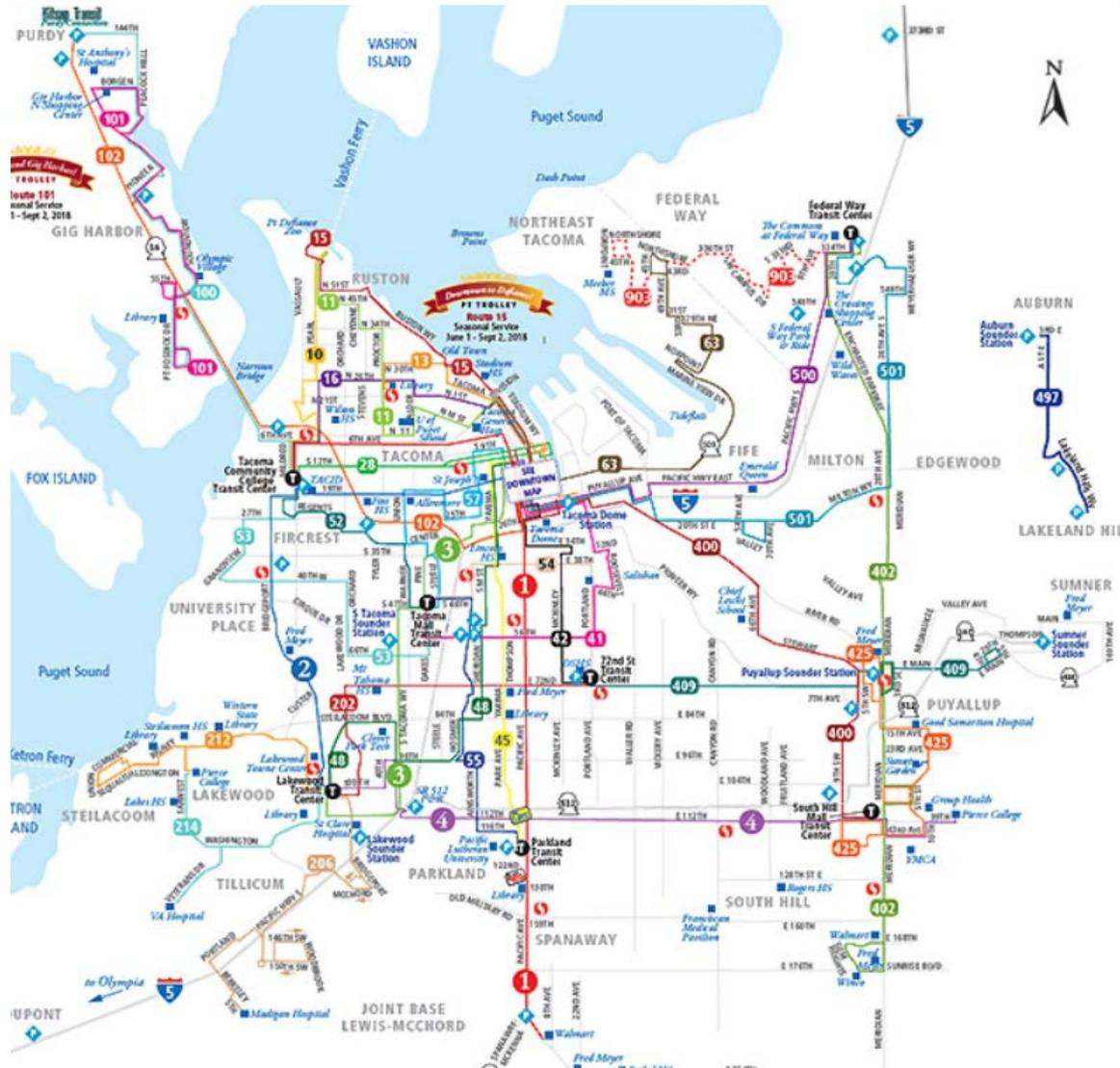


Pierce Transit 2019 Budget

Lakewood, Washington



Pierce Transit SYSTEM MAP

- PARK & RIDE:**
- TRANSIT CENTER:**
- PT ROUTE NUMBER:**
- KC METRO ROUTE NUMBER:**
- PARTICIPATING ORCA RETAILERS:**



Mission Statement

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

Strategic Priorities

Customer: *Provide transportation services that meet our current and potential customers' needs.*

Internal: *Develop a culture which fosters safety, collaboration, data-driven decisions and innovation.*

Financial: *Act with financial accountability and transparency as stewards of the public trust.*

Employee: *Attract, cultivate, and maintain an engaged workforce.*



2019 BUDGET

Fiscal Year January 1, 2019 through December 31, 2019

SUE DREIER
Chief Executive Officer

Prepared By
The Finance Division

BRETT FRESHWATERS
Executive Director of Finance, CFO

CARON SANDERSON
Budget Coordinator

KELLI DION
Budget Assistant Manager

BARB HUNTER
Grants Administrator

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





**PIERCE TRANSIT
2019 BUDGET
TABLE OF CONTENTS**

*Information is available on Pierce
Transit's website:*

www.piercetransit.org

*Or contact the Pierce Transit Budget
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kdion@piercetransit.org*

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csanderson@piercetransit.org*

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bhunter@piercetransit.org*

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

2019 Budget

Introduction



BOARD OF COMMISSIONERS

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

Pierce Transit is governed by a nine-member Board. The Board is comprised of elected officials representing Pierce County, Tacoma, Lakewood, Puyallup, University Place and the smaller cities and towns in Pierce County.

The governance structure allows for a tenth, non-voting union representative; however, this right is currently not being exercised and the position is vacant.



**Commissioner
Nancy Henderson,
Chair
Town of Steilacoom
Representing Auburn,
Fircrest, Gig Harbor,
Pacific, Ruston and
Steilacoom**



**Commissioner
Daryl Eiding,
Vice Chair
Mayor of Edgewood
Representing Fife,
Milton and Edgewood**



**Commissioner
Don Anderson
Mayor of Lakewood**



**Commissioner
Bruce Dammeier
Pierce County Executive**



**Commissioner
Robin Farris
Puyallup City Council**



**Commissioner
Kent Keel
Mayor of
University Place**



**Commissioner
Ryan Mello
Tacoma City Council**



**Commissioner
Rick Talbert
Pierce County Council**



**Commissioner
Victoria Woodards
Mayor of Tacoma**

**Vacant
Non-Voting Union
Representative**



2019 ORGANIZATIONAL CHART

CITIZENS OF PIERCE COUNTY

BOARD OF COMMISSIONERS

CHIEF EXECUTIVE OFFICER

Sue Dreier

GENERAL COUNSEL

Dana Henderson

CLERK OF THE BOARD/
PUBLIC RECORDS OFFICER
Deanne Jacobson

Office of the CEO

Sue Dreier
Chief Executive Officer

Division Admin
Legal
Communications

**ADMINISTRATION
DIVISION**

Amy Cleveland
Executive Director

Division Admin
Employee Services
Labor Relations
Lean & Workforce Development
Lean & Workforce Development
Talent Management
Bus Safety & Training
Risk Management
Risk Management
Administrative Services

**FINANCE
DIVISION**

Brett Freshwaters
Executive Director

Division Admin
Finance
Department Admin
Accounting
Revenue Accounting
Budget & Analytics
Budgeting
Data Analytics
Information Technology
Department Admin
Information Technology
Procurement
Department Admin
Purchasing
Project Management

**MAINTENANCE
DIVISION**

Skip Huck
Executive Director

Division Admin
Maintenance Training
Facilities
Fleet Maintenance
Department Admin
Automotive
Bus Repair
Warehousing
Radio Program
Department Admin
Bus Radio Systems

**PLANNING & COMMUNITY
DEVELOPMENT
DIVISION**

Ryan Wheaton
Executive Director

Division Admin
Marketing
Field Customer Service
Marketing
Transit Development
Department Admin
Service Planning Admin
Bus Stop Program
Planning
Scheduling
Employer Services Admin
Employer Services
Community Development
Community Development
Capital Planning

**SERVICE & DELIVERY
SUPPORT
DIVISION**

Mike Griffus
Executive Director

Division Admin
Safety
Public Safety
Department Admin
Physical Security
Public Safety Records
Transit Police
Uniform Security
Transportation Operations
Department Admin
Operations Admin
Operations Dispatch
Operations
Paratransit Operations
Service Support
Service Support Admin
Service Support Operations
Customer Service
Specialized Transportation
Department Admin
Paratransit Customer Service
ADA
Vanpool



2019 BUDGET MESSAGE



December 10, 2018

TO: Pierce Transit Board of Commissioners, Citizens and Employees

FROM: Sue Dreier, Chief Executive Officer

I am pleased to present the 2019 Budget for your review and consideration. Pierce Transit continues to be a leader in providing innovative mobility options to new and existing transit riders. In 2018, we implemented key elements of the agency's Strategic Plan, including:

- Our "Limited Access Connections" partnership with Lyft;
- The DriveCam camera safety program is installed on all agency vehicles;
- The Bus Rapid Transit feasibility study is almost complete;
- We renovated and refreshed several Transit Centers/Park & Rides;
- Our electric buses are purchased, furnished and on the road;
- The Tacoma Dome Station midlife refurbishment project is on track to wrap up in early 2019;
- We received funding for real-time bus information displays at transit centers; and
- We have begun implementation of our Base Master Plan.

While these projects and many others got underway in 2018, several will continue into 2019 and later years. They display a focus on safety, a dedication to providing an excellent customer experience, and a desire to provide innovative, tailored mobility options for our customers. The 2019 budget and six-year plan balances caring for our existing infrastructure while also investing in new technologies and mobility options.



2019 BUDGET MESSAGE

In 2017, Pierce Transit successfully restored 45,000 hours of service, and in 2018 we built on those improvements by fine-tuning the routes through scheduling adjustments. I am pleased to announce that these efforts have resulted in increased ridership in 2018, reversing several years of declining ridership trends. Maintaining infrastructure and having a reliable fleet are also significant factors in growing ridership, and the agency has undertaken several projects to ensure we meet both goals. Many new projects that began in 2018 will carry over into 2019, such as the Tacoma Dome Station refurbishment project and work on additional transit centers.

Two major projects that exemplify caring for our existing infrastructure while investing in new mobility options include our planned work on the Base Master Plan (BMP) and the Bus Rapid Transit (BRT) project. The BMP is a multi-year plan to improve the main base and make critical infrastructure upgrades with \$74 million budgeted in the six-year plan first phase. The BRT is a new project that will improve service to our customers on a portion of Pierce Transit's highest-volume local route. It has a total budget of approximately \$150 million, the majority funded by grants and other non-local funds. These two high-profile capital projects will require significant staff and monetary resources for several years. Balancing the short and long-term capital needs with the operating budget and Strategic Plan goals poses the greatest challenge for this and future budget processes.

Economic Condition and Outlook

Pierce Transit's annual budget planning process examines its programs, service and financial operations, along with various economic forecasts, to develop an overall financial outlook. The region's economic growth continues to be steady and moderate, providing sales tax growth to keep pace with inflationary costs of service.



2019 BUDGET MESSAGE

Local economic conditions and retail spending play major roles in the generation of sales tax revenue, which is Pierce Transit's primary source of operating revenue. The economic recovery is in its eighth year; the Puget Sound economy should continue its moderate growth into 2019. Many indicators suggest that the Puget Sound region has been the fastest-growing metropolitan area in the U.S. this decade. Locally, residents continue to move into Pierce County due to higher housing prices in King County. Employment growth has been strong in the service sectors (e.g., information technology, health care, etc.). The Port of Tacoma continues to be a major driver of the Pierce County economy with growth in container volumes.

With slow but steady economic growth over the last several years, consumption has returned to pre-recession levels. Personal income is expected to grow by 4.4% in 2019. Employment growth is expected to slow down to 1.2% in 2019, then leveling off around that level for a few years. Home sales in Pierce County are steady, with buyers from King County increasingly looking south for more affordable options. Personal income growth and increased employment, along with generally positive consumer sentiment, are some of the main drivers of the growth in retail sales. These factors are expected to contribute to a modest growth in Pierce Transit's sales tax revenue.

Pierce Transit's sales tax collections are forecasted to increase 6.5% in 2019, with a small bump expected from the Internet sales tax implementation. Sales tax contributes 85% of total budgeted operating revenues in 2019 (excluding Sound Transit regional transit service revenue) and is expected to generate \$93 million in revenue in 2019.



2019 BUDGET MESSAGE

Budget Summary

The 2019 budgeted expenditures for all funds are approximately \$304.7 million, balanced by expected revenues and reserves. While sales tax collections continue to increase at a moderate rate, both operating and capital project costs continue to escalate. Our employees continue to focus their efforts on improving productivity and obtaining grants for service and projects. Pierce Transit fixed route service hours for 2019 are planned to remain steady at approximately 500,000. The budget has 985 positions, with four new FTEs added in 2019.

This budget and service plan support our community by providing transportation access to jobs, school, medical appointments, shopping, and events. It also supports economic development, reduction in carbon emissions and congestion, and provides a lifeline access for those without cars in a growing population. We remain committed to conducting innovative pilot projects to better serve our community, such as continuing to test micro transit projects in 2019.

The Six-Year Financial Plan is sustainable for operations. Reserves and operating transfers will be used over the next six years to provide capital infrastructure that supports service plans. Additional grants or other funding sources will be required to fully implement the planned capital program, particularly the Base Master Plan and Bus Rapid Transit. Reserves comply with required levels established by the Board of Commissioners, giving us the ability to deal with adverse economic conditions, emergencies, and exposure to casualty and legal risks. The Agency has no long-term debt.



2019 BUDGET MESSAGE



The 2019 budget includes several initiatives that are direct outcomes of the new five-year Strategic Plan, including placing a strong emphasis on safety, building collaborative partnerships, using data-driven analysis and providing innovative customer service and mobility options. We continue to move forward, collaborating with partners to develop a transportation network that will meet the needs of our region well into the future. I believe this budget fully meets our agency's Mission: Pierce Transit improves people's quality of life by providing safe, reliable, innovative and useful transportation services that are locally based and regionally connected.

