

# Pierce Transit

Lakewood, Washington

2021 Budget



*"Connecting You with Life"*



## 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.*



## 2021 BUDGET

Fiscal Year January 1, 2021 through December 31, 2021

SUE DREIER, Chief Executive Officer

Prepared By  
The Finance Division

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KELLI DION, Budget Supervisor

JULIE STUTZKE, Budget Coordinator

For budget and other information about Pierce Transit visit [PierceTransit.org](http://PierceTransit.org)



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Information is available on Pierce  
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***PierceTransit.org***

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

# **2021 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 Victoria Woodards**  
**Chair**  
**Mayor of Tacoma**  
**Representing Tacoma**



**Commissioner Marty Campbell**  
**Vice Chair**  
**Pierce County Council**  
**Representing Pierce County**



**Commissioner Don Anderson**  
**Mayor of Lakewood**  
**Representing Lakewood**



**Commissioner Bruce Dammeier**  
**Pierce County Executive**  
**Representing Pierce County**



**Commissioner Kim Roscoe**  
**Mayor of Fife**  
**Representing Fife, Milton, Pacific, Auburn, Ruston, Steilacoom and Gig Harbor**



**Commissioner Conor McCarthy**  
**Tacoma City Council**  
**Representing Tacoma**



**Commissioner John Palmer**  
**Deputy Mayor of Puyallup**  
**Representing Edgewood and Puyallup**



**Commissioner Kent Keel**  
**University Place City Council**  
**Representing University Place and Fircrest**



**Commissioner Kristina Walker**  
**Tacoma City Council**  
**Representing Tacoma**



**Vacant**  
**Non-Voting Union Representative**



2021 ORGANIZATIONAL CHART

CITIZENS OF PIERCE COUNTY

BOARD OF COMMISSIONERS

CHIEF EXECUTIVE OFFICER  
Sue Dreier

CLERK OF THE BOARD/  
PUBLIC RECORDS OFFICER  
Deanne Jacobson

EXECUTIVE  
DIVISION

**Sue Dreier**  
Chief Executive Officer

Division Admin  
Communications

ADMINISTRATION  
DIVISION

**Amy Cleveland**  
Executive Director

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

FINANCE  
DIVISION

**Brett Freshwaters**  
Executive Director

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

MAINTENANCE  
DIVISION

**Frank Castro**  
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  
Transit Development  
    Department Admin  
    Service Planning Admin  
    Capital Planning  
    Bus Stop Program  
    Planning  
    Scheduling  
Community Development

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  
The Training Department  
Service Support  
    Service Support Admin  
    Service Support Operations  
    Customer Service  
Specialized Transportation  
    Department Admin  
    Paratransit Customer Service  
ADA



## 2021 BUDGET MESSAGE



**February 8, 2021**

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

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

I am pleased to present the 2021 Budget for your review and consideration. As we move further into 2021, I will reflect on a few of the challenges that we overcame in 2020 and the myriad ways that the COVID-19 pandemic altered how we do business. Despite the challenges, we were able to accomplish many goals and keep key projects moving forward.

### Service Impacts

- **Four service changes** within four months saw unprecedented support from staff throughout the agency: including planners, IT support, Service Delivery and operators, Service Support, Marketing and Communications.
- **Fare collection ceased** for over two months to allow passenger boarding through the rear doors.
- **Social distancing on buses** meant new signs, new procedures and a lot of communication with the public.
- **The Bus Shop customer service office** was closed to the public when the pandemic began; we were able to safely reopen it two months later with limited hours and a limit on the number of customers in the lobby. Pierce Transit's headquarters remains closed to the public.

### Safety Impacts

- **Personal Protective Equipment (PPE) for staff and the public** and new safety procedures changed how we do business.
- **Disinfecting buses** and office spaces meant extra work for procurement and our maintenance teams.



## 2021 BUDGET MESSAGE



- **Plexiglass barriers** for driver safety and to allow resuming fare collection – Maintenance Division staff showed what true teamwork looks like to get them installed on the entire fleet in a minimal amount of time.

### Financial Impacts

- **Sales tax reductions** were swift and caused almost daily forecast updates as staff struggled to determine long-range impacts.
- **Fare revenue** was not collected at all for two months while safety measures were being implemented.
- **Sound Transit reduced service**, resulting in significant revenue reduction.
- **Increased expenses** due to extra safety measures worked counter to expense reductions.
- **Swift action to reduce expenses** in staffing, operations and capital to offset lower revenue helped minimize longer term impacts.

### Employee Impacts

- **Public transportation as an essential service** meant that most Pierce Transit employees continued to work in person and deal with often-changing COVID safety precautions.
- **Work from home** meant teleworking for those that could and a stellar effort from IT staff to ensure everyone had the necessary tools.
- **No in-person meetings** meant that everyone learned how to use new tools and communicate effectively with Skype, Teams and Zoom.
- **Furloughs** were an unfortunate necessity to help offset revenue and service reductions.



## 2021 BUDGET MESSAGE



These impacts are just some of the many that we tackled throughout the year. Through it all, the Pierce Transit team rose to the occasion. We adapted to working at home and found new ways to effectively communicate and do our daily work. Of course, the majority of the workforce, primarily operators and maintenance staff are front-line employees who were not able to work from home and continued to do their jobs under challenging conditions. Staff quickly adopted the latest health guidelines and safety precautions and we managed to keep COVID cases to a minimum, considering the size of our workforce.

I am extremely proud of the entire Pierce Transit workforce. Everyone made it possible to provide our essential public service under extremely challenging conditions that we could not foresee. Our employees' dedication to serving the public is a major force that keeps Pierce Transit moving forward and will allow us to come out the other side of the pandemic even stronger.

### **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 pandemic has taken a toll on Pierce Transit's and the region's economic growth, but there are signs of hope.

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 ten-year economic expansion came to an abrupt halt in March 2020 when much of the economy shut down due to the pandemic. While initial forecasts for the impact on sales tax were dire, reality turned out to not be quite as severe as many feared. Many indicators point to a "K-shaped" recovery, where some sectors, such as online retailers, software, home improvement and housing, are doing as well as or even better than before, while others



## 2021 BUDGET MESSAGE



such as restaurants, travel and in-person entertainment, are still suffering with no near-term improvement in sight. The Puget Sound region has been one of the fastest-growing metropolitan areas in the U.S. this decade. That growth will slow significantly but positive net migration bodes well for strong economic recovery post-pandemic. Locally, residents continue to move into Pierce County due to higher housing prices in King County and employment growth has remained strong in the service sectors (e.g., information technology, health care, etc.).

While COVID-induced restrictions will continue to put a dent in economic growth into the first half of 2021, strong expansion is expected in the second half following widespread distribution of the vaccine. Employment will most likely take a few years to return to pre-COVID levels, but total spending should exceed those levels in 2021. Personal income is expected to decrease by 2.2% in 2021 but still be on a par with 2019. The decreased personal income is primarily due to the impact of COVID stimulus funds that were provided in 2020. Employment is expected to increase by 1.7% in 2021 following a 5.7% contraction in 2020. New housing permits are expected to decrease, but overall home sales will remain strong with increasing prices. With mixed signals, such as decreased personal income but increased employment, the outlook remains a bit uncertain. However, with many drivers of retail sales projected to increase significantly in the second half of 2021, we should see modest growth in Pierce Transit's sales tax revenue next year.

We are budgeting sales tax collections to increase 6.4% overall in 2021, compared to the Puget Sound Forecaster prediction of 8.2% growth for the Puget Sound region. However, when normalizing the two months (March and April) of severe economic pullback with the rest of 2020, Pierce Transit's growth equates to only 3%. Sales tax will contribute 87% of total budgeted operating revenues in 2021 (excluding Sound Transit regional transit service revenue) and is expected to generate \$96 million in revenue which is \$2 million less than the original budget amount for 2020.



## 2021 BUDGET MESSAGE



### **Budget Summary**

Given that there is still some uncertainty around the economy in 2021, our team's goal was to build a draft 2021 budget that spends at approximately 2019 levels. The budget before you achieves that goal. The 2021 budgeted expenditures for all funds are approximately \$306 million, balanced by expected revenues and reserves. While sales tax collections are projected to increase above 2020 and 2019 levels, uncertainty exists around future collections. Therefore, the six-year plan shows modest 3% annual increases, well below our historical average annual increase of 5% and below the Puget Sound Forecaster average of about 4%. While costs continue to escalate, employees will focus their efforts on improving productivity, reducing costs and obtaining grants for service and projects. Operating expenditures are increasing by 9.3%, with most of the growth coming from personnel. The budget includes 942.50 FTEs (960 positions). The 2021 staffing levels support restoration of service back to 95% of the pre-COVID level. Pierce Transit fixed route service hours for 2021 are planned to increase to 475,000.

This budget and service plan supports our community by providing transportation access to jobs, school, medical appointments, shopping, events and other important destinations. It also supports economic development and a reduction in carbon emissions and congestion, and it provides a lifeline access for transit-dependent neighbors who must continue to work during the pandemic.

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 and/or other funding sources will be required to fully implement the planned capital program, particularly the Maintenance and Operations Base Improvements and Bus Rapid Transit. Reserves comply with required levels established by the Board of Commissioners, even following the swift economic downturn in 2020. As recently experienced, reserves provide the ability to deal with adverse economic conditions, emergencies, and exposure to casualty and legal risks. The Agency has no long-term debt.

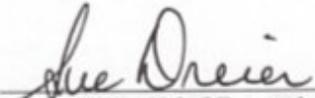


## 2021 BUDGET MESSAGE

The 2021 budget includes several initiatives that are direct outcomes of the 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 2021 Budget. The budget provides a plan that allows Pierce Transit to serve its communities not only in 2021, but well into the future.

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

  
Sue Dreier, Chief Executive Officer



## 2021 BUDGET MESSAGE

### In brief:

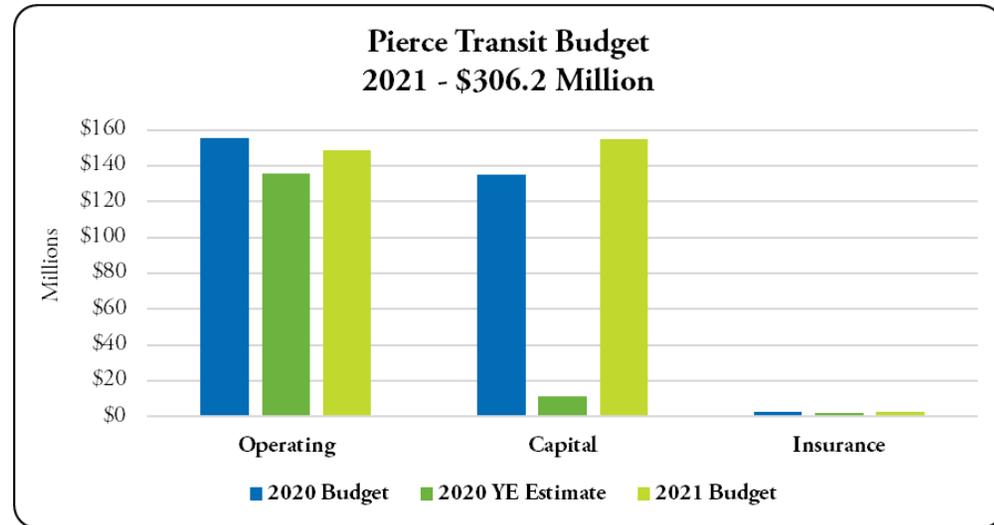
The 2021 net expenditure budget totals \$306,180,710. This total excludes transfers between funds and balances.

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 unemployment insurance.

