17th Street in downtown Tacoma. This facility provides a driver layover station and bus turnaround.
- ❖ **2410 104th Street Court South, Laidlaw SHUTTLE Base** - This facility is leased by Pierce Transit and is an important part of the Agency's service delivery component. This facility serves as the Laidlaw contract SHUTTLE base of operations. All Laidlaw SHUTTLE vehicles are stored and maintained at this facility.



2007 BUDGET PHYSICAL PLANT



Sound Transit facilities served jointly by Pierce Transit

- ❖ Sounder Stations at Sumner and Puyallup
- ❖ Federal Way (with connections to King County Metro) at the 320th Park & Ride – SeaTac Mall
- ❖ South Hill Park & Ride
- ❖ SeaTac airport (with connections to King County Metro) via the SR-512 Park & Ride
- ❖ Bonney Lake Park & Ride

Other facilities served by Pierce Transit

- ❖ DuPont Park & Ride and Auburn Train Station
- ❖ Link Light Rail connecting the Tacoma Dome Station, a regional hub for local and express bus and commuter service, with downtown Tacoma



2007 BUDGET BUSINESS PLANNING PROCESS

In brief:

Pierce Transit views the business planning process as integral to the success of the budget process. Multi-year financial planning contributes to key decisions regarding the service plans and allocation of resources. The development of the budget is based on supporting the goals and objectives in the strategic plan.

The continuous planning process is reflected in the Business Planning Process chart shown in this section.

The process

Each year, municipalities are required to submit a six-year transit development plan to the Washington State Department of Transportation, the Transportation Improvement Board, and affected cities, counties, and the regional planning councils within which the municipality is located pursuant to Revised Code of Washington (RCW) 35.58.2795. Pierce Transit supplements this annual process with periodic reviews of its long-range plans and revises goals, objectives, and strategies in response to changes in the local operating environment.

Pierce Transit's goals and strategies are outlined in the Strategic Business Plan. It includes a forecast of service and capital facility needs through the year 2020 and is based on the region's long-range policy plan, VISION 2020. The Agency's plans are designed to be compatible with the region's goals so that the Agency may operate as a partner in regional transportation. The Strategic Business Plan was last reviewed and revised in 2003, and is updated every three to five years, or as operating conditions change. The Strategic Business Plan provides Pierce Transit with a long-term operating vision that will allow it to adapt to and evolve with Pierce County and the regional transportation market. It is based on market research, community outreach, coordination with Sound Transit plans, and the development plans of local jurisdictions. Sound Transit is the regional transit authority established to implement a regional, integrated, transit system throughout the Puget Sound area.



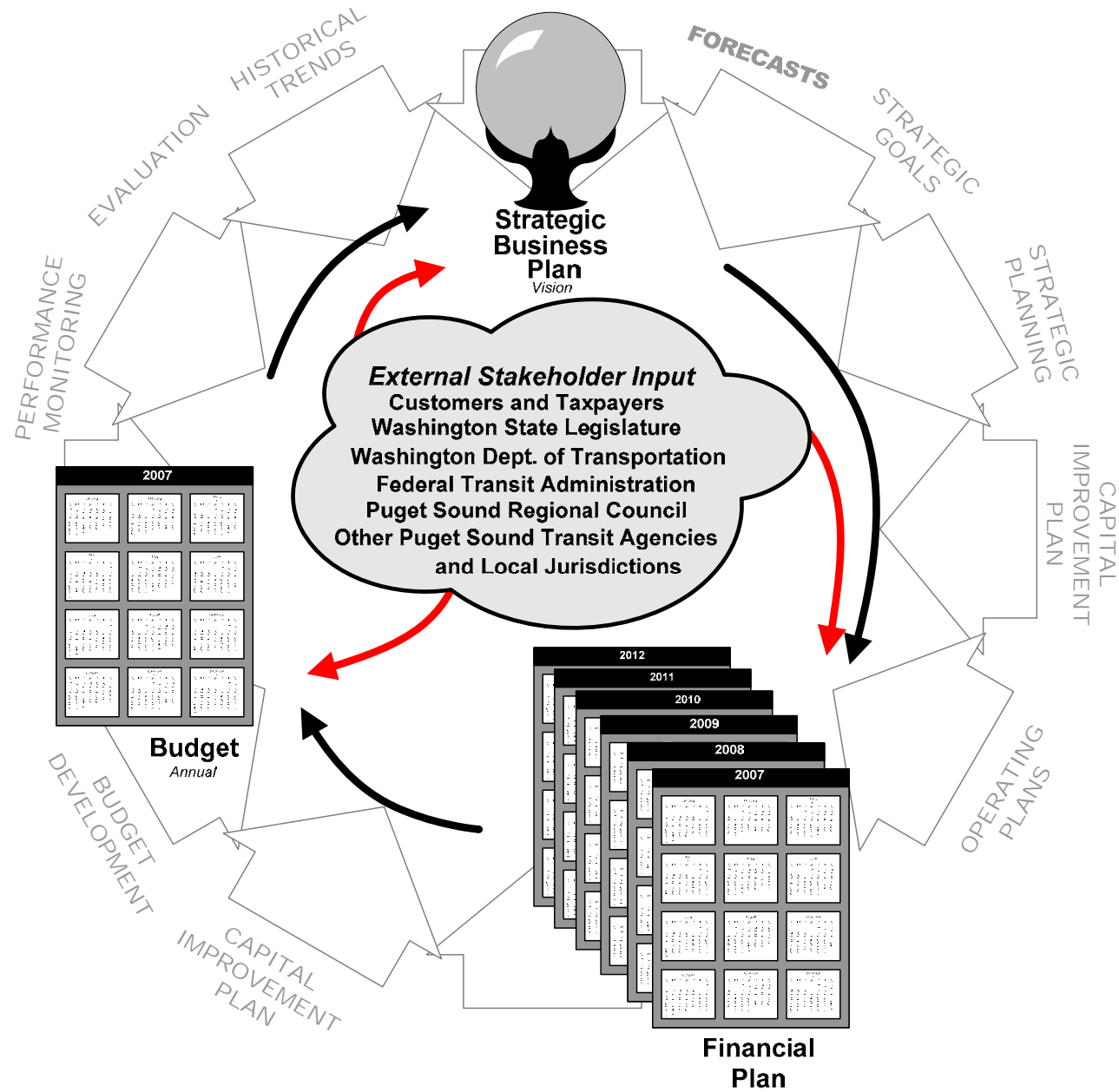
2007 BUDGET BUSINESS PLANNING PROCESS

Annually, the planning process begins with the development of the Six-Year Financial Plan. The six-year horizon provides a guide for planning and decision-making. Management meets to review and discuss the long-range vision and Agency mission and goals. The Board of Commissioners' strategic guidance is incorporated in the development of the objectives for the coming years. Priorities are set and resources are allocated to the areas identified through public input and market research as the most critical to the customers and communities in the service area. External stakeholders influencing the process include taxpayers, the Washington State Legislature, the Washington Department of Transportation, the Puget Sound Regional Council, other Puget Sound transit agencies, and the Federal Transit Administration.

Required elements include information as to how Pierce Transit intends to meet state and local long-range priorities for public transportation, capital improvements, significant operating changes planned for the system, and how it intends to fund the plan. It also specifically sets forth projects of regional significance, which are included in the region's transportation improvement program. It considers policy recommendations affecting public transportation that are contained in the state transportation policy plan approved by the state transportation commission and, where appropriate, adopted by the legislature. At least one public hearing must be conducted while developing the plan and each annual update.

The process includes performance monitoring, evaluation, and review of historical trends and forecasts. These indicators are then related to the goals that have been identified in the Strategic Business Plan. Service alternatives are analyzed, targets are set, and operating plans are evaluated. The goals, strategies, assumptions, operating statistics, personnel requirements, and overall revenue and expenditure projections from the plan form the framework for the annual budget.

BUSINESS PLANNING PROCESS





**2007 BUDGET
THE NEXT SIX YEARS
2007 - 2012**

In brief:

Over the next six years 2007 – 2012, Pierce Transit plans to expand all modes of services to meet the county's growing transportation needs.

The Six-Year Financial Plan sets the framework for response to the Agency's policy objectives that are intended to fulfill the mission:

- increase system ridership;
- ensure fiscal responsibility;
- support and partner with our community;
- improve customer satisfaction and system quality;
- maintain a dedicated and professional workforce.

Key features of the Six-Year Financial Plan

The Financial Plan looks to the future. Increased sales tax revenues generated by this growth will allow Pierce Transit to expand services and initiate new capital projects. Capital and operating expenditures will total more than \$936 million over six years while maintaining modest fund balances that provide prudent reserves to help manage future uncertainties.

➤ **Service operations**

In response to expressed customer needs, Pierce Transit has identified expanded express services, more frequent services and more direct services to popular destinations as its most critical service needs for the next six years. During the next six years Pierce Transit will act on these priorities while expanding every aspect of its service mix.

- Fixed route service hours will grow approximately 17%
- SHUTTLE will continue to provide sufficient resources to accommodate all eligible service requests
- The vanpool program will keep pace with the growing demand by adding 10 vehicles per year in 2008 - 2012



**2007 BUDGET
THE NEXT SIX YEARS
2007 - 2012**

Pierce Transit plans to invest \$203 million in capital projects that support public transportation services. The capital plan includes funding for partnerships with local jurisdictions that will encourage transit-supportive development practices and roadway improvements.

➤ **Capital investments**

- New and replacement vehicles will be purchased
- \$28 million will be invested to construct new maintenance and administrative facilities
- A park-and-ride lot will be constructed on the Gig Harbor Peninsula
- Park-and-ride and transfer facilities along the SR-7 Corridor will be updated
- Across the system, bus stops will be improved, with new shelters placed at major boarding locations
- The Regional Fare Coordination Project (aka Smart Card) will be implemented
- The Mobile Communications Project will be upgraded and replaced

Source: Six-Year Financial Plan 2007 – 2012

PIERCE TRANSIT
2007-2012 Financial Forecast
Operating Revenues & Expenditures

(Millions)	2006 Projected	2007 Budget	2008	2009	2010	2011	2012
REVENUES -							
BEGINNING WORKING CASH	\$30.296189	\$49.749430	\$51.344438	\$52.178598	\$50.456866	\$45.590341	\$30.509241
OPERATING INCOME							
FARES AND PASSES							
Local Fares	8.151976	9.020461	9.597934	11.826444	11.956185	12.077914	12.329875
Express Fares (Excludes ST)	0.087708	0.107811	0.133090	0.175673	0.190368	0.204759	0.206806
Shuttle	0.287568	0.288960	0.307347	0.380874	0.391305	0.402154	0.413436
Vanpool	2.039000	2.300000	2.904279	3.238902	3.639504	4.092950	4.626495
Subtotal- Fares and Passes	10.566252	11.717231	12.942650	15.621894	16.177361	16.777776	17.576612
SALES TAX	74.873813	79.366242	83.731385	87.917954	92.313852	96.929545	101.776022
OPER. ASSIST. CTR/VANPOOL	0.825016	0.709960	0.685000	0.630000	0.580000	0.530000	0.450000
SPECIAL NEEDS PROGRAM FUNDS	2.293109	0.000000	2.300000	0.000000	2.300000	0.000000	2.300000
INTEREST	1.524559	1.982233	1.984765	1.516780	1.385427	1.124624	0.778357
ADVERTISING							
TDI - Pierce Transit Revenue	0.944205	0.837500	0.900000	0.962500	1.050000	1.100000	1.100000
SOUND TRANSIT							
ST Express Reimb.	14.491725	15.353368	16.204136	17.155509	17.880307	18.656999	19.874091
ST TDS Reimb.	0.465603	0.670890	0.697726	0.718657	0.740217	0.762424	0.785296
Special Service	0.140000	0.165000	0.171600	0.176748	0.182050	0.187512	0.193137
Other ST Reimb.	0.040000	0.100000	0.100000	0.100000	0.100000	0.100000	0.100000
MISCELLANEOUS							
SR 7 Route Grant	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
ADA Operating Grant (5307)/Pierce County	0.888989	0.888989	1.033333	1.033333	1.033333	1.102346	1.157463
Preventive Maint. (5307)	2.675000	4.370096	6.433333	6.433333	6.433333	6.000000	6.000000
Other Miscellaneous	0.390912	0.288202	0.418767	0.435693	0.177800	0.177800	0.177800
TOTAL OPERATING INCOME	110.119183	116.449711	127.602696	132.702402	140.353680	143.449026	152.268778
TOTAL REVENUES & WORKING CASH	\$140.415372	\$166.199141	\$178.947134	\$184.880999	\$190.810546	\$189.039367	\$182.778019

PIERCE TRANSIT
2007-2012 Financial Forecast
Operating Revenues & Expenditures

(Millions)	2006 Projected	2007 Budget	2008	2009	2010	2011	2012
EXPENDITURES -							
Ongoing Operations							
Wages	\$46.221437	\$52.763344	\$57.427412	\$59.420168	\$64.411328	\$67.544530	\$71.312732
Benefits	11.160981	15.078535	17.839134	19.968917	22.137562	23.665972	25.476943
M & O	12.114287	13.170188	14.020882	13.814041	15.177957	15.726983	16.314523
Fuel	5.728484	6.716024	7.009832	8.227536	8.794496	9.371647	10.021523
Parts	2.992627	3.216462	3.485995	2.953778	3.835807	4.006366	4.193696
Purchased Trans.	6.320558	6.640617	6.825238	7.029828	7.242782	7.464445	7.695173
Special Projects							
Bridge Tolls		0.050065	0.108165	0.120630	0.165940	0.173520	0.222000
Communications Syst. Operations	0.000000	0.000000	1.443403	2.165865	2.165865	2.165865	2.165865
Base Expansion Operations	0.000000	0.000000	0.100000	0.100000	0.100000	0.100000	0.100000
Smart Card Operations	0.000000	0.000000	0.240887	0.257893	0.265337	0.273983	0.300000
TOTAL EXPENDITURES: w/out Debt Payment and Depreciation	84.538374	97.635235	108.500947	114.058657	124.297074	130.493310	137.802454
Non-Operating Costs							
Long-Term Debt	0.484000	0.484000	0.488000	0.487000	0.484000	0.480000	0.000000
Special Needs Program Operations	0.150000	0.150000	0.150000	0.150000	0.150000	0.150000	0.150000
Payments to Pierce Co for 5307 Agreement	0.711191	0.711191	0.826666	0.826666	0.826666	0.881877	0.925970
Subtotal	1.345191	1.345191	1.464666	1.463666	1.460666	1.511877	1.075970
EXPENDITURES (w/ Debt & Reimbursements)	85.883565	98.980426	109.965613	115.522324	125.757741	132.005187	138.878425
CURRENT REVENUES LESS CURRENT EXPENDITURES	24.235618	17.469284	17.637082	17.180078	14.595940	11.443838	13.390353
TRANSFERS -							
Capital (expansion)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Capital Reserve	3.500000	15.000000	15.000000	17.000000	17.500000	24.500000	17.350742
Insurance	1.282377	0.874276	1.802923	1.901810	1.962464	2.024938	2.089287
Subtotal Transfers	4.782377	15.874276	16.802923	18.901810	19.462464	26.524938	19.440029
TOTAL EXPENDITURES AND TRANSFERS	\$90.665942	\$114.854702	\$126.768536	\$134.424134	\$145.220205	\$158.530126	\$158.318453
ENDING WORKING CASH	\$49.749430	\$51.344438	\$52.178598	\$50.456866	\$45.590341	30.509241	24.459566
REQUIRED CASH	14.089729	16.272539	18.083491	19.009776	20.716179	21.748885	22.967076
TOTAL EXPENDITURES & WORKING CASH	\$140.415372	\$166.199141	\$178.947134	\$184.880999	\$190.810546	\$189.039367	\$182.778019
MARGIN / (DEFICIT)	\$35.659701	\$35.071899	\$34.095107	\$31.447089	\$24.874162	\$8.760356	\$1.492490

PIERCE TRANSIT
2007-2012 Financial Forecast
Ending Balances

(Millions)	2006 Projected	2007 Budget	2008	2009	2010	2011	2012
<u>OPERATING FUND</u>							
Operating Fund Beginning Balance	\$30.296189	\$49.749430	\$51.344438	\$52.178598	\$50.456866	45.590341	30.509241
Revenue							
Operating Income	110.119183	116.449711	127.602696	132.702402	140.353680	143.449026	152.268778
Subtotal - Operating Revenue	110.119183	116.449711	127.602696	132.702402	140.353680	143.449026	152.268778
Expenditures							
Operating Expenditures	85.883565	98.980426	109.965613	115.522324	125.757741	132.005187	138.878425
Transfers	4.782377	15.874276	16.802923	18.901810	19.462464	26.524938	19.440029
Subtotal - Operating Expenditures	90.665942	114.854702	126.768536	134.424134	145.220205	158.530126	158.318453
Operating Fund Ending Balance	\$49.749430	\$51.344438	\$52.178598	\$50.456866	\$45.590341	\$30.509241	\$24.459566
Required Margin	14.089729	16.272539	18.083491	19.009776	20.716179	21.748885	22.967076
Margin / (Deficit)	35.659701	35.071899	34.095107	31.447089	24.874162	8.760356	1.492490
<u>CAPITAL FUND</u>							
Beginning Reserves	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Revenue							
<u>5307 Funding</u>							
5307 Earned Share	11.341052	8.826119	6.433333	6.433333	6.433333	7.027165	7.378523
5307 Competitive Funds	0.000000	0.000000	2.500000	0.000000	0.000000	2.100000	0.000000
Less Preventive Maintenance	-2.675000	-4.370096	-6.433333	-6.433333	-6.433333	-6.000000	-6.000000
5307 Funds Available for Capital Projects	8.666052	4.456023	2.500000	0.000000	0.000000	3.127165	1.378523
<u>Pierce County 5307</u>							
5307 Revenues from Pierce Co Agreement	0.888989	0.888989	1.033333	1.033333	1.033333	1.102346	1.157463
Pierce Co. 5307 dedicated to Prev. Maint	-0.888989	-0.888989	-1.033333	-1.033333	-1.033333	-1.102346	-1.157463
Pierce County 5307 Available for Capital	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
<u>Flexible Funds & Earmarks</u>							
Federal Flex Funds - Regional	0.000000	0.000000	0.000000	2.556000	0.000000	0.000000	1.875000
Federal Flex Funds - Countywide	0.512728	4.782189	0.815200	1.136764	0.000000	1.951964	0.000000
Earmarks - 5309	0.004516	1.872178	2.000000	0.000000	2.000000	1.000000	1.000000
<u>Sound Transit</u>							
Sound Transit Base Expansion	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Sound Transit - Other Capital	0.315559	2.101657	0.000000	0.000000	0.000000	0.000000	0.000000
<u>Other Funding</u>							
State Funding	0.000000	0.000000	0.240000	0.240000	1.360000	2.097500	0.000000
Existing Unallocated Federal Funds	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Interest	2.257340	2.388713	0.197773	0.154429	0.107418	0.121084	0.050936
Other Capital Revenues	0.164692	0.043050	0.000000	0.000000	0.000000	0.000000	0.000000
<u>Contributions from Other Funds</u>							
Transfer from Operating Fund	3.500000	15.000000	15.000000	17.000000	17.500000	24.500000	17.350742
Proceeds from Peninsula P&R Note	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Total Capital Revenues & Reserves	15.420887	30.643811	20.752973	21.087193	20.967418	32.797713	21.655201

PIERCE TRANSIT
2007-2012 Financial Forecast
Ending Balances

(Millions)	2006	2007	2008	2009	2010	2011	2012
	Projected	Budget					
Expenditures							
Revenue Vehicles	7.653560	12.859640	0.815252	4.501139	11.812334	27.213851	12.137659
Passenger Facilities & Amenities	0.916407	19.495818	8.871778	6.413245	4.359377	3.721390	2.472000
Base Facilities	1.004156	11.866620	8.713670	2.922005	3.399000	3.471100	3.399000
Technology	1.562732	39.422306	1.079976	5.340741	0.457320	0.270890	0.156751
Other	0.999700	1.772936	1.069004	3.477080	0.483857	0.458754	0.486540
Provision for Additional Capital Projects	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Total Capital Expenditures (Inflated)	12.136555	85.417320	20.549680	22.654209	20.511888	35.135984	18.651949
USE OF CAPITAL RESERVE	3.284332	-54.773509	0.203293	-1.567017	0.455530	-2.338271	3.003251

CAPITAL RESERVE

Revenue							
Beginning Reserves	\$56.433504	\$59.717836	\$4.944327	\$5.147620	\$3.580603	\$4.036133	\$1.697862
Total Capital Revenues	15.420887	30.643811	20.752973	21.087193	20.967418	32.797713	21.655201
TOTAL CAPITAL RESERVE REVENUES & BEGINNING RESERVE	71.854391	90.361647	25.697300	26.234813	24.548021	36.833846	23.353063
Expenditures							
Capital Expenditures	12.136555	85.417320	20.549680	22.654209	20.511888	35.135984	18.651949
CAPITAL RESERVE - Req'd \$4.701113	\$59.717836	\$4.944327	\$5.147620	\$3.580603	\$4.036133	\$1.697862	\$4.701113

INSURANCE FUND

Revenue							
Beginning Balance	\$5.354835	\$4.837955	\$4.000000	\$4.000000	\$4.000000	\$4.000000	\$4.000000
Interest on Insurance Fund	0.214193	0.193518	0.160000	0.120000	0.120000	0.120000	0.120000
Transfer	1.282377	0.874276	1.802923	1.901810	1.962464	2.024938	2.089287
Expenditures							
Payments from Insurance Fund	2.013450	1.905750	1.962923	2.021810	2.082464	2.144938	2.209287
Insurance Fund Ending Balance	\$4.837955	\$4.000000	\$4.000000	\$4.000000	\$4.000000	\$4.000000	\$4.000000
TOTAL ENDING BALANCES	\$114.305222	\$60.288765	\$61.326217	\$58.037468	\$53.626474	\$36.207102	\$33.160678



Pierce Transit Grabs Top Honors at Statewide Transit Rodeo

*The Pierce Transit team then
took on the nation's best teams.*

Pierce Transit maintenance mechanics and transit operators won top honors at the Washington State Department of Transportation annual statewide Transit Rodeo held in August 2006. Brentt Mackie, Transit Operator, took first place in the large bus competition and Don Sadewasser, SHUTTLE Operator, placed second in the paratransit vehicle competition. The Pierce Transit maintenance mechanics, Billy Christy, Seth Brown and Tim Knickerbocker, placed fourth in the team mechanics' competition. The Rodeo is intended to promote safety by encouraging and rewarding professional driving and mechanical repair skills in order to provide customers with safe and reliable transit service.

In the previous year's state competition, Don Sadewasser took first in the Van competition, Brentt Mackie placed third in the Coach Master competition, and the Maintenance Team Billy Christy, Seth Brown, and Tim Knickerbocker, also placed third.

The Pierce Transit team then took on the nation's best teams at the national Rodeo competition in Dallas, Texas in September. The Maintenance team, all apprentice mechanics, placed a respectable 26th out of 43 in this challenging competition. Coach Operator Brentt Mackie, also a rookie to the national event, placed 28th out of 69 competitors. Brentt's hard work and hours of practice really paid off! Don made a respectable showing at the Paratransit competition held in Florida in May 2006.

Brentt Mackie and Lynne Griffith



Mel Munsterman, Tim Knickerbocker, Billy Christy, Seth Brown, and Reed Hooks



Don Sadewasser



Pierce Transit **BUDGET** 2007

Budget Summary

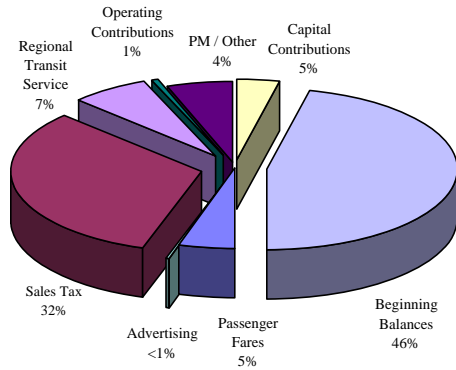


2007 BUDGET OVERALL SUMMARY

(rounded to the nearest \$100)

	2005 YEAR-END ACTUALS	2006 AMENDED BUDGET	2006 YEAR-END ESTIMATE	2007 BUDGET	% CHANGE 2007 TO 2006 EST.
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Revenues



REVENUES

OPERATING INCOME

Passenger Fares	\$9,096,300	\$10,862,600	\$10,566,300	\$11,717,200	10.9%
Advertising	851,600	897,000	944,200	837,500	-11.3%
Regional Transit Service	15,409,500	16,445,500	15,137,300	16,289,300	7.6%

NON-OPERATING INCOME

Sales Tax	68,936,200	72,177,600	74,873,800	79,366,200	6.0%
Preventive Maintenance	2,675,000	2,675,000	2,675,000	4,370,100	63.4%
Other	3,938,400	2,833,800	4,551,700	4,895,700	7.6%

CONTRIBUTIONS

Operating	4,401,900	3,284,200	4,007,100	1,599,000	-60.1%
Capital	14,308,600	15,055,400	9,498,900	13,212,000	39.1%

BOND PROCEEDS

Bonds	0	10,000,000	0	0	0.0%
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REVENUES	119,617,500	134,231,100	122,254,300	132,287,000	8.2%
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BEGINNING BALANCES

Working Cash	35,051,000	25,776,900	30,296,200	49,749,400	64.2%
Insurance	6,345,000	5,180,200	5,354,900	4,838,000	-9.7%
Capital Reserve	33,935,800	48,808,300	56,433,500	59,717,800	5.8%

BEGINNING BALANCES	75,331,800	79,765,400	92,084,600	114,305,200	24.1%
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TOTAL REVENUES AND BALANCES	\$194,949,300	\$213,996,500	\$214,338,900	\$246,592,200	15.0%
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EXPENDITURES

OPERATING EXPENDITURES

Personnel	\$55,983,400	\$61,746,200	\$57,382,400	\$67,841,900	18.2%
Maintenance and Operations	22,952,900	27,281,100	27,156,000	29,793,300	9.7%
Insurance	2,119,500	2,592,100	2,013,500	1,905,800	-5.3%

NON-OPERATING EXPENDITURES

Debt Service	569,200	484,000	484,000	484,000	0.0%
Grant Exchange Funds	1,714,400	691,900	711,200	711,200	0.0%
Special Needs Program Operations	0	0	150,000	150,000	0.0%

CAPITAL EXPENDITURES

Capital	22,256,700	72,946,200	12,136,600	85,417,300	603.8%
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EXPENDITURES	105,596,100	165,741,500	100,033,700	186,303,500	86.2%
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ENDING BALANCES

Working Cash	37,497,100	38,247,000	49,749,400	51,344,400	3.2%
Insurance	5,354,800	4,000,000	4,838,000	4,000,000	-17.3%
Capital Reserve	46,501,300	6,008,000	59,717,800	4,944,300	-91.7%

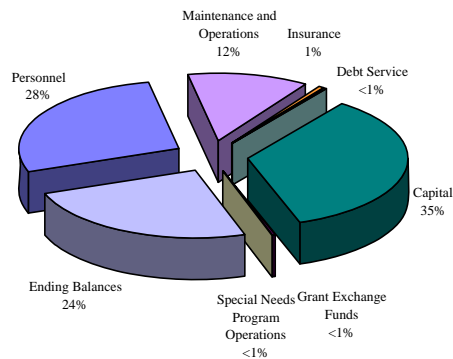
ENDING BALANCES	89,353,200	48,255,000	114,305,200	60,288,700	-47.3%
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TOTAL EXPENDITURES AND BALANCES

\$194,949,300	\$213,996,500	\$214,338,900	\$246,592,200	15.0%
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NOTE: Transfers are not shown since they result in offsetting allocations between unrestricted and restricted reserves.

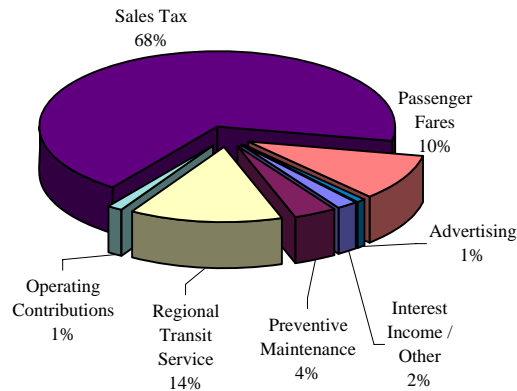
Expenditures





2007 BUDGET OPERATING SUMMARY - REVENUES

Operating Revenues

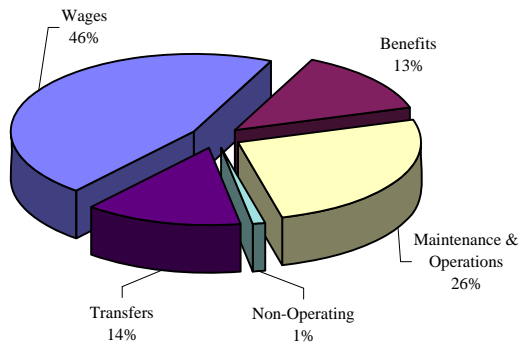


(rounded to the nearest \$100)					
	2005 YEAR-END ACTUALS	2006 AMENDED BUDGET	2006 YEAR-END ESTIMATE	2007 BUDGET	% CHANGE 2007 TO 2006 EST.
OPERATING REVENUES					
OPERATING INCOME					
Passenger Fares	\$9,096,300	\$10,862,600	\$10,566,300	\$11,717,200	10.9%
Advertising	851,600	897,000	944,200	837,500	-11.3%
Regional Transit Service					
Express Reimbursement	14,603,800	15,095,500	14,491,700	15,353,400	5.9%
TDS Reimbursement	562,200	485,000	465,600	670,900	44.1%
Special Service Reimbursement	164,200	165,000	140,000	165,000	17.9%
Other Reimbursement	79,300	700,000	40,000	100,000	150.0%
OPERATING INCOME	25,357,400	28,205,100	26,647,800	28,844,000	8.2%
NON-OPERATING INCOME					
Sales Tax	68,936,200	72,177,600	74,873,800	79,366,200	6.0%
Preventive Maintenance	2,675,000	2,675,000	2,675,000	4,370,100	63.4%
Interest Income	964,100	762,100	1,524,600	1,982,200	30.0%
Other	1,555,900	351,700	390,900	288,200	-26.3%
NON-OPERATING INCOME	74,131,200	75,966,400	79,464,300	86,006,700	8.2%
OPERATING CONTRIBUTIONS					
CTR / Vanpool Assistance	183,000	126,300	825,000	710,000	-13.9%
Grant Exchange Funds	2,142,900	864,800	889,000	889,000	0.0%
SR 7 Route Grant	118,900	0	0	0	0.0%
Special Needs Transportation Grant	1,957,100	2,293,100	2,293,100	0	-100.0%
OPERATING CONTRIBUTIONS	4,401,900	3,284,200	4,007,100	1,599,000	-60.1%
TOTAL OPERATING REVENUES	103,890,500	107,455,700	110,119,200	116,449,700	5.7%
BEGINNING BALANCE	35,051,000	25,776,900	30,296,200	49,749,400	64.2%
TOTAL OPERATING REVENUES AND BEGINNING BALANCE	\$138,941,500	\$133,232,600	\$140,415,400	\$166,199,100	18.4%



**2007 BUDGET
OPERATING SUMMARY - EXPENDITURES**

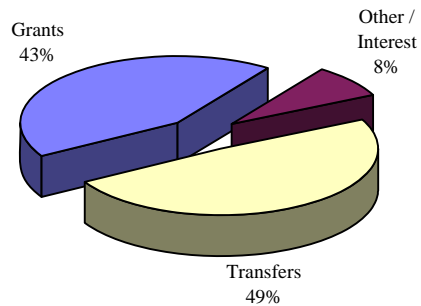
Operating Expenditures & Transfers



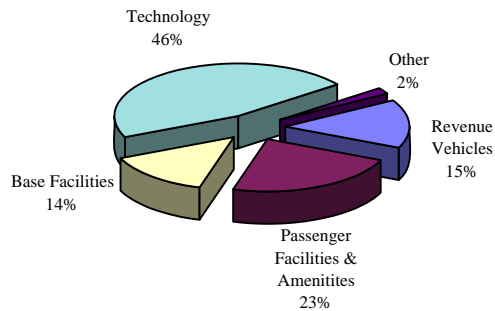
(rounded to the nearest \$100)					
	2005 YEAR-END ACTUALS	2006 AMENDED BUDGET	2006 YEAR-END ESTIMATE	2007 BUDGET	% CHANGE 2007 TO 2006 EST.
OPERATING EXPENDITURES					
OPERATING					
PERSONNEL					
Wages	\$45,435,900	\$48,971,700	\$46,221,400	\$52,763,300	14.2%
Benefits	10,547,500	12,774,500	11,161,000	15,078,600	35.1%
PERSONNEL	55,983,400	61,746,200	57,382,400	67,841,900	18.2%
MAINTENANCE & OPERATIONS					
Supplies	9,660,800	11,872,200	10,898,100	12,415,500	13.9%
Services	2,991,600	3,528,600	3,376,200	4,544,300	34.6%
Insurance (Purchased)	775,300	678,500	675,500	688,500	1.9%
Utilities	742,500	856,800	856,800	898,600	4.9%
Repairs	880,400	1,709,100	1,797,000	939,800	-47.7%
Rentals	242,400	164,300	200,300	361,800	80.6%
Purchased Transportation	5,444,300	5,490,700	6,320,600	6,640,600	5.1%
Other	2,215,600	2,980,900	3,031,500	3,304,200	9.0%
MAINTENANCE & OPERATIONS	22,952,900	27,281,100	27,156,000	29,793,300	9.7%
OPERATING	78,936,300	89,027,300	84,538,400	97,635,200	15.5%
NON-OPERATING EXPENDITURES					
Debt Service	569,200	484,000	484,000	484,000	0.0%
Grant Exchange Funds	1,714,400	691,900	711,200	711,200	0.0%
Special Needs Program Operations	0	0	150,000	150,000	0.0%
NON-OPERATING	2,283,600	1,175,900	1,345,200	1,345,200	0.0%
TOTAL EXPENDITURES	81,219,900	90,203,200	85,883,600	98,980,400	15.2%
TRANSFERS					
Capital Transfer	3,946,700	0	0	0	0.0%
Liability and Other Insurance Transfer	485,400	806,700	806,600	535,900	-33.6%
Workers' Comp. Transfer	405,200	475,700	475,800	338,400	-28.9%
Capital Reserve	15,387,200	3,500,000	3,500,000	15,000,000	328.6%
TRANSFERS	20,224,500	4,782,400	4,782,400	15,874,300	231.9%
TOTAL EXPENDITURES AND TRANSFERS	101,444,400	94,985,600	90,666,000	114,854,700	26.7%
ENDING BALANCE	37,497,100	38,247,000	49,749,400	51,344,400	3.2%
TOTAL OPERATING EXPENDITURES AND ENDING BALANCE	\$138,941,500	\$133,232,600	\$140,415,400	\$166,199,100	18.4%



Capital Revenues & Transfers



Capital Expenditures

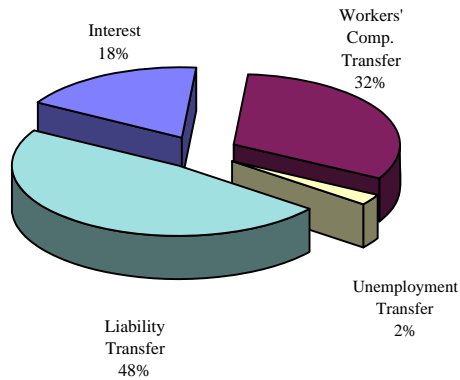


2007 BUDGET CAPITAL SUMMARY

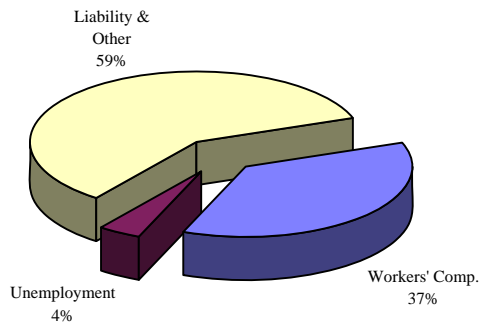
(rounded to the nearest \$100)					
	2005	2006	2006	2007	% CHANGE
	YEAR-END	AMENDED	YEAR-END		2007 TO
	ACTUALS	BUDGET	ESTIMATE	BUDGET	2006 EST.
CAPITAL REVENUES					
REVENUES					
Grants	\$14,308,600	\$15,055,400	\$9,498,900	\$13,212,000	39.1%
Bonds	0	10,000,000	0	0	0.0%
Other Capital Revenue / Interest	1,179,700	1,590,500	2,422,000	2,431,800	0.4%
REVENUE	15,488,300	26,645,900	11,920,900	15,643,800	31.2%
TRANSFERS					
Capital	3,946,700	0	0	0	0.0%
Capital Reserve	15,387,200	3,500,000	3,500,000	15,000,000	328.6%
TRANSFERS	19,333,900	3,500,000	3,500,000	15,000,000	
CAPITAL REVENUES	34,822,200	30,145,900	15,420,900	30,643,800	98.7%
BEGINNING BALANCE					
Capital Reserve	33,935,800	48,808,300	56,433,500	59,717,800	5.8%
TOTAL CAPITAL REVENUES AND BEGINNING BALANCE	68,758,000	78,954,200	71,854,400	90,361,600	25.8%
CAPITAL EXPENDITURES					
CAPITAL ACQUISITION					
Revenue Vehicles	12,549,000	7,653,500	7,653,600	12,859,700	68.0%
Passenger Facilities & Amenities	1,204,800	17,623,600	916,400	19,495,800	2027.4%
Base Facilities	5,243,900	4,318,200	1,004,200	11,866,600	1081.7%
Technology	2,016,800	40,768,600	1,562,700	39,422,300	2422.7%
Other	1,242,200	2,582,300	999,700	1,772,900	77.3%
CAPITAL EXPENDITURES	22,256,700	72,946,200	12,136,600	85,417,300	603.8%
ENDING BALANCE					
Capital Reserve	46,501,300	6,008,000	59,717,800	4,944,300	-91.7%
TOTAL CAPITAL EXPENDITURES AND ENDING BALANCE	\$68,758,000	\$78,954,200	\$71,854,400	\$90,361,600	25.8%



Insurance Revenues



Insurance Expenditures

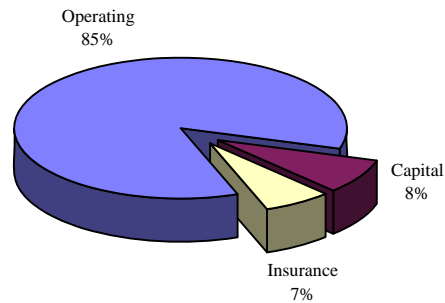


2007 BUDGET INSURANCE SUMMARY

(rounded to the nearest \$100)	2005 YEAR-END ACTUALS	2006 AMENDED BUDGET	2006 YEAR-END ESTIMATE	2007 BUDGET	% CHANGE 2007 TO 2006 EST.
INSURANCE REVENUES					
REVENUES					
Liability Insurance Interest	\$183,900	\$71,800	\$146,500	\$114,400	-21.9%
Workers' Comp. Interest	38,500	53,700	47,600	71,000	49.2%
Unemployment Insurance Interest	16,300	4,000	20,100	8,100	-59.7%
REVENUES	238,700	129,500	214,200	193,500	-9.7%
TRANSFERS					
Liability Insurance Transfer	456,900	770,800	770,700	511,400	-33.6%
Workers' Comp. Transfer	405,200	475,700	475,800	338,400	-28.9%
Unemployment Insurance Transfer	28,500	35,900	35,900	24,500	-31.8%
TRANSFERS	890,600	1,282,400	1,282,400	874,300	
REVENUES AND TRANSFERS	1,129,300	1,411,900	1,496,600	1,067,800	-28.7%
BEGINNING BALANCES					
Liability Insurance	3,751,100	3,410,800	3,582,800	3,341,600	-6.7%
Workers' Comp. Insurance	1,498,700	719,900	679,800	428,100	-37.0%
Unemployment Insurance	1,095,200	1,049,500	1,092,300	1,068,300	-2.2%
BEGINNING BALANCES	6,345,000	5,180,200	5,354,900	4,838,000	-9.7%
TOTAL INSURANCE REVENUES AND BEGINNING BALANCES	7,474,300	6,592,100	6,851,500	5,905,800	-13.8%
INSURANCE EXPENDITURES					
Liability and Other Insurance	798,500	1,437,100	1,158,500	1,125,800	-2.8%
Workers' Comp. Insurance	1,272,500	1,075,000	775,000	700,000	-9.7%
Unemployment Insurance	48,400	80,000	80,000	80,000	0.0%
INSURANCE EXPENDITURES	2,119,500	2,592,100	2,013,500	1,905,800	-5.3%
ENDING BALANCES					
Liability Insurance	3,593,300	2,816,100	3,341,600	2,841,600	-15.0%
Workers' Comp. Insurance	669,900	174,400	428,100	137,500	-67.9%
Unemployment Insurance	1,091,600	1,009,500	1,068,300	1,020,900	-4.4%
ENDING BALANCES	5,354,800	4,000,000	4,838,000	4,000,000	-17.3%
TOTAL INSURANCE EXPENDITURES AND ENDING BALANCES	\$7,474,300	\$6,592,100	\$6,851,500	\$5,905,800	-13.8%



Ending Balances



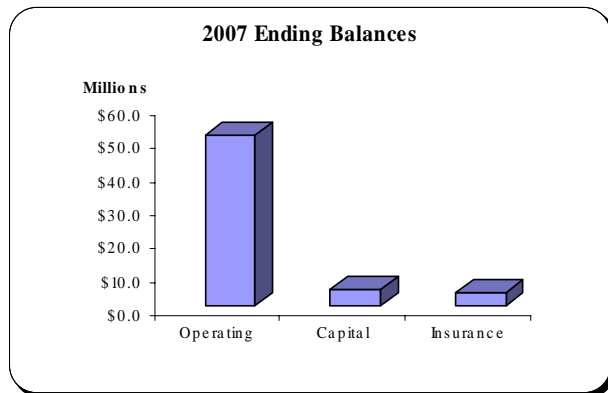
2007 BUDGET ENDING BALANCES

(rounded to the nearest \$100)	2005 YEAR-END ACTUALS	2006 AMENDED BUDGET	2006 YEAR-END ESTIMATE	2007 BUDGET	% CHANGE 2007 TO 2006 EST.
OPERATING					
Revenues	\$103,890,500	\$107,455,700	\$110,119,200	\$116,449,700	5.7%
Less: Expenditures	(81,219,900)	(90,203,200)	(85,883,600)	(98,980,400)	15.2%
Subtotal	22,670,600	17,252,500	24,235,600	17,469,300	-27.9%
Plus: Beginning Balance	35,051,000	25,776,900	30,296,200	49,749,400	64.2%
Less: Transfers					
Capital	(3,946,700)	0	0	0	0.0%
Capital Reserve	(15,387,200)	(3,500,000)	(3,500,000)	(15,000,000)	328.6%
Insurance	(890,600)	(1,282,400)	(1,282,400)	(874,300)	-31.8%
ENDING OPERATING BALANCE	\$37,497,100	\$38,247,000	\$49,749,400	\$51,344,400	3.2%
CAPITAL					
Revenues	\$15,488,300	\$26,645,900	\$11,920,900	\$15,643,800	31.2%
Plus: Transfers					
Capital	3,946,700	0	0	0	0.0%
Capital Reserve	15,387,200	3,500,000	3,500,000	15,000,000	328.6%
Subtotal Revenue	34,822,200	30,145,900	15,420,900	30,643,800	98.7%
Less: Expenditures	(22,256,700)	(72,946,200)	(12,136,600)	(85,417,300)	603.8%
Subtotal	12,565,500	(42,800,300)	3,284,300	(54,773,500)	-1767.7%
Plus: Beginning Balance	33,935,800	48,808,300	56,433,500	59,717,800	5.8%
ENDING CAPITAL BALANCE	\$46,501,300	\$6,008,000	\$59,717,800	\$4,944,300	-91.7%
INSURANCE					
Revenues	\$238,700	\$129,500	\$214,200	\$193,500	-9.7%
Plus: Transfers	890,600	1,282,400	1,282,400	874,300	-31.8%
Subtotal Revenue	1,129,300	1,411,900	1,496,600	1,067,800	-28.7%
Less: Expenditures	(2,119,500)	(2,592,100)	(2,013,500)	(1,905,800)	-5.3%
Subtotal	(990,200)	(1,180,200)	(516,900)	(838,000)	62.1%
Plus: Beginning Balance	6,345,000	5,180,200	5,354,900	4,838,000	-9.7%
ENDING INSURANCE BALANCE	\$5,354,800	\$4,000,000	\$4,838,000	\$4,000,000	-17.3%
GRAND TOTAL - ALL BALANCES	\$89,353,200	\$48,255,000	\$114,305,200	\$60,288,700	-47.3%



In brief:

The Ending Balances chart provides a summary of the balances of each of the funds.