I would like to thank the Pierce Transit Finance and Budget professionals for their thoughtful preparation of the agency's 2019 Budget. It is a testament to Pierce Transit's collaborative spirit and determination to continue our momentum into a bright future.

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

A handwritten signature in blue ink that reads 'Sue Dreier'.

Sue Dreier, Chief Executive Officer



2019 BUDGET MESSAGE

In brief:

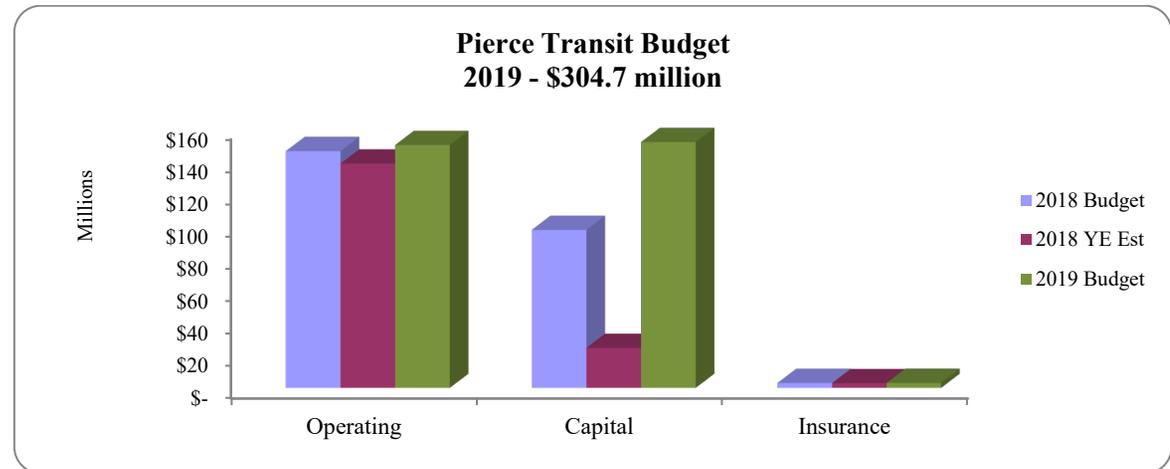
The 2019 net expenditure budget totals \$304,726,823. This total excludes transfers between funds and balances.

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

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

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

Agency Budget Summary



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

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

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

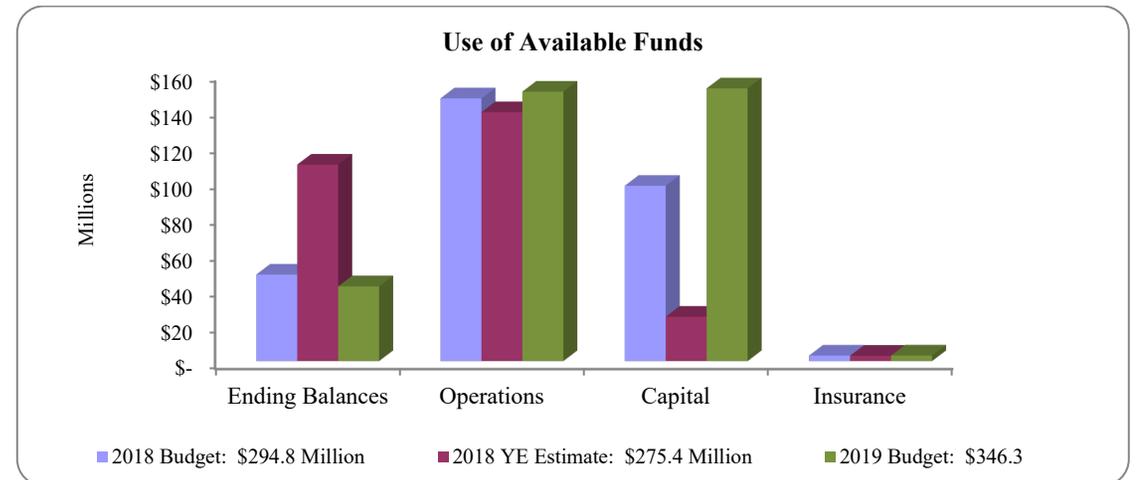
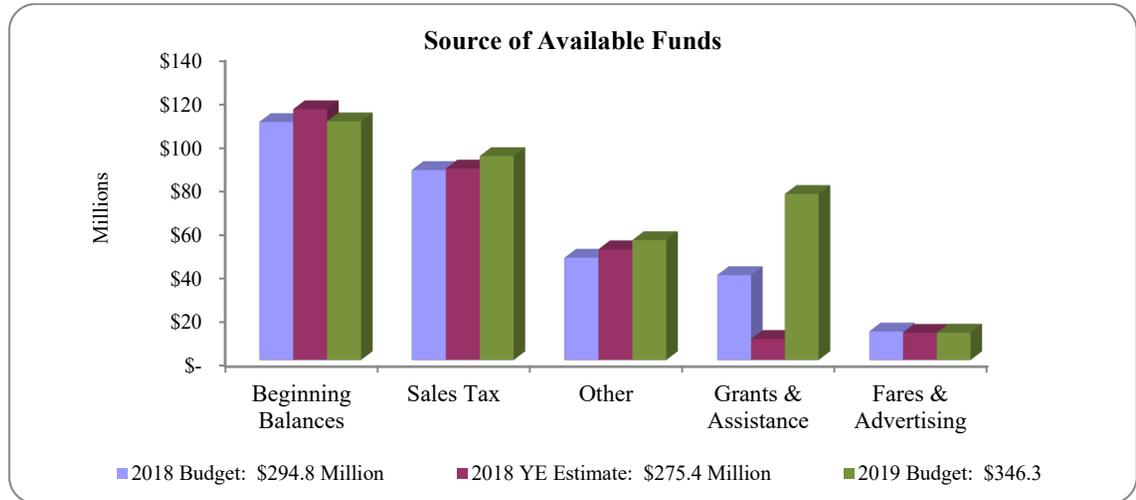


2019 BUDGET MESSAGE

In brief:

The Agency Source of Available Funds includes beginning balances and is shown on the following chart. Sales tax revenue is projected to moderately grow. Grants & Assistance is increasing based on timing of receipts and increases in capital project funding. The remaining categories remain fairly flat.

Use of Available Funds includes ending balances and is shown on the following chart. Ending balances include required reserves and fluctuate based on expenditures. Operating and Insurance expenditures are fairly flat. Capital expenditures include carryover funds for capital projects from the prior year.





2019 BUDGET MESSAGE

Operating Budget

The 2019 operating revenues of \$162,736,763 support the operating expenditures of \$149,151,085, non-operating expenditures of \$780,000 and operating transfers of \$37,411,962. Operating transfers support the self-insurance and capital programs and fluctuate from year to year depending on capital and self-insurance needs. The net change in reserves is (\$24,606,284). Reserves beyond the required amount will be utilized over the next six years to fund capital projects.

The operating budget revenue for 2019 is increasing by 5.1% and operating expenditures are increasing 8.4% from the 2018 Year-End Estimate.

	2018 Year-End Estimate	2019 Budget	Year-End Estimate to Budget Change	
			Amount	%
Operating Revenues	\$ 154,782,175	\$ 162,736,763	\$ 7,954,588	5.1%
Operating Expenditures	<u>(137,633,789)</u>	<u>(149,151,085)</u>	<u>(11,517,296)</u>	8.4%
	17,148,386	13,585,678	(3,562,708)	-20.8%
Non-Operating Expenditures	(879,816)	(780,000)	99,816	-11.3%
Operating Transfers	<u>(17,562,500)</u>	<u>(37,411,962)</u>	<u>(19,849,462)</u>	113.0%
Net Change - Reserves	<u>\$ (1,293,930)</u>	<u>\$ (24,606,284)</u>	<u>\$ (23,312,354)</u>	1,801.7%

2019 Non-Operating Expenditures are for payment of \$780,000 for Pierce County Agreement grant exchange funds.



2019 BUDGET MESSAGE

In brief:

Operating Revenues include both Operating Income such as fares, and Non-Operating Income such as sales tax received to pay for ongoing transportation operations.

Operating Revenues

The type of revenue and percent change from 2018 Year-End Estimate are included in the table below.

	2018 Year-End		2019		Year-End Estimate to Budget Change	
	Estimate	Budget	Estimate	Budget	Amount	%
Operating Income						
Fares	\$ 12,170,647	\$ 12,209,000	\$ 12,170,647	\$ 12,209,000	\$ 38,353	0.3%
Advertising	310,000	320,000	310,000	320,000	10,000	3.2%
Sound Transit	47,969,261	52,394,123	47,969,261	52,394,123	4,424,862	9.2%
Non-Operating Income						
Sales Tax	87,714,010	93,415,421	87,714,010	93,415,421	5,701,411	6.5%
Miscellaneous	1,768,940	1,679,000	1,768,940	1,679,000	(89,940)	-5.1%
Operating Contributions	4,849,317	2,719,219	4,849,317	2,719,219	(2,130,098)	-43.9%
	<u>\$ 154,782,175</u>	<u>\$ 162,736,763</u>	<u>\$ 154,782,175</u>	<u>\$ 162,736,763</u>	<u>\$ 7,954,588</u>	<u>5.1%</u>

Fares – Revenues are estimated based on ridership and average fare per boarding projections. The average fare per boarding is expected to be \$0.98 per fixed route boarding. Average fare per boarding varies due to factors such as number of boardings and the percentage of boardings by fare type and category. There is no projected fare increase included in the 2019 Budget. The last adult fare increase was November, 2010. The current Adult Fare for Local PT Service (one-ride) is \$2.00 or a Local PT Service All Day Pass is \$5.00. In September 2017 the senior/disabled rate increased from \$1.25 to \$1.75.

Advertising – The advertising budget reflects the minimum contractual agreement rate which may be exceeded based on demand and the number of buses in service available for ads.



2019 BUDGET MESSAGE

Sound Transit – Regional Transit Service budgeted revenue totals \$52,394,123 in 2019 and is expected to increase by 9.2% from 2018 Year-End Estimate. Pierce Transit is under contract with Sound Transit to provide regional express transit services. Sound Transit reimburses Pierce Transit for the cost of operating its service. For 2019, Sound Transit is increasing service hours 0.8% from 333,445 to 336,208. Sound Transit also reimburses for their share of costs associated with security, liability insurance, special services, and for the cost of operating the Tacoma Dome Station.

Sales Tax – Sales tax projections are based on economic conditions and analysis of activity in the jurisdictions in the Public Transportation Benefit Area (PTBA). Consumer spending plays a major role in the generation of sales tax revenue which is Pierce Transit's primary operating revenue source. Sales tax represents 85% of the operating budget revenue excluding Sound Transit. In 2019, sales tax is expected to total \$93,415,421 which is a 6.5% increase over the 2018 Year-End Estimate and in line with current growth trends.

Miscellaneous – Includes reimbursements of expenses from the Combined Communications Network (CCN) as well as other miscellaneous revenues such as interest revenue and insurance recoveries.

Operating Contributions – Operating Contributions are funds from partnering agencies. They include the City of Tacoma for Commute Trip Reduction (CTR), Pierce County Employer Services Programs, and Washington State Department of Transportation Special Needs Operations. Pierce County also partners for Americans with Disabilities Act (ADA) service. The decrease in 2019 is due to the completion of two grants.



2019 BUDGET MESSAGE

In brief:

Operating Expenditures are funds paid for providing transportation services including wages, benefits and Maintenance & Operations (M&O).

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

Operating Expenditures

Operating expenses are projected to total \$149,151,085 for a 8.4% increase from the 2018 Year-End Estimate. The changes from the 2018 Year-End Estimate to the 2019 Budget are as follows:

	2018 Year-End	2019	Year-End Estimate to Budget Change	
	<u>Estimate</u>	<u>Budget</u>	<u>Amount</u>	<u>%</u>
Wages	\$ 66,306,971	\$ 71,742,401	\$ 5,435,430	8.2%
Benefits	26,008,003	27,921,141	1,913,138	7.4%
M & O	45,318,815	49,487,543	4,168,728	9.2%
Total Operations	137,633,789	149,151,085	11,517,296	8.4%
Non-Operating Expenditures	879,816	780,000	(99,816)	-11.3%
Total	\$ 138,513,605	\$ 149,931,085	\$ 11,417,480	8.2%

Wages – The 2019 Budget includes 985 positions and 964.75 full-time equivalents (FTEs). The 8.2% increase in wages includes general wage adjustments, eligible step increases, as well as the addition of four positions. Three positions are directly related to safety and service and one support position. The increase in wages also includes projected wages and salaries for filling vacant positions from the prior year.

Represented employees are 85% of the total Agency workforce. The Master Agreement with the Amalgamated Transit Union (ATU) is for three-and-a-half-year period, July 1, 2017 through December 31, 2020. The Master Agreement with the International Association of Machinists (IAM) is for May 1, 2018 through December 31, 2021. The ATU contract calls for a general wage adjustment of 2.6% on January 1, 2019 and IAM wages will increase 2.5%.



2019 BUDGET MESSAGE

Benefits – The increase in benefits of 7.4% or \$1,913,138 is a result of 7% to 8% medical and dental premium increases, filling of vacancies, new positions, and an increase in the Washington State Public Employees Retirement System (PERS) employer contribution rates.

Maintenance and Operations – The 2019 Maintenance and Operations (M&O) Budget is \$49,487,543. The expenditures support service, maintenance of equipment, and technology system needs. This is an increase of \$4,168,728 or 9.2% higher than the 2018 Year-End Estimate. The increases in expenses are impacted by the number of service hours and miles operated. The following categories represent the majority of the change.