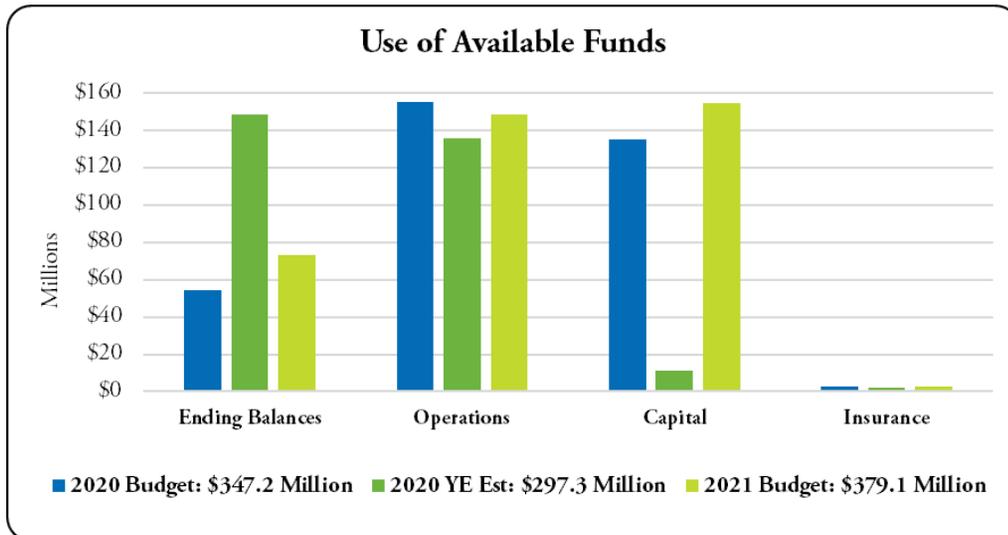
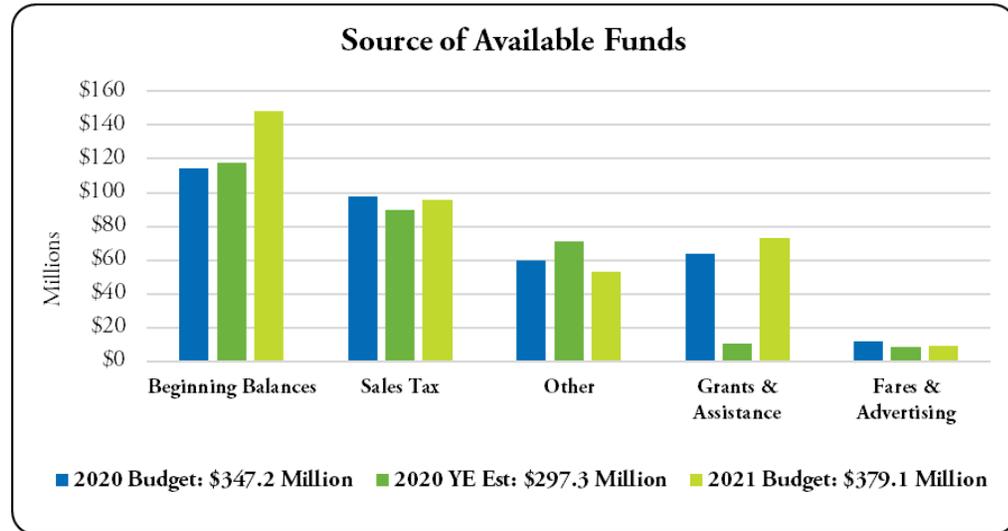


## 2021 BUDGET MESSAGE

### 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.





## 2021 BUDGET MESSAGE

### Operating Budget

The 2021 operating revenues of \$160,642,047 support the operating expenditures of \$147,275,855, non-operating expenditures of \$1,143,054 and operating transfers of \$20,647,692. 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 (\$8,424,554). Reserves beyond the required amount will be utilized over the next six years to fund capital projects.

The operating budget revenue for 2021 is decreasing by 6.6% and operating expenditures are increasing 11.2% from the 2020 Year-End Estimate.

	<u>2020 YE Estimate</u>	<u>2021 Budget</u>	Year-End Estimate to Budget Change	
			<u>\$ Change</u>	<u>% Change</u>
Operating Revenues	\$ 172,051,565	\$ 160,642,047	\$ (11,409,518)	-6.6%
Operating Expenditures	(132,435,247)	(147,275,855)	(14,840,608)	11.2%
	39,616,318	13,366,192	(26,250,126)	-66.3%
Non-Operating Expenditures	(3,403,572)	(1,143,054)	2,260,518	-66.4%
Operating Transfers	(22,189,135)	(20,647,692)	1,541,443	-6.9%
Net Change - Reserves	<u>\$ 14,023,611</u>	<u>\$ (8,424,554)</u>	<u>\$ (22,448,165)</u>	<u>-160.1%</u>

2021 Non-Operating Expenditures are for payment of \$1,143,054 for Pierce County Agreement grant exchange funds.



## 2021 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 2020 Year-End Estimate are included in the table below.

	<u>2020 YE Estimate</u>	<u>2021 Budget</u>	<u>Year-End Estimate to Budget Change</u>	
			<u>\$ Change</u>	<u>% Change</u>
Operating Income				
Fares	\$ 7,815,545	\$ 8,677,844	\$ 862,299	11.0%
Advertising	500,000	500,000	-	0.0%
Regional Transit Service	45,662,327	50,814,788	5,152,461	11.3%
Non-Operating Income				
Sales Tax	90,000,000	95,760,000	5,760,000	6.4%
Miscellaneous (Interest & Other)	25,065,600	1,779,288	(23,286,312)	-92.9%
Operating Contributions	3,008,093	3,110,127	102,034	3.4%
	<u>\$ 172,051,565</u>	<u>\$ 160,642,047</u>	<u>\$ (11,409,518)</u>	<u>-6.6%</u>

Fares – Revenues are estimated based on ridership and average fare per boarding projections. The average fare per boarding is expected to be \$0.95 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 2021 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. The current Discounted Fare for Local PT Service (one-ride) is \$1.00 or a Local PT Service All Day Pass is \$2.50.

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.



## 2021 BUDGET MESSAGE

Sound Transit – Regional Transit Service budgeted revenue totals \$50,814,788 in 2021 and is expected to increase by 11.3% from 2020 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 2021, Sound Transit is increasing service hours 5.3% from 304,951 to 320,968. 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 87% of the operating budget revenue excluding Sound Transit. In 2021, sales tax is expected to total \$95,760,000 which is a 6.4% increase over the 2020 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. The significant decrease from the 2020 Year-End Estimate to the 2021 Budget is due to a one-time funding from the CARES Act, a federal assistance grant to help offset the impacts from COVID-19.

Operating Contributions – Operating Contributions are funds from partnering agencies. They include Pierce County for Commute Trip Reduction (CTR) and Washington State Department of Transportation Special Needs Operations. Pierce County also partners for Americans with Disabilities Act (ADA) service.



## 2021 BUDGET MESSAGE

### In brief:

Operating Expenditures are funds paid for providing and administering 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 \$148,418,909 for a 9.3% increase from the 2020 Year-End Estimate. The larger than normal increase over year-end estimates is a result of reduced service and expenditures in 2020 due to COVID restrictions and returning to 95% service levels in 2021. The changes from the 2020 Year-End Estimate to the 2021 Budget are as follows:

	<u>2020 YE Estimate</u>	<u>2021 Budget</u>	Year-End Estimate to Budget Change	
			<u>\$ Change</u>	<u>% Change</u>
Wages	\$ 66,132,167	\$ 73,573,643	\$ 7,441,476	11.3%
Benefits	26,125,185	28,834,826	2,709,641	10.4%
M & O	40,177,895	44,867,386	4,689,491	11.7%
Total Operations	<u>132,435,247</u>	<u>147,275,855</u>	<u>14,840,608</u>	<u>11.2%</u>
Non-Operating Expenditures	<u>3,403,572</u>	<u>1,143,054</u>	<u>(2,260,518)</u>	<u>-66.4%</u>
Total	<u>\$ 135,838,819</u>	<u>\$ 148,418,909</u>	<u>\$ 12,580,090</u>	<u>9.3%</u>

Wages – The 2021 Budget includes 960 positions and 942.50 full-time equivalents (FTEs). The 11.3% increase in wages includes general wage adjustments and eligible step increases. The increase in wages also includes projected wages and salaries for filling vacant positions from the prior year.

Represented employees are 84% of the total Agency workforce. The Master Agreement with the Amalgamated Transit Union (ATU) is currently under negotiation for the period beginning January 1, 2021. The Master Agreement with the International Association of Machinists (IAM) is for May 1, 2018 through December 31, 2021.



## 2021 BUDGET MESSAGE

Benefits – The increase in benefits of 10.4% or \$2,709,641 is a result of medical and dental premium increases, percentage-based benefits that increase with wages, and filling prior year vacancies.

Maintenance and Operations – The 2021 Maintenance and Operations (M&O) Budget is \$44,867,386. The expenditures support service, maintenance of equipment, and technology system needs. This is an increase of \$4,689,491 or 11.7% higher than the 2020 Year-End Estimate. The increases in expenses are impacted by the number of service hours and miles operated. The following categories represent most of the change.

Supplies – Increases include fuel, tires and parts costs.

Services – Professional services, legal services, and publicity are increasing.

Other – Purchased transportation and utilities are increasing.

Non-Operating Expenditures – 2021 Non-Operating Expenditures are for payment of \$1,143,054 for Pierce County Agreement grant exchange funds.



## 2021 BUDGET MESSAGE

### In brief:

Pierce Transit defines the Operating Reserve Balance as reserves maintained to provide sufficient working capital and balances to finance cash flow requirements, meet unanticipated downturns in revenue, and provide funds for emergency expenditures. This balance must be maintained at a level of reserves that meets or exceeds the Agency's required reserve policy of two months of operating expenses.

### Operating Reserve Balance

The 2021 budget includes operating and non-operating revenues of \$160.6 million which funds operating and non-operating expenses of \$148.4 million for 1,017,701 hours of service and contributes to the capital and insurance programs. In addition, the budget fully funds and maintains all reserve balances at levels required by the Board adopted reserve policy.

	\$ in Millions	
Beginning Cash	<u>\$70.7</u>	
Operating & Non-Operating Revenues	\$160.6	
Operating & Non-Operating Expenditures	<u>(\$148.4)</u>	
Operating Margin	\$12.2	
Transfer to Capital/Insurance	<u>(\$20.6)</u>	
Ending Cash	\$62.2	
Operating Reserves	\$24.5	
Reserves for Sustainability	<u>\$37.7</u>	
Operating Reserve Balance Calculation (\$ in Millions)		
	<u>2020 Forecast</u>	<u>2021 Budget</u>
Projected Ending Balance	\$70.7	\$62.2
Operating Expenses	<u>135.8</u>	<u>148.4</u>
Two Months Operating Expense/Required Operating Reserve	(22.1)	(24.5)
Cash/Working Capital in Excess of Reserves	<u>\$48.6</u>	<u>\$37.7</u>



## 2021 BUDGET MESSAGE

### In brief:

The 2021 Capital Budget is comprised of the following categories.

Revenue Vehicles – 23%

*Provide customers a comfortable and reliable mode of transportation*

Base Facilities – 27%

*Support efficient operations of the Agency*

Passenger Facilities & Amenities – 9%

*Serve as the front door to the transit system*

Technology – 15%

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

Other – 26%

*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. Pierce Transit budgets funds in the year in which the Agency anticipates entering into a contract for service or acquisition.

Capital projects for 2021 are budgeted at \$154,926,801. Approved but unspent projects are carried over from the prior year to the following budget year. The 2021 Budget contains \$120,286,097 of prior year budgeted funds (carryover) and \$34,640,704 in new projects. Expenditures are supported by \$69,697,647 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.

	2021 Capital Budget Expenditures		
	Carryover	New	Total
<b>Revenue Vehicles</b>	\$ 27,932,904	\$ 7,023,218	\$ 34,956,122
(Bus, Vanpool and SHUTTLE replacements)			
<b>Base Facilities</b>	26,714,564	15,623,895	42,338,459
(Base Master Plan Implementation)			
<b>Passenger Facilities and Amenities</b>	12,052,489	2,080,000	14,132,489
(TDS, South Hill Transit Center, Pac Ave SR 7 Park & Ride, Commerce Tunnel)			
<b>Technology</b>	22,955,634	483,825	23,439,459
(Next Generation ORCA, CAD-AVL System Replacement, Collision Avoidance System, Security Systems Replacement, Network Infrastructure)			
<b>Other</b>	30,630,506	9,429,766	40,060,272
(Corridor Speed & Reliability Improvements, BRT, TDS Elevator)			
	<b>\$ 120,286,097</b>	<b>\$ 34,640,704</b>	<b>\$ 154,926,801</b>



## 2021 BUDGET MESSAGE

### **Self- Insurance**

The 2021 Budget of \$2,835,000 reflects an increase of \$743,188 from the 2020 Year-End Estimate of \$2,091,812. The increase is due to projected Workers' Compensation 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 \$1.2 million.

### **Conclusion**

The 2021 Budget is balanced, sustainable, and focused on strategic initiatives to meet Pierce Transit's Vision and Mission.



