

Pierce Transit

Lakewood, Washington

2022 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.



2022 BUDGET

Fiscal Year January 1, 2022 through December 31, 2022

MIKE GRIFFUS, Chief Executive Officer

Prepared By
The Finance Division

BRETT FRESHWATERS, Executive Director of Finance, CFO

LISA MCVAY, Budget Supervisor

JULIE STUTZKE, Budget Coordinator

For budget and other information about Pierce Transit visit PierceTransit.org



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PierceTransit.org

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

2022 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 Marty Campbell
Chair
Pierce County Council
Representing Pierce County



Commissioner Kristina Walker
Vice Chair
Tacoma City Council
Representing Tacoma



Commissioner Chris Beale
Tacoma City Council
Representing Tacoma



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



Commissioner Ryan Mello
Pierce County Council
Representing Pierce County



Commissioner John Palmer
Deputy Mayor of Puyallup
Representing Puyallup and Edgewood



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



Commissioner Jason Whalen
Deputy Mayor of Lakewood
Representing Lakewood



Commissioner Victoria Woodards
Mayor of Tacoma
Representing Tacoma

Vacant
Non-Voting Union Representative



2022 ORGANIZATIONAL CHART

CITIZENS OF PIERCE COUNTY

BOARD OF COMMISSIONERS

CHIEF EXECUTIVE OFFICER
Mike Griffus

CLERK OF THE BOARD/
PUBLIC RECORDS OFFICER

EXECUTIVE
DIVISION

Mike Griffus
Chief Executive Officer

Division Admin
Communications

ADMINISTRATION
DIVISION

Amy Cleveland
Executive Director

Division Admin
Human Resources
 Human Resources
 Recruitment
Labor Relations
Workforce Development
 Workforce Development
 Administrative Services
Risk 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

Adam Davis
Interim 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
 Capital Planning
Planning
 Service Planning Admin
 Bus Stop Program
 Planning
 Scheduling
Community Development
 Department Admin
 Business Support
 Sales & Outreach

SERVICE DELIVERY &
SUPPORT
DIVISION

Dena Withrow
Interim 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



2022 BUDGET MESSAGE



December 13, 2022

TO: Pierce Transit Board of Commissioners, Citizens and Employees

FROM: Mike Griffus, Chief Executive Officer

I am pleased to present the 2022 Budget for your review and consideration. We successfully weathered the COVID storm in 2020 and continued our recovery in 2021. Many of us expected that COVID would be tamed by the end of 2021 and that we would be able to focus on restoring service and bringing riders back to our system. However, we still have lingering COVID-related challenges ahead of us that we must address in this budget, including:

- Safely bringing riders back to our system.
- Continued reduced fare collections.
- Recruiting for vacant positions, particularly Operators.
- Continuing to take precautions to prevent COVID spread and provide a safe workplace for employees.
- Accounting for higher prices and materials shortages, in both construction projects and operations.

I am extremely proud of the entire Pierce Transit workforce. 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 caused a sudden and severe downturn in the economy and revenue collections in 2020, but significant recovery occurred in 2021 and signs point to continued recovery into 2022.



2022 BUDGET MESSAGE



Local economic conditions and retail spending play major roles in the generation of sales tax revenue, which is Pierce Transit's primary source of operating revenue. While economic expansion halted abruptly in March 2020, swift distribution of government pandemic funds contributed to a quick spending recovery. Two subsequent rounds of recovery funds have kept the economy humming. Continued stock market growth in turn spurs spending on consumable goods. Many pandemic closures and travel restrictions were lifted in Spring 2021, boosting the travel, entertainment and restaurant industries.

The Puget Sound region has been one of the fastest-growing metropolitan areas in the U.S. Locally, residents continue to move into Pierce County due to higher housing prices in King County and employment growth has picked up following hiring freezes in 2020.

While many COVID-induced restrictions have come to an end, uncertainty exists with the rapid rise of the Delta variant. Specific areas of concern include employment numbers that are below pre-pandemic levels and supply chain issues caused by staffing shortages that have led to delays in construction projects and increasing prices. On the bright side for revenue, increasing wages should spur higher spending. However, even though wages are increasing, overall personal income is expected to decrease by 1.7% in 2022, largely due to the end of COVID-recovery programs. Employment is expected to increase in 2022, but new housing permits are expected to decrease. With these types of mixed signals, the outlook remains a bit uncertain. However, with many drivers of retail sales increasing significantly in the second half of 2021, we should see modest growth in Pierce Transit's sales tax revenue next year.

Budget Summary

Given that there is still some uncertainty around the economy in 2021, our team's goal was to build a draft 2022 budget that allows us to increase our local service to pre-pandemic levels if conditions progress as anticipated. The budget before you achieves that goal. The 2022 budgeted expenditures for all funds are approximately \$443 million, balanced by expected revenues and reserves. Sales tax will contribute 73% of



2022 BUDGET MESSAGE



total budgeted operating revenues in 2022 (excluding the revenue from our contract to provide Sound Transit regional service) and is expected to generate \$105 million in revenue. While sales tax collections are projected to increase above 2021 levels, uncertainty exists around future collections. Therefore, the six-year plan shows modest 3.5% 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 faster than prior years, employees will focus their efforts on improving productivity, reducing costs and obtaining grants for service and projects. Operating expenditures are increasing by 10.9% over projected 2021 levels, due primarily to filling vacant positions with an eye toward restoring service back to 100% of pre-COVID levels. The budget includes 960 FTEs (981 positions). Pierce Transit fixed route service hours for 2022 are planned to increase to 500,000.

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 projects. Reserves comply with required levels established by the Board of Commissioners. 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.

The 2022 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. Our goal with this budget and throughout the six-year plan framework is to continue building on our solid foundation to provide an improved public transportation system that meets the needs of our communities. 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.



2022 BUDGET MESSAGE



I would like to thank the Pierce Transit Finance and Budget professionals for their thoughtful preparation of the agency's 2022 Budget. The budget provides a plan that allows Pierce Transit to serve its communities not only in 2022, but well into the future.

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

Mike Griffus

Mike Griffus, Chief Executive Officer



2022 BUDGET MESSAGE

In brief:

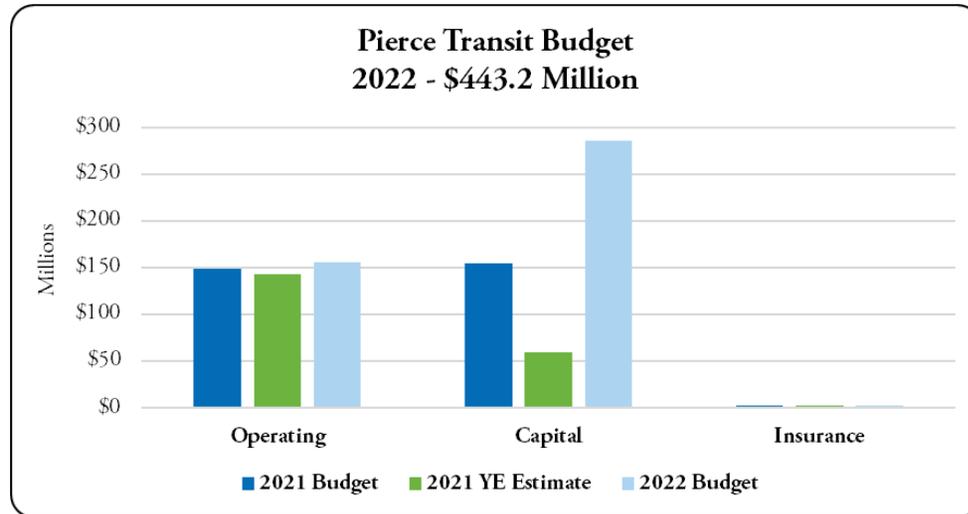
The 2022 net expenditure budget totals \$443,197,934. This total excludes transfers between funds and balances.

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.

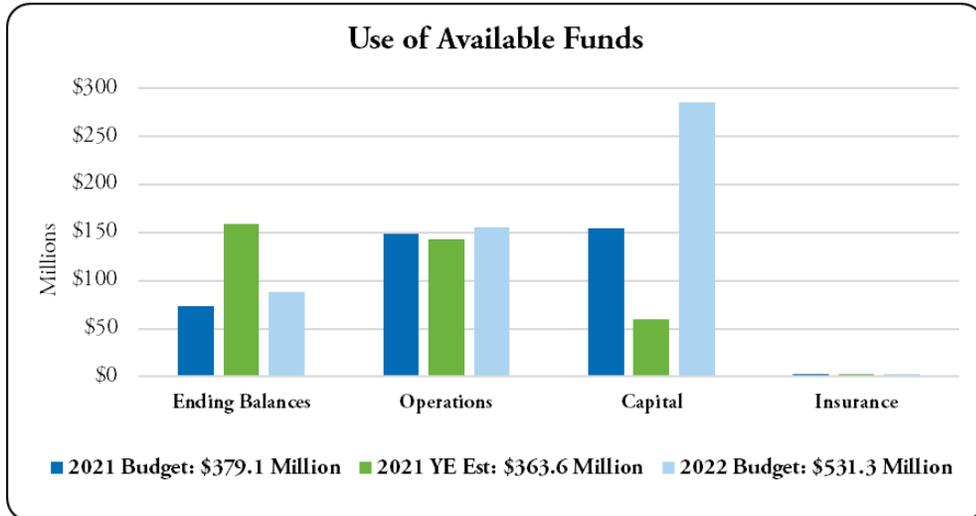
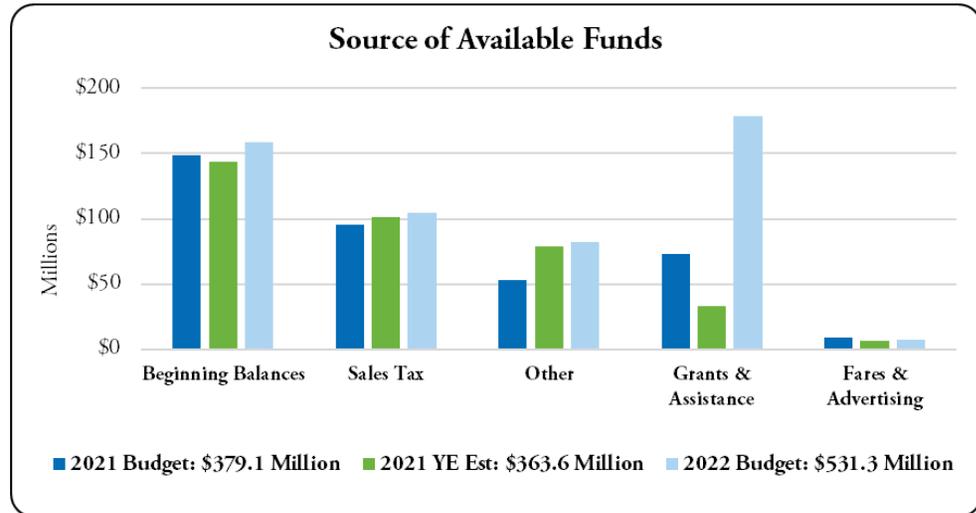


2022 BUDGET MESSAGE

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 other 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.





2022 BUDGET MESSAGE

Operating Budget

The 2022 operating revenues of \$196,735,452 support the operating expenditures of \$154,380,928, non-operating expenditures of \$1,143,054 and operating transfers of \$61,510,479. 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 a decrease of \$20,299,009. Reserves beyond the required amount will be utilized over the next six years to fund capital projects.

The operating budget revenue for 2022 is increasing by 3.9% and operating expenditures are increasing 10.9% from the 2021 Year-End Estimate.

	<u>2021 YE Estimate</u>	<u>2022 Budget</u>	Year-End Estimate to Budget Change	
			<u>\$ Change</u>	<u>% Change</u>
Operating Revenues	\$ 189,261,800	\$ 196,735,452	\$ 7,473,652	3.9%
Operating Expenditures	(139,240,723)	(154,380,928)	(15,140,205)	10.9%
	50,021,077	42,354,524	(7,666,553)	-15.3%
Non-Operating Expenditures	(4,056,296)	(1,143,054)	2,913,242	-71.8%
Operating Transfers	(20,647,692)	(61,510,479)	(40,862,787)	197.9%
Net Change - Reserves	<u>\$ 25,317,089</u>	<u>\$ (20,299,009)</u>	<u>\$ (45,616,098)</u>	<u>-180.2%</u>

2022 Non-Operating Expenditures are a payment of \$1,143,054 for Pierce County Agreement grant exchange funds.



2022 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 2021 Year-End Estimate are included in the table below.

	<u>2021 YE Estimate</u>	<u>2022 Budget</u>	Year-End Estimate to Budget Change	
			<u>\$ Change</u>	<u>% Change</u>
Operating Income				
Fares	\$ 5,895,776	\$ 6,747,477	\$ 851,701	14.4%
Advertising	500,000	500,000	-	0.0%
Regional Transit Service	46,146,584	53,818,060	7,671,475	16.6%
Non-Operating Income				
Sales Tax	100,919,402	104,956,178	4,036,776	4.0%
Miscellaneous (Interest & Other)	32,721,946	27,747,417	(4,974,529)	-15.2%
Operating Contributions	3,078,091	2,966,320	(111,771)	-3.6%
	<u>\$ 189,261,800</u>	<u>\$ 196,735,452</u>	<u>\$ 7,473,652</u>	<u>3.9%</u>

Fares – Revenues are estimated based on ridership and average fare per boarding projections. The average fare per boarding is expected to be \$0.97 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 2022 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.



2022 BUDGET MESSAGE

Sound Transit – Regional Transit Service budgeted revenue totals \$53,818,060 in 2022 a 16.6% increase from 2021 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 2022, Sound Transit is increasing service hours 8.0% from 309,334 to 334,217. Sound Transit also reimburses for their share of costs associated with security, liability insurance, special services for operating 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 73.4% of the operating budget revenue excluding Sound Transit. In 2022, sales tax is expected to total \$104,956,178, a 4.0% increase over the 2021 Year-End Estimate and in line with current growth trends.

Miscellaneous – Includes miscellaneous revenues such as interest, advertising and insurance recoveries. One-time Federal contributions such as Coronavirus Aid, Relief, and Economic Security 2020 (CARES), Coronavirus Response and Relief Supplemental Appropriations Act 2021 (CRRSAA) and American Rescue Plan Act 2022 (ARPA) are included in miscellaneous

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.



2022 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 \$154,380,928 a 10.9% increase from the 2021 Year-End Estimate. The larger than normal increase over year-end estimates is a result of reduced service and expenditures in 2021 due to COVID restrictions and returning to 100% pre-COVID service levels in 2022. The changes from the 2021 Year-End Estimate to the 2022 Budget are as follows:

	<u>2021 YE Estimate</u>	<u>2022 Budget</u>	Year-End Estimate to Budget Change	
			<u>\$ Change</u>	<u>% Change</u>
Wages	\$ 70,673,162	\$ 77,490,382	\$ 6,817,220	9.6%
Benefits	26,845,134	30,351,438	3,506,304	13.1%
M & O	41,722,427	46,539,108	4,816,681	11.5%
Total Operations	139,240,723	154,380,928	15,140,205	10.9%
Non-Operating Expenditures	4,056,296	1,143,054	(2,913,242)	-71.8%
Total	\$ 143,297,019	\$ 155,523,982	\$ 12,226,963	8.5%

Wages – The 2022 Budget includes 981 positions and 960 full-time equivalents (FTEs). The 9.6% 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 in addition to the 21 new positions.

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.



2022 BUDGET MESSAGE

Benefits – The increase in benefits of 13.1% or \$3,506,304 is a result of medical and dental premium increases, percentage-based benefits that increase with wages, and filling prior year vacancies and new positions.

Maintenance and Operations – The 2022 Maintenance and Operations (M&O) Budget is \$46,539,108. The expenditures support service, maintenance of equipment, and technology system needs. This is an increase of \$4,816,681 or 11.5% higher than the 2021 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 – 2022 Non-Operating Expenditures are for payment of \$1,143,054 for Pierce County Agreement grant exchange funds.



2022 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 2022 budget includes operating and non-operating revenues of \$196.7 million which funds operating and non-operating expenses of \$155.5 million for 1,076,064 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>\$97.9</u>	
Operating & Non-Operating Revenues	\$196.7	
Operating & Non-Operating Expenditures	<u>(\$155.5)</u>	
Operating Margin	\$41.2	
Transfer to Capital/Insurance	<u>(\$61.5)</u>	
Ending Cash	\$77.6	
Operating Reserves	\$25.7	
Reserves for Sustainability	<u>\$51.9</u>	
Operating Reserve Balance Calculation (\$ in Millions)		
	<u>2021 Forecast</u>	<u>2022 Budget</u>
Projected Ending Balance	\$97.9	\$77.6
Operating Expenses	<u>143.3</u>	<u>155.5</u>
Two Months Operating Expense/Required Operating Reserve	(23.2)	(25.7)
Cash/Working Capital in Excess of Reserves	<u>\$74.7</u>	<u>\$51.9</u>



2022 BUDGET MESSAGE

In brief:

The 2022 Capital Budget is comprised of the following categories.

Revenue Vehicles – 7%

Provide customers a comfortable and reliable mode of transportation

Base Facilities – 21%

Support efficient operations of the Agency

Passenger Facilities & Amenities – 3%

Serve as the front door to the transit system

Technology – 8%

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

Other – 61%

Maintain equipment and provide improved transportation services

A detailed project list reflecting the carryover, new allocations 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 2022 are budgeted at \$285,133,952. Approved but unspent projects are carried over from the prior year to the following budget year. The 2022 Budget contains \$80,045,651 of prior year budgeted funds (carryover) and \$205,088,301 in new projects. Expenditures are supported by \$175,522,501 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.

	2022 Capital Budget Expenditures		
	Carryover	New	Total
Revenue Vehicles	\$ 6,895,372	\$ 11,446,025	\$ 18,341,397
(Bus, Vanpool and SHUTTLE replacements)			
Base Facilities	25,251,000	35,500,000	60,751,000
(Maintenance & Operations Base Improvements)			
Passenger Facilities and Amenities	3,787,615	3,717,886	7,505,501
(Spanaway Transit Center & 4 Transit Center Renewals)			
Technology	19,156,636	4,489,192	23,645,828
(Next Generation ORCA, CAD-AVL System Replacement, ADEPT Replacement, Security Systems Replacement, Network Infrastructure)			
Other	24,955,028	149,935,198	174,890,226
(Corridor Speed & Reliability Improvements, BRT, TDS Elevator)			
	\$ 80,045,651	\$ 205,088,301	\$ 285,133,952



2022 BUDGET MESSAGE

Self- Insurance

The 2022 Budget of \$2,540,000 reflects an increase of \$199,770 from the 2021 Year-End Estimate of \$2,340,230. 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 2022 Budget is balanced, sustainable, and focused on strategic initiatives to meet Pierce Transit's Vision and Mission.



**2022 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.: 2021-070
Date: December 13, 2021

TITLE: Adoption of Annual Budget for Fiscal Year 2022 DIVISION: Finance
SUBMITTED BY: Brett Freshwaters, Executive Director of Finance & IT (CFO)
RELATED ACTION: N/A
ATTACHMENTS: Proposed Resolution RELATION TO STRATEGIC PLAN: Financial
Exhibit A, proposed 2022 Budget

BUDGET INFORMATION

2022 Budget Appropriations		
	Expenditures	Resources
Operating Budget		
Operating	\$ 154,380,928	\$ 61,065,537
Non-Operating	1,143,054	132,703,595
Operating Contributions	-	2,966,320
Operating Transfers	61,510,479	-
Use of Reserves	-	20,299,009
	<u>\$ 217,034,461</u>	<u>\$ 217,034,461</u>
Capital Budget		
Operating	\$ 285,133,952	\$ 175,847,501
Operating Transfers	-	59,412,378
Use of Reserves	-	49,874,073
	<u>\$ 285,133,952</u>	<u>\$ 285,133,952</u>
Insurance Budget		
Operating	\$ 2,540,000	\$ 16,000
Operating Transfers	-	2,098,101
Use of Reserves	-	425,899
	<u>\$ 2,540,000</u>	<u>\$ 2,540,000</u>
Total Appropriations	504,708,413	504,708,413
Less Operating Transfers	(61,510,479)	(61,510,479)
Net Budget	<u>\$ 443,197,934</u>	<u>\$ 443,197,934</u>



2022 BUDGET FACT SHEET

FACT SHEET
PAGE 2

BACKGROUND:

The 2022 Budget is ready for adoption. It has been submitted and reviewed at the Board of Commissioner's Study Session on 09/30/2021 and Public Hearing on 11/08/2021.

The budget is balanced, sustainable, and meets Board-adopted reserve requirements. The Agency's budget is \$504,708,412. Of this amount, \$61,510,479 represents internal transfers, leaving a net budget of \$443,197,934. The three components that make up this amount are the Operating Budget (43%), Capital Budget (56%), and Insurance Budget (1%).

The budget includes Pierce Transit fixed route service hours totaling 500,000. SHUTTLE hours are budgeted at 161,848. Vanpool service hours are budgeted at 80,000. Pierce Transit anticipates providing 334,217 service hours for Sound Transit Regional Transit Service.

To provide the projected levels of service, the 2022 Budget includes 981 positions and 960 full-time equivalent employees (FTEs). 31 new positions are offset by 10 position reductions for a net increase of 21 positions. The budget has a wage increase pool of 4.1%, this includes eligible step and COLA increases for represented employees, per the terms of the applicable collective bargaining agreements and eligible step and general wage adjustments in January for non-represented employees.

Capital projects for 2022 are budgeted at \$285,133,952. Approved but unspent projects are carried over to the following budget year. The 2022 budget contains \$80,045,651 of prior year budgeted funds (carryover). Included are funds for vehicles, facilities, technology, and administrative and maintenance equipment.

The insurance budget of \$2,540,000 includes workers' compensation costs of \$2,340,000 and unemployment costs of \$200,000.

STAFF RECOMMENDATION:

Authorize adoption of the Annual Budget for fiscal year 2022 as presented at the December 13, 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. 2021-018, adopting the Annual Budget for Fiscal Year 2022 with attendant wage adjustments and approval of 981 positions as presented in Exhibit A.



**2022 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. 2021-018

1 A RESOLUTION of the Board of Commissioners of Pierce Transit to Adopt the Annual Budget for
 2 Fiscal Year 2022
 3
 4 WHEREAS, the Chief Executive Officer has prepared a preliminary budget for fiscal year 2022; and
 5 WHEREAS, the Board of Commissioners of Pierce Transit has reviewed the preliminary budget at its
 6 September 30, 2021 Special Study Session Meeting; and
 7 WHEREAS, the Board of Commissioners of Pierce Transit held a public hearing on the preliminary
 8 budget at its November 8, 2021 meeting; and
 9 WHEREAS, the Board of Commissioners of Pierce Transit has now determined that the preliminary
 10 budget provides for the efficient and effective delivery of public transportation services within the financial
 11 capacity of Pierce Transit for 2022; and
 12 WHEREAS, the Budget proposes service to provide 1,076,064 service hours for fixed route, SHUTTLE,
 13 Vanpool and Sound Transit services, requiring a workforce of 981 positions; and
 14 WHEREAS, Pierce Transit seeks to be an employer of choice in Pierce County and a general wage
 15 adjustment for non-represented employees should assist in hiring and retention of quality employees; and
 16 NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:
 17 Section 1. The Board of Commissioners authorizes the annual budget for Pierce Transit for Fiscal
 18 Year 2022 as presented in Exhibit A, which was reviewed by the Board of Commissioners in its final form
 19 and content, and which is hereby adopted as the annual budget for Pierce Transit for Fiscal Year 2022.
 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	\$ 504,708,413	\$ 434,109,432
Use of Reserves	\$ -	\$ 70,598,981
Total Appropriation	<u>\$ 504,708,413</u>	<u>\$ 504,708,413</u>
Less Operating Transfers	<u>\$ (61,510,479)</u>	<u>\$ (61,510,479)</u>
Net Budget	<u>\$ 443,197,934</u>	<u>\$ 443,197,934</u>



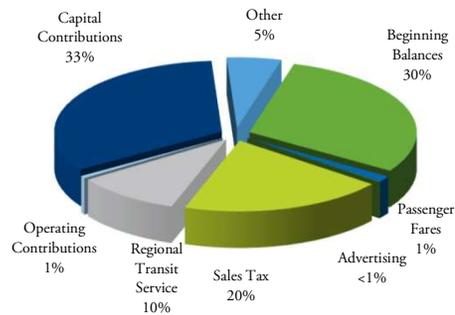
A summary of Pierce Transit's budget is displayed in the following section. The summary is designed to present an overview of the Agency's financial outlook for the coming year. It includes an overall summary followed by summaries of operating revenues and expenditures, capital, insurance, and ending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

2022 Budget Summary

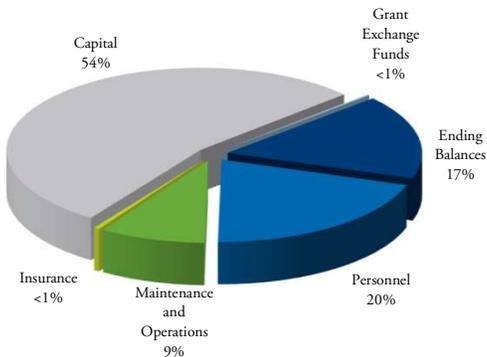


**2022 BUDGET
OVERALL SUMMARY**

Revenues



Expenditures



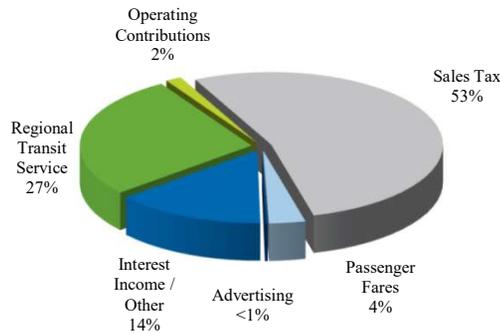
	2020 YEAR-END ACTUALS	2021 AMENDED BUDGET	2021 YEAR-END ESTIMATE	2022 BUDGET	% CHANGE 2021 YEAR-END ESTIMATE TO 2022 BUDGET
REVENUES					
OPERATING INCOME					
Passenger Fares	\$ 6,391,850	\$ 8,677,844	\$ 5,895,776	\$ 6,747,477	14.4%
Advertising	515,512	500,000	500,000	500,000	0.0%
Regional Transit Service (Sound Transit)	48,109,519	50,814,788	46,146,584	53,818,060	16.6%
NON-OPERATING INCOME					
Sales Tax	91,744,911	95,760,000	100,919,402	104,956,178	4.0%
Other	2,828,545	2,130,288	33,062,696	28,088,417	-15.0%
CONTRIBUTIONS					
Operating	27,548,949	3,110,127	3,078,091	2,966,320	-3.6%
Capital	12,256,028	69,697,647	29,932,457	175,522,501	486.4%
REVENUES	189,395,314	230,690,694	219,535,007	372,598,953	69.7%
BEGINNING BALANCES					
Working Cash	54,632,474	70,656,078	72,590,542	97,907,631	34.9%
Insurance	2,976,152	3,674,096	3,615,475	1,625,899	-55.0%
Capital Reserve	57,806,824	74,091,366	67,857,434	59,174,073	-12.8%
BEGINNING BALANCES	115,415,450	148,421,540	144,063,451	158,707,603	10.2%
TOTAL REVENUES AND BALANCES	\$ 304,810,764	\$ 379,112,234	\$ 363,598,458	\$ 531,306,555	46.1%
EXPENDITURES					
OPERATING EXPENDITURES					
Personnel	\$ 91,146,692	\$ 102,408,469	\$ 97,518,296	\$ 107,841,820	10.6%
Maintenance and Operations	40,490,731	44,867,386	41,722,427	46,539,108	11.5%
Insurance	2,149,646	2,835,000	2,340,230	2,540,000	8.5%
NON-OPERATING EXPENDITURES					
Grant Exchange Funds	4,945,230	1,143,054	4,056,296	1,143,054	-71.8%
CAPITAL EXPENDITURES					
Capital	22,015,014	154,926,801	59,253,606	285,133,952	381.2%
EXPENDITURES	160,747,313	306,180,710	204,890,855	443,197,934	116.3%
Working Cash	72,590,542	62,231,524	97,907,631	77,608,621	-20.7%
Insurance	3,615,475	1,200,000	1,625,899	1,200,000	-26.2%
Capital Reserve	67,857,434	9,500,000	59,174,073	9,300,000	-84.3%
ENDING BALANCES	144,063,451	72,931,524	158,707,603	88,108,622	-44.5%
TOTAL EXPENDITURES AND BALANCES	\$ 304,810,764	\$ 379,112,234	\$ 363,598,458	\$ 531,306,555	46.1%

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



**2022 BUDGET
OPERATING SUMMARY - REVENUES**

Operating Revenues

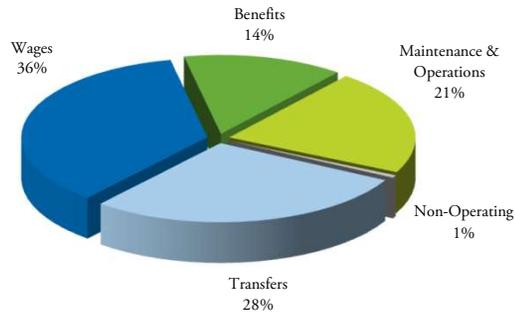


	2020 YEAR-END ACTUALS	2021 AMENDED BUDGET	2021 YEAR-END ESTIMATE	2022 BUDGET	% CHANGE 2021 YEAR-END ESTIMATE TO 2022 BUDGET
OPERATING REVENUES					
OPERATING INCOME					
Passenger Fares	\$ 6,391,850	\$ 8,677,844	\$ 5,895,776	\$ 6,747,477	14.4%
Advertising	515,512	500,000	500,000	500,000	0.0%
Regional Transit Service (Sound Transit)					
Express Reimbursement	47,015,884	49,813,510	45,366,924	52,740,121	16.3%
Tacoma Dome Station Reimbursement	1,093,635	1,001,278	779,660	1,077,939	38.3%
Special Service Reimbursement	-	-	-	-	0.0%
Other Reimbursement	-	-	-	-	0.0%
OPERATING INCOME	55,016,881	59,992,632	52,542,361	61,065,537	16.2%
NON-OPERATING INCOME					
Sales Tax	91,744,911	95,760,000	100,919,402	104,956,178	4.0%
Interest Income	237,281	325,000	250,000	250,000	0.0%
Other	2,181,834	1,454,288	32,471,946	27,497,417	-15.3%
NON-OPERATING INCOME	94,164,026	97,539,288	133,641,348	132,703,595	-0.7%
OPERATING CONTRIBUTIONS					
CTR / Vanpool Assistance	97,505	180,267	107,356	2,500	-97.7%
Operating Grants - Other	25,251,504	729,920	964,077	1,150,444	19.3%
Special Needs Transportation Grant	2,199,940	2,199,940	2,006,658	1,813,376	-9.6%
OPERATING CONTRIBUTIONS	27,548,949	3,110,127	3,078,091	2,966,320	-3.6%
TOTAL OPERATING REVENUES	176,729,856	160,642,047	189,261,800	196,735,452	3.9%
BEGINNING BALANCE	54,632,474	70,656,078	72,590,542	97,907,631	34.9%
TOTAL OPERATING REVENUES AND BEGINNING BALANCE	\$ 231,362,330	\$ 231,298,125	\$ 261,852,342	\$ 294,643,082	12.5%



**2022 BUDGET
OPERATING SUMMARY - EXPENDITURES**

Operating Expenditures & Transfers

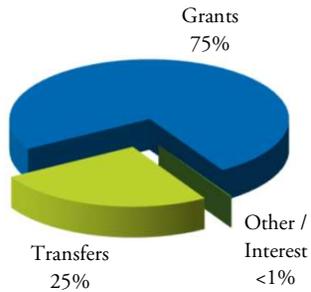


	2020 YEAR-END ACTUALS	2021 AMENDED BUDGET	2021 YEAR-END ESTIMATE	2022 BUDGET	% CHANGE 2021 YEAR-END ESTIMATE TO 2022 BUDGET
OPERATING EXPENDITURES					
OPERATING PERSONNEL					
Wages	\$ 65,241,313	\$ 73,619,980	\$ 70,673,162	\$ 77,490,382	9.6%
Benefits	25,905,379	28,788,489	26,845,134	30,351,438	13.1%
PERSONNEL	91,146,692	102,408,469	97,518,296	107,841,820	10.6%
MAINTENANCE & OPERATIONS					
Supplies	12,729,978	15,451,535	13,545,605	14,157,988	4.5%
Services	7,584,962	8,266,373	7,756,969	9,045,876	16.6%
Insurance (Purchased)	3,540,935	3,562,533	3,562,533	3,862,662	8.4%
Utilities	1,660,338	1,778,500	1,667,283	1,796,060	7.7%
Repairs	808,457	599,216	462,158	734,169	58.9%
Rentals	573,591	580,041	578,599	585,120	1.1%
Purchased Transportation	5,608,055	7,253,800	6,511,840	8,583,684	31.8%
Other	7,984,415	7,375,388	7,637,440	7,773,549	1.8%
MAINTENANCE & OPERATIONS	40,490,731	44,867,386	41,722,427	46,539,108	11.5%
OPERATING EXPENDITURES	131,637,423	147,275,855	139,240,723	154,380,928	10.9%
NON-OPERATING EXPENDITURES					
Grant Exchange Funds	4,945,230	1,143,054	4,056,296	1,143,054	-71.8%
NON-OPERATING EXPENDITURES	4,945,230	1,143,054	4,056,296	1,143,054	-71.8%
TOTAL EXPENDITURES	136,582,653	148,418,909	143,297,019	155,523,982	8.5%
TRANSFERS					
Other Insurance Transfer	-	340,932	340,932	250,538	-26.5%
Workers' Comp. Transfer	2,339,673	(6,028)	(6,028)	1,847,563	-30749.7%
Capital Reserve	19,849,462	20,312,788	20,312,788	59,412,378	192.5%
TRANSFERS	22,189,135	20,647,692	20,647,692	61,510,479	197.9%
TOTAL EXPENDITURES AND TRANSFERS	158,771,788	169,066,601	163,944,711	217,034,461	32.4%
ENDING BALANCE	72,590,542	62,231,524	97,907,631	77,608,621	-20.7%
TOTAL OPERATING EXPENDITURES AND ENDING BALANCE	\$ 231,362,330	\$ 231,298,125	\$ 261,852,342	\$ 294,643,082	12.5%



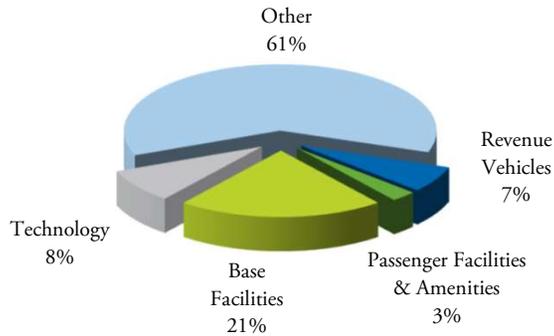
**2022 BUDGET
CAPITAL SUMMARY**

Capital Revenues & Transfers



	2020 YEAR-END ACTUALS	2021 AMENDED BUDGET	2021 YEAR-END ESTIMATE	2022 BUDGET	% CHANGE 2021 YEAR-END ESTIMATE TO 2022 BUDGET
CAPITAL REVENUES					
REVENUES					
Grants	\$ 12,256,028	\$ 69,697,647	\$ 29,932,457	\$ 175,522,501	486.4%
Other Capital Revenue / Interest	378,937	325,000	325,000	325,000	0.0%
REVENUE	12,634,965	70,022,647	30,257,457	175,847,501	481.2%
TRANSFERS					
Capital Reserve	19,430,659	20,312,788	20,312,788	59,412,378	192.5%
TRANSFERS	19,430,659	20,312,788	20,312,788	59,412,378	
CAPITAL REVENUES	32,065,624	90,335,435	50,570,245	235,259,879	365.2%
BEGINNING BALANCE					
Capital Reserve	57,806,824	74,091,366	67,857,434	59,174,073	-12.8%
TOTAL CAPITAL REVENUES AND BEGINNING BALANCE	\$ 89,872,448	\$ 164,426,801	\$ 118,427,679	\$ 294,433,952	148.6%

Capital Expenditures

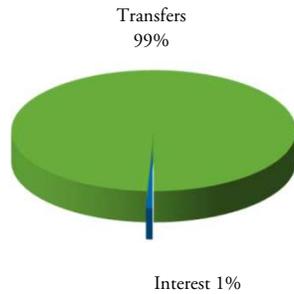


CAPITAL EXPENDITURES					
CAPITAL ACQUISITION					
Revenue Vehicles	\$ 8,126	\$ 34,956,122	\$ 26,568,472	\$ 18,341,397	-31.0%
Passenger Facilities & Amenities	3,442,263	14,132,489	6,211,507	7,505,501	20.8%
Base Facilities	6,602,654	42,338,459	16,136,048	60,751,000	276.5%
Technology	2,698,789	23,439,459	2,376,594	23,645,828	894.9%
Other	9,263,182	40,060,272	7,960,985	174,890,226	2096.8%
CAPITAL EXPENDITURES	22,015,014	154,926,801	59,253,606	285,133,952	381.2%
ENDING BALANCE					
Capital Reserve	67,857,434	9,500,000	59,174,073	9,300,000	-84.3%
TOTAL CAPITAL EXPENDITURES AND ENDING BALANCE	\$ 89,872,448	\$ 164,426,801	\$ 118,427,679	\$ 294,433,952	148.6%

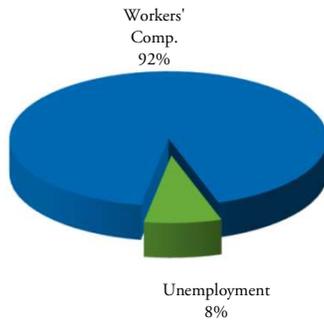


**2022 BUDGET
INSURANCE SUMMARY**

Insurance Revenues & Transfers



Insurance Expenditures

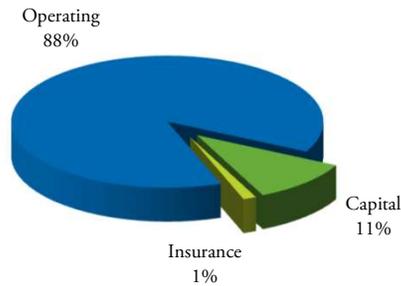


	2020 YEAR-END ACTUALS	2021 AMENDED BUDGET	2021 YEAR-END ESTIMATE	2022 BUDGET	% CHANGE 2021 YEAR-END ESTIMATE TO 2022 BUDGET
INSURANCE REVENUES					
REVENUES					
Workers' Comp. Interest	\$ 29,221	\$ 25,000	\$ 15,000	\$ 15,000	0.0%
Unemployment Insurance Interest	1,272	1,000	750	1,000	33.3%
REVENUES	30,493	26,000	15,750	16,000	1.6%
TRANSFERS					
Workers' Comp. Transfer	2,758,476	(6,028)	(6,028)	1,847,563	-30749.7%
Unemployment Insurance Transfer	-	340,932	340,932	250,538	-26.5%
TRANSFERS	2,758,476	334,904	334,904	2,098,101	526.5%
REVENUES AND TRANSFERS	2,788,969	360,904	350,654	2,114,101	502.9%
BEGINNING BALANCES					
Workers' Comp. Insurance	3,021,847	3,741,028	3,748,695	1,602,437	-57.3%
Unemployment Insurance	(45,695)	(66,932)	(133,220)	23,462	-117.6%
BEGINNING BALANCES	2,976,152	3,674,096	3,615,475	1,625,899	-55.0%
TOTAL INSURANCE REVENUES AND BEGINNING BALANCES	\$ 5,765,121	\$ 4,035,000	\$ 3,966,129	\$ 3,740,000	-5.7%
INSURANCE EXPENDITURES					
Workers' Comp. Insurance	1,758,366	2,635,000	2,155,230	2,340,000	8.6%
Unemployment Insurance	391,280	200,000	185,000	200,000	8.1%
INSURANCE EXPENDITURES	2,149,646	2,835,000	2,340,230	2,540,000	8.5%
ENDING BALANCES					
Workers' Comp. Insurance	4,051,178	1,125,000	1,602,437	1,125,000	-29.8%
Unemployment Insurance	(435,703)	75,000	23,462	75,000	219.7%
ENDING BALANCES	3,615,475	1,200,000	1,625,899	1,200,000	-26.2%
TOTAL INSURANCE EXPENDITURES AND ENDING BALANCES	\$ 5,765,121	\$ 4,035,000	\$ 3,966,129	\$ 3,740,000	-5.7%



**2022 BUDGET
ENDING BALANCES**

Ending Balances



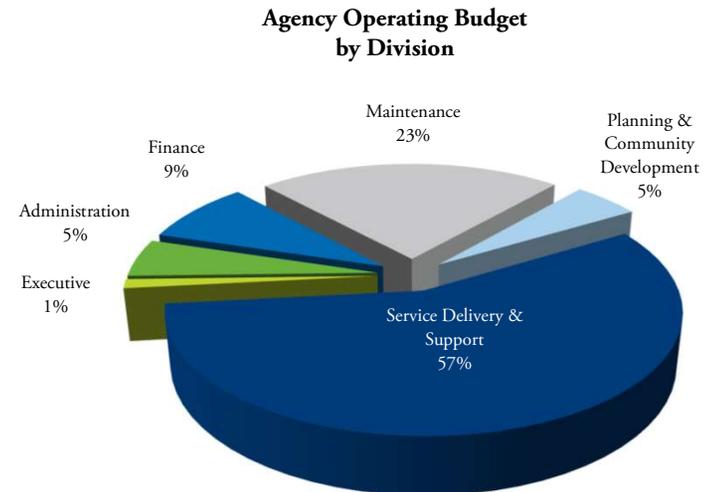
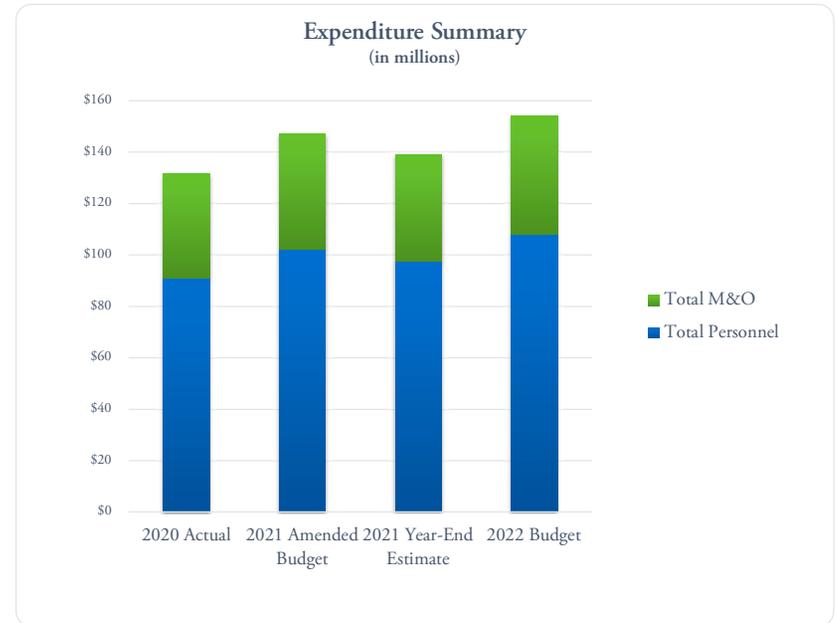
	2020 YEAR-END ACTUALS	2021 AMENDED BUDGET	2021 YEAR-END ESTIMATE	2022 BUDGET	% CHANGE 2021 YEAR-END ESTIMATE TO 2022 BUDGET
OPERATING					
Revenues	\$ 176,729,856	\$ 160,642,047	\$ 189,261,800	\$ 196,735,452	3.9%
Less: Expenditures	(136,582,653)	(148,418,909)	(143,297,019)	(155,523,982)	8.5%
Subtotal	40,147,203	12,223,138	45,964,781	41,211,470	-10.3%
Plus: Beginning Balance	54,632,474	70,656,078	72,590,542	97,907,631	34.9%
Less: Transfers					
Capital Reserve	(19,849,462)	(20,312,788)	(20,312,788)	(59,412,378)	192.5%
Insurance	(2,339,673)	(334,904)	(334,904)	(2,098,101)	526.5%
ENDING OPERATING BALANCE	\$ 72,590,542	\$ 62,231,524	\$ 97,907,631	\$ 77,608,621	-20.7%
CAPITAL					
Revenues	\$ 12,634,965	\$ 70,022,647	\$ 30,257,457	\$ 175,847,501	481.2%
Plus: Transfers					
Capital Reserve	19,849,462	20,312,788	20,312,788	59,412,378	192.5%
Subtotal Revenue	32,484,427	90,335,435	50,570,245	235,259,879	365.2%
Less: Expenditures	(22,015,014)	(154,926,801)	(59,253,606)	(285,133,952)	381.2%
Subtotal	10,469,413	(64,591,366)	(8,683,361)	(49,874,073)	474.4%
Plus: Beginning Balance	57,806,824	74,091,366	67,857,434	59,174,073	-12.8%
ENDING CAPITAL BALANCE	\$ 68,276,237	\$ 9,500,000	\$ 59,174,073	\$ 9,300,000	-84.3%
INSURANCE					
Revenues	\$ 30,493	\$ 26,000	\$ 15,750	\$ 16,000	1.6%
Plus: Transfers	2,758,476	334,904	334,904	2,098,101	526.5%
Subtotal Revenue	2,788,969	360,904	350,654	2,114,101	502.9%
Less: Expenditures	(2,149,646)	(2,835,000)	(2,340,230)	(2,540,000)	8.5%
Subtotal	639,323	(2,474,096)	(1,989,576)	(425,899)	-78.6%
Plus: Beginning Balance	2,976,152	3,674,096	3,615,475	1,625,899	-55.0%
ENDING INSURANCE BALANCE	\$ 3,615,475	\$ 1,200,000	\$ 1,625,899	\$ 1,200,000	-26.2%
GRAND TOTAL - ALL BALANCES	\$ 144,482,254	\$ 72,931,524	\$ 158,707,603	\$ 88,108,622	-44.5%



**2022 OPERATING BUDGET
AGENCY EXPENDITURE COMPARISON**

	2020 Actual	2021 Amended Budget	2021 Year-End Estimate	2022 Budget	% Change 2021 Year-End Estimate to 2022 Budget
Personnel					
Wages	\$ 65,241,313	\$ 73,619,980	\$ 70,673,162	\$ 77,490,382	9.6%
Benefits	25,905,379	28,788,489	26,845,134	30,351,438	13.1%
Personnel	91,146,692	102,408,469	97,518,296	107,841,819	10.6%
Maintenance and Operations					
Supplies	12,729,978	15,451,535	13,545,605	14,157,988	4.5%
Services	7,584,962	8,266,373	7,756,969	9,045,876	16.6%
Insurance	3,540,935	3,562,533	3,562,533	3,862,662	8.4%
Utilities	1,660,338	1,778,500	1,667,283	1,796,060	7.7%
Repairs & Maintenance	808,457	599,216	462,158	734,169	58.9%
Rentals	573,591	580,041	578,599	585,120	1.1%
Other	12,752,803	13,816,570	13,227,212	15,651,165	18.3%
Repairs & Maint Contract Servic	839,667	812,618	922,068	706,068	-23.4%
Other Improvements	-	-	-	-	0.0%
Maintenance and Operations	40,490,730	44,867,386	41,722,427	46,539,108	11.5%
Total *	\$ 131,637,422	\$ 147,275,855	\$ 139,240,723	\$ 154,380,927	10.9%
Total FTE's	973.75	942.00	942.00	960.00	
Total Positions	993	960	960	981	

* 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.

2022 Budget Statistics



**2022 Budget
Operating Statistics
All Modes**

	2020 Actual	2021 YE Estimate	2022 Budget	% Change 2021 YE Estimate - 2022 Budget
Pierce Transit				
Fixed Route Local & Express				
Ridership	4,755,557	4,365,928	4,623,481	5.9%
Service Hours	431,958	475,000	500,000	5.3%
Service Miles	5,015,093	5,340,376	5,688,040	6.5%
Sound Transit				
Fixed Route Express				
Ridership	2,338,192	2,214,834	2,378,672	7.4%
Service Hours	314,059	309,334	334,217	8.0%
Service Miles	7,502,760	7,311,737	7,794,154	6.6%
Total Fixed Route (Pierce Transit & Sound Transit)				
Ridership	7,093,749	6,580,762	7,002,154	6.4%
Service Hours	746,017	784,334	834,217	6.4%
Service Miles	12,517,853	12,652,113	13,482,195	6.6%
SHUTTLE				
Ridership	148,698	165,800	270,824	63.3%
Service Hours	93,594	97,529	161,848	65.9%
Service Miles	1,365,629	1,624,840	2,654,077	63.3%
Vanpool				
Ridership	397,472	350,000	400,000	14.3%
Service Hours	83,295	75,000	80,000	6.7%
Service Miles	3,015,970	2,700,000	3,000,000	11.1%
AGENCY TOTAL (Pierce Transit and Sound Transit Fixed Route, SHUTTLE & Vanpool)				
Ridership	7,639,919	7,096,562	7,672,978	8.1%
Service Hours	922,906	956,864	1,076,064	12.5%
Service Miles	16,899,452	16,976,953	19,136,271	12.7%



2022 BUDGET PERSONNEL SUMMARY

Personnel Summary

The 2022 Budget includes 981 positions and 960 full-time equivalents (FTEs). This is a net increase of 21 positions from the 2021 Budget. The net increase in positions include:

31 New Positions

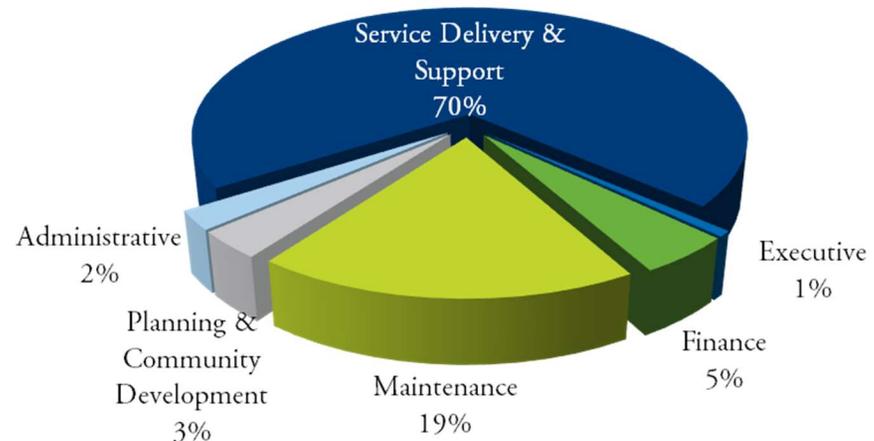
- | | |
|-----------------------------|------------------------------------|
| 1 Employee Services Analyst | 2 Communication Technician I |
| 1 BEB Program Coordinator | 15 Transit Operators (Fixed Route) |
| 12 Relief Transit Operators | |

10 Position Reductions

- 10 Transit Operators (SHUTTLE)

Directly operated service includes Service Delivery & Support and Maintenance Divisions and represents 872 or 89% of total positions. The remaining 109 positions or 11% are in Executive, Administration, Finance, and Planning & Community Development Divisions.

2022 Budgeted Positions - 981

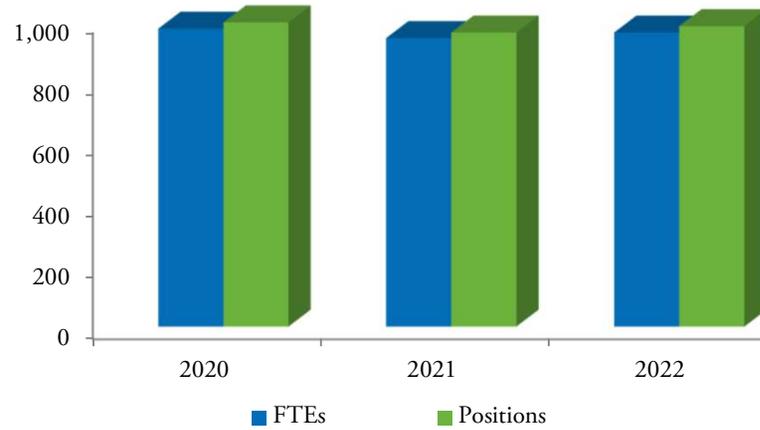




2022 BUDGET PERSONNEL SUMMARY

Budget FTEs				Budget Positions			
2020 Budget	2021 Budget	2022 Budget	2021-2022 Change	2020 Budget	2021 Budget	2022 Budget	2021-2022 Change
972.75	942.00	960.00	18.00	993	960	981	21

Budget FTEs & Positions





2022 BUDGET CAPITAL PROGRAM

In brief:

Capital projects for 2022 are budgeted at \$285,133,952. Approved but unspent projects are carried over from the prior year to the following budget year. The 2022 Budget contains \$80,045,651 of prior year budgeted funds (carryover) and \$205,088,301 in new projects. Expenditures are supported by \$175,522,501 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.

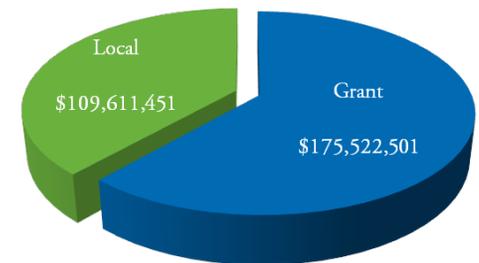
Capital Revenues

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 \$175.5 million for capital funding in 2022. The remaining local funds come from transfers from operating and interest/other.

Grant revenues of \$175.5 million include the following projects:

- Bus Fleet Replacement 2022 \$5.6 million
- SHUTTLE Fleet Replacement 2022 \$1.8 million
- Collision Avoidance System \$0.1 million
- Corridor Speed & Reliability \$1.4 million
- Bus Rapid Transit (BRT) \$155.3 million
- CAD/AVL \$3.3 million
- Tacoma Dome Station Elevator Modernization \$2.4 million
- Bus Fleet Replacement 2021 \$5.0 million
- Commerce Facility Charging Station \$0.6 million

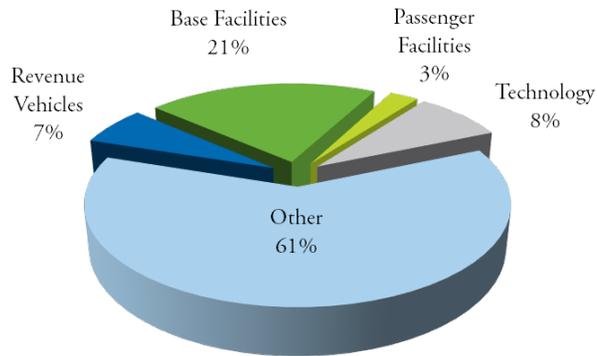
2022 Capital Budget Revenue





2022 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 161 buses, 369 vanpool vans, and 102 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 8.62 years and continues to extend the useful life of vehicles wherever possible. Funds are budgeted to replace 24 buses and 19 SHUTTLE vehicles.

Passenger Facilities & Amenities – This category includes funds for necessary repairs and refurbishments at several locations including construction of the Spanaway Transit Center and renewal of four other transit centers.

Base Facilities – Funds are budgeted for repairs and refurbishments to base facilities and systems. The Maintenance & Operations Base Improvement (MOBI) plan is 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, Security System Replacement, ADEPT software 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 2022 Capital Budget list follows.

2022 CAPITAL BUDGET

Project Title	Project Number	Project Carryover from 2021 into 2022	New 2022 Project Allocation Amount	2022 Capital Budget	Local (Pierce Transit) Funded	Grant Funding
Base Facilities Projects						
Base Master Plan Implementation	525	25,251,000	35,500,000	60,751,000	60,751,000	
Subtotal Base Facilities Projects		25,251,000	35,500,000	60,751,000	60,751,000	-
Other Projects (Admin & Shop Equipment)						
Corridor Speed & Reliability Improvements 2018	554	2,403,917		2,403,917	963,917	1,440,000
BRT Pac Ave SR 7 Construction 2019-2021	563	19,981,469	146,000,000	165,981,469	10,678,839	155,302,630
TDS Elevator Repairs/Upgrades 2020	588	1,471,643	1,732,991	3,204,634	801,158	2,403,476
Support Vehicle Replacement 2021	606	164,022		164,022	164,022	
Commerce Facility Bus Charging Station	612	300,000	1,700,000	2,000,000	1,414,800	585,200
BRT System Expansion Study	613	486,989		486,989	486,989	
Upholstery Shop Sewing Machine Repl	615	1,000		1,000	1,000	
Misc Capital Equipment	778	145,988		145,988	145,988	
Support Vehicle Replacement 2022	NEW		334,837	334,837	334,837	
Parts Washers Replacement 2022	NEW		46,525	46,525	46,525	
Consolidate IT Work Area and Storage 2022	NEW		57,480	57,480	57,480	
Body Shop Storage Cabinets	NEW		28,365	28,365	28,365	
Bldg 5 Chair Replacement	NEW		35,000	35,000	35,000	
Subtotal Other Projects		24,955,028	149,935,198	174,890,226	15,158,920	159,731,306
Passenger Facilities Projects						
Narrows Park & Ride Renewal	503	422,508		422,508	422,508	
Spanaway TC P&R - Phase I	556	1,560,107	3,717,886	5,277,993	5,277,993	
Kimball Drive Park & Ride 2020	590	350,000		350,000	350,000	
North Purdy Park & Ride 2020	591	350,000		350,000	350,000	
Parkland Transit Center 2020	592	150,000		150,000	150,000	
Spanaway TC P&R - Phase II Design	607	920,000		920,000	920,000	
Tacoma Dome Station Garage Wayfinding Design	608	35,000		35,000	35,000	
Subtotal Passenger Facilities Projects		3,787,614	3,717,886	7,505,500	7,505,500	-
Revenue Vehicle Projects						
SHUTTLE Replacement 2019	558	1,030,079		1,030,079	1,030,079	
Bus Fleet Replacement 2021	602	5,021,865		5,021,865	54,585	4,967,280
Vanpool Replacement 2021	611	814,118		814,118	814,118	
Vanpool 2021 Ford Explorer	616	29,310	3,000	32,310	32,310	

2022 CAPITAL BUDGET

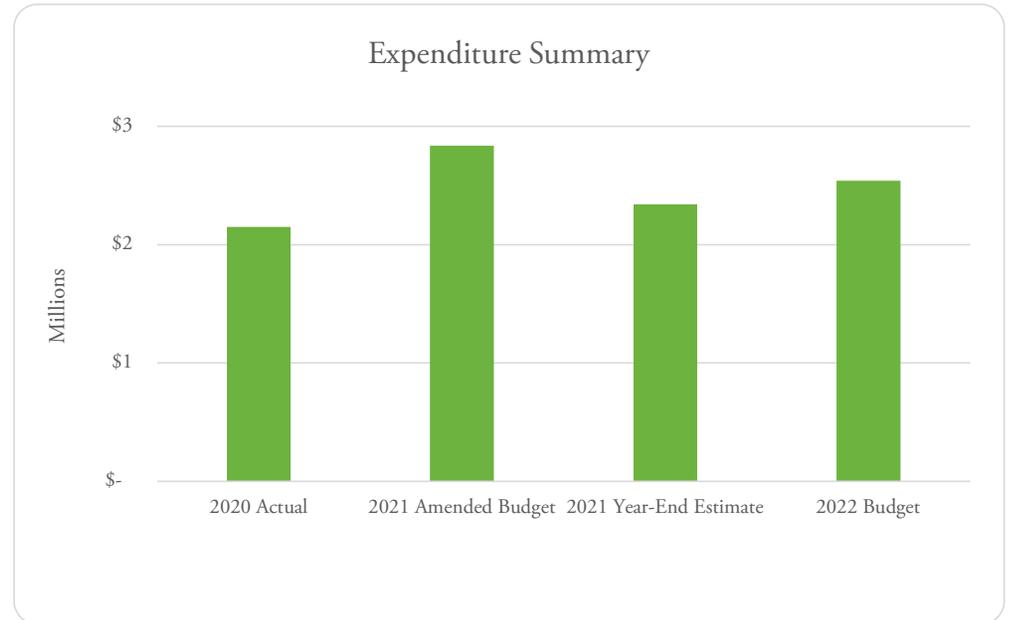
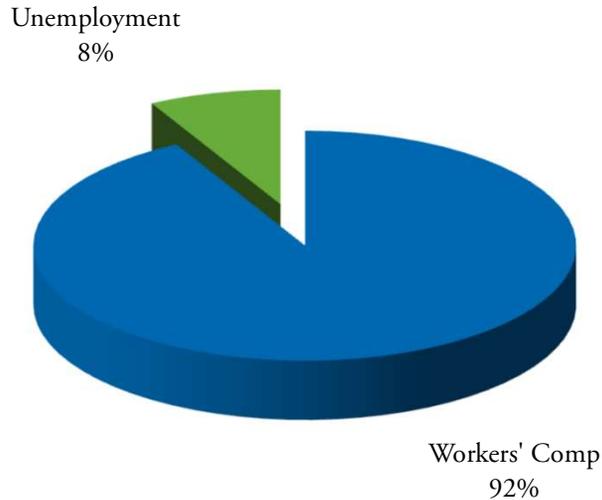
Project Title	Project Number	Project Carryover from 2021 into 2022	New 2022 Project Allocation Amount	2022 Capital Budget	Local (Pierce Transit) Funded	Grant Funding
Bus Fleet Replacement 2022	NEW		7,061,429	7,061,429	1,412,285	5,649,144
SHUTTLE Replacement 2022	NEW		2,928,534	2,928,534	1,165,607	1,762,927
Vanpool Replacement 2022	NEW		1,453,062	1,453,062	1,453,062	
Subtotal Revenue Vehicles Projects		6,895,372	11,446,025	18,341,397	5,962,046	12,379,351
Technology Projects						
Security Systems Repl 2015	452	1,350,375	1,549,192	2,899,567	2,899,567	
ngORCA	482	4,990,216		4,990,216	4,990,216	
Collision Avoidance System	518	139,931		139,931	66,515	73,416
Backup Software Repl 2018	543	85,000		85,000	85,000	
Bus Driving Simulator 2018	544	44,994		44,994	44,994	
CAD-AVL System Replacement 2019	573	10,390,236		10,390,236	7,051,808	3,338,428
EAM Enhancement	576	100,160		100,160	100,160	
Network Infrastructure Replacements 2019-2024	578	16,066		16,066	16,066	
Storage Area Network 2019 - 2024	579	329,700		329,700	329,700	
Network Infrastructure Replacement 2020	598	24,134		24,134	24,134	
Network Infrastructure Replacement 2021	603	760,000		760,000	760,000	
Call Center Software Replacement 2021	604	55,000		55,000	55,000	
Document/Records Management System 2021	605	780,625		780,625	780,625	
NeoGov HRIS Module	609	90,200		90,200	90,200	
ADEPT Upgrade or Replace 2022	NEW		2,200,000	2,200,000	2,200,000	
Network Infrastructure Replacement 2022	NEW		440,000	440,000	440,000	
Computer/Laptop Replacement	NEW		300,000	300,000	300,000	
Subtotal Technology Projects		19,156,636	4,489,192	23,645,828	20,233,984	3,411,844
Total		80,045,651	205,088,301	285,133,952	109,611,451	175,522,501



2022 BUDGET INSURANCE EXPENDITURE COMPARISON

Insurance Expenditure Comparison

Description	2020 YEAR-END ACTUALS	2021 AMENDED BUDGET	2021 YEAR END ESTIMATE	2022 BUDGET	% Change 2021 Year-End Estimate to 2022 Budget
Workers' Comp. Insurance	\$ 1,758,366	\$ 2,635,000	\$ 2,155,230	\$ 2,340,000	8.6%
Unemployment Insurance	391,280	200,000	185,000	200,000	8.1%
TOTAL INSURANCE	\$ 2,149,646	\$ 2,835,000	\$ 2,340,230	\$ 2,540,000	8.5%





*This section includes the Six-Year
Financial Plan Revenues &
Expenditures, Ending Balances,
and the 2022-2027 Six-Year
Capital Plan.*

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

2022 Budget Six-Year Financial Plan

PIERCE TRANSIT
2022-2027 Six-Year Financial Plan
Revenues & Expenditures

(in millions)	2021 YE Est	2022 Budget	2023	2024	2025	2026	2027
OPERATING							
Revenue							
Operating Income							
Passenger Fares (Fare Revenue)	\$5.895776	\$6.747477	\$6.792325	\$6.837621	\$6.883370	\$6.937458	\$6.992244
Advertising (contract)	0.500000	0.500000	0.320000	0.320000	0.320000	0.320000	0.320000
Sound Transit Reimbursement (ST)							
ST Express	45.366924	52.740121	55.139041	50.091347	36.979117	38.448576	39.982644
ST Tacoma Dome Station	0.779660	1.077939	1.099498	1.121488	1.143917	1.166796	1.190132
Operating Income	52.542361	61.065537	63.350864	58.370455	45.326404	46.872830	48.485020
Non-Operating Income							
Sales Tax	100.919402	104.956178	108.629644	112.431682	116.366791	120.439629	124.655016
Interest	0.250000	0.250000	0.251250	0.252506	0.253769	0.255038	0.256313
Other Miscellaneous	32.471946	27.497417	0.275000	0.275000	0.425000	0.581000	0.587120
Non-Operating Income	133.641348	132.703595	109.155894	112.959188	117.045560	121.275667	125.498449
Operating Contributions							
CTR/Vanpool Assistance	0.107356	0.002500	0.000000	0.000000	0.000000	0.000000	0.000000
Special Needs Transportation Grant	2.006658	1.813376	1.768041	1.813376	1.722707	1.722707	1.722707
Operating Grants - Other	0.964077	1.150444	1.150444	1.150444	0.940185	0.729920	0.729920
Operating Contributions	3.078091	2.966320	2.918485	2.963820	2.662892	2.452627	2.452627
Total Operating Revenue	\$189.261800	\$196.735452	\$175.425243	\$174.293463	\$165.034856	\$170.601123	\$176.436096
Expenditures							
Operating Expenditures							
Wages	\$70.673162	\$77.490382	\$81.027760	\$80.504426	\$76.369530	\$79.933481	\$83.154017
Benefits	26.845134	30.351438	31.579502	31.407088	29.761323	31.146678	32.417486
M & O	24.509844	27.191672	27.144892	27.685029	28.087872	28.740368	29.426359
Fuel	3.927687	4.337794	4.422793	4.284821	3.938833	4.012663	4.075555
Parts	7.182302	7.142552	7.315841	7.054379	6.387341	6.539305	6.670091
Purchased Trans.	6.100000	7.864340	7.864340	7.864340	7.864340	8.047072	8.235411
Bridge Tolls	0.002594	0.002750	0.002805	0.002861	0.002918	0.002977	0.003036
Total Operating Expenditures (w/out Debt, Depreciation, and NonDepartmental)	139.240723	154.380928	159.357933	158.802944	152.412156	158.422544	163.981954

PIERCE TRANSIT
2022-2027 Six-Year Financial Plan
Revenues & Expenditures

(in millions)	2021 YE Est	2022 Budget	2023	2024	2025	2026	2027
Non-Operating Expenditures							
Payments to Pierce Co for 5307 Agreement	4.056296	1.143054	1.143054	1.143054	1.143054	1.143054	1.143054
Non-Operating Expenditures	4.056296	1.143054	1.143054	1.143054	1.143054	1.143054	1.143054
Total Operating Expenditures	\$143.297019	\$155.523982	\$160.500987	\$159.945998	\$153.555210	\$159.565597	\$165.125008
Total Operating Revenue Less Total Operating Expenditures	\$45.964781	\$41.211470	\$14.924256	\$14.347466	\$11.479646	\$11.035526	\$11.311088
Transfers							
Capital Reserve	\$20.312788	\$59.412378	\$47.044787	\$28.069513	\$8.939784	\$5.793502	\$9.668931
Insurance	0.334904	2.098101	2.610200	2.688686	2.769527	2.852792	2.938556
Transfers	20.647692	61.510479	49.654987	30.758199	11.709311	8.646294	12.607487
Total Expenditures and Transfers	\$163.944711	\$217.034461	\$210.155974	\$190.704197	\$165.264520	\$168.211892	\$177.732495
Change in Reserves	\$25.317089	-\$20.299009	-\$34.730731	-\$16.410733	-\$0.229664	\$2.389232	-\$1.296399

CAPITAL

Revenue							
Federal	\$14.338666	\$101.712035	\$7.412071	\$7.412071	\$7.412071	\$7.412071	\$7.324012
State	6.301654	15.668258	\$9.100000	0.000000	0.000000	0.000000	0.000000
Other	9.292137	58.142208	\$9.120000	35.540201	28.503358	19.200000	9.313074
Transfer from Operating Fund	20.312788	59.412378	\$47.044787	28.069513	8.939784	5.793502	9.668931
Interest	0.325000	0.325000	\$0.046500	0.046500	0.046500	0.046500	0.046500
Total Capital Revenues	\$50.570245	\$235.259879	\$72.723358	\$71.068285	\$44.901713	\$32.452073	\$26.352517
Expenditures							
Revenue Vehicles	\$26.568472	\$18.341397	\$12.687134	\$13.589926	\$13.144097	\$11.753346	\$13.298684
Base Facilities	16.136048	60.751000	38.600000	28.921886	0.000000	0.000000	0.000000
Passenger Facilities & Amenities	6.211507	7.505501	9.104594	0.000000	0.000000	0.000000	0.000000
Technology	2.376594	23.645828	1.584800	1.441800	2.619896	0.795000	1.070000
Other	7.960985	174.890226	10.746830	27.114673	29.137720	19.903727	2.683833
Total Capital Expenditures	\$59.253606	\$285.133952	\$72.723358	\$71.068285	\$44.901713	\$32.452073	\$17.052517
Use of Reserve	-8.683361	-49.874073	0.000000	0.000000	0.000000	0.000000	9.300000

PIERCE TRANSIT
2022-2027 Six-Year Financial Plan
Revenues & Expenditures

(in millions)	2021 YE Est	2022 Budget	2023	2024	2025	2026	2027
INSURANCE							
Revenue							
Interest	\$0.015750	\$0.016000	\$0.006000	\$0.006000	\$0.006000	\$0.006000	\$0.006000
Transfer	0.334904	2.098101	2.610200	2.688686	2.769527	2.852792	2.938556
Total Insurance Revenue & Transfer	\$0.350654	\$2.114101	\$2.616200	\$2.694686	\$2.775527	\$2.858792	\$2.944556
Expenditures							
Insurance Expenditures	\$2.340230	\$2.540000	\$2.616200	\$2.694686	\$2.775527	\$2.858792	\$2.944556
Use of Reserve	-\$1.989576	-\$0.425899	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000

PIERCE TRANSIT

2022-2027 Six-Year Financial Plan

Ending Balances

(in millions)	2021 YE Est	2022 Budget	2023	2024	2025	2026	2027
OPERATING							
Beginning Balance	\$72.590542	\$97.907631	\$77.608622	\$42.877890	\$26.467157	\$26.237493	\$28.626725
Revenue	189.261800	196.735452	175.425243	174.293463	165.034856	170.601123	176.436096
Total	\$261.852342	\$294.643082	\$253.033864	\$217.171354	\$191.502013	\$196.838616	\$205.062821
Expenditures	\$143.297019	\$155.523982	\$160.500987	\$159.945998	\$153.555210	\$159.565597	\$165.125008
Transfers from Operating	20.647692	61.510479	49.654987	30.758199	11.709311	8.646294	12.607487
Total	\$163.944711	\$217.034461	\$210.155974	\$190.704197	\$165.264520	\$168.211892	\$177.732495
Operating Ending Balance	\$97.907631	\$77.608622	\$42.877890	\$26.467157	\$26.237493	\$28.626725	\$27.330326
Required Margin	23.206787	25.730155	26.559656	26.467157	25.402026	26.403757	27.330326
Margin / (Deficit)	74.700843	51.878467	16.318235	0.000000	0.835467	2.222968	0.000000

CAPITAL

Beginning Balance	\$67.857434	\$59.174073	\$9.300000	\$9.300000	\$9.300000	\$9.300000	\$9.300000
Revenues	50.570245	235.259879	72.723358	71.068285	44.901713	32.452073	26.352517
Total	\$118.427679	\$294.433952	\$82.023358	\$80.368285	\$54.201713	\$41.752073	\$35.652517
Expenditures	\$59.253606	\$285.133952	\$72.723358	\$71.068285	\$44.901713	\$32.452073	\$17.052517
Capital Ending Balance	\$59.174073	\$9.300000	\$9.300000	\$9.300000	\$9.300000	\$9.300000	\$18.600000
Required Margin >\$9.3 M; 2027 \$18.6 M	9.500000	9.300000	9.300000	9.300000	9.300000	9.300000	18.600000
Margin / (Deficit)	49.674073	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

INSURANCE

Beginning Balance	\$3.615475	\$1.625899	\$1.200000	\$1.200000	\$1.200000	\$1.200000	\$1.200000
Interest	0.015750	0.016000	0.006000	0.006000	0.006000	0.006000	0.006000
Transfer	0.334904	2.098101	2.610200	2.688686	2.769527	2.852792	2.938556
Total	\$3.966129	\$3.740000	\$3.816200	\$3.894686	\$3.975527	\$4.058792	\$4.144556
Expenditures	\$2.340230	\$2.540000	\$2.616200	\$2.694686	\$2.775527	\$2.858792	\$2.944556
Insurance Ending Balance	\$1.625899	\$1.200000	\$1.200000	\$1.200000	\$1.200000	\$1.200000	\$1.200000
Required Margin	1.200000						
Margin / (Deficit)	0.425899	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

Total Ending Balances	\$158.707603	\$88.108622	\$53.377891	\$36.967158	\$36.737493	\$39.126725	\$47.130326
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ALL FUNDS

Required Margin	\$33.906787	\$36.230155	\$37.059656	\$36.967157	\$35.902026	\$36.903757	\$47.130326
Margin/ (Deficit)	\$124.800815	\$51.878467	\$16.318235	\$0.000000	\$0.835467	\$2.222968	\$0.000000

2022-2027 Six-Year Capital Plan

A portion of this project is funded by grants

#	Project Title	Project Number	2021	New 2022	2022-Cap	2023-Cap	2024-Cap	2025-Cap	2026-Cap	2027-Cap	Total
			Estimated Carryover	Project Allocation							
1	Security Systems Repl 2015	452	1,350,375	1,549,192	2,899,567						2,899,567
2	ngORCA	482	4,990,216	-	4,990,216						4,990,216
3	Narrows Park & Ride Renewal	503	422,508	-	422,508						422,508
4	Collision Avoidance System	518	139,931	-	139,931						139,931
5	Base Master Plan Implementation	525	25,251,000	35,500,000	60,751,000	38,600,000	28,921,886				128,272,886
6	Backup Software Repl 2018	543	85,000	-	85,000						85,000
7	Bus Driving Simulator 2018	544	44,994	-	44,994						44,994
8	Corridor Speed & Reliability Improvements 2018	554	2,403,917	-	2,403,917						2,403,917
9	Spanaway TC P&R - Phase I	556	1,560,107	3,717,886	5,277,993						5,277,993
10	SHUTTLE Replacement 2019	558	1,030,079	-	1,030,079						1,030,079
11	BRT Pac Ave SR 7 Construction 2019-2021	563	19,981,469	146,000,000	165,981,469	1,000,000	1,000,000	1,000,000			168,981,469
12	CAD-AVL System Replacement 2019	573	10,390,236	-	10,390,236						10,390,236
13	EAM Enhancement	576	100,160		100,160						100,160
14	Network Infrastructure Replacements 2019-2024	578	16,066		16,066						16,066
15	Storage Area Network 2019 - 2024	579	329,700		329,700						329,700
16	TDS Elevator Repairs/Upgrades 2020	588	1,471,643	1,732,991	3,204,634						3,204,634
17	Kimball Drive Park & Ride 2020	590	350,000		350,000						350,000
18	North Purdy Park & Ride 2020	591	350,000		350,000						350,000
19	Parkland Transit Center 2020	592	150,000		150,000						150,000
20	Network Infrastructure Replacement 2020	598	24,134		24,134						24,134
21	Bus Fleet Replacement 2021	602	5,021,865		5,021,865						5,021,865
22	Network Infrastructure Replacement 2021	603	760,000		760,000						760,000
23	Call Center Software Replacement 2021	604	55,000		55,000						55,000
24	Document/Records Management System 2021	605	780,625		780,625						780,625
25	Support Vehicle Replacement 2021	606	164,022		164,022						164,022
26	Spanaway TC P&R - Phase II Design	607	920,000		920,000	9,104,594					10,024,594
27	Tacoma Dome Station Garage Wayfinding Design	608	35,000		35,000						35,000
28	NeoGov HRIS Module	609	90,200		90,200						90,200
29	Vanpool Replacement 2021	611	814,118		814,118						814,118
30	BRT Commerce Facility Bus Charging Station	612	300,000	1,700,000	2,000,000						2,000,000
31	BRT System Expansion Study	613	486,989		486,989						486,989
32	Upholstery Shop Sewing Machine Repl	615	1,000		1,000						1,000
33	Vanpool 2021 Ford Explorer	616	29,310	3,000	32,310						32,310
34	Misc Capital Equipment	778	145,988		145,988						145,988
Subtotal Carryover & Additional Requests			80,045,651	190,203,069	270,248,720	48,704,594	29,921,886	1,000,000	-	-	349,875,200

2022-2027 Six-Year Capital Plan

A portion of this project is funded by grants

#	Project Title	Project Number	2021 Estimated Carryover	New 2022 Project Allocation	2022-Cap	2023-Cap	2024-Cap	2025-Cap	2026-Cap	2027-Cap	Total	
35	Bus Fleet Replacement 2022	New		7,061,429	7,061,429						7,061,429	
36	SHUTTLE Replacement 2022	New		2,928,534	2,928,534						2,928,534	
37	Support Vehicle Replacement 2022	New		334,837	334,837						334,837	
38	ADEPT Upgrade or Replace 2022	New		2,200,000	2,200,000						2,200,000	
39	Network Infrastructure Replacement 2022	New		440,000	440,000						440,000	
40	Parts Washers Replacement 2022	New		46,525	46,525						46,525	
41	Vanpool Replacement 2022	New		1,453,062	1,453,062						1,453,062	
42	Consolidate IT Work Area and Storage 2022	New		57,480	57,480						57,480	
43	Body Shop Storage Cabinets	New		28,365	28,365						28,365	
44	Computer/Laptop Replacement	New		300,000	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000	
45	Bldg 5 Chair Replacement	New		35,000	35,000						35,000	
Subtotal New Requests				14,885,232	14,885,232	300,000	300,000	300,000	300,000	300,000	16,385,232	
46	BRT 2 2022	Outyear				9,120,000	25,778,114	28,137,720	19,200,000	2,200,000	84,435,834	
47	Bus Fleet Replacement 2023-2027	Outyear				7,283,808	7,514,786	7,753,005	7,113,255	6,425,071	36,089,925	
48	Tacoma Dome Station Parking Payment System 2025	Outyear						609,396			609,396	
49	Network Infrastructure 2023-2027	Outyear				1,284,800	1,141,800	1,710,500	495,000	770,000	5,402,100	
50	Shuttle Replacement 2023-2027	Outyear				2,980,353	3,201,473	2,143,926	2,510,977	2,729,944	13,566,673	
51	Support Vehicle Replacement 2023-2027	Outyear				626,830	336,559		703,727	483,833	2,150,949	
52	Vanpool Replacement 2023-2027	Outyear				2,422,973	2,873,667	3,247,166	2,129,114	4,143,669	14,816,589	
Subtotal Outyear Requests				-	-	-	23,718,764	40,846,399	43,601,713	32,152,073	16,752,517	157,071,466
Grand Total			80,045,651	205,088,301	285,133,952	72,723,358	71,068,285	44,901,713	32,452,073	17,052,517	523,331,898	



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

2022 Budget Appendix



2022 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
AFR – Annual Financial Report
APTA – American Public Transportation Association
AWC – Association of Washington Cities
BRT – Bus Rapid Transit
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
MOBI – Maintenance & Operations Base Improvements
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



2022 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.



2022 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.



2022 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.



2022 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.



2022 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.



2022 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 21st Century Act (P.L. 112-141) – Federal legislation funding surface transportation programs through the Federal Transit Administration for fiscal years 2013 and 2014. It replaces *SAFETEA-LU*.

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

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



2022 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.



2022 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.



2022 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.

2022 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.