Supplies & Services – Increases are included for fuel and parts costs and security services.

Insurance (Purchased) – Increases for liability insurance premiums.

Utilities – Electricity costs are increasing based on rate increases and the addition of facilities.

Other – Other cost is increasing based on increases in purchased transportation and software subscriptions and support.

Non-Operating Expenditures – 2019 Non-Operating Expenditures are for payment of \$780,000 for Pierce County Agreement grant exchange funds.



2019 BUDGET MESSAGE

In brief:

The 2019 Capital Budget is comprised of the following categories.

Revenue Vehicles – 36%

Provide customers a comfortable and reliable mode of transportation

Base Facilities – 17%

Support efficient operations of the Agency

Passenger Facilities & Amenities – 5%

Serve as the front door to the transit system

Technology – 18%

Provide infrastructure and software to improve information and services for staff and the public

Other – 24%

Maintain equipment and provide improved transportation services

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

Capital

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

Capital projects for 2019 are budgeted at \$151,734,408. Approved but unspent projects are carried over from the prior year to the following budget year. The 2019 Budget contains \$71,525,331 of prior year budgeted funds (carryover) and \$80,209,077 in new projects. Expenditures are supported by \$73,359,382 in grant revenue primarily from the Federal Transit Administration, Sound Transit, State, and other capital assistance. Operating costs or anticipated savings associated with significant non-routine capital expenditures such as personnel, maintenance, and utility costs have been included in the operating budget.

	Carryover	New	Total
Revenue Vehicles (Bus, Vanpool, SHUTTLE and Trolley replacements)	\$ 33,554,706	\$ 20,976,786	\$ 54,531,492
Base Facilities (Base Master Plan Implementation, Emergency Warning System, Buildings 4 & 6 Improvements)	18,690,368	7,173,760	25,864,128
Passenger Facilities and Amenities (Tacoma Dome Station, Narrows Park & Ride, Commerce Tunnel Refurbishment)	1,902,119	5,956,750	7,858,869
Technology (Next Generation ORCA, Financial Management System, Collision Avoidance System, Security Enhancements LifeCycle, Real Time Information Signs, Network Infrastructure)	11,847,928	15,131,323	26,979,251
Other (Corridor Speed & Reliability Improvements, Equipment)	5,530,210	30,970,458	36,500,668
	\$ 71,525,331	\$ 80,209,077	\$151,734,408



2019 BUDGET MESSAGE

Self- Insurance

The 2019 Budget of \$3,061,330 reflects an increase of \$133,991 from the 2018 Year-End Estimate of \$2,927,339. The increase is due to projected Workers' Compensation and Unemployment Insurance costs.

Ending Balances

Ending balances include the required reserves for the operating, capital, and insurance funds. The Board of Commissioners reserve policy supports management decision-making by avoiding revenue-expenditure imbalances, supporting stable service delivery, and assuring funds are available for operations, self-insurance programs and planned capital acquisition during economic downturns or other unanticipated events.

Operating reserve – shall be maintained at a minimum of two months of agency operating expenditures.

Capital reserve – shall be maintained at no less than 50% of the previous three years average annual asset depreciation at any time in the Six-Year Financial Plan. At the end of the Six-Year Financial Plan, the capital reserve shall be at least 100% of the previous three years average annual asset depreciation.

Self-Insurance reserve – set at a level adequate to protect the agency from self-insurance risks (currently \$2 million).

Conclusion

The 2019 Budget is balanced and sustainable and focused on strategic initiatives to meet Pierce Transit's Vision and Mission.



**2019 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.



Board of Commissioners
Fact Sheet No.: 2018-105
Date: December 19, 2018

TITLE: Adoption of the Annual Budget for Fiscal Year 2019 and Delegating Authority to the CEO to Purchase Otherwise Non-Budgeted Replacement Vehicles in an Amount up to \$200,000 When There is Property Damage to the Vehicle and Insurance Funds Pay for the Replacement
 DIVISION: Finance
 SUBMITTED BY: Brett Freshwaters, Executive Director of Finance

RELATED ACTION:

FS 2013-036, Establishing a New Classification and Compensation System and a Rewards and Recognition Program for Non-Represented Employees

ATTACHMENTS: Proposed Resolution

RELATION TO STRATEGIC PLAN: Financial

BUDGET INFORMATION

2019 Budget Appropriations

	Expenditures	Resources
Operating Budget		
Operating	\$ 149,151,085	\$ 64,923,123
Non-Operating	780,000	95,094,421
Operating Contributions	-	2,719,219
Operating Transfers	37,411,962	-
Use of Reserves	-	24,606,284
	<u>187,343,047</u>	<u>187,343,047</u>
Capital Budget		
Operating	151,734,408	74,159,382
Operating Transfers	-	34,559,654
Use of Reserves	-	43,015,372
	<u>151,734,408</u>	<u>151,734,408</u>
Insurance Budget		
Operating	3,061,330	70,000
Operating Transfers	-	2,852,308
Use of Reserves	-	139,022
	<u>3,061,330</u>	<u>3,061,330</u>
Total Appropriations	342,138,785	342,138,785
Less Operating Transfers	<u>(37,411,962)</u>	<u>(37,411,962)</u>
Net Budget	\$ 304,726,823	\$ 304,726,823



2019 BUDGET FACT SHEET

FACT SHEET
PAGE 2

BACKGROUND:

The 2019 Budget has been submitted and reviewed by the Board of Commissioners at a Study Session on 10/8/2018 and Public Hearing on 11/15/2018.

The 2019 Budget is ready for adoption. The budget is balanced, sustainable, and meets Board-adopted reserve requirements. The Agency's budget is \$342,138,785. Of this amount, \$37,411,962 represents internal transfers, leaving a net budget of \$304,726,823. The three components that make up this amount are the Operating Budget (55%), Capital Budget (44%), and Insurance Budget (1%).

The budget includes Pierce Transit fixed route service hours totaling 500,130. Specialized Transportation (SHUTTLE) hours are budgeted at 167,218. Vanpool service hours are budgeted at 150,000. Pierce Transit anticipates providing 336,208 service hours for Sound Transit Regional Transit Service.

To provide the projected levels of service, the 2019 Budget includes 985 positions and 964.75 full-time equivalent employees (FTEs). Four new positions include three that are in direct support of safety and service and one in support of communications. The budget has a wage increase pool of 4.3%, which includes performance-based and general wage adjustments for non-represented employees, as well as step and COLA increases for represented employees, per the terms of the applicable collective bargaining agreement.

Capital projects for 2019 are budgeted at \$151,734,408. Approved but unspent projects are carried over to the following budget year. The 2019 budget contains \$71,525,331 of prior year budgeted funds (carryover). Included are funds for vehicles, facilities, technology, and administrative and maintenance equipment.

The insurance budget of \$3,061,330 includes workers' compensation costs of \$2,936,330 and unemployment costs of \$125,000.

A new item added to the budget resolution provides the CEO authority to purchase non-budgeted replacement vehicles in an amount up to \$200,000, when there is property damage totaling the vehicle and insurance funds pay for the replacement. This will provide a more streamlined process to allow for purchase of replacement vehicles due to unforeseen events occurring before the annual budget cycle, and this authority aligns with the CEO's existing \$200,000 purchasing authority for non-capital project items.

STAFF RECOMMENDATION:

Authorize adoption of the Annual Budget for fiscal year 2019 as presented at the October 8, 2018 Board of Commissioners' Study Session and Public Hearing on November 15, 2018 Board of Commissioners' Meeting. Further, authorize the CEO to purchase replacement vehicles in an amount up to \$200,000, when there is property damage to the vehicle and insurance funds pay for the replacement.



2019 BUDGET FACT SHEET

FACT SHEET
PAGE 3

ALTERNATIVES:

Modify the budget. The Board may at any time throughout the budget year make modifications to the budget. Do not grant the CEO authority to purchase replacement vehicles in an amount up to \$200,000 when there is property damage to the vehicle and insurance funds pay for the replacement.

PROPOSED MOTION:

Approve Resolution No. 2018-052, adopting the Annual Budget for Fiscal Year 2019 with attendant wage adjustments and approval of 985 positions as presented therein and further authorize the CEO to purchase replacement vehicles in an amount up to \$200,000, when there is property damage to the vehicle and insurance funds pay for the replacement.



2019 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. 2018-052

1 A RESOLUTION of the Board of Commissioners of Pierce Transit Adopting the Annual Budget for
2 Fiscal Year 2019 Delegating Authority to the CEO to Purchase Otherwise Non-Budgeted Replacement Vehicles
3 in an Amount up to \$200,000 When Insurance Funds Cover the Cost of Replacement
4

5 WHEREAS, the Chief Executive Officer has prepared a preliminary budget for fiscal year 2019; and

6 WHEREAS, the Board of Commissioners of Pierce Transit has reviewed the preliminary budget at its
7 October 8, 2018 Special Study Session Meeting; and

8 WHEREAS, the Board of Commissioners of Pierce Transit held a public hearing on the preliminary budget
9 at its November 15, 2018 meeting; and

10 WHEREAS, the Board of Commissioners of Pierce Transit has now determined that the preliminary
11 budget provides for the efficient and effective delivery of public transportation services within the financial
12 capacity of Pierce Transit for 2019; and

13 WHEREAS, the Budget proposes service to provide 1,153,556 service hours for fixed route, SHUTTLE,
14 Vanpool and Sound Transit services, requiring a workforce of 985 positions; and

15 WHEREAS, there is occasionally a need to add fleet vehicles to the budget before the annual budget
16 cycle due to an accident causing property damage to the vehicle, the replacement of which is covered by
17 insurance proceeds, and delegating authority to the Chief Executive Officer to purchase replacement vehicles
18 with insurance proceeds out of budget cycle will help expedite the process; and

19 WHEREAS, Pierce Transit seeks to be an employer of choice in Pierce County, and a general wage
20 adjustment for non-represented employees should assist in hiring and retention of quality employees; and

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

22 Section 1. The Board of Commissioners authorizes the annual budget for Pierce Transit for Fiscal
23 Year 2019 which was reviewed by the Board of Commissioners in its final form and content and, by this
24 reference, incorporated herein as though fully set forth, and the same is hereby adopted as the annual
25 budget for Pierce Transit for Fiscal Year 2019.

26 Section 2. The summary of the total estimated expenditures and resources for the appropriations
27 are as follows:
28
29
30
31



2019 BUDGET
RESOLUTION

	Expenditures	Resources
Appropriation before use of Fund Balance	\$ 342,138,785	\$ 274,378,107
Use of Reserves	-	67,760,678
Total Appropriation	<u>342,138,785</u>	<u>342,138,785</u>
Less Operating Transfers	<u>(37,411,962)</u>	<u>(37,411,962)</u>
Net Budget	<u>\$ 304,726,823</u>	<u>\$ 304,726,823</u>

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Section 3. The Chief Executive Officer is hereby authorized to staff up to 985 positions.

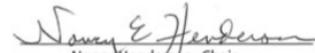
Section 4. The Chief Executive Officer is hereby authorized to purchase otherwise non-budgeted replacement vehicles in an amount up to \$200,000, when insurance funds cover the cost of replacement

Section 5. The Board affirms continuing the Classification and Compensation Program for Non-Represented Positions with an annual maximum salary adjustment of 3% based on documented performance towards defined goals.

Section 6. A General Wage Adjustment of 2.6% effective January 1, 2019 is hereby authorized for non-represented employees.

ADOPTED by the Board of Commissioners of Pierce Transit at their special meeting thereof held on the 19th day of December 2018.

PIERCE TRANSIT


Nancy Henderson, Chair
Board of Commissioners

ATTEST/AUTHENTICATED


Deanne Jacobson, CMC
Clerk of the Board





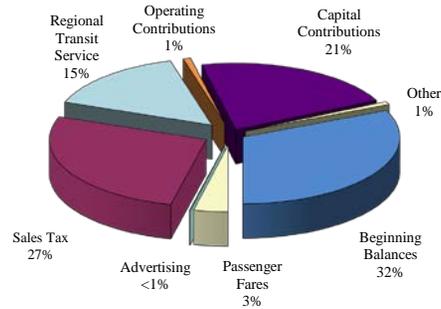
A summary of Pierce Transit's budget is displayed in the following section. The summary is designed to present an overview of the Agency's financial outlook for the coming year. It includes an overall summary followed by summaries of operating revenues and expenditures, capital, insurance, and ending balances. An agency expenditure comparison concludes this section.