**2021 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.: 2021-009  
Date: February 8, 2021

TITLE: Adoption of Annual Budget for Fiscal Year 2021      DIVISION: Finance  
SUBMITTED BY: Brett Freshwaters, Executive Director of Finance & IT (CFO)  
RELATED ACTION: N/A  
ATTACHMENTS: Proposed Resolution      RELATION TO STRATEGIC PLAN: Financial

**BUDGET INFORMATION**

2021 Budget Appropriations		
	Expenditures	Resources
Operating Budget		
Operating	\$ 147,275,855	\$ 59,992,632
Non-Operating	1,143,054	97,539,288
Operating Contributions	-	3,110,127
Operating Transfers	20,647,692	-
Use of Reserves	-	8,424,554
	<u>169,066,601</u>	<u>169,066,601</u>
Capital Budget		
Operating	154,926,801	70,022,647
Operating Transfers	-	20,312,788
Use of Reserves	-	64,591,366
	<u>154,926,801</u>	<u>154,926,801</u>
Insurance Budget		
Operating	2,835,000	26,000
Operating Transfers	-	334,904
Use of Reserves	-	2,474,096
	<u>2,835,000</u>	<u>2,835,000</u>
Total Appropriations	326,828,402	326,828,402
Less Operating Transfers	<u>(20,647,692)</u>	<u>(20,647,692)</u>
Net Budget	<u>\$ 306,180,710</u>	<u>\$ 306,180,710</u>



## 2021 BUDGET FACT SHEET

FACT SHEET  
PAGE 2

### BACKGROUND:

The 2021 Budget is ready for adoption. It has been submitted and reviewed at the Board of Commissioner's Study Session and Public Hearing on 02/08/2021.

The budget is balanced, sustainable, and meets Board-adopted reserve requirements. The Agency's budget is \$326,828,402. Of this amount, \$20,647,692 represents internal transfers, leaving a net budget of \$306,180,710. The three components that make up this amount are the Operating Budget (48%), Capital Budget (51%), and Insurance Budget (1%).

The budget includes Pierce Transit fixed route service hours totaling 475,000. SHUTTLE hours are budgeted at 126,533. Vanpool service hours are budgeted at 95,200. Pierce Transit anticipates providing 320,968 service hours for Sound Transit Regional Transit Service.

To provide the projected levels of service, the 2021 Budget includes 960 positions and 942.50 full-time equivalent employees (FTEs). Five new positions are offset by 38 position reductions for a net decrease of 33 positions. The budget has a wage increase pool of 3.5%, which includes class and compensation adjustments for non-represented employees, as well as step and COLA increases for represented employees, per the terms of the applicable collective bargaining agreements. General wage adjustments for non-represented employees are scheduled for increases in July.

Capital projects for 2021 are budgeted at \$154,926,801. Approved but unspent projects are carried over to the following budget year. The 2021 budget contains \$120,286,097 of prior year budgeted funds (carryover). Included are funds for vehicles, facilities, technology, and administrative and maintenance equipment.

The insurance budget of \$2,835,000 includes workers' compensation costs of \$2,635,000 and unemployment costs of \$200,000.

The Board of Commissioners held a special study session meeting on February 8, 2021, to review the proposed 2021 Budget and subsequently held a public hearing to receive public input on the proposed 2021 Budget at their regularly scheduled meeting on February 8, 2021.

### STAFF RECOMMENDATION:

Authorize adoption of the Annual Budget for fiscal year 2021 as presented at the February 8, 2021 Board of Commissioners' Study Session and Public Hearing.

### ALTERNATIVES:

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

### PROPOSED MOTION:

Move to: Approve Resolution No. 2021-003 adopting the Annual Budget for Fiscal Year 2021 with attendant wage adjustments and approval of 960 positions as presented therein.



2021 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. 2021-003

1 A RESOLUTION of the Board of Commissioners of Pierce Transit to Adopt the Annual  
 2 Budget for Fiscal Year 2021  
 3  
 4 WHEREAS, the Chief Executive Officer has prepared a preliminary budget for fiscal year 2021; and  
 5 WHEREAS, the Board of Commissioners of Pierce Transit has reviewed the preliminary budget at a  
 6 special study session meeting held on February 8, 2021 and subsequently held a public hearing to receive  
 7 public input on the proposed budget at its regular scheduled meeting on February 8, 2021; and  
 8 WHEREAS, the Board of Commissioners of Pierce Transit has now determined that the preliminary  
 9 budget provides for the efficient and effective delivery of public transportation services within the financial  
 10 capacity of Pierce Transit for 2021; and  
 11 WHEREAS, the Budget proposes service to provide 1,017,701 service hours for fixed route, SHUTTLE,  
 12 Vanpool and Sound Transit services, requiring a workforce of 960 positions; and  
 13 WHEREAS, Pierce Transit seeks to be an employer of choice in Pierce County and a general wage  
 14 adjustment for non-represented employees should assist in hiring and retention of quality employees; and  
 15 NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:  
 16 Section 1. The Board of Commissioners authorizes the annual budget for Pierce Transit for Fiscal  
 17 Year 2021 which was reviewed by the Board of Commissioners in its final form and content and, by this  
 18 reference, incorporated herein as though fully set forth, and the same is hereby adopted as the annual  
 19 budget for Pierce Transit for Fiscal Year 2021.  
 20 Section 2. The summary of the total estimated expenditures and resources for the appropriations  
 21 are as follows:

	Expenditures	Resources
Appropriation before use of Fund Balance	\$ 326,828,402	\$ 251,338,386
Use of Reserves	-	75,490,016
Total Appropriation	<u>326,828,402</u>	<u>326,828,402</u>
Less Operating Transfers	<u>(20,647,692)</u>	<u>(20,647,692)</u>
Net Budget	<u>\$ 306,180,710</u>	<u>\$ 306,180,710</u>

22  
 23 Section 3. The Chief Executive Officer is hereby authorized to staff up to 960 positions.  
 24 Section 4. The Board affirms continuing the Classification and Compensation Program for Non-  
 25 Represented positions with an annual step increase adjustment.





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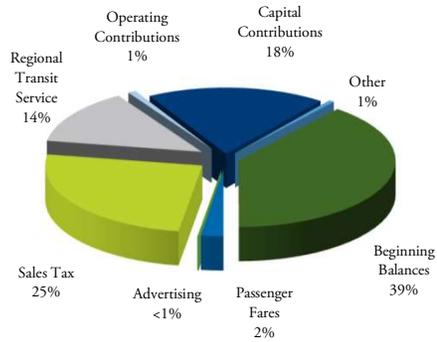
*A summary of Pierce Transit's adopted budget is displayed in the following section. The summary is designed to present an overview of the Agency's financial outlook for the coming year. It includes an overall summary followed by summaries of operating revenues and expenditures, capital, insurance, and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

## **2021 Budget Summary**

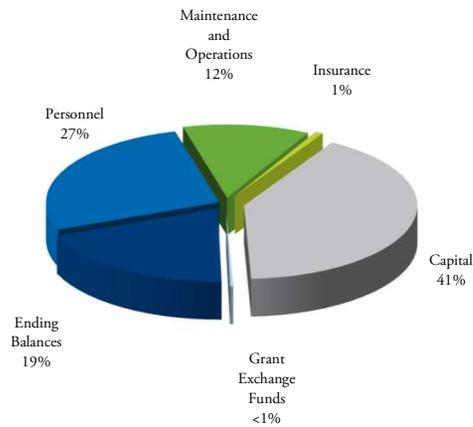


**2021 BUDGET  
OVERALL SUMMARY**

**Revenues**



**Expenditures**



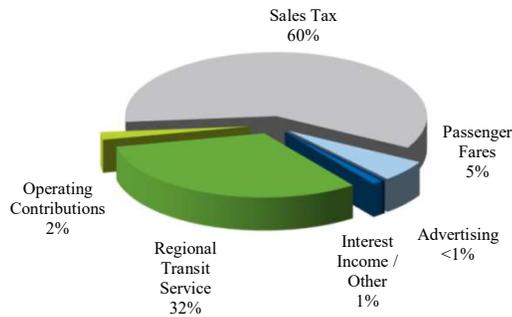
	2019 YEAR-END ACTUALS	2020 AMENDED BUDGET	2020 YEAR-END ESTIMATE	2021 BUDGET	% CHANGE 2020 YEAR-END ESTIMATE TO 2021 BUDGET
<b>REVENUES</b>					
<b>OPERATING INCOME</b>					
Passenger Fares	\$ 11,820,798	\$ 11,363,904	\$ 7,815,545	\$ 8,677,844	11.0%
Advertising	468,865	340,000	500,000	500,000	0.0%
Regional Transit Service (Sound Transit)	50,713,326	57,277,321	45,662,327	50,814,788	11.3%
<b>NON-OPERATING INCOME</b>					
Sales Tax	90,647,576	97,561,853	90,000,000	95,760,000	6.4%
Other	5,422,394	2,536,414	25,478,882	2,130,288	-91.6%
<b>CONTRIBUTIONS</b>					
Operating	4,635,073	2,956,180	3,008,093	3,110,127	3.4%
Capital	15,558,803	61,023,277	7,440,731	69,697,647	836.7%
<b>REVENUES</b>	<b>179,266,835</b>	<b>233,058,949</b>	<b>179,905,578</b>	<b>230,690,694</b>	<b>28.2%</b>
<b>BEGINNING BALANCES</b>					
Working Cash	51,777,764	25,726,212	56,632,467	70,656,078	24.8%
Insurance	2,266,679	2,491,657	2,976,150	3,674,096	23.5%
Capital Reserve	58,440,197	85,910,171	57,806,826	74,091,366	28.2%
<b>BEGINNING BALANCES</b>	<b>112,484,640</b>	<b>114,128,040</b>	<b>117,415,443</b>	<b>148,421,540</b>	<b>26.4%</b>
<b>TOTAL REVENUES AND BALANCES</b>	<b>\$ 291,751,475</b>	<b>\$ 347,186,989</b>	<b>\$ 297,321,021</b>	<b>\$ 379,112,234</b>	<b>27.5%</b>
<b>EXPENDITURES</b>					
<b>OPERATING EXPENDITURES</b>					
Personnel	\$ 96,466,224	\$ 105,789,737	\$ 92,257,352	\$ 102,408,469	11.0%
Maintenance and Operations	44,240,091	48,230,614	40,177,895	44,867,386	11.7%
Insurance	1,818,922	2,891,330	2,091,812	2,835,000	35.5%
<b>NON-OPERATING EXPENDITURES</b>					
Grant Exchange Funds	1,143,468	1,143,054	3,403,572	1,143,054	-66.4%
<b>CAPITAL EXPENDITURES</b>					
Capital	32,602,693	135,013,532	10,968,850	154,926,801	1312.4%
<b>EXPENDITURES</b>	<b>176,271,398</b>	<b>293,068,267</b>	<b>148,899,481</b>	<b>306,180,710</b>	<b>105.6%</b>
Working Cash	54,697,102	39,398,806	70,656,078	62,231,524	-11.9%
Insurance	2,976,150	2,000,000	3,674,096	1,200,000	-67.3%
Capital Reserve	57,806,825	12,719,916	74,091,366	9,500,000	-87.2%
<b>ENDING BALANCES</b>	<b>115,480,077</b>	<b>54,118,722</b>	<b>148,421,540</b>	<b>72,931,524</b>	<b>-50.9%</b>
<b>TOTAL EXPENDITURES AND BALANCES</b>	<b>\$ 291,751,475</b>	<b>\$ 347,186,989</b>	<b>\$ 297,321,021</b>	<b>\$ 379,112,234</b>	<b>27.5%</b>