2007 BUDGET ENDING BALANCES REQUIREMENTS

The Pierce Transit Board of Commissioners has established requirements for the level of unallocated funding that must be maintained and require review annually by the Vice President Finance & Administration. Changes shall be approved by the Chief Executive Officer and the Board of Commissioners.

The Operating Fund amount is a minimum of two months of Agency operating expenditures. The balance of \$51,344,400 at the end of 2007 meets the requirements. The ending balance increase from 2006 year-end estimate to 2007 Budget is a result of the margin of 2007 projected revenues over 2007 projected expenses after transfers to capital and insurance reserves.

Budgeted capital projects are funded through the capital reserve. The capital reserve is a fund dedicated to approved current capital projects. The reserve is established in order to replace capital equipment and facilities as they wear out. The capital reserve is set at a level equal to ten percent of the six-year average annual capital expenditures and fifty percent of the average annual grant funding program in the Six-Year Financial Plan.

The insurance reserves will be set at a level to adequately protect the Agency from self-insurance risks. They are currently set at \$4 million.

At the end of 2007, total Agency fund balances will be \$60.3 million. This is a decrease of \$54.0 million from the prior year budget. This results from the carry forward of capital projects in process.

A comparison of the ending balances for all the categories for three years and the percent change from 2006 year-end estimate to 2007 is located in the Budget Summary section.



2007 BUDGET DEBT

In brief:

The Pierce Transit Debt Policy provides guidance to the Agency in the use of debt, requires a cost effectiveness review, assurances that the service levels will not be adversely affected, and that the use of debt be considered within the context of long range plans.

Debt Policy Summary

The use of debt by Pierce Transit is in accordance with the Washington State Legislature, RCW 39.36.010 and 35.58.272 described under the Legal Debt Limit on the following page, the Pierce Transit Debt Policy, and all legal requirements.

In considering the use of debt, Pierce Transit will evaluate and balance the effect of debt financing on the long-term operational service needs of the Agency and the effects of debt service on the Operating Budget. It is the policy of Pierce Transit to insure that service levels will not be adversely affected by debt service payments.

A bonds test is applied of pledged revenues over maximum annual debt service for all outstanding and proposed debt. The test is applied to 12 consecutive months, out of the previous 24 month period. A ratio of 1.25 or greater is required.

An additional coverage test, taking into account the Agency operating costs, will be applied. This test will be calculated by adding the current year sales tax, operating subsidies, and other operating and non-operating revenue excluding capital contributions minus the current year Agency operating costs excluding depreciation and amortization to determine the net available resources to cover the debt service. No debt shall be issued when the resources divided by the projected maximum annual debt service of debt being considered, added to existing debt service, is less than a ratio of 1.25.

The term of the debt shall be structured for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users. The term of the debt for capital acquisition shall not exceed the useful life of the asset. RCW 39.46.110 limits the maximum term of any general obligation bond issue to 40 years.



**2007 BUDGET
DEBT**

In brief:

Pierce Transit is authorized by the Washington State Legislature, under RCW 39.36.010 and 35.58.272, to issue indebtedness. Indebtedness includes limited general obligation bonds, without a vote of the people up to an amount of three-eighths of one percent of the value of taxable property of the cities and towns within the service (benefit) area. In addition, Pierce Transit is also authorized by these RCWs to issue voter approved bonds up to 1.25% of the taxable property value for total indebtedness.

Legal Debt Limit

	Non-voted	Maximum (1)
Assessed Value	\$ 35,336,989,565	\$ 35,132,730,463
Percentage of Assessed Value	0.375%	1.250%
Legal Debt Limit	132,513,711	439,159,131
Debt Outstanding	(2,145,000)	(2,145,000)
Remaining Debt Capacity	<u>\$ 130,368,711</u>	<u>\$ 437,014,131</u>
Remaining Debt Capacity	98.4%	99.5%

(1) The maximum debt limit includes both non-voted and voted debt. All outstanding debt is non-voted.

The currently available assessed property value is based on 2005 assessments for 2006 tax collections. The value of all taxable property for tax purposes is estimated to be \$35.3 billion. On this basis, the Agency's remaining debt capacity is \$130.4 million and \$437.0 million as of January 1, 2007 for non-voted and voted debt respectively.

The existing debt levels at 1.7% of the non-voted debt capacity and 0.49% of maximum debt capacity are well within the legal limits. The existing annual debt service levels are less than 1% of sales tax revenue annually. The effect of these levels on current and future operations is minimal.



2007 BUDGET DEBT

In brief:

The total Pierce Transit bonds payable principle is \$2,145,000. With interest of \$276,439, the total debt service is \$2,421,439.

Bonds Payable

In 1999, Pierce Transit issued \$3,795,000 of limited sales tax general obligation bonds. These bonds were issued to advance refund bonds issued in 1992 with maturity dates between 2003 and 2011. Bond payments are made from sales tax revenues. The remaining debt service requirement of the 1999 refinancing bonds, which are the only outstanding bonds, follows. Interest is paid on June 1 and December 1 with principal paid on December 1. The existing debt has been rated Aaa by Moody's Investors Service and is insured by Financial Guaranty Insurance Company (FGIC). The bonds maturing on and after December 1, 2010 will be subject to redemption at the discretion of Pierce Transit on and after June 1, 2009.

Bonds Payable				
Year	Interest Rate	Principal	Total Interest	Total Debt Service
2007	4.00%	395,000	88,722	483,722
2008	4.00%	415,000	72,922	487,922
2009	4.10%	430,000	56,323	486,323
2010	4.25%	445,000	38,692	483,692
2011	4.30%	460,000	19,780	479,780
		<u>\$ 2,145,000</u>	<u>\$ 276,439</u>	<u>\$ 2,421,439</u>



2007 BUDGET PERSONNEL SUMMARY

In brief:

Pierce Transit workforce represents the diversity of customers served.

Majority – 69%

African American – 20%

Native American – 1%

Asian – 6%

Hispanic – 4%

Female – 39%



Personnel Summary

The 2007 Budget includes 987 positions and 952.5 full-time equivalents (FTEs). The primary drivers for position increases are service improvements and system maintenance, the Regional Fare Coordination Project (Smart Card), Mobile Communications Project, and ADA Eligibility and Specialized Transportation projects. The 39 changes in positions include 20 operators for service, 10 operations personnel in Safety and Training, Service Coordination, Specialized Transportation, Transit Public Safety, and Transit Services, five support personnel in Accounting, Community Services, Information Systems, and Project Management, and four Maintenance positions for increased expansion of buses, vanpools and support vehicles, and bus shelters and stops. Positions are increasing 4.1% over 2006. Operations and Maintenance Departments together represent 845 or 86% of total positions. The following pages include a Personnel Summary showing FTEs and Positions by Department and Division for 2004, 2005, 2006, and 2007 including the change from 2006.

Departments and divisions breakdown as follows:

Executive - Administration, Governmental Affairs, and Public Relations

Operations - Administration, Safety & Training, Service Coordination, Specialized Transportation, Transit Public Safety, and Transit Services

Maintenance - Administration, Facilities Maintenance, Maintenance Automotive, Maintenance Bus, Maintenance Safety, and Maintenance Training

Technology & Transit Development - Administration, Bus Stop Program, Capital & Grants Administration, Capital Development & Construction Projects, Community Services (ADA, CTR, and Vanpool), Information Systems, Marketing, Operations Planning, and Project Management

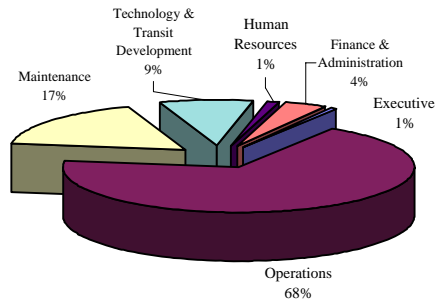
Human Resources - Human Resources and Risk Management

Finance & Administration - Administration, Accounting, Administrative Services, Budgeting, and Purchasing & Warehousing

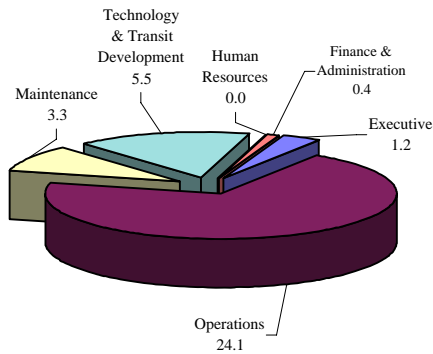


2007 BUDGET PERSONNEL SUMMARY

2007 FTE's by Department



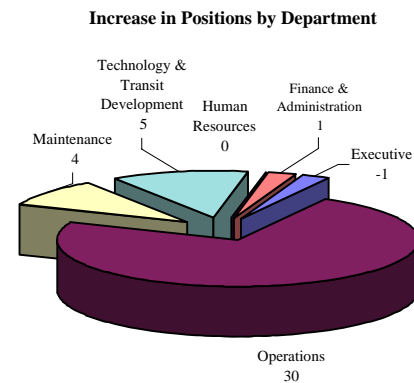
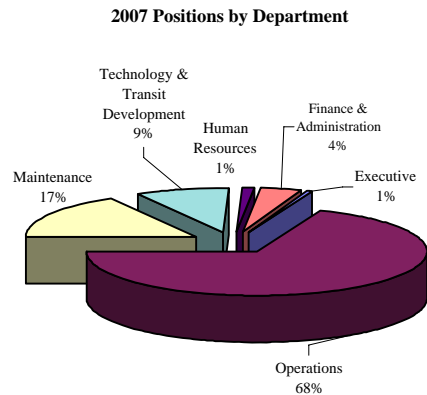
Increase in FTEs by Department



Department Division	FTEs					Positions				
	2004 Budget	2005 Budget	2006 Budget	2007 Budget	2007-2006 Change	2004 Budget	2005 Budget	2006 Budget	2007 Budget	2007-2006 Change
Executive										
Administration	2.6	2.7	3.4	4.5	1.1	3.0	4.0	5.0	5.0	0.0
Information Systems	10.5	0.0	0.0	0.0	0.0	11.0	0.0	0.0	0.0	0.0
Project Management	2.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0
Public Relations	1.4	1.4	1.4	1.5	0.1	2.0	2.0	2.0	1.0	(1.0)
Total	16.5	4.1	4.8	6.0	1.2	18.0	6.0	7.0	6.0	(1.0)
Operations										
Administration	2.0	2.0	2.0	2.0	0.0	2.0	2.0	2.0	2.0	0.0
Safety & Training	8.5	8.5	8.8	10.0	1.2	8.0	8.0	8.0	10.0	2.0
Service Coordination	59.1	60.0	61.0	68.0	7.0	56.0	57.0	57.0	60.0	3.0
Spec. Trans. (SHUTTLE)	71.8	73.3	73.3	77.3	4.0	67.0	68.0	69.0	70.0	1.0
Transit Public Safety	2.0	2.0	2.0	3.0	1.0	2.0	2.0	2.0	3.0	1.0
Transit Services	437.3	469.2	479.3	490.2	10.9	475.0	501.0	511.0	534.0	23.0
Total	580.7	615.0	626.4	650.5	24.1	610.0	638.0	649.0	679.0	30.0
Maintenance										
Administration	3.0	3.8	2.0	2.0	0.0	3.0	4.0	2.0	2.0	0.0
Facilities Maintenance	27.3	31.5	34.0	33.8	(0.2)	28.0	32.0	34.0	34.0	0.0
Maintenance Automotive	26.8	28.0	31.0	32.5	1.5	27.0	28.0	31.0	33.0	2.0
Maintenance Bus	89.6	93.8	93.0	95.0	2.0	91.0	94.0	93.0	95.0	2.0
Maintenance Safety	1.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0	0.0
Maintenance Training	1.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0	0.0
Total	148.6	159.1	162.0	165.3	3.3	151.0	160.0	162.0	166.0	4.0



2007 BUDGET PERSONNEL SUMMARY



Department Division	FTEs					Positions				
	2004 Budget	2005 Budget	2006 Budget	2007 Budget	2007-2006 Change	2004 Budget	2005 Budget	2006 Budget	2007 Budget	2007-2006 Change
Technology & Transit Development										
Administration	0.0	2.0	2.0	2.0	0.0	0.0	2.0	2.0	2.0	0.0
Bus Stop Program	0.0	4.0	4.0	4.0	0.0	0.0	4.0	4.0	4.0	0.0
Capital & Grants Admin	5.5	1.0	1.8	1.8	0.0	6.0	1.0	2.0	2.0	0.0
Capital Dev & Const Projects	6.0	5.0	5.5	5.5	0.0	6.0	5.0	6.0	6.0	0.0
Community Services	15.5	16.0	16.0	19.0	3.0	16.0	16.0	16.0	19.0	3.0
Information Systems	0.0	9.5	10.5	11.5	1.0	0.0	10.0	11.0	12.0	1.0
Marketing	24.3	24.3	24.8	25.3	0.5	26.0	26.0	27.0	27.0	0.0
Operations Planning	10.8	11.8	11.0	11.0	0.0	11.0	12.0	11.0	11.0	0.0
Project Management	0.0	2.0	2.0	3.0	1.0	0.0	2.0	2.0	3.0	1.0
Total	62.0	75.5	77.5	83.0	5.5	65.0	78.0	81.0	86.0	5.0
Human Resources										
Human Resources	8.0	8.0	8.0	8.0	0.0	8.0	8.0	8.0	8.0	0.0
Risk Management	3.0	3.0	3.0	3.0	0.0	3.0	3.0	3.0	3.0	0.0
Total	11.0	11.0	11.0	11.0	0.0	11.0	11.0	11.0	11.0	0.0
Finance & Administration										
Administration	1.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0	0.0
Accounting	12.3	12.3	12.3	12.7	0.4	14.0	14.0	14.0	15.0	1.0
Administrative Services	7.0	7.0	7.0	7.0	0.0	7.0	7.0	7.0	7.0	0.0
Budgeting	2.0	2.0	2.0	2.0	0.0	2.0	2.0	2.0	2.0	0.0
Purchasing & Warehousing	13.0	13.0	14.0	14.0	0.0	13.0	13.0	14.0	14.0	0.0
Total	35.3	35.3	36.3	36.7	0.4	37.0	37.0	38.0	39.0	1.0
AGENCY TOTAL	854.1	899.9	917.9	952.5	34.5	892.0	930.0	948.0	987.0	39.0

NOTES: Totals may not add due to rounding.

FTE/Position figures include Board approved amendments made during the year. Contract employees are not included.

The positions column is the number of employees authorized; the FTE's column indicates the full-time equivalents for those employees.

Personnel expenditures are driven by full-time equivalencies (FTEs). Relief Service Supervisor and relief Specialized Transportation (SHUTTLE)

operator positions are recorded in the Transit Services Division while the FTEs (expenditures) are recorded in the Service Coordination and

SHUTTLE Divisions. Relief Service Supervisors and relief SHUTTLE operators are hired from the pool of transit operators.



**2007 BUDGET
DETAIL OF FTE / POSITION CHANGES
BY DEPARTMENT / DIVISION**

Department Division	Description		Change in 2007 FTEs	Change in 2007 Positions
Executive				
Administration	CEO (retirement of prior CEO)	Decrease	-0.1	-1.0
	Government Affairs Officer	Annualize	0.8	0.0
	Executive Assistant (position transfer, split FTE)	New/Transfer	0.5	1.0
			<u>1.20</u>	<u>0.00</u>
Public Relations	Executive Assistant (position transfer, split FTE)	New/Transfer	0.1	-1.0
			<u>0.10</u>	<u>-1.00</u>
Total Executive			<u>1.3</u>	<u>-1.0</u>
Operations				
Safety & Training	Relief Instructor	Decrease	-0.8	0.0
	Instructor	New	1.0	1.0
	Division Assistant	New	1.0	1.0
			<u>1.2</u>	<u>2.0</u>
Service Coordination	Relief Service Supervisor	New	4.0	0.0
	Service Supervisor	New	3.0	3.0
			<u>7.0</u>	<u>3.0</u>
Specialized Transportation	Dispatcher	New	1.0	0.0
	Relief Dispatcher	New	2.0	0.0
	Adept Systems Coordinator	New	1.0	1.0
			<u>4.0</u>	<u>1.0</u>
Transit Public Safety	Transit Security Specialist (convert from Contract)	New	1.0	1.0
			<u>1.0</u>	<u>1.0</u>
Transit Services - Ops	Transit Operators	Annualize	9.7	0.0
	Transit Operators	New	0.8	15.0
	Assistant Manager	New	3.0	3.0
	Relief Operators	Decrease	-2.6	5.0
			<u>10.9</u>	<u>23.0</u>
Total Operations			<u>24.1</u>	<u>30.0</u>



**2007 BUDGET
DETAIL OF FTE / POSITION CHANGES
BY DEPARTMENT / DIVISION**

Department Division	Description		Change in 2007 FTEs	Change in 2007 Positions
Maintenance				
Automotive	Laborer	New	1.0	1.0
	Vehicle Custodian	New	0.5	1.0
			1.5	2.0
Maintenance Bus	Journey Level Mechanic	New	1.0	1.0
	Mechanic I	New	1.0	1.0
			2.0	2.0
Facilities	Maintenance Mechanic	Decrease	-1.0	-1.0
	Facilities Custodian I	New	0.8	1.0
			-0.2	0.0
Total Maintenance			3.3	4.0
Technology & Transit Development				
Community Services - ADA	ADA Program Coordinator	New	1.0	1.0
Community Services - VP	Vanpool Coordinator	New	1.0	1.0
Community Services - VP	Rideshare Specialist	New	1.0	1.0
			3.0	3.0
Information Systems	Senior Systems Analyst	New	1.0	1.0
			1.0	1.0
Marketing	Travel Trainer	Annualize	0.5	0.0
			0.5	0.0
Operations Planning	Planner	Reclass	-1.0	-1.0
	Planner II	Reclass	1.0	1.0
			0.0	0.0
Project Management	Project Manager	New	1.0	1.0
			1.0	1.0
Total Technology & Transit Development			5.5	5.0
Finance and Administration				
Accounting	Senior Accountant	New	0.4	1.0
Total Finance and Administration			0.4	1.0
AGENCY TOTAL *			34.6	39.0

* Totals may not add due to rounding



In brief:

The budget focuses on improving the quality of existing service while containing costs.

Performance measurement, business planning activities, and budgeting are designed to insure that current operations and capital improvements support the Agency's mission and strategic direction. This direction is embodied in the mission statement and goals.

**2007 BUDGET
STRATEGIC APPROACH TO THE BUDGET**

The strategic approach to the budget

- Is customer focused and committed to improvements to the existing service as well as providing expanded service.
- Supports good service delivery through the funding of maintenance and related activities.
- Markets services to make them more accepted by and accessible to customers.
- Directs resources to initiatives that position the Agency to meet its strategic goals and objectives.
- Emphasizes employee development through funding for career development courses and tuition reimbursement.
- Focuses on improving processes with the Agency.



2007 BUDGET FINANCIAL POLICIES AND GOALS

In brief:

The purpose of the financial policies is to ensure that financial resources are managed in a prudent manner. The policies address the basic principles needed to promote sound accounting, auditing, and financial practices. These policies, together with the Six-Year Financial Plan, provide the framework for future financial planning efforts and help frame resource allocation decisions.

These policies are reviewed annually to ensure continued relevance and to identify any gaps that should be addressed with new policies.

The review process assesses the long-term financial implications of current and proposed programs, assumptions, and budgets.

A description of the policies is shown at the right.

- 1) Accounting Practices: Accounting practices will conform to generally accepted accounting principles as promulgated by the Government Accounting Standards Board and will maintain complete and accurate accounting records.
- 2) Audit: The Washington State Auditor's Office will audit Pierce Transit annually including compliance with federal single audit requirements.
- 3) Financial Reporting: A Comprehensive Annual Financial Report will be issued annually within six months after the end of the fiscal year, accompanied by a management letter from the State Auditor's Office.
- 4) Investment: Pierce Transit shall invest available funds in conformance with the investment policy adopted by the Board of Commissioners. Allowable investments and diversification of investments across security types, financial institutions, and maturities are specified.
- 5) Financial Plan: Each year, Pierce Transit shall develop a six-year financial forecast. The forecast shall project revenues and expenses. This forecast shall be used for developing the capital and operating budgets and reporting in the Transit Development Plan required by the State of Washington RCW 38.58.2795. The plan shall be reviewed with the Board of Commissioners.
- 6) Grant Management: All grants shall be managed to comply with the laws, regulations, and guidance of the grantor.
- 7) Operating Reserve: An operating reserve as defined in the Pierce Transit Code shall be maintained to provide a prudent level of financial resources to protect against the need to reduce service levels or raise taxes or fares due to temporary revenue shortfalls or unpredicted one-time expenditures.



2007 BUDGET FINANCIAL POLICIES AND GOALS

The financial policies and planning processes recognize the realities of limited revenue sources available to the Agency. With the majority of the revenue from sales tax, collections are closely monitored and conservatively budgeted. It is recognized that this revenue source can be unpredictable based on the economic conditions. The use of any one-time revenues for ongoing expenditures is discouraged.

- 8) Designated Balances: Designated balances for capital replacement and self-insurance shall be maintained in accordance with the policy adopted by the Board of Commissioners.
- 9) Insurance: Appropriate insurance coverage shall be maintained to mitigate the risk of material loss. For self-insured coverage, a separately funded insurance reserve shall be maintained in an amount equal to the estimated liability for incurred losses that have not yet been paid and an allowance for claims incurred but not filed.
- 10) Balanced budget: A balanced budget is required. The budget is balanced if current revenues, plus reserves, are equal to or greater than expenditures. Budgeted financial requirements shall not exceed estimated financial resources in any given year. Funding shall be available for the timely replacement of capital assets at the end of their useful lives and ensure that funding is available for future expansion needs.
- 11) Debt: Debt or financing arrangements shall not be entered into unless the transaction complies with the Pierce Transit Debt Policy, Washington State RCW 39.36.010 and 35.58.272 and applicable federal laws, and has been approved by the Board of Commissioners.
- 12) Service Levels: Operations will be performed at the most economical cost while maintaining desired service levels. Opportunities will be reviewed periodically to ensure that Pierce Transit is operating as efficiently and economically as possible, without compromising quality.
- 13) Asset inventory: An asset inventory shall be maintained to assess the condition of all major capital assets. This information is used to plan for the ongoing financial commitments to maximize the public's benefit.



**2007 BUDGET
FINANCIAL POLICIES AND GOALS**

- 14) Fares: Fares are established by the Board of Commissioners following public hearings that are required by the Federal Transit Administration. The fare recovery ratio is considered to recover a reasonable percentage of operating cost while remaining consistent with the regional fare structure and policy agreed to by other transit agencies in the region to assist passengers.
- 15) Accountability: Operating/capital expenditure accountability is assured by the monthly comparison of actual expenditures to budget by the Executive Team. A quarterly report is also provided for the Board of Commissioners. Action to bring the budget into balance would follow if necessary.



2007 BUDGET BASIS OF BUDGETING

In brief:

The basis of budgeting is flexible and serves a variety of functions including planning, control, and information.

As a planning tool, the budget is used to quantify the financial implications of planned operations and evaluate fiscal alternatives.

As a control document, the budget assists in the day-to-day financial operations by providing fiscal control for expenses.

As an information source, the budget provides financial information about the Agency's expected fiscal position.

Purposes of the budget

The budget serves as a policy tool for the Board of Commissioners. Management uses the budget as an expression of goals and objectives for the coming year. For the citizens of Pierce County who may not be familiar with the workings of the Agency, it presents a picture of the Agency's purpose and intentions for the coming year. The budget is designed to communicate these intentions by describing the service to be provided, the cost of the service, the proposed allocation of funds, and revenue sources used to pay for the service.

Basis of accounting and budgeting

Pierce Transit is a single enterprise fund. The financial statements are prepared using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received. The modified accrual basis is used for budgeting. Under this method, operating revenues and expenses are budgeted on the accrual basis. Modified accrual budgeting is used for non-operating revenues and expenditures, which include capital grant receipts and expenditures as well as debt service principal.

For example, under both the accrual basis and the modified accrual basis, operating revenues and expenses are recognized when they are measurable and available. However, for non-operating revenue and expenditures, the accrual basis of accounting will recognize revenue and expenses as they are earned or consumed rather than received or spent in cash under the modified accrual method used for budgeting.

Capital expenditures and grant reimbursements are budgeted on a project basis. Projects are budgeted in their entirety when approved, regardless of anticipated expenditure dates. Each year thereafter, the remaining unexpended portion of the project, as well as related grant reimbursements, are carried over.



2007 BUDGET BASIS OF BUDGETING

Budget and spending control

Washington State requires a balanced budget. The budget is balanced if current revenues plus reserves are equal to or greater than expenditures. Any increase to the approved total Agency budget requires authorization and approval by resolution from the Board of Commissioners. Budgets are monitored on a divisional basis for compliance with authorized expenditure levels.

Changes to personnel, travel, training, and capital expenditures require a budget revision. Unbudgeted additions to personnel require a budget amendment authorized and approved by resolution by the Board of Commissioners. Changes to travel and training budgets, within the total Agency budget, must be approved by the Executive Team. Capital expenditures are budgeted for specific projects. The Chief Executive Officer may execute changes in a capital project budget up to a cumulative total of \$50,000, including the transfer of required funds from/to the Operating Budget. The change must be within the total Agency budget. A change in a capital project budget exceeding \$50,000 requires authorization by budget amendment from the Board of Commissioners. Managers may exercise their judgment in exceeding all other maintenance and operating expense budget individual line item appropriations so long as they do not exceed the total of these appropriations. Department vice presidents may exercise their judgment in balancing maintenance and operating expense divisional budgets within the department's appropriation. Expenditures exceeding an appropriation for a department, within the total Agency budget, must be approved by the Chief Executive Officer.



**2007 BUDGET
BASIS OF BUDGETING**

Designated funds:

Operating

Capital

Insurance

Funds set aside for insurance and capital are restricted and, once restricted, may not be used for any other purpose except through Board authorization.

Designated fund balances

The Board of Commissioners has adopted policies establishing minimum balance requirements for each of the funds. The Operating Fund requires a balance to cover cash flows at a minimum of two months of Agency operating expenditures. This policy is designed to ensure that the Agency maintains adequate cash to meet monthly financial obligations, to provide time to react to any unexpected revenue downturn, and to meet emergency expenditure requirements.

The Capital Fund reserve has been established to meet capital expenditure requirements programmed in the Six-Year Financial Plan. The level of the reserve enables the Agency to respond to urgent unanticipated capital expenditure requirements as well as to protect the Agency from the uncertainty of federal and state grant funding. The minimum amount of the reserve is set at a level equal to 10% of the six-year average annual capital expenditures and 50% of the average annual grant funding programmed in the Six-Year Financial Plan.

The Insurance Fund for liability, workers' compensation, and unemployment risks is to be set at a level adequately protecting the Agency from self-insurance losses. The level of the Insurance Fund is reviewed annually with an appropriate contribution made to the fund as needed.



2007 BUDGET THE BUDGET PROCESS

In brief:

Annual
January 1 – December 31
Clear mission
Stakeholder input
Budget development
Public hearing
Adopted by the Board
Monitored
Modified as necessary

The process

The development of the budget is a political and managerial process that has financial and technical dimensions. The process begins with strategic planning described in the Business Planning Process section of this document. The identification and involvement of stakeholders in the planning and budgeting process is key to the success of the outcomes. The process serves the purposes of the budget.



First Step - The planning process begins each January as the strategic planning team begins the development of the Agency goals. The team, comprised of upper management with staff support, provides oversight on all planning processes, provides interactive communication with the departments and divisions throughout the year, reviews and recommends changes in the financial, capital, and service plans, and provides recommendations to Executive Team on their adoption. The policies, goals, assumptions, and capital and expense projections are coordinated with the budget development.



Second Step - The annual call for capital projects from all divisions. This step in the process is critical because the capital projects typically require significant investment and potential on-going commitments of operating funds. The projects are identified by the division managers to accomplish the Agency goals. A Capital Projects Committee comprised of department representatives evaluates and prioritizes each capital project based on how well it satisfies the goals and objectives of the Agency before they are programmed in the budget and subsequent six-year plans.

Capital projects are scored based on how well they satisfy the criteria and ranked accordingly. They are prioritized and based on the rankings are recommended to the Executive Team for approval and inclusion in the budget.



2007 BUDGET THE BUDGET PROCESS

The criteria used in evaluating the capital projects for inclusion in the budget reflect the goals of the Agency:

Increase in ridership

The project results in more sustained riders on the system.

Ensure fiscal responsibility

The project improves or adheres to financial rules or policies and provides the best return for each dollar spent.

Support and partner with our community

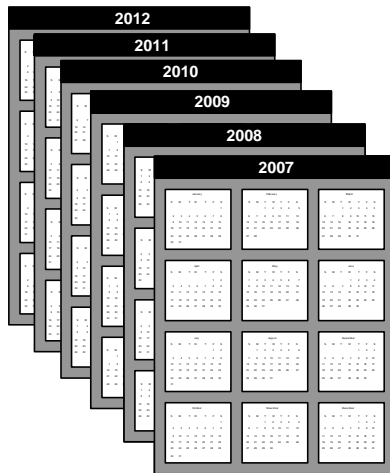
The project provides for greater economies or encourages growth in the corridors served through leveraged funding.

Improve customer satisfaction and system quality

The project improves customer satisfaction or is in response to customer needs.

Maintain a dedicated and professional workforce

The project supports a positive work environment that promotes learning and collaboration.



Third Step - The presentation of the Six-Year Financial Plan and recommended capital projects to the management team. A retreat is held to review the Agency direction and present proposed service levels, revenue projections, and division expenditure targets. An important part of this retreat is the involvement and feedback from the managers. With this information, managers and vice presidents set division goals, objectives, and priorities. The objectives are consistent with the Agency mission and support the goals. They focus on what the Agency plans to accomplish in the coming year. Using these objectives as a guide, managers develop work plans.



2007 BUDGET THE BUDGET PROCESS

A second retreat is held for the presentation of this information by the managers to the entire team. The work plans describe how the division plans to contribute to achieving the Agency's overall goals and objectives.



Fourth Step - The management team is now equipped with the information needed to develop the divisional operating expenditure requirements. These requests are submitted to the Budget Office. The Budget Office compiles the requests and prepares the total Agency budget documents and analysis information in a preliminary budget.



Fifth Step - The Executive Team reviews the preliminary budget. Meetings are held with managers as necessary. Changes are made and the final preliminary budget is submitted to the Board of Commissioners Administrative/Finance/Audit Committee for evaluation and comment.



Sixth Step - The recommended budget is submitted for public hearing and reviewed by the entire Board of Commissioners in November. If necessary, adjustments are made and the budget is submitted to the Board of Commissioners for adoption.



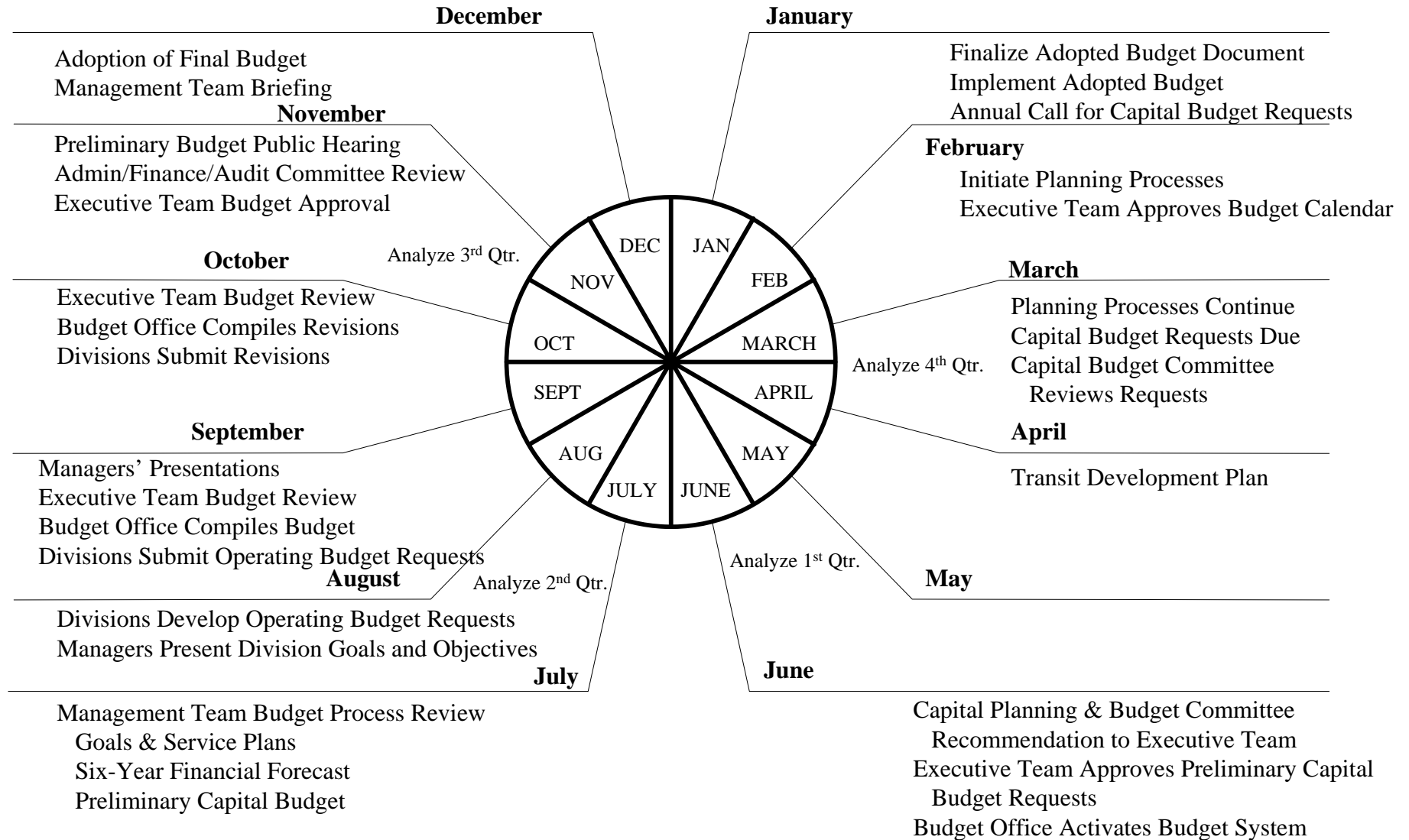
Seventh Step - The Board of Commissioners adopts the budget in December.



Eighth Step - Implementation is followed by monitoring and revisions as required.



2007 BUDGET ANNUAL BUDGET DEVELOPMENT CALENDAR





2007 BUDGET
MISSION, OBJECTIVES, AND PERFORMANCE MEASURES

Mission Statement

“Deliver outstanding transportation services that match our customers’ needs.”

Primary objectives:

Increase System Ridership

Ensure Fiscal Responsibility

Support and Partner
With Our Community

Improve Customer Satisfaction
and System Quality

Maintain a Dedicated and
Professional Workforce

We are locally based and regionally connected.

Our services are safe and on time.

Our fares are affordable.

Our vehicles are clean and comfortable.

We listen to our customers to make their service better.

We work with others to plan transportation improvements.

Our decisions reflect respect for this region’s environment.

We use our tax resources effectively.

Our dedicated, professional employees are the key to quality.

Budget Development Context

Pierce Transit’s annual budget is an integral part of the Agency’s larger process for accomplishing its mission. Pierce Transit identified five primary objectives and a series of strategies that are intended to implement each objective. They were formalized in Pierce Transit’s Strategic Business Plan – 2004-2009, which was adopted in July 2003. The strategic plan is a visioning document that outlines the long-term policy directions that the Agency intends to pursue.



2007 BUDGET MISSION, OBJECTIVES, AND PERFORMANCE MEASURES

In brief:

Pierce Transit uses performance measures to obtain useful information in a consolidated format to gauge the success of agency policies and programs and for the improvement of the Agency's services

Service, capital, and financial plans for each of the next six years are formalized when the Board of Commissioners adopts the Six-Year Transit Development Plan (TDP). The TDP draws upon the objectives and strategies contained within the Strategic Business Plan in order to identify future funding priorities while the annual budget details the agency's spending plan for the coming year.

In developing each year's TDP update and the annual budget, Pierce Transit's management team – the Board of Commissioners, Executive Team and project managers – carefully consider alternative service delivery, resource utilization, and capital strategies to determine which have the greatest potential to advance the Agency's objectives. In doing this, they carefully review public comments, adopted regional and community plans, Pierce Transit's long-range Strategic Business Plan and the success of similar projects in the past. This year's budget is the product of that analysis.

A central element of the budget process is the development of business cases for all proposed capital projects. They provide project justification and the agency objectives that are advanced by the proposed project. This requires managers to consider how capital initiatives advance broader agency goals.

Performance Measures and Performance Targets

Throughout 2006, Pierce Transit continued its efforts to upgrade and expand its performance measurement system and began to integrate performance targets into the long-range planning and budgeting processes. While Pierce Transit has always monitored its performance, formal performance measure and targets have not been developed. The Transit Accountability and Performance Standards (TAPS) project began with a comprehensive review of existing departmental performance measures. This allowed managers to consider how departmental objectives and measures advance broader agency goals. The project team then went on to develop a set of agency-wide measures that are used to evaluate its progress towards achieving the objective outlined in the Strategic Business Plan.



2007 BUDGET
MISSION, OBJECTIVES, AND PERFORMANCE MEASURES

In doing this, the TAPS Team carefully defined each of the measures being analyzed. Clear and precise definitions, standardized data collection techniques and centralized storage of performance-related information are all key elements of the TAPS process and will continue to be refined.

Currently, Pierce Transit employs five external performance measures, described below. Specific targets, which are consistent with budget estimates contained elsewhere in this document, have been identified for most. In some instances, there was not enough valid information available to set a realistic target. As a base of operating information becomes available, targets will be added for these measures during future years and a historical data accumulated.

External Measures

Five external measures are identified. These are measures that have broad recognition outside Pierce Transit and are often used to compare transit agencies in different communities. Most are subdivided to provide separate targets for each of Pierce Transit's separate product lines.

1. Total Boardings - The total number of people boarding a Pierce Transit vehicle during a given period. Excludes services operated under contract with Sound Transit.

	2007 Target
a. Fixed Route – Includes all Pierce Transit fixed route and express services; excludes Sound Transit.	+1.7%
b. SHUTTLE – Includes directly operated and contracted services; includes Orting Loop.	+.48%
c. Vanpool – Includes vanpool and special use vans.	+9.8%
d. Bus PLUS – Includes directly operated and contracted services.	+13.4%
e. Special Events – Includes event services funded by Pierce Transit for which a fare is charged.	None



2007 BUDGET
MISSION, OBJECTIVES, AND PERFORMANCE MEASURES

2. Cost per hour - Direct & Fully Allocated - Total Operating Cost (Direct or Indirect)/Service Hours

Direct Costs: Costs associated with the direct provision of service hours and miles. This cost varies with changes in the amount of service provided. Examples of direct costs are operator and mechanic salaries and benefits. Other examples of direct costs are fuel and tire costs.