2019 Budget Summary

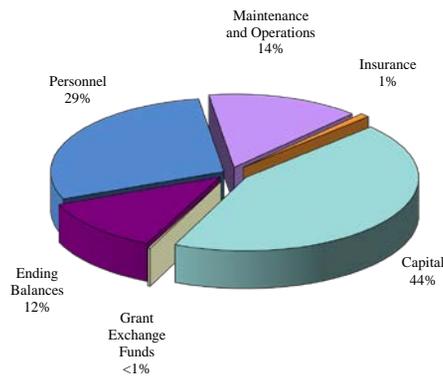


**2019 BUDGET
OVERALL SUMMARY**

Revenues



Expenditures



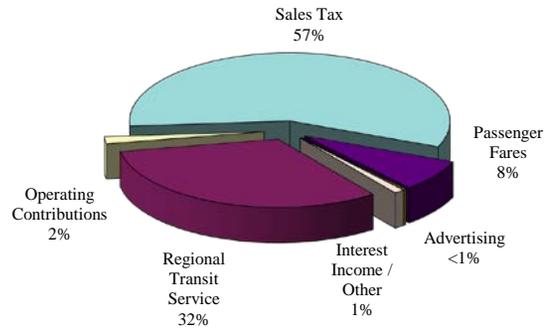
	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
REVENUES					
OPERATING INCOME					
Passenger Fares	\$ 12,137,563	\$ 12,766,221	\$ 12,170,647	\$ 12,209,000	0.3%
Advertising	528,090	300,000	310,000	320,000	3.2%
Regional Transit Service (Sound Transit)	42,064,929	44,342,387	47,969,261	52,394,123	9.2%
NON-OPERATING INCOME					
Sales Tax	81,799,746	87,021,320	87,714,010	93,415,421	6.5%
Other	3,671,318	2,511,500	2,791,940	2,549,000	-8.7%
CONTRIBUTIONS					
Operating	4,048,318	5,715,347	4,849,317	2,719,219	-43.9%
Capital	1,053,300	33,155,096	4,789,234	73,359,382	1431.8%
REVENUES	145,303,264	185,811,871	160,594,409	236,966,145	47.6%
BEGINNING BALANCES					
Working Cash	85,660,874	48,042,105	50,758,728	49,464,798	-2.5%
Insurance	1,704,031	2,583,995	2,559,856	2,139,022	-16.4%
Capital Reserve	34,735,963	58,359,995	61,532,132	57,710,190	-6.2%
BEGINNING BALANCES	122,100,868	108,986,095	114,850,716	109,314,010	-4.8%
TOTAL REVENUES AND BALANCES	\$ 267,404,132	\$ 294,797,966	\$ 275,445,125	\$ 346,280,155	25.7%
EXPENDITURES					
OPERATING EXPENDITURES					
Personnel	\$ 92,971,398	\$ 96,043,509	\$ 92,314,974	\$ 99,663,542	8.0%
Maintenance and Operations	41,544,110	48,050,993	45,318,815	49,487,543	9.2%
Insurance	2,886,947	3,040,000	2,927,339	3,061,330	4.6%
NON-OPERATING EXPENDITURES					
Grant Exchange Funds	396,312	2,056,129	879,816	780,000	-11.3%
CAPITAL EXPENDITURES					
Capital	13,656,383	97,510,289	24,690,171	151,734,408	514.6%
EXPENDITURES	151,455,150	246,700,920	166,131,115	304,726,823	83.4%
Working Cash	51,856,994	36,653,249	49,464,798	24,858,514	-49.7%
Insurance	2,559,856	2,000,000	2,139,022	2,000,000	-6.5%
Capital Reserve	61,532,132	9,443,797	57,710,190	14,694,818	-74.5%
ENDING BALANCES	115,948,982	48,097,046	109,314,010	41,553,332	-62.0%
TOTAL EXPENDITURES AND BALANCES	\$ 267,404,132	\$ 294,797,966	\$ 275,445,125	\$ 346,280,155	25.7%

NOTE: Transfers are not shown since they result in offsetting allocations between unrestricted and restricted reserves.



**2019 BUDGET
OPERATING SUMMARY - REVENUES**

Operating Revenues

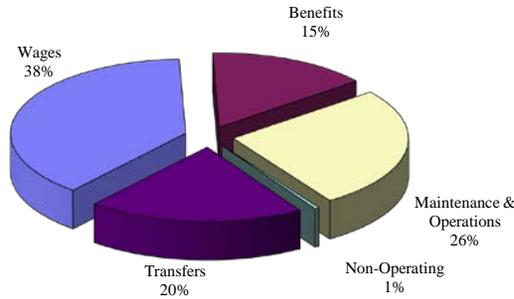


	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
OPERATING REVENUES					
OPERATING INCOME					
Passenger Fares	\$ 12,137,563	\$ 12,766,221	\$ 12,170,647	\$ 12,209,000	0.3%
Advertising	528,090	300,000	310,000	320,000	3.2%
Regional Transit Service (Sound Transit)					
Express Reimbursement	40,714,831	43,252,888	47,185,802	51,334,645	8.8%
Tacoma Dome Station Reimbursement	747,724	889,499	783,459	1,059,478	35.2%
Special Service Reimbursement	315,361	200,000	-	-	0.0%
Other Reimbursement	287,013	-	-	-	0.0%
OPERATING INCOME	54,730,582	57,408,608	60,449,908	64,923,123	7.4%
NON-OPERATING INCOME					
Sales Tax	81,799,746	87,021,320	87,714,010	93,415,421	6.5%
Interest Income	811,956	525,000	680,000	650,000	-4.4%
Other	2,503,452	1,654,000	1,088,940	1,029,000	-5.5%
NON-OPERATING INCOME	85,115,154	89,200,320	89,482,950	95,094,421	6.3%
OPERATING CONTRIBUTIONS					
CTR / Vanpool Assistance	87,850	131,219	230,219	319,219	38.7%
Operating Grants - Other	2,233,389	3,684,128	2,719,098	500,000	-81.6%
Special Needs Transportation Grant	1,727,079	1,900,000	1,900,000	1,900,000	0.0%
OPERATING CONTRIBUTIONS	4,048,318	5,715,347	4,849,317	2,719,219	-43.9%
TOTAL OPERATING REVENUES	143,894,054	152,324,275	154,782,175	162,736,763	5.1%
BEGINNING BALANCE	85,660,874	48,042,105	50,758,728	49,464,798	-2.5%
TOTAL OPERATING REVENUES AND BEGINNING BALANCE	\$ 229,554,928	\$ 200,366,380	\$ 205,540,903	\$ 212,201,561	3.2%



**2019 BUDGET
OPERATING SUMMARY - EXPENDITURES**

Operating Expenditures & Transfers

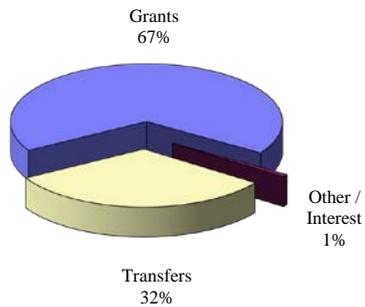


	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
OPERATING EXPENDITURES					
OPERATING PERSONNEL					
Wages	\$ 63,997,750	\$ 68,766,395	\$ 66,306,971	\$ 71,742,401	8.2%
Benefits	28,973,648	27,277,114	26,008,003	27,921,141	7.4%
PERSONNEL	92,971,398	96,043,509	92,314,974	99,663,542	8.0%
MAINTENANCE & OPERATIONS					
Supplies	15,877,778	15,754,310	16,575,681	17,732,370	7.0%
Services	7,731,657	8,827,299	8,517,137	9,252,530	8.6%
Insurance (Purchased)	2,665,294	3,261,290	3,260,938	3,605,021	10.6%
Utilities	1,663,900	1,873,200	1,846,640	1,924,151	4.2%
Repairs	297,554	1,140,191	887,617	956,694	7.8%
Rentals	732,913	507,241	512,726	533,096	4.0%
Purchased Transportation	7,206,771	8,446,951	7,215,160	8,064,533	11.8%
Other	5,368,243	8,240,511	6,502,916	7,419,148	14.1%
MAINTENANCE & OPERATIONS	41,544,110	48,050,993	45,318,815	49,487,543	9.2%
OPERATING EXPENDITURES	134,515,508	144,094,502	137,633,789	149,151,085	8.4%
NON-OPERATING EXPENDITURES					
Grant Exchange Funds	396,312	2,056,129	879,816	780,000	-11.3%
NON-OPERATING EXPENDITURES	396,312	2,056,129	879,816	780,000	-11.3%
TOTAL EXPENDITURES	134,911,820	146,150,631	138,513,605	149,931,085	8.2%
TRANSFERS					
Other Insurance Transfer	47,927	-	-	49,923	0.0%
Workers' Comp. Transfer	3,668,310	2,433,505	2,433,505	2,802,385	15.2%
Capital Reserve	39,069,877	15,128,995	15,128,995	34,559,654	128.4%
TRANSFERS	42,786,114	17,562,500	17,562,500	37,411,962	113.0%
TOTAL EXPENDITURES AND TRANSFERS	177,697,934	163,713,131	156,076,105	187,343,047	20.0%
ENDING BALANCE	51,856,994	36,653,249	49,464,798	24,858,514	-49.7%
TOTAL OPERATING EXPENDITURES AND ENDING BALANCE	\$ 229,554,928	\$ 200,366,380	\$ 205,540,903	\$ 212,201,561	3.2%



**2019 BUDGET
CAPITAL SUMMARY**

Capital Revenues & Transfers



CAPITAL REVENUES

REVENUES

	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
Grants	\$ 1,053,300	\$ 33,155,096	\$ 4,789,234	\$ 73,359,382	1431.8%
Other Capital Revenue / Interest	329,375	310,000	950,000	800,000	-15.8%
REVENUE	1,382,675	33,465,096	5,739,234	74,159,382	1192.1%

TRANSFERS

Capital Reserve	39,069,877	15,128,995	15,128,995	34,559,654	128.4%
TRANSFERS	39,069,877	15,128,995	15,128,995	34,559,654	

CAPITAL REVENUES	40,452,552	48,594,091	20,868,229	108,719,036	421.0%
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BEGINNING BALANCE

Capital Reserve	34,735,963	58,359,995	61,532,132	57,710,190	-6.2%
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**TOTAL CAPITAL REVENUES
AND BEGINNING BALANCE**

\$ 75,188,515	\$ 106,954,086	\$ 82,400,361	\$ 166,429,226	102.0%
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CAPITAL EXPENDITURES

CAPITAL ACQUISITION

Revenue Vehicles	\$ 6,131,792	\$ 39,176,880	\$ 5,272,937	\$ 54,531,492	934.2%
Passenger Facilities & Amenities	570,526	13,061,891	11,159,767	7,858,869	-29.6%
Base Facilities	1,756,987	20,946,049	2,255,681	25,864,128	1046.6%
Technology	3,303,351	16,000,691	3,972,802	26,979,251	579.1%
Other	1,893,727	8,324,778	2,028,984	36,500,668	1699.0%

CAPITAL EXPENDITURES	13,656,383	97,510,289	24,690,171	151,734,408	514.6%
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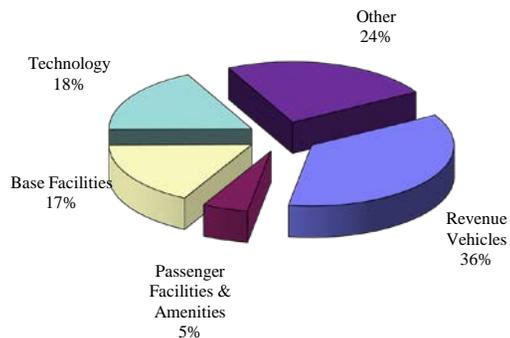
ENDING BALANCE

Capital Reserve	61,532,132	9,443,797	57,710,190	14,694,818	-74.5%
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**TOTAL CAPITAL EXPENDITURES
AND ENDING BALANCE**

\$ 75,188,515	\$ 106,954,086	\$ 82,400,361	\$ 166,429,226	102.0%
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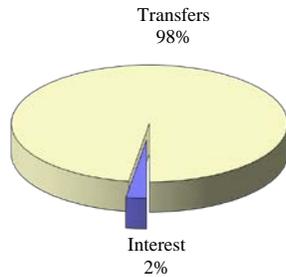
Capital Expenditures



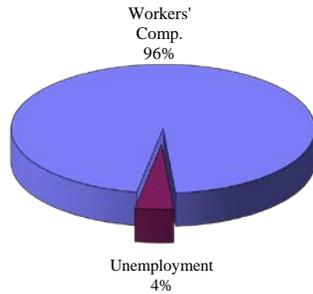


**2019 BUDGET
INSURANCE SUMMARY**

Insurance Revenues & Transfers



Insurance Expenditures

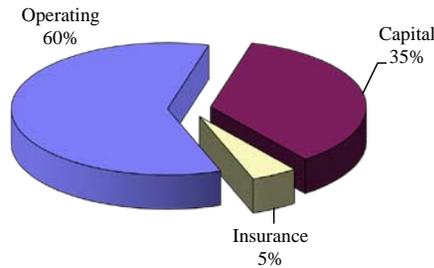


	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
INSURANCE REVENUES					
REVENUES					
Workers' Comp. Interest	\$ 23,838	\$ 19,978	\$ 64,817	\$ 62,153	-4.1%
Unemployment Insurance Interest	2,697	2,522	8,183	7,847	-4.1%
REVENUES	26,535	22,500	73,000	70,000	-4.1%
TRANSFERS					
Workers' Comp. Transfer	3,668,310	2,433,505	2,433,505	2,802,385	15.2%
Unemployment Insurance Transfer	47,927	-	-	49,923	0.0%
TRANSFERS	3,716,237	2,433,505	2,433,505	2,852,308	17.2%
REVENUES AND TRANSFERS	3,742,772	2,456,005	2,506,505	2,922,308	16.6%
BEGINNING BALANCES					
Workers' Comp. Insurance	1,406,989	2,276,544	2,275,809	1,946,792	-14.5%
Unemployment Insurance	297,042	307,451	284,047	192,230	-32.3%
BEGINNING BALANCES	1,704,031	2,583,995	2,559,856	2,139,022	-16.4%
TOTAL INSURANCE REVENUES AND BEGINNING BALANCES	\$ 5,446,803	\$ 5,040,000	\$ 5,066,361	\$ 5,061,330	-0.1%
INSURANCE EXPENDITURES					
Workers' Comp. Insurance	2,823,328	2,915,000	2,827,339	2,936,330	3.9%
Unemployment Insurance	63,619	125,000	100,000	125,000	25.0%
INSURANCE EXPENDITURES	2,886,947	3,040,000	2,927,339	3,061,330	4.6%
ENDING BALANCES					
Workers' Comp. Insurance	2,275,809	1,815,027	1,946,792	1,875,000	-3.7%
Unemployment Insurance	284,047	184,973	192,230	125,000	-35.0%
ENDING BALANCES	2,559,856	2,000,000	2,139,022	2,000,000	-6.5%
TOTAL INSURANCE EXPENDITURES AND ENDING BALANCES	\$ 5,446,803	\$ 5,040,000	\$ 5,066,361	\$ 5,061,330	-0.1%