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



**2021 BUDGET  
OPERATING SUMMARY - REVENUES**

**Operating Revenues**

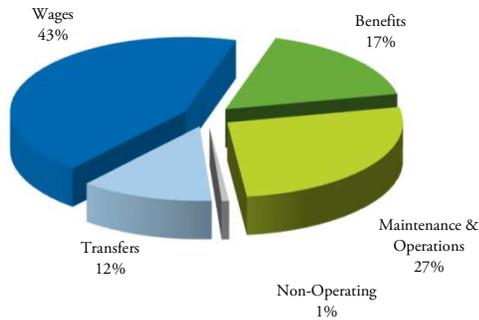


	2019 YEAR-END ACTUALS	2020 AMENDED BUDGET	2020 YEAR-END ESTIMATE	2021 BUDGET	% CHANGE 2020 YEAR-END ESTIMATE TO 2021 BUDGET
<b>OPERATING REVENUES</b>					
<b>OPERATING INCOME</b>					
Passenger Fares	\$ 11,820,798	\$ 11,363,904	\$ 7,815,545	\$ 8,677,844	11.0%
Advertising	468,865	340,000	500,000	500,000	0.0%
Regional Transit Service (Sound Transit)					
Express Reimbursement	49,673,782	56,266,216	44,680,682	49,813,510	11.5%
Tacoma Dome Station Reimbursement	1,039,544	1,011,105	981,645	1,001,278	2.0%
<b>OPERATING INCOME</b>	<b>63,002,989</b>	<b>68,981,225</b>	<b>53,977,872</b>	<b>59,992,632</b>	<b>11.1%</b>
<b>NON-OPERATING INCOME</b>					
Sales Tax	90,647,576	97,561,853	90,000,000	95,760,000	6.4%
Interest Income	672,013	700,000	335,000	325,000	-3.0%
Other	3,373,970	976,414	24,730,600	1,454,288	-94.1%
<b>NON-OPERATING INCOME</b>	<b>94,693,559</b>	<b>99,238,267</b>	<b>115,065,600</b>	<b>97,539,288</b>	<b>-15.2%</b>
<b>OPERATING CONTRIBUTIONS</b>					
CTR / Vanpool Assistance	107,611	176,219	78,233	180,267	130.4%
Operating Grants - Other	2,477,420	729,920	729,920	729,920	0.0%
Special Needs Transportation Grant	2,050,042	2,050,041	2,199,940	2,199,940	0.0%
<b>OPERATING CONTRIBUTIONS</b>	<b>4,635,073</b>	<b>2,956,180</b>	<b>3,008,093</b>	<b>3,110,127</b>	<b>3.4%</b>
<b>TOTAL OPERATING REVENUES</b>	<b>162,331,621</b>	<b>171,175,672</b>	<b>172,051,565</b>	<b>160,642,047</b>	<b>-6.6%</b>
<b>BEGINNING BALANCE</b>	<b>51,777,764</b>	<b>25,726,212</b>	<b>56,632,467</b>	<b>70,656,078</b>	<b>24.8%</b>
<b>TOTAL OPERATING REVENUES AND BEGINNING BALANCE</b>	<b>\$ 214,109,385</b>	<b>\$ 196,901,884</b>	<b>\$ 228,684,032</b>	<b>\$ 231,298,125</b>	<b>1.1%</b>



**2021 BUDGET  
OPERATING SUMMARY - EXPENDITURES**

**Operating Expenditures & Transfers**



	2019 YEAR-END ACTUALS	2020 AMENDED BUDGET	2020 YEAR-END ESTIMATE	2021 BUDGET	% CHANGE 2020 YEAR-END ESTIMATE TO 2021 BUDGET
<b>OPERATING EXPENDITURES</b>					
<b>OPERATING PERSONNEL</b>					
Wages	\$ 69,382,120	\$ 77,035,332	\$ 66,132,167	\$ 73,573,643	11.3%
Benefits	27,084,104	28,754,405	26,125,185	28,834,826	10.4%
<b>PERSONNEL</b>	<b>96,466,224</b>	<b>105,789,737</b>	<b>92,257,352</b>	<b>102,408,469</b>	<b>11.0%</b>
<b>MAINTENANCE &amp; OPERATIONS</b>					
Supplies	15,025,938	16,624,755	13,701,359	15,451,535	12.8%
Services	8,202,507	9,172,477	6,797,878	8,266,373	21.6%
Insurance (Purchased)	3,709,092	3,463,707	4,120,470	3,562,533	-13.5%
Utilities	1,694,467	1,766,240	1,616,533	1,778,500	10.0%
Repairs	422,437	663,002	542,376	599,216	10.5%
Rentals	593,370	558,236	602,615	548,876	-8.9%
Purchased Transportation	7,730,549	8,490,200	5,408,563	7,253,800	34.1%
Other	6,861,731	7,491,997	7,388,101	7,406,553	0.2%
<b>MAINTENANCE &amp; OPERATIONS</b>	<b>44,240,091</b>	<b>48,230,614</b>	<b>40,177,895</b>	<b>44,867,386</b>	<b>11.7%</b>
<b>OPERATING EXPENDITURES</b>	<b>140,706,315</b>	<b>154,020,351</b>	<b>132,435,247</b>	<b>147,275,855</b>	<b>11.2%</b>
<b>NON-OPERATING EXPENDITURES</b>					
Grant Exchange Funds	1,143,468	1,143,054	3,403,572	1,143,054	-66.4%
<b>NON-OPERATING EXPENDITURES</b>	<b>1,143,468</b>	<b>1,143,054</b>	<b>3,403,572</b>	<b>1,143,054</b>	<b>-66.4%</b>
<b>TOTAL EXPENDITURES</b>	<b>141,849,783</b>	<b>155,163,405</b>	<b>135,838,819</b>	<b>148,418,909</b>	<b>9.3%</b>
<b>TRANSFERS</b>					
Other Insurance Transfer	-	252,560	302,483	340,932	12.7%
Workers' Comp. Transfer	2,433,505	2,087,113	2,455,993	(6,028)	-100.2%
Capital Reserve	15,128,995	-	19,430,659	20,312,788	4.5%
<b>TRANSFERS</b>	<b>17,562,500</b>	<b>2,339,673</b>	<b>22,189,135</b>	<b>20,647,692</b>	<b>-6.9%</b>
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<b>159,412,283</b>	<b>157,503,078</b>	<b>158,027,954</b>	<b>169,066,601</b>	<b>7.0%</b>
<b>ENDING BALANCE</b>	<b>54,697,102</b>	<b>39,398,806</b>	<b>70,656,078</b>	<b>62,231,524</b>	<b>-11.9%</b>
<b>TOTAL OPERATING EXPENDITURES AND ENDING BALANCE</b>	<b>\$ 214,109,385</b>	<b>\$ 196,901,884</b>	<b>\$ 228,684,032</b>	<b>\$ 231,298,125</b>	<b>1.1%</b>



**2021 BUDGET  
CAPITAL SUMMARY**

	2019 YEAR-END ACTUALS	2020 AMENDED BUDGET	2020 YEAR-END ESTIMATE	2021 BUDGET	% CHANGE 2020 YEAR-END ESTIMATE TO 2021 BUDGET
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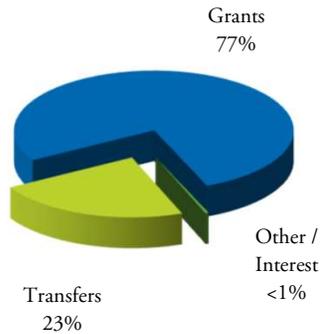
**CAPITAL REVENUES**

<b>REVENUES</b>					
Grants	\$ 15,558,803	\$ 61,023,277	\$ 7,440,731	\$ 69,697,647	836.7%
Other Capital Revenue / Interest	1,281,523	800,000	382,000	325,000	-14.9%
<b>REVENUE</b>	<b>16,840,326</b>	<b>61,823,277</b>	<b>7,822,731</b>	<b>70,022,647</b>	<b>795.1%</b>
<b>TRANSFERS</b>					
Capital Reserve	15,128,995	-	19,430,659	20,312,788	4.5%
<b>TRANSFERS</b>	<b>15,128,995</b>	<b>-</b>	<b>19,430,659</b>	<b>20,312,788</b>	
<b>CAPITAL REVENUES</b>	<b>31,969,321</b>	<b>61,823,277</b>	<b>27,253,390</b>	<b>90,335,435</b>	<b>231.5%</b>
<b>BEGINNING BALANCE</b>					
Capital Reserve	58,440,197	85,910,171	57,806,826	74,091,366	28.2%
<b>TOTAL CAPITAL REVENUES AND BEGINNING BALANCE</b>	<b>\$ 90,409,518</b>	<b>\$ 147,733,448</b>	<b>\$ 85,060,216</b>	<b>\$ 164,426,801</b>	<b>93.3%</b>

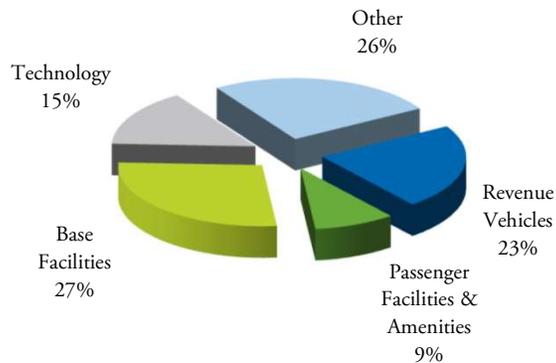
**CAPITAL EXPENDITURES**

<b>CAPITAL ACQUISITION</b>					
Revenue Vehicles	\$ 19,241,522	\$ 28,821,759	\$ 35,884	\$ 34,956,122	9713.8%
Passenger Facilities & Amenities	2,291,463	12,602,705	550,217	14,132,489	2468.5%
Base Facilities	3,753,722	31,926,281	5,211,717	42,338,459	712.4%
Technology	3,946,960	25,586,896	2,525,261	23,439,459	828.2%
Other	3,369,026	36,075,891	2,645,771	40,060,272	1414.1%
<b>CAPITAL EXPENDITURES</b>	<b>32,602,693</b>	<b>135,013,532</b>	<b>10,968,850</b>	<b>154,926,801</b>	<b>1312.4%</b>
<b>ENDING BALANCE</b>					
Capital Reserve	57,806,825	12,719,916	74,091,366	9,500,000	-87.2%
<b>TOTAL CAPITAL EXPENDITURES AND ENDING BALANCE</b>	<b>\$ 90,409,518</b>	<b>\$ 147,733,448</b>	<b>\$ 85,060,216</b>	<b>\$ 164,426,801</b>	<b>93.3%</b>

**Capital Revenues & Transfers**



**Capital Expenditures**



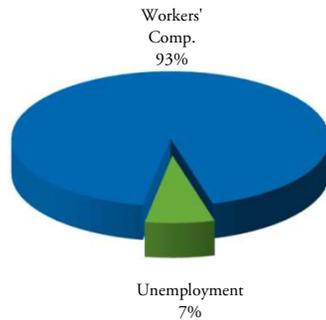


**2021 BUDGET  
INSURANCE SUMMARY**

**Insurance Revenues & Transfers**



**Insurance Expenditures**

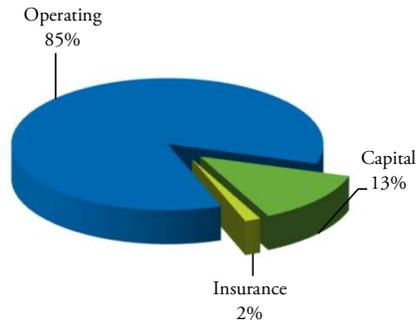


	2019 YEAR-END ACTUALS	2020 AMENDED BUDGET	2020 YEAR-END ESTIMATE	2021 BUDGET	% CHANGE 2020 YEAR-END ESTIMATE TO 2021 BUDGET
<b>INSURANCE REVENUES</b>					
<b>REVENUES</b>					
Workers' Comp. Interest	\$ 90,328	\$ 55,000	\$ 30,000	\$ 25,000	-16.7%
Unemployment Insurance Interest	4,560	5,000	1,282	1,000	-22.0%
<b>REVENUES</b>	<b>94,888</b>	<b>60,000</b>	<b>31,282</b>	<b>26,000</b>	<b>-16.9%</b>
<b>TRANSFERS</b>					
Workers' Comp. Transfer	2,433,505	2,087,113	2,455,993	(6,028)	-100.2%
Unemployment Insurance Transfer	-	252,560	302,483	340,932	12.7%
<b>TRANSFERS</b>	<b>2,433,505</b>	<b>2,339,673</b>	<b>2,758,476</b>	<b>334,904</b>	<b>-87.9%</b>
<b>REVENUES AND TRANSFERS</b>	<b>2,528,393</b>	<b>2,399,673</b>	<b>2,789,758</b>	<b>360,904</b>	<b>-87.1%</b>
<b>BEGINNING BALANCES</b>					
Workers' Comp. Insurance	2,155,162	2,474,217	3,021,847	3,741,028	23.8%
Unemployment Insurance	111,517	17,440	(45,697)	(66,932)	46.5%
<b>BEGINNING BALANCES</b>	<b>2,266,679</b>	<b>2,491,657</b>	<b>2,976,150</b>	<b>3,674,096</b>	<b>23.5%</b>
<b>TOTAL INSURANCE REVENUES AND BEGINNING BALANCES</b>	<b>\$ 4,795,072</b>	<b>\$ 4,891,330</b>	<b>\$ 5,765,908</b>	<b>\$ 4,035,000</b>	<b>-30.0%</b>
<b>INSURANCE EXPENDITURES</b>					
Workers' Comp. Insurance	1,657,148	2,741,330	1,766,812	2,635,000	49.1%
Unemployment Insurance	161,774	150,000	325,000	200,000	-38.5%
<b>INSURANCE EXPENDITURES</b>	<b>1,818,922</b>	<b>2,891,330</b>	<b>2,091,812</b>	<b>2,835,000</b>	<b>35.5%</b>
<b>ENDING BALANCES</b>					
Workers' Comp. Insurance	3,021,847	1,875,000	3,741,028	1,125,000	-69.9%
Unemployment Insurance	(45,697)	125,000	(66,932)	75,000	-212.1%
<b>ENDING BALANCES</b>	<b>2,976,150</b>	<b>2,000,000</b>	<b>3,674,096</b>	<b>1,200,000</b>	<b>-67.3%</b>
<b>TOTAL INSURANCE EXPENDITURES AND ENDING BALANCES</b>	<b>\$ 4,795,072</b>	<b>\$ 4,891,330</b>	<b>\$ 5,765,908</b>	<b>\$ 4,035,000</b>	<b>-30.0%</b>



**2021 BUDGET  
ENDING BALANCES**

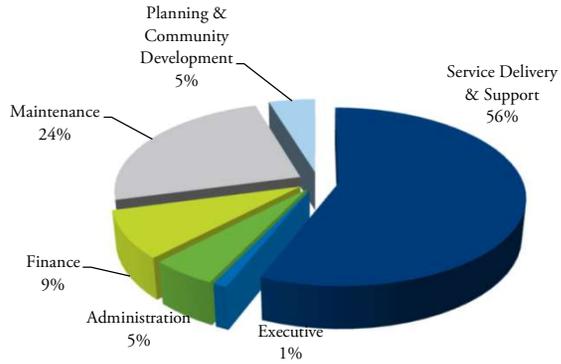
**Ending Balances**



	2019 YEAR-END ACTUALS	2020 AMENDED BUDGET	2020 YEAR-END ESTIMATE	2021 BUDGET	% CHANGE 2020 YEAR-END ESTIMATE TO 2021 BUDGET
<b>OPERATING</b>					
Revenues	\$ 162,331,621	\$ 171,175,672	\$ 172,051,565	\$ 160,642,047	-6.6%
Less: Expenditures	(141,849,783)	(155,163,405)	(135,838,819)	(148,418,909)	9.3%
<b>Subtotal</b>	<b>20,481,838</b>	<b>16,012,267</b>	<b>36,212,746</b>	<b>12,223,138</b>	<b>-66.2%</b>
Plus: Beginning Balance	51,777,764	25,726,212	56,632,467	70,656,078	24.8%
Less: Transfers					
Capital Reserve	(15,128,995)	-	(19,430,659)	(20,312,788)	4.5%
Insurance	(2,433,505)	(2,339,673)	(2,758,476)	(334,904)	-87.9%
<b>ENDING OPERATING BALANCE</b>	<b>\$ 54,697,102</b>	<b>\$ 39,398,806</b>	<b>\$ 70,656,078</b>	<b>\$ 62,231,524</b>	<b>-11.9%</b>
<b>CAPITAL</b>					
Revenues	\$ 16,840,326	\$ 61,823,277	\$ 7,822,731	\$ 70,022,647	795.1%
Plus: Transfers					
Capital Reserve	15,128,995	-	19,430,659	20,312,788	4.5%
<b>Subtotal Revenue</b>	<b>31,969,321</b>	<b>61,823,277</b>	<b>27,253,390</b>	<b>90,335,435</b>	<b>231.5%</b>
Less: Expenditures	(32,602,693)	(135,013,532)	(10,968,850)	(154,926,801)	1312.4%
<b>Subtotal</b>	<b>(633,372)</b>	<b>(73,190,255)</b>	<b>16,284,540</b>	<b>(64,591,366)</b>	<b>-496.6%</b>
Plus: Beginning Balance	58,440,197	85,910,171	57,806,826	74,091,366	28.2%
<b>ENDING CAPITAL BALANCE</b>	<b>\$ 57,806,825</b>	<b>\$ 12,719,916</b>	<b>\$ 74,091,366</b>	<b>\$ 9,500,000</b>	<b>-87.2%</b>
<b>INSURANCE</b>					
Revenues	\$ 94,888	\$ 60,000	\$ 31,282	\$ 26,000	-16.9%
Plus: Transfers	2,433,505	2,339,673	2,758,476	334,904	-87.9%
<b>Subtotal Revenue</b>	<b>2,528,393</b>	<b>2,399,673</b>	<b>2,789,758</b>	<b>360,904</b>	<b>-87.1%</b>
Less: Expenditures	(1,818,922)	(2,891,330)	(2,091,812)	(2,835,000)	35.5%
<b>Subtotal</b>	<b>709,471</b>	<b>(491,657)</b>	<b>697,946</b>	<b>(2,474,096)</b>	<b>-454.5%</b>
Plus: Beginning Balance	2,266,679	2,491,657	2,976,150	3,674,096	23.5%
<b>ENDING INSURANCE BALANCE</b>	<b>\$ 2,976,150</b>	<b>\$ 2,000,000</b>	<b>\$ 3,674,096</b>	<b>\$ 1,200,000</b>	<b>-67.3%</b>
<b>GRAND TOTAL - ALL BALANCES</b>	<b>\$ 115,480,077</b>	<b>\$ 54,118,722</b>	<b>\$ 148,421,540</b>	<b>\$ 72,931,524</b>	<b>-50.9%</b>



### Agency Operating Budget

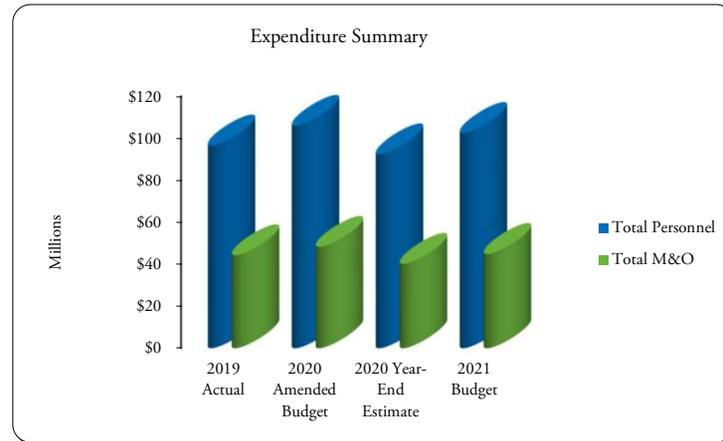


### 2021 OPERATING BUDGET AGENCY EXPENDITURE COMPARISON

Description	2019 Actual	2020 Amended Budget	2020 Year-End Estimate	2021 Budget	% Change 2020 Year-End Estimate to 2021 Budget
<b>Personnel</b>					
Wages	\$ 69,382,120	\$ 77,035,332	\$ 66,132,167	\$ 73,573,643	11.3%
Benefits	27,084,104	28,754,405	26,125,185	28,834,826	10.4%
<b>Personnel</b>	<b>96,466,224</b>	<b>105,789,737</b>	<b>92,257,352</b>	<b>102,408,469</b>	<b>11.0%</b>
<b>Maintenance and Operations</b>					
Supplies	15,025,938	16,624,755	13,701,359	15,451,535	12.8%
Services	8,202,507	9,172,477	6,797,878	8,266,373	21.6%
Insurance	3,709,092	3,463,707	4,120,470	3,562,533	-13.5%
Utilities	1,694,467	1,766,240	1,616,533	1,778,500	10.0%
Repairs & Maintenance	422,437	663,002	542,376	599,216	10.5%
Rentals	593,370	558,236	602,615	548,876	-8.9%
Other	13,768,612	15,080,778	12,012,897	13,847,735	15.3%
Repairs & Maint Contract Services	823,668	901,419	783,767	812,618	3.7%
<b>Maintenance and Operations</b>	<b>44,240,091</b>	<b>48,230,614</b>	<b>40,177,895</b>	<b>44,867,386</b>	<b>11.7%</b>
<b>Total *</b>	<b>\$ 140,706,315</b>	<b>\$ 154,020,351</b>	<b>\$ 132,435,247</b>	<b>\$ 147,275,855</b>	<b>11.2%</b>

Total FTE's	973.75	973.75	942.50
Total Positions	993	993	960

\* 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.*

## **2021 Budget Statistics**



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**2021 Budget  
Operating Statistics  
All Modes**

	2019 Actual	2020 YE Estimate	2021 Budget	% Change 2020 YE Estimate - 2021 Budget
<b>Pierce Transit</b>				
<b>Fixed Route Local &amp; Express</b>				
Ridership	8,376,891	6,334,805	6,803,834	7.4%
Service Hours	491,882	426,084	475,000	11.5%
Service Miles	5,847,190	4,875,851	5,255,578	7.8%
<b>Sound Transit</b>				
<b>Fixed Route Express</b>				
Ridership	5,251,005	2,898,879	3,141,413	8.4%
Service Hours	354,178	304,951	320,968	5.3%
Service Miles	8,234,630	7,000,843	7,281,228	4.0%
<b>Total Fixed Route (Pierce Transit &amp; Sound Transit)</b>				
Ridership	13,627,896	9,233,684	9,945,248	7.7%
Service Hours	846,060	731,035	795,968	8.9%
Service Miles	14,081,820	11,876,694	12,536,806	5.6%
<b>SHUTTLE</b>				
Ridership	291,142	155,242	225,476	45.2%
Service Hours	162,773	95,268	126,533	32.8%
Service Miles	2,312,349	1,398,397	1,799,783	28.7%
<b>Vanpool</b>				
Ridership	740,207	450,000	518,144	15.1%
Service Hours	135,978	87,900	95,200	8.3%
Service Miles	4,529,043	3,250,000	3,171,000	-2.4%
<b>AGENCY TOTAL (Pierce Transit and Sound Transit Fixed Route, SHUTTLE &amp; Vanpool)</b>				
Ridership	14,659,245	9,838,926	10,688,868	8.6%
Service Hours	1,144,811	914,203	1,017,701	11.3%
Service Miles	20,923,212	16,525,091	17,507,589	5.9%



## 2021 BUDGET PERSONNEL SUMMARY

### Personnel Summary

The 2021 Budget includes 960 positions and 942.50 full-time equivalents (FTEs). This is a net decrease of 33 positions from the 2020 Budget. The net decrease in positions include:

#### 5 New Positions

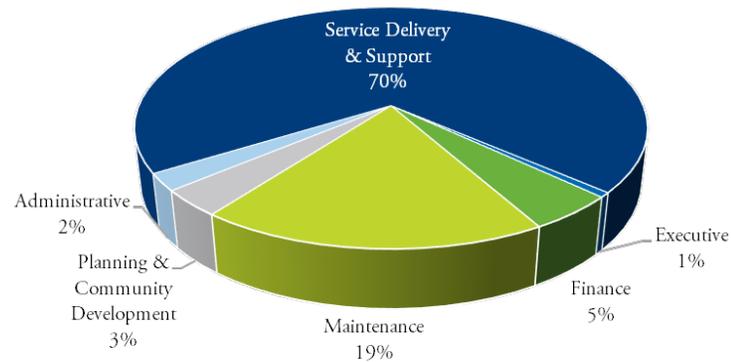
- |                      |               |
|----------------------|---------------|
| 1 Accountant, Senior | 4 Ambassadors |
|----------------------|---------------|

#### 38 Position Reductions

- |                             |                      |
|-----------------------------|----------------------|
| 1 General Counsel           | 1 Paralegal          |
| 1 Contract Analyst          | 1 IT Specialist      |
| 1 Data Specialist           | 1 Warehouse Courier  |
| 3 Public Safety Officers    | 18 Transit Operators |
| 11 Relief Transit Operators |                      |

Directly operated service includes Service Delivery & Support and Maintenance Divisions and represents 852 or 89% of total positions. The remaining 108 positions or 11% are in Executive, Administration, Finance, and Planning & Community Development Divisions.

2021 Budgeted Positions - 960





### 2021 BUDGET PERSONNEL SUMMARY

Budget FTEs				Budget Positions			
2019 Budget	2020 Budget	2021 Budget	2020-2021 Change	2019 Budget	2020 Budget	2021 Budget	2020-2021 Change
971.75	972.75	942.50	(30.25)	992	993	960	(33)

Budget FTEs & Positions





## 2021 BUDGET CAPITAL PROGRAM

### In brief:

Capital projects for 2021 are budgeted at \$154,926,801. Approved but unspent projects are carried over from the prior year to the following budget year. The 2021 Budget contains \$120,286,097 of prior year budgeted funds (carryover) and \$34,640,704 in new projects. Expenditures are supported by \$69,697,647 in grant revenue 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.

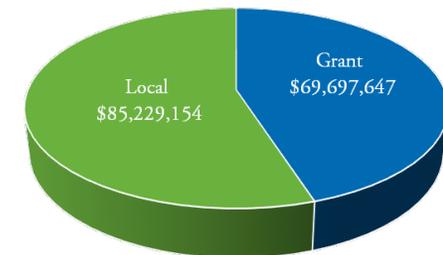
### Capital Revenues

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 \$69.7 million for capital funding in 2021. The remaining local funds come from transfers from operating and interest/other.

Grant revenues of \$69.7 million include the following projects:

- Bus Rapid Transit (BRT) \$33.0 million
- Bus Fleet Replacement 2019 \$10.3 million
- Maintenance & Operations Base Improvement (MOBI) \$7.6 million
- Bus Fleet Replacement 2020 \$6.1 million
- Bus Fleet Replacement 2021 \$5.0 million
- Pac Ave SR 7 Park & Ride \$3.8 million
- CAD/AVL System \$3.3 million
- Collision Avoidance System \$0.4 million
- Bus Rapid Transit (BRT) Charging Station \$0.2 million

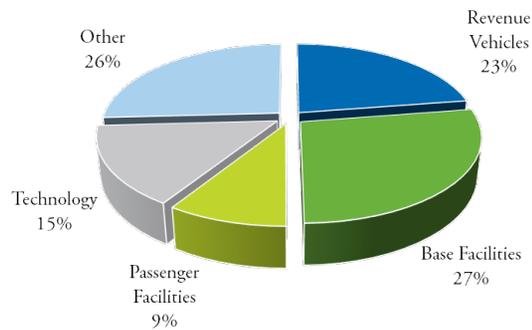
2021 Capital Budget Revenue





## 2021 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 189 buses, 380 vanpool vans, and 118 SHUTTLE vehicles. Revenue vehicles are replaced on an as needed basis that meet or exceed Federal Transit Administration (FTA) requirements. Pierce Transit has a fixed route fleet with an average age of 8.72 years and continues to extend the useful life of vehicles wherever possible. Funds are budgeted to replace 42 buses.

Passenger Facilities & Amenities – This category includes funds for necessary repairs and refurbishments at several locations including Tacoma Dome Station, South Hill Transit Center, Pac Ave SR 7 Park & Ride, and Commerce Tunnel.

Base Facilities – Funds are budgeted for repairs and refurbishments to base facilities and systems. The Maintenance & Operations Base Improvement plan is funding reconfiguring of parking around Building 4 to provide additional bus parking capacity, wider lanes and improved circulation, and new Fuel & Wash facility.

Technology – Budget includes maintenance and upgrade of critical software and systems, as well as replacement of infrastructure that has reached the end of its useful life. Some of these projects include Next Generation ORCA, CAD-AVL System, Collision Avoidance System, and Network Infrastructure.

Other – Other capital projects include the Bus Rapid Transit (BRT) project covering engineering design, environmental clearances, right-of-way, property acquisitions, community outreach, contractor services, and permits. This project is almost fully funded by Federal, 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 2021 Capital Budget list follows.

## 2021 CAPITAL BUDGET

Project Title	Project Number	Total Project Budget	Multi-Year Budget Data			Project Closeout - Amount Returned to Reserves At Close	2021 Annual Project Budget Data			Funding of 2021 Project Amount	
			Prior Year Expenditures (through 12.31.2019)	2020 Estimated Expenditures	Subtotal PY Expenditures		Project Carryover from 2020 into 2021	New 2021 Project Allocation Amount	2021 Annual Capital Budget	Local (Pierce Transit) Funded	Estimated Grant Funding
<b>Base Facilities Projects</b>											
Bldg. 4 Modifications	345	3,830,022	2,662,828	80,939	2,743,767	-	1,086,255	-	1,086,255	1,086,255	-
Base Master Plan Implementation	525	49,000,000	2,759,018	5,130,778	7,889,796	-	25,486,309	15,623,895	41,110,204	33,535,109	7,575,095
Bldg 4 Ops Lobby Skylights 2019	565	142,000	-	-	-	-	142,000	-	142,000	142,000	-
Subtotal Base Facilities Projects		52,972,022	5,421,846	5,211,717	10,633,563	-	26,714,564	15,623,895	42,338,459	34,763,364	7,575,095
<b>Other Projects (Admin &amp; Shop Equipment)</b>											
High Capacity Transit (HCT) Feasibility Study	481	1,716,625	1,144,821	571,804	1,716,625	-	-	-	-	-	-
Logo Refresh 2018	533	90,452	45,556	22,255	67,811	-	22,641	-	22,641	22,641	-
Automated Tool Control Sys 2018	535	165,100	3,775	147,995	151,770	-	-	-	13,330	13,330	-
Corridor Speed & Reliability Improvements 2018	554	4,500,000	1,574,395	66,569	1,640,964	-	2,859,036	-	2,859,036	2,859,036	-
Support Vehicle Replacement 2019 CLOSED 6.2020	560	508,858	202,407	301,816	504,222	4,636	0	-	0	0	-
BRT Pac Ave SR 7 Construction 2019-2021	563	36,015,000	1,155,939	1,427,763	2,583,702	-	25,431,298	8,000,000	33,431,298	360,000	33,071,298
Bldg 4 IT Help Desk Area Remodel 2019 CLOSED 8.2020	566	92,920	-	45,770	45,770	47,150	-	-	-	-	-
Warehouse Stand Up Forklift Repl 2019	569	57,500	33,828	23,672	57,500	-	-	-	-	-	-
Folding Stuffing Machine Repl 2020-CLOSE 6.2020	585	11,989	-	11,989	11,989	-	-	-	-	-	-
Mince Floor Scrubber Repl 2020 CLOSED 11.2020	586	28,146	-	22,497	22,497	5,649	-	-	-	-	-
Marketing Auto-Cutting Device 2020	587	28,875	-	-	-	-	28,875	-	28,875	28,875	-
TDS Elevator Repairs/Upgrades 2020	588	1,718,558	-	342	342	-	1,718,216	-	1,718,216	1,718,216	-
TDS Server Room HVAC 2020	589	43,410	-	-	-	-	43,410	-	43,410	43,410	-
Bldg 5 Shuttle & Public Safety Office Moves	600	317,000	-	3,300	3,300	-	313,700	-	313,700	313,700	-
Maintenance Power Pusher	601	32,475	-	-	-	-	32,475	-	32,475	32,475	-
Support Vehicle Replacement 2021	new	292,463	-	-	-	-	-	292,463	292,463	292,463	-
BRT Commerce Facility Bus Charging Station	new	300,000	-	-	-	-	-	300,000	300,000	60,000	240,000
BRT System Expansion Study	new	837,303	-	-	-	-	-	837,303	837,303	837,303	-
Misc Capital Equipment	778	167,525	-	-	-	-	167,525	-	167,525	167,525	-
Subtotal Other Projects		49,723,813	4,160,721	2,645,771	6,806,493	57,435	30,630,506	9,429,766	40,060,272	6,748,974	33,311,298
<b>Passenger Facilities Projects</b>											
TDS Mid-Life Maintenance	315	5,513,704	4,879,070	-	4,879,070	-	634,634	-	634,634	634,634	-
Facilities Critical Repairs	418	63,843	54,655	-	54,655	-	9,188	-	9,188	9,188	-
72nd Street Transit Center Renewal	483	520,671	468,460	-	468,460	-	52,211	-	52,211	52,211	-
TCC Transit Center Renewal	484	1,500,000	1,338,092	-	1,338,092	-	161,908	-	161,908	161,908	-
Tacoma Mall Transit Center Renewal	485	1,193,179	1,095,237	-	1,095,237	-	97,942	-	97,942	97,942	-
SR512 Transit Center Renewal	486	2,529,310	2,222,291	-	2,222,291	-	307,019	-	307,019	307,019	-
Lakewood Towne Center Transit Center Renewal	502	765,000	586,674	39,272	625,946	-	139,054	-	139,054	139,054	-
Narrows Park & Ride Renewal	503	500,000	77,492	-	77,492	-	422,508	-	422,508	422,508	-
Commerce Tunnel Refurbishment	524	3,428,000	153,528	105,447	258,975	-	3,169,025	-	3,169,025	3,169,025	-
Pac Ave SR 7 Park & Ride 2019	556	5,025,000	145,123	84,643	229,766	-	4,795,234	-	4,795,234	1,045,036	3,750,198
Commerce Placemaking 2019-2020	570	717,000	-	251,750	251,750	-	465,250	-	465,250	465,250	-
South Hill Mall Transit Center Renewal 2019	571	1,832,372	4,750	69,105	73,855	-	798,517	960,000	1,758,517	1,758,517	-
Kimball Drive Park & Ride 2020	590	400,000	-	-	-	-	400,000	-	400,000	400,000	-
North Purdy Park & Ride 2020	591	400,000	-	-	-	-	400,000	-	400,000	400,000	-
Parkland Transit Center 2020	592	200,000	-	-	-	-	200,000	-	200,000	200,000	-
Spanaway TC P&R - Phase II Design	new	1,000,000	-	-	-	-	-	1,000,000	1,000,000	1,000,000	-
Tacoma Dome Station Garage Wayfinding Design	new	35,000	-	-	-	-	-	35,000	35,000	35,000	-
6th Ave Passenger Amenities	new	85,000	-	-	-	-	-	85,000	85,000	85,000	-
Subtotal Passenger Facilities Projects		25,708,079	11,025,373	550,217	11,575,590	-	12,052,489	2,080,000	14,132,489	10,382,291	3,750,198

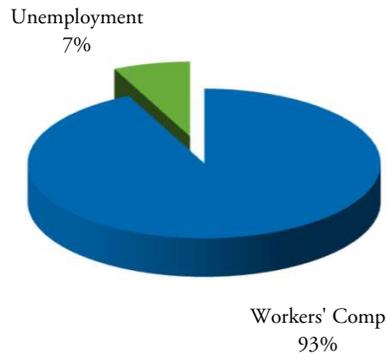
## 2021 CAPITAL BUDGET

Project Title	Project Number	Total Project Budget	Multi-Year Budget Data				2021 Annual Project Budget Data			Funding of 2021 Project Amount	
			Prior Year Expenditures (through 12.31.2019)	2020 Estimated Expenditures	Subtotal PY Expenditures	Project Closeout - Amount Returned to Reserves At Close	Project Carryover from 2020 into 2021	New 2021 Project Allocation Amount	2021 Annual Capital Budget	Local (Pierce Transit) Funded	Estimated Grant Funding
<b>Revenue Vehicles Projects</b>											
Shuttle Fleet Repl 2018	537	1,900,000	1,889,730	8,126	1,897,856	2,144	-	2,144	2,144	-	
Trolley Repl 2018	538	1,021,809	994,051	27,758	1,021,809	0	-	0	0	-	
Bus Replacement 2019	557	19,459,490	-	-	-	19,459,490	-	19,459,490	9,172,419	10,287,071	
SHUTTLE Replacement 2019	558	1,051,607	-	-	-	1,051,607	-	1,051,607	1,051,607	-	
Bus Replacement 2020	593	7,419,663	-	-	-	7,419,663	-	7,419,663	1,303,933	6,115,730	
Vanpool Replacement 2020 CANCELED	594	852,971	-	-	-	-	-	-	-	-	
Bus Fleet Replacement 2021	new	6,209,100	-	-	-	-	6,209,100	6,209,100	1,241,820	4,967,280	
Vanpool Replacement 2021	new	814,118	-	-	-	-	814,118	814,118	814,118	-	
Revenue Vehicles Projects		38,728,758	2,883,781	35,884	2,919,665	852,971	27,932,904	7,023,218	34,956,122	13,586,041	21,370,081
<b>Technology Projects</b>											
Financial Mgmt. Sys Repl. 2015	445	1,551,957	1,045,150	506,807	1,551,957	-	-	-	-	-	
Security Systems Repl 2015	452	2,183,143	102,880	340	103,220	-	2,079,923	-	2,079,923	-	
ngORCA	482	6,154,834	363,202	91,280	454,482	-	5,700,352	-	5,700,352	-	
Hastus Upgrade 2017	510	961,975	889,079	72,896	961,975	-	-	-	-	-	
Shuttle IVR 2017	512	140,000	75,172	64,828	140,000	-	-	-	-	-	
Vanpool Management System 2017	514	315,173	180,010	135,163	315,173	-	-	-	-	-	
Collision Avoidance System	518	2,364,894	1,199,032	534,376	1,733,408	-	631,486	-	631,486	278,939	352,547
<del>TDS Distributed Antenna Sys for PT Public Safety 2018 CLOS</del>	540	312,500	30,511	132,477	162,988	149,512	-	-	-	-	
Network Infrastructure 2018	541	564,886	523,679	41,207	564,886	-	-	-	-	-	
<del>Storage Area Network 2018 CLOSED 4.2020</del>	542	274,750	211,314	-	211,314	63,436	-	-	-	-	
Backup Software Repl 2018	543	85,000	-	-	-	-	85,000	-	85,000	85,000	
Bus Driving Simulator 2018	544	507,581	135,252	60	135,312	-	372,269	-	372,269	372,269	
CAD-AVL System Replacement 2019	573	11,000,000	84,254	90,658	174,912	-	10,825,088	-	10,825,088	7,486,660	3,338,428
EAM Enhancement	576	100,160	-	-	-	-	459,160	(359,000)	100,160	100,160	
Network Infrastructure Replacements 2019-2024	578	930,000	673,422	55,623	729,045	-	1,043,955	(843,000)	200,955	200,955	
Storage Area Network 2019 - 2024	579	329,700	-	-	-	-	329,700	-	329,700	329,700	
Zonar 2019	580	490,577	11,674	348,413	360,087	-	130,491	-	130,491	130,491	
ATIS Info-Web Software 2020	595	117,806	-	40,009	40,009	-	77,797	-	77,797	77,797	
Bldg 4 & 5 UPS Replacement	596	352,275	-	10,800	10,800	-	341,475	-	341,475	341,475	
Bus Systems Mobile Access Routers	597	808,940	-	-	-	-	808,940	-	808,940	808,940	
Network Infrastructure Replacement 2020	598	400,325	-	400,325	400,325	-	-	-	-	-	
Vanpool Telematics 2020	599	70,000	-	-	-	-	70,000	-	70,000	70,000	
Network Infrastructure Replacement 2021	new	760,000	-	-	-	-	-	760,000	760,000	760,000	
Call Center Software Replacement 2021	new	55,000	-	-	-	-	-	55,000	55,000	55,000	
Document/Records Management System 2021	new	780,625	-	-	-	-	-	780,625	780,625	780,625	
NeoGov HRIS Module	new	90,200	-	-	-	-	-	90,200	90,200	90,200	
Subtotal Technology Projects		31,702,301	5,524,633	2,525,261	8,049,894	212,947	22,955,635	483,825	23,439,460	19,748,485	3,690,975
<b>Total</b>		<b>198,834,973</b>	<b>29,016,355</b>	<b>10,968,850</b>	<b>39,985,206</b>	<b>1,123,353</b>	<b>120,286,097</b>	<b>34,640,704</b>	<b>154,926,801</b>	<b>85,229,154</b>	<b>69,697,647</b>



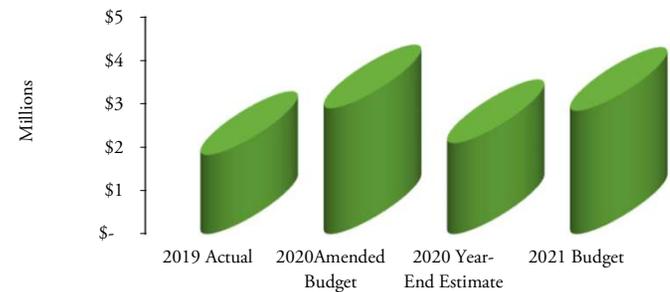
## 2021 BUDGET INSURANCE EXPENDITURE COMPARISON

### Insurance Expenditure Comparison



Description	2019 YEAR-END ACTUALS	2020 AMENDED BUDGET	2020 YEAR END ESTIMATE	2021 BUDGET	% Change 2020 Year-End Estimate to 2020 Budget
Workers' Comp. Insurance	\$ 1,657,148	\$ 2,741,330	\$ 1,766,812	\$ 2,635,000	49.1%
Unemployment Insurance	161,774	150,000	325,000	200,000	-38.5%
TOTAL INSURANCE	<u>\$ 1,818,922</u>	<u>\$ 2,891,330</u>	<u>\$ 2,091,812</u>	<u>\$ 2,835,000</u>	<u>35.5%</u>

### Expenditure Summary





*This section includes the Six-Year Financial Plan Revenues & Expenditures, Ending Balances, and the 2021-2026 Six-Year Capital Plan.*

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

## **2021 Budget Six-Year Financial Plan**

**PIERCE TRANSIT**  
**2021-2026 Six-Year Financial Plan**  
**Revenues & Expenditures**

(Millions)	2020	2021	2022	2023	2024	2025	2026
	EST	Budget					
<b>OPERATING</b>							
<b>Revenue</b>							
<b>Operating Income</b>							
Passenger Fares (Fare Revenue)	\$7.815545	\$8.677844	\$9.715096	\$9.788680	\$9.862999	\$9.938062	\$10.020977
Advertising (contract)	0.500000	0.500000	0.320000	0.320000	0.320000	0.320000	0.320000
Sound Transit Reimbursement (ST)							
ST Express	44.680682	49.813510	51.774870	53.849290	48.858725	36.052928	37.434470
ST Tacoma Dome Station	0.981645	1.001278	1.021303	1.041730	1.062564	1.083815	1.105492
<b>Operating Income</b>	<b>53.977872</b>	<b>59.992632</b>	<b>62.831270</b>	<b>64.999699</b>	<b>60.104288</b>	<b>47.394804</b>	<b>48.880939</b>
<b>Non-Operating Income</b>							
Sales Tax	90.000000	95.760000	98.632800	101.591784	104.639538	107.778724	111.012086
Interest	0.335000	0.325000	0.326625	0.328258	0.329899	0.331549	0.333207
Other Miscellaneous	24.730600	1.454288	0.275000	0.275000	0.275000	0.275000	0.275000
<b>Non-Operating Income</b>	<b>115.065600</b>	<b>97.539288</b>	<b>99.234425</b>	<b>102.195042</b>	<b>105.244437</b>	<b>108.385273</b>	<b>111.620293</b>
<b>Operating Contributions</b>							
CTR/Vanpool Assistance	0.078233	0.180267	0.000000	0.000000	0.000000	0.000000	0.000000
Special Needs Transportation Grant	2.199940	2.199940	2.199940	2.199940	2.199940	2.199940	2.199940
Operating Grants - Other	0.729920	0.729920	0.729920	0.729920	0.729920	0.729920	0.729920
<b>Operating Contributions</b>	<b>3.008093</b>	<b>3.110127</b>	<b>2.929860</b>	<b>2.929860</b>	<b>2.929860</b>	<b>2.929860</b>	<b>2.929860</b>
<b>Total Operating Revenue</b>	<b>\$172.051565</b>	<b>\$160.642047</b>	<b>\$164.995555</b>	<b>\$170.124601</b>	<b>\$168.278586</b>	<b>\$158.709937</b>	<b>\$163.431092</b>
<b>Expenditures</b>							
<b>Operating Expenditures</b>							
Wages	\$66.132167	\$73.573643	\$76.493449	\$79.530047	\$79.241952	\$75.303626	\$78.271539
Benefits	26.125185	28.834826	29.827417	31.050687	30.931419	29.401023	30.516398
M & O	23.387696	25.201284	25.777666	26.379268	26.857890	27.213651	27.959736
Fuel	3.602038	4.622723	4.734667	4.808458	4.672919	4.315431	4.380838
Parts	7.773098	7.787579	7.943331	8.102197	7.833703	7.112080	7.254322
Purchased Trans.	5.408563	7.253800	7.253800	7.253800	7.253800	7.253800	7.425252
Bridge Tolls	0.006500	0.002000	0.002040	0.002081	0.002122	0.002165	0.002208
<b>Total Operating Expenditures (w/out Debt, Depreciation, and NonDepartmental)</b>	<b>132.435247</b>	<b>147.275856</b>	<b>152.032370</b>	<b>157.126539</b>	<b>156.793806</b>	<b>150.601777</b>	<b>155.810292</b>
<b>Non-Operating Expenditures</b>							
Payments to Pierce Co for 5307 Agreement	3.403572	1.143054	1.143054	1.143054	1.143054	1.143054	1.143054
<b>Non-Operating Expenditures</b>	<b>3.403572</b>	<b>1.143054</b>	<b>1.143054</b>	<b>1.143054</b>	<b>1.143054</b>	<b>1.143054</b>	<b>1.143054</b>
<b>Total Operating Expenditures</b>	<b>\$135.838818</b>	<b>\$148.418909</b>	<b>\$153.175423</b>	<b>\$158.269592</b>	<b>\$157.936859</b>	<b>\$151.744831</b>	<b>\$156.953345</b>

**PIERCE TRANSIT**  
**2021-2026 Six-Year Financial Plan**  
**Revenues & Expenditures**

(Millions)	2020 EST	2021 Budget	2022	2023	2024	2025	2026
Total Operating Revenue Less Total Operating Expenditures	\$36.212747	\$12.223138	\$11.820131	\$11.855009	\$10.341726	\$6.965107	\$6.477746
<b>Transfers</b>							
Capital Reserve	\$19.430659	\$20.312788	\$45.798877	\$7.111334	\$1.564731	\$0.986004	\$12.788974
Insurance	2.758476	0.334904	2.914050	3.001652	3.091881	3.184817	3.280542
<b>Transfers</b>	<b>22.189135</b>	<b>20.647692</b>	<b>48.712927</b>	<b>10.112986</b>	<b>4.656612</b>	<b>4.170821</b>	<b>16.069516</b>
<b>Total Expenditures and Transfers</b>	<b>\$158.027953</b>	<b>\$169.066601</b>	<b>\$201.888350</b>	<b>\$168.382578</b>	<b>\$162.593472</b>	<b>\$155.915652</b>	<b>\$173.022861</b>

Change in Reserves	\$14.023612	-\$8.424554	-\$36.892796	\$1.742023	\$5.685114	\$2.794285	-\$9.591770
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**CAPITAL**

<b>Revenue</b>							
Federal	\$0.390502	\$20.762628	\$16.089970	\$39.239173	\$6.871113	\$1.000000	\$4.967280
State	0.479772	20.735198	0.000000	4.743000	0.000000	2.529600	13.855000
Other	6.570457	28.199821	41.797852	22.750922	44.826959	6.990095	3.308272
Transfer from Operating Fund	19.430659	20.312788	45.798877	7.111334	1.564731	0.986004	12.788974
Interest	0.382000	0.325000	0.047500	0.047500	0.047500	0.047500	0.047500
<b>Total Capital Revenues</b>	<b>\$27.253390</b>	<b>\$90.335435</b>	<b>\$103.734199</b>	<b>\$73.891929</b>	<b>\$53.310303</b>	<b>\$11.553199</b>	<b>\$34.967026</b>

<b>Expenditures</b>							
Revenue Vehicles	\$0.035884	\$34.956122	\$11.801562	\$16.079463	\$9.331944	\$5.680699	\$9.013299
Base Facilities	5.211717	42.338459	42.260000	0.000000	0.000000	0.000000	0.000000
Passenger Facilities & Amenities	0.550217	14.132489	0.000000	3.157836	2.500000	0.000000	0.000000
Technology	2.525261	23.439459	2.637800	1.284800	1.141800	1.710500	0.495000
Other	2.645771	40.060272	47.034837	53.369830	40.336559	4.162000	15.958727
<b>Total Capital Expenditures</b>	<b>\$10.968850</b>	<b>\$154.926801</b>	<b>\$103.734199</b>	<b>\$73.891929</b>	<b>\$53.310303</b>	<b>\$11.553199</b>	<b>\$25.467026</b>

<b>Use of Reserve</b>	<b>16.284540</b>	<b>-64.591366</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>9.500000</b>
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**INSURANCE**

<b>Revenue</b>							
Interest	\$0.031282	\$0.026000	\$0.006000	\$0.006000	\$0.006000	\$0.006000	\$0.006000
Transfer	2.758476	0.334904	2.914050	3.001652	3.091881	3.184817	3.280542
<b>Total Insurance Revenue &amp; Transfer</b>	<b>\$2.789758</b>	<b>\$0.360904</b>	<b>\$2.920050</b>	<b>\$3.007652</b>	<b>\$3.097881</b>	<b>\$3.190817</b>	<b>\$3.286542</b>

<b>Expenditures</b>							
Insurance Expenditures	\$2.091812	\$2.835000	\$2.920050	\$3.007652	\$3.097881	\$3.190817	\$3.286542
<b>Use of Reserve</b>	<b>\$0.697946</b>	<b>-\$2.474096</b>	<b>\$0.000000</b>	<b>\$0.000000</b>	<b>\$0.000000</b>	<b>\$0.000000</b>	<b>\$0.000000</b>