Indirect Costs: Costs indirectly associated with the provision of service hours and miles. These are sometimes called overhead, or support costs. Indirect costs generally do not vary with small changes in service. For example, if service is increased or decreased by 10%, the number of Information Systems Specialists would typically not change. Other examples of indirect costs are banking and utility costs.

Service Hours – Includes deadhead, drive time while in service and layover. (Maintenance and training are not part of this category.)

	2007 Target
a. Fixed Route – Includes all Pierce Transit fixed route, express and Bus Plus services; excludes Sound Transit.	\$99.71 Fully Allocated
b. SHUTTLE – Includes directly operated and contracted services; includes Orting Loop.	\$75.63 Fully Allocated
c. Vanpool – Includes vanpool and special use vans.	No Target
d. Special Events – Includes event services funded by Pierce Transit for which a fare is charged.	No Target



2007 BUDGET
MISSION, OBJECTIVES, AND PERFORMANCE MEASURES

3. Passengers per hour - Total Passengers/Service Hours

Total Passengers - The total number of people boarding a Pierce Transit vehicle during a given period. Excludes services operated under contract with Sound Transit.

Service Hours - Includes deadhead, drive time while in service and layover. (Maintenance and training are not part of this category.)

	2007 Target
a. Fixed Route – Includes all Pierce Transit fixed route; excludes Pierce Transit express and Sound Transit.	21.21
b. Express – Includes all Pierce Transit operated express service; excludes Sound Transit.	8.23
c. SHUTTLE – Includes directly operated and contracted services; includes Orting Loop.	1.91
d. Vanpool – Includes vanpool; excludes special use vans. Service hours = revenue hours.	6.94
e. Bus PLUS – Includes directly operated and contracted services.	4.36
f. Special Events – Includes event services funded by Pierce Transit for which a fare is charged.	No Target



2007 BUDGET
MISSION, OBJECTIVES, AND PERFORMANCE MEASURES

4. Farebox recovery - Total farebox revenues divided by total operating costs. This ratio indicates how much the passenger provides toward the total cost of service.

Total Farebox Revenues – Total fares collected from passenger operations including Pierce Transit’s allocation of regional pass sales.

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

	2007 Target
a. SHUTTLE – Includes directly operated and contracted services; includes Orting Loop.	1.8%
b. Vanpool – Includes vanpool and special use vans; Total Operating Costs = Direct Operating Costs only.	85% of direct costs
c. Bus PLUS – Includes directly operated and contracted services.	No Target
d. Special Events – Includes event services funded by Pierce Transit for which a fare is charged.	No Target

5. Service hours per capita - Service Area Population/Service Hours

Service Area Population – The estimated number of people who live within Pierce Transit’s PTBA boundary. (721,445 in 2006; 741,000 in 2007)

Service Hours - Includes deadhead, drive time while in service and layover. (Maintenance and training are not part of this category.)

	2007 Target
a. Agency Total (Includes Sound Transit)	1.50



2007 BUDGET
MISSION, OBJECTIVES, AND PERFORMANCE MEASURES

Next Steps

During the past two years Pierce Transit has made great progress in its agency-wide program to implement a system of performance measures and targets. Staff from throughout the agency jointly hammered out the measures that are now being utilized. Progress towards key targets is monitored and reported monthly, with more extensive quarterly and annual reports provided to Pierce Transit's Board of Commissioners and Management Team.

The project's next phases will entail four separate initiatives:

- Data collection and reporting procedures will be upgraded. In some cases information is still not being uniformly collected or reported. In these cases, procedures will be standardized to ensure that data is being consistently presented over time.
- Throughout 2007 the accuracy and value of each performance measure will be monitored and then evaluated at year's end. It may be appropriate to modify some measures while others may be eliminated or added.
- Performance measures will be updated to reflect the agency's evolving vision. Pierce Transit's Board of Commissioners plan to undertake a major strategic positioning exercise during 2007. This will provide the basis for future updates to the agency's strategic planning documents – the mission statement, objectives, strategies, Strategic Business Plan, and annual transit development plan. Performance measures and targets will be adjusted to reflect these evolving agency priorities.
- Once the strategic positioning exercise is complete, Pierce Transit will begin to cascade performance objectives, measures, and targets down to individual departments and divisions. Several departments already utilize performance measures and targets as a means of setting their own priorities and program initiatives. This effort, which will likely extend over the next two to three years, will more closely tie those departmental measures to the agency's overall system.



**2007 BUDGET
PERFORMANCE MEASURES COMPARISON**

	2004 Year-End	2005 Year-End	2006 Year-End	2007	% Change
	Actuals	Actuals	Estimates	Budget	2006 YE Est to 2007 Budget
PIERCE TRANSIT LOCAL, EXPRESS, & BUSPLUS					
<u>Revenue</u>					
Farebox Recovery	15.9%	14.5%	15.4%	14.4%	(6.5%)
<u>Cost</u>					
Cost/Passenger	\$3.76	\$4.03	\$4.28	\$4.95	12.7%
Net Cost/Passenger	\$3.16	\$3.45	\$3.62	\$4.23	11.6%
Cost/Service Hour	\$79.74	\$84.56	\$88.35	\$101.01	11.0%
Cost/Revenue Hour	\$84.87	\$90.80	\$96.63	\$110.63	13.3%
Cost/Service Mile	\$6.02	\$6.35	\$6.46	\$7.21	8.0%
<u>Operating</u>					
Passengers/Service Hour	21.21	21.01	20.65	20.40	(1.7%)
Passengers/Service Mile	1.60	1.58	1.51	1.46	(4.4%)
SOUND TRANSIT EXPRESS					
<u>Revenue</u>					
Farebox Recovery ¹	N/A	N/A	N/A	N/A	N/A
<u>Cost</u>					
Cost/Passenger	\$6.30	\$7.23	\$6.76	\$7.43	2.1%
Net Cost/Passenger ¹	N/A	N/A	N/A	N/A	N/A
Cost/Service Hour	\$73.01	\$85.65	\$92.44	\$97.49	9.4%
Cost/Revenue Hour	\$87.38	\$103.99	\$115.45	\$120.86	13.3%
Cost/Service Mile	\$2.67	\$3.18	\$3.43	\$3.84	9.1%
<u>Operating</u>					
Passengers/Service Hour	11.59	11.85	13.67	13.11	7.2%
Passengers/Service Mile	0.42	0.44	0.51	0.52	6.8%
TOTAL PIERCE TRANSIT & SOUND TRANSIT					
<u>Revenue</u>					
Farebox Recovery ¹	N/A	N/A	N/A	N/A	N/A
<u>Cost</u>					
Cost/Passenger	\$4.13	\$4.48	\$4.64	\$5.29	10.7%
Net Cost/Passenger ¹	N/A	N/A	N/A	N/A	N/A
Cost/Service Hour	\$78.13	\$84.80	\$89.19	\$100.31	10.6%
Cost/Revenue Hour	\$85.42	\$93.52	\$100.12	\$112.47	13.1%
Cost/Service Mile	\$4.70	\$5.17	\$5.43	\$6.16	9.3%
<u>Operating</u>					
Passengers/Service Hour	18.92	18.93	19.21	18.96	(0.2%)
Passengers/Service Mile	1.14	1.15	1.17	1.16	(0.9%)

¹ Farebox revenue is not accounted for on Sound Transit Express service thus Farebox Recovery and Net Cost/Passenger can not be calculated.
Revenue hours are the number of hours vehicles are providing passenger trips. Service hours are the number of hours vehicles are on the road.



**2007 BUDGET
PERFORMANCE MEASURES COMPARISON**

	2004 Year-End	2005 Year-End	2006 Year-End	2007	% Change
	Actuals	Actuals	Estimates	Budget	2006 YE Est to 2007 Budget
SHUTTLE					
<u>Revenue</u>					
Farebox Recovery	2.2%	2.0%	2.1%	1.8%	15.0%
<u>Cost</u>					
Cost/Passenger	\$27.75	\$30.71	\$34.74	\$39.70	6.5%
Net Cost/Passenger	\$27.13	\$30.11	\$34.02	\$38.98	6.1%
Cost/Service Hour	\$67.16	\$71.10	\$66.29	\$75.63	6.0%
Cost/Service Mile	\$4.14	\$4.51	\$4.19	\$4.80	6.4%
<u>Operating</u>					
Passengers/Service Hour	2.44	2.28	1.91	1.91	0.0%
Passengers/Service Mile	0.15	0.15	0.12	0.12	0.0%
VANPOOL					
<u>Revenue</u>					
Farebox Recovery	66.0%	59.7%	71.3%	59.4%	6.2%
<u>Cost</u>					
Cost/Passenger	\$3.69	\$3.60	\$3.66	\$4.51	18.6%
Net Cost/Passenger	\$1.26	\$1.45	\$1.05	\$1.83	7.6%
Cost/Service Hour <i>estimated</i>	\$25.28	\$26.56	\$26.58	\$31.31	13.8%
Cost/Service Mile	\$0.67	\$0.69	\$0.71	\$0.89	17.4%
<u>Operating</u>					
Passengers/Service Mile	0.18	0.19	0.19	0.20	0.0%
TOTAL PIERCE TRANSIT, SHUTTLE, & VANPOOL - SOUND TRANSIT SERVICE EXCLUDED					
<u>Revenue</u>					
Farebox Recovery	15.0%	13.8%	15.1%	14.1%	6.5%
Revenue/Passenger	\$0.69	\$0.67	\$0.77	\$0.84	19.4%
<u>Cost</u>					
Cost/Passenger	\$4.94	\$5.19	\$5.39	\$6.14	10.8%
Net Cost/Passenger	\$4.25	\$4.52	\$4.62	\$5.30	9.5%
Cost/Service Hour	\$70.49	\$74.86	\$76.12	\$86.45	9.8%
Cost/Service Mile	\$4.20	\$4.46	\$4.49	\$5.05	8.5%
<u>Operating</u>					
Passengers/Service Hour	15.24	15.42	14.83	14.61	(2.1%)
Passengers/Service Mile	0.91	0.92	0.88	0.85	(3.3%)

Service hours are the number of hours vehicles are on the road.



**2007 BUDGET
OPERATING INFORMATION**

	2004 Year-End	2005 Year-End	2006 Year-End	2007	% Change
	Actuals	Actuals	Estimates	Budget	2006 YE Est to 2007 Budget
PIERCE TRANSIT					
Fixed Route Local & Express					
Ridership	11,948,996	12,363,704	12,477,005	12,761,938	2.3%
Service Hours	563,332	588,547	604,288	625,462	3.5%
Revenue Hours	529,255	548,078	552,523	571,048	3.4%
Service Miles	7,461,398	7,837,213	8,261,517	8,767,337	6.1%
Expenditures	\$44,920,299	\$49,765,948	\$53,388,078	\$63,177,725	18.3%
Expenditures (constant \$)*	\$34,195,374	\$36,133,617	\$36,444,625	\$41,242,931	13.2%
Fare Revenue	\$7,134,686	\$7,192,692	\$8,239,684	\$9,128,272	10.8%
SOUND TRANSIT					
Fixed Route Express					
Ridership	2,046,225	2,043,427	2,146,575	2,030,995	(5.4%)
Service Hours	176,505	172,410	157,084	154,865	(1.4%)
Revenue Hours	147,470	141,997	125,777	124,914	(0.7%)
Service Miles	4,825,313	4,649,156	4,237,016	3,932,439	(7.2%)
Expenditures	\$12,886,662	\$14,766,965	\$14,521,013	\$15,097,681	4.0%
Expenditures (constant \$)*	\$9,814,116	\$10,732,294	\$9,922,582	\$9,863,551	(0.6%)
Unreimbursed Expenditures	\$899,530	-\$119,979	-\$116,282	-\$114,877	(1.2%)
TDS Expenditures	\$493,498	\$520,945	\$668,980	\$670,890	0.3%
Fare Revenue	N/A	N/A	N/A	N/A	0.0%
Fixed Route Pierce Transit & Sound Transit					
Ridership	13,995,221	14,407,131	14,623,580	14,792,933	1.2%
Service Hours	739,837	760,957	761,372	780,327	2.5%
Revenue Hours	676,725	690,075	678,300	695,962	2.6%
Service Miles	12,286,711	12,486,369	12,498,533	12,699,776	1.6%
Expenditures	\$57,806,961	\$64,532,913	\$67,909,091	\$78,275,406	15.3%
Expenditures (constant \$)*	\$44,009,490	\$46,865,911	\$46,367,207	\$51,106,482	10.2%
Fare Revenue	\$7,134,686	\$7,192,692	\$8,239,684	\$9,128,272	10.8%



**2007 BUDGET
OPERATING INFORMATION**

	2004 Year-End	2005 Year-End	2006 Year-End	2007	% Change
	Actuals	Actuals	Estimates	Budget	2006 YE Est to 2007 Budget
Shuttle					
Ridership	476,270	433,950	399,400	401,333	0.5%
Service Hours	196,769	187,462	209,269	210,663	0.7%
Revenue Hours	177,604	169,203	188,886	190,144	0.7%
Service Miles	3,189,107	2,957,592	3,308,425	3,316,169	0.2%
Expenditures	\$13,214,990	\$13,327,828	\$13,873,435	\$15,931,546	14.8%
Expenditures (constant \$)*	\$10,046,265	\$9,702,479	\$9,482,879	\$10,427,267	10.0%
Fare Revenue	\$297,051	\$261,108	\$287,568	\$288,960	0.5%
Vanpool					
Ridership	690,500	764,816	782,025	859,000	9.8%
Service Hours <i>estimated</i>	<i>100,750</i>	<i>103,601</i>	<i>107,636</i>	<i>123,729</i>	15.0%
Service Miles	3,782,025	3,974,705	4,036,365	4,363,000	8.1%
Expenditures	\$2,547,362	\$2,751,194	\$2,860,869	\$3,873,775	35.4%
Expenditures (constant \$)*	\$1,940,756	\$1,999,299	\$1,978,024	\$2,510,268	26.9%
Fare Revenue	\$1,680,980	\$1,642,478	\$2,039,000	\$2,300,000	12.8%
AGENCY TOTAL FIXED ROUTE, SHUTTLE & VANPOOL					
Ridership	15,161,991	15,605,897	15,805,005	16,053,266	1.6%
Service Hours	1,018,226	1,039,921	1,078,277	1,114,719	3.4%
Revenue Hours	854,329	859,278	867,186	886,106	2.2%
Service Miles	19,257,843	19,418,666	19,843,323	20,378,945	2.7%
Expenditures **	\$74,962,341	\$81,012,901	\$85,196,093	\$98,636,740	15.8%
Expenditures (constant \$)*	\$55,996,510	\$58,567,688	\$57,828,110	\$64,044,017	10.7%
Fare Revenue	\$9,112,717	\$9,096,278	\$10,566,252	\$11,717,232	10.9%

* Restated in 1995 Dollars: based on CPI information

** Expenditures exclude operating grant funded expenses.

Revenue hours are the number of hours vehicles are providing passenger trips.

Service hours are the number of hours vehicles are on the road.



2007 BUDGET OPERATING, PERFORMANCE, AND FARE HISTORY

Sound Transit Service Excluded*

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 YE Estimate	2007 Budget
TOTAL RIDERSHIP (in millions)	12.862	12.233	12.453	13.116	13.562	13.658	14.022
OPERATING INFORMATION BY MODE							
Fixed Route (Local & Express)							
<u>Operating Information (in millions)</u>							
Annual Ridership	11.717	11.161	11.335	11.949	12.364	12.477	12.762
Service Hours	0.479	0.497	0.556	0.563	0.589	0.604	0.625
Revenue Hours	0.452	0.469	0.523	0.529	0.548	0.553	0.571
Service Miles	6.656	6.774	7.374	7.461	7.837	8.262	8.767
Expenditures	\$32.413	\$36.846	\$40.654	\$44.920	\$49.766	\$53.388	\$63.178
Expenditures (adjusted for inflation)^	\$26.121	\$28.655	\$31.022	\$34.195	\$36.134	\$36.445	\$41.243
Fare Revenue	\$6.209	\$6.831	\$7.181	\$7.135	\$7.193	\$8.240	\$9.128
<u>Performance Indicators</u>							
Farebox Recovery Ratio	18.44%	18.54%	17.66%	15.88%	14.45%	15.43%	14.45%
Revenue/Passenger	\$0.51	\$0.61	\$0.63	\$0.60	\$0.58	\$0.66	\$0.72
Cost/Passenger	\$2.77	\$3.30	\$3.59	\$3.76	\$4.03	\$4.28	\$4.95
Cost/Passenger (adj. for inflation)^	\$2.23	\$2.57	\$2.74	\$2.86	\$2.92	\$2.92	\$3.23
Net Cost/Passenger	\$2.26	\$2.69	\$2.96	\$3.16	\$3.45	\$3.62	\$4.23
Cost/Service Hour	\$67.69	\$74.20	\$73.09	\$79.74	\$84.56	\$88.35	\$101.01
Cost/Service Hour (adj. for inflation)^	\$54.55	\$57.71	\$55.77	\$60.70	\$61.39	\$60.31	\$65.94
Cost/Revenue Hour	\$71.71	\$78.62	\$77.69	\$84.87	\$90.80	\$96.63	\$110.63
Cost/Service Mile	\$4.87	\$5.44	\$5.51	\$6.02	\$6.35	\$6.46	\$7.21
Average Weekday Passengers	38,894	36,725	36,649	39,390	44,826	43,626	45,109
Passengers/Service Hour	24.47	22.48	20.38	21.21	21.01	20.65	20.40
Passengers/Service Mile	1.76	1.65	1.54	1.60	1.58	1.51	1.46
On-Time Performance	93.5%	95.0%	94.0%	94.0%	93.8%	92.2%	95.0%
SHUTTLE							
<u>Operating Information (in millions)</u>							
Annual Ridership	0.513	0.476	0.481	0.476	0.434	0.399	0.401
Service Hours	0.183	0.189	0.181	0.197	0.187	0.209	0.211
Service Miles	3.599	3.179	2.985	3.189	2.958	3.308	3.316
Expenditures	\$11.447	\$11.935	\$11.659	\$13.215	\$13.328	\$13.873	\$15.932
Fare Revenue	\$0.257	\$0.286	\$0.289	\$0.297	\$0.261	\$0.288	\$0.289
<u>Performance Indicators</u>							
Farebox Recovery Ratio	2.24%	2.40%	2.48%	2.25%	1.96%	2.07%	1.81%
Cost/Passenger	\$22.31	\$25.06	\$24.23	\$27.75	\$30.71	\$34.74	\$39.70
Net Cost/Passenger	\$21.81	\$24.46	\$23.63	\$27.13	\$30.11	\$34.02	\$38.98
Cost/Service Hour	\$62.72	\$63.17	\$64.24	\$67.16	\$71.10	\$66.29	\$75.63
Cost/Service Mile	\$3.18	\$3.75	\$3.91	\$4.14	\$4.51	\$4.19	\$4.80
Average Weekday Passengers	1,802	1,673	1,690	1,673	1,524	1,403	1,410
Passengers/Service Hour	2.39	2.42	2.54	2.44	2.28	1.91	1.91
Passengers/Service Mile	0.14	0.15	0.16	0.15	0.15	0.12	0.12

* Sound Transit is excluded 2000 - Present.

^Adjusted to 1995. 2006 year-end and 2007 budget inflation factor is estimated. All prior years based on CPI information.

Revenue hours are the number of hours vehicles are providing passenger trips. Service hours are the number of hours vehicles are on the road.

The Cost Allocation Model used to split costs between Service Modes was changed in 2000 and 2005, thus a direct comparison between years may be difficult.



2007 BUDGET OPERATING, PERFORMANCE, AND FARE HISTORY

Sound Transit Service Excluded*

		2001	2002	2003	2004	2005	2006 YE	2007
		Actual	Actual	Actual	Actual	Actual	Estimate	Budget
VANPOOL	<u>Operating Information</u>							
	Annual Ridership (in millions)	0.632	0.595	0.637	0.691	0.765	0.782	0.859
	Service Miles (in millions)	3.114	3.272	3.473	3.782	3.975	4.036	4.363
	Expenditures (in millions)	\$1.969	\$2.236	\$2.210	\$2.547	\$2.751	\$2.861	\$3.874
	Fare Revenue (in millions)	\$1.372	\$1.388	\$1.468	\$1.681	\$1.642	\$2.039	\$2.300
	Number of vans in fleet	231	240	260	280	290	290	310
	<u>Performance Indicators</u>							
	Farebox Recovery Ratio	69.67%	62.06%	66.42%	65.99%	59.70%	71.27%	59.37%
	Revenue/Passenger	\$2.17	\$2.33	\$2.30	\$2.43	\$2.15	\$2.61	\$2.68
	Cost/Passenger	\$3.12	\$3.75	\$3.47	\$3.69	\$3.60	\$3.66	\$4.51
	Net Cost/Passenger	\$0.95	\$1.42	\$1.17	\$1.26	\$1.45	\$1.05	\$1.83
SUPPLEMENTAL DATA								
	<u>Budgeted Positions</u>							
	Operations	538	555	592	610	638	649	679
	Maintenance	129	133	146	151	160	162	166
	Administrative	109	112	124	131	132	137	142
	Total:	776	800	862	892	930	948	987
FARE INFORMATION								
Cash Fares **	<u>Local Service</u>							
	Adult / Student	\$1.00	\$1.25	\$1.25	\$1.25	\$1.25	\$1.50	\$1.50
	Senior / Disabled	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.75	\$0.75
	SHUTTLE	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.75	\$0.75
	<u>Seattle Express Service</u>							
	Adult	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$3.00	\$3.00
	Student	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
	Senior / Disabled	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.50	\$1.50
	<u>Olympia Express Service</u>							
	Adult / Student	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Senior / Disabled	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Passes **	<u>Local Service</u>							
	Adult	\$36.00	\$45.00	\$45.00	\$45.00	\$45.00	\$54.00	\$54.00
	Youth (added in 1999.)	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00
	Senior/Disabled	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$27.00	\$27.00
	<u>Seattle Express Service</u>							
	Adult	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$108.00	\$108.00
	Student	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00
	Senior/Disabled	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$54.00	\$54.00
	<u>Olympia Express Service</u>							
	Adult/Student	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00	\$72.00
	Senior/Disabled	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00
	<u>Class Pass</u>	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00
Transfers		Free	Free	Free	Free	Free	Free	Free

* Sound Transit is excluded 2000 - Present.

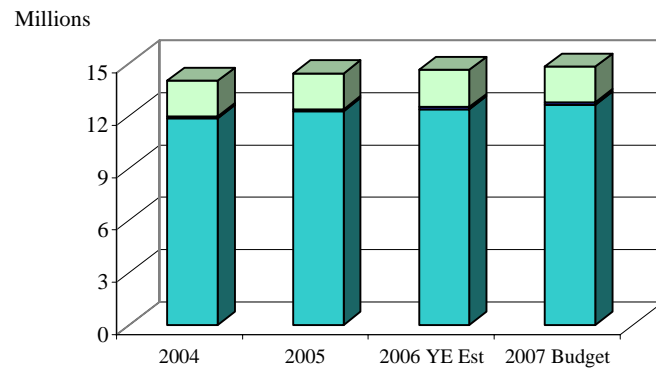
** Fare increases were implemented in 1999, 2002, and 2006.

The Cost Allocation Model used to split costs between Service Modes was changed in 2000 and 2005, thus a direct comparison between years may be difficult.



2007 BUDGET FIXED ROUTE STATISTICS BY SERVICE TYPE

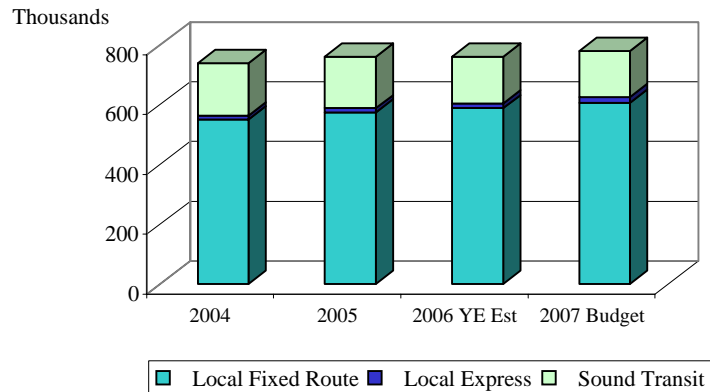
Ridership



Ridership (Millions)

	<u>2004</u>	<u>2005</u>	<u>2006</u> <u>Year End</u> <u>Estimate</u>	<u>2007</u> <u>Budget</u>
Local Fixed Route	11.844	12.248	12.355	12.612
Local Express	0.105	0.116	0.122	0.150
Sound Transit	2.046	2.043	2.147	2.031
Total Fixed Route	13.995	14.407	14.624	14.793

Service Hours



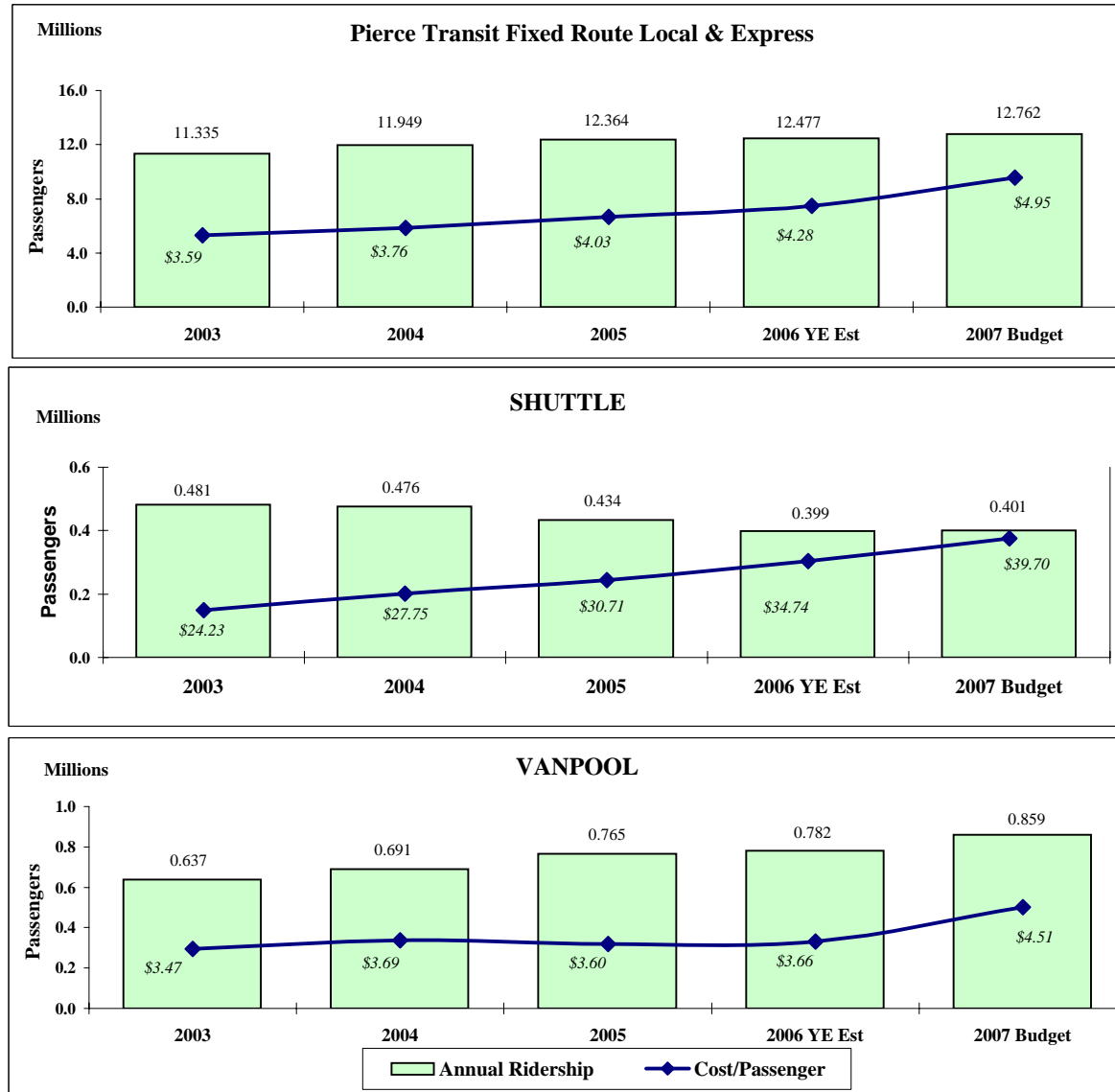
Service Hours (Thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u> <u>Year End</u> <u>Estimate</u>	<u>2007</u> <u>Budget</u>
Local Fixed Route	551.03	575.11	588.38	606.39
Local Express	12.30	13.44	15.91	19.08
Sound Transit	176.51	172.41	157.08	154.87
Total Fixed Route	739.84	760.96	761.37	780.33

Service hours are the number of hours vehicles are on the road.

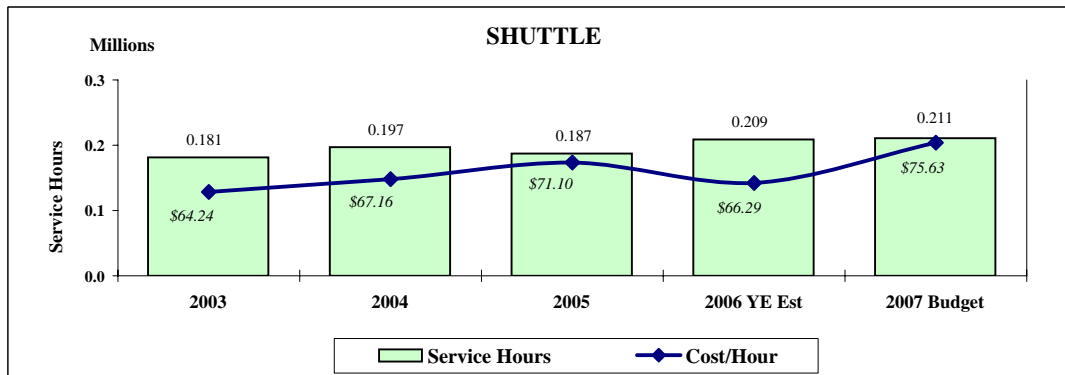
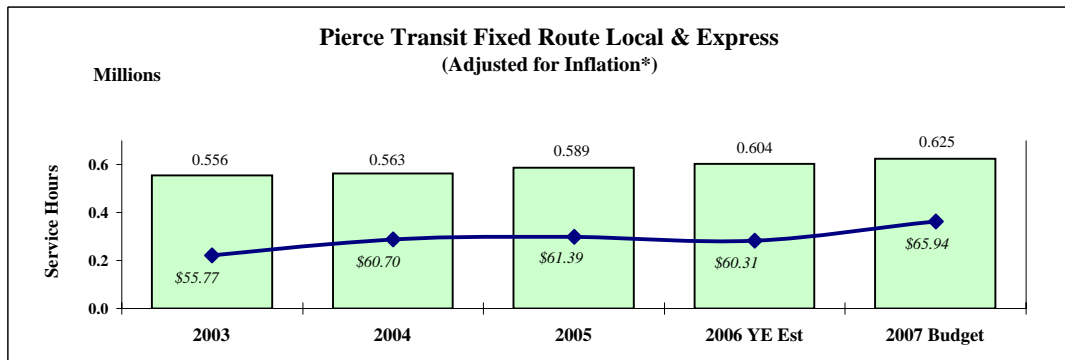
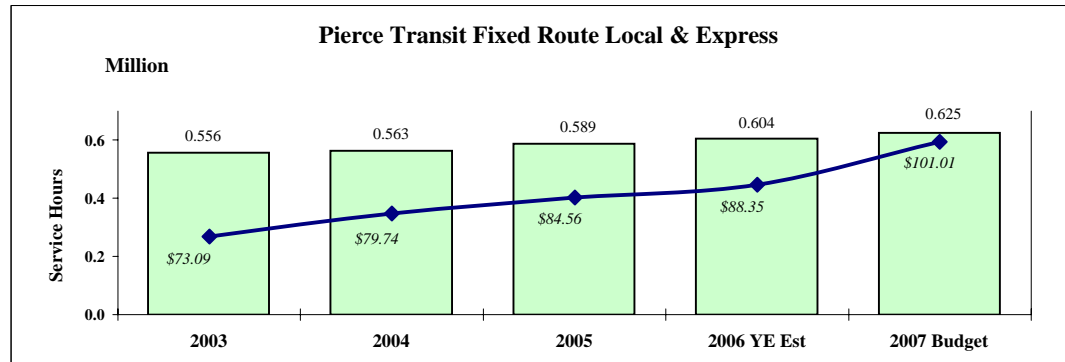


**2007 BUDGET
PERFORMANCE MEASURES
RIDERSHIP AND COST / PASSENGER BY SERVICE TYPE**





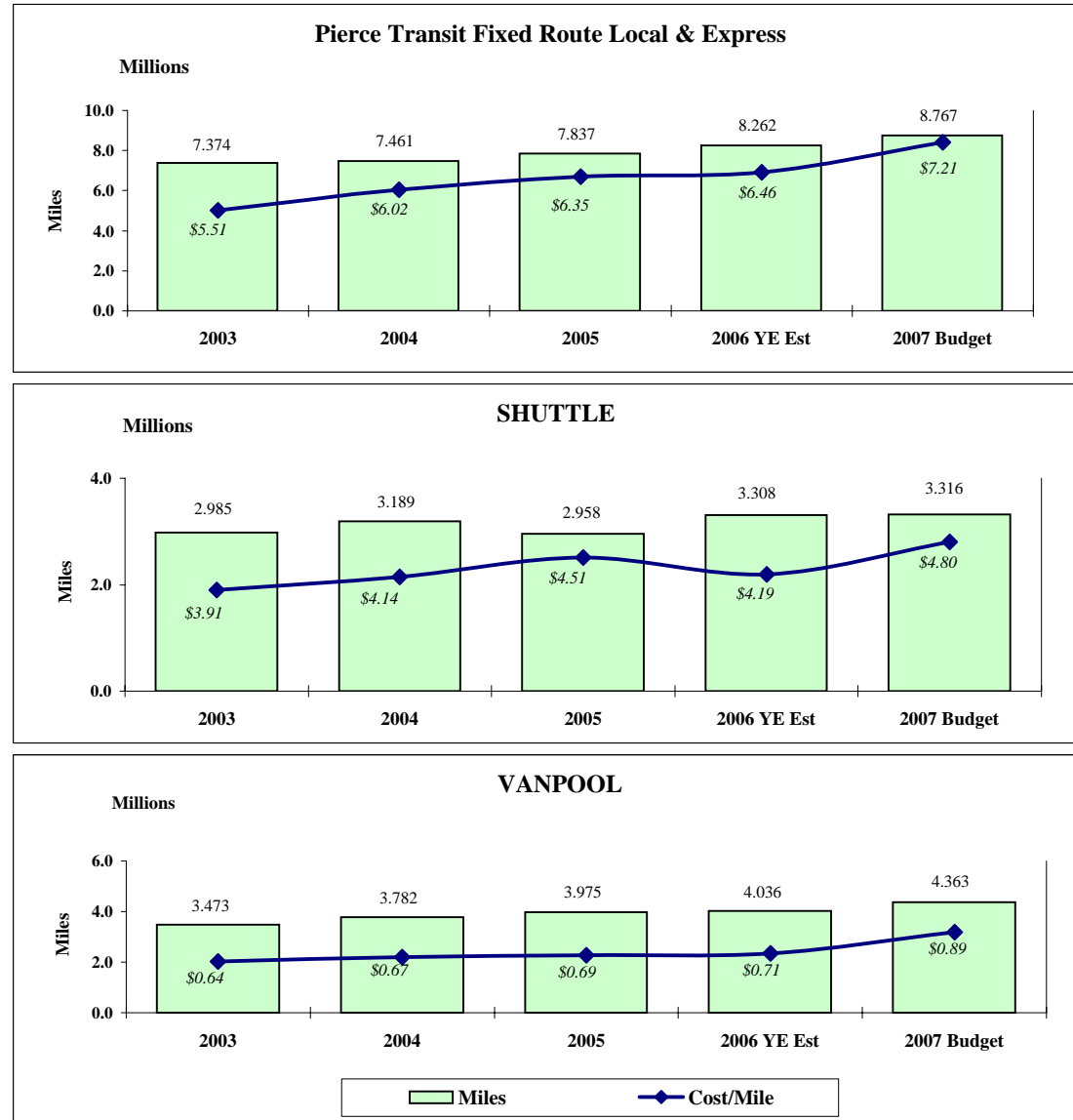
**2007 BUDGET
PERFORMANCE MEASURES
HOURS AND COST / HOUR BY SERVICE TYPE**



* Adjusted to 1995 dollars (based on CPI)
Service hours are the number of hours vehicles are on the road.



2007 BUDGET
PERFORMANCE MEASURES
MILES AND COST / MILE BY SERVICE TYPE





Frances Rankos, Travel Trainer, Receives the National Award

Pierce Transit's Travel Trainer, Frances Rankos, recently received the Jack & Helen Gorelick Award and Scholarship from the Association of Travel Instructors in appreciation of the praiseworthy work she does as a hands-on travel trainer. It is awarded in recognition of Frances' work in promoting the inclusion of persons with disabilities into the life stream of our communities through independent travel and the use of public transportation. The scholarship provides \$750, which Frances will use to attend the sixth annual conference of the Association of Travel Instruction in Arlington, Virginia.

*Promoting the inclusion of persons with disabilities
into the life stream of our communities.*

Travel Training is a free, personal service available to seniors and those with disabilities who are seeking independence by using public transportation. The Travel Trainer customizes training sessions that are geared to the needs of the individual. Training has helped thousands of people gain confidence and become comfortable riding the bus.

Frances began her career with Pierce Transit in 1980 as a Customer Service Representative. In 1987 when Pierce Transit purchased the first lift buses, she was tasked with training groups and individuals to board buses, thus becoming the Agency's first Travel Trainer.

She is sought after as a conference presenter and was one of twenty trainers selected in the United States and Canada by Project Action to participate in the Travel Training Curriculum Development Board.



Pierce Transit **BUDGET** 2007

Operating Budget





2007 BUDGET OPERATING BUDGET

In brief:

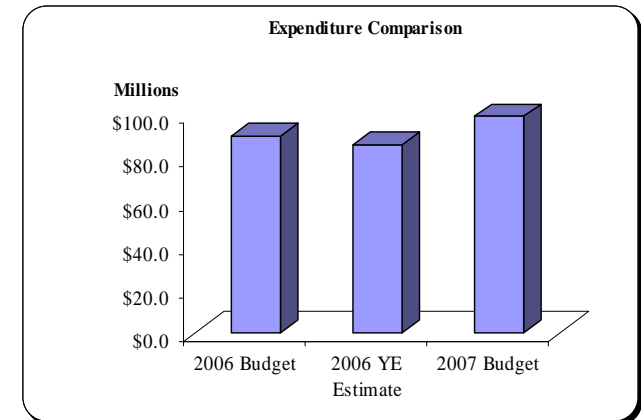
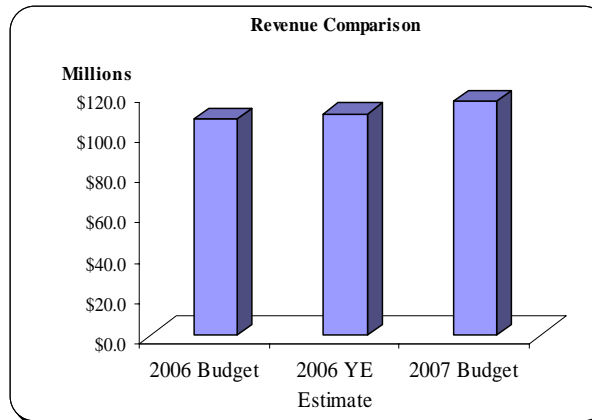
The Operating Budget reflects discussions with staff and the Board of Commissioners regarding the Strategic Business Plan, Six-Year Financial Plan, and options available to increase ridership and improve service.

Operating budget revenue in 2007 is increasing 8.4% largely as a result of the increase in the sales tax revenue. Ridership increases and the annualization of the last fare increase account for the remainder of the increase.

The operating expenditure budget for 2007 is increasing by 9.7% over the 2006 Budget. The increase reflects the cost of doing business both mandatory and market driven, wage and benefit adjustments, and increases in service provision.

2007 Operating Budget Summary Comparison with 2006

	2006 Amended <u>Budget</u>	2006 Year-End <u>Estimate</u>	2007 <u>Budget</u>	Budget to Budget Change	
				<u>Amount</u>	<u>%</u>
Operating Revenues	\$ 107,455,700	\$ 110,119,200	\$ 116,449,700	\$ 8,994,000	8.4%
Operating Expenditures	(89,027,300)	(84,538,400)	(97,635,200)	8,607,900	9.7%
	18,428,400	25,580,800	18,814,500		
Non-Operating Expenditures	(1,175,900)	(1,345,200)	(1,345,200)		
Operating Transfers	(4,782,400)	(4,782,400)	(15,874,300)		
Use Of Designated Balances	<u>\$ 12,470,100</u>	<u>\$ 19,453,200</u>	<u>\$ 1,595,000</u>		





**2007 BUDGET
OPERATING BUDGET**

Revenue:

The type of revenue and 2007 dollar and percent change from 2006 Budget is provided in the table and the change is briefly explained as follows.