**2019 BUDGET
ENDING BALANCES**

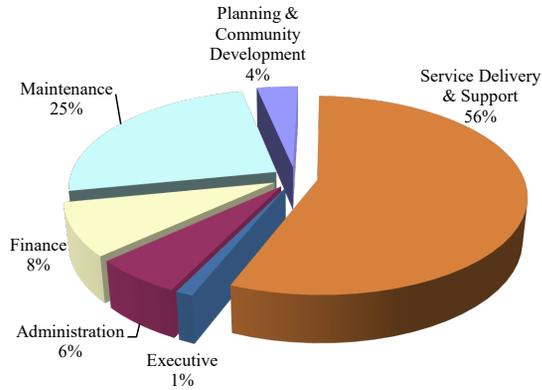
Ending Balances



	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
OPERATING					
Revenues	\$ 143,894,054	\$ 152,324,275	\$ 154,782,175	\$ 162,736,763	5.1%
Less: Expenditures	(134,911,820)	(146,150,631)	(138,513,605)	(149,931,085)	8.2%
Subtotal	8,982,234	6,173,644	16,268,570	12,805,678	-21.3%
Plus: Beginning Balance	85,660,874	48,042,105	50,758,728	49,464,798	-2.5%
Less: Transfers					
Capital Reserve	(39,069,877)	(15,128,995)	(15,128,995)	(34,559,654)	128.4%
Insurance	(3,716,237)	(2,433,505)	(2,433,505)	(2,852,308)	17.2%
ENDING OPERATING BALANCE	\$ 51,856,994	\$ 36,653,249	\$ 49,464,798	\$ 24,858,514	-49.7%
CAPITAL					
Revenues	\$ 1,382,675	\$ 33,465,096	\$ 5,739,234	\$ 74,159,382	1192.1%
Plus: Transfers					
Capital Reserve	39,069,877	15,128,995	15,128,995	34,559,654	128.4%
Subtotal Revenue	40,452,552	48,594,091	20,868,229	108,719,036	421.0%
Less: Expenditures	(13,656,383)	(97,510,289)	(24,690,171)	(151,734,408)	514.6%
Subtotal	26,796,169	(48,916,198)	(3,821,942)	(43,015,372)	1025.5%
Plus: Beginning Balance	34,735,963	58,359,995	61,532,132	57,710,190	-6.2%
ENDING CAPITAL BALANCE	\$ 61,532,132	\$ 9,443,797	\$ 57,710,190	\$ 14,694,818	-74.5%
INSURANCE					
Revenues	\$ 26,535	\$ 22,500	\$ 73,000	\$ 70,000	-4.1%
Plus: Transfers	3,716,237	2,433,505	2,433,505	2,852,308	17.2%
Subtotal Revenue	3,742,772	2,456,005	2,506,505	2,922,308	16.6%
Less: Expenditures	(2,886,947)	(3,040,000)	(2,927,339)	(3,061,330)	4.6%
Subtotal	855,825	(583,995)	(420,834)	(139,022)	-67.0%
Plus: Beginning Balance	1,704,031	2,583,995	2,559,856	2,139,022	-16.4%
ENDING INSURANCE BALANCE	\$ 2,559,856	\$ 2,000,000	\$ 2,139,022	\$ 2,000,000	-6.5%
GRAND TOTAL - ALL BALANCES	\$ 115,948,982	\$ 48,097,046	\$ 109,314,010	\$ 41,553,332	-62.0%



Agency Operating Budget

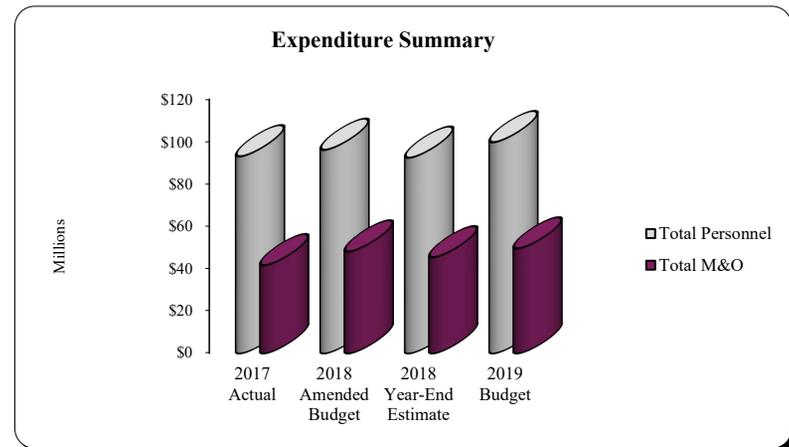


**2019 OPERATING BUDGET
AGENCY EXPENDITURE COMPARISON**

Description	2017 Actual	2018 Amended Budget	2018 Year-End Estimate	2019 Budget	% Change 2018 Year-End Estimate to 2019 Budget
Personnel					
Wages	\$ 63,997,750	\$ 68,766,395	\$ 66,306,971	\$ 71,742,401	8.2%
Benefits	28,973,648	27,277,114	26,008,003	27,921,141	7.4%
Personnel	92,971,398	96,043,509	92,314,974	99,663,542	8.0%
Maintenance and Operations					
Supplies	15,877,778	15,754,310	16,575,681	17,732,370	7.0%
Services	7,731,657	8,827,299	8,517,137	9,252,530	8.6%
Insurance	2,665,294	3,261,290	3,260,938	3,605,021	10.6%
Utilities	1,663,900	1,873,200	1,846,640	1,924,151	4.2%
Repairs & Maintenance	297,554	1,140,191	887,617	956,694	7.8%
Rentals	732,913	507,241	512,726	533,096	4.0%
Other	12,036,939	16,029,359	13,140,773	14,855,878	13.1%
Repairs & Maint Contract Services	538,075	658,103	577,303	627,803	8.7%
Other Improvements	-	-	-	-	0.0%
Maintenance and Operations	41,544,110	48,050,993	45,318,815	49,487,543	9.2%
Total *	\$ 134,515,508	\$144,094,502	\$ 137,633,789	\$ 149,151,085	8.4%

Total FTE's 960.25 960.25 964.75
 Total Positions 981 981 985

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





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

2019 Budget

Statistics



**2019 Budget
Operating Statistics
All Modes**

	2017 Actual	2018 YE Estimate	2019 Budget	% Change 2018 YE Estimate - 2019 Budget
Pierce Transit				
Fixed Route Local & Express				
Ridership	8,543,157	8,949,742	8,998,987	0.6%
Service Hours	471,683	500,130	500,130	0.0%
Service Miles	5,685,182	5,874,020	5,902,613	0.5%
Sound Transit				
Fixed Route Express				
Ridership	5,095,968	5,138,387	5,169,088	0.6%
Service Hours	339,523	333,445	336,208	0.8%
Service Miles	8,059,662	8,053,168	8,052,727	0.0%
Total Fixed Route (Pierce Transit & Sound Transit)				
Ridership	13,639,125	14,088,129	14,168,075	0.6%
Service Hours	811,206	833,575	836,338	0.3%
Service Miles	13,744,844	13,927,187	13,955,340	0.2%
SHUTTLE				
Ridership	324,753	306,020	295,911	-3.3%
Service Hours	178,094	170,100	167,218	-1.7%
Service Miles	2,465,168	2,396,078	2,354,052	-1.8%
Vanpool				
Ridership	810,383	794,000	800,000	0.8%
Service Hours	147,103	148,000	150,000	1.4%
Service Miles	4,771,217	4,900,000	5,000,000	2.0%
AGENCY TOTAL (Pierce Transit and Sound Transit Fixed Route, SHUTTLE & Vanpool)				
Ridership	14,774,261	15,188,149	15,263,986	0.5%
Service Hours	1,136,403	1,151,675	1,153,556	0.2%
Service Miles	20,981,229	21,223,265	21,309,392	0.4%



2019 BUDGET PERSONNEL SUMMARY

Personnel Summary

The 2019 Budget includes 985 positions and 964.75 full-time equivalents (FTEs). This is an increase of 4 positions from the 2018 Budget.

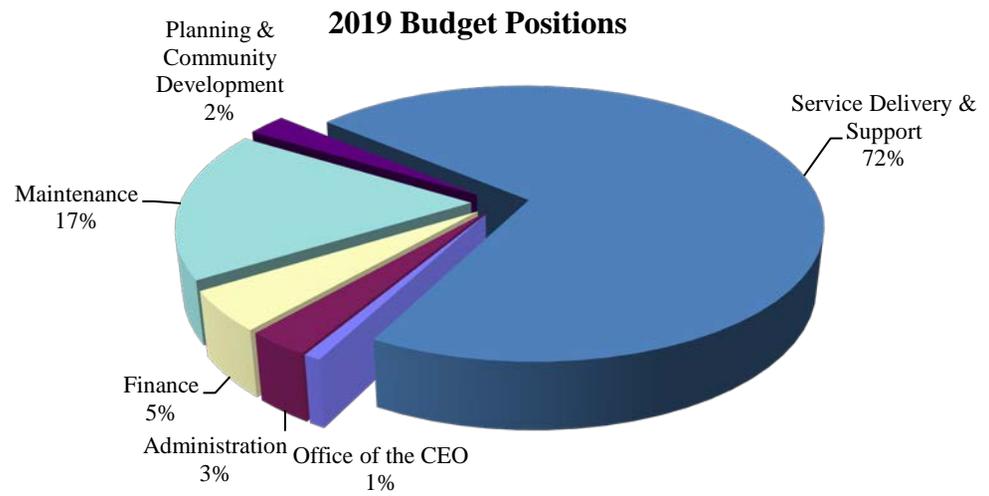
The 4 new positions include:

2 Public Safety Officers

1 Safety & Service Quality Administrator

1 Digital Content & Outreach Coordinator

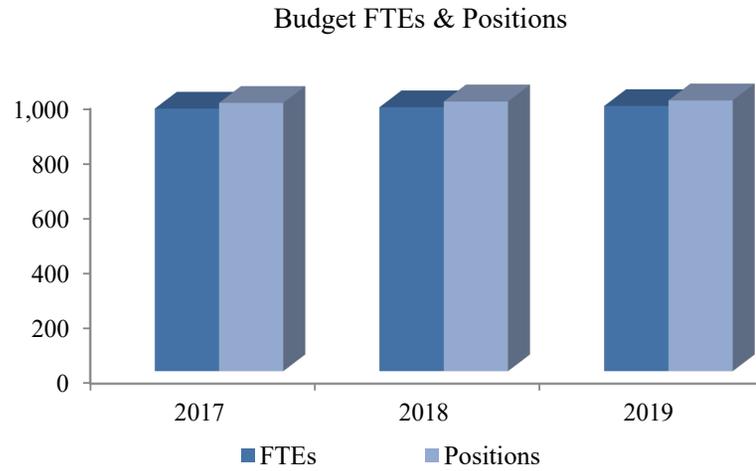
Directly operated service includes Service Delivery & Support and Maintenance Divisions and represents 877 or 89% of total positions. The remaining 108 positions or 11% are in the Office of the CEO, Administration, Finance, and Planning & Community Development Divisions.





2019 BUDGET PERSONNEL SUMMARY

Budget FTEs				Budget Positions			
2017 Budget	2018 Budget	2019 Budget	2018-2019 Change	2017 Budget	2018 Budget	2109 Budget	2018-2019 Change
955.25	960.25	964.75	4.50	976	981	985	4





2019 BUDGET CAPITAL PROGRAM

In brief:

Capital projects for 2019 are budgeted at \$151,734,408. Approved but unspent projects are carried over from the prior year to the following budget year. The 2019 Budget contains \$71,525,331 of prior year budgeted funds (carryover) and \$80,209,077 in new projects. Expenditures are supported by \$73,359,382 in grant revenue primarily from the Federal Transit Administration, Sound Transit, State, and other capital assistance.

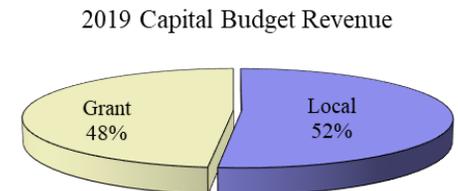
The Capital Budget presents the revenues and expenditures associated with capital development and acquisition. It includes funds for budgeted replacement vehicles, capital planning for the efficient use of base and passenger facilities, technology, and maintenance equipment. These items are distinguished from operating items due to their greater than \$5,000 value and longer than one year projected useful life. Capital expenses and grant reimbursements are budgeted by project. As a matter of policy, Pierce Transit budgets funds in the year in which the Agency anticipates entering into a contract for service or acquisition. This generally results in funds that carry over from the previous budget year for projects in process. Operating costs or anticipated savings associated with significant non-routine capital expenditures such as personnel, maintenance, and utility costs have been included in the operating budget.

Capital Revenues

Where possible, capital projects are funded from non-recurring funding sources such as grants and other capital assistance. Grant funding sources are estimated to provide \$73.3 million for capital funding in 2019. The remaining local funds come from transfers from operating and interest/other.

Grant revenues of \$73.3 million include the following projects:

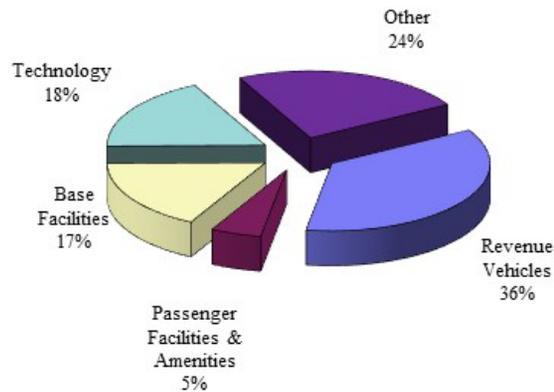
- Corridor Speed & Reliability \$1.4 million
- Bus Fleet Replacement \$22.1 million
- Collision Avoidance System \$1.6 million
- Bldg. 4 Modifications \$0.3 million
- Base Master Plan \$10.9 million
- Corridor Speed & Reliability \$2.7 million
- Bus Rapid Transit (BRT) \$28.0 million
- CAD/AVL System \$2.0 million
- Spanaway Turnaround \$4.0 million
- Real Time Information Signs \$0.3 million





2019 BUDGET CAPITAL PROGRAM

The capital budget is separated into five expenditure categories that are important for Agency reporting requirements and include Revenue Vehicles, Passenger Facilities and Amenities, Base Facilities, Technology, and Other.



