

TITLE: Adoption of a Continuing Budget for Fiscal Year 2021

DIVISION: Finance

SUBMITTED BY: Brett Freshwaters, Executive Director of Finance & IT (CFO)

RELATED ACTION:

Resolution No. 2019-041, Adoption of the Annual Budget for Fiscal Year 2020
 Resolution No. 2020-015, Establishing a New Classification and Compensation System for Non-Represented Employees and Amending Sections 1.0, 3.0, 4.0, and 7.0 of the Personnel Manual Relating to Classification and Compensation

ATTACHMENTS: Proposed Resolution

RELATION TO STRATEGIC PLAN: Financial

BUDGET INFORMATION

Is it Budgeted? Yes / No

Project Name or Number: N/A

Operating & Insurance Budget

Capital Budget

		EXPLANATION:
Operating	\$ 155,163,407	Adopt a continuing budget for fiscal year 2021.
Insurance	\$ 2,891,330	

BACKGROUND:

The 2021 budget process was scheduled to be completed on a normal timeline, with adoption in December, until the Coronavirus Disease-2019 (Covid-19) pandemic altered the trajectory of the economy and added considerable uncertainty to revenue projections.

Pierce Transit has delayed the development of the 2021 annual budget to allow more time to evaluate revenue projections and adjust expenditures in order to ensure a balanced budget. The Federal Cares Act funding has provided temporary funds in 2020 to help bridge the revenue gap. However, continued uncertainty about the impact of the COVID-19 virus on the economy and speed with which a vaccine will be developed and distributed means that revenue assumptions could change significantly from month to month. Therefore, staff proposes to revise the traditional budget calendar and delay the Board review and approval process to the first quarter of 2021. Staff will have a final 2021 budget recommendation ready for adoption no later than the March Board meeting.

The current 2020 Budget authorization is for the calendar year 2020. The 2020 Budget was reviewed, adopted, and amended by the Board of Commissions to its current form and content. The 2020 Amended Budget may be continued in its current form. The Operating Budget is \$155,163,407 and the Insurance Budget is \$2,891,330. Budget positions are authorized up to 993 positions with attendant wage increases. The Capital Budget is approved by project for life-to-date expenditures and unspent funds are automatically carried over to the following budget year, therefore re-authorization is not necessary to continue capital fund expenditures.

STAFF RECOMMENDATION:

Authorize adoption of the 2020 Continuing Budget for fiscal year 2021, until such time as a new 2021 Budget is adopted.

ALTERNATIVES:

Modify the 2020 budget prior to adopting a Continuing Resolution. The Board may at any time throughout the budget year make modifications to the budget. This is not recommended since the new budget will be in place in the first quarter of 2021.

PROPOSED MOTION:

Move to: Approve Resolution No. 2020-023 adopting the 2020 Continuing Annual Budget for Fiscal Year 2021 with attendant wage adjustments and approval of 993 positions until such time as a new budget is adopted.

RESOLUTION NO. 2020-023

1 A RESOLUTION of the Board of Commissioners of Pierce Transit Adopting a Continuing
2 Budget for Fiscal Year 2021
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4 WHEREAS, The Board of Commissioners approved Resolution No. 2019-041 on December 9, 2019,
5 adopting the 2020 Budget; and

6 WHEREAS, the 2021 budget process was scheduled to be completed on a normal timeline, with
7 adoption in December, until the Coronavirus Disease-2019 (Covid-19) pandemic altered the trajectory of the
8 economy and added considerable uncertainty to revenue projections; and

9 WHEREAS, staff proposes to revise the traditional budget calendar and delay the Board review and
10 approval process to the first quarter of 2021; and

11 WHEREAS, the current 2020 Budget authorization is for the calendar year 2020; and

12 WHEREAS, the 2020 Budget was reviewed, adopted, and amended by the Board of Commissioners to
13 its current form and content; and

14 WHEREAS, the 2020 Amended Budget may be continued in its current form; and

15 WHEREAS, the Operating Budget is \$155,163,407 and the Insurance Budget is \$2,891,330; and

16 WHEREAS, budgeted positions are authorized up to 993 positions with attendant wage increases; and

17 WHEREAS, the Capital Budget is approved by project for life-to-date expenditures and unspent funds
18 are automatically carried over to the following budget year, therefore re-authorization is not necessary
19 to continue capital fund expenditures; and

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

21 Section 1. The Board of Commissioners authorizes adoption of the 2020 Continuing Budget for
22 fiscal year 2021, until such time as a new 2021 Budget is adopted.

23 Section 2. The summary of the total estimate expenditures for appropriations for the Operating
24 Budget is \$155,163,407 and Insurance Budget is \$2,891,330.

25 Section 3. The Chief Executive Officer is hereby authorized to staff up to 993 positions with
26 attendant wage adjustments.
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2 ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 14th
3 day of December 2020.

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5 PIERCE TRANSIT

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9 Victoria Woodards, Chair
10 Board of Commissioners
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12 ATTEST/AUTHENTICATED

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14 _____
15 Deanne Jacobson, CMC
16 Clerk of the Board