Fares
ridership increase

Advertising
advertising demand

Sales Tax
growing economy
estimated increase

Operating Assistance
stable

Sound Transit
service reduction

Interest
investment balance
interest rates

Other
salvage sales

**2007
Operating Budget Summary Analysis
Revenues By Object**

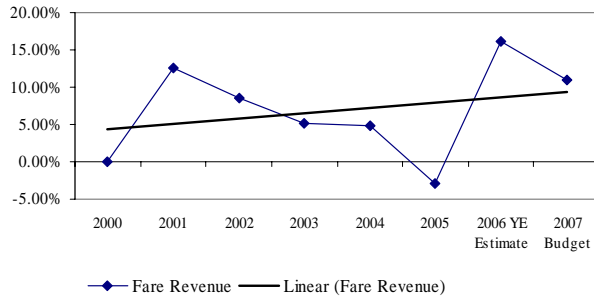
	2006 Amended <u>Budget</u>	2006 Year-End <u>Estimate</u>	2007 <u>Budget</u>	Budget to Budget Change	
				<u>Amount</u>	<u>%</u>
Fares	\$ 10,862,600	\$ 10,566,300	\$ 11,717,200	\$ 854,600	7.9%
Advertising	897,000	944,200	837,500	(59,000)	-6.6%
Sales Tax	72,177,600	74,873,800	79,366,200	7,188,600	10.0%
Operating Assistance	5,959,200	6,682,100	5,969,100	9,900	0.2%
Sound Transit	16,445,500	15,137,300	16,289,300	(156,000)	-0.9%
Interest	762,100	1,524,600	1,982,200	1,220,100	160.1%
Other	351,700	390,900	288,200	(63,500)	-18.1%
	<u>\$ 107,455,700</u>	<u>\$ 110,119,200</u>	<u>\$ 116,449,700</u>	<u>\$ 8,994,000</u>	8.4%

In summary, the increase in fare revenue is due to projected ridership increases and annualization of the fare increase effective March 1, 2006. Advertising is decreasing due to advertising demand projections and contract specifications. Sales tax, the primary source of revenue, is anticipated to increase 6% over the 2006 Year-End Estimate based on favorable economic conditions. Operating Assistance remains basically the same. The decrease in Sound Transit revenue reflects a decrease in service hours.



Fare revenue is affected by two factors, fare price and ridership. While ridership has been increasing since 2001, it is increasing at a slower rate than in the past. At the same time, fare increases in 2002 and 2006 result in additional fare revenue. The two factors combined account for the trend in fare revenue.

Fare Revenue Growth Trend



2007 BUDGET OPERATING BUDGET

Operating Income

Fares – Fare revenue is derived from cash fares paid by customers along with other methods of fare payment such as the sale of passes, tickets, and tokens. Pierce Transit participates in the Puget Pass regional fare system. Members of the system include Community Transit, Everett Transit, King County Metro, Kitsap Transit, Sound Transit, and Washington State Ferries. This system provides a seamless fare system to the region's customers. Annually, each partner develops estimates of fare revenue and boardings. Revenues are projected and allocated to participating agencies based on an agreed upon average fare per boarding times ridership and takes into account any fare increase by the respective agency. The last fare structure revision was effective March 1, 2006. A fare history is shown in the Statistical Information section of this document.

Cash Fares (effective 3/1/06)

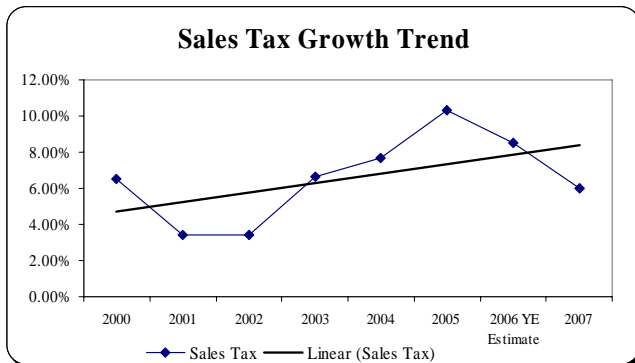
Service	Fare	Senior Disabled
Local	\$1.50	\$0.75
Express	\$1.50 - \$3.00	\$.50 - \$1.50
Special Event	\$3.00	\$3.00

Passes are also available

Advertising – Revenue is generated through the sale of space on buses to businesses. Earnings are projected at the level of the minimum guarantee in the current contract with a local advertising agency. The contract year begins in July.



The average growth rate in sales tax for the period 2000-2006 projected is 6.6%. However, there have been two years at only 3%.



2007 BUDGET OPERATING BUDGET

Sales Tax – The revenue is derived from a locally levied sales tax based on six-tenths of one percent of taxable sales within the Public Transportation Benefit Area. The tax is imposed on purchasers of tangible personal property and certain services. Sellers collect the tax for state and local government. The State distributes the collections to the Agency on a two-month lag. Food, drugs, and some manufacturing equipment are excluded. A use tax is imposed when sales tax has not been collected. Projections are based on historical information and economic conditions. Close monitoring is conducted throughout the year with State and local economists. Sales tax revenue is projected to reach 68% of operating revenues in 2007 for \$79 million. The 2007 projection is based on a conservative growth estimate of 6% over the 2006 year-end estimate. Services will be accelerated if the sales tax revenue comes in higher. Under Washington State law, a public transportation benefit area can levy sales tax, with voter approval, up to nine-tenths of one percent of taxable sales. The current rate of six-tenths of one percent of taxable sales was approved by the voters effective July 1, 2002.

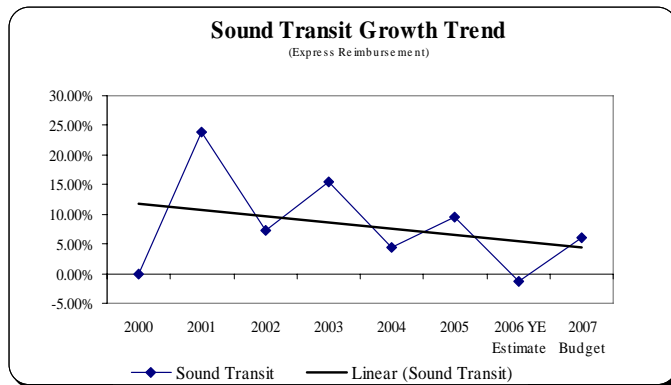
Operating Assistance

Commute Trip Reduction/Vanpool – Funds are distributed through the Washington State Department of Transportation (WSDOT) to nine counties. All counties receive a base amount with the remaining funds distributed based on the number of affected worksites in each county. Each county creates a formula to allocate the funds. Pierce Transit enters into an agreement with Pierce County for the funds. The amount may vary each biennium. Additional Congestion Mitigation Air Quality (CMAQ) funds from the federal government are received through projects with WSDOT, Pierce County, and the City of Tacoma. These projects fund support to commute trip reduction efforts.



2007 BUDGET OPERATING BUDGET

The average growth rate for Sound Transit for the period 2001-2006 projected is 9.9%. A reduction in service hours is a result of Sound Transit directing more dollars to increased Sounder train service.



Preventive Maintenance – The Federal Transit Administration provides Urbanized Area Formula Grants (49USC5307) to urbanized areas for transit-related purposes. Preventive maintenance expenses are eligible for this funding along with some Americans With Disabilities Act (ADA) complementary paratransit service. Apportionments are made on the basis of legislative formulas. Pierce Transit is a part of the Seattle urbanized area (UZA) with a population of more than 1,000,000. The population determines the formula. It is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles as well as population and population density. These federal funds are authorized in Section 5307 of the Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy for Users (SAFETEA-LU) Public Law (PL) 109-59, enacted August 10, 2005 for the five year period 2005-2009. The Preventive Maintenance portion of this funding is \$4,370,096 for 2007.

Sound Transit – Sound Transit is the Central Puget Sound Regional Transit Authority authorized by the Washington State Legislature to plan, build, and operate a high-capacity transit system within the region's most heavily used travel corridors. Pierce Transit is under contract to provide regional express services that operate within and from Pierce County. The cost of the service is based on a cost allocation model in a contractual agreement. Additional agreements are for reimbursements for the Tacoma Dome Station (TDS) shared costs, security, liability claims, and special services. The decrease in revenue is a result of service hours decreasing. Sound Transit is planning a package of new transit projects and services, potentially part of a larger transportation solution, which could be presented to voters within Sound Transit's three-county transit district in the near future. This may affect service provision in the future.

Interest Income – Cash temporarily idle during the year is invested in accordance with Washington State law in certificates of deposit, repurchase agreements, U.S. Treasury bills, bankers' acceptances, and Agency obligations. Interest income is dependent on the size of the investment portfolio as well as interest rates.



2007 BUDGET OPERATING BUDGET

Other – This revenue category includes revenue received from parking fees at the Tacoma Dome Station, revenue from the sale of vehicles at the end of their useful life, and miscellaneous sources. A Job Access and Reverse Commute Program (JARC) grant is included. These funds 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.

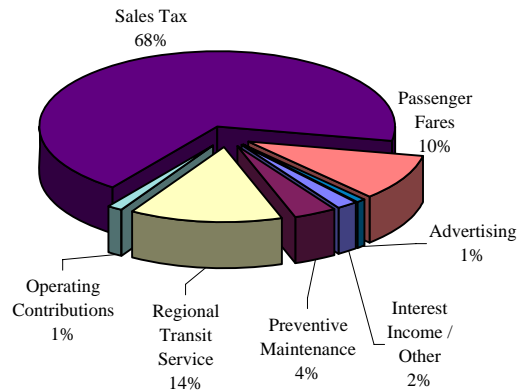
Beginning Balance – The balance consists of working cash and designated balances for operating, insurance, and depreciation accounts.

The Operating Budget revenues by the above categories as a percent of the total operating revenue and the dollar amounts for 2005 Year-End Actuals, 2006 Amended Budget, 2006 Year-End Estimate, 2007 Budget, and the percent change from 2007 to 2006 Year-End Estimates follow.



**2007 BUDGET
OPERATING SUMMARY - REVENUES**

Operating Revenues



(rounded to the nearest \$100)	2005 YEAR-END ACTUALS	2006 AMENDED BUDGET	2006 YEAR-END ESTIMATE	2007 BUDGET	% CHANGE 2007 TO 2006 EST.
OPERATING REVENUES					
OPERATING INCOME					
Passenger Fares	\$9,096,300	\$10,862,600	\$10,566,300	\$11,717,200	10.9%
Advertising	851,600	897,000	944,200	837,500	-11.3%
Regional Transit Service					
Express Reimbursement	14,603,800	15,095,500	14,491,700	15,353,400	5.9%
TDS Reimbursement	562,200	485,000	465,600	670,900	44.1%
Special Service Reimbursement	164,200	165,000	140,000	165,000	17.9%
Other Reimbursement	79,300	700,000	40,000	100,000	150.0%
OPERATING INCOME	25,357,400	28,205,100	26,647,800	28,844,000	8.2%
NON-OPERATING INCOME					
Sales Tax	68,936,200	72,177,600	74,873,800	79,366,200	6.0%
Preventive Maintenance	2,675,000	2,675,000	2,675,000	4,370,100	63.4%
Interest Income	964,100	762,100	1,524,600	1,982,200	30.0%
Other	1,555,900	351,700	390,900	288,200	-26.3%
NON-OPERATING INCOME	74,131,200	75,966,400	79,464,300	86,006,700	8.2%
OPERATING CONTRIBUTIONS					
CTR / Vanpool Assistance	183,000	126,300	825,000	710,000	-13.9%
Grant Exchange Funds	2,142,900	864,800	889,000	889,000	0.0%
SR 7 Route Grant	118,900	0	0	0	0.0%
Special Needs Transportation Grant	1,957,100	2,293,100	2,293,100	0	-100.0%
OPERATING CONTRIBUTIONS	4,401,900	3,284,200	4,007,100	1,599,000	-60.1%
TOTAL OPERATING REVENUES	103,890,500	107,455,700	110,119,200	116,449,700	5.7%
BEGINNING BALANCE	35,051,000	25,776,900	30,296,200	49,749,400	64.2%
TOTAL OPERATING REVENUES AND BEGINNING BALANCE	\$138,941,500	\$133,232,600	\$140,415,400	\$166,199,100	18.4%



2007 BUDGET OPERATING BUDGET

Expenditures:

Fixed route services use the majority of the Agency's resources. As shown in the graph, \$63.18 million will be required in 2007 to provide the planned levels of service utilizing 63% of the funds.

Sound Transit service totals \$14.98 million.

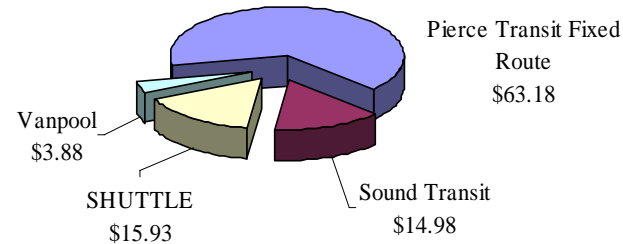
SHUTTLE service will require \$15.93 million to provide the budgeted level of service.

Vanpool program activities will need \$3.88 million for budgeted expenses in 2007.

These expenditures include the Insurance Fund and the Operating Budget purchased insurance expenses.

2007 Operating Expenditure Distribution by Service

(without transfers)
Total: \$99.97 million



The change in Pierce Transit fixed route, local, bus plus, and express and Sound Transit fixed route express service hours and miles from 2006 Year-End Estimate to 2007 Budget is shown below.

	2006 Year-End Estimate	2007 Budget	Change	% Change
Hours				
Pierce Transit	597,672	625,462	27,790	4.6%
Sound Transit	157,084	154,865	(2,219)	-1.4%
Total	754,756	780,327	25,571	3.4%
Miles				
Pierce Transit	8,261,517	8,767,337	505,820	6.1%
Sound Transit	4,237,016	3,932,439	(304,577)	-7.2%
Total	12,498,533	12,699,776	201,243	4.1%



The distribution of resources is the most difficult aspect of budgeting. The staff and Board feel the budget reflects the best use of the available funds for the efficient and effective provision of service to the community.

The expenditures are categorized by the following functions:

Personnel

Wages and Benefits

Maintenance and Operations

Supplies

Services

Insurance (Purchased)

Utilities

Repairs

Rentals

Purchased Transportation

Other

Debt Service

Transfers

2007 BUDGET OPERATING BUDGET

Itemization of Budgetary Changes

The 2007 total operations budget is 9.7% above the 2007 budget. An itemization of this increase is shown in the following table.

Itemization of Budgetary Changes

Category	% Change
Wages	4.3%
Benefits	2.6%
Services	1.1%
Supplies	0.0%
Fuel	0.6%
Insurance	0.0%
Repairs & Maintenance	-0.9%
Tires	0.1%
Rentals	0.2%
Utilities	0.0%
Other Contract Services	0.5%
Purchased Transportation	1.3%
Other	-0.2%
Total	9.7%

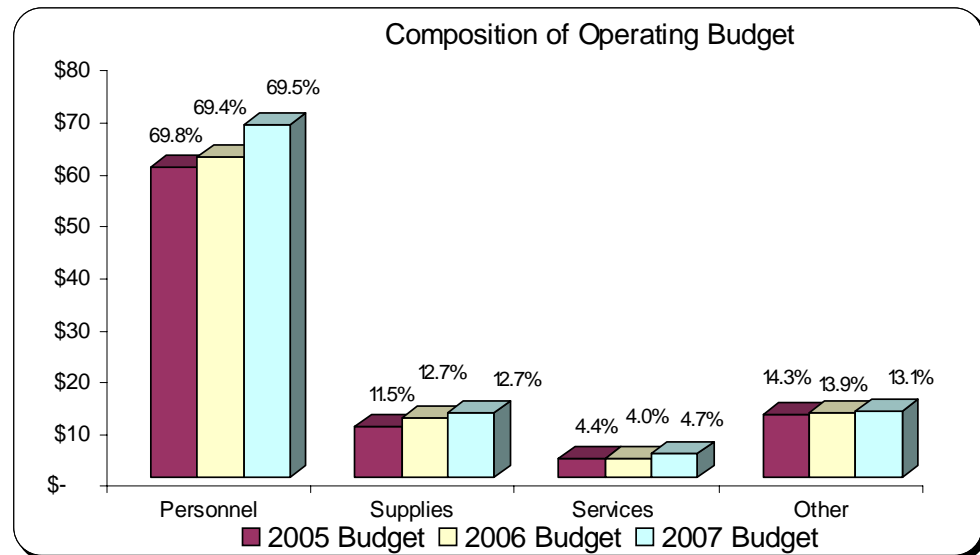


Traffic congestion is one of the most significant issues facing our region. Projections indicate it will only get worse as the population of Pierce County increase by 200,000 by the year 2020.

In order to reduce traffic congestion and reduce commute times, Pierce Transit will continue to provide efficient and effective service to the community.

2007 BUDGET OPERATING BUDGET

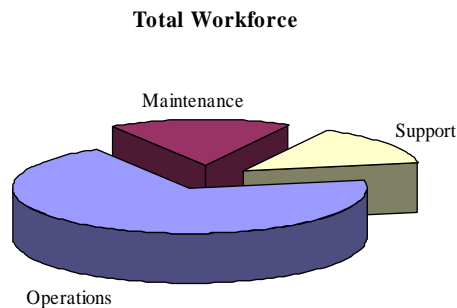
A comparison of the expenditure composition between 2005, 2006, and 2007 is shown on the following graph. While the operating budget expenditures have increased, the composition of the budget is nearly identical in all years. Personnel costs continue to be approximately 70%, supplies 13%, services 4%, and other 13% of the operating budget.





Operating expenses for 2007 are projected to total \$99.0 million. Expenses are increasing \$8.6 million over the 2006 Budget. This is a result of service increases, additional personnel required to meet the increased service level, wage and benefit labor agreement adjustments, medical and dental premium increases, and maintenance and operating cost increases attributable to the service increase, increasing fuel costs, and inflation.

The focus in the 2007 budget process has been on containing costs except where they directly affect service and ridership development.



2007 BUDGET OPERATING BUDGET

2007 Operating Budget Summary Analysis Expenditures By Object

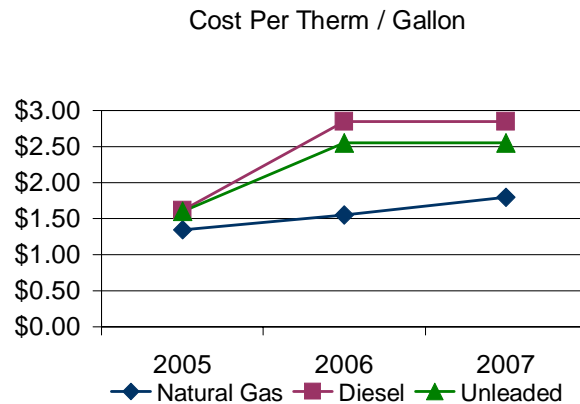
	2006 Amended <u>Budget</u>	2006 Year-End <u>Estimate</u>	2007 <u>Budget</u>	Budget to Budget Change <u>Amount</u>	<u>%</u>
Wages	\$ 48,971,700	\$ 46,221,400	\$ 52,763,300	\$ 3,791,600	7.7%
Benefits	12,774,500	11,161,000	15,078,600	2,304,100	18.0%
M & O	27,281,100	27,156,000	29,793,300	2,512,200	9.2%
Total Operations	89,027,300	84,538,400	97,635,200	8,607,900	9.7%
Non-Operating Expenditures	1,175,900	1,345,200	1,345,200	169,300	14.4%
Total	<u>\$ 90,203,200</u>	<u>\$ 85,883,600</u>	<u>\$ 98,980,400</u>	<u>\$ 8,777,200</u>	9.7%

Wages - The 7.7% increase in wages includes scheduled wage adjustments, FTE increases, and the annualized cost of 2006 positions. The current Master Agreement with the transit union is for a three-year period, July 1, 2005 through June 30, 2008.

The primary drivers for position increases in 2007 are service improvements, system maintenance and the Regional Fare Coordination Project (Smart Card), Mobile Communications Project, ADA Eligibility and Specialized Transportation projects. The 39 changes in positions include 20 operators for service, 10 operations personnel in Safety and Training, Service Coordination, Specialized Transportation, Transit Public Safety, and Transit Services, five support personnel in Accounting, Community Services, Information Systems, and Project Management, and four maintenance positions for increased expansion of buses, vanpools and support vehicles, and bus shelters and stops. Positions are increasing 4.1% over 2006.



2007 BUDGET OPERATING BUDGET



The fuel prices from 2006 Amended Budget and 2007 Budget are shown below.

Fuel Prices	2006	2007	\$ Change
	Budget	Budget	
Unleaded	\$2.55	\$2.55	\$0.00
Diesel	\$2.85	\$2.85	\$0.00
CNG Jan/Oct	\$0.87	\$1.00	\$0.13
CNG Nov/Dec	\$1.01	\$1.07	\$0.06

Benefits - Benefit costs are accelerating due to health premium and retirement contribution increases, and the increase in personnel. The Washington State Public Employees Retirement System (PERS) is scheduled to increase the employer contribution rate from 3.69% to 5.47% of eligible wages effective January 1, 2007 and from 5.47% to 6.01% effective July 1, 2007.

Maintenance and Operations - The increase over 2006 is driven primarily by service, fuel costs, and the improved safety and security of our customers and employees. The focus for 2007 is on containing costs except where they directly affect service and ridership development. At the same time the budget recognizes rising costs for non-controllable items.

Supplies - Fuel costs, representing approximately 7% of the operating budget, are increasing \$511,000 or 0.6%. Compressed Natural Gas (CNG) comprises 56% of the fuel costs. The Pierce Transit fleet is 100% CNG powered. The increase in CNG price reflects the current contract price of \$1.003 and \$1.066 beginning in November 2007. The diesel and unleaded costs are based on the best information available. The costs have been extremely volatile in 2006.

Services - Services increases include promotions to support service changes. Utility provider rates are also increasing and costs are included for the increase in the building rental for the Bus Shop. Purchased Transportation expenditures are increasing as a result of service demand.

Insurance - The insurance market continues to be fairly stable and purchased insurance costs are only increasing slightly.



2007 BUDGET OPERATING BUDGET



Debt Service - Debt service consists of principal and interest on the 1999 Limited Sales Tax General Obligation Bonds which were issued to refinance a 1992 limited bond issue. This bond issue serially matures through December 1, 2011 with an early call provision on June 1, 2009 for the 2010 and 2011 maturities. The debt service remains relatively constant through 2011. Additional information on debt may be found in the Debt section of this document.

Organizational units - The allocation of funds is managed through departments and divisions. The department sections of this document provide the breakdown as follows:

Executive – Administration, Governmental Affairs, and Public Relations

Operations - Administration, Safety & Training, Service Coordination, Specialized Transportation, Transit Public Safety, and Transit Services

Maintenance - Administration, Facilities Maintenance, Maintenance Automotive, Maintenance Bus, Maintenance Safety, and Maintenance Training

Technology & Transit Development – Administration, Bus Stop Program, Capital & Grants Administration, Capital Development & Construction Projects, Community Services (ADA, CTR, and Vanpool), Information Systems, Marketing, Operations Planning, and Project Management

Human Resources - Human Resources and Risk Management

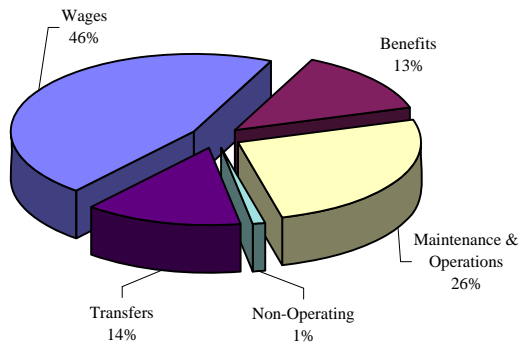
Finance & Administration - Administration, Accounting, Administrative Services, Budgeting, and Purchasing & Warehousing

The Operating Budget expenditure categories as a percent of the total operating expenditures and the dollar amounts for 2004 Year-End Actuals, 2005 Amended Budget, 2005 Year-End Estimate, 2006 Budget, and the percent change from 2005 to 2006 Year-End Estimates follow.



**2007 BUDGET
OPERATING SUMMARY - EXPENDITURES**

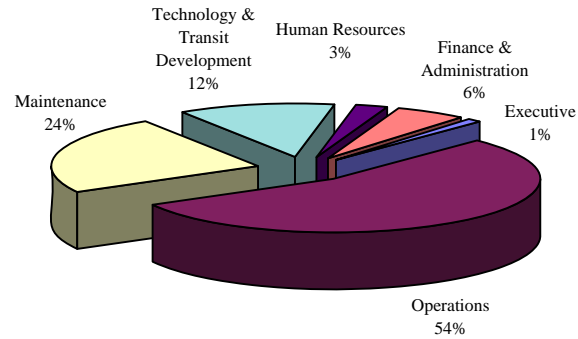
Operating Expenditures & Transfers



(rounded to the nearest \$100)					
	2005 YEAR-END ACTUALS	2006 AMENDED BUDGET	2006 YEAR-END ESTIMATE	2007 BUDGET	% CHANGE 2007 TO 2006 EST.
OPERATING EXPENDITURES					
OPERATING					
PERSONNEL					
Wages	\$45,435,900	\$48,971,700	\$46,221,400	\$52,763,300	14.2%
Benefits	10,547,500	12,774,500	11,161,000	15,078,600	35.1%
PERSONNEL	55,983,400	61,746,200	57,382,400	67,841,900	18.2%
MAINTENANCE & OPERATIONS					
Supplies	9,660,800	11,872,200	10,898,100	12,415,500	13.9%
Services	2,991,600	3,528,600	3,376,200	4,544,300	34.6%
Insurance (Purchased)	775,300	678,500	675,500	688,500	1.9%
Utilities	742,500	856,800	856,800	898,600	4.9%
Repairs	880,400	1,709,100	1,797,000	939,800	-47.7%
Rentals	242,400	164,300	200,300	361,800	80.6%
Purchased Transportation	5,444,300	5,490,700	6,320,600	6,640,600	5.1%
Other	2,215,600	2,980,900	3,031,500	3,304,200	9.0%
MAINTENANCE & OPERATIONS	22,952,900	27,281,100	27,156,000	29,793,300	9.7%
OPERATING	78,936,300	89,027,300	84,538,400	97,635,200	15.5%
NON-OPERATING EXPENDITURES					
Debt Service	569,200	484,000	484,000	484,000	0.0%
Grant Exchange Funds	1,714,400	691,900	711,200	711,200	0.0%
Special Needs Program Operations	0	0	150,000	150,000	0.0%
NON-OPERATING	2,283,600	1,175,900	1,345,200	1,345,200	0.0%
TOTAL EXPENDITURES	81,219,900	90,203,200	85,883,600	98,980,400	15.2%
TRANSFERS					
Capital Transfer	3,946,700	0	0	0	0.0%
Liability and Other Insurance Transfer	485,400	806,700	806,600	535,900	-33.6%
Workers' Comp. Transfer	405,200	475,700	475,800	338,400	-28.9%
Capital Reserve	15,387,200	3,500,000	3,500,000	15,000,000	328.6%
TRANSFERS	20,224,500	4,782,400	4,782,400	15,874,300	231.9%
TOTAL EXPENDITURES AND TRANSFERS	101,444,400	94,985,600	90,666,000	114,854,700	26.7%
ENDING BALANCE	37,497,100	38,247,000	49,749,400	51,344,400	3.2%
TOTAL OPERATING EXPENDITURES AND ENDING BALANCE	\$138,941,500	\$133,232,600	\$140,415,400	\$166,199,100	18.4%



Agency Operating Budget

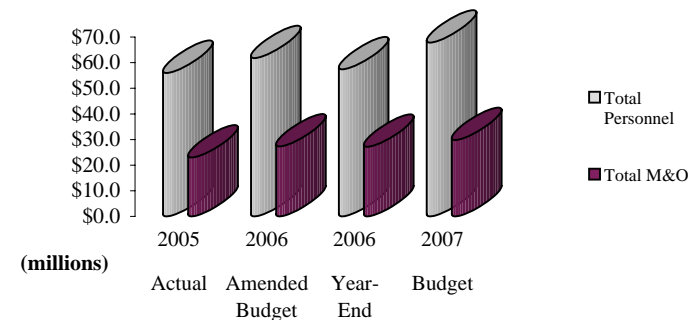


**2007 OPERATING BUDGET
AGENCY EXPENDITURE COMPARISON**

Description	2005 Actual	2006 Amended Budget	2006 Year-End Estimate	2007 Budget	% Change 2007 Budget to 2006 YE EST.	% Change 2007 Budget to 2006 Budget
Personnel						
Wages	\$ 45,435,912	\$ 48,971,706	\$ 46,221,437	\$ 52,763,344	14.15%	7.74%
Benefits	10,547,533	12,774,483	11,160,981	15,078,535	35.10%	18.04%
Personnel	55,983,445	61,746,189	57,382,418	67,841,879	18.23%	9.87%
Maintenance and Operations						
Supplies	9,660,833	11,872,168	10,898,143	12,415,520	13.92%	4.58%
Services	2,991,544	3,528,625	3,376,219	4,544,274	34.60%	28.78%
Insurance	775,289	678,500	675,500	688,500	1.92%	1.47%
Utilities	742,442	856,782	856,782	898,626	4.88%	4.88%
Repairs and Maintenance	880,404	1,709,119	1,797,027	939,827	-47.70%	-45.01%
Rentals	242,426	164,267	200,260	361,824	80.68%	120.27%
Other	7,659,946	8,471,610	9,352,024	9,944,785	6.34%	17.39%
Maintenance and Operations	22,952,884	27,281,071	27,155,955	29,793,356	9.71%	9.21%
Total *	\$ 78,936,329	\$ 89,027,260	\$ 84,538,373	\$ 97,635,235	15.49%	9.67%
Total FTE's	899.9	917.9	917.9	952.5		
Total Positions	930.0	948.0	948.0	987.0		

* does not include Debt Service, Transfers or Insurance Expenditures

Expenditure Summary





Pierce Transit Becomes State's First Transit Agency with Commissioned Law Enforcement Officer

Rob McKenna with Andrea, Kathy and Rod Baker



Pierce Transit became the first public transportation agency in the State of Washington to grant a general police commissioning to its public safety officer. In a ceremony held at Pierce Transit's Lakewood headquarters on March 20, 2006, Rod Baker, Transit Public Safety Manager, recited the Oath of Commissioning.

*"Maintaining a safe transit environment
depends on the active involvement and collaboration..."*

Washington State Attorney General Rob McKenna, as well as senior law enforcement officials and representatives of area police departments, and Baker's family attended the event. Attorney General Rob McKenna delivered the keynote address that highlighted the important role public transportation agencies have in the nation-wide war on terrorism.

"Maintaining a safe transit environment depends on the active involvement and collaboration of transit employees, law enforcement, passengers, neighborhood residents, and the public at large," stated McKenna.

The primary responsibility of the Pierce Transit Public Safety Division is the deterrence, detection, and apprehension of individuals who commit criminal acts within the 416 square mile transit system.

Commissioning will also improve Pierce Transit's ability to meet the requirements of the Department of Homeland Security/Transportation Security Administration and the Federal Transit Administration with regard to the security of public transit systems and to become a vital member of the anti-terrorism network for the sharing of critical information



Pierce Transit **BUDGET** 2007

Executive



**2007 BUDGET
EXECUTIVE DEPARTMENT
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2007 BUDGET
DEPARTMENT DESCRIPTION
EXECUTIVE

In Brief:

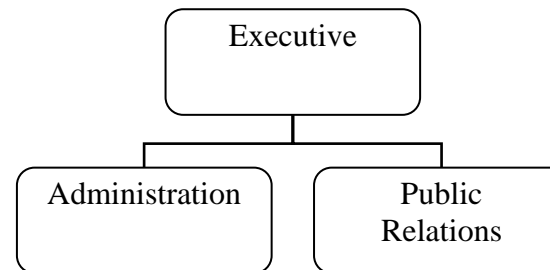
The Executive Department is responsible for carrying out the Agency's mission under the direction and authority of the Board of Commissioners. The Executive Department head Lynne Griffith, Chief Executive Officer, marshals all of the resources – internal and external – necessary for achieving the Agency's mission to deliver outstanding transportation services that match our customers' needs. The department is comprised of six positions in two divisions:

Administration
Public Relations

The divisions have a specific area of responsibility toward accomplishing the goals.

Overview:

The Executive Department consists of the following:



Administration The division is responsible for the implementation of the policies approved by the Board of Commissioners and the overall direction, supervision, and coordination of the Agency's activities and day-to-day management.

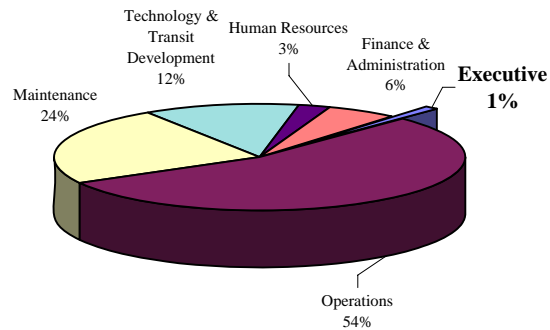
Public Relations The division is responsible for non-advertising related internal and external communications with the news media, our customers, the community, elected officials, and employees. The Public Relations Officer advises Agency leadership on communications strategies related to specific issues and opportunities, and functions as agency spokesperson. This division provides and/or approves content for internal and external newsletters and publications, website, telephone hotline, on-line news alerts, news announcements, and supports the Marketing Division on selected brochures, ads, direct mail, and other customer information pieces. This division represents the Agency at a variety of community meetings, events, and activities.



**2007 OPERATING BUDGET
DEPARTMENT EXPENDITURE SUMMARY**

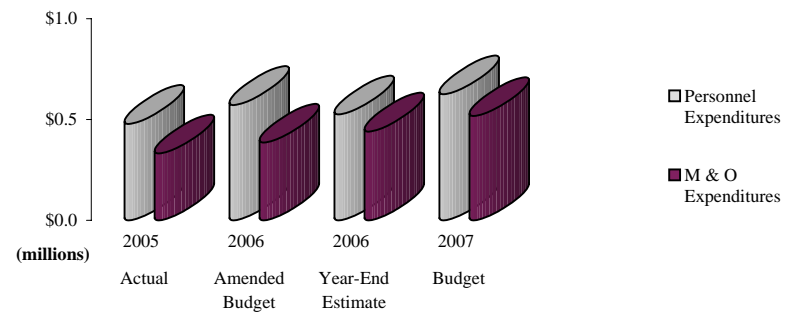
DEPARTMENT: EXECUTIVE

Operating Budget by Department



Description	2005 Actual	2006 Amended Budget	2006 Year-End Estimate	2007 Budget	% Change 2007 Budget to 2006 YE EST.	% Change 2007 Budget to 2006 Budget
Personnel						
Wages	\$ 404,735	\$ 472,496	\$ 449,737	\$ 497,096	10.5%	5.2%
Benefits	72,852	98,786	74,555	127,145	70.5%	28.7%
Personnel	477,587	571,282	524,292	624,241	19.1%	9.3%
Maintenance and Operations						
Supplies	6,369	5,901	5,549	5,549	0.0%	-6.0%
Services	166,952	258,728	285,525	370,878	29.9%	43.3%
Other	157,539	120,241	148,475	139,848	-5.8%	16.3%
Maintenance and Operations	330,860	384,870	439,549	516,275	17.5%	34.1%
Total	\$ 808,447	\$ 956,152	\$ 963,841	\$ 1,140,516	18.3%	19.3%
FTE'S	4.1	4.8	4.8	6.0	26.3%	26.3%
Positions	6.0	7.0	7.0	6.0	-14.3%	-14.3%

Expenditure Summary





**2007 OPERATING BUDGET
EXECUTIVE DEPARTMENT EXPENDITURE**

Object Number	Description	Division		Department Total
		Administration 10-111000-	Public Relations 10-112000-	
PERSONNEL				
61100	Salaries	\$ 383,228	\$ 113,868	\$ 497,096
62500	Benefits	104,389	17,356	121,745
62800	Auto Allowance	5,400	-	5,400
	SUBTOTAL	493,017	131,224	624,241
SUPPLIES				
63110	Books & Periodicals	3,219	580	3,799
63120	Office Supplies	750	1,000	1,750
	SUBTOTAL	3,969	1,580	5,549
SERVICES				
64110	Professional Services	174,456	5,000	179,456
64120	Legal Costs	115,437	-	115,437
64130	Training	24,474	480	24,954
64160	Publicity & Public Relations	-	2,700	2,700



**2007 OPERATING BUDGET
EXECUTIVE DEPARTMENT EXPENDITURE**

Object Number	Description	Division		Department Total
		Administration 10-111000-	Public Relations 10-112000-	
64210	Postage	2,033	330	2,363
64330	Travel & Subsistence	34,524	2,570	37,094
64340	Advertising	3,583	-	3,583
64350	Printing & Binding	291	5,000	5,291
	SUBTOTAL	354,798	16,080	370,878
OTHER				
64910	Association Dues	137,573	1,775	139,348
64990	Other Miscellaneous Expenses	500	-	500
	SUBTOTAL	138,073	1,775	139,848
TOTAL OPERATIONS		\$ 989,857	\$ 150,659	\$ 1,140,516
	<i>FTE's</i>	<i>4.5</i>	<i>1.5</i>	<i>6.0</i>
	<i>Positions</i>	<i>5.0</i>	<i>1.0</i>	<i>6.0</i>



**2007 OPERATING BUDGET
NARRATIVE**

Department: Executive
Division: Administration

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 428,283	\$ 493,017	Salary/wages and benefits for Chief Executive Officer, Governmental Affairs Officer, Clerk of the Board, Executive Secretary/Deputy Clerk of the Board, and Executive Assistant. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	3,969	3,969	Includes various subscriptions, supplements to the Revised Code of Washington and the Washington Administrative Code, an annual update of the Pierce Transit Code (\$3,219) and office supplies (\$750).
Services	276,475	354,798	Professional services (\$174,456), legal costs (\$115,437), training (\$24,474), estimated expenses for department staff and the Board of Commissioners to attend specific seminars, conferences, and professional association meetings (\$34,524), legal advertisements (\$3,583), printing (\$291), and postage (\$2,033).
Other	146,345	138,073	Includes association dues for Washington State Transportation Association, Puget Sound Regional Council, American Public Transportation Association, Rotary, Tacoma Chamber of Commerce, Transportation Choices Coalition, other association dues (\$137,573), and miscellaneous (\$500).
TOTAL OPERATIONS	\$ 855,072	\$ 989,857	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Executive
Divison: Administration

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Chief Executive Officer	1.1	2.0	1.0	1.0	\$ 143,055	\$ 27,935	\$ 170,990
Governmental Affairs Officer	0.3	1.0	1.0	1.0	92,340	22,161	114,501
Clerk of the Board	1.0	1.0	1.0	1.0	77,535	28,644	106,179
Executive Secretary/Deputy Clerk of the Board	1.0	1.0	1.0	1.0	46,865	11,519	58,384
Executive Assistant *	0.0	0.0	0.5	1.0	23,433	14,130	37,563
SUBTOTAL	3.4	5.0	4.5	5.0	383,228	104,389	487,617
Auto Allowance					-	5,400	5,400
TOTAL	3.4	5.0	4.5	5.0	\$ 383,228	\$ 109,789	\$ 493,017

* FTE is split between Executive Administration and Public Relations



**2007 OPERATING BUDGET
NARRATIVE**

Department: Executive
Division: Public Relations

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 96,009	\$ 131,224	Salary/wages and benefits for Public Relations Officer and Executive Assistant. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	1,580	1,580	Books and periodicals (\$580) and miscellaneous office supplies (\$1,000).
Services	9,050	16,080	Professional services (\$5,000), publicity (\$2,700), postage (\$330), printing and binding (\$5,000), travel (\$2,570), and training (\$480).
Other	2,130	1,775	Association dues (\$1,775).
TOTAL OPERATIONS	\$ 108,769	\$ 150,659	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Executive
Division: Public Relations

Position Title	2006 Budget		2007 Budget		2007 Budget		
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	TOTAL
Public Relations Officer	1.0	1.0	1.0	1.0	\$ 90,435	\$ 14,710	\$ 105,145
Executive Assistant *	0.4	1.0	0.5	0.0	23,433	2,646	26,079
TOTAL	1.4	2.0	1.5	1.0	\$ 113,868	\$ 17,356	\$ 131,224

* Position is carried in Executive Administration



Wall of Fame Honors for Pierce Transit Employees

*Constantly improving on our reputation of
dependable service for our customers.*

Our Pierce Transit employees – operators, maintenance crews, and support staff – are the backbone of public transportation services. They are constantly improving on our reputation of keeping our vehicles on the road and providing safe, dependable service to our customers.

Each year at the annual conference of the Washington State Department of Transportation, exemplary employees and teams from throughout the state are recognized for their dedication, innovation, customer service, and professionalism.

Saada Gegoux, Risk Management Claims Administrator, helped reduce the agency's time loss hours by 25% by finding new and innovative ways to save public dollars in the management of on-the-job injury claims. In addition, she was equally compassionate when helping employees navigate their injury claims, finding them light duty work as necessary, and assisting their healthy return to regular jobs.

Stan Medeiros, Steve Lamken, and Dave McLernan, who serve as the Bus Division Lead Mechanics, are responsible for the agency's day-to-day bus maintenance operations. They led an initiative that resulted in a significant 33% increase in miles-between-road-failures and an impressive 36% decrease in the number of bus service interruptions ensuring that peak pull was always filled.

In addition, Service Supervisor Bruce Anderson and Special Events Coordinator Dixie Sciacqua were recognized, along with employees from other transit agencies, with the All Hands on Deck award for their work on the downtown Seattle tunnel closure.