Capital Expenditures

Revenue Vehicles – Pierce Transit currently operates an active fleet of 152 buses, 363 vanpool vans, and 100 SHUTTLE vehicles. Revenue vehicles are replaced on an as needed basis that meets or exceeds Federal Transit Administration requirements. Pierce Transit has a fixed route fleet with an average age of 10.5 years and continues to extend the useful life of vehicles wherever possible. Funds are budgeted to replace 25 Compressed Natural Gas (CNG) buses, 9-10 SHUTTLE vans, and 55 vanpool vans.

Passenger Facilities & Amenities – This category includes funds for necessary repairs and refurbishments at several locations including Commerce Tunnel Refurbishment, Tacoma Dome Station, Narrows Park & Ride, and South Hill Mall Transit Center.

Base Facilities – Funds are budgeted for repairs and refurbishments to base facilities and systems. Based on results of the Base Master Plan study, the Base Master Plan Phase 1 includes expansion of the parking behind Building 5, and reconfiguring of parking around Building 4 to provide additional bus parking capacity, wider lanes and improved circulation.

Technology – Budget includes maintenance and upgrade of several critical software and systems, as well as replacement of infrastructure that has reached the end of its useful life. Some of these projects include Network Infrastructure, CAD/AVL System Replacement, and Security Enhancements Lifecycle Replacement.

Other – Other capital projects include a Bus Rapid Transit (BRT) projected covering engineering design, environmental clearances, right-of-way, and property acquisitions and permits. This project is fully funded by State and Sound Transit contributions. Other also includes replacement and expansion of non-revenue support vehicles (trucks, forklifts, cars, etc.), and maintenance and administrative equipment.

The detailed 2019 Capital Budget list follows.



2019 CAPITAL BUDGET

Project Title	Division	Project Number	Multi-Year Budget Data				2019 Annual Project Budget Data			Funding of 2019 Project Amount	
			Total Project Budget	Prior Year Expenditures (through 12/31/17)	ESTIMATED 2018 Expenditures	Closeout - Amount Returned to Reserves At Close	Project Carryover from 2018 into 2019	New 2019 Project Allocation Amount	2019 Annual Capital Budget	Local (Pierce Transit) Funded	Estimated Grant Funding
Base Facilities Projects											
Bldg. 4 Modifications	Planning & CDev	0345	3,943,317	2,017,603	15,987	-	1,909,727	-	1,909,727	1,588,668	321,059
Emergency Warning System Repl. 2015	Service Delivery & S	0452	466,874	30,061	6,908	-	429,905	-	429,905	429,905	-
Base Master Plan Update/Facility Needs	Planning & CDev	0470	353,000	331,115	11,387	-	10,498	-	10,498	10,498	-
West Base Property Acquisition CLOSED 2018	Planning & CDev	0471	2,576,852	13,601	1,252,751	1,310,500	-	-	-	-	-
Base Master Plan Phase 1 Implementation 2017	Planning & CDev	0489	572,000	-	-	-	572,000	-	572,000	169,500	402,500
Bldg 6 Property Improvements	Planning & CDev	0522	600,000	150	501,696	-	98,154	-	98,154	98,154	-
Base Lot Lighting Upgrades	Facilities	0523	399,750	16,398	383,352	-	-	-	-	-	-
Base Master Plan Implementation	Planning & CDev	0525	22,818,222	-	-	-	15,670,084	7,148,138	22,818,222	12,321,840	10,496,382
Bldg 1 Skylight Repl 2018	Facilities	0526	83,600	-	83,600	-	-	-	-	-	-
Solar Panel Pilot Project 2019	Facilities	new	25,622	-	-	-	-	25,622	25,622	25,622	-
Subtotal Base Facilities Projects			31,839,237	2,408,928	2,255,681	1,310,500	18,690,368	7,173,760	25,864,128	14,644,187	11,219,941
Other Projects (Admin & Shop Equipment)											
Support Fleet Replacement 2016	Maintenance	0474	370,541	352,623	-	-	17,918	-	17,918	17,918	-
High Capacity Transit (HCT) Feasibility Study	Planning & CDev	0481	1,333,651	344,415	889,236	-	100,000	-	100,000	100,000	-
Hoist Replacement 2017	Maintenance	0488	591,177	299,141	101,089	-	190,947	-	190,947	190,947	-
Trash Compactor Repl 2017	Maintenance	0493	43,290	-	43,290	-	-	-	-	-	-
Support Vehicle Expansion 2017	Maintenance	0495	188,797	78,376	110,421	-	-	-	-	-	-
Bldg 1 Industrial Parts Washer Repl 2017	Maintenance	0497	131,146	-	89,461	-	41,685	-	41,685	41,685	-
Bldg 1 Body Shop Frame Rack 2017	Maintenance	0498	75,900	-	-	-	75,900	-	75,900	75,900	-
Electric Vehicle Infrastructure 2017	Maintenance	0501	38,500	-	38,500	-	-	-	-	-	-
Bldg 1 Brake Dyno Roller Tester 2018	Facilities	0528	164,850	-	64,850	-	100,000	-	100,000	100,000	-
Bus Vacuum Sys Repl 2018	Maintenance	0529	310,000	-	-	-	310,000	-	310,000	310,000	-
Bldg 1 Boiler Repl 2018	Facilities	0530	48,350	-	48,350	-	-	-	-	-	-
Marketing Printer & Plotter Repl 2018	Facilities	0532	83,308	-	-	-	83,308	-	83,308	83,308	-
Logo Refresh 2018	Planning & CDev	0533	90,452	-	-	-	90,452	-	90,452	90,452	-
Support Vehicle Repl 2018	Maintenance	0534	511,687	-	491,687	-	20,000	-	20,000	20,000	-
Corridor Speed & Reliability Improvements 2018	Planning & CDev	0554	4,500,000	-	-	-	4,500,000	-	4,500,000	360,000	4,140,000
Building 1 HVAC system replacement 2019-2020	Maintenance	new	400,000	-	-	-	-	400,000	400,000	400,000	-
BRT Pac Ave SR 7 Construction 2019-2021	Maintenance	new	28,015,000	-	-	-	-	28,015,000	28,015,000	-	28,015,000
Bldg 1 Exterior Renewal 2019	Maintenance	new	1,535,911	-	-	-	-	1,535,911	1,535,911	1,535,911	-
Bldg 4 Ops Lobby Skylights 2019	Maintenance	new	103,500	-	-	-	-	103,500	103,500	103,500	-
Bldg 4 IT Help Desk Area Remodel 2019	Maintenance	new	92,920	-	-	-	-	92,920	92,920	92,920	-
Paint Booth Restoration 2019-2020	Maintenance	new	248,769	-	-	-	-	248,769	248,769	248,769	-
Support Vehicle Replacement 2019-2024	Maintenance	new	486,858	-	-	-	-	486,858	486,858	486,858	-
TDS Operators Rest Area 2019	Maintenance	new	30,000	-	-	-	-	30,000	30,000	30,000	-
Warehouse Stand Up Forklift Repl 2019	Maintenance	new	57,500	-	-	-	-	57,500	57,500	57,500	-
Subtotal Other Capital Projects			39,452,107	1,074,555	1,876,884	-	5,530,210	30,970,458	36,500,668	4,345,668	32,155,000



2019 CAPITAL BUDGET

Project Title	Division	Project Number	Multi-Year Budget Data				2019 Annual Project Budget Data			Funding of 2019 Project Amount	
			Total Project Budget (through 12/31/17)	Prior Year Expenditures	ESTIMATED 2018 Expenditures	Closeout - Amount Returned to Reserves At Close	Project Carryover from 2018 into 2019	New 2019 Project Allocation Amount	2019 Annual Capital Budget	Local (Pierce Transit) Funded	Estimated Grant Funding
Passenger Facilities Projects											
TDS Mid-Life Maintenance	Planning & CDev	0315	5,671,045	477,486	4,776,440	-	417,119	-	417,119	417,119	-
Facilities Critical Repairs	Planning & CDev	0418	63,843	54,656	9,187	-	-	-	-	-	-
Air Spare/TDS Transit Oriented Development	Planning & CDev	0450	95,500	16,190	79,310	-	-	-	-	-	-
72nd Street Transit Center Renewal	Planning & CDev	0483	509,671	55,908	453,763	-	-	-	-	-	-
TCC Transit Center Renewal	Planning & CDev	0484	1,500,000	112,865	1,387,135	-	-	-	-	-	-
Tacoma Mall Transit Center Renewal	Planning & CDev	0485	1,193,179	98,297	1,094,882	-	-	-	-	-	-
SR512 Transit Center Renewal	Planning & CDev	0486	2,529,310	90,676	2,438,634	-	-	-	-	-	-
Commerce Placemaking	Planning & CDev	0487	250,000	120,185	129,815	-	-	-	-	-	-
Lakewood Towne Center Transit Center Renewal	Planning & CDev	0502	500,000	9,399	490,601	-	-	-	-	-	-
Narrows Park & Ride Renewal	Planning & CDev	0503	500,000	-	50,000	-	450,000	-	450,000	450,000	-
Commerce Tunnel Refurbishment	Facilities	0524	1,285,000	-	250,000	-	1,035,000	-	1,035,000	1,035,000	-
Commerce Placemaking 2019-2020	Planning & CDev	new	110,000	-	-	-	-	110,000	110,000	110,000	-
South Hill Mall Transit Center Renewal 2019	Planning & CDev	new	821,750	-	-	-	-	821,750	821,750	821,750	-
Spanaway Turnaround Facility 2019-2022	Planning & CDev	0556	5,025,000	-	-	-	-	5,025,000	5,025,000	1,025,000	4,000,000
Subtotal Passenger Facilities Projects			20,054,298	1,035,662	11,159,767	-	1,902,119	5,956,750	7,858,869	3,858,869	4,000,000
Revenue Vehicles Projects											
Bus Fleet Replacement 2017	Maintenance	0505	15,946,131	-	-	-	15,946,131	-	15,946,131	8,754,620	7,191,511
Vanpool Replacement 2017	Maintenance	0506	1,739,292	1,644,423	38,000	-	56,869	-	56,869	56,869	-
Electric Bus Deployment 2017	Maintenance	0507	4,284,364	95,522	4,188,842	-	-	-	-	-	-
Bus Fleet Repl 2018	Maintenance	0536	14,555,661	-	-	-	14,555,661	-	14,555,661	5,696,349	8,859,312
Shuttle Fleet Repl 2018	Maintenance	0537	1,900,000	-	-	-	1,900,000	-	1,900,000	1,900,000	-
Trolley Repl 2018	Maintenance	0538	1,068,045	-	-	-	1,068,045	-	1,068,045	1,068,045	-
Vanpool Fleet Repl 2018	Maintenance	0539	1,074,095	-	1,046,095	-	28,000	-	28,000	28,000	-
Bus Replacement 2019-2023	Maintenance	new	17,959,490	-	-	-	-	17,959,490	17,959,490	11,956,790	6,002,700
SHUTTLE Replacement 2019-2022	Maintenance	new	1,051,607	-	-	-	-	1,051,607	1,051,607	1,051,607	-
Vanpool Replacement 2019-2024	Maintenance	new	1,965,689	-	-	-	-	1,965,689	1,965,689	1,965,689	-
Subtotal Revenue Vehicle Projects			61,544,374	1,739,945	5,272,937	-	33,554,706	20,976,786	54,531,492	32,477,969	22,053,523