PIERCE TRANSIT  
2021-2026 Six-Year Financial Plan  
Ending Balances

(Millions)	2020	2021	2022	2023	2024	2025	2026
	EST	Budget					
<b>OPERATING</b>							
Beginning Balance	\$56.632467	\$70.656079	\$62.231524	\$25.338729	\$27.080752	\$32.765866	\$35.560152
Revenue	172.051565	160.642047	164.995555	170.124601	168.278586	158.709937	163.431092
Total	\$228.684032	\$231.298125	\$227.227079	\$195.463330	\$195.359338	\$191.475804	\$198.991243
Expenditures	\$135.838818	\$148.418909	\$153.175423	\$158.269592	\$157.936859	\$151.744831	\$156.953345
Transfers from Operating	22.189135	20.647692	48.712927	10.112986	4.656612	4.170821	16.069516
Total	\$158.027953	\$169.066601	\$201.888350	\$168.382578	\$162.593472	\$155.915652	\$173.022861
<b>Operating Ending Balance</b>	<b>\$70.656079</b>	<b>\$62.231524</b>	<b>\$25.338729</b>	<b>\$27.080752</b>	<b>\$32.765866</b>	<b>\$35.560152</b>	<b>\$25.968382</b>
<b>Required Margin</b>	<b>22.072541</b>	<b>24.545976</b>	<b>25.338728</b>	<b>26.187756</b>	<b>26.132301</b>	<b>25.100296</b>	<b>25.968382</b>
<b>Margin / (Deficit)</b>	<b>48.583537</b>	<b>37.685548</b>	<b>0.000000</b>	<b>0.892995</b>	<b>6.633565</b>	<b>10.459855</b>	<b>0.000000</b>

<b>CAPITAL</b>							
Beginning Balance	\$57.806826	\$74.091366	\$9.500000	\$9.500000	\$9.500000	\$9.500000	\$9.500000
Revenues	27.253390	90.335435	103.734199	73.891929	53.310303	11.553199	34.967026
Total	\$85.060216	\$164.426801	\$113.234199	\$83.391929	\$62.810303	\$21.053199	\$44.467026
Expenditures	\$10.968850	\$154.926801	\$103.734199	\$73.891929	\$53.310303	\$11.553199	\$25.467026
<b>Capital Ending Balance</b>	<b>\$74.091366</b>	<b>\$9.500000</b>	<b>\$9.500000</b>	<b>\$9.500000</b>	<b>\$9.500000</b>	<b>\$9.500000</b>	<b>\$19.000000</b>
<b>Required Margin &lt;\$9.5 M; 2026 \$19.0 M</b>	<b>9.500000</b>	<b>9.500000</b>	<b>9.500000</b>	<b>9.500000</b>	<b>9.500000</b>	<b>9.500000</b>	<b>19.000000</b>
<b>Margin / (Deficit)</b>	<b>64.591366</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>

<b>INSURANCE</b>							
Beginning Balance	\$2.976150	\$3.674096	\$1.200000	\$1.200000	\$1.200000	\$1.200000	\$1.200000
Interest	0.031282	0.026000	0.006000	0.006000	0.006000	0.006000	0.006000
Transfer	2.758476	0.334904	2.914050	3.001652	3.091881	3.184817	3.280542
Total	\$5.765908	\$4.035000	\$4.120050	\$4.207652	\$4.297881	\$4.390817	\$4.486542
Expenditures	\$2.091812	\$2.835000	\$2.920050	\$3.007652	\$3.097881	\$3.190817	\$3.286542
<b>Insurance Ending Balance</b>	<b>\$3.674096</b>	<b>\$1.200000</b>	<b>\$1.200000</b>	<b>\$1.200000</b>	<b>\$1.200000</b>	<b>\$1.200000</b>	<b>\$1.200000</b>
<b>Required Margin</b>	<b>2.000000</b>	<b>1.200000</b>	<b>1.200000</b>	<b>1.200000</b>	<b>1.200000</b>	<b>1.200000</b>	<b>1.200000</b>
<b>Margin / (Deficit)</b>	<b>1.674096</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>	<b>0.000000</b>

<b>Total Ending Balances</b>	<b>\$148.421540</b>	<b>\$72.931524</b>	<b>\$36.038728</b>	<b>\$37.780752</b>	<b>\$43.465866</b>	<b>\$46.260151</b>	<b>\$46.168382</b>
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<b>ALL FUNDS</b>							
<b>Required Margin</b>	<b>\$33.572541</b>	<b>\$35.245976</b>	<b>\$36.038728</b>	<b>\$36.887756</b>	<b>\$36.832301</b>	<b>\$35.800296</b>	<b>\$46.168382</b>
<b>Margin/ (Deficit)</b>	<b>\$114.848999</b>	<b>\$37.685548</b>	<b>\$0.000000</b>	<b>\$0.892995</b>	<b>\$6.633565</b>	<b>\$10.459855</b>	<b>\$0.000000</b>



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## 2021-2026 Six-Year Capital Plan

Grant funding is associated with the project.

#	Project Title	Project Number	2020 Estimated Carryover	New 2021 Project Allocation	2021-Cap	2022-Cap	2023-Cap	2024-Cap	2025-Cap	2026-Cap	Total
1	TDS Mid-Life Maintenance	315	634,634		634,634						634,634
2	Bldg. 4 Modifications	345	1,086,255		1,086,255						1,086,255
3	Facilities Critical Repairs	418	9,188		9,188						9,188
4	Security Systems Repl	452	2,079,923		2,079,923						2,079,923
5	ngORCA	482	5,700,352		5,700,352						5,700,352
6	72nd and Portland (restroom roof and interior)	483	52,211		52,211						52,211
7	TCC Transit Center Renewal	484	161,908		161,908						161,908
8	Tacoma Mall Transit Center Renewal	485	97,942		97,942						97,942
9	SR512 Transit Center Renewal	486	307,018		307,018						307,018
10	Lakewood Towne Center Transit Center Renewal	502	139,054		139,054						139,054
11	Narrows Park & Ride Renewal	503	422,508		422,508						422,508
12	Collision Avoidance System	518	631,486		631,486						631,486
13	Commerce Tunnel Refurbishment	524	3,169,025		3,169,025						3,169,025
14	Base Master Plan (MOBI)	525	25,486,309	15,623,895	41,110,204	42,260,000	-	-	-		83,370,204
15	Logo Refresh 2018	533	22,641		22,641						22,641
16	Automated Tool Control Sys 2018	535	13,330		13,330						13,330
17	Shuttle Replacement 2018	537	2,144		2,144						2,144
18	Backup Software Repl 2018	543	85,000		85,000						85,000
19	Bus Driving Simulator 2018	544	372,269		372,269						372,269
20	Corridor Speed & Reliability Improvements 2018	554	2,859,036		2,859,036						2,859,036
21	Pac Ave SR 7 Park & Ride 2019	556	4,795,234		4,795,234						4,795,234
22	Bus Replacement 2019	557	19,459,490		19,459,490						19,459,490
23	SHUTTLE Replacement 2019	558	1,051,607		1,051,607						1,051,607
24	Bus Rapid Transit (BRT)	563	25,431,298	8,000,000	33,431,298	45,000,000	48,000,000	40,000,000	1,000,000		167,431,298
25	Bldg 4 Ops Lobby Skylights 2019	565	142,000		142,000						142,000
26	Commerce Placemaking 2019	570	465,250	-	465,250						465,250
27	South Hill Mall TC Renewal	571	798,517	960,000	1,758,517						1,758,517
28	CAD-AVL System Replacement 2019	573	10,825,087		10,825,087						10,825,087
29	Facilities Workorder Management System - EAM Replacement	576	459,160	(359,000)	100,160						100,160
30	Network Infrastructure Replacements 2019	578	1,043,955	(843,000)	200,955						200,955
31	Storage Area Network 2019	579	329,700		329,700						329,700
32	Zonar 2019	580	130,490		130,490						130,490
33	Marketing Department Auto Cutting Device 2020	587	28,875		28,875						28,875
34	Tacoma Dome Station Elevator Repairs/Upgrades	588	1,718,216		1,718,216						1,718,216
35	TDS Server Room HVAC 2020	589	43,410		43,410						43,410
36	Kimball Drive Park & Ride 2020	590	400,000		400,000						400,000
37	North Purdy Park & Ride 2020	591	400,000		400,000						400,000
38	Parkland Transit Center 2020	592	200,000		200,000						200,000
39	Bus Replacement 2020	593	7,419,663		7,419,663						7,419,663
40	ATIS Info-Web Software 2020	595	77,797		77,797						77,797
41	Building 4 and 5 UPS Replacement	596	341,475		341,475						341,475
42	Bus Systems Mobile Access Routers	597	808,940		808,940						808,940
43	Vanpool Telematics	599	70,000		70,000						70,000
44	Bldg 5 Shuttle & Pub Safety office moves	600	313,700		313,700						313,700
45	Maintenance Power Pusher	601	32,475		32,475						32,475
46	Misc Capital Equipment	778	167,525		167,525						167,525
<b>Subtotal Additional &amp; Carryover Requests</b>			<b>120,286,097</b>	<b>23,381,895</b>	<b>143,667,992</b>	<b>87,260,000</b>	<b>48,000,000</b>	<b>40,000,000</b>	<b>1,000,000</b>	<b>-</b>	<b>319,927,992</b>



## 2021-2026 Six-Year Capital Plan

Grant funding is associated with the project.

#	Project Title	Project Number	2020 Estimated Carryover	New 2021 Project Allocation	2021-Cap	2022-Cap	2023-Cap	2024-Cap	2025-Cap	2026-Cap	Total	
47	Bus Fleet Replacement 2021	New		\$ 6,209,100	6,209,100						6,209,100	
48	Network Infrastructure Replacement 2021	New		760,000	760,000						760,000	
49	Call Center Software Replacement 2021	New		55,000	55,000						55,000	
50	Document/Records Management System 2021	New		780,625	780,625						780,625	
51	Support Vehicle Replacement 2021	New		292,463	292,463						292,463	
52	Spanaway TC P&R - Phase II Design	New		1,000,000	1,000,000		2,500,000	2,500,000			6,000,000	
53	Tacoma Dome Station Garage Wayfinding Design	New		35,000	35,000						35,000	
54	NeoGov HRIS Module	New		90,200	90,200						90,200	
55	6th Ave Passenger Amenities	New		85,000	85,000		657,836				742,836	
56	Vanpool Replacement 2021	New		814,118	814,118						814,118	
57	BRT Commerce Facility Bus Charging Station	New		300,000	300,000	1,700,000					2,000,000	
58	BRT System Expansion Study	New		837,303	837,303						837,303	
<b>Subtotal New Requests</b>			-	11,258,809	11,258,809	1,700,000	3,157,836	2,500,000	-	-	18,616,645	
59	ADEPT Upgrade or Replace	Outyear				2,200,000					2,200,000	
60	Battery Electric Articulated Buses	Outyear					3,600,000				3,600,000	
61	Bus Fleet Replacement 2022-2026	Outyear				10,348,500	6,899,000	7,588,900	-	6,209,100	31,045,500	
62	Network Infrastructure 2022-2026	Outyear				437,800	1,284,800	1,141,800	1,710,500	495,000	5,069,900	
63	Shuttle Replacement 2022-2026	Outyear					3,247,229		3,356,047		6,603,276	
64	Support Vehicle Replacement 2022-2026	Outyear				334,837	626,830	336,559	-	703,727	2,001,953	
65	Vanpool Replacement 2022-2026	Outyear				1,453,062	2,333,234	1,743,044	2,324,652	2,804,199	10,658,191	
66	BRT 2 - S 19th Street & Bridgeport Way West Corridor	Outyear					4,743,000		3,162,000		7,905,000	
67	BRT 3 - Downtown Tacoma to Lakewood	Outyear								15,255,000	15,255,000	
<b>Subtotal Outyear Requests</b>			-	-	-	14,774,199	22,734,093	10,810,303	10,553,199	25,467,026	84,338,820	
<b>Grand Total</b>				\$ 120,286,097	\$ 34,640,704	\$ 154,926,801	\$ 103,734,199	\$ 73,891,929	\$ 53,310,303	\$ 11,553,199	\$ 25,467,026	\$ 422,883,457



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

## **2021 Budget Appendix**



## 2021 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  
JBLM – Joint Base Lewis McChord  
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



## 2021 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.



## 2021 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.

*Bus Rapid Transit* – Bus Rapid Transit systems are designed to carry larger numbers of riders with greater speed, reliability and frequency than a standard fixed-route bus.

*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.



## 2021 BUDGET GLOSSARY

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

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

*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.



## 2021 BUDGET GLOSSARY

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

*DOT* – See USDOT and WSDOT

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

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

*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.



## 2021 BUDGET GLOSSARY

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

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

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

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

*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.



## 2021 BUDGET GLOSSARY

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

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

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

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

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

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

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

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



## 2021 BUDGET GLOSSARY

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

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

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

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

*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.



## 2021 BUDGET GLOSSARY

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

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

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

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

*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.



## 2021 BUDGET GLOSSARY

*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.

*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.

## 2021 BUDGET GLOSSARY

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

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

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

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

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

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

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