Saada Gegoux



Dave McLernan, Steve Lamken, Stan Medeiros



Bruce Anderson and Dixie Sciacqua



Pierce Transit **BUDGET** 2007

Operations



**2007 BUDGET
OPERATIONS DEPARTMENT
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2007 BUDGET
DEPARTMENT DESCRIPTION
OPERATIONS

In Brief:

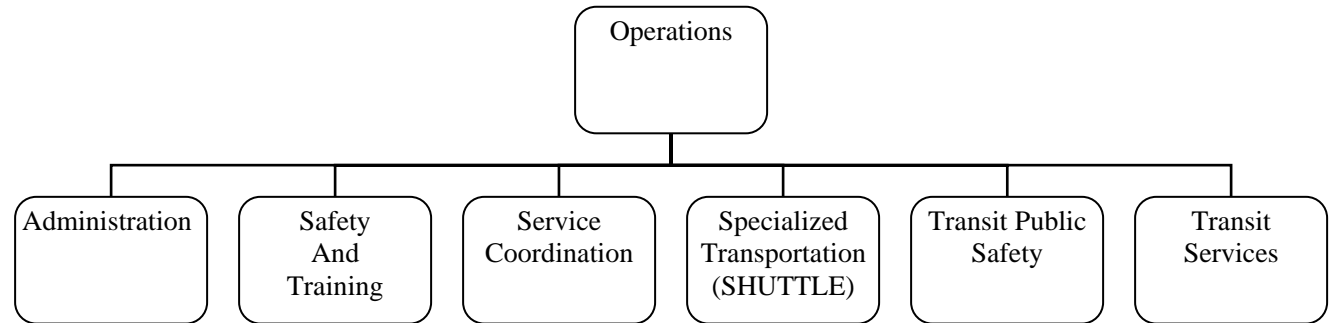
The overall goal of the Operations Department is support of Pierce Transit's mission to deliver outstanding transportation services that match our customers' needs. The department's goal of providing the highest quality service is accomplished through effective and responsive management. The department is lead by Acting Vice President Larry Cline and is comprised of 679 positions in six divisions:

Administration
Safety and Training
Service Coordination
Specialized Transportation
(SHUTTLE)
Transit Public Safety
Transit Services

The divisions each have a specific area of responsibility toward accomplishing the goals.

Overview:

The Operations Department consists of the following:



Administration The division oversees and directs the activities of the divisions in the department.

Safety and Training The division is responsible for providing individualized instruction to the department's transit operators and other Agency personnel. This division also administers the department's vehicle and industrial safety programs, safety incentive and recognition programs, and provides safety training programs to other departments.

Service Coordination The division is responsible for the system radio communications, fixed route dispatch, service supervision, and providing transit operator and customer assistance. Service Coordination also manages special events, construction-related detours, and coordination of emergency transportation needs. This division provides oversight and enforcement of the park and ride lots including the Tacoma Dome Station.



**2007 BUDGET
DEPARTMENT DESCRIPTION
OPERATIONS**

Specialized Transportation (SHUTTLE) The division is responsible for providing accessible transportation services for Pierce Transit customers who are unable to use the fixed route system due to a disability. Included within this division are the administrative functions associated with managing directly provided SHUTTLE service, dispatching, customer service, and contracted service delivery. The division provides shared-ride trips on a reservation basis.

Transit Public Safety The division is responsible for developing, implementing, and monitoring policies and procedures to protect and prevent harm to employees, customers, and property. This includes responsibility for all security issues at all Pierce Transit facilities and on all vehicles. This division also administers the department's contracts with public law enforcement agencies and private security companies.

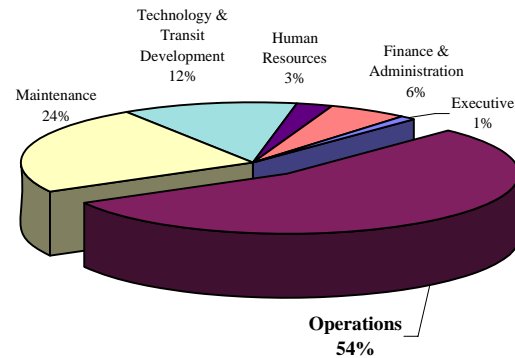
Transit Services The division is responsible for managing and coordinating all the activities of the transit operators. This division also evaluates and controls the quality of fixed route and SHUTTLE services provided to the community by the transit operators.



**2007 OPERATING BUDGET
DEPARTMENT EXPENDITURE SUMMARY**

DEPARTMENT: OPERATIONS

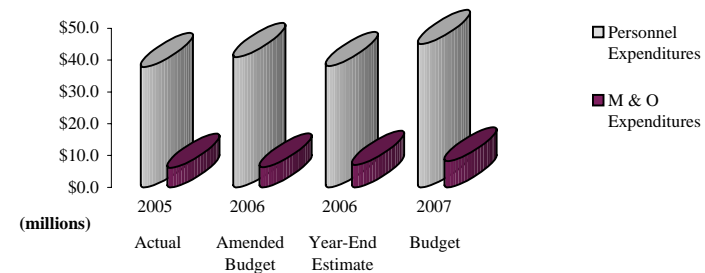
Operating Budget by Department



Description

	2005 Actual	2006 Amended Budget	2006 Year-End Estimate	2007 Budget	% Change 2007 Budget to 2006 YE EST.	% Change 2007 Budget to 2006 Budget
Personnel						
Wages	\$ 30,733,266	\$ 32,467,772	\$ 30,772,465	\$ 35,079,894	14.0%	8.0%
Benefits	7,132,437	8,536,062	7,399,991	10,008,067	35.2%	17.2%
Personnel	37,865,703	41,003,834	38,172,456	45,087,961	18.1%	10.0%
Maintenance and Operations						
Supplies	91,422	96,041	82,843	107,191	29.4%	11.6%
Services	532,849	592,091	564,336	1,347,290	138.7%	127.5%
Utilities	0	1,750	1,750	1,750	0.0%	0.0%
Repairs and Maintenance	8,837	17,800	3,250	11,850	264.6%	-33.4%
Rentals	4,841	6,000	6,949	7,500	7.9%	25.0%
Purchased Transportation	5,444,307	5,490,750	6,320,558	6,640,617	5.1%	20.9%
Other	31,353	48,794	46,645	48,425	3.8%	-0.8%
Maintenance and Operations	6,113,608	6,253,226	7,026,331	8,164,623	16.2%	30.6%
Total	\$ 43,979,311	\$ 47,257,060	\$ 45,198,787	\$ 53,252,584	17.8%	12.7%
FTE'S	615.0	626.4	626.4	650.5	3.9%	3.9%
Positions	638.0	649.0	649.0	679.0	4.6%	4.6%

Expenditure Summary





**2007 OPERATING BUDGET
OPERATIONS DEPARTMENT EXPENDITURE**

Object Number	Description	Division							
		Administration 10-646000-	Safety & Training 10-643000-	Service Coordination 10-644000-	Spec. Trans. (SHUTTLE) 10-64X000- *	Transit Public Safety 10-645000-	Transit Services 10-64X000- *	Department Total	
PERSONNEL									
61100	Salaries	\$ 173,411	\$ 608,276	\$ 4,113,120	\$ 3,858,261	\$ 177,322	\$ 22,237,254	\$ 31,167,644	
61160	Safety & Attendance	-	2,000	32,550	25,278	-	246,880	306,708	
61190	Contract Salaries	-	-	-	111,875	583,224	-	695,099	
61200	Overtime	-	15,000	213,542	219,618	16,776	2,445,507	2,910,443	
62500	Benefits	41,044	180,631	955,440	1,102,097	93,768	7,389,909	9,762,889	
62900	Uniforms	-	-	37,845	1,000	-	206,333	245,178	
	SUBTOTAL	214,455	805,907	5,352,497	5,318,129	871,090	32,525,883	45,087,961	
SUPPLIES									
63110	Books & Periodicals	588	1,644	2,035	2,150	2,620	247	9,284	
63120	Office Supplies	1,010	1,800	2,725	4,575	7,500	710	18,320	
63290	General Operating Supplies	-	2,700	20,953	1,700	7,400	2,564	35,317	
63310	Small Tools & Equipment	-	3,250	4,020	-	2,000	-	9,270	
63360	Repairs & Maintenance - Communication Equipment	-	-	-	-	35,000	-	35,000	
	SUBTOTAL	1,598	9,394	29,733	8,425	54,520	3,521	107,191	



**2007 OPERATING BUDGET
OPERATIONS DEPARTMENT EXPENDITURE**

Object Number	Description	Division						Department Total
		Administration 10-646000-	Safety & Training 10-643000-	Service Coordination 10-644000-	Spec. Trans. (SHUTTLE) 10-64X000- *	Transit Public Safety 10-645000-	Transit Services 10-64X000- *	
SERVICES								
64110	Professional Services	5,000	1,175	27,500	-	9,800	5,617	49,092
64130	Training	625	8,220	9,110	2,820	5,700	8,256	34,731
64140	Security	-	-	-	-	1,172,082	-	1,172,082
64160	Publicity & Public Relations	-	3,000	-	-	-	-	3,000
64210	Postage	-	100	75	11,700	-	613	12,488
64330	Travel & Subsistence	4,064	10,652	7,064	7,421	900	3,714	33,815
64350	Printing & Binding	250	1,135	28,488	7,820	500	3,889	42,082
	SUBTOTAL	9,939	24,282	72,237	29,761	1,188,982	22,089	1,347,290
PUBLIC UTILITY SERVICES								
64560	Electricity	-	-	1,750	-	-	-	1,750
	SUBTOTAL	-	-	1,750	-	-	-	1,750
REPAIRS & MAINTENANCE								
64620	Repairs & Maintenance - Communication Equipment	-	-	11,850	-	-	-	11,850
	SUBTOTAL	-	-	11,850	-	-	-	11,850



**2007 OPERATING BUDGET
OPERATIONS DEPARTMENT EXPENDITURE**

Object Number	Description	Division						Department Total
		Administration 10-646000-	Safety & Training 10-643000-	Service Coordination 10-644000-	Spec. Trans. (SHUTTLE) 10-64X000- *	Transit Public Safety 10-645000-	Transit Services 10-64X000- *	
RENTALS								
64730	Equipment	-	3,500	-	-	-	-	3,500
64790	Other	-	-	500	-	3,500	-	4,000
	SUBTOTAL	-	3,500	500	-	3,500	-	7,500
OTHER								
64910	Association Dues	545	3,500	395	500	2,000	-	6,940
64960	Purchased	-	-	-	6,640,617	-	-	6,640,617
64970	Transportation Other Contract	-	-	-	-	4,500	-	4,500
64990	Services Other Miscellaneous Expenses	500	11,340	2,200	11,400	1,800	9,745	36,985
	SUBTOTAL	1,045	14,840	2,595	6,652,517	8,300	9,745	6,689,042
TOTAL OPERATIONS		\$ 227,037	\$ 857,923	\$ 5,471,162	\$ 12,008,832	\$ 2,126,392	\$ 32,561,238	\$ 53,252,584
	FTE's	2.0	10.0	68.0	77.3	3.0	490.2	650.5
	Positions	2.0	10.0	60.0	70.0	3.0	534.0	679.0

* X in account number indicates division has multiple account numbers.



**2007 OPERATING BUDGET
NARRATIVE**

Department: Operations
Division: Administration

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 192,300	\$ 214,455	Salary/wages and benefits for Vice President Operations and Executive Assistant. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	932	1,598	Books and periodicals (\$588) and office supplies (\$1,010).
Services	9,895	9,939	Professional services (\$5,000), printing and binding (\$250), travel (\$4,064), and training (\$625).
Other	1,045	1,045	Association dues (\$545) and miscellaneous expenses (\$500).
TOTAL OPERATIONS	\$ 204,172	\$ 227,037	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Operations

Division: Administration

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
VP Operations	1.0	1.0	1.0	1.0	\$ 120,240	\$ 25,924	\$ 146,164
Executive Assistant	1.0	1.0	1.0	1.0	53,171	15,120	68,291
TOTAL	2.0	2.0	2.0	2.0	\$ 173,411	\$ 41,044	\$ 214,455



**2007 OPERATING BUDGET
NARRATIVE**

Department: Operations
Division: Safety & Training

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 601,306	\$ 805,907	Salary/wages and benefits for Safety and Training Manager, Instructors, and Division Assistant. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	9,334	9,394	Books and periodicals (\$1,644), office supplies (\$1,800), first aid supplies (\$2,700), lumbar and back supports (\$2,500), and bloodborne pathogen supplies (\$750).
Services	22,484	24,282	Professional services (\$1,175), postage (\$100), publicity (\$3,000), printing and binding (\$1,135), travel (\$10,652), and training (\$8,220).
Rentals	4,049	3,500	Equipment rentals (\$2,500).
Other	15,344	14,840	Association dues to the National Safety Council, Evergreen Safety Council, and the Safety Pays program (\$3,500), safety awards (\$5,300), Safety Committee classroom supplies (\$450), mentoring program (\$1,785), and Rodeo miscellaneous (\$3,805).
TOTAL OPERATIONS	\$ 652,517	\$ 857,923	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Operations
Division: Safety & Training

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Safety and Training Manager	1.0	1.0	1.0	1.0	\$ 100,462	\$ 21,591	\$ 122,053
Instructors	7.0	7.0	8.0	8.0	465,506	135,763	601,269
Division Assistant	0.0	0.0	1.0	1.0	42,308	22,037	64,345
SUBTOTAL	8.0	8.0	10.0	10.0	608,276	179,391	787,667
Safety & Attendance					2,000	146	2,146
Overtime					15,000	1,094	16,094
TOTAL	8.8	8.0	10.0	10.0	\$ 625,276	\$ 180,631	\$ 805,907



**2007 OPERATING BUDGET
NARRATIVE**

Department: Operations
Division: Service Coordination

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 4,422,588	\$ 5,352,497	Salary/wages and benefits for Service Coordination Manager, Service Coordination Assistant Managers, Division Assistant, Service Supervisors, Special Events Coordinator, and Communications Coordinator. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	17,497	29,733	Books and periodicals (\$2,035), supplies (\$2,725), general operating supplies (\$20,953), and small tools and equipment (\$4,020).
Services	41,980	72,237	Parking management contract for the Tacoma Dome Station (\$23,000), training (\$9,110), CISM training (\$4,500), travel (\$7,064), printing and binding (\$28,488), and postage (\$75).
Utilities	1,750	1,750	Electricity (\$1,750).
Repairs & Maintenance	3,250	11,850	Repair and maintenance of portable radios and other communication equipment (\$11,850).
Rentals	400	500	Rentals (\$500).
Other	2,095	2,595	Association dues (\$395) and miscellaneous expenses (\$2,200).
TOTAL OPERATIONS	\$ 4,489,560	\$ 5,471,162	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Operations
Division: Service Coordination

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Service Coordination Manager	1.0	1.0	1.0	1.0	\$ 89,807	\$ 18,263	\$ 108,070
Service Coordination Assistant Manager	3.0	3.0	3.0	3.0	239,250	59,285	298,535
Division Assistant	1.0	1.0	1.0	1.0	42,474	17,939	60,413
Service Supervisor	50.0	50.0	53.0	53.0	3,110,436	777,565	3,888,001
Special Events Coordinator	1.0	1.0	1.0	1.0	60,697	9,281	69,978
Communications Coordinator	1.0	1.0	1.0	1.0	60,697	18,005	78,702
SUBTOTAL	57.0	57.0	60.0	60.0	3,603,361	900,338	4,503,699
Relief Supervisors	4.0	0.0	8.0	0.0	439,462	32,037	471,499
Safety & Attendance					32,550	2,373	34,923
Longevity					15,021	1,095	16,116
Severance					55,276	4,030	59,306
Overtime					213,542	15,567	229,109
Uniforms					-	37,845	37,845
TOTAL	61.0	57.0	68.0	60.0	\$ 4,359,212	\$ 993,285	\$ 5,352,497



**2007 OPERATING BUDGET
NARRATIVE**

Department: Operations
Division: Spec. Trans. (SHUTTLE) - Admin

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 2,442,497	\$ 3,095,301	Salary/wages and benefits for Specialized Transportation Manager, Specialized Transportation Assistant Managers, Customer Services Supervisor, Division Assistant, Service Supervisors, Dispatch Coordinator, Standing Files Supervisor, Specialized Transportation Dispatchers, Adept Systems Coordinator, and Customer Service Representatives. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	8,081	8,425	Books and periodicals (\$2,150), office supplies (\$4,575), and general operating supplies (\$1,700).
Services	28,261	29,761	Postage (\$11,700), printing and binding (\$7,820), travel (\$7,421), and training (\$2,820).
Other	6,334,458	6,652,517	Association dues (\$500), purchased transportation (\$6,640,617), and miscellaneous (\$11,400).
TOTAL OPERATIONS	\$ 8,813,297	\$ 9,786,004	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Operations

Division: Spec. Trans. (SHUTTLE) - Admin

Position Title	2006 Budget		2007 Budget		Salaries	2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions		Benefits		
Specialized Transportation Manager	1.0	1.0	1.0	1.0	\$ 94,643	\$ 23,242	\$ 117,885	
Specialized Transportation Assistant Manager	2.0	2.0	2.0	2.0	132,293	37,613	169,906	
Division Assistant	1.0	1.0	1.0	1.0	37,622	14,562	52,184	
Service Supervisor	3.0	3.0	3.0	3.0	172,610	53,077	225,687	
Dispatch Coordinator (SHUTTLE)	1.0	1.0	1.0	1.0	60,697	16,130	76,827	
Customer Service Supervisor	1.0	1.0	1.0	1.0	62,379	19,607	81,986	
Standing Files Supervisor	1.0	1.0	1.0	1.0	56,138	15,991	72,129	
Adept Systems Coordinator	0.0	0.0	1.0	1.0	60,758	18,743	79,501	
Specialized Transportation Dispatcher	12.0	13.0	13.0	13.0	763,341	210,609	973,950	
Customer Service Representatives - Full-time	8.0	8.0	8.0	8.0	308,742	104,807	413,549	
Customer Service Representatives - Part-time	6.0	8.0	6.0	8.0	221,624	81,528	303,152	
Customer Service Representative Mid-county	1.0	1.0	1.0	1.0	38,593	15,262	53,855	
SUBTOTAL	37.0	40.0	39.0	41.0	2,009,440	611,171	2,620,611	
Relief Dispatcher	2.0	0.0	4.0	0.0	209,248	15,254	224,502	
Safety & Attendance					11,300	824	12,124	
Contract Services Coordinator					32,500	14,252	46,752	
Contract Shuttle Assistants					79,375	5,786	85,161	
Longevity					4,500	328	4,828	
Premium Overtime					34,536	2,518	37,054	
Overtime					59,902	4,367	64,269	
TOTAL	39.0	40.0	43.0	41.0	\$ 2,440,801	\$ 654,500	\$ 3,095,301	



**2007 OPERATING BUDGET
NARRATIVE**

Department: Operations
Division: Spec. Trans. (SHUTTLE) - Ops

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 2,066,557	\$ 2,222,828	Salary/wages and benefits for Shuttle Operators and Relief Operators. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
TOTAL OPERATIONS	<u>\$ 2,066,557</u>	<u>\$ 2,222,828</u>	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Operations

Division: Spec. Trans. (SHUTTLE) - Ops

Position Title	2006 Budget		2007 Budget		2007 Budget		
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	TOTAL
Shuttle Operators	31.0	29.0	31.0	29.0	\$ 1,510,766	\$ 428,391	\$ 1,939,157
SUBTOTAL *	31.0	29.0	31.0	29.0	1,510,766	428,391	1,939,157
Relief Operators **	3.3	0.0	3.3	0.0	124,307	9,062	133,369
Safety & Attendance					13,978	1,019	14,997
Premium Overtime					2,680	195	2,875
Overtime					122,500	8,930	131,430
Raincoats					-	1,000	1,000
TOTAL	34.3	29.0	34.3	29.0	\$ 1,774,231	\$ 448,597	\$ 2,222,828

* The FTEs include vacation replacement hours. The positions do not include vacation replacement operators.

** These positions are carried in Transit Services.



**2007 OPERATING BUDGET
NARRATIVE**

Department: Operations
Division: Transit Public Safety

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 839,221	\$ 871,090	Salary/wages and benefits for Transit Public Safety Manager, Transit Security Specialists, and Contract Off-duty police. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	44,000	54,520	Books and periodicals (\$2,620), office supplies (\$7,500), general operating supplies (\$7,400), small tools and equipment (\$2,000), and repair and maintenance of surveillance camera systems (\$35,000).
Services	446,342	1,188,982	Professional services (\$9,800), security contract services (\$1,172,082), training (\$5,700), travel (\$900), and printing and binding (\$500).
Rentals	2,500	3,500	Rental car contract (\$3,500).
Other	6,800	8,300	Association dues (\$2,000), security alarm fees (\$4,500), and miscellaneous (\$1,800).
TOTAL OPERATIONS	\$ 1,338,863	\$ 2,126,392	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Operations
Division: Transit Public Safety

Position Title	2006 Budget		2007 Budget		2007 Budget		
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	TOTAL
Chief of Public Safety	1.0	1.0	1.0	1.0	\$ 90,465	\$ 22,412	\$ 112,877
Transit Security Specialist	1.0	1.0	2.0	2.0	86,857	25,473	112,330
SUBTOTAL	2.0	2.0	3.0	3.0	177,322	47,885	225,207
Contract Off-duty Police					583,224	44,617	627,841
Contract Overtime					11,776	901	12,677
Overtime					5,000	365	5,365
TOTAL	2.0	2.0	3.0	3.0	\$ 777,322	\$ 93,768	\$ 871,090



**2007 OPERATING BUDGET
NARRATIVE**

Department: Operations

Division: Transit Services - Admin

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 647,122	\$ 977,834	Salary/wages and benefits for Senior Transportation Manager, Assistant Managers, and Division Assistants. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	2,999	3,521	Books and periodicals (\$247), office supplies (\$710), and operator seat cushions (\$2,564).
Services	15,374	22,089	System audits (\$5,617), postage (\$613), printing (\$3,889), training (\$8,256), and travel (\$3,714).
Other	7,461	9,745	Employee recognition and miscellaneous expenses (\$4,394), uniform dry cleaning (\$351), and TTAD expenses (\$5,000).
TOTAL OPERATIONS	\$ 672,956	\$ 1,013,189	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Operations
Division: Transit Services - Admin

Position Title	2006 Budget		2007 Budget		2007 Budget		
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	TOTAL
Senior Transportation Manager	1.0	1.0	1.0	1.0	\$ 108,499	\$ 21,751	\$ 130,250
Division Assistant	2.0	2.0	2.0	2.0	79,939	31,010	110,949
Assistant Managers	5.0	5.0	8.0	8.0	574,460	162,175	736,635
TOTAL	8.0	8.0	11.0	11.0	\$ 762,898	\$ 214,936	\$ 977,834



**2007 OPERATING BUDGET
NARRATIVE**

Department: Operations
Division: Transit Services - Operations

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 27,491,888	\$ 31,548,049	Salary/wages and benefits for Transit Operators and Relief Transit Operators. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
TOTAL OPERATIONS	<u>\$ 27,491,888</u>	<u>\$ 31,548,049</u>	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Operations
Division: Transit Services - Operations

Position Title	2006 Budget		2007 Budget		2007 Budget		
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	TOTAL
Transit Operators	390.3	400.0	400.8	415.0	\$ 17,682,663	\$ 5,763,242	\$ 23,445,905
Relief Transit Operators*	81.0	103.0	78.4	108.0	2,803,208	1,143,395	3,946,603
SUBTOTAL	471.3	503.0	479.2	523.0	20,485,871	6,906,637	27,392,508
Special Event Service					158,195	11,532	169,727
Safety & Attendance					246,880	17,998	264,878
Spread Time					102,614	7,481	110,095
Longevity					37,232	2,714	39,946
Severance					138,455	10,093	148,548
Delay Overtime					254,020	18,518	272,538
Scheduled Overtime					402,375	29,333	431,708
Unscheduled Overtime					508,040	37,036	545,076
Holiday Overtime					506,798	36,946	543,744
Travel Overtime					774,274	56,445	830,719
Trainee Wages					551,989	40,240	592,229
Uniforms					-	206,333	206,333
TOTAL	471.3	503.0	479.2	523.0	\$ 24,166,743	\$ 7,381,306	\$ 31,548,049

* Relief positions do not include relief operators in training. Also, the number of relief positions represent the minimum requirement throughout the year.



Pierce Transit Employees Recognized for Years of Accident-Free Driving

*They drive safely and
they take care of their customers.*

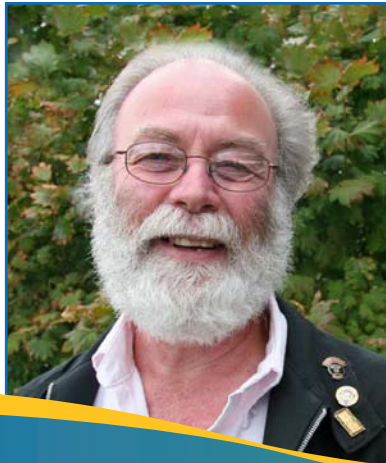
The Pierce Transit mission is to deliver outstanding transportation service that meets our customers' needs. In order to accomplish this our 680 transit operators and other employees spent more than one million hours behind the wheel and drove almost 12 million miles! The vehicle fleet includes 251 buses for fixed route and express service, 100 specialized transportation vehicles for people with disabilities, 10 vans for rural routes, and 110 support vehicles. The driving environment ranges from congested city streets, to intercity freeways, to narrow rural roads.

Two of Pierce Transit's operators have accomplished the near impossible. Larry Dahlin and Andy Westby have each achieved an amazing record of 30 years of safe driving with no accidents. They both have received numerous other commendations for attendance and customer service, and each has been recognized as Operator of the Quarter.

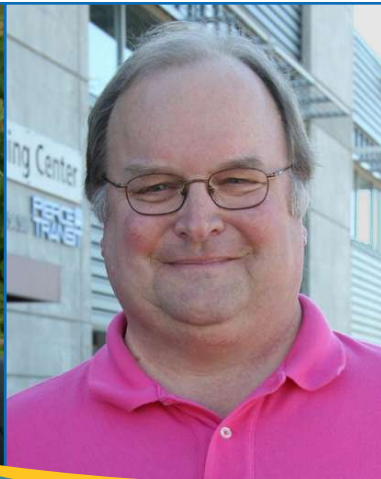
Even more astounding is Harry Warner's record that bests them by 10 years! For more than 40 years Harry hasn't had any accidents and just quietly goes about his job.

In addition to their collective 100 years of safe driving, all three share other attributes. They serve as excellent transit operator role models, drive safely, take care of their customers, and have excellent attendance. Those are the three parts to the formula that define a professional transit operator.

Andy Westby



Larry Dahlin



Harry Warner



Pierce Transit **BUDGET** 2007

Maintenance



**2007 BUDGET
MAINTENANCE DEPARTMENT
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**2007 BUDGET
DEPARTMENT DESCRIPTION
MAINTENANCE**

In Brief:

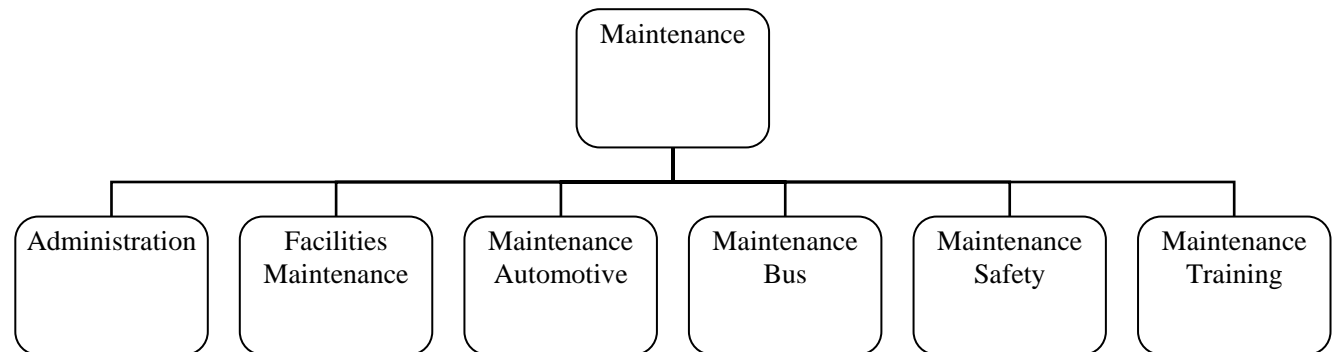
The overall goal of the Maintenance Department is support of Pierce Transit's mission to deliver outstanding transportation services that match our customers' needs. The department's goal of providing the highest quality service is accomplished through effective and responsive management. The department is lead by Vice President Reed Hooks and is comprised of 166 positions in six divisions:

Administration
Facilities Maintenance
Maintenance Automotive
Maintenance Bus
Maintenance Safety
Maintenance Training

The divisions each have a specific area of responsibility toward accomplishing the goals.

Overview:

The Maintenance Department consists of the following:



Administration The division oversees and directs the activities of the divisions in the department.

Facilities Maintenance The division is responsible for all of the Agency's facilities. These include transit centers, park and ride lots, passenger shelters, benches, route signage, trash receptacles, the twenty acre maintenance and operations base which serves as Pierce Transit's operational and administrative headquarters at South Tacoma Way, the Commerce Street Turnaround, and the Tacoma Dome Station. Responsibility begins with the construction/placement of these facilities, and continues with cleaning, repair, and maintenance throughout the existence of the facility.



**2007 BUDGET
DEPARTMENT DESCRIPTION
MAINTENANCE**

Maintenance Automotive and Maintenance Bus These divisions are responsible for all of the Agency's rolling stock, which includes buses, Specialized Transportation (SHUTTLE) vans, vanpool vans, and support vehicles. This responsibility begins with the development of specifications to acquire new vehicles and then administering the contract for the acquisitions, taking delivery and placing vehicles into service, maintaining the vehicles throughout their useful life, decommissioning and taking vehicles out of service, and surplus vehicles when they have reached the end of their useful life. A full service shop is operated which includes body repair, component rebuild, a machine shop, a tire shop, an upholstery shop, and repair/service bays to accomplish preventive, as well as demand maintenance.

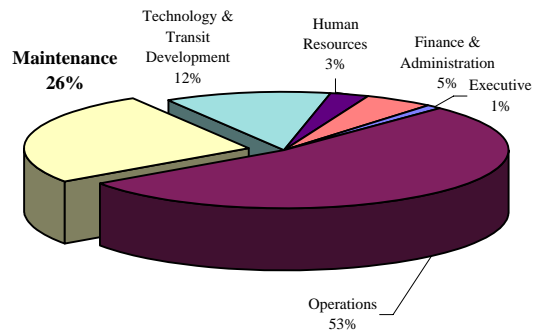
Maintenance Safety and Maintenance Training The divisions conduct safety programs through the Maintenance Safety Coordinator, as well as training through the Maintenance Training Coordinator. These two programs ensure a safe working environment for the employees in the department, as well as ensuring compliance with all regulatory agencies. The Training Division develops and coordinates technical and safety training for all the department's employees.



**2007 OPERATING BUDGET
DEPARTMENT EXPENDITURE SUMMARY**

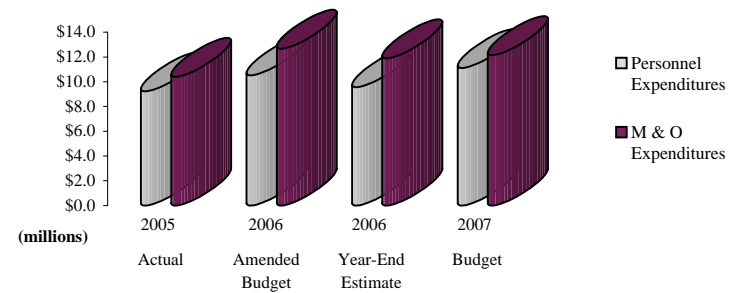
DEPARTMENT: MAINTENANCE

Operating Budget by Department



Description	2005 Actual	2006 Amended Budget	2006 Year-End Estimate	2007 Budget	% Change 2007 Budget to 2006 YE EST.	% Change 2007 Budget to 2006 Budget
Personnel						
Wages	\$ 7,419,399	\$ 8,265,470	\$ 7,612,637	\$ 8,528,409	12.0%	3.2%
Benefits	1,793,825	2,241,963	1,960,812	2,584,378	31.8%	15.3%
Personnel	9,213,224	10,507,433	9,573,449	11,112,787	16.1%	5.8%
Maintenance and Operations						
Supplies	8,460,153	9,936,586	8,988,729	10,016,754	11.4%	0.8%
Services	253,296	202,292	240,088	304,365	26.8%	50.5%
Utilities	741,313	855,032	855,032	896,876	4.9%	4.9%
Repairs and Maintenance	828,605	1,603,614	1,707,622	843,871	-50.6%	-47.4%
Rentals	94,948	37,803	37,803	34,276	-9.3%	-9.3%
Other	23,717	21,464	65,383	59,868	-8.4%	178.9%
Maintenance and Operations	10,402,032	12,656,791	11,894,657	12,156,010	2.2%	-4.0%
Total	\$ 19,615,256	\$ 23,164,224	\$ 21,468,106	\$ 23,268,797	8.4%	0.5%
FTE'S	159.1	162.0	162.0	165.3	2.0%	2.0%
Positions	160.0	162.0	162.0	166.0	2.5%	2.5%

Expenditure Summary





**2007 OPERATING BUDGET
MAINTENANCE DEPARTMENT EXPENDITURE**

Object Number	Description	Division						Department Total							
		Administration 10-654000-	Facilities Maintenance 10-653000-	Maintenance Automotive 10-651000-	Maintenance Bus 10-652000-	Maintenance Safety 10-655000-	Maintenance Training 10-656000-								
PERSONNEL															
61100	Salaries	\$	178,990	\$	1,450,752	\$	1,531,631	\$	4,910,483	\$	62,522	\$	73,843	\$	8,208,221
61160	Safety & Attendance		-		12,000		15,000		61,900		-		-		88,900
61200	Overtime		-		43,708		57,000		130,580		-		-		231,288
62500	Benefits		35,870		444,347		514,259		1,482,250		15,530		16,902		2,509,158
62900	Uniforms		-		24,670		11,962		38,588		-		-		75,220
	SUBTOTAL		214,860		1,975,476		2,129,852		6,623,801		78,052		90,745		11,112,787
SUPPLIES															
63110	Books & Periodicals		1,000		2,244		450		250		1,100		200		5,244
63120	Office Supplies		1,800		640		460		-		500		250		3,650
63230	Fuel - Unleaded		-		-		772,169		-		-		-		772,169
63240	Fuel - CNG		-		-		-		3,758,084		-		-		3,758,084
63250	Fuel - Diesel		-		-		-		1,087,771		-		-		1,087,771
63260	Lube & Oil		-		-		27,739		190,000		-		-		217,739
63280	Tires		-		-		38,802		559,290		-		-		598,092
63290	General Operating Supplies		1,000		61,582		14,757		152,050		39,100		-		268,489
63310	Small Tools & Equipment		-		30,795		15,679		30,080		-		3,000		79,554



**2007 OPERATING BUDGET
MAINTENANCE DEPARTMENT EXPENDITURE**

Object Number	Description	Division						Department Total
		Administration 10-654000-	Facilities Maintenance 10-653000-	Maintenance Automotive 10-651000-	Maintenance Bus 10-652000-	Maintenance Safety 10-655000-	Maintenance Training 10-656000-	
63380	Snow Supplies	-	4,000	-	5,000	500	-	9,500
63390	General Repair & Maintenance Supplies	-	255,841	279,473	2,681,148	-	-	3,216,462
	SUBTOTAL	3,800	355,102	1,149,529	8,463,673	41,200	3,450	10,016,754
SERVICES								
64110	Professional Services	5,000	103,000	-	33,000	83,065	-	224,065
64130	Training	-	-	-	-	-	44,965	44,965
64210	Postage	650	-	-	-	-	-	650
64330	Travel & Subsistence	34,085	-	-	-	-	-	34,085
64350	Printing & Binding	350	250	-	-	-	-	600
	SUBTOTAL	40,085	103,250	-	33,000	83,065	44,965	304,365
PUBLIC UTILITY SERVICES								
64560	Electricity	-	744,326	-	-	-	-	744,326
64570	Water	-	90,400	-	-	-	-	90,400
64580	Garbage	-	62,150	-	-	-	-	62,150
	SUBTOTAL	-	896,876	-	-	-	-	896,876



**2007 OPERATING BUDGET
MAINTENANCE DEPARTMENT EXPENDITURE**

Object Number	Description	Division						Department Total
		Administration 10-654000-	Facilities Maintenance 10-653000-	Maintenance Automotive 10-651000-	Maintenance Bus 10-652000-	Maintenance Safety 10-655000-	Maintenance Training 10-656000-	
REPAIRS & MAINTENANCE								
64610	Repairs & Maintenance - Building	-	674,940	-	-	-	-	674,940
64620	Repairs & Maintenance - Communication Equipment	-	-	8,598	95,000	-	-	103,598
64650	Repairs & Maintenance - General Equipment	-	13,800	18,033	43,500	-	-	75,333
64690	Warranty Credit	-	-	-	(10,000)	-	-	(10,000)
	SUBTOTAL	-	688,740	26,631	128,500	-	-	843,871
RENTALS								
64730	Equipment	-	7,174	-	-	-	-	7,174
64790	Other	-	27,102	-	-	-	-	27,102
	SUBTOTAL	-	34,276	-	-	-	-	34,276
OTHER								
64910	Association Dues	1,195	1,345	195	-	200	-	2,935
64970	Other Contract Services	-	-	23,483	25,000	-	-	48,483
64990	Other Miscellaneous Expenses	2,000	-	-	-	4,250	2,200	8,450
	SUBTOTAL	3,195	1,345	23,678	25,000	4,450	2,200	59,868
TOTAL OPERATIONS		\$ 261,940	\$ 4,055,066	\$ 3,329,690	\$ 15,273,974	\$ 206,767	\$ 141,360	\$ 23,268,797
	FTE's	2.0	33.8	32.5	95.0	1.0	1.0	165.3
	Positions	2.0	34.0	33.0	95.0	1.0	1.0	166.0



**2007 OPERATING BUDGET
NARRATIVE**

Department: Maintenance
Division: Administration

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 187,152	\$ 214,860	Salary/wages and benefits for Vice President Maintenance, and Executive Assistant. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	3,225	3,800	Books and periodicals (\$1,000), office supplies (\$1,800), and maintenance systems supplies (\$1,000).
Services	35,910	40,085	Professional services (\$5,000), printing and binding (\$350), postage (\$650), and travel (\$34,085).
Other	3,195	3,195	Association dues (\$1,195) and miscellaneous (\$2,000).
TOTAL OPERATIONS	\$ 229,482	\$ 261,940	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Maintenance
Division: Administration

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
VP Maintenance	1.0	1.0	1.0	1.0	\$ 124,581	\$ 25,947	\$ 150,528
Executive Assistant	1.0	1.0	1.0	1.0	54,409	9,923	64,332
TOTAL	2.0	2.0	2.0	2.0	\$ 178,990	\$ 35,870	\$ 214,860



**2007 OPERATING BUDGET
NARRATIVE**

Department: Maintenance
Division: Facilities Maintenance

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 1,826,731	\$ 1,975,477	Salary/wages and benefits for Maintenance Manager, Assistant Maintenance Manager, Facilities Project Coordinator, Division Assistant, Lead Maintenance Mechanics, Maintenance Mechanics, Facilities Custodians II, and Facilities Custodians I. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	360,755	355,102	Books and periodicals (\$2,244), office supplies (\$640), restroom and general cleaning supplies (\$61,582), small tools and equipment (\$30,795), snow supplies (\$4,000), and repair and maintenance supplies (\$255,841).
Services	53,519	103,250	Professional services (\$103,000).
Utilities	855,032	896,876	Electricity (\$744,326), water, sewer and storm water (\$90,400), and garbage (\$62,150).
Repairs and Maintenance	1,689,641	688,740	Repair and maintenance buildings (\$674,940) and repair and maintenance general equipment (\$13,800).
Rentals	37,803	34,276	Equipment rentals (\$7,174) and other rentals (\$27,102).
Other	850	1,345	Association dues (\$1,345).
TOTAL OPERATIONS	\$ 4,824,331	\$ 4,055,066	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Maintenance
Division: Facilities Maintenance

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Maintenance Manager	1.0	1.0	1.0	1.0	\$ 97,167	\$ 18,271	\$ 115,438
Assistant Maintenance Manager	1.0	1.0	1.0	1.0	75,952	21,493	97,445
Facilities Projects Supervisor	1.0	1.0	1.0	1.0	55,103	7,704	62,807
Division Assistant	1.0	1.0	1.0	1.0	42,318	8,582	50,900
Lead Maintenance Mechanic	2.0	2.0	2.0	2.0	114,976	32,551	147,527
Maintenance Mechanic	8.0	8.0	7.0	7.0	357,439	94,466	451,905
Facilities Custodian II	11.0	11.0	11.0	11.0	405,774	140,769	546,543
Facilities Custodian I	9.0	9.0	9.8	10.0	264,892	113,891	378,783
SUBTOTAL	34.0	34.0	33.8	34.0	1,413,621	437,727	1,851,348
Safety and Attendance					12,000	875	12,875
Certification Pay					2,080	152	2,232
Shift Differential					3,031	221	3,252
Overtime					43,708	3,186	46,894
Retirement Expense					7,350	536	7,886
Uniforms					24,670	24,670	49,340
Tool Allowance					-	1,650	1,650
TOTAL	34.0	34.0	33.8	34.0	\$ 1,506,460	\$ 469,017	\$ 1,975,477



**2007 OPERATING BUDGET
NARRATIVE**

Department: Maintenance
Division: Maintenance Automotive

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 1,833,370	\$ 2,129,852	Salary/wages and benefits for Maintenance Manager, Assistant Maintenance Manager, Division Assistant, Lead Maintenance Mechanic, Vehicle Custodians, Automotive Technicians, Laborer, and Service Station Attendants. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	1,096,838	1,149,529	Books and periodicals (\$450), office supplies (\$460), unleaded fuel (\$772,169), lubricants and oils (\$27,739), tires (\$38,802), cleaning and miscellaneous supplies (\$14,757), small tools and equipment (\$15,679), and repair and maintenance supplies (\$279,473).
Repairs & Maintenance	30,771	26,631	Repair and maintenance communication equipment (\$8,598) and repair and maintenance general equipment (\$18,033).
Other	21,152	23,678	Association dues (\$195) and other contract services (\$23,483).
TOTAL OPERATIONS	\$ 2,982,131	\$ 3,329,690	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Maintenance
Division: Maintenance Automotive

Position Title	2006 Budget		2007 Budget		Salaries	2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions		Benefits		
Maintenance Manager	1.0	1.0	1.0	1.0	\$ 99,180	\$ 23,246		\$ 122,426
Assistant Maintenance Manager	1.0	1.0	1.0	1.0	79,750	20,780		100,530
Division Assistant	1.0	1.0	1.0	1.0	42,318	15,900		58,218
Lead Maintenance Mechanic	1.0	1.0	1.0	1.0	60,212	17,761		77,973
Vehicle Custodian	3.0	3.0	3.5	4.0	126,524	54,214		180,738
Laborer	0.0	0.0	1.0	1.0	26,023	14,561		40,584
Automotive Technician	7.0	7.0	7.0	7.0	386,015	113,743		499,758
Service Station Attendant	17.0	17.0	17.0	17.0	687,259	245,420		932,679
SUBTOTAL	31.0	31.0	32.5	33.0	1,507,281	505,625		2,012,906
Safety & Attendance					15,000	1,094		16,094
Certification Pay					11,550	842		12,392
Shift Differential					12,800	933		13,733
Overtime					57,000	4,155		61,155
Tool Allowance					-	1,610		1,610
Uniforms					-	11,962		11,962
TOTAL	31.0	31.0	32.5	33.0	\$ 1,603,631	\$ 526,221		\$ 2,129,852



**2007 OPERATING BUDGET
NARRATIVE**

Department: Maintenance
Division: Maintenance Bus

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 5,573,186	\$ 6,623,801	Salary/wages and benefits for Maintenance Manager, Assistant Maintenance Managers, Maintenance Technical Coordinator, Division Assistant, Lead Mechanics, Journey Level Mechanics, Machinist, Mechanics I, Equipment Body Repairers, Service Station Attendants, Vehicle Custodians, Data Specialist, Apprentices, Upholsterers, and Laborers. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	7,485,828	8,463,673	Books and periodicals (\$250), CNG fuel (\$3,758,084), diesel fuel (\$1,087,771), lubricants and oils (\$190,000), tires (\$559,290), general operating supplies (\$152,050), small tools and equipment (\$30,080), snow supplies (\$5,000), and general repair and maintenance supplies (\$2,681,148).
Services	33,000	33,000	Oil, coolant, and fuel sampling (\$33,000).
Repairs and Maintenance	(12,790)	128,500	Repair and maintenance communication equipment (\$95,000), repair and maintenance general equipment (\$43,500), and warranty credit (-\$10,000).
Other	35,236	25,000	Temporary laborers (\$25,000).
TOTAL OPERATIONS	\$ 13,114,460	\$ 15,273,974	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Maintenance
Division: Maintenance Bus

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Maintenance Manager	1.0	1.0	1.0	1.0	\$ 107,520	\$ 20,905	\$ 128,425
Assistant Maintenance Manager	3.0	3.0	3.0	3.0	226,899	55,088	281,987
Maintenance Technical Coordinator	1.0	1.0	1.0	1.0	68,024	17,289	85,313
Division Assistant	1.0	1.0	1.0	1.0	42,318	8,535	50,853
Lead Mechanic	3.0	3.0	3.0	3.0	184,583	51,913	236,496
Journey Level Mechanic	43.0	43.0	44.0	44.0	2,445,080	705,757	3,150,837
Machinist	1.0	1.0	1.0	1.0	55,990	16,530	72,520
Mechanic I	4.0	4.0	5.0	5.0	180,097	57,536	237,633
Equipment Body Repairer	7.0	7.0	7.0	7.0	391,271	118,080	509,351
Service Station Attendant	3.0	3.0	3.0	3.0	127,169	39,778	166,947
Vehicle Custodian	10.0	10.0	10.0	10.0	349,881	144,597	494,478
Data Specialist	1.0	1.0	1.0	1.0	39,691	6,976	46,667
Apprentice	4.0	4.0	4.0	4.0	182,034	63,779	245,813
Upholsterer	3.0	3.0	3.0	3.0	153,274	47,625	200,899
Laborer	8.0	8.0	8.0	8.0	256,862	92,411	349,273
SUBTOTAL	93.0	93.0	95.0	95.0	4,810,693	1,446,799	6,257,492
Safety & Attendance					61,900	4,513	66,413
Certification Pay					60,000	4,374	64,374
Longevity					8,826	643	9,469
Shift Differential					28,464	2,075	30,539
Overtime					130,580	9,519	140,099
Tool Allowance					-	14,145	14,145
Uniforms					-	38,588	38,588
Retirement Expense					2,500	182	2,682
TOTAL	93.0	93.0	95.0	95.0	\$ 5,102,963	\$ 1,520,838	\$ 6,623,801



**2007 OPERATING BUDGET
NARRATIVE**

Department: Maintenance
Division: Maintenance Safety

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 69,452	\$ 78,052	Salary/wages and benefits for Maintenance Safety Coordinator. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	39,150	41,200	Books and periodicals (\$1,100), supplies (\$500), general operating supplies (\$39,100), and snow supplies (\$500).
Services	77,761	83,065	Professional services (\$83,065).
Other	3,750	4,450	Association dues (\$200) and safety and attendance award plaques and incentives for safety performance (\$4,250).
TOTAL OPERATIONS	\$ 190,113	\$ 206,767	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Maintenance
Division: Maintenance Safety

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Safety Coordinator	1.0	1.0	1.0	1.0	\$ 62,522	\$ 15,530	\$ 78,052
TOTAL	1.0	1.0	1.0	1.0	\$ 62,522	\$ 15,530	\$ 78,052



**2007 OPERATING BUDGET
NARRATIVE**

Department: Maintenance
Division: Maintenance Training

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 83,558	\$ 90,745	Salary/wages and benefits for Maintenance Training Coordinator. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	2,933	3,450	Books and periodicals (\$200), office supplies (\$250), and small tools and equipment (\$3,000).
Services	39,898	44,965	Training (\$44,965).
Other	1,200	2,200	ASE certification (\$400), Roadeo expenses (\$500), Customer Service Program (\$1,000), and electrical exam facilities (\$300).
TOTAL OPERATIONS	\$ 127,589	\$ 141,360	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Maintenance
Division: Maintenance Training

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Training Coordinator	1.0	1.0	1.0	1.0	\$ 73,843	\$ 16,902	\$ 90,745
TOTAL	1.0	1.0	1.0	1.0	\$ 73,843	\$ 16,902	\$ 90,745



Pierce Transit Vanpool Program Celebrates 20 Years of Service

Our state boasts the highest number of vanpoolers in the country.

The Pierce Transit Vanpool Program celebrated its 20-year anniversary in 2006. And what a ride it has been, from a one-person fledgling operation started in 1986 with only seven vehicles to a fleet that in 1990 expanded to thirteen vehicles, becoming a vital and proven part of the transportation options Pierce Transit provides the community. Now the program is a thriving operation with 300 vehicles and a staff of ten.

Vanpooling is a lifestyle choice for many Washington State commuters, as our state boasts the highest number of vanpoolers in the country. The benefits of saving money and reducing commute stress are powerful incentives for people who vanpool. Our community benefits through reduced air pollution and less traffic congestion. Sharing a ride is cheaper than driving alone, because the overall cost is shared with all the riders, and, with the use of HOV lanes, faster as well. Pierce Transit's vanpool fleet consists of 7, 8, 12, and 15 passenger vans. Vanpool staff is also available to help with recruiting riders for newly forming vanpool groups. In addition, fuel, insurance and maintenance are included in the fares. Employers also benefit by the reduction in necessary employee parking stalls, which frees up space for customers and visitors.

The success of the Vanpool program is attributable to our loyal customers, committed employer partners, the ongoing support of the Agency, and most importantly the dedicated Vanpool staff.

Tracy Klein, Lani Fowlkes, Tammy Apthorp, Brenda Davis, Kim Straub, Daphne Tackett, Lynne Cunningham, Sharelle Thornton, Ellen Cintron, Heidi Hunter, Tammie Carson



Pierce Transit **BUDGET** 2007

Tech & Transit Development

Tech & Transit
Development
Department



**2007 BUDGET
TECHNOLOGY & TRANSIT DEVELOPMENT DEPARTMENT
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**2007 BUDGET
DEPARTMENT DESCRIPTION
TECHNOLOGY & TRANSIT DEVELOPMENT**

In Brief:

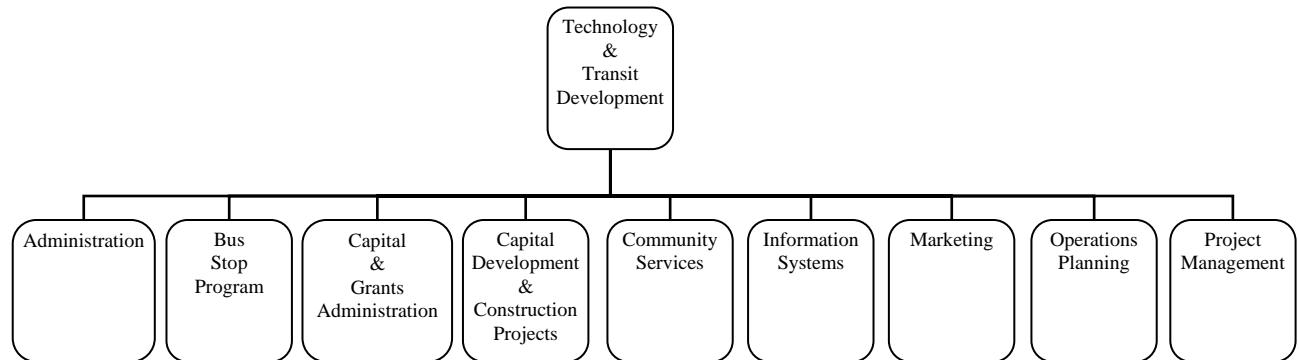
The overall goal of the Technology & Transit Development Department is support of Pierce Transit's mission to deliver outstanding transportation services that match our customers' needs. The department's goal of providing the highest quality service is accomplished through effective and responsive management. The department is lead by Vice President Susan Lang and is comprised of 83 positions in nine divisions:

Administration
Bus Stop Program
Capital & Grants Administration
Capital Development & Construction Projects
Community Services
Information Systems
Marketing
Operations Planning
Project Management

The divisions have a specific area of responsibility toward accomplishing the goals.

Overview:

The Technology & Transit Development Department consists of the following:



Administration This division oversees and directs the activities of the divisions in the department that provide essential support to other departments in the Agency and direct commute services and traveler information to employers and customers.

Bus Stop Program This division prioritizes and oversees installation of passenger amenities such as benches, shelters, trashcans, and blinky lights. They are responsible for coordinating with local jurisdictions on the placement of bus stops, managing private contractors in the construction of pads and approaches, as well as obtaining all permits associated with structures and construction. They are involved in the review process for new and redevelopment of land, and make recommendations on appropriate transit mitigation. This includes coordination with local, state, regional, and federal jurisdictions on development issues beneficial to public transportation.



**2007 BUDGET
DEPARTMENT DESCRIPTION
TECHNOLOGY & TRANSIT DEVELOPMENT**

Capital & Grants Administration This division manages the Agency's strategic planning, capital budget, and acquisition of state and federal capital grants. The division coordinates with local, state, regional, and federal jurisdictions on transportation issues and funding.

Capital Development & Construction Projects This division manages the design, development, and construction of capital facilities. The division coordinates with local, state, regional, and federal jurisdictions on development issues beneficial to public transportation, land use programs that will affect the future Pierce Transit operating environment, and regional transit planning projects.

Community Services This division provides ridematching services, vanpool services, employer and transit demand management services, regional services, Americans with Disabilities Act (ADA) coordination, and ADA eligibility certification for Specialized Transportation (SHUTTLE). These services complement our fixed route and SHUTTLE services with commuting options, especially for long-distance commuters. The division maintains contact with federal, national, state, and local agencies for improvements and coordination.

Information Systems This division is responsible for technology and information systems throughout the Agency. Information Systems staff is responsible for the Agency network, information systems, printers, and desktop computers. They support over 200 agency computer users 24 hours a day, 7 days a week. The division also coordinates computer software, project management, and basic and advanced technical training opportunities for the Agency.



**2007 BUDGET
DEPARTMENT DESCRIPTION
TECHNOLOGY & TRANSIT DEVELOPMENT**

Marketing This division supports the entire Agency by making the public aware of Pierce Transit's services. This includes promotion of current and future services, advertisement of special event services, publication of passenger information materials (on-street information and Ride Guides), and implementation of programs focused on increasing ridership. In addition to work seen by the public, Marketing provides communications, consultations, and support to all divisions of Pierce Transit as they communicate within the Agency and to their specific audiences. The division is responsible for providing graphic services, developing and implementing the marketing program and market research. Customer service functions in the division include telephone operators, pass sales, the Bus Shop outlets that sell passes and provide schedule information, travel training services, and assistance to banks, retail outlets, and employers who sell passes and accept pass by mail sales.

Operations Planning This division takes the lead in activities intended to make public transportation more available, to make it a more viable alternative for new customers, and to continue serving our current customers. This function is accomplished through implementation of system development plans, by improving cost effectiveness of services, by giving priority to safe operations, timeliness and customer convenience, by strengthening internal and external relationships which contribute to customer and employee satisfaction, through provision of information which guides recommendations and decisions, and through supporting compliance with regulatory requirements. The division coordinates transit service planning, Sound Transit service development, statistical analysis, route planning, route schedules, and coach operator work assignments.

Project Management Information Technology Project Managers support the entire Agency by ensuring the day-to-day management and successful completion of major technology projects. These currently include the Mobile Communications Project and the Regional Fare Coordination Project (Smart Card).

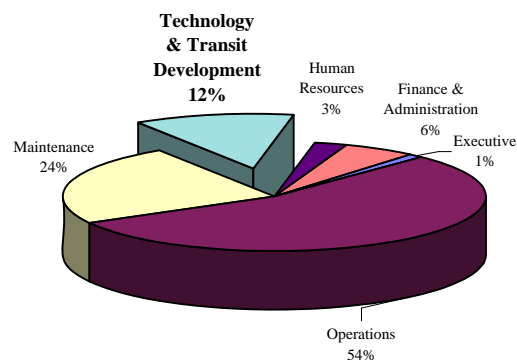




**2007 OPERATING BUDGET
DEPARTMENT EXPENDITURE SUMMARY**

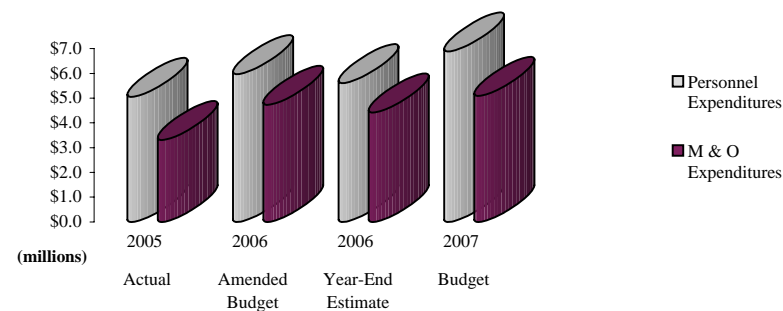
DEPARTMENT: TECHNOLOGY & TRANSIT DEVELOPMENT

Operating Budget by Department



Description	2005 Actual	2006 Amended Budget	2006 Year-End Estimate	2007 Budget	% Change 2007 Budget to 2006 YE EST.	% Change 2007 Budget to 2006 Budget
Personnel						
Wages	\$ 4,154,910	\$ 4,787,411	\$ 4,560,475	\$ 5,407,829	18.6%	13.0%
Benefits	895,940	1,186,897	1,044,309	1,487,333	42.4%	25.3%
Personnel	5,050,850	5,974,308	5,604,784	6,895,162	23.0%	15.4%
Maintenance and Operations						
Supplies	960,585	1,674,005	1,653,203	2,074,732	25.5%	23.9%
Services	1,353,148	1,564,041	1,378,386	1,505,122	9.2%	-3.8%
Repairs and Maintenance	5,193	14,450	14,450	14,500	0.3%	0.3%
Other	986,729	1,475,145	1,367,253	1,498,260	9.6%	1.6%
Maintenance & Operations	3,305,656	4,727,641	4,413,292	5,092,614	15.4%	7.7%
Total	\$ 8,356,506	\$ 10,701,949	\$ 10,018,076	\$ 11,987,776	19.7%	12.0%
FTE'S	75.5	77.5	77.5	83.0	7.1%	7.1%
Positions	78.0	81.0	81.0	86.0	6.2%	6.2%

Expenditure Summary





**2007 OPERATING BUDGET
TECHNOLOGY & TRANSIT DEVELOPMENT DEPARTMENT EXPENDITURE**

Object Number	Description	Division											Department Total								
		Administration	Bus Stop Program	Capital & Grants Administration	Capital Development & Construction Projects	Community Services	Information Systems	Marketing	Operations Planning	Project Management											
		10-431000-	10-412000-	10-421000-	10-411000-	10-46X000- *	10-262000-	10-441000-	10-451000-	10-263000-											
PERSONNEL																					
61100	Salaries	\$	173,734	\$	185,722	\$	160,749	\$	442,398	\$	1,095,801	\$	821,164	\$	1,274,946	\$	764,015	\$	223,200	\$	5,141,729
61160	Safety & Attendance		-		-		-		-		-		-		3,000		2,000		-		5,000
61190	Contract Salaries		-		-		-		15,600		18,500		39,500		45,000		104,000				222,600
61200	Overtime		-		-		-		-		12,000		25,000		1,500		-				38,500
62500	Benefits		33,525		52,993		40,313		116,429		325,056		201,939		441,849		205,372		69,857		1,487,333
	SUBTOTAL		207,259		238,715		201,062		558,827		1,436,457		1,053,603		1,784,295		1,017,887		397,057		6,895,162
SUPPLIES																					
63110	Books & Periodicals		200		200		60		900		2,000		650		930		200		579		5,719
63120	Office Supplies		50		450		-		2,000		-		400		-		1,120		-		4,020
63230	Fuel - Unleaded		-		-		-		-		1,098,000		-		-		-		-		1,098,000
63290	General Operating Supplies		-		155,000		550		4,000		4,800		319,275		12,900		-		50		496,575
63310	Small Tools & Equipment		-		-		-		-		-		173,688		-		-		-		173,688
63390	General Repair & Maint. Supplies		-		296,330		-		-		-		400		-		-		-		296,730
	SUBTOTAL		250		451,980		610		6,900		1,104,800		494,413		13,830		1,320		629		2,074,732



**2007 OPERATING BUDGET
TECHNOLOGY & TRANSIT DEVELOPMENT DEPARTMENT EXPENDITURE**

Object Number	Description	Division									Department Total
		Administration 10-431000-	Bus Stop Program 10-412000-	Capital & Grants Administration 10-421000-	Capital Development & Construction Projects 10-411000-	Community Services 10-46X000- *	Information Systems 10-262000-	Marketing 10-441000-	Operations Planning 10-451000-	Project Management 10-263000-	
SERVICES											
64110	Professional Services	-	44,175	-	25,000	30,000	167,750	143,000	23,000	-	432,925
64130	Training	2,670	1,500	-	2,300	1,600	43,800	8,200	20,000	8,500	88,570
64160	Publicity & Public Relations	-	-	-	-	74,300	-	821,615	-	-	895,915
64210	Postage	-	200	-	1,000	-	450	5,835	100	-	7,585
64330	Travel & Subsistence	5,200	1,230	4,454	14,690	8,890	2,530	15,300	4,308	1,700	58,302
64350	Printing & Binding	-	100	-	300	16,875	-	4,550	-	-	21,825
SUBTOTAL		7,870	47,205	4,454	43,290	131,665	214,530	998,500	47,408	10,200	1,505,122
REPAIRS & MAINTENANCE											
64650	Repairs & Maintenance General Equipment	-	-	-	-	-	12,250	2,250	-	-	14,500
SUBTOTAL		-	-	-	-	-	12,250	2,250	-	-	14,500
OTHER											
64910	Association Dues	120	50	-	1,150	950	-	-	1,500	-	3,770
64970	Other Contract Services	-	-	-	-	106,850	639,106	37,000	-	-	782,956
64990	Other Miscellaneous Expenses	500	100	-	300	83,800	500	-	150,000	-	235,200
66300	Other Structures & Improvements	-	230,500	-	-	-	-	-	-	-	230,500
66400	Machinery, Equipment, & Furniture	-	245,834	-	-	-	-	-	-	-	245,834
SUBTOTAL		620	476,484	-	1,450	191,600	639,606	37,000	151,500	-	1,498,260
TOTAL OPERATIONS		\$ 215,999	\$ 1,214,384	\$ 206,126	\$ 610,467	\$ 2,864,522	\$ 2,414,402	\$ 2,835,875	\$ 1,218,115	\$ 407,886	\$ 11,987,776
FTE's		2.0	4.0	1.8	5.5	19.0	11.5	25.3	11.0	3.0	83.0
Positions		2.0	4.0	2.0	6.0	19.0	12.0	27.0	11.0	3.0	86.0

* X in account number indicates division has multiple account numt



**2007 OPERATING BUDGET
NARRATIVE**

Department: Technology & Transit Development
Division: Administration

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 190,748	\$ 207,259	Salary/wages and benefits for Vice President Technology & Transit Development and Executive Assistant. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	200	250	Books and periodicals (\$200) and office supplies (\$50).
Services	10,570	7,870	Travel (\$5,200) and training (\$2,670).
Other	200	620	Association dues (\$120) and miscellaneous (\$500).
TOTAL OPERATIONS	\$ 201,718	\$ 215,999	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Technology & Transit Development
Division: Administration

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
VP Technology & Transit Development	1.0	1.0	1.0	1.0	\$ 131,284	\$ 21,642	\$ 152,926
Executive Assistant	1.0	1.0	1.0	1.0	42,450	11,883	54,333
TOTAL	2.0	2.0	2.0	2.0	\$ 173,734	\$ 33,525	\$ 207,259



**2007 OPERATING BUDGET
NARRATIVE**

Department: Technology & Transit Development
Division: Bus Stop Program

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 200,954	\$ 238,715	Salary/wages and benefits for Planner II, Planner I, Planning Assistant, and Planning Intern. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	439,355	451,980	Books and periodicals (\$200), office supplies (\$450), general operating supplies (\$155,000), and other repairs and maintenance (\$296,330).
Services	54,375	47,205	Professional services (\$44,175), postage (\$200), printing and binding (\$100), travel (\$1,230), and training (\$1,500).
Other	376,254	476,484	Association dues (\$50), miscellaneous (\$100), other structures and improvements (\$230,500), and machinery, equipment and furniture (\$245,834).
TOTAL OPERATIONS	\$ 1,070,938	\$ 1,214,384	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Technology & Transit Development

Division: Bus Stop Program

Position Title	2006 Budget		2007 Budget		2007 Budget		
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	TOTAL
Planner II	1.0	1.0	1.0	1.0	61,457	10,771	72,228
Planner I	1.0	1.0	1.0	1.0	49,680	17,471	67,151
Planning Assistant	1.0	1.0	1.0	1.0	40,037	14,150	54,187
Planning Intern	1.0	1.0	1.0	1.0	34,548	10,601	45,149
TOTAL	4.0	4.0	4.0	4.0	\$ 185,722	\$ 52,993	\$ 238,715



**2007 OPERATING BUDGET
NARRATIVE**

Department: Technology & Transit Development
Division: Capital & Grants Administration

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 145,960	\$ 201,062	Salary/wages and benefits for Capital Budget and Grants Manager and Principal Planner. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	573	610	Books and periodicals (\$60), and general operating supplies (\$550).
Services	2,500	4,454	Travel (\$4,454).
TOTAL OPERATIONS	\$ 149,033	\$ 206,126	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Technology & Transit Development
Division: Capital & Grants Administration

Position Title	2006 Budget		2007 Budget		2007 Budget		
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	TOTAL
Capital Budget & Grants Manager	1.0	1.0	1.0	1.0	91,845	18,659	110,504
Principal Planner *	0.8	1.0	0.8	1.0	68,904	21,654	90,558
TOTAL	1.8	2.0	1.8	2.0	\$ 160,749	\$ 40,313	\$ 201,062

* 2006 position transferred from Operations Planning division.



**2007 OPERATING BUDGET
NARRATIVE**

Department: Technology & Transit Development
Division: Capital Development & Construction Projects

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 480,541	\$ 558,827	Salary/wages and benefits for Construction Projects Manager, Constructions Projects Supervisor, Principal Planner, Senior Planners, and Project Assistant. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	6,250	6,900	Books and periodicals (\$900), office supplies (\$2,000), and general operating supplies (\$4,000).
Services	33,600	43,290	Professional services (\$25,000), postage (\$1,000), printing and binding (\$300), travel (\$14,690), and training (\$2,300).
Other	1,450	1,450	Association dues (\$1,150) and miscellaneous (\$300).
TOTAL OPERATIONS	\$ 521,841	\$ 610,467	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Technology & Transit Development
Division: Capital Development & Construction Projects

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Construction Projects Manager	1.0	1.0	1.0	1.0	\$ 94,988	\$ 24,410	\$ 119,398
Construction Projects Supervisor	1.0	1.0	1.0	1.0	73,843	21,081	94,924
Principal Planner	1.0	1.0	1.0	1.0	86,130	19,192	105,322
Senior Planner	1.5	2.0	1.5	2.0	150,359	37,505	187,864
Project Assistant	1.0	1.0	1.0	1.0	37,078	14,241	51,319
TOTAL	5.5	6.0	5.5	6.0	\$ 442,398	\$ 116,429	\$ 558,827





**2007 OPERATING BUDGET
DIVISION EXPENDITURE
COMMUNITY SERVICES - COMBINED**

Object Number	Description	Community Services			Combined Total
		ADA 10-461000-	CTR 10-462000-	Vanpool 10-463000-	
PERSONNEL					
61100	Salaries	\$ 234,937	\$ 190,271	\$ 670,593	\$ 1,095,801
61190	Contract Salaries	-	-	15,600	15,600
62500	Benefits	73,244	44,914	206,898	325,056
SUBTOTAL		308,181	235,185	893,091	1,436,457
SUPPLIES					
63110	Books & Periodicals	1,750	50	200	2,000
63230	Fuel - Unleaded	-	-	1,098,000	1,098,000
63290	General Operating Supplies	2,400	500	1,900	4,800
SUBTOTAL		4,150	550	1,100,100	1,104,800
SERVICES					
64110	Professional Services	30,000	-	-	30,000
64130	Training	300	300	1,000	1,600
64160	Publicity & Public Relations	-	74,300	-	74,300
64330	Travel & Subsistence	3,650	4,200	1,040	8,890
64350	Printing & Binding	1,675	8,200	7,000	16,875
SUBTOTAL		35,625	87,000	9,040	131,665
OTHER					
64910	Association Dues	225	725	-	950
64970	Other Contract Services	1,500	11,150	94,200	106,850
64990	Other Miscellaneous Expenses	-	-	83,800	83,800
SUBTOTAL		1,725	11,875	178,000	191,600
TOTAL OPERATIONS		\$ 349,681	\$ 334,610	\$ 2,180,231	\$ 2,864,522



**2007 OPEARTING BUDGET
NARRATIVE**

Department: Technology & Transit Development
Division: Community Services - ADA

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 198,040	\$ 308,181	Salary/wages and benefits for Community Services Manager, Community Services Assistant Manager, ADA Eligibility Coordinator, ADA Program Coordinator, and ADA Eligibility Assistants. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	3,918	4,150	Books and periodicals (\$1,750) and general operating supplies (\$2,400).
Services	29,585	35,625	Professional services for third party eligibility assessments (\$30,000), printing and binding (\$1,675), travel (\$3,650), and training (\$300).
Other	1,425	1,725	Association dues (\$225) and other contract services (\$1,500).
TOTAL OPERATIONS	\$ 232,968	\$ 349,681	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Technology & Transit Development
Division: Community Services - ADA

Position Title	2006 Budget		2007 Budget		2007 Budget		
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	TOTAL
Community Services Manager *	0.2	0.0	0.2	0.0	\$ 20,093	\$ 4,654	\$ 24,747
Community Services Assistant Manager *	0.1	0.0	0.1	0.0	7,875	1,410	9,285
ADA Eligibility Coordinator	1.0	1.0	1.0	1.0	73,843	16,899	90,742
ADA Program Coordinator	0.0	0.0	1.0	1.0	48,610	17,371	65,981
ADA Eligibility Assistant	2.0	2.0	2.0	2.0	84,516	32,910	117,426
TOTAL	3.3	3.0	4.3	4.0	\$ 234,937	\$ 73,244	\$ 308,181

* Position is carried in Community Services Vanpool



**2007 OPERATING BUDGET
NARRATIVE**

Department: Technology & Transit Development
Division: Community Services - CTR

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 212,925	\$ 235,185	Salary/wages and benefits for Community Services Manager, Community Services Assistant Manager, Employer Services Coordinator, Employer Program Specialist, and Rideshare Specialist. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	548	550	Books and periodicals (\$50) and general operating supplies (\$500).
Services	71,406	87,000	Employer promotions (\$2,000), agency promotional items (\$2,500), Smart Moves campaign (\$1,500), Rideshare Week campaign (\$1,500), preferential parking signs (\$400), commuter information centers (\$2,000), miscellaneous expenses (\$400), ETC relax rewards (\$11,000), CTR grant 6421100 (\$13,000), CTR grant 6421700 (\$40,000), printing and binding (\$8,200), travel (\$4,200), and training (\$300).
Other	11,050	11,875	Association dues (\$725), regional ridematch computer (\$10,350), Emergency Ride Home Program (\$200), and miscellaneous (\$600).
TOTAL OPERATIONS	\$ 295,929	\$ 334,610	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Technology & Transit Development
Division: Community Services - CTR

Position Title	2006 Budget		2007 Budget		2007 Budget		
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	TOTAL
Community Services Manager *	0.3	0.0	0.3	0.0	\$ 30,139	\$ 6,981	\$ 37,120
Community Services Assistant Manager *	0.1	0.0	0.1	0.0	7,875	1,410	9,285
Employer Services Coordinator	1.0	1.0	1.0	1.0	71,792	17,027	88,819
Employer Program Specialist	1.0	1.0	1.0	1.0	43,745	3,467	47,212
Rideshare Specialist	1.0	1.0	1.0	1.0	36,720	16,029	52,749
TOTAL	3.4	3.0	3.4	3.0	\$ 190,271	\$ 44,914	\$ 235,185

* Position is carried in Community Services Vanpool



**2007 OPERATING BUDGET
NARRATIVE**

Department: Technology & Transit Development
Division: Community Services - VP

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 714,013	\$ 893,091	Salary/wages and benefits for Community Services Manager, Community Services Assistant Manager, Vanpool Coordinators, Rideshare Specialists, and Contract Rideshare Specialist. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	841,600	1,100,100	Books and periodicals (\$200), unleaded fuel (\$1,098,000), and general operating supplies (\$1,900).
Services	7,850	9,040	Printing and binding (\$7,000), travel (\$1,040), and training (\$1,000).
Other	145,200	178,000	Miscellaneous vanpool expenses (\$38,000), MVRs (\$10,000), credit reports (\$4,200), background checks (\$350), film development (\$400), miscellaneous supplies (\$50), participant appreciation (\$4,800), incentives (\$26,000), and other contract services (\$94,200).
TOTAL OPERATIONS	\$ 1,708,663	\$ 2,180,231	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Technology & Transit Development
Division: Community Services - VP

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Community Services Manager *	0.5	1.0	0.5	1.0	\$ 50,231	\$ 11,636	\$ 61,867
Community Services Assistant Manager *	0.8	1.0	0.8	1.0	62,995	11,280	74,275
Vanpool Coordinator	7.0	7.0	8.0	8.0	485,467	151,600	637,067
Rideshare Specialist	1.0	1.0	2.0	2.0	71,900	31,245	103,145
SUBTOTAL	9.3	10.0	11.3	12.0	670,593	205,761	876,354
Contract Rideshare Specialist					15,600	1,137	16,737
TOTAL	9.3	10.0	11.3	12.0	\$ 686,193	\$ 206,898	\$ 893,091

* FTE is split to Community Services ADA and Community Services CTR.



**2007 OPERATING BUDGET
NARRATIVE**

Department: Technology & Transit Development
Division: Information Systems

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 832,131	\$ 1,053,603	Salary/wages and benefits for Information Systems Manager, Senior Systems Analysts, Systems Analyst, Network Administrator, Information Systems Specialists, Systems Intern, and Work Study. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	341,870	494,413	Books and periodicals (\$650), office supplies (\$400), general operating supplies including PC components, paper, back-up tapes/CDs, networking hardware (\$319,275), small tools and equipment including new software and upgrades, printers, and hardware (\$173,688), and repair and maintenance supplies (\$400).
Services	172,930	214,530	Technical support for the following systems: Network support (\$3,000), Oracle and Access (\$25,000), Giro scheduling (\$10,000), Hastus (\$10,000), High Line PR/HR (\$15,000), Intranet development (\$25,000), Vulnerability Assessment (\$18,000), Maintenance (\$20,000), Shuttle (\$20,000), and Finance (\$15,000). ITS America dues (\$1,500), Trapeze annual site visit (\$4,500), Infotech Internet advisory service (\$600), email list servicer (\$150), agency computer training (\$6,000), I/S staff training (\$37,800), I/S staff travel (\$2,530), and postage (\$450).
Repairs and Maintenance	12,200	12,250	Repairs and maintenance general (\$12,250).
Other	518,674	639,606	Systems support, licensing, upgrades, and maintenance contracts (\$639,106) and miscellaneous (\$500).
TOTAL OPERATIONS	\$ 1,877,805	\$ 2,414,402	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Technology & Transit Development
Division: Information Systems

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Manager	1.0	1.0	1.0	1.0	\$ 100,462	\$ 23,663	\$ 124,125
Senior Systems Analysts	4.0	4.0	5.0	5.0	381,969	98,727	480,696
Systems Analyst	1.0	1.0	1.0	1.0	72,912	17,634	90,546
Network Administrator	1.0	1.0	1.0	1.0	62,867	12,742	75,609
Information Systems Specialist	3.0	3.0	3.0	3.0	172,607	39,362	211,969
Systems Intern	0.5	1.0	0.5	1.0	30,347	7,587	37,934
SUBTOTAL	10.5	11.0	11.5	12.0	821,164	199,715	1,020,879
Overtime					12,000	875	12,875
Work Study (2)					18,500	1,349	19,849
TOTAL	10.5	11.0	11.5	12.0	\$ 851,664	\$ 201,939	\$ 1,053,603



**2007 OPERATING BUDGET
NARRATIVE**

Department: Technology & Transit Development
Division: Marketing

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 1,485,833	\$ 1,784,295	Salary/wages and benefits for Marketing Manager, Customer Services Assistant Manager, Marketing Design Specialists, Senior Marketing Design Specialist, Senior Marketing Specialist/Webmaster, Market Development Supervisor, Marketing Services Coordinator, Marketing Services Representatives, Travel Trainers, Lead Customer Services Representative, Customer Services Representatives II, Customer Services Representatives I, Contract Personnel, and Work Study. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	17,300	13,830	Books and periodicals (\$930) and general office supplies (\$12,900).
Services	969,070	998,500	Professional services for promotional support (\$5,000), photography (\$4,000), research (\$128,000), and travel training (\$6,000). Training (\$8,200), travel (\$15,300), postage (\$5,835), and printing and binding (\$4,550). Publicity for basic passenger information, promotions, special event support, and miscellaneous (\$821,615).
Repairs and Maintenance	2,250	2,250	General repair and maintenance for camera (\$600), HP 4000 plotter (\$900), and laminator (\$750).
Miscellaneous	13,000	37,000	Other contract services for armored transport (\$11,000), VISA/MC maintenance fees (\$1,000), E-Commerce administration (\$1,000), and online debit fees (\$24,000).
TOTAL OPERATIONS	\$ 2,487,453	\$ 2,835,875	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Technology & Transit Development
Division: Marketing

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Marketing Manager	1.0	1.0	1.0	1.0	\$ 100,462	\$ 23,150	\$ 123,612
Customer Services Assistant Manager	1.0	1.0	1.0	1.0	73,843	20,109	93,952
Marketing Design Specialist	2.0	2.0	2.0	2.0	113,785	33,244	147,029
Senior Marketing Design Specialist	1.0	1.0	1.0	1.0	60,211	18,770	78,981
Senior Marketing Specialist/Webmaster	1.0	1.0	1.0	1.0	68,373	19,478	87,851
Market Development Supervisor	1.0	1.0	1.0	1.0	86,130	22,403	108,533
Marketing Services Coordinator	1.0	1.0	1.0	1.0	67,386	19,348	86,734
Marketing Services Representative	2.0	2.0	2.0	2.0	80,353	26,998	107,351
Travel Trainer	1.5	2.0	2.0	2.0	78,640	26,486	105,126
Lead Customer Services Representative	1.0	1.0	1.0	1.0	41,908	14,287	56,195
Customer Services Representatives II	10.8	12.0	10.8	12.0	451,325	186,347	637,672
Customer Services Representatives I	1.5	2.0	1.5	2.0	52,530	26,307	78,837
SUBTOTAL	24.8	27.0	25.3	27.0	1,274,946	436,927	1,711,873
Safety & Attendance					3,000	219	3,219
Overtime					25,000	1,823	26,823
Contract Personnel					27,500	2,005	29,505
Work Study					12,000	875	12,875
TOTAL	24.8	27.0	25.3	27.0	\$ 1,342,446	\$ 441,849	\$ 1,784,295



**2007 OPERATING BUDGET
NARRATIVE**

Department: Technology & Transit Development
Division: Operations Planning

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 855,227	\$ 1,017,887	Salary/wages and benefits for Senior Operations Planning Manager, Principal Planner, Senior Planners, Planners II, Planners, and Schedulers. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	960	1,320	Books and periodicals (\$200) and office supplies (\$1,120).
Services	24,800	47,408	Interpreter services (\$3,000), professional services (\$20,000), travel (\$4,308), training (\$20,000), and postage (\$100).
Other	300,000	151,500	Association dues (\$1,500) and unprogrammed expenditures for WSDOT Special Needs Grant (\$150,000).
TOTAL OPERATIONS	\$ 1,180,987	\$ 1,218,115	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Technology & Transit Development
Division: Operations Planning

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Senior Operations Planning Manager	1.0	1.0	1.0	1.0	\$ 108,499	\$ 16,640	\$ 125,139
Principal Planner	1.0	1.0	1.0	1.0	85,664	23,060	108,724
Senior Planner	2.0	2.0	2.0	2.0	139,260	36,343	175,603
Planner II	1.0	1.0	2.0	2.0	133,137	41,335	174,472
Planner	3.0	3.0	2.0	2.0	129,617	39,476	169,093
Scheduler	3.0	3.0	3.0	3.0	167,838	44,982	212,820
SUBTOTAL	11.0	11.0	11.0	11.0	764,015	201,836	965,851
Safety & Attendance					2,000	146	2,146
Contract Employee					45,000	3,281	48,281
Overtime					1,500	109	1,609
TOTAL	11.0	11.0	11.0	11.0	\$ 812,515	\$ 205,372	\$ 1,017,887



**2007 OPERATING BUDGET
NARRATIVE**

Department: Technology & Transit Development
Division: Project Management

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 288,412	\$ 397,057	Salary/wages and benefits for Project Managers and Contract Project Manager. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	629	629	Books and periodicals (\$579) and general operating supplies (\$50).
Services	1,700	10,200	Training (\$8,500) and travel (\$1,700).
TOTAL OPERATIONS	\$ 290,741	\$ 407,886	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Technology & Transit Development
Division: Project Management

Position Title	2006 Budget		2007 Budget		2007 Budget		
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	TOTAL
Project Manager	2.0	2.0	3.0	3.0	\$ 223,200	\$ 46,232	\$ 269,432
SUBTOTAL	2.0	2.0	3.0	3.0	223,200	46,232	269,432
Contract Project Manager					104,000	23,625	127,625
TOTAL	2.0	2.0	3.0	3.0	\$ 327,200	\$ 69,857	\$ 397,057



Domestic Violence Agency Honors Pierce Transit Employee



Transit Operator Cherry Gilbert was recognized as Volunteer of the Year for Pierce County. Cherry devoted over 500 hours of her personal time to the City of Tacoma City Attorney's Office and the YWCA of Pierce County Women's Shelter as a certified legal advocate for victims of domestic violence. She provided court support for victims, facilitated safety planning and support groups, and provided training.

Gilbert's caring nature and giving spirit is just what is needed.

Gilbert has formed her own foundation to assist victims of domestic violence with their needs. Gilbert's caring nature and giving spirit is just what is needed. While larger agencies assist with large needs such as medical and legal expenses, the Cherry Gilbert Foundation is there to help with more day-to-day expenditures. The Foundation helps with rent, child care, and transportation, plus relocation, support groups, counseling, and scholarships for the children of domestic violence.

In addition, she gathers used cell phones and donates them to the Domestic Violence Helpline to be used by victims in an emergency. Gilbert also took the opportunity at the volunteer recognition event to honor Pierce Transit administration and her many generous coworkers with a plaque recognizing all their efforts and support given to her and her worthy cause of helping to stop domestic violence in Pierce County. This program includes a confidentiality program, safe support groups, education, and legal assistance. She sponsors fund-raising activities to purchase bus tickets for victims and children of domestic violence as well.



Pierce Transit **BUDGET** 2007

Human Resources

Human
Resources
Department



**2007 BUDGET
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**2007 BUDGET
DEPARTMENT DESCRIPTION
HUMAN RESOURCES**

In Brief:

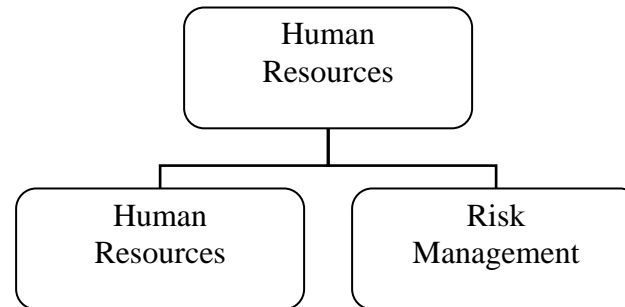
The overall goal of the Human Resources Department is support of Pierce Transit's mission to deliver outstanding transportation services that match our customers' needs through the development and use of the policies, principles, and practices necessary for effective human resources management. The department is lead by Vice President Marnie Slakey and is comprised of 11 positions in two divisions:

Human Resources
Risk Management

The divisions have a specific area of responsibility toward accomplishing the goals.

Overview:

The Human Resources Department consists of the following:



The Human Resources Department is responsible for directing and coordinating programs and policies for Agency personnel. The department provides service to meet this responsibility in six functional areas.

Recruitment and Employment - Human Resources hires quality candidates in a timely manner, and designs and administers job related, valid, bias-free selection devices. The department supports and monitors equal employment opportunity compliance and establishes and monitors the Affirmative Action Plan. It maintains up-to-date personnel records and issues/monitors the personnel rules necessary to assure compliance with both state and federal labor and employment laws.



**2007 BUDGET
DEPARTMENT DESCRIPTION
HUMAN RESOURCES**

Benefits and Compensation - Human Resources oversees the Agency's salary, wage and classification systems, assists with the defining of job responsibilities and qualifications, and periodically reviews job classifications. It ensures a competitive and equitable salary structure. This function audits the payroll to ensure correct hourly rates, correct deductions, and administers and interprets the wage provisions of the labor contract. It also administers employee benefits for health, life and disability, deferred compensation, pension programs, and flexible spending accounts. It monitors costs of the health and dental programs and recommends cost-effective changes that may be necessary.

Training and Staff Development - This function orients new employees and initiates and coordinates Agency-wide training to ensure a high quality and productive workforce. This function conducts training needs assessment and designs/coordinates training in managerial and supervisory skills, Americans with Disabilities Act, sexual harassment, communication skills, and other non-technical training. It works with managers to investigate and resolve sexual harassment and other complaints. It coordinates activities related to the Agency's quality improvement efforts. It coordinates the tuition reimbursement program and incentive/recognition policies. It provides counseling to employees and supervisors on performance or other issues and helps to resolve personnel problems at an early stage.

Health and Welfare - Human Resources provides services designed to promote and retain a healthy workforce, offering wellness/fitness programs and contracting for resources to assist employees with work/life issues. This function conducts mandated alcohol and drug testing, and employee pre-employment and fit for duty physicals. It coordinates the family medical leave policy, dependent care programs, and the employee suggestion program. It manages the Employee Assistance Program. This function promotes employee morale and recommends policies to promote a positive working environment. It also administers the unemployment insurance fund.



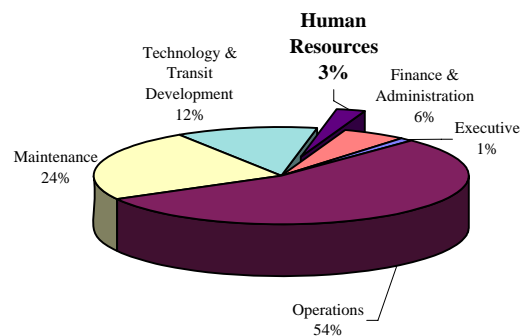
**2007 BUDGET
DEPARTMENT DESCRIPTION
HUMAN RESOURCES**

Labor Relations - The Vice President provides coordination of collective bargaining policies as outlined in the Master Agreement with the local labor union, investigates and responds to grievances, conducts labor relations training, negotiates labor contracts and side agreements, manages and provides oversight in arbitrations and other disputes, and provides advice to various departments regarding the interpretation and administration of contract provisions. The department also coordinates the response to employment related lawsuits and to complaints filed with the Human Rights Commission, the Public Employment Relations Commission, and the Equal Opportunity Commission.

Risk Management - The Risk Management Division is responsible for the overall risk management needs of the Agency including monitoring and controlling the Agency's losses and exposures associated with the self-insurance programs. This requires proper placement of casualty and property insurance coverage or alternative financing of risk, administration of workers' compensation and the light duty return to work programs, liability claims forecasting, monitoring, evaluation, and settlement, identification and resolution of safety issues, and assistance and support of safety programs. This division also oversees the Agency's insurance reserves.



Operating Budget by Department

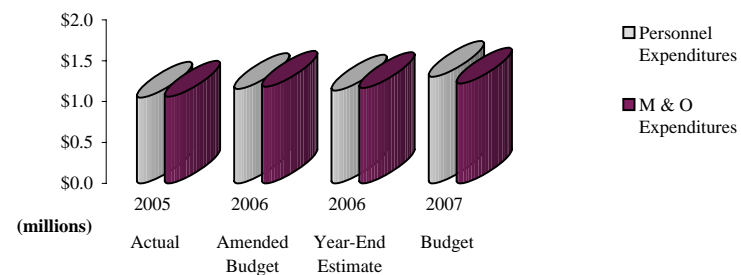


2007 OPERATING BUDGET
DEPARTMENT EXPENDITURE SUMMARY

DEPARTMENT: HUMAN RESOURCES

Description	2005 Actual	2006 Amended Budget	2006 Year-End Estimate	2007 Budget	% Change 2007 Budget to 2006 YE EST.	% Change 2007 Budget to 2006 Budget
Personnel						
Wages	\$ 844,350	\$ 967,992	\$ 929,548	\$ 1,057,780	13.8%	9.3%
Benefits	203,083	185,578	202,455	243,060	20.1%	31.0%
Personnel	1,047,434	1,153,570	1,132,003	1,300,840	14.9%	12.8%
Maintenance and Operations						
Supplies	42,668	33,240	31,580	33,100	4.8%	-0.4%
Services	234,852	462,525	444,017	489,980	10.4%	5.9%
Insurance	775,288	678,500	675,500	688,500	1.9%	1.5%
Rentals	880	0	0	0	0.0%	0.0%
Other	6,237	6,290	13,780	7,080	-48.6%	12.6%
Maintenance and Operations	1,059,925	1,180,555	1,164,877	1,218,660	4.6%	3.2%
Total \$	2,107,359	\$ 2,334,125	\$ 2,296,880	\$ 2,519,500	9.7%	7.9%
FTE'S	11.0	11.0	11.0	11.0	0.0%	0.0%
Positions	11.0	11.0	11.0	11.0	0.0%	0.0%

Expenditure Summary





**2007 OPERATING BUDGET
HUMAN RESOURCES DEPARTMENT EXPENDITURE**

Object Number	Description	Division		Department Total
		Human Resources 10-121000-	Risk Management 10-122000-	
PERSONNEL				
61100	Salaries	\$ 726,004	\$ 221,076	\$ 947,080
61190	Contract Salaries	68,700	42,000	110,700
62500	Benefits	178,727	64,333	243,060
	SUBTOTAL	973,431	327,409	1,300,840
SUPPLIES				
63110	Books & Periodicals	1,200	800	2,000
63120	Office Supplies	1,250	1,500	2,750
63290	General Operating Supplies	11,850	12,000	23,850
63310	Small Tools & Equipment	3,000	1,500	4,500
	SUBTOTAL	17,300	15,800	33,100
SERVICES				
64110	Professional Services	239,200	77,580	316,780
64120	Legal Costs	70,000	-	70,000
64130	Training	22,500	3,000	25,500
64210	Postage	3,000	1,200	4,200
64330	Travel & Subsistence	10,900	5,300	16,200
64340	Advertising	54,000	-	54,000
64350	Printing & Binding	3,000	300	3,300
	SUBTOTAL	402,600	87,380	489,980



**2007 OPERATING BUDGET
HUMAN RESOURCES DEPARTMENT EXPENDITURE**

Object Number	Description	Division		Department Total
		Human Resources 10-121000-	Risk Management 10-122000-	
INSURANCE				
64410	Liability	-	521,000	521,000
64420	Fire	-	125,000	125,000
64430	Performance Bond	-	500	500
64470	Workers Compensation Ins.	-	42,000	42,000
	SUBTOTAL	-	688,500	688,500
OTHER				
64910	Association Dues	1,810	2,115	3,925
64990	Other Miscellaneous Expenses	1,500	1,655	3,155
	SUBTOTAL	3,310	3,770	7,080
TOTAL OPERATIONS		\$ 1,396,641	\$ 1,122,859	\$ 2,519,500
	FTE's	8.0	3.0	11.0
	Positions	8.0	3.0	11.0



**2007 OPERATING BUDGET
NARRATIVE**

Department: Human Resources
Division: Human Resources

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 806,253	\$ 973,431	Salary/wages and benefits for Vice President Human Resources and Labor Relations, Employee Relations Coordinator, Employment Manager, Benefits and Compensation Manager, Human Resources Analysts, Human Resources Specialist, and contracted hours for recruitment interviewer and specialist. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	14,780	17,300	Books and periodicals (\$1,200), office supplies (\$1,250), general operating supplies (\$11,850), and small tools and equipment (\$3,000).
Services	358,537	402,600	Professional services include pre-employment and recruitment expenses, health and management programs, and training and development (\$239,200), legal costs (\$70,000), postage (\$3,000), advertising (\$54,000), printing and binding (\$3,000), travel (\$10,900), and training (\$22,500).
Other	3,010	3,310	Association dues (\$1,810) and miscellaneous (\$1,500).
TOTAL OPERATIONS	\$ 1,182,580	\$ 1,396,641	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Human Resources
Division: Human Resources

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
VP Human Resources	1.0	1.0	1.0	1.0	\$ 131,284	\$ 25,767	\$ 157,051
Employee Relations Coordinator	2.0	2.0	2.0	2.0	159,500	44,634	204,134
Employment Manager	1.0	1.0	1.0	1.0	94,815	24,280	119,095
Benefits and Compensation Manager	1.0	1.0	1.0	1.0	94,815	24,040	118,855
Human Resources Analyst	2.0	2.0	2.0	2.0	147,686	33,765	181,451
Human Resources Specialist	1.0	1.0	1.0	1.0	61,904	18,973	80,877
SUBTOTAL	8.0	8.0	8.0	8.0	690,004	171,459	861,463
Contract Interviewer					37,500	2,734	40,234
Contract HR Specialist					31,200	2,274	33,474
Retirement Expense					31,000	2,260	33,260
Service Excellence and Suggestion Awards					5,000	-	5,000
TOTAL	8.0	8.0	8.0	8.0	\$ 794,704	\$ 178,727	\$ 973,431



**2007 OPERATING BUDGET
NARRATIVE**

Department: Human Resources
Division: Risk Management

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 325,750	\$ 327,409	Salary/wages and benefits for Risk Manager, Claims Administrator, Risk Management Assistant, and contract personnel. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	16,800	15,800	Books and periodicals (\$800), office supplies (\$1,500), ergonomic equipment (\$12,000), and small tools and equipment (\$1,500).
Services	85,480	87,380	Postage (\$1,200), printing and binding (\$300), WSTIP Association Services (\$9,580), broker's fees (\$68,000), training (\$3,000), and travel (\$5,300).
Insurance	675,500	688,500	General liability insurance (\$521,000), property insurance (\$125,000), performance bond (\$500), and worker's compensation excess liability insurance (\$42,000).
Other	10,770	3,770	Association dues (\$2,115) and miscellaneous (\$1,655).
TOTAL OPERATIONS	\$ 1,114,300	\$ 1,122,859	

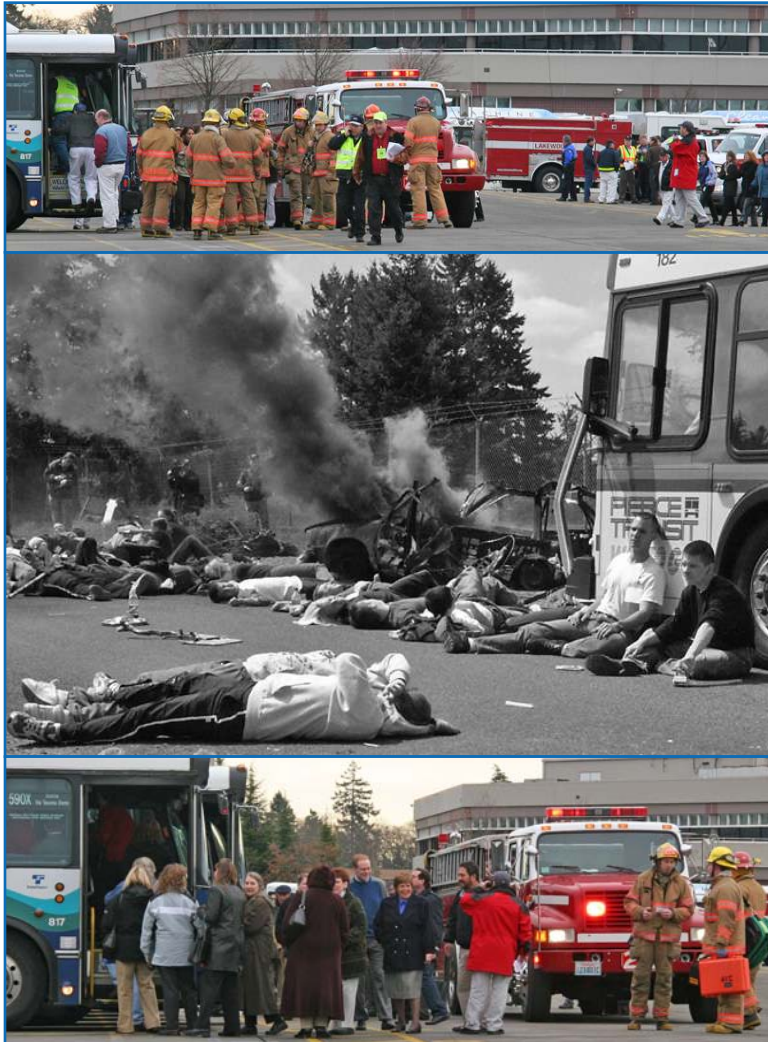


**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Human Resources
Division: Risk Management

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Risk Manager	1.0	1.0	1.0	1.0	\$ 100,462	\$ 20,186	\$ 120,648
Claims Representative	1.0	1.0	1.0	1.0	73,748	12,634	86,382
Risk Management Assistant	1.0	1.0	1.0	1.0	46,866	16,568	63,434
SUBTOTAL	3.0	3.0	3.0	3.0	221,076	49,388	270,464
Risk Management Contract Position					42,000	14,945	56,945
TOTAL	3.0	3.0	3.0	3.0	\$ 263,076	\$ 64,333	\$ 327,409





Pierce Transit Completes Emergency Management Training

Pierce Transit has a key role in region-wide emergency preparedness training and response in support of federal, state, and local government, as well as other agencies, to help prepare and test responses to a wide range of emergency situations.

Transit Operators are the eyes and ears of the community.

Pierce Transit demonstrated its commitment to emergency preparation by completing the 2006 training requirements of the National Incident Management System (NIMS). Executives, managers, and other key Agency employees took the courses online. Each course took approximately two hours to complete.

One of the most significant changes in 2006 was the new FEMA definition of emergency responder that includes Bus Operators as first responders. As a result, Pierce Transit's Safety and Training Division has added the basic training curriculum for all new operators. Transit Operators are the eyes and ears of the community. They quite often are the first to give aid at a traffic accident, call in a fire, or report unusual activity. In more serious situations, their buses may evacuate neighborhoods to safety during floods and fire, or transport the mass casualties of a natural disaster or a terrorist attack. And, in the worst case, as we have all seen many times around the world, a transit coach itself becomes the target of a terrorist attack. In all of these situations, transit leaders will be coordinating their response through the local emergency response network.



Pierce Transit **BUDGET** 2007

Finance & Admin

Finance &
Admin
Department



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FINANCE & ADMINISTRATION DEPARTMENT
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In Brief:

The overall goal of the Finance and Administration Department is support of Pierce Transit's mission to deliver outstanding transportation services that match our customers' needs. The department's goal of providing the highest quality service is accomplished through effective and responsive management. The department is lead by Vice President Wayne Fanshier and is comprised of 39 positions in five divisions:

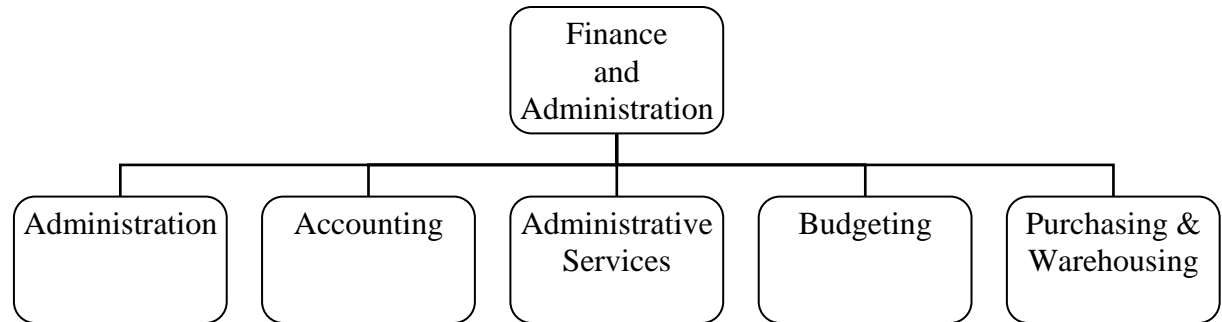
Administration
Accounting
Administrative Services
Budgeting
Purchasing and Warehousing

The divisions have a specific area of responsibility toward accomplishing the goals.

2007 BUDGET DEPARTMENT DESCRIPTION FINANCE AND ADMINISTRATION

Overview:

The Finance and Administration Department consists of the following:



Administration The division oversees and directs the activities of the divisions in the department.

Accounting The division performs the function of recording Agency financial transactions in conformance with state and federal accounting regulations as well as generally accepted accounting principals. This division provides accounts payable, accounts receivable, revenue processing, and payroll services for the Agency, develops and maintains internal controls over these functions in order to safeguard Agency assets, produces internal and external financial reports, coordinates internal and external audits, administers the investment portfolio, and manages financial activities with external agencies.



**2007 BUDGET
DEPARTMENT DESCRIPTION
FINANCE AND ADMINISTRATION**

Administrative Services The division provides support activities for all departments and divisions in the Agency. Responsibilities include word processing and data entry, maintenance of centralized files, telephone and guest reception, photo reproduction, processing of incoming/outgoing mail and internal memoranda, monitoring and control of operating costs for telecommunications services and custodial services, vehicle licensing and payment of miscellaneous taxes and assessments, and meeting the daily demands of the operation of the headquarters facility.

Budgeting The division develops the Agency's budget programs, goals, and requirements, prepares the Agency's annual budget document, monitors revenues and expenditures, prepares budget variance reports, and develops long range financial plans.

Purchasing and Warehousing The division directs and controls the purchase of materials and services for the entire Agency. This includes the ordering, stocking, shipping, and distribution of parts used in maintaining and repairing Agency vehicles, establishing appropriate stocking levels for parts to ensure that revenue vehicles are not out of service due to lack of parts availability, and maintenance of fuel inventories. This division also monitors and refines contract specifications, coordinates Disadvantaged Business Enterprise (DBE) programs, and assures contract compliance.

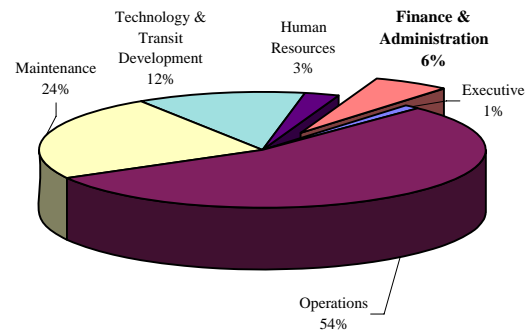




**2007 OPERATING BUDGET
DEPARTMENT EXPENDITURE SUMMARY**

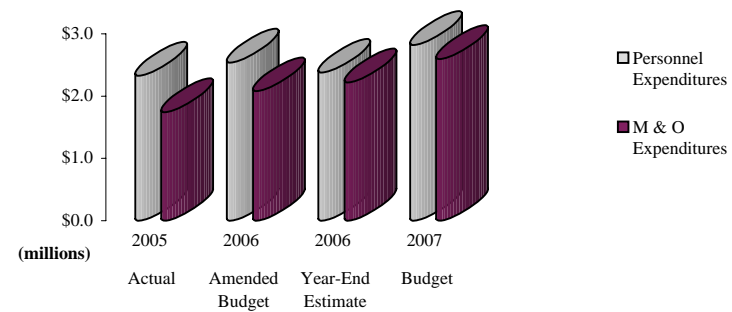
DEPARTMENT: FINANCE & ADMINISTRATION

Operating Budget by Department



Description	2005 Actual	2006 Amended Budget	2006 Year-End Estimate	2007 Budget	% Change 2007 Budget to 2006 YE EST.	% Change 2007 Budget to 2006 Budget
Personnel						
Wages	\$ 1,879,252	\$ 2,010,565	\$ 1,896,575	\$ 2,192,336	15.6%	9.0%
Benefits	449,395	525,197	478,859	628,553	31.3%	19.7%
Personnel	2,328,648	2,535,762	2,375,434	2,820,889	18.8%	11.2%
Maintenance and Operations						
Supplies	99,639	126,395	136,239	178,194	30.8%	41.0%
Services	450,447	448,948	463,868	526,639	13.5%	17.3%
Repairs and Maintenance	37,769	73,255	71,705	69,606	-2.9%	-5.0%
Rentals	141,757	120,464	155,508	320,048	105.8%	165.7%
Other	1,012,118	1,308,926	1,389,930	1,500,622	8.0%	14.6%
Maintenance and Operations	1,741,730	2,077,988	2,217,250	2,595,109	17.0%	24.9%
Total	\$ 4,070,378	\$ 4,613,750	\$ 4,592,684	\$ 5,415,998	17.9%	17.4%
FTE'S	35.3	36.3	36.3	36.7	1.1%	1.1%
Positions	37.0	38.0	38.0	39.0	2.6%	2.6%

Expenditure Summary





**2007 OPERATING BUDGET
FINANCE & ADMINISTRATION DEPARTMENT EXPENDITURE**

Object Number	Description	Division						Total
		Administration 10-211000-	Accounting 10-241000-	Administrative Services 10-253000-	Budgeting 10-261000-	Purchasing/ Warehousing 10-231000-		
PERSONNEL								
61100	Salaries	\$ 131,284	\$ 710,810	\$ 297,645	\$ 161,393	\$ 763,284	\$ 2,064,416	
61160	Safety & Attendance	-	2,000	2,400	-	4,000	8,400	
61190	Contract Salaries	-	57,200	29,120	-	-	86,320	
61200	Overtime	-	20,000	1,200	-	12,000	33,200	
62500	Benefits	26,689	226,807	108,041	43,875	219,716	625,128	
62900	Uniforms	-	225	-	-	3,200	3,425	
	SUBTOTAL	157,973	1,017,042	438,406	205,268	1,002,200	2,820,889	
SUPPLIES								
63110	Books & Periodicals	1,220	500	2,111	100	250	4,181	
63120	Office Supplies	50	7,163	2,000	1,200	153,300	163,713	
63290	General Operating Supplies	-	-	-	-	200	200	
63310	Small Tools & Equipment	-	-	100	-	10,000	10,100	
	SUBTOTAL	1,270	7,663	4,211	1,300	163,750	178,194	
SERVICES								
64110	Professional Services	-	42,480	-	550	2,000	45,030	
64130	Training	2,900	9,565	-	-	14,600	27,065	
64210	Postage	100	4,600	32,890	150	3,500	41,240	
64220	Telephone	-	-	365,409	-	-	365,409	
64330	Travel & Subsistence	3,200	5,590	300	1,700	3,100	13,890	
64340	Advertising	-	-	12,855	-	10,000	22,855	
64350	Printing & Binding	-	5,150	500	3,500	2,000	11,150	
	SUBTOTAL	6,200	67,385	411,954	5,900	35,200	526,639	



**2007 OPERATING BUDGET
FINANCE & ADMINISTRATION DEPARTMENT EXPENDITURE**

Object Number	Description	Division					Total
		Administration 10-211000-	Accounting 10-241000-	Administrative Services 10-253000-	Budgeting 10-261000-	Purchasing/ Warehousing 10-231000-	
REPAIRS & MAINTENANCE							
64610	Repairs & Maintenance - Building	-	-	165	-	-	165
64650	Repairs & Maintenance - General Equipment	-	2,150	20,701	-	46,590	69,441
	SUBTOTAL	-	2,150	20,866	-	46,590	69,606
RENTALS							
64720	Buildings	-	-	-	-	220,000	220,000
64730	Equipment	-	-	1,230	-	-	1,230
64790	Other	-	-	868	-	97,950	98,818
	SUBTOTAL	-	-	2,098	-	317,950	320,048
OTHER							
64910	Association Dues	195	1,080	-	145	420	1,840
64950	Taxes	-	37,000	70,131	-	1,200	108,331
64970	Other Contract Services	-	979,812	164,044	-	43,000	1,186,856
64990	Other Miscellaneous Expenses	100	300	45	200,350	2,800	203,595
	SUBTOTAL	295	1,018,192	234,220	200,495	47,420	1,500,622
TOTAL OPERATIONS		\$ 165,738	\$ 2,112,432	\$ 1,111,755	\$ 412,963	\$ 1,613,110	\$ 5,415,998
FTE's		1.0	12.7	7.0	2.0	14.0	36.7
Positions		1.0	15.0	7.0	2.0	14.0	39.0



**2007 OPERATING BUDGET
NARRATIVE**

Department: Finance & Administration
Division: Administration

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 143,511	\$ 157,973	Salary/wages and benefits for Vice President Finance & Administration. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	1,293	1,270	Books and periodicals (\$1,220) and miscellaneous office supplies (\$50).
Services	4,700	6,200	Training (\$2,900), travel (\$3,200), and postage (\$100).
Other	285	295	Association dues (\$195) and miscellaneous (\$100).
TOTAL OPERATIONS	\$ 149,789	\$ 165,738	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Finance & Administration
Division: Administration

Position Title	2006 Budget		2007 Budget		2007 Budget		
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	TOTAL
VP Finance & Administration	1.0	1.0	1.0	1.0	\$ 131,284	\$ 26,689	\$ 157,973
TOTAL	1.0	1.0	1.0	1.0	\$ 131,284	\$ 26,689	\$ 157,973



**2007 OPERATING BUDGET
NARRATIVE**

Department: Finance & Administration
Division: Accounting

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 839,437	\$ 1,017,042	Salary/wages and benefits for Finance Manager, Assistant Manager of Accounting, Central Projects/Grants Coordinator, Senior Accountants, Account Clerks, Payroll Specialists, Clerical Assistants, and contract personnel. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	4,585	7,663	Books and periodicals (\$500) and office supplies (\$7,163).
Services	61,091	67,385	Professional services for audits (\$42,000), CAFR review fee (\$480), travel (\$5,590), postage (\$4,600), printing and binding (\$5,150), and training (\$9,565).
Repairs and Maintenance	2,050	2,150	Repairs and maintenance general equipment (\$2,150).
Other	840,032	1,018,192	Association dues (\$1,080), other contract services for collection of sales tax revenue (\$943,662), temporary personnel services (\$6,000), banking services (\$24,150), armored car service (\$6,000), Business & Occupation taxes (\$36,000), leasehold taxes (\$1,000), and miscellaneous (\$300).
TOTAL OPERATIONS	\$ 1,747,195	\$ 2,112,432	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Finance & Administration
Division: Accounting

Position Title	2006 Budget		2007 Budget		Salaries	2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions		Benefits		
Finance Manager	1.0	1.0	1.0	1.0	\$ 100,462	\$ 20,149	\$	120,611
Assistant Manager of Accounting	1.0	1.0	1.0	1.0	79,750	21,019		100,769
Senior Accountant	2.0	2.0	2.4	3.0	153,514	42,554		196,068
Central Projects/Grants Coordinator	1.0	1.0	1.0	1.0	63,707	16,581		80,288
Account Clerk	4.0	4.0	4.0	4.0	165,338	58,805		224,143
Payroll Specialist	2.0	2.0	2.0	2.0	97,782	31,577		129,359
Clerical Assistant	1.3	3.0	1.3	3.0	50,257	30,348		80,605
SUBTOTAL	12.3	14.0	12.7	15.0	710,810	221,033		931,843
Safety & Attendance					2,000	146		2,146
Overtime					20,000	1,458		21,458
Uniforms					-	225		225
Contract					57,200	4,170		61,370
TOTAL	12.3	14.0	12.7	15.0	\$ 790,010	\$ 227,032	\$	1,017,042



**2007 OPERATING BUDGET
NARRATIVE**

Department: Finance & Administration
Division: Administrative Services

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 339,206	\$ 438,406	Salary/wages and benefits for Administrative Services Manager, Administrative Specialists II, Administrative Specialists I, Clerical Assistant, and contract personnel. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	4,211	4,211	Books and periodicals (\$2,111), office supplies (\$2,000), and miscellaneous small tools (\$100).
Services	366,909	411,954	Postage and permit fees (\$5,160), postage for Community Services (\$22,230), ADA recertification mailings (\$5,500), telecommunications system and use costs (\$365,409), telephone directory advertising (\$12,855), travel (\$300), and printing and binding (\$500).
Repairs & Maintenance	21,165	20,866	Telephone system maintenance contract and Radio T-1 service contract (\$20,701) and building repair (\$165).
Rentals	2,098	2,098	Postage meter rental (\$1,230) and Post Office Box Caller Service (\$868).
Other	232,438	234,220	Taxes and assessments as follows: Vehicle licensing (\$3,580), surface water assessments (\$9,506), BIA assessments (\$8,302), and fire protection services (\$48,743). Other contract services as follows: custodial services (\$155,082), alarm monitoring fees (\$1,500), recycling service (\$5,514), braille service (\$650), cable connections (\$1,298), and National Notary Association membership (\$45).
TOTAL OPERATIONS	\$ 966,027	\$ 1,111,755	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Finance & Administration
Division: Administrative Services

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Administrative Services Manager	1.0	1.0	1.0	1.0	\$ 79,750	\$ 22,257	\$ 102,007
Administrative Specialist II	3.0	3.0	3.0	3.0	117,310	42,045	159,355
Administrative Specialist I	2.0	2.0	2.0	2.0	68,797	30,443	99,240
Clerical Assistant	1.0	1.0	1.0	1.0	31,788	10,911	42,699
SUBTOTAL	7.0	7.0	7.0	7.0	297,645	105,656	403,301
Contract					29,120	2,123	31,243
Safety & Attendance					2,400	175	2,575
Overtime					1,200	87	1,287
TOTAL	7.0	7.0	7.0	7.0	\$ 330,365	\$ 108,041	\$ 438,406



**2007 OPERATING BUDGET
NARRATIVE**

Department: Finance & Administration
Division: Budgeting

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 190,952	\$ 205,268	Salary/wages and benefits for Budget Manager and Budget Analyst. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	1,100	1,300	Books and periodicals (\$100) and office supplies (\$1,200).
Services	7,668	5,900	Budget review fee (\$550), printing and binding (\$3,500), travel (\$1,700), and postage (\$150).
Other	272,875	200,495	Association dues (\$145), contingency (\$200,000), and miscellaneous (\$350).
TOTAL OPERATIONS	\$ 472,595	\$ 412,963	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Finance & Administration
Division: Budgeting

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Budget Manager	1.0	1.0	1.0	1.0	\$ 93,020	\$ 23,409	\$ 116,429
Budget Analyst	1.0	1.0	1.0	1.0	68,373	20,466	88,839
TOTAL	2.0	2.0	2.0	2.0	\$ 161,393	\$ 43,875	\$ 205,268



**2007 OPERATING BUDGET
NARRATIVE**

Department: Finance & Administration
Division: Purchasing / Warehousing

Object Description	2006 Year-End Estimate	2007 Budget	Description
Personnel	\$ 862,328	\$ 1,002,200	Salary/wages and benefits for Purchasing Manager, Purchasing Coordinators, Assistant Manager of Inventory, Purchasing Agent, Warehouse Technician II, Warehouse Technicians I, Warehouse Assistant, Warehouse Courier, and Administrative Specialist I. The increase is a result of salary/wage adjustments, health premium costs, and any change in personnel.
Supplies	125,050	163,750	Books and periodicals (\$250), office supplies (\$33,000), laminate supplies (\$1,200), paper and printed supplies (\$20,000), computer supplies (\$25,000), ergonomic supplies (\$3,000), miscellaneous furniture (\$71,100), small tools and equipment (\$10,000), and general operating supplies (\$200).
Services	23,500	35,200	Professional services (\$2,000), postage (\$3,500), advertising (\$10,000), printing (\$2,000), travel (\$3,100), and training (\$14,600).
Repairs and Maintenance	48,490	46,590	Repairs and maintenance general equipment for copiers, typewriters, fax machines, calculators, postage equipment, and dictaphone radio channel recorder (\$46,590).
Rentals	153,410	317,950	Building rental (\$220,000), miscellaneous rentals for park & ride lot (\$900), Goldspar Communications (\$18,900), Motorola Radio Site (\$22,050), Pierce County Radio Room (\$8,100), South Hill Mall (\$24,000), Gig Harbor (\$12,000), and Lakewood (\$12,000).
Other	44,300	47,420	Association dues (\$420), Lakewood Towne Center Common Area charges (\$13,000), South Hill Mall CAM (\$31,200), Washington Office of Minority and Women Business Enterprises (\$500), State Purchasing Fee (\$2,000), and miscellaneous (\$300).
TOTAL OPERATIONS	\$ 1,257,078	\$ 1,613,110	



**2007 OPERATING BUDGET
PERSONNEL SUMMARY**

Department: Finance & Administration
Division: Purchasing / Warehousing

Position Title	2006 Budget		2007 Budget		2007 Budget		TOTAL
	FTEs	Positions	FTEs	Positions	Salaries	Benefits	
Purchasing Manager	1.0	1.0	1.0	1.0	\$ 100,462	\$ 23,509	\$ 123,971
Purchasing Coordinator	2.0	2.0	2.0	2.0	140,700	41,619	182,319
Assistant Manager of Inventory	1.0	1.0	1.0	1.0	68,642	19,441	88,083
Purchasing Agent	1.0	1.0	1.0	1.0	55,540	12,364	67,904
Warehouse Technician II	1.0	1.0	1.0	1.0	51,556	16,840	68,396
Warehouse Technician I	5.0	5.0	5.0	5.0	239,133	70,601	309,734
Warehouse Assistant	1.0	1.0	1.0	1.0	40,937	8,073	49,010
Warehouse Courier	1.0	1.0	1.0	1.0	34,676	11,106	45,782
Administrative Specialist I	1.0	1.0	1.0	1.0	31,638	14,996	46,634
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SUBTOTAL	14.0	14.0	14.0	14.0	763,284	218,549	981,833
Safety & Attendance					4,000	292	4,292
Overtime					12,000	875	12,875
Uniforms					-	3,200	3,200
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TOTAL	14.0	14.0	14.0	14.0	\$ 779,284	\$ 222,916	\$ 1,002,200



Pierce Transit Receives Alternative Fuels Award

Pierce Transit, a nationally recognized alternative fuels pioneer and advocate, was the country's first public transportation agency to experiment with compressed natural gas (CNG) and to begin converting its fleet to CNG. What began in 1986 as a demonstration project to test the feasibility of CNG as a fuel source for the bus fleet, has resulted in an organizational commitment to clean air. Pierce Transit is recognized as a national and world leader in the operation of a CNG bus fleet for public transportation.

Pierce Transit is recognized as a regional, national, and world leader.

Each year, Puget Sound Clean Cities Coalition (PSCCC) acknowledges an organization that has shown considerable achievements in the use or promotion of alternative fuels and/or significant support of PSCCC's activities. The winner represents the cream of the crop in the region of efforts to reduce the use of petroleum-based fuels in the transportation sector; one that has gone above and beyond what was required in order to realize the benefits of reducing our country's "addiction" to oil. This year, the Alternative Fuels Sustainable Commitment Award was presented to Pierce Transit for its long-time commitment to natural gas in the transit sector, including running 100% of its bus fleet on alternative fuels; also for its encouragement of retail availability of CNG by supporting the construction of a public fueling station at the main base in Lakewood.



Pierce Transit **BUDGET** 2007

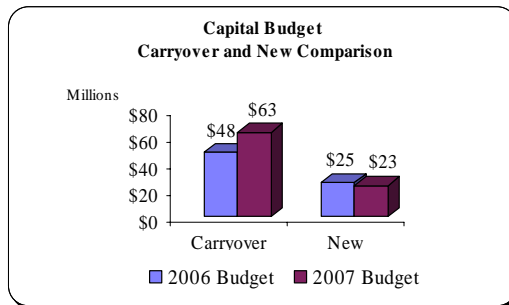
Capital Budget

Capital
Budget



2007 BUDGET CAPITAL BUDGET

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 infrastructure for the future

The Capital Budget presents the revenues and expenditures associated with capital development and acquisition. It includes funds for vehicles, construction, administrative and 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 projects for 2007 are currently budgeted at \$85,417,320. Funds that are approved but unspent, are carried over to the following budget year. The 2007 budget contains approximately \$63 million of prior year budgeted funds (carryover) the majority of which is for the Mobile Communications Project at \$35.2 million and Peninsula Park & Ride at \$14.5 million. Expenditures are supported by \$13 million in grant revenue primarily from the Federal Transit Administration. Operating costs or anticipated savings associated with significant non-routine capital expenditures such as personnel, maintenance, and utility costs have been included in the budgets of the responsible division.

Operating costs or anticipated savings associated with significant non-routine capital expenditures such as personnel, maintenance, and utility costs have been included in the budgets of the responsible division.

The outlook for the future includes emphasis on regional, state, and county-wide competitive fund applications.

The 2007 budget is presented on the next page by major categories of expenditures. Prior year budgeted but unspent amounts are shown as carryovers from the 2006 budget.



**2007 BUDGET
CAPITAL BUDGET**

	<u>Carryover</u>	<u>New</u>	<u>Total</u>
Revenue Vehicles			
Buses - 21 expansion (10 delivered in 2007, 11 delivered in 2008)	\$ -	\$ 12,859,640	\$ 12,859,640
Vanpool Vans - 44 replacement, 20 expansion,			
Bus PLUS - 7 expansion,			
Shuttle Vehicles - 15 replacement			
Passenger Facilities and Amenities			
Parkland Transit Center, Peninsula Park and Ride Project,	17,551,323	1,944,495	19,495,818
Renovation of Tacoma Community College, Tacoma Mall			
Base Facilities			
Incremental expansion to existing base to increase capacity and efficiency including reconfiguration of base parking and circulation, addition of operators lobby to headquarters building, new bus wash and safety improvements to Building 1	5,241,716	6,624,904	11,866,620
Technology			
Mobile Communications Project and Regional Fare Coordination Project	38,680,094	742,212	39,422,306
Other			
Support Vehicles, Administrative and Maintenance Equipment	1,165,620	607,316	1,772,936
	<u>\$ 62,638,753</u>	<u>\$ 22,778,567</u>	<u>\$ 85,417,320</u>



2007 BUDGET CAPITAL IMPROVEMENTS SUMMARY

The 2007 Capital Budget is responsive to voter's direction and is comprised of the following categories:

Revenue Vehicles – 14%

Provide customers a comfortable and reliable mode of transportation

Passenger Facilities & Amenities – 32%

Serve as the “front door” to the transit system

Base Facilities – 8%

Support the growth of the Agency

Technology – 41%

Improve information and services to the public

Other – 5%

Maintain equipment

The 2007 Capital Budget consists largely of continuation of major multi-year projects such as Mobile Communications System Project, Peninsula Park and Ride and Base Expansion. In addition Pierce Transit is able to continue service expansion as promised to the voters with the increase of the sales tax to sixth tenths of one percent in 2002. Additional vehicles are scheduled for purchase to continue expansion of service.

Revenue Vehicles - Pierce Transit currently operates a fleet of 174 buses, 103 SHUTTLE vehicles, 10 BusPLUS vehicles and 290 vanpool vans. Revenue vehicles are replaced on a regular cycle. The replacement schedule meets or exceeds Federal Transit Administration requirements that a vehicle not be taken out of service prior to the completion of its useful life. With recent replacements, Pierce Transit has a fixed route fleet with an average age of 5.5 years. In 2007, Pierce Transit will replace 44 vanpool vans and 15 SHUTTLE vehicles. The 2007 budget calls for the purchase of 21 expansion buses, 10 to be delivered in 2007 and 11 delivered in 2008. These buses will be used for expanded service on the Gig Harbor Peninsula and schedule reliability improvements. The 2007 budget also calls for 20 expansion vanpool vans and 7 expansion BusPLUS vehicles.

Passenger Facilities & Amenities – Pierce Transit continues to work on the Peninsula Park and Ride project, located on the Gig Harbor Peninsula on SR-16 immediately west of the existing Kimball Park and Ride Project. The project is divided into two phases. Phase I includes parking spaces for approximately 400-500 vehicles and a new pedestrian bridge linking the new park and ride with the existing Kimball Drive Park and Ride. Phase II consists of a median in-line station on SR-16. Additional funds are budgeted in 2007 to undertake environmental work and final design for Phase II of the project. The Peninsula Park and Ride Project, Phase I and II, is designed to take advantage of the new incentives to transit and high occupancy vehicles following the opening of the new Tacoma Narrows Bridge in 2007.



2007 BUDGET CAPITAL IMPROVEMENTS SUMMARY

Additionally, Pierce Transit is undertaking the renovation of a number of existing older transit centers. The Parkland Transit Center and Park and Ride Facility, located on SR-7 near Pacific Lutheran University, is one of the older transit centers in the Pierce Transit system. It is in need of updating and a complete renovation of the center was budgeted for 2006. This work will expand the bus capacity and make the center more welcoming for passengers. Final design is complete and construction will be undertaken in 2007. Additional funds are budgeted in 2007 for construction of the Parkland Transit Center project.

In addition to the two major projects mentioned above, Pierce Transit is undertaking renovation of a number of its older transit centers such as Tacoma Community College and Tacoma Mall Transit Center. Additional work will be done at Tacoma Mall to resolve problems with significant cracking of the concrete paving within the center.

Looking to the future, Pierce Transit will be undertaking a study in 2007 of the need for future park and ride locations in the Pierce Transit service area. While the study will be system-wide, there will be emphasis on the Mid-county area. Pierce Transit is currently anticipating that there will be up to three new park and ride facilities constructed in the next six-year time period.

Base Facilities – Pierce Transit is undertaking an incremental expansion of its existing base so that it can respond flexibly to changing needs, especially related to the need to accommodate the Sound Transit buses operated by Pierce Transit as well as the Pierce Transit fleet. Accordingly, the 2007 budget includes a number of incremental improvements to expand the efficiency and capacity of the existing Main Base while postponing longer term decisions until additional planning with Sound Transit is completed. Most of these projects are continuation of work carried over from the 2006 budget. These improvements include such work as the reconfiguration of parking and circulation on the base, and improvements to visitor parking. The 2007 budget includes additional funds for expansion of Building 4, the Administration Building, to provide a



2007 BUDGET CAPITAL IMPROVEMENTS SUMMARY

larger operators' lobby and additional office space. New projects in 2007 also include a replacement bus washer and some safety improvements to Building 1, the Maintenance Building. New funds are budgeted for environmental work and final design of a South Base Auto Facility.

Technology – Pierce Transit continues to work on the Mobile Communications System Project. This is a multi-year project. No new funds for Mobile Communications have been budgeted in 2007. This project will replace and upgrade radios in the Pierce Transit fleet. In addition, it will provide new data capabilities including voice dispatch, data messaging, and automatic vehicle location for both fixed route and demand response vehicles.

Pierce Transit continues to work with regional partners on the Regional Fare Coordination Project (Smart Card). The project moved into the beta or testing phase in 2006. Implementation is scheduled to occur in 2007.

Other technology projects include routine replacement and upgrades to information systems in place. The Agency will also undertake a study of needs for a document management and records compliance system study.

Other – Other capital improvements include support vehicles, and maintenance and administrative equipment.

Carryover funds – Funds are carried over from the previous budget year for projects in process. For example, there are no new funds budgeted for the Mobile Communication Project as it will be utilizing previously budgeted funds.



2007 BUDGET CAPITAL IMPROVEMENTS SUMMARY

A Capital Budget by department / division and project indicating carryover, new, local, and grant funds with information for the 2007 budget, 2006 estimated expenditures and prior year expenditures follows. The project grand total shows expenditures to date but does not reflect planned expenditures beyond 2007.

Changes to 2007 Capital Budget development process:

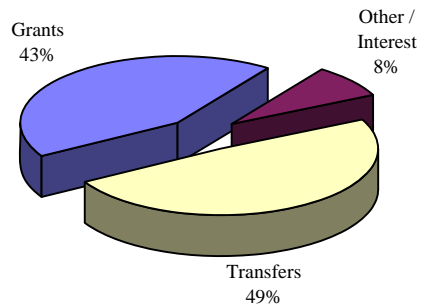
Pierce Transit continues to make changes to the Capital Budget development process. Starting in 2005, a business case was required for all capital projects. The business case provides information on the project plan, schedule and costs. The business cases were reviewed by the Capital Planning and Budget Committee, a committee composed of Pierce Transit managers representing all departments. The project requests were evaluated as to project readiness, degree that they supported goals and objectives of the Strategic Business Plan and degree that they were necessary to maintain the existing system.

Additional improvements that were implemented for development of the 2006 Budget include training on how to prepare a business case; requiring a business case for projects in the out years of the six-year financial plan; and, emphasis on early coordination of the proposed business cases between departments and divisions.

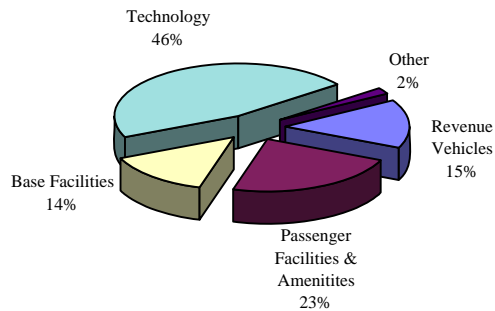
Changes to the 2007 process included simplifying the development of out year business cases and improving business case format and information.



Capital Revenues & Transfers



Capital Expenditures



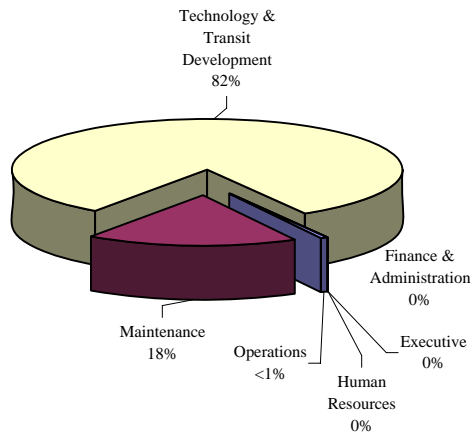
2007 BUDGET CAPITAL SUMMARY

(rounded to the nearest \$100)					
	2005	2006	2006	2007	% CHANGE
	YEAR-END	AMENDED	YEAR-END		2007 TO
	ACTUALS	BUDGET	ESTIMATE	BUDGET	2006 EST.
CAPITAL REVENUES					
REVENUES					
Grants	\$14,308,600	\$15,055,400	\$9,498,900	\$13,212,000	39.1%
Bonds	0	10,000,000	0	0	0.0%
Other Capital Revenue / Interest	1,179,700	1,590,500	2,422,000	2,431,800	0.4%
REVENUE	15,488,300	26,645,900	11,920,900	15,643,800	31.2%
TRANSFERS					
Capital	3,946,700	0	0	0	0.0%
Capital Reserve	15,387,200	3,500,000	3,500,000	15,000,000	328.6%
TRANSFERS	19,333,900	3,500,000	3,500,000	15,000,000	
CAPITAL REVENUES	34,822,200	30,145,900	15,420,900	30,643,800	98.7%
BEGINNING BALANCE					
Capital Reserve	33,935,800	48,808,300	56,433,500	59,717,800	5.8%
TOTAL CAPITAL REVENUES AND BEGINNING BALANCE	68,758,000	78,954,200	71,854,400	90,361,600	25.8%
CAPITAL EXPENDITURES					
CAPITAL ACQUISITION					
Revenue Vehicles	12,549,000	7,653,500	7,653,600	12,859,700	68.0%
Passenger Facilities & Amenities	1,204,800	17,623,600	916,400	19,495,800	2027.4%
Base Facilities	5,243,900	4,318,200	1,004,200	11,866,600	1081.7%
Technology	2,016,800	40,768,600	1,562,700	39,422,300	2422.7%
Other	1,242,200	2,582,300	999,700	1,772,900	77.3%
CAPITAL EXPENDITURES	22,256,700	72,946,200	12,136,600	85,417,300	603.8%
ENDING BALANCE					
Capital Reserve	46,501,300	6,008,000	59,717,800	4,944,300	-91.7%
TOTAL CAPITAL EXPENDITURES AND ENDING BALANCE	\$68,758,000	\$78,954,200	\$71,854,400	\$90,361,600	25.8%





2007 Total Capital Budget



2007 CAPITAL BUDGET SUMMARY BY DEPARTMENT

Department	2007 Capital Budget			2007 Funding	
	2006 Carryover Amount	2007 New	2007 Total Budget	Local	Grant
Operations	\$ 328,690	\$ 76,000	\$ 404,690	\$ 404,690	\$ -
Maintenance	353,699	14,613,956	14,967,655	12,210,151	2,757,504
Technology & Transit Development	61,956,364	8,088,611	70,044,975	59,067,381	10,977,593
Executive	-	-	-	-	-
Finance & Administration	-	-	-	-	-
Human Resources	-	-	-	-	-
Agency Total	\$ 62,638,753	\$ 22,778,567	\$ 85,417,320	\$ 71,682,222	\$ 13,735,097

Department	Total			Project Grand Total
	Prior Years Expenditures	2006 YE Estimate	2007 Total Budget	
Operations	\$ -	\$ 8,680	\$ 404,690	\$ 413,370
Maintenance	566,709	8,765,973	14,967,655	24,300,337
Technology & Transit Development	10,610,948	3,272,126	70,044,975	83,928,049
Executive	-	-	-	-
Finance & Administration	-	89,776	-	89,776
Human Resources	-	-	-	-
Agency Total	\$ 11,177,657	\$ 12,136,555	\$ 85,417,320	\$ 108,731,532



2007 CAPITAL BUDGET BY DIVISION / PROJECT

Department / Division / Project Title	Project Number	Project Grand Total	Prior Years Expenditures	2006 YE Estimate	2007 Project Budget			2007 Project Funding	
					2006 Carryover Amount	New 2007 Projects	Total 2007 Budget	Local	Grant
OPERATIONS									
Service Coordination (644000)									
1. Dispatch IVR System	151	\$ 213,870	\$ -	\$ 180	\$ 213,690	\$ -	\$ 213,690	\$ 213,690	\$ -
2. DOT Traffic Cameras	152	80,000	-	-	80,000	-	80,000	80,000	-
3. Hastei Sign-Out Upgrade	231	26,000	-	-	-	26,000	26,000	26,000	-
Division Subtotal		319,870	-	180	293,690	26,000	319,690	319,690	-
Transit Public Safety (645000)									
4. Emergency Warning System-Bldg 5	153	35,000	-	-	35,000	-	35,000	35,000	-
5. LYNX Instant Network Comm. System	154	8,500	-	8,500	-	-	-	-	-
6. Physical Security Enhanc.-Bldgs 1 & 2Ltd Access	230	50,000	-	-	-	50,000	50,000	50,000	-
Division Subtotal		93,500	-	8,500	35,000	50,000	85,000	85,000	-
Department Total		413,370	-	8,680	328,690	76,000	404,690	404,690	-
MAINTENANCE									
Facilities Maintenance (653000)									
7. Base Facility Replacement									
Headquarters Roof	06548	706,474	566,709	139,765	-	-	-	-	-
HVAC Replacements 2006	156	80,133	-	80,133	-	-	-	-	-
West Base Pavement Repl. 2006	158	234,329	-	-	234,329	-	234,329	234,329	-
Bus Wash Replacement	232	450,000	-	-	-	450,000	450,000	450,000	-
Replace Underground Bus Shop Hoists	233	574,000	-	-	-	574,000	574,000	574,000	-
Building 1 Improvements	235	158,000	-	-	-	158,000	158,000	158,000	-
8. Fleetwatch Expansion	157	224,066	-	163,773	60,293	-	60,293	60,293	-
9. TCC Pavement Repl. 2006	159	71,890	-	12,813	59,077	-	59,077	59,077	-
10. Commerce Street Facility Improvements	234	50,000	-	-	-	50,000	50,000	50,000	-
Division Subtotal		2,548,892	566,709	396,484	353,699	1,232,000	1,585,699	1,585,699	-
Maintenance: Bus (652000)									
11. Bus Purchase 2006	160	5,925,000	-	5,925,000	-	-	-	-	-
12. Bus Purchase 2007	236	9,409,000	-	-	-	9,409,000	9,409,000	8,840,200	568,800
13. Maintenance Equipment:									
Bead Blaster	161	7,000	-	7,000	-	-	-	-	-
Rotating Electric Tester	237	60,000	-	-	-	60,000	60,000	60,000	-
Wheel Lift	238	6,000	-	-	-	6,000	6,000	6,000	-
Paint Booth Personnel Lift	239	40,000	-	-	-	40,000	40,000	40,000	-
Oil Filter Crusher	240	9,000	-	-	-	9,000	9,000	9,000	-
Division Subtotal		15,456,000	-	5,932,000	-	9,524,000	9,524,000	8,955,200	568,800
Maintenance: Automotive (651000)									
14. Support Vehicle Acquisition									
Support Vehicle Replacement 2006	162	665,089	-	665,089	-	-	-	-	-
Support Vehicle Expansion 2006	163	31,000	-	31,000	-	-	-	-	-
Support Vehicle Replacement 2007	243	336,825	-	-	-	336,825	336,825	336,825	-
Support Vehicle Expansion 2007	244	54,888	-	-	-	54,888	54,888	54,888	-



2007 CAPITAL BUDGET BY DIVISION / PROJECT

Department / Division / Project Title	Project Number	Project Grand Total	Prior Years Expenditures	2006 YE Estimate	2007 Project Budget			2007 Project Funding	
					2006 Carryover Amount	New 2007 Projects	Total 2007 Budget	Local	Grant
15. Shuttle & Bus PLUS Acquisition									
Shuttle Replacement 2006	164	672,560	-	672,560	-	-	-	-	-
Shuttle Replacement 2007	241	1,079,880	-	-	-	1,079,880	1,079,880	215,976	863,904
Bus PLUS Expansion 2007	247	834,760	-	-	-	834,760	834,760	834,760	-
16. Vanpool Acquisition									
Vanpool Replacement 2006	165	1,056,000	-	1,056,000	-	-	-	-	-
Vanpool Replacement 2007	245	1,056,000	-	-	-	1,056,000	1,056,000	211,200	844,800
Vanpool Expansion 2007	246	480,000	-	-	-	480,000	480,000	-	480,000
17. Auto Shop Diagnostic Equipment	242	15,603	-	-	-	15,603	15,603	15,603	-
18. Shop Diagnostic Tool	166	12,840	-	12,840	-	-	-	-	-
Division Subtotal		6,295,445	-	2,437,489	-	3,857,956	3,857,956	1,669,252	2,188,704
Department Total		24,300,337	566,709	8,765,973	353,699	14,613,956	14,967,655	12,210,151	2,757,504

TECHNOLOGY & TRANSIT DEVELOPMENT

Construction Projects (411000)

19. Base Facility Expansion:									
Base Facility Expansion Phase II-Building 5	221	1,187,500	535,752	651,748	-	-	-	-	-
Building 4 Expansion	167	5,702,011	29,325	4,516	790,631	4,877,539	5,668,170	4,697,296	970,874
100th Street Driveway, Gate & Frontage	216	55,875	-	-	55,875	-	55,875	55,875	-
South Base Capacity	217	1,562,709	146,962	-	1,415,747	-	1,415,747	1,415,747	-
Main Base Capacity	218	1,458,167	29,327	43,398	1,385,442	-	1,385,442	1,385,442	-
96th Street Frontage & Gate	219	615,377	29,328	50,000	536,049	-	536,049	536,049	-
CNG Fueling 4th Compressor	220	498,477	82,846	-	415,631	-	415,631	83,126	332,504
Lakewood Mini Bus Shop	173	455,222	56,114	26,096	373,012	-	373,012	373,012	-
South Base Auto Facility	251	475,365	-	-	-	475,365	475,365	475,365	-
20. Roy Y Park & Ride Redevelopment	168	596,272	-	-	596,272	-	596,272	596,272	-
21. Park & Ride Study	169	309,000	-	-	309,000	-	309,000	309,000	-
22. Parkland Transit Center	170	906,576	-	18,567	602,568	285,441	888,009	177,602	710,407
23. Peninsula Park & Ride									
Peninsula Park & Ride	171	14,829,910	272,299	78,314	14,479,297	-	14,479,297	10,377,487	4,101,810
Peninsula Park & Ride Phase II	249	1,327,704	-	-	-	1,327,704	1,327,704	1,327,704	-
24. Tacoma Dome Station Streetscapes:									
Tac Dome Sta Streetscapes	215	2,315,000	1,900,079	414,921	-	-	-	-	-
Tac Dome Sta Streetscapes	215	160,000	100,769	59,231	-	-	-	-	-
Tac Dome Sta Streetscapes	215	246,000	163,716	82,284	-	-	-	-	-
Tac Dome Sta Streetscapes	215	110,000	122,953	(12,953)	-	-	-	-	-
Tac Dome Sta Streetscapes	215	220,000	141,626	78,374	-	-	-	-	-
25. TDS Bike Stations	172	176,658	-	-	176,658	-	176,658	23,849	152,809
26. Passenger Facility Renovation Project	174	987,811	130,130	9,971	847,710	-	847,710	710,847	136,863
27. Tacoma Mall TC Busway Pavement Repair	175	456,800	-	-	225,450	231,350	456,800	411,710	45,090
28. 121st Street Improvements	176	125,000	-	-	125,000	-	125,000	125,000	-
29. SR-7 WSDOT	177	304,759	97,705	-	207,054	-	207,054	207,054	-
30. Advertising Shelters for SR-7 & SR-161	178	187,963	7,907	-	180,056	-	180,056	180,056	-
31. CPTC Signalized Crossing	184	50,000	-	50,000	-	-	-	-	-
32. Pedestrian Signal @ Allenmore	185	135,300	-	5,009	130,291	-	130,291	130,291	-
33. Lakewood Station Signal	248	50,000	-	-	-	50,000	50,000	50,000	-
34. Air Spares TOD	250	125,000	-	-	-	125,000	125,000	125,000	-
Division Subtotal		35,630,456	3,846,838	1,559,476	22,851,743	7,372,399	30,224,142	23,773,784	6,450,357



2007 CAPITAL BUDGET BY DIVISION / PROJECT

Department / Division / Project Title	Project Number	Project Grand Total	Prior Years Expenditures	2006 YE Estimate	2007 Project Budget			2007 Project Funding	
					2006 Carryover Amount	New 2007 Projects	Total 2007 Budget	Local	Grant
<u>Bus Stop Program (412000)</u>									
35. SR-7 Pacific Avenue	222	100,000	93,095	2,931	3,974	-	3,974	795	3,179
36. SR-7 Wal-Mart Layover	180	170,000	124	169,876	-	-	-	-	-
Division Subtotal		270,000	93,219	172,807	3,974	-	3,974	795	3,179
<u>Marketing (441000)</u>									
37. Transit Center Signage	223	100,000	2,385	97,615	-	-	-	-	-
Division Subtotal		100,000	2,385	97,615	-	-	-	-	-
<u>Operations Planning (451000)</u>									
38. Downtown Tacoma Corridor Tech	182	600,000	357,739	26,887	215,374	-	215,374	-	215,374
39. Signal Priority	183	2,121,138	1,960,914	16,562	143,662	-	143,662	-	143,662
40. Signal Priority Investmt. & Deployment Plan	186	52,500	-	-	52,500	-	52,500	52,500	-
Division Subtotal		2,773,638	2,318,653	43,449	411,536	-	411,536	52,500	359,036
<u>Information Systems (262000)</u>									
41. Data Storage Equipment Upgrade	2603	106,090	92,727	13,363	-	-	-	-	-
42. HP Wide Color Plotter	181	15,778	-	15,778	-	-	-	-	-
43. Backup System Replacement	187	83,994	68,590	15,404	-	-	-	-	-
44. Server Replacement									
Server Replacement	189	80,000	-	80,000	-	-	-	-	-
Server Replacement 2007	252	51,800	-	-	-	51,800	51,800	51,800	-
45. Data Storage Upgrade	190	54,636	-	54,636	-	-	-	-	-
46. Network Switch Upgrade	191	36,191	-	36,191	-	-	-	-	-
47. EZ Rider II	196	709,885	610,614	99,271	-	-	-	-	-
48. SHUTTLE Software Replacement	194	1,118,858	879,665	20,096	219,097	-	219,097	219,097	-
49. Marketing Printer/Plotter Replacement 2007	253	45,000	-	-	-	45,000	45,000	45,000	-
50. Storage Area Network Upgrade 2007	254	25,000	-	-	-	25,000	25,000	25,000	-
51. Hastus Upgrade 2007	255	304,412	-	-	-	304,412	304,412	304,412	-
52. ESX Virtual Disaster System	256	40,000	-	-	-	40,000	40,000	40,000	-
Division Subtotal		2,671,644	1,651,596	334,739	219,097	466,212	685,309	685,309	-
<u>Project Management (263000)</u>									
53. Finance/Maintenance System Replacement	192	1,097,187	948,318	80,633	68,236	-	68,236	68,236	-
54. Mobile Communications Project	193	36,211,001	412,319	599,549	35,199,133	-	35,199,133	33,848,792	1,350,341
55. Regional Fare Coordination Project (Smart Card):									
Boeing	197	43,050	-	-	43,050	-	43,050	-	43,050
Fare Integration	197	1,077,593	1,039,165	38,428	-	-	-	-	-
ITS (ST)	197	380,729	-	-	380,729	-	380,729	-	380,729
Metro Formula	197	890,168	187,312	198,238	504,618	-	504,618	-	504,618
ST Fare Integ Fund(ST)	197	1,886,283	-	-	1,886,283	-	1,886,283	-	1,886,283
ST Technology	197	258,300	111,143	147,157	-	-	-	-	-
56. Document Mgmt & Records Compliance System	199	275,000	-	35	24,965	250,000	274,965	274,965	-
57. Digital Camera System for Buses	200	363,000	-	-	363,000	-	363,000	363,000	-
Division Subtotal		42,482,311	2,698,257	1,064,040	38,470,014	250,000	38,720,014	34,554,993	4,165,021
Department Total		83,928,049	10,610,948	3,272,126	61,956,364	8,088,611	70,044,975	59,067,381	10,977,593



2007 CAPITAL BUDGET BY DIVISION / PROJECT

Department / Division / Project Title	Project Number	Project Grand Total	Prior Years Expenditures	2006 YE Estimate	2007 Project Budget			2007 Project Funding	
					2006 Carryover Amount	New 2007 Projects	Total 2007 Budget	Local	Grant
FINANCE AND ADMINISTRATION									
<u>Purchasing & Warehousing (231000)</u>									
58. Copier Replacement Program 2006	201	75,000	-	75,000	-	-	-	-	-
Division Subtotal		75,000	-	75,000	-	-	-	-	-
<u>Accounting (241000)</u>									
59. Coin Sorter	202	14,776	-	14,776	-	-	-	-	-
Division Subtotal		14,776	-	14,776	-	-	-	-	-
Department Total		89,776	-	89,776	-	-	-	-	-
Grand Total		\$ 108,731,532	\$ 11,177,657	\$ 12,136,555	\$ 62,638,753	\$ 22,778,567	\$ 85,417,320	\$ 71,682,222	\$ 13,735,097



2007 BUDGET CAPITAL BUDGET OPERATING COSTS

In brief:

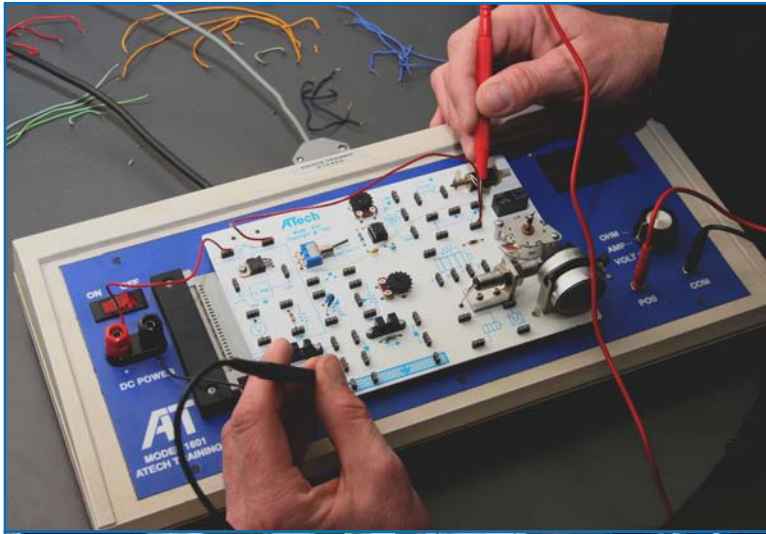
- Operating budgets have been adjusted according to the capital projects scheduled level of performance.
- Current operating costs have been replaced and/or adjusted on replacement equipment.
- Savings associated with capital projects have been recognized.
- A project business case, including cost and savings impacts, is submitted by the project manager to the Capital Planning and Budget Committee for review.

The Capital Budget estimated operating cost increases for 2007 are included in the Operating Budget of the appropriate division. Operating cost increases in subsequent years will be recognized in the appropriate year and incorporated in the Six-Year Financial Plan.

1. Vanpool Vehicle Expansion – Cost \$71,953
Maintenance for four months
2. Bus Expansion – Cost \$101,700
Maintenance
3. Peninsula Park and Ride Phase I – Cost \$15,000
Maintenance
4. Hastus Upgrade – Cost \$79,000
Support and maintenance contract
5. ESX Virtual Disaster System – Cost \$2,500
Support

The Capital Budget estimated operating cost savings for 2007 are included in the Operating Budget of the appropriate division. Operating cost savings in subsequent years will be recognized in the appropriate year and incorporated in the Six-Year Financial Plan.

1. Bus Replacement – Savings \$105,420
Maintenance
2. Hastei Sign-out Upgrade – Savings \$6,800
Personnel



Maintenance Trainer Selected to National Standards Development Program

American Public Transportation Association (APTA) Standards Development Program selected Pierce Transit Maintenance Trainer Mel Munsterman to serve on the Maintenance Training Standards Committee.

The Committee meets quarterly to assemble a list of competencies necessary to accomplish specific transit maintenance tasks, including air brake and HVAC system repair, electrical and electronics diagnostics, and advanced diesel engine troubleshooting and repair.

*Consensus-based standards make measurable management
and operational improvements to transit organizations.*

The Committee consists of representatives from mechanics and union leadership, management, and occasionally vendors; all of which are considered subject-matter experts. The information that is assembled by the Committee is used to create a study guide for the Automotive Service Excellence (ASE) Certification process. Subsequently, lesson plans are created and made available to all APTA members and organizations.

Standards have become an important program activity at APTA and in the public transportation industry. Hundreds of industry volunteers serving on numerous working committees have developed standards for bus, rail transit and commuter rail operations, maintenance, procurement, and intelligent transportation systems. These consensus-based standards are making measurable improvements to the management and operations of these organizations. These standards are now being used to achieve operational efficiencies and safety improvements in services, facilities, and vehicles. Until APTA began a safety standards program, these standards were lacking in the transit industry.



Pierce Transit **BUDGET** 2007

Insurance Budget

Insurance
Budget



2007 BUDGET INSURANCE BUDGET

In brief:

Three categories of self-insurance -

Liability

Workers' Compensation

Unemployment Insurance

Reserve Requirement -

\$4,000,000

In 2007 -

A decrease of \$686,300 from the 2006 Budget results from improved claims experience.

The Insurance Fund is used exclusively as a means of isolating and identifying all monetary transactions pertaining to administering the Agency's self-insurance programs including payment of claims, unemployment compensation benefits, and expenses to administer the self-insurance programs such as attorney fees and legal costs, supplemental insurance fees, and third party administration charges, and to the accumulation of cash reserves for such purposes.

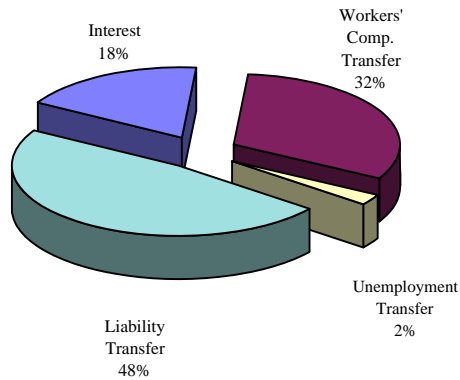
The reserve level is set to adequately protect the Agency from self-insurance risks. The risks associated with self-insurance and the adequacy of the reserve fund level is evaluated annually, with an appropriate contribution made to the insurance reserve to meet continued self-insurance requirements and to insulate the Agency from impacts on the operating budget associated with self-insurance claims. Any transfers, appropriations, or expenditure of the funds deposited in the insurance reserve fund require approval of the Board of Commissioners. The reserves generate interest earnings estimated at \$193,500 in 2007.

To augment the liability insurance fund, the Agency will purchase supplemental liability insurance of \$16 million in excess of \$1 million deductible to ensure that the Agency has sufficient liability coverage to pay unusual and catastrophic claims without impacting operations. In addition, supplemental workers' compensation insurance will be purchased in the amount of \$25 million per occurrence. This insurance is in excess of the \$1 million self-insurance retention (deductible).

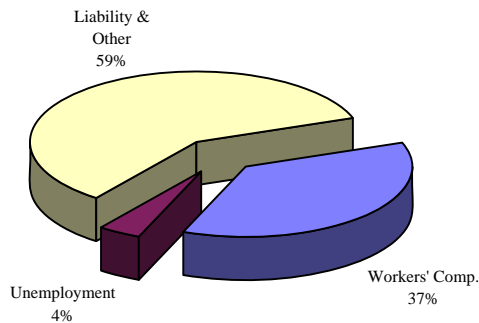
An Insurance Summary provides a comparison of the 2007 Budget with 2006, and 2005. The insurance expenditures by account category are also included. Property and liability insurance costs are included in the Operating Budget.



Insurance Revenues



Insurance Expenditures



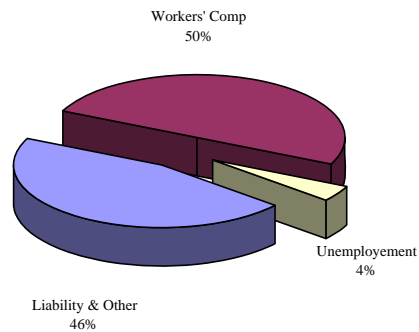
2007 BUDGET INSURANCE SUMMARY

(rounded to the nearest \$100)	2005 YEAR-END ACTUALS	2006 AMENDED BUDGET	2006 YEAR-END ESTIMATE	2007 BUDGET	% CHANGE 2007 TO 2006 EST.
INSURANCE REVENUES					
REVENUES					
Liability Insurance Interest	\$183,900	\$71,800	\$146,500	\$114,400	-21.9%
Workers' Comp. Interest	38,500	53,700	47,600	71,000	49.2%
Unemployment Insurance Interest	16,300	4,000	20,100	8,100	-59.7%
REVENUES	238,700	129,500	214,200	193,500	-9.7%
TRANSFERS					
Liability Insurance Transfer	456,900	770,800	770,700	511,400	-33.6%
Workers' Comp. Transfer	405,200	475,700	475,800	338,400	-28.9%
Unemployment Insurance Transfer	28,500	35,900	35,900	24,500	-31.8%
TRANSFERS	890,600	1,282,400	1,282,400	874,300	
REVENUES AND TRANSFERS	1,129,300	1,411,900	1,496,600	1,067,800	-28.7%
BEGINNING BALANCES					
Liability Insurance	3,751,100	3,410,800	3,582,800	3,341,600	-6.7%
Workers' Comp. Insurance	1,498,700	719,900	679,800	428,100	-37.0%
Unemployment Insurance	1,095,200	1,049,500	1,092,300	1,068,300	-2.2%
BEGINNING BALANCES	6,345,000	5,180,200	5,354,900	4,838,000	-9.7%
TOTAL INSURANCE REVENUES AND BEGINNING BALANCES	7,474,300	6,592,100	6,851,500	5,905,800	-13.8%
INSURANCE EXPENDITURES					
Liability and Other Insurance	798,500	1,437,100	1,158,500	1,125,800	-2.8%
Workers' Comp. Insurance	1,272,500	1,075,000	775,000	700,000	-9.7%
Unemployment Insurance	48,400	80,000	80,000	80,000	0.0%
INSURANCE EXPENDITURES	2,119,500	2,592,100	2,013,500	1,905,800	-5.3%
ENDING BALANCES					
Liability Insurance	3,593,300	2,816,100	3,341,600	2,841,600	-15.0%
Workers' Comp. Insurance	669,900	174,400	428,100	137,500	-67.9%
Unemployment Insurance	1,091,600	1,009,500	1,068,300	1,020,900	-4.4%
ENDING BALANCES	5,354,800	4,000,000	4,838,000	4,000,000	-17.3%
TOTAL INSURANCE EXPENDITURES AND ENDING BALANCES	\$7,474,300	\$6,592,100	\$6,851,500	\$5,905,800	-13.8%



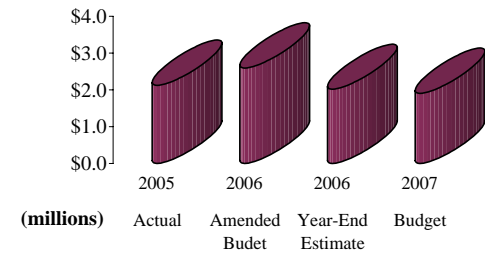
2007 BUDGET INSURANCE EXPENDITURE COMPARISON

Insurance Expenditure Comparison

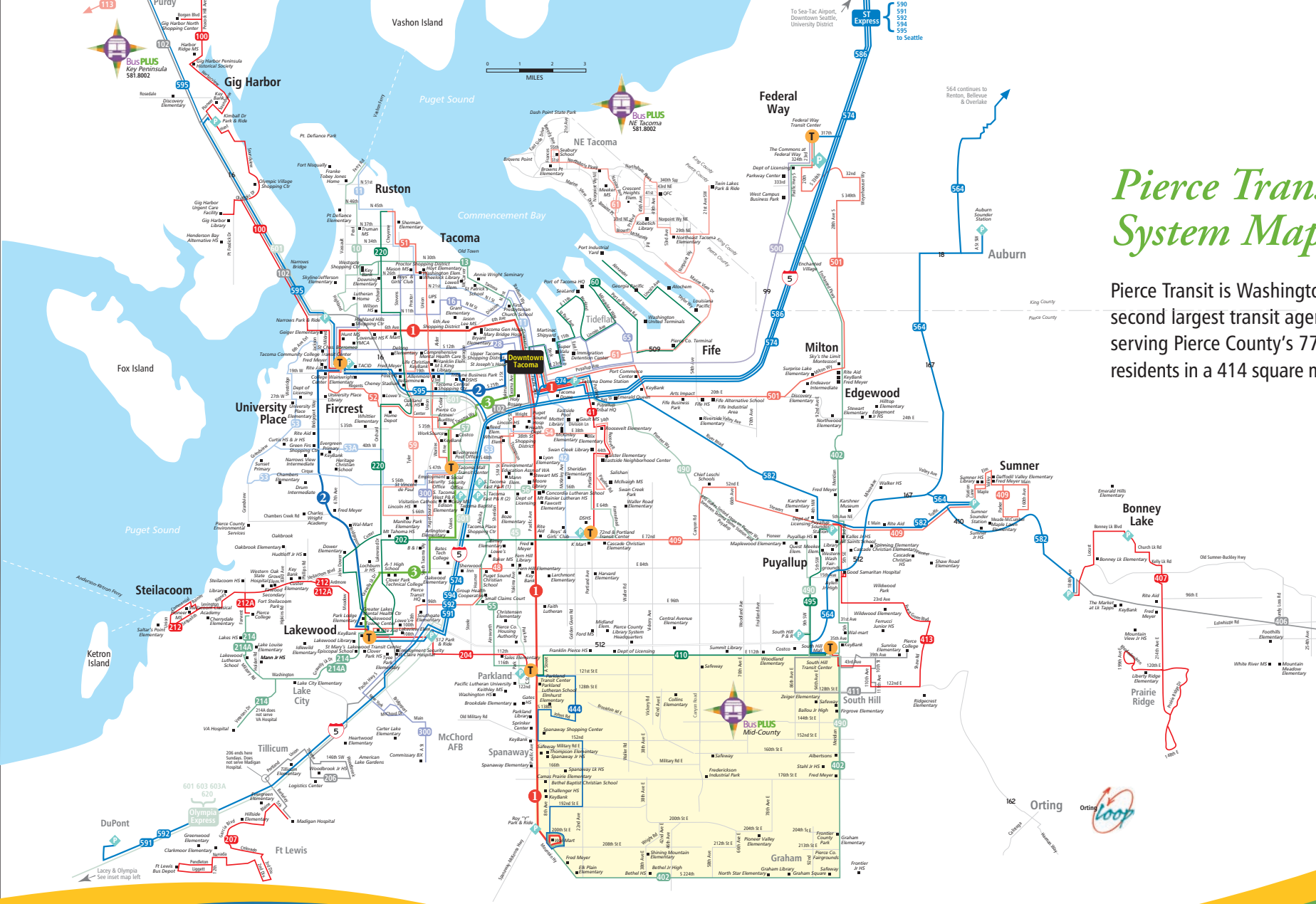


Description	2005		2006		2006		2007		% Change	
	ACTUAL		AMENDED BUDGET		YEAR END ESTIMATE		BUDGET		2007 Budget to 2006 YE EST.	2007 Budget to 2006 Budget
Liability and Other Insurance										
Liability	\$ 238,408	\$	870,368	\$	625,000	\$	525,000		-16.00%	-39.68%
Light Duty	127,156		170,000		150,000		155,000		3.33%	-8.82%
Professional Services	86,001		111,000		92,700		95,000		2.48%	-14.41%
Legal Services	133,318		135,000		90,000		100,000		11.11%	-25.93%
Other Expenses	354		750		750		750		0.00%	0.00%
Liability & Other Insurance	585,237		1,287,118		958,450		875,750		-8.63%	-31.96%
Workers' Comp. Insurance	1,485,813		1,225,000		975,000		950,000		-2.56%	-22.45%
Unemployment Insurance	48,440		80,000		80,000		80,000		0.00%	0.00%
TOTAL SELF-INSURANCE	\$ 2,119,490	\$	2,592,118	\$	2,013,450	\$	1,905,750		-5.35%	-26.48%

Expenditure Summary







Pierce Transit System Map

Pierce Transit is Washington's second largest transit agency, serving Pierce County's 775,000 residents in a 414 square mile area.



Pierce Transit **BUDGET** 2007

Appendix



2007 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
CAFR – Comprehensive Annual Financial Report
CNG – Compressed Natural Gas
CTR – Commute Trip Reduction
DOT – Department of Transportation
FTA – Federal Transit Administration
FY – Fiscal Year
GFOA – Government Finance Officers Association
ISTEA – Intermodal Surface Transportation Efficiency Act
JARC – Job Access and Reverse Commute
PCEI – Pierce County Economic Index
PL – Public Law
PT – Pierce Transit
PTBA – Public Transportation Benefit Area
RCW – Revised Code of Washington
SAFETEA-LU – Safe, Accountable, Flexible, Efficient Transportation Equity Act
SEA-TAC – Seattle Tacoma
SHUTTLE – Specialized Transportation
ST – Sound Transit
SUV – Special Use Van
TANF – Temporary Aid to Needy Families
TDP – Transit Development Plan
TDS – Tacoma Dome Station
UZA – Urbanized Area
VP – Vanpool
USDOT – United States Department of Transportation
WSDOT – Washington State Department of Transportation
YE – Year End



2007 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 expenditures 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 Transit 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.



2007 BUDGET GLOSSARY

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.

Bus PLUS – Bus PLUS means transit services differentiated from fixed route service by customer-initiated deviations from routes or schedules. Bus PLUS service does not require complementary ADA paratransit service. The service may replace existing fixed route and paratransit service or may be introduced into areas where service has not previously been provided.

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.

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



2007 BUDGET GLOSSARY

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.

Dedicated Funds – A term used to indicate the purposes (insurance or capital) for which the Agency's year-end balances may be used.

Department – An organizational unit responsible for carrying out major Agency functions, such as operations, maintenance, and human resources.

Division – A sub-organizational unit of a Department responsible for achievement of specific Agency objectives such as service coordination, facilities maintenance, and purchasing.

DOT – See USDOT and WSDOT

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

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.



2007 BUDGET GLOSSARY

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. Total express is made up of Seattle Express, which is operated for Sound Transit and other express service representing service to Olympia, Federal Way, and the Gig Harbor Peninsula.

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 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.

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.

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.

Insurance Fund Account – This account reflects the Agency's two self-insured risk management programs: unemployment and liability. Operating funds pay an appropriate premium into this fund, which then pays all 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.



2007 BUDGET GLOSSARY

ISTEA – Intermodal Surface Transportation Efficiency Act of 1991. Legislation authorizing funds for highways and mass transportation for 1992 – 1997.

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 area extends north to Browns Point and Fife, south to Graham and DuPont, west to University Place and Key Center (on the Gig Harbor Peninsula), and east to Enumclaw and Buckley.

Maintenance and Operation Expenditures – 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.

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 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.



2007 BUDGET GLOSSARY

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

Operating Expenditures – This term refers to the outflow of funds paid, or to be paid, for current goods and services.

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 Service 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 (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.



2007 BUDGET GLOSSARY

Reserve – An account used to segregate a portion of fund balance to indicate that it is not available for expenditures; or an account used to segregate a portion of fund equity as legally set aside for a specific future use.

Revenue Hours – A calculation of service based on the number of hours a vehicle is in service providing passenger trips (and is potentially collecting fare revenue). Revenue hours do not include deadhead time but do include layover time between trips.

Revenue Miles – A calculation of service based on the number of miles in which a vehicle is in service providing passenger trips (and is potentially collecting fare revenue).

Revenue per Passenger – The amount of revenue received per passenger trip. This is calculated by dividing the total number of passenger trips by the total amount of fares collected.

Revenue Vehicle – Any vehicle which provides service resulting in fare revenue for the Agency.

SAFETEA-LU – Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. Reauthorization of the federal surface transportation program covering the time periods 2005-2009.

Sales Tax – Tax on certain forms of consumption levied by the State of Washington within the service district for the Agency in the amount of six-tenths of one percent (0.6 percent) (effective 7/1/02).

Sea-Tac – The general geographic area between Seattle and Tacoma.

Service Hours – A calculation of service based on the number of hours a vehicle is on the (includes deadhead and drive-time while in service; does not include maintenance and training hours) (also referred to as “Platform Hours”).

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.

2007 BUDGET GLOSSARY

Smart Card – see Regional Fare Coordination Project.

Specialized Transportation – A major Agency program whereby transportation services are provided to the area disabled.

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.

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

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.

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

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, deadhead hours, maintenance, and training 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.