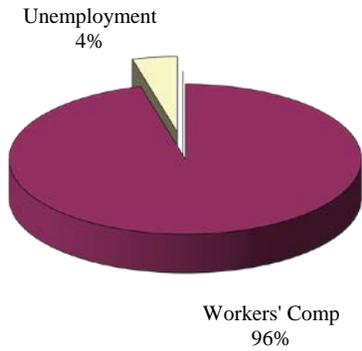
2019 CAPITAL BUDGET

Project Title	Division	Project Number	Multi-Year Budget Data				2019 Annual Project Budget Data			Funding of 2019 Project Amount	
			Total Project Budget (through 12/31/17)	Prior Year Expenditures	ESTIMATED 2018 Expenditures	Closeout - Amount Returned to Reserves At Close	Project Carryover from 2018 into 2019	New 2019 Project Allocation Amount	2019 Annual Capital Budget	Local (Pierce Transit) Funded	Estimated Grant Funding
Technology Projects											
AV System Replacement - Bldg. 5	Finance	0410	546,452	420,918	-	-	125,534	-	125,534	125,534	-
Financial Mgmt. Sys Repl. 2015	Finance	0445	1,551,957	260,623	312,893	-	978,441	-	978,441	978,441	-
ngORCA	Planning & CDev	0482	6,154,834	48,613	49,845	-	6,056,376	-	6,056,376	6,056,376	-
Network Infrastructure Repl 2017	Finance	0508	990,070	468,326	-	-	521,744	-	521,744	521,744	-
Hastus Upgrade 2017	Finance	0510	961,975	239,743	603,662	-	118,570	-	118,570	118,570	-
Shuttle IVR 2017	Finance	0512	110,000	-	110,000	-	-	-	-	-	-
Vanpool Management System 2017	Finance	0514	315,173	-	315,173	-	-	-	-	-	-
Shuttle MDT Replacement 2017 CLOSED 2018	Finance	0516	250,427	248,110	2,317	-	-	-	-	-	-
SharePoint Upgrade 2017	Finance	0517	351,734	-	121,731	-	230,003	-	230,003	230,003	-
Collision Avoidance System	Maintenance	0518	2,800,000	-	766,073	-	2,033,927	-	2,033,927	403,009	1,630,918
TDS Distributed Antenna Sys for PT PublicSafety 2018	Maintenance	0540	312,500	-	50,000	-	262,500	-	262,500	262,500	-
Network Infrastructure 2018	Finance	0541	564,886	-	525,008	-	39,878	-	39,878	39,878	-
Storage Area Network 2018	Finance	0542	274,750	-	274,750	-	-	-	-	-	-
Automated Tool Control Sys 2018	Maintenance	0535	152,100	-	152,100	-	-	-	-	-	-
Backup Software Repl 2018	Finance	0543	85,000	-	-	-	85,000	-	85,000	85,000	-
Bus Driving Simulator 2018	Finance	0544	507,581	-	361,350	-	146,231	-	146,231	146,231	-
Real-Time Information Signs 2018	Finance	0546	300,000	-	-	-	300,000	-	300,000	-	300,000
Customer Service Mgmt Sys Repl 2018	Finance	0547	139,140	-	-	-	139,140	-	139,140	139,140	-
Privileged Access Software 2018	Finance	0550	95,000	-	-	-	95,000	-	95,000	95,000	-
Security Enhancements LifeCycle Repl 2018	Service Delivery & S	0551	1,506,419	-	-	-	715,584	790,835	1,506,419	1,506,419	-
Drive Cam Program 2018	Service Delivery & S	0553	480,000	-	480,000	-	-	-	-	-	-
AV System Controller Replacement 2019	Finance	new	170,500	-	-	-	-	170,500	170,500	170,500	-
CAD-AVL System Replacement 2019	Maintenance	new	11,000,000	-	-	-	-	11,000,000	11,000,000	9,000,000	2,000,000
Clarity Chat Survey 2019	Finance	new	30,800	-	-	-	-	30,800	30,800	30,800	-
E-Builder Software	Finance	new	200,000	-	-	-	-	200,000	200,000	200,000	-
Facilities Workorder Management System - 2019	Maintenance	new	201,250	-	-	-	-	201,250	201,250	201,250	-
Maintenance Management System - EAM Replacement 20	Maintenance	new	257,910	-	-	-	-	257,910	257,910	257,910	-
Network Infrastructure Replacements 2019-2024	Finance	new	1,773,000	-	-	-	-	1,773,000	1,773,000	1,773,000	-
Storage Area Network 2019 - 2024	Finance	new	329,700	-	-	-	-	329,700	329,700	329,700	-
Zonar 2019	Finance	new	377,328	-	-	-	-	377,328	377,328	377,328	-
Subtotal Technology Projects			32,790,486	1,686,333	4,124,902	-	11,847,928	15,131,323	26,979,251	23,048,333	3,930,918
Grand Total			\$ 185,680,502	\$ 7,945,423	\$ 24,690,171	\$ 1,310,500	\$ 71,525,331	\$ 80,209,077	\$ 151,734,408	\$ 78,375,026	\$ 73,359,382

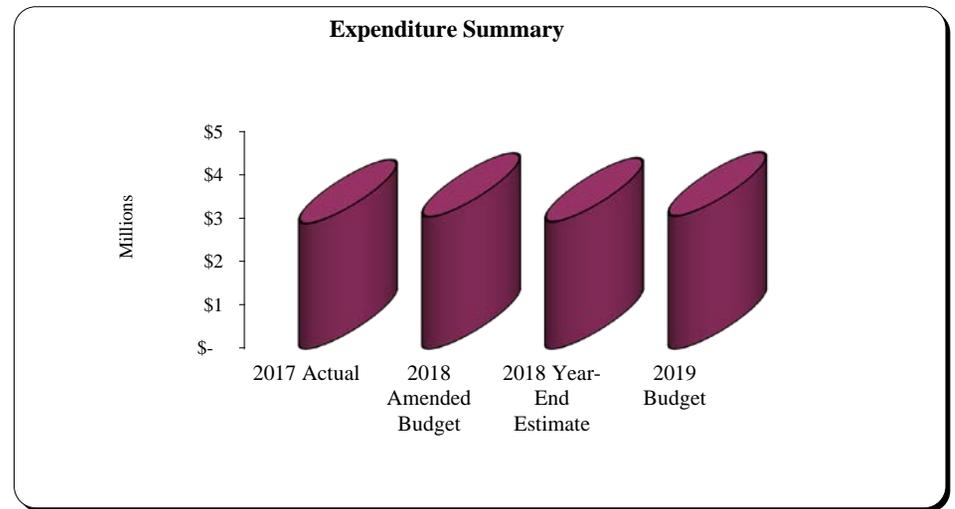


2019 BUDGET INSURANCE EXPENDITURE COMPARISON

Insurance Expenditure Comparison



Description	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR END ESTIMATE	2019 BUDGET	% Change 2018 Year-End Estimate to 2019 Budget
Workers' Comp. Insurance	\$ 2,823,328	\$ 2,915,000	\$ 2,827,339	\$ 2,936,330	3.9%
Unemployment Insurance	63,619	125,000	100,000	125,000	25.0%
TOTAL INSURANCE	<u>\$ 2,886,947</u>	<u>\$ 3,040,000</u>	<u>\$ 2,927,339</u>	<u>\$ 3,061,330</u>	<u>4.6%</u>







This section includes the Six-Year Financial Plan Revenues & Expenditures, Ending Balances, and the 2019-2024 Six-Year Capital Plan.

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

2019 Budget

Six-Year Financial Plan

PIERCE TRANSIT
2019-2024 Six-Year Financial Plan
Revenues & Expenditures

(Millions)	2018 YE Est	2019 Budget	2020	2021	2022	2023	2024
OPERATING							
Revenue							
Operating Income							
Passenger Fares (Fare Revenue)	\$12.170647	\$12.209000	\$13.449266	\$13.557303	\$13.666616	\$13.777227	\$13.889153
Advertising (contract)	0.310000	0.320000	0.320000	0.320000	0.320000	0.320000	0.320000
Sound Transit Reimbursement (ST)							
ST Express	47.185802	51.334645	54.007848	56.957704	59.967831	63.259043	66.620753
ST Tacoma Dome Station	0.783459	1.059478	1.080668	1.102281	1.124327	1.146813	1.169749
Operating Income	60.449908	64.923123	68.857782	71.937287	75.078774	78.503083	81.999655
Non-Operating Income							
Sales Tax	87.714010	93.415421	98.553269	103.973699	109.692252	115.725326	122.090219
Interest	0.680000	0.650000	0.653250	0.656516	0.659799	0.663098	0.666413
Other Miscellaneous	1.088940	1.029000	1.029000	1.029000	1.029000	1.029000	1.029000
Non-Operating Income	89.482950	95.094421	100.235519	105.659215	111.381051	117.417424	123.785632
Operating Contributions							
CTR/Vanpool Assistance	0.230219	0.319219	0.066219	0.066219	0.066219	0.066219	0.066219
Special Needs Transportation Grant	1.900000	1.900000	1.900000	1.900000	1.900000	1.900000	1.900000
Operating Grants - Other	2.719098	0.500000	0.500000	0.500000	0.500000	0.500000	0.500000
Operating Contributions	4.849317	2.719219	2.466219	2.466219	2.466219	2.466219	2.466219
Total Operating Revenue	\$154.782175	\$162.736763	\$171.559520	\$180.062721	\$188.926043	\$198.386726	\$208.251507
Expenditures							
Operating Expenditures							
Wages	\$66.306971	\$71.742401	\$75.229675	\$78.661181	\$82.408389	\$86.335647	\$90.624785
Benefits	26.008003	27.921141	32.105761	34.385219	36.682935	39.368468	42.096165
M & O	23.909483	26.685190	27.211085	29.154659	28.339856	28.908825	29.492094
Fuel	6.467169	7.087126	7.173438	7.277213	7.389018	7.503060	7.625701
Parts	7.712693	7.803764	7.929899	8.080278	8.241883	8.406721	8.583578
Purchased Trans.	7.045210	7.894583	7.989971	8.162918	8.341163	8.524870	8.714207
Bridge Tolls	0.184260	0.016880	0.017218	0.017562	0.017913	0.018271	0.018637
Total Operating Expenditures (w/out Debt, Depreciation, and NonDepartmental)	137.633789	149.151085	157.657047	165.739030	171.421159	179.065863	187.155167
Non-Operating Expenditures							
Payments to Pierce Co for 5307 Agreement	0.879816	0.780000	0.780000	0.780000	0.780000	0.780000	0.780000
Non-Operating Expenditures	0.879816	0.780000	0.780000	0.780000	0.780000	0.780000	0.780000
Total Operating Expenditures	\$138.513605	\$149.931085	\$158.437047	\$166.519030	\$172.201159	\$179.845863	\$187.935167

PIERCE TRANSIT
2019-2024 Six-Year Financial Plan
Revenues & Expenditures

(Millions)	2018 YE Est	2019 Budget	2020	2021	2022	2023	2024
Total Operating Revenue Less Total Operating Expenditures	\$16.268570	\$12.805678	\$13.122473	\$13.543692	\$16.724885	\$18.540863	\$20.316340
Transfers							
Capital Reserve	\$15.128995	\$34.559654	\$8.561642	\$8.958930	\$12.442665	\$13.831192	\$15.429202
Insurance	2.433505	2.852308	3.143170	3.237765	3.335198	3.435554	3.538921
Transfers	17.562500	37.411962	11.704812	12.196695	15.777863	17.266746	18.968123
Total Expenditures and Transfers	\$156.076105	\$187.343047	\$170.141859	\$178.715725	\$187.979022	\$197.112609	\$206.903289

Change in Reserves	-\$1.293930	-\$24.606284	\$1.417661	\$1.346997	\$0.947022	\$1.274117	\$1.348217
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CAPITAL

Revenue							
Federal	\$3.339746	\$25.426618	\$4.640821	\$71.803400	\$4.627700	\$4.627700	\$0.000000
State	0.922693	9.000000	32.045000	14.500000	0.000000	0.000000	0.000000
Other	0.526795	38.932764	3.345851	56.253970	2.936190	3.979909	2.145997
Transfer from Operating Fund	15.128995	34.559654	8.561642	8.958930	12.442665	13.831192	15.429202
Interest	0.950000	0.800000	0.073474	0.045000	0.045000	0.045000	0.053245
Total Capital Revenues	\$20.868229	\$108.719036	\$48.666788	\$151.561300	\$20.051555	\$22.483801	\$17.628444

Expenditures							
Revenue Vehicles	\$5.272937	\$54.531492	\$10.496488	\$20.577053	\$16.933562	\$9.710324	\$2.463159
Base Facilities	2.255681	25.864128	0.217500	39.055189	0.130000	8.651976	4.665210
Passenger Facilities & Amenities	11.159767	7.858869	2.750000	0.000000	0.000000	0.000000	0.000000
Technology	3.972802	26.979251	1.819550	2.071650	2.840200	2.152150	1.747895
Other	2.028984	36.500668	39.078068	89.857408	0.147793	0.320347	1.401184
Total Capital Expenditures	\$24.690171	\$151.734408	\$54.361606	\$151.561300	\$20.051555	\$20.834797	\$10.277448

Use of Reserve	-3.821942	-43.015372	-5.694818	0.000000	0.000000	1.649004	7.350996
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INSURANCE

Revenue							
Interest	\$0.073000	\$0.070000	\$0.010000	\$0.010000	\$0.010000	\$0.010000	\$0.010000
Transfer	2.433505	2.852308	3.143170	3.237765	3.335198	3.435554	3.538921
Total Insurance Revenue & Transfer	\$2.506505	\$2.922308	\$3.153170	\$3.247765	\$3.345198	\$3.445554	\$3.548921

Expenditures							
Insurance Expenditures	\$2.927339	\$3.061330	\$3.153170	\$3.247765	\$3.345198	\$3.445554	\$3.548921
Use of Reserve	-\$0.420834	-\$0.139022	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000

PIERCE TRANSIT
2019-2024 Six-Year Financial Plan
Ending Balances

(Millions)	2018 YE Est	2019 Budget	2020	2021	2022	2023	2024
OPERATING							
Beginning Balance	\$50.758728	\$49.464798	\$24.858514	\$26.276175	\$27.623172	\$28.570193	\$29.844311
Revenue	154.782175	162.7367630	171.559520	180.062721	188.926043	198.386726	208.251507
Total	\$205.540903	\$212.201561	\$196.418034	\$206.338896	\$216.549215	\$226.956920	\$238.095817
Expenditures	\$138.513605	\$149.931085	\$158.437047	\$166.519030	\$172.201159	\$179.845863	\$187.935167
Transfers from Operating	17.562500	37.411962	11.704812	12.196695	15.777863	17.266746	18.968123
Total	\$156.076105	\$187.343047	\$170.141859	\$178.715725	\$187.979022	\$197.112609	\$206.903289
Operating Ending Balance	\$49.464798	\$24.858514	\$26.276175	\$27.623172	\$28.570193	\$29.844311	\$31.192528
Required Margin	22.938965	24.858514	26.276174	27.623172	28.570193	29.844311	31.192528
Margin / (Deficit)	26.525833	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
CAPITAL							
Beginning Balance	\$61.532132	\$57.710190	\$14.694818	\$9.000000	\$9.000000	\$9.000000	\$10.649004
Revenues	20.868229	108.719036	48.666788	151.561300	20.051555	22.483801	17.628444
Total	\$82.400361	\$166.429226	\$63.361606	\$160.561300	\$29.051555	\$31.483801	\$28.277448
Expenditures	\$24.690171	\$151.734408	\$54.361606	\$151.561300	\$20.051555	\$20.834797	\$10.277448
Capital Ending Balance	\$57.710190	\$14.694818	\$9.000000	\$9.000000	\$9.000000	\$10.649004	\$18.000000
Required Margin <\$9 M; 2024 \$18 M	18.000000	9.000000	9.000000	9.000000	9.000000	9.000000	18.000000
Margin / (Deficit)	39.710190	5.694818	0.000000	0.000000	0.000000	1.649004	0.000000
INSURANCE							
Beginning Balance	\$2.559856	\$2.139022	\$2.000000	\$2.000000	\$2.000000	\$2.000000	\$2.000000
Interest	0.073000	0.070000	0.010000	0.010000	0.010000	0.010000	0.010000
Transfer	2.433505	2.852308	3.143170	3.237765	3.335198	3.435554	3.538921
Total	\$5.066361	\$5.061330	\$5.153170	\$5.247765	\$5.345198	\$5.445554	\$5.548921
Expenditures	\$2.927339	\$3.061330	\$3.153170	\$3.247765	\$3.345198	\$3.445554	\$3.548921
Insurance Ending Balance	\$2.139022	\$2.000000	\$2.000000	\$2.000000	\$2.000000	\$2.000000	\$2.000000
Required Margin	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
Margin / (Deficit)	0.139022	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Total Ending Balances	\$109.314010	\$41.553332	\$37.276175	\$38.623171	\$39.570193	\$42.493315	\$51.192528
ALL FUNDS							
Required Margin	\$42.938965	\$35.858514	\$37.276174	\$38.623172	\$39.570193	\$40.844311	\$51.192528
Margin / (Deficit)	\$66.375045	\$5.694818	\$0.000000	\$0.000000	\$0.000000	\$1.649004	\$0.000000



2019-2024 Six-Year Capital Plan

Project Title	Division	Project Number	2018 Estimated Carryover	New 2019 Project Allocation	2019	2020	2021	2022	2023	2024	Total
1 AV System Replacement - Bldg. 5	Administration	0410	125,534	-	125,534	-	-	-	-	-	125,534
2 Backup Software Repl 2018	Administration	0543	85,000	-	85,000	-	-	-	-	-	85,000
3 Base Master Plan Implementation 2019-2024	Planning & Cdev	0525	15,670,084	7,148,138	22,818,222	130,000	39,055,189	130,000	8,651,976	4,665,210	75,450,597
4 Base Master Plan Phase 1 Implementation 2017	Planning & Cdev	0489	572,000	-	572,000	-	-	-	-	-	572,000
5 Base Master Plan Update/Facility Needs	Planning & Cdev	0470	10,498	-	10,498	-	-	-	-	-	10,498
6 Bldg 1 Body Shop Frame Rack 2017	Maintenance	0498	75,900	-	75,900	-	-	-	-	-	75,900
7 Bldg 1 Brake Dyno Roller Tester 2018	Facilities	0528	100,000	-	100,000	-	-	-	-	-	100,000
8 Bldg 1 Industrial Parts Washer Repl 2017	Maintenance	0497	41,685	-	41,685	-	-	-	-	-	41,685
9 Bldg 4 Modifications	Planning & Cdev	0345	1,909,727	-	1,909,727	-	-	-	-	-	1,909,727
10 Bldg 6 Property Improvements	Planning & Cdev	0522	98,154	-	98,154	-	-	-	-	-	98,154
11 Bus Driving Simulator 2018	Administration	0544	146,231	-	146,231	-	-	-	-	-	146,231
12 Bus Fleet Repl 2017	Maintenance	0505	15,946,131	-	15,946,131	-	-	-	-	-	15,946,131
13 Bus Fleet Repl 2018	Maintenance	0536	14,555,661	-	14,555,661	-	-	-	-	-	14,555,661
14 Bus Vacuum Sys Repl 2018	Maintenance	0529	310,000	-	310,000	-	-	-	-	-	310,000
15 Collision Avoidance System	Maintenance	0518	2,033,927	-	2,033,927	-	-	-	-	-	2,033,927
16 Commerce Tunnel Refurbishment	Facilities	0524	1,035,000	-	1,035,000	-	-	-	-	-	1,035,000
17 Corridor Speed & Reliability Improvements 2018	Planning & Cdev	0554	4,500,000	-	4,500,000	-	-	-	-	-	4,500,000
18 Customer Service Mgmt Sys Repl 2018	Administration	0547	139,140	-	139,140	-	-	-	-	-	139,140
19 Emergency Warning System Repl. 2015	Service Delivery & S	0452	429,905	-	429,905	-	-	-	-	-	429,905
20 Financial Mgmt. Sys Repl. 2015	Finance	0445	978,441	-	978,441	-	-	-	-	-	978,441
21 Hastus Upgrade 2017	Administration	0510	118,570	-	118,570	-	-	-	-	-	118,570
22 High Capacity Transit (HCT) Feasibility Study	Planning & Cdev	0481	100,000	-	100,000	-	-	-	-	-	100,000
23 Hoist Replacement 2017	Maintenance	0488	190,947	-	190,947	-	-	-	-	-	190,947
24 Logo Refresh 2018	Planning & Cdev	0533	90,452	-	90,452	-	-	-	-	-	90,452
25 Marketing Printer & Plotter Repl 2018	Administration	0532	83,308	-	83,308	-	-	-	-	-	83,308
26 Narrows Park & Ride Renewal	Planning & Cdev	0503	450,000	-	450,000	-	-	-	-	-	450,000
27 Network Infrastructure 2018	Administration	0541	39,878	-	39,878	-	-	-	-	-	39,878
28 Network Infrastructure Repl 2017	Administration	0508	521,744	-	521,744	-	-	-	-	-	521,744
29 ngORCA	Planning & Cdev	0482	6,056,376	-	6,056,376	-	-	-	-	-	6,056,376
30 Priviledged Access Software 2018	Administration	0550	95,000	-	95,000	-	-	-	-	-	95,000
31 Real-Time Information Signs 2018	Administration	0546	300,000	-	300,000	-	-	-	-	-	300,000
32 Security Enhancements Life Cycle Replacement 2019-2024	Service Delivery & S	0551	715,584	790,835	1,506,419	209,850	-	385,000	664,450	380,195	3,145,914
33 SharePoint Upgrade 2017	Administration	0517	230,003	-	230,003	-	-	-	-	-	230,003
34 Shuttle Fleet Repl 2018	Maintenance	0537	1,900,000	-	1,900,000	-	-	-	-	-	1,900,000
35 Support Fleet Replacement 2016	Maintenance	0474	17,918	-	17,918	-	-	-	-	-	17,918
36 Support Vehicle Repl 2018	Maintenance	0534	20,000	-	20,000	-	-	-	-	-	20,000
37 TDS Distributed Antenna Sys for PT PublicSafety 2018	Maintenance	0540	262,500	-	262,500	-	-	-	-	-	262,500
38 TDS Mid-Life Maintenance	Planning & Cdev	0315	417,119	-	417,119	-	-	-	-	-	417,119
39 Trolley Repl 2018	Maintenance	0538	1,068,045	-	1,068,045	-	-	-	-	-	1,068,045
40 Vanpool Fleet Repl 2018	Maintenance	0539	28,000	-	28,000	-	-	-	-	-	28,000
41 Vanpool Replacement 2017	Maintenance	0506	56,869	-	56,869	-	-	-	-	-	56,869
Subtotal Additional & Carryover Requests			71,525,331	7,938,973	79,464,304	339,850	39,055,189	515,000	9,316,426	5,045,405	133,736,174



2019-2024 Six-Year Capital Plan

Project Title	Division	Project Number	2018 Estimated Carryover	New 2019 Project Allocation	2019	2020	2021	2022	2023	2024	Total
42 AV System Controller Replacement 2019	Finance	new	-	170,500	170,500	-	-	-	-	-	170,500
43 Bldg 1 Exterior Renewal 2019	Maintenance	new	-	1,535,911	1,535,911	-	-	-	-	-	1,535,911
44 Bldg 1 HVAC system replacement 2019-2020	Maintenance	new	-	400,000	400,000	5,046,000	-	-	-	-	5,446,000
45 Bldg 4 IT Help Desk Area Remodel 2019	Maintenance	new	-	92,920	92,920	-	-	-	-	-	92,920
46 Bldg 4 Ops Lobby Skylights 2019	Maintenance	new	-	103,500	103,500	-	-	-	-	-	103,500
47 BRT Pac Ave SR 7 Construction 2019-2021	Maintenance	new	-	28,015,000	28,015,000	32,045,000	89,700,000	-	-	-	149,760,000
48 Bus Replacement 2019-2023	Maintenance	new	-	17,959,490	17,959,490	7,270,353	19,788,990	13,334,512	7,921,016	-	66,274,361
49 CAD-AVL System Replacement 2019	Maintenance	new	-	11,000,000	11,000,000	-	-	-	-	-	11,000,000
50 Clarity Chat Survey 2019	Finance	new	-	30,800	30,800	-	-	-	-	-	30,800
51 Commerce Placemaking 2019-2020	Planning & CDev	new	-	110,000	110,000	2,750,000	-	-	-	-	2,860,000
52 E-Builder Software	Finance	new	-	200,000	200,000	-	-	-	-	-	200,000
53 Facilities Workorder Management System 2019	Maintenance	new	-	201,250	201,250	-	-	-	-	-	201,250
54 Maintenance Management System - EAM Replacement 2019	Maintenance	new	-	257,910	257,910	-	-	-	-	-	257,910
55 Network Infrastructure Replacements 2019-2024	Finance	new	-	1,773,000	1,773,000	1,280,000	955,000	163,000	1,158,000	1,038,000	6,367,000
56 Paint Booth Restoration 2019 -2020	Maintenance	new	-	248,769	248,769	1,987,068	-	-	-	-	2,235,837
57 SHUTTLE Replacement 2019-2022	Maintenance	new	-	1,051,607	1,051,607	2,475,599	-	2,592,358	-	-	6,119,564
58 Solar Panel Pilot Project 2019	Facilities	new	-	25,622	25,622	-	-	-	-	-	25,622
59 South Hill Mall Transit Center Renewal 2019	Planning & CDev	new	-	821,750	821,750	-	-	-	-	-	821,750
60 Spanaway Turnaround Facility 2019-2022	Planning & CDev	new	-	5,025,000	5,025,000	-	-	-	-	-	5,025,000
61 Storage Area Network 2019 - 2024	Finance	new	-	329,700	329,700	329,700	329,700	329,700	329,700	329,700	1,978,200
62 Support Vehicle Replacement 2019-2024	Maintenance	new	-	486,858	486,858	-	157,408	147,793	215,085	1,401,184	2,408,328
63 TDS Operators Rest Area 2019	Maintenance	new	-	30,000	30,000	-	-	-	-	-	30,000
64 Vanpool Replacement 2019-2024	Maintenance	new	-	1,965,689	1,965,689	750,536	788,063	1,006,692	1,789,308	2,463,159	8,763,447
65 Warehouse Stand Up Forklift Repl 2019	Maintenance	new	-	57,500	57,500	-	-	-	-	-	57,500
66 Zonar 2019	Finance	new	-	377,328	377,328	-	-	-	-	-	377,328
Subtotal New Requests			-	72,270,104	72,270,104	53,934,256	111,719,161	17,574,055	11,413,109	5,232,043	272,142,728
67 Agency Computer Replacement 2022		outyear	-	-	-	-	-	-	-	-	-
68 Document Management System 2021		outyear	-	-	-	-	686,950	-	-	-	686,950
69 Hastus Upgrade 2022		outyear	-	-	-	-	-	312,500	-	-	312,500
70 Marketing Printer and Plotter Replacement 2023		outyear	-	-	-	-	-	-	105,262	-	105,262
71 Service Supervisor Vehicle Computer Replacement 2021		outyear	-	-	-	-	100,000	-	-	-	100,000
72 Warehouse Mezzanine Storage Remodel 2020		outyear	-	-	-	87,500	-	-	-	-	87,500
73 Upgrade or Replace Paratransit Routing System 2022		outyear	-	-	-	-	-	1,650,000	-	-	1,650,000
Subtotal Outyear Requests			-	-	-	87,500	786,950	1,962,500	105,262	-	2,942,212
Grand Total			\$ 71,525,331	\$ 80,209,077	\$ 151,734,408	\$ 54,361,606	\$ 151,561,300	\$ 20,051,555	\$ 20,834,797	\$ 10,277,448	\$ 408,821,114

Grant funding is associated with the project.



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

2019 Budget

Appendix



2019 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
AWC – Association of Washington Cities
BMP – Base Master Plan
BRT – Bus Rapid Transit
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
M&O – Maintenance and Operations
ngORCA – Next Generation One Regional Card for All
PERS – Public Employees Retirement System
PT – Pierce Transit
PTBA – Public Transportation Benefit Area
SHUTTLE – Specialized Transportation
ST – Sound Transit
SUV – Special Use Van
TDS – Tacoma Dome Station
USDOT – United States Department of Transportation
VP – Vanpool
WSDOT – Washington State Department of Transportation
YE – Year End



2019 BUDGET GLOSSARY

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

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

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

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

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

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

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

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

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

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



2019 BUDGET GLOSSARY

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

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

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

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

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

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

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

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



2019 BUDGET GLOSSARY

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

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

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

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

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

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

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

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

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

DOT – See USDOT and WSDOT



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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



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

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

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

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 amount of fares collected by the total number of passenger trips.

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 and extended through 2012.



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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 and a city in the same area.

Self-insurance – The items determined to be administered by the Agency rather than covered by an insurance policy. The costs may include workers' compensation, unemployment compensation benefits, related attorney fees and legal costs.

Service Hours – A calculation of service based on the number of hours a vehicle is on the road (includes revenue, recovery and deadhead 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.

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

Smart Card – see Regional Fare Coordination Project.

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

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

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



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

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

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

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

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

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





Pierce Transit SYSTEM MAP

PARK & RIDE:

TRANSIT CENTER:

PT ROUTE NUMBER:

KC METRO ROUTE NUMBER:

PARTICIPATING ORCA RETAILERS:

