

**Virtual Meeting Participation Information:**

Dial: 1-253-215-8782 Meeting ID No. 84478253010

Webinar link: <https://us02web.zoom.us/j/84478253010>

**Physical Meeting Location:**

Pierce Transit Training Center

3720 96<sup>th</sup> Street SW

Lakewood, WA 98499

**The Regular Board Meeting will follow this meeting at 4:00 P.M.**

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**Call to Order**

**Roll Call**

**Presentation/Discussion**

1. Proposed 2024 Budget

Chris Schuler  
Chief Financial Officer

**Public Hearing – Proposed 2024 Budget**

Citizens wishing to provide comments during public hearing will be given up to three minutes to comment on the public hearing topic. The Chair, at his or her discretion, may reduce the comment time to allow sufficient time for the Board to conduct business.

To request to speak virtually during public comment, please press the Raise Hand button near the bottom of your Zoom window or press \*9 on your phone. If speaking in person, please sign in at the table at the back of the room. Your name or the last four digits of your phone number will be called out when it is your turn to speak. Written comments may also be emailed to [Djacobson@piercetransit.org](mailto:Djacobson@piercetransit.org).

**Adjournment**



**PIERCE TRANSIT  
NOTICE OF PUBLIC HEARING  
PROPOSED 2024 BUDGET**

A public hearing will be held as part of the Board of Commissioners Special Study Session meeting on Monday, November 13, 2023. The meeting begins at 3:00 p.m. and members of the public may attend the meeting in person or virtually through Zoom.

The purpose of the public hearing is to advise the public and receive public comment on the proposed 2024 Budget. The proposed Budget may be viewed on the Agency's website at <http://www.piercetransit.org/documents/>.

Details on how to attend this hearing in person or virtually can be found on the November 13, 2023, Special Study Session meeting agenda page by visiting <https://www.piercetransit.org/board-meetings/> after November 8, 2023.

Those wishing to submit written comments may do so by emailing [Djacobson@piercetransit.org](mailto:Djacobson@piercetransit.org), or by submitting written comments to Deanne Jacobson, Pierce Transit Clerk of the Board, 3701 96<sup>th</sup> Street SW, Lakewood, WA 98499. Written comments will be received up to 12:00 p.m. on November 13, 2023, and will be forwarded to the Pierce Transit Board.

American Disability Act (ADA) accommodations are available with 48-hour notice. Please contact the Clerk's office at (253) 581-8066, or [Djacobson@piercetransit.org](mailto:Djacobson@piercetransit.org) for special accommodations.

Dated this 31st day of October 2023.

Deanne Jacobson, Clerk of the Board

*Published in the Tacoma Daily Index and Tacoma News Tribune on Wednesday, November 1, 2023.*



2024  
Preliminary Budget  
Pierce Transit  
Lakewood, WA

# Division Strategic Initiatives



SERVICE DELIVERY &  
SUPPORT



PLANNING &  
COMMUNITY  
DEVELOPMENT



MAINTENANCE



FINANCE



ADMINISTRATION



EXECUTIVE

# Service Delivery & Support Division



- Improve public confidence in the safety of the system
- Increase focus on innovative ways to rebuild ridership
- Improve the safe operations of our services and agency
- Develop and maintain programs that enhance the customer experience
- Increase service reliability and improve on-time performance

# Planning & Community Development Division



- Launch enhanced bus service on Pacific Avenue and complete plan for phased speed and reliability improvements
- Develop a comprehensive awareness campaign to educate the community about public transit revenue
- Implement system restoration improvements as staffing levels allow
- Complete draft 2045 Long Range Plan for adoption in 2025
- Open Spanaway Transit Center

# Maintenance Division



- Enhance the employee experience by offering an array of training and professional development options
- Further develop asset appearance and safety standards for the benefit of our internal and external customers
- Build community partnerships for improved product delivery
- Create opportunities for open dialog and meaningful engagement to foster trust
- Explore creative financial solutions to reduce operational costs

# Administrative Division



- Participate in and enhance agency outreach efforts
- Strengthen and enhance the EEO and DEI programs
- Deliver a comprehensive development program for employees
- Provide a foundation to engage and retain our workforce
- Address workforce shortages

# Finance Division



- Implement robust financial controls and compliance measures to uphold transparency and accountability in all financial transactions
- Enhance financial reporting and transparency to build trust with customers and the community
- Develop a long-term financial and capital investment plan to support maintenance and operational infrastructure, aligning with the agency's strategic growth
- Enhance real-time dashboards and reporting systems to provide key performance indicators to stakeholders for informed decision-making
- Continue to implement robust cybersecurity and business continuity measures to safeguard data and systems, ensuring the integrity and availability of critical transit services

# Executive Division



- Maintain an agency focus on customer service and work-life balance for employees, especially Operators
- Center the new strategic plan in agency directives and operations
- In collaboration with Marketing and other departments, complete and execute an agency-wide comprehensive communications campaign around the Enhanced Bus service launching in Spring 2024
- Identify and share success stories to demonstrate Pierce Transit's value, responsiveness, and accountability to employees and the community
- Work with businesses, non-profits, and governmental partners to solidify Pierce Transit's role in ensuring the South Puget Sound remains economically competitive among its counterparts state-wide

# Operations

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# Service by the Numbers

## 2024 Operating Statistics

- Transit Service Hours: **1,091,950**
  - **One year of Service Hours = 125 years**
- Transit Service Miles: **18,324,637**
  - **One year of Service Miles = 3,184 round trips from Tacoma to NYC**
- Transit Service Rides: **8,389,868**
  - **One year of Passenger Rides = 365 times the Tacoma Dome capacity**



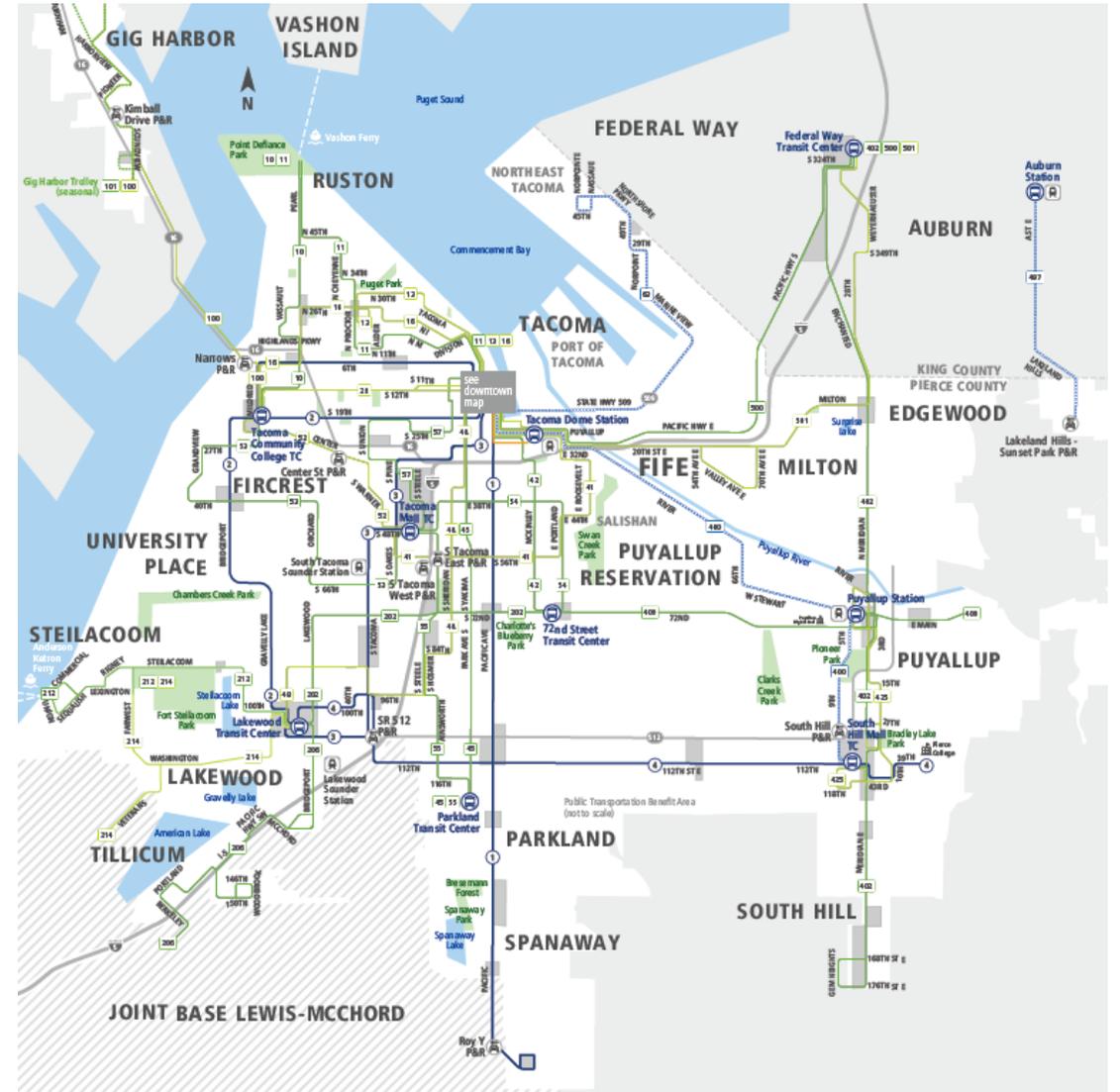
# Service Comparison

	2022	2023 YE EST	2024 Budget	% Change
<b>Fixed Route PT</b>				
Ridership	4,946,334	5,218,052	5,442,830	4.3%
Service Hours	411,323	428,061	475,000	11.0%
Service Miles	4,147,369	4,967,079	5,516,782	11.1%
<b>Fixed Route ST</b>				
Ridership	2,311,128	2,189,050	2,186,962	-0.1%
Service Hours	258,448	271,300	271,300	0.0%
Service Miles	4,495,481	5,549,710	5,540,902	-0.2%
<b>SHUTTLE</b>				
Ridership	209,416	266,000	316,187	18.9%
Service Hours	138,546	177,150	215,030	21.4%
Service Miles	1,686,340	2,454,330	2,921,545	19.0%
<b>Runner</b>				
Ridership	5,620	15,444	24,386	57.9%
Service Hours	2,811	13,087	25,853	97.5%
Service Miles	31,425	159,341	314,774	97.5%
<b>Rideshare</b>				
Ridership	382,751	374,556	419,503	12.0%
Service Hours	85,984	94,385	104,767	11.0%
Service Miles	3,028,154	3,540,900	4,030,634	13.8%

# Where We Serve

## Fixed Route and SHUTTLE

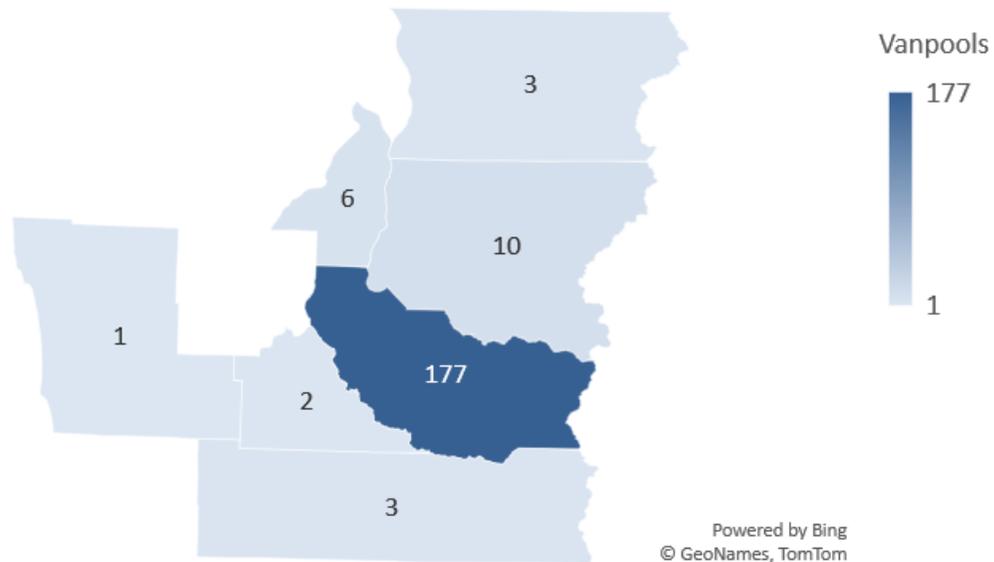
- Auburn
- Edgewood
- Fife
- Fircrest
- Gig Harbor
- Lakewood
- Milton
- Pacific
- Puyallup
- Ruston
- Steilacoom
- Tacoma
- Unincorporated Pierce County
- University Place
- Contracted routes with Sound Transit
  - Lakewood to Seattle with stops in between



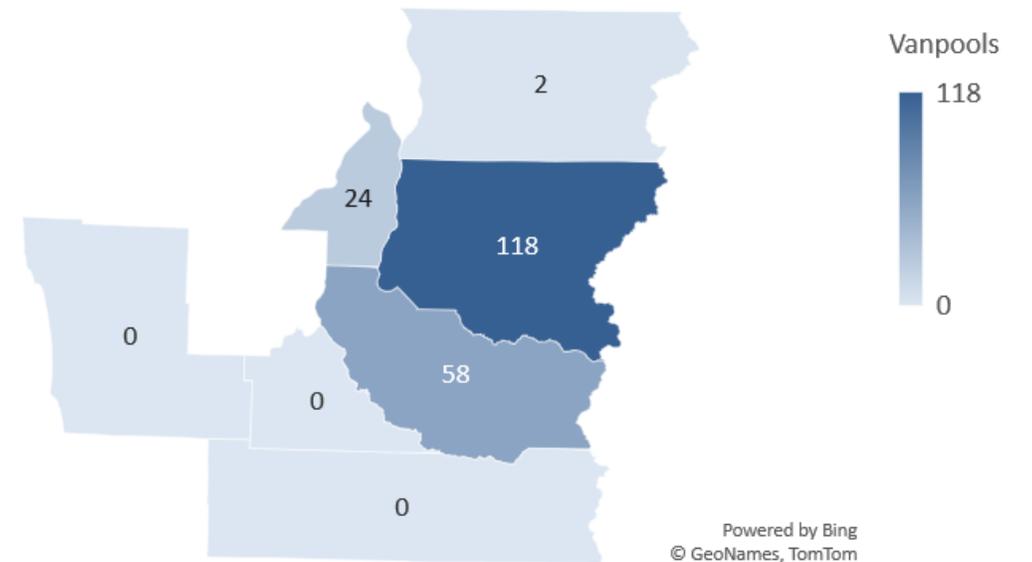
# Where We Serve

## Rideshare

Vanpool by Originating County



Vanpool by Destination County



# Infrastructure it Takes

## Vehicle Inventory

287 Fixed Route\*  
100 Shuttle  
272 Rideshare  
117 Non-Revenue

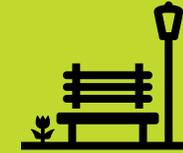


## Technology

27 Core Systems  
500 PCs, Laptops, & Tablets  
160 Physical & Virtual Servers

## Passenger Facilities & Amenities

9 Transit Centers  
4 Park & Ride Lots  
1,979 Bus Stops



## Base Facilities

5 Buildings  
Totaling 177,843 square feet



\*Includes Sound Transit

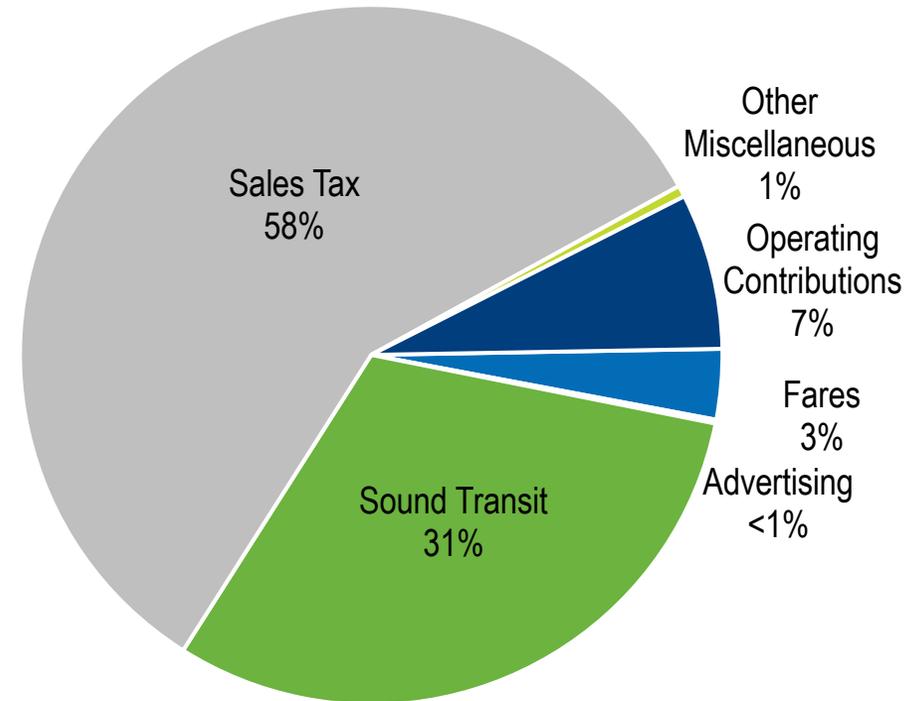


# Where Our Revenue Comes From

## 2024 Operating Revenue

Fares	\$	6,327,840
Advertising	\$	350,000
Sound Transit	\$	60,117,730
Sales Tax	\$	113,027,500
Other Miscellaneous	\$	1,054,240
Operating Contributions	\$	14,047,540
<b>Total Operating Revenue</b>	<b>\$</b>	<b>194,924,850</b>

2024 Budget Operating Revenue



# Budget Comparison

## Operating Revenues

	<u>2022 Actuals</u>	<u>2023 Year-End Estimate</u>	<u>2024 Budget</u>	<u>% Change 23YE v 24B</u>
<b>Operating Income</b>				
Fares	6,133,859	5,923,520	6,327,840	6.8%
Advertising (Other)	504,028	350,000	350,000	0.0%
Regional Transit Service	49,157,108	50,989,220	60,117,730	17.9%
<b>Non-Operating Income</b>				
Sales Tax	110,927,532	110,292,250	113,027,500	2.5%
Other Miscellaneous	4,154,032	5,455,700	1,054,240	-80.6%
Operating Contributions	2,065,063	10,449,360	14,047,540	34.4%
One-Time COVID Relief	39,528,416	7,161,320		-100.0%
<b>Total</b>	<b>\$212,470,038</b>	<b>\$190,621,370</b>	<b>\$194,924,850</b>	<b>2.3%</b>

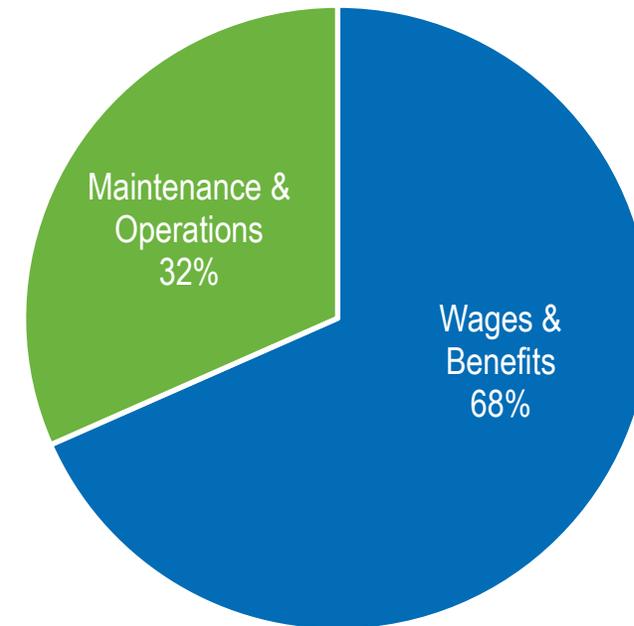


# Where Our Revenue is Spent

## 2024 Operating Expenditures

Wages	\$ 94,062,330
Benefits	\$ 33,253,860
Maintenance & Operations	\$ 62,224,780
<b>Subtotal</b>	<b>\$ 189,540,970</b>
Non-Operating	\$ 1,326,210
<b>Total Operating Expenditures</b>	<b>\$ 190,867,180</b>

2024 Budget Operating Expenditures  
(excluding Transfers)



# Budget Comparison

## Operating Expenditures

	<u>2022 Actuals</u>	<u>2023 Year-End Estimate</u>	<u>2024 Budget</u>	<u>% Change 23YE v 24B</u>
<b>Operating</b>				
Wages	\$ 69,548,568	\$ 78,532,880	\$ 94,062,330	19.8%
Benefits	24,384,691	28,360,910	33,253,860	17.3%
Maintenance & Operations	46,058,673	52,915,980	62,224,780	17.6%
<b>Subtotal</b>	<b>\$ 139,991,932</b>	<b>\$ 159,809,770</b>	<b>\$ 189,540,970</b>	<b>18.6%</b>
Non-Operating	4,463,382	1,327,580	1,326,210	-0.1%
<b>Total</b>	<b>\$ 144,455,314</b>	<b>\$ 161,137,350</b>	<b>\$ 190,867,180</b>	<b>18.4%</b>



# Our Employees

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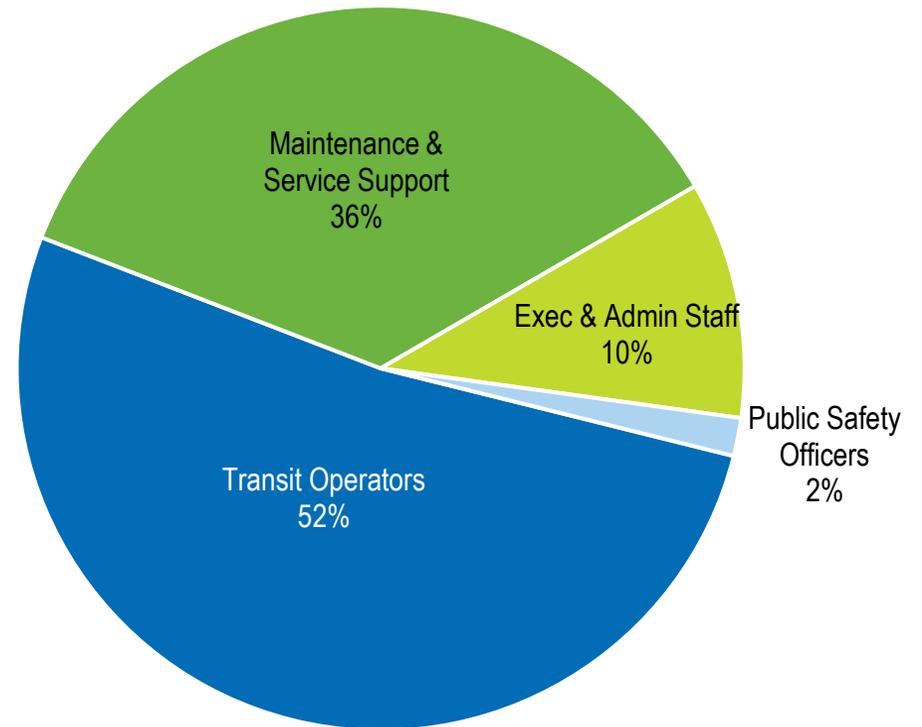
# Personnel Budget

## 15 New Positions

- 2 Division Assistants
- 1 Strategic Initiatives Manager
- 1 IT Assistant Manager
- 3 Microtransit Drivers
- 3 Transit Operators
- 3 Instructors
- 1 Transit System Maintenance Worker
- 1 Facilities Lead



2024 Budget Positions  
1,002 Positions / 999 FTE



# How New Positions Align with Agency Needs

- Maintenance
  - **Transit System Maintenance Worker** – will provide additional staffing to maintain cleanliness standards, glass repair tasks, and reduce overtime by right sizing the staffing.
  - **Facilities Lead** – serve as a resource to Transit System Maintenance and Facility Specialist work groups, manage workload to provide optimal cleanliness standards throughout system, and provide additional staff to back fill for time off and vacancies.
- Service Delivery & Support
  - **Microtransit Driver (3)** – these are new positions for the Runner program with a goal of bringing the drivers in-house, positions are grant funded in 2024.
  - **Transit Operator (3)** – needed to allow for full staffing of the budgeted service level.
  - **Instructor (3)** – will allow us to provide more frequency in Transit Operator Trainee classes to help recruit the Operators needed to provide budgeted service level.
  - **Division Assistant** – will support the new behavioral health program by handling the administrative tasks, position is grant funded in 2024.



# How New Positions Align with Agency Needs

- Administration
  - **Strategic Initiatives Manager** – provide a point person to manage agency initiatives and champion strategic projects.
  - **Division Assistant** – serves as the front desk initial point-of-contact for visitors, clients, customers, and other inquiries. Allows for consistent coverage during normal business hours.
- Finance
  - **IT Assistant Manager** – oversee the help desk staff, providing guidance and assistance to higher level tickets and close open tickets in a quicker turnaround time.



# Capital

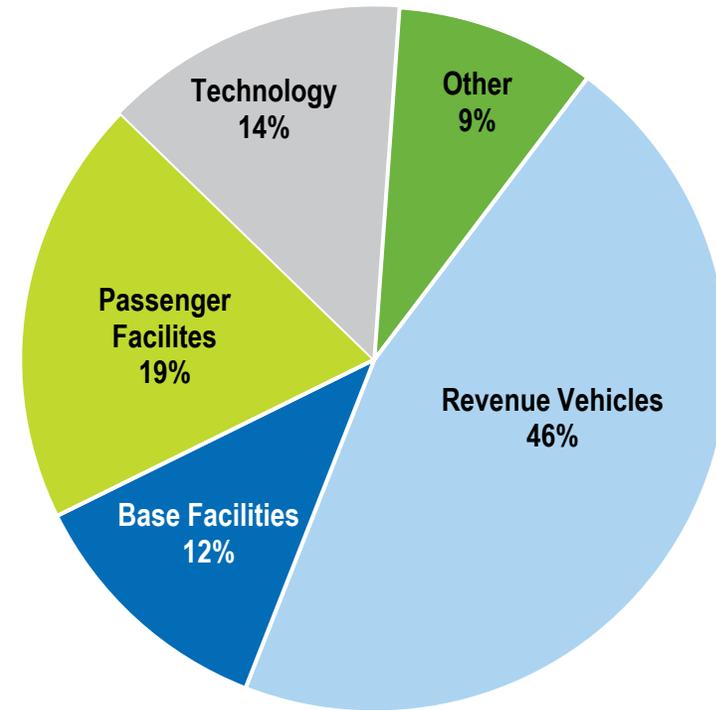
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# 2024 Capital Budget

- 75 Projects
- \$121M Total Capital Budget
- \$64M carryover from previous years; \$57M new allocation or projects
- \$56M or 46% covered by grant funding

Capital Project Budget by Category



# Major Capital Projects – Over \$5 Million

## Maintenance & Operations Base Improvements (MOBI)

Total Project Cost: \$62.8M

2024 Budget: \$8.4M

2024 Grant Funding: \$0.0M

2024 Local Funding \$8.4M

## Project Milestones

- Fuel & Wash Building Construction
  - 2023: Construction of New Building, New Parking for SHUTTLES and Support Vehicles – Project 99% Completed
  - 2024: 100% Construction – Project 100% Complete
- Building 6 Improvements
  - 2023: Design complete – Project 60% Complete
  - 2024: Renovation Complete – Project 100% Complete
- Building 2 & 3 Demolition & Parking Lot Restoration
  - 2023: Demo Buildings 2 & 3 Project 50% Complete
  - 2024: Reorient Parking Lot – Project 100% Complete



# Major Capital Projects – Over \$5 Million

## Spanaway Transit Center

Total Project Cost: \$24.7M

2024 Budget: \$19.3M

2024 Grant Funding: \$13.5M

2024 Local Funding: \$5.8M

### Project Milestones

- Transit Center
  - 2023: Construction 70% complete
  - 2024: Construction 100% complete, site operational
- Parking Lot Expansion
  - 2023: Conceptual alternatives developed, early coordination with authorities having jurisdiction
  - 2024: Development of selected alternative, environmental and traffic studies complete



# Major Capital Projects – Over \$5 Million

## Bus Replacement (2023 & 2024)

Total Project Cost: \$27.2M

2024 Budget: \$27.2M

2024 Grant Funding: \$21.8M

2024 Local Funding: \$5.4M

## Project Milestones

- 2023 Bus Replacement
  - 2023: CNG Buses approved by Board, contract fully executed, and buses have been ordered from vendor– Project 50% Complete
  - 2024: Buses should be received around August 2024
- 2024 Bus Replacement
  - 2023: New Project – Project 0% Complete
  - 2024: CNG Buses approved by Board, contract fully executed, and buses have been ordered from vendor– Project 50% Complete



# Major Capital Projects – Over \$5 Million

## Shuttle Replacement 2024

Total Project Cost: \$13.9M

2024 Budget: \$13.9M

2024 Grant Funding: \$2.8M

2024 Local Funding: \$11.1M

## Project Milestones

- 2024 Shuttle Replacement
  - 2023: New Project – Project 0% Complete
  - 2024: SHUTTLES approved by Board, contract fully executed, and vehicles have been ordered from vendor– Project 50% Complete



# Major Capital Projects – Over \$5 Million

## Computer Aided Dispatch/Automated Vehicle Location System (CAD/AVL)

Total Project Cost: \$11.0M

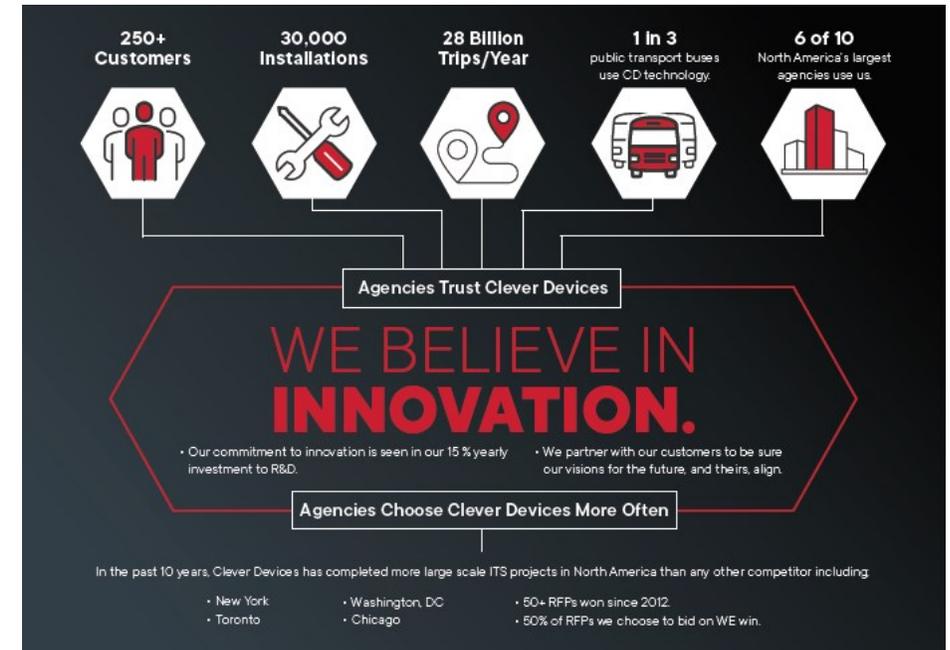
2024 Budget: \$0.8M

2024 Grant Funding: \$3.3M (Sound Transit billable after completion of project)

2024 Local Funding: \$0M

### Project Milestones

- 2023: 100% Installation, Manuals & Training, RTT/PRT Functionality, Emergency Alarm Switch, SmartYard, Burn-In Testing, Final System Acceptance – Project 95% complete
- 2024: Interior Sign Replacement, Celrado Mobile App User List Functionality – Project 100% Complete



# 2024 -2029 Financial Plan



# 2024 – 2029 Assumptions

- Sales Tax Projections
  - 2024 – 2.48%
  - 2025-2029 average 3.88%
- Wage adjustments
  - 2024 – 5% wage adjustment, 2% step increase, 4.5% contingency
  - 2025-2029 2% wage adjustment, 2% step increase
- Benefits
  - 2024 Medical premium increase 5%
  - Hold benefits as a percent of wages to 35%
- Fixed Route Service Hours
  - Pierce Transit Service – 475,000 in 2024, increased to 500,000 in 2025
  - Sound Transit Service – 271,300 in 2024-2029



# Six-Year Financial Plan

2024 – 2029 Summary

	2024	2025	2026	2027	2028	2029
Beginning Balance	220,970,610	160,031,870	154,362,700	150,718,190	148,365,980	148,607,370
Operating						
Revenue	194,899,850	205,805,110	210,938,340	219,334,350	227,137,590	234,629,210
Expenditures	187,536,940	196,324,490	203,231,810	210,440,560	217,978,480	225,925,820
Insurance						
Revenue	25,000	6,000	6,000	6,000	6,000	6,000
Expenditures	3,330,240	3,430,150	3,533,050	3,639,050	3,748,230	3,860,670
Capital						
Revenue	55,675,130	11,923,690	12,212,200	10,206,690	10,806,210	10,994,840
Expenditures	120,671,540	23,649,330	20,036,190	17,819,640	15,981,700	15,871,210
<b>Ending Balance</b>	<b>160,031,870</b>	<b>154,362,700</b>	<b>150,718,190</b>	<b>148,365,980</b>	<b>148,607,370</b>	<b>148,579,720</b>
Required Reserves	40,235,120	41,689,530	42,835,120	44,036,580	45,292,900	54,617,460
Margin (Deficit)	119,796,750	112,673,170	107,883,070	104,329,400	103,314,470	93,962,260

\*Excludes transfers to Capital projects



# 2024 Reserve Requirements

*Reserve Levels – Updated by Resolution in 2017 (R-17-038)*

- Operating Reserve – Will maintain at a minimum of two months of the agency's annual operating expenditures. *(Pierce Transit Municipal Code 3.63.020 B)*
- Insurance Reserve – Reviewed annually and set at a level adequate to protect the agency from self-insurance risks. *(Pierce Transit Municipal Code 3.63.030)*
- Capital Reserve – The 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.  
*(Pierce Transit Municipal Code 3.63.040 B)*



# 2024 Budget Summary

## Appropriations

	<b>2024 Budget</b>
Operating	\$ 187,536,940
Insurance	3,330,240
Capital	120,671,540
<b>Total Appropriations</b>	<b>\$ 311,538,720</b>



# Next Steps

## 2024 Budget

### Completed

- ✓ Board Preview 10/09
- ✓ CTAG 10/26

### Today

- ✓ Board Study Session 11/13
- ✓ Public Hearing 11/13

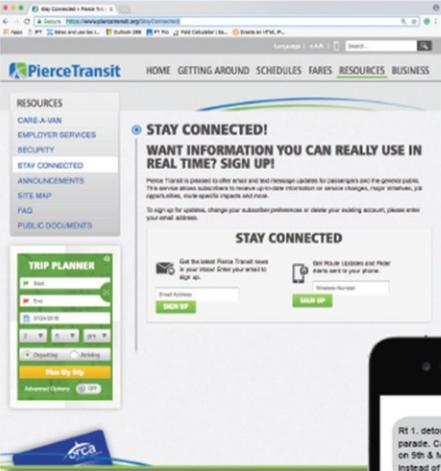
### Upcoming

- Budget Adoption 12/11

### Stay Connected!

Get real-time information about the latest Pierce Transit news.

Visit [PierceTransit.org/StayConnected](https://PierceTransit.org/StayConnected) to sign up for the latest news about Pierce Transit service changes, rider alerts, route-specific impacts, major initiatives, job opportunities, the Bus Rapid Transit project, and more!



When you sign up for route alerts using your smart phone, you'll receive text messages similar to this one with updates about your route.



# 2024 Preliminary Budget



Pierce Transit • Lakewood, WA

# 2024 Preliminary Budget

Fiscal Year January 1 through December 31, 2024

Mike Griffus, Chief Executive Officer

Prepared by

The Finance Division

Christopher Schuler, Executive Director of Finance/CFO

Lisa McVay, Budget Supervisor

Julie Stutzke, Budget Coordinator

3701 96<sup>th</sup> Street SW

Lakewood, WA 98496-0070

253.581.8000

For more information about Pierce Transit visit [www.PierceTransit.org](http://www.PierceTransit.org)

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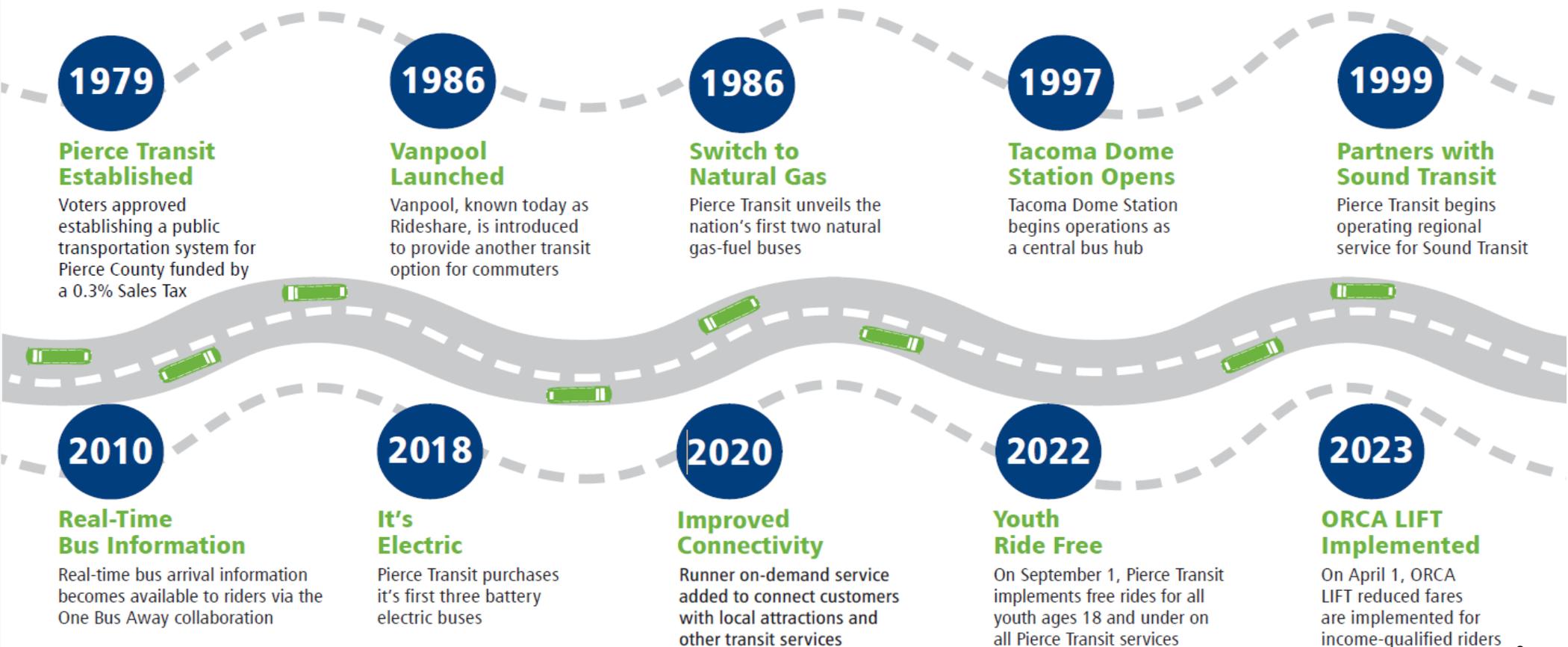
# Introduction

# History of Pierce Transit

Pierce Transit was established by a vote of the people on November 6, 1979, to expand the public transportation system from Tacoma city limits to greater Pierce County. Over the years, we have adapted our service as opportunities have risen to meet the needs of our community. Currently, Pierce Transit serves approximately 292 square miles and 70 percent of the population, north to Federal Way, east to Puyallup, south to Spanaway and west to Gig Harbor.

Pierce Transit offers four transportation modes: bus transportation that follows one of 32 routes on a schedule; SHUTTLE paratransit, which provides transportation for those with a qualifying disability within  $\frac{3}{4}$  of a mile of our bus routes; Rideshare service, which allows groups of three or more whose journey has a common beginning and ending location and begins or ends within Pierce County to commute together to reduce traffic; and RUNNER service, which allows patrons to use a mobile app or call for on-demand trips within specific microtransit zones in the agency's service area.

For more information on Pierce Transit, visit the agency's public dashboard at [PierceTransit.org/PT-Key-Performance-Indicators](https://PierceTransit.org/PT-Key-Performance-Indicators).



# 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.



**Commissioner  
Kristina Walker, Chair**  
Deputy Mayor of Tacoma  
Tacoma



**Commissioner  
Doug Fagundes**  
Fife City Council  
Fife, Milton, Pacific,  
Auburn, Ruston,  
Steilacoom, and Gig  
Harbor



**Commissioner  
Marty Campbell**  
Pierce County Council  
Pierce County



**Commissioner  
Oly Diaz**  
Tacoma City Council  
Tacoma



**Commissioner  
Daryl Eiding**  
Mayor of Edgewood  
Puyallup & Edgewood



**Commissioner  
John Hines**  
Tacoma City Council  
Tacoma



**Commissioner  
Ryan Mello**  
Pierce County Council  
Pierce County



**Commissioner  
Shannon Reynolds**  
Fircrest City Council  
Fircrest & University Place

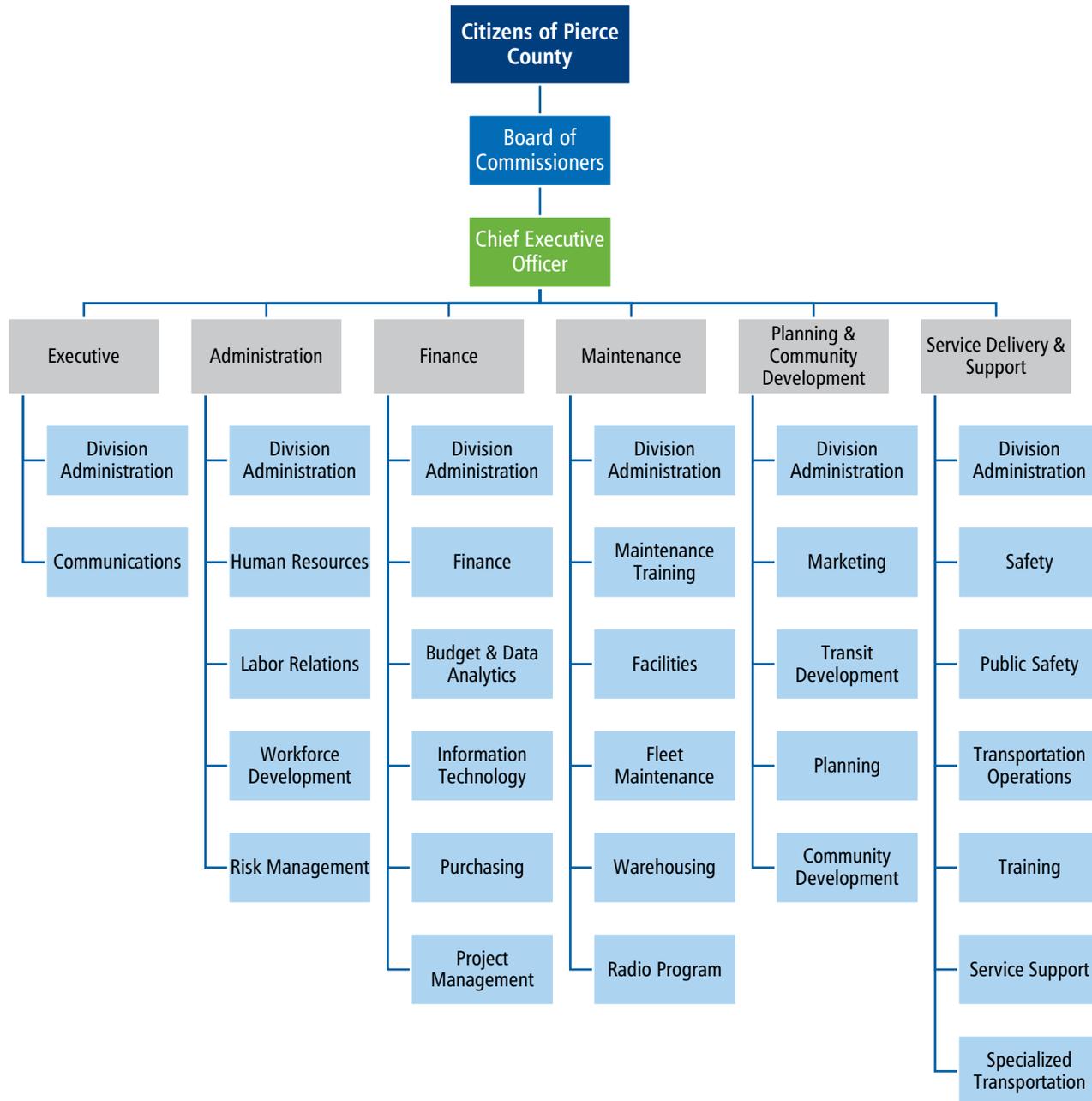


**Commissioner  
Jason Whalen**  
Mayor of Lakewood  
Lakewood



**John Hoheusle**  
Non-Voting Union  
Representative

# Organization



# Budget Message

**December 11, 2023**

**TO: Pierce Transit Board of Commissioners, Community Members and Employees**

**FROM: Mike Griffus, Chief Executive Officer**

I am pleased to present Pierce Transit's 2024 budget, which underscores our dedication to providing reliable and accessible transportation services to our community. As we navigate the dynamic landscape of public transportation, this budget serves as both a financial roadmap and a testament to our commitment to meeting our community's mobility needs.

This budget supports our promise to put our customers first, ensuring that the needs and expectations of our riders and communities remain at the forefront of our operations. It will guide us in deepening our connections within our community, fostering partnerships, and engaging with stakeholders to ensure our services are responsive and reflective of the voices of our communities. Other priorities include creating an inclusive, supportive, and growth-oriented work environment where our dedicated staff can thrive and contribute to our mission. Finally, this budget helps ensure we remain responsible stewards of public resources, assuring the sustainability of our agency's finances, infrastructure, and environmental impact.

## **Economic Condition and Outlook**

With the submission of the 2024 budget, it is essential to recognize the evolving landscape in which we operate. While ridership is trending toward pre-pandemic levels, the lingering effects of the post-COVID economic disruption continue to impact Pierce Transit on multiple fronts. Controlling the overall cost of services and projects remains a paramount concern. We must acknowledge the challenges posed by inflation, including uncertainties related to future fuel and vehicle prices, which will impact the cost of service delivery over the next few years.

Moreover, supply chain disruptions and prolonged delivery times are still adding complexity to our capital projects. Pierce Transit's annual budget planning process considers these challenges as we assess our services, staffing, and financial resources, alongside various economic forecasts, to develop a comprehensive financial outlook.

Our primary revenue source, sales tax, is closely tied to local economic conditions and retail spending. While we observed a significant rebound in consumer spending through 2022, economic uncertainties, including the possibility of a recession, necessitate ongoing monitoring and potential adjustments to the 2024 budget.

Recruitment challenges persist, particularly for operators and maintenance roles, despite the region's growing working-age population. Returning to previous service levels depends on increased workforce availability and funding that aligns with escalating service costs.

By supporting our priorities and financial sustainability, this budget underscores the collective vision of a thriving and interconnected region.

## Budget Summary

Given that there is still some uncertainty around the economy in 2024, our team's goal was to build a draft 2024 budget that allows us to increase our local service to 95 percent of pre-pandemic levels if conditions, including staffing levels, progress as anticipated. The budget before you supports this goal. The 2024 budgeted expenditures for all funds are approximately \$312 million, balanced by expected revenues and reserves. Sales tax is expected to generate \$113 million in revenue, making up 84 percent of total budgeted operating revenues in 2024, excluding the revenue from our contract to provide Sound Transit regional service. While sales tax collections are projected to increase above 2023 levels, uncertainty exists around future collections. Therefore, the six-year plan shows a modest 3.65 percent average annual increase, well below our historical average annual increase of 5.7 percent. While costs continue to escalate faster than in prior years, employees will focus their efforts on improving productivity, reducing costs, and obtaining grants for service and projects. Operating expenditures are increasing by 17.9 percent over projected 2023 levels, due primarily to filling vacant positions with an eye toward restoring service to 95 percent of pre-COVID levels. The budget includes 999 full-time equivalents (FTE) or 1,002 positions. Pierce Transit fixed-route service hours for 2024 are planned to be maintained at 475,000. By way of comparison, we were budgeting for 500,000 service hours pre-COVID.

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. Reserves comply with the required levels established by the Board of Commissioners. Reserves provide the ability to deal with adverse economic conditions, emergencies, and exposure to casualty and legal risks.

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, and accessible transportation services that are locally based and regionally connected.

Some efforts reflected in the 2024 budget include:

- **Support of Enhanced Bus Service on Pacific Avenue/State Route 7:** Our commitment to providing a higher level of bus service on Pacific Avenue/State Route 7 reflects our dedication to improving transportation accessibility along this vital corridor. This initiative includes increased frequency, improved bus stops, and better connectivity to key destinations, ensuring that our riders can enjoy a more efficient and convenient commute.
- **Continued planning for future high-capacity transit service in Pierce County:** We continue to plan for the future implementation of high-capacity transit options such as Enhanced Bus or Bus Rapid Transit (BRT) in Pierce County. Both offer a faster, more reliable transit option, and we're committed to implementing and expanding this service to benefit residents and businesses in our community.

- **Support planning and improvements for the Building 1 maintenance facility:** With the pivot to Enhanced Bus service, replacing the existing maintenance facility is no longer necessary. Investments can now be planned for our current facility to ensure transit vehicles remain safe, reliable, and efficient. We will continue to invest in infrastructure improvements to support our operations and maintain the high standards of service our riders expect.
- **Further support of increased Operator recruitment and retention:** To provide reliable and consistent service, we recognize the importance of attracting and retaining skilled operators. We will continue our efforts to recruit and support operators to meet the growing demands of our transit system, ensuring that our riders can depend on us for their transportation needs.
- **Wayfinding improvement at Tacoma Dome Station:** We are committed to enhancing the rider experience by improving wayfinding at the Tacoma Dome Station. Clear signage and information systems will make it easier for transit passengers to navigate the station, find their bus or train, and make seamless connections to their destinations.
- **Additional electric charging infrastructure to service more electric support vehicles:** As part of our commitment to sustainability and reducing our carbon footprint, we will seek funding to increase our electric charging infrastructure. This investment would support our growing fleet of electric vehicles, ensuring they remain operational and contribute to a cleaner environment.
- **Support for a modern Enterprise Resource Planning (ERP) system:** We recognize the importance of efficient business operations and data-driven decision-making. Investing in a modern ERP system will streamline our internal processes, improve data visibility and financial transparency, and empower us to make more informed choices to benefit our riders and the community.
- **Improved cyber security and IT infrastructure resilience:** In an increasingly digital world, safeguarding our IT infrastructure and data is paramount. We will prioritize investments in cybersecurity to protect sensitive information, ensure system resilience, and provide a secure environment for both our operations and our riders.

These are on top of current priorities, including:

- **Transit center security:** Ensuring the safety and security of our riders and facilities remains a top priority. We will continue to invest in measures and technology to enhance transit center security, creating a safe and welcoming environment for all passengers.
- **Enhanced employee safety initiatives:** Our employees are the backbone of our organization, and their safety is paramount. We will build on our existing safety initiatives to provide a work environment that prioritizes the well-being of our staff, ensuring they can perform their roles effectively and safely.

- **Diversity, equity, and inclusion:** We are committed to fostering a diverse, equitable, and inclusive workplace and service environment. Our efforts in this regard will continue, promoting diversity at all levels of our organization and ensuring equitable access to our services for all members of our community.
- **Employee development:** Investing in the growth and development of our employees is essential for maintaining high-quality service. We will continue to provide opportunities for skill enhancement and career advancement, ensuring our workforce remains skilled and motivated.
- **Focus on innovative ways to provide service and increase ridership:** Innovation is key to the future of public transportation. We will remain dedicated to exploring and implementing innovative approaches to providing transit services, which will help attract more riders and meet the changing needs of our community.

These initiatives reflect our ongoing commitment to delivering safe, reliable, and accessible transportation services while addressing the evolving needs of our community and ensuring the well-being of our riders and employees.

I would like to thank the Pierce Transit Finance and Budget professionals for their thoughtful preparation of the agency's 2024 Budget. The budget provides a plan that allows Pierce Transit to serve its communities not only in 2024 but well into the future.

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

Together, we will building a stronger and more connected public transportation system that continues to serve our communities effectively.



*Mike Griffus*  
Mike Griffus, Chief Executive Officer

# 2024 Budget Highlights

## Budget Breakdown

ONGOING OPERATIONS  
**\$191M**

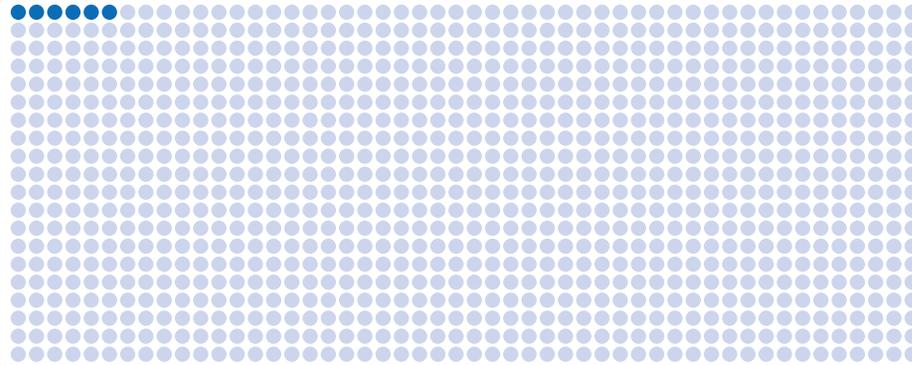
+

CAPITAL IMPROVEMENTS  
**\$121M**

=

TOTAL BUDGET  
**\$312M**

**Sales Tax is Pierce Transit's #1 Revenue Source.** We collect 6¢ for every \$10 spent within our benefit area. Sales tax projects to be \$113M in 2024.



**15**  
new  
positions  
compared  
to 2023



## Projected Service for 2024



### Fixed Route\*

7,629,792  
Ridership

746,300  
Service Hours

11,057,684  
Service Miles



### SHUTTLE

316,187  
Ridership

215,030  
Service Hours

2,921,545  
Service Miles

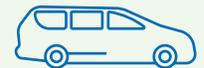


### Rideshare

419,503  
Ridership

104,767  
Service Hours

4,030,634  
Service Miles



### Runner

24,386  
Ridership

25,853  
Service Hours

314,774  
Service Miles

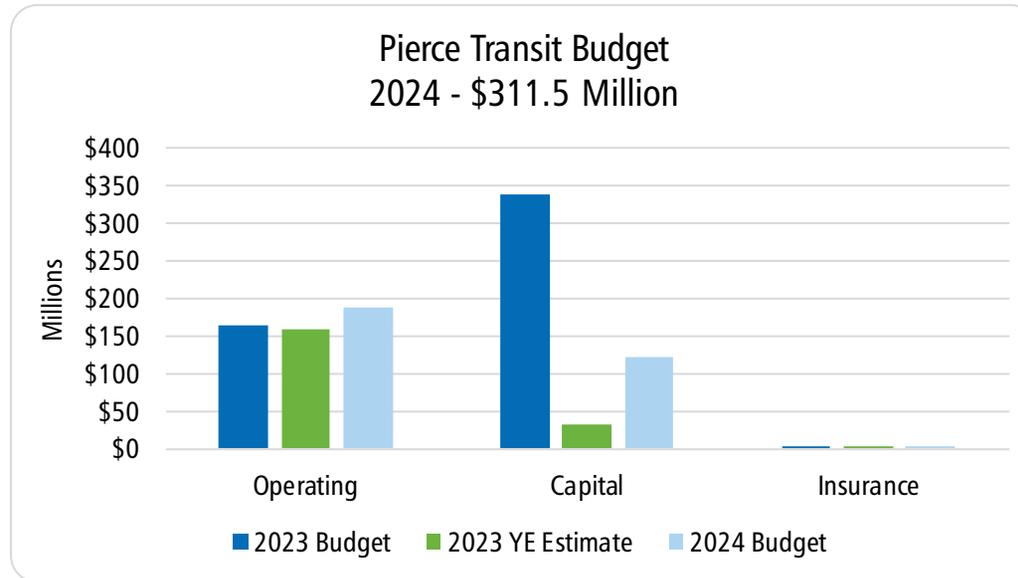
\*Local and Regional



# Annual Budget

# Agency-Wide Budget

The 2024 agency-wide expenditure budget totals \$311,538,720. Pierce Transit is a single enterprise fund that uses the same accrual method of accounting as a private enterprise. The fund structure in the budget is the same as the audited financial statements. The budget is distributed across three major categories: Operating, Capital, and Insurance. These are treated as separate components for budgeting purposes. The Board of Commissioners has the legal authority to appropriate all funds.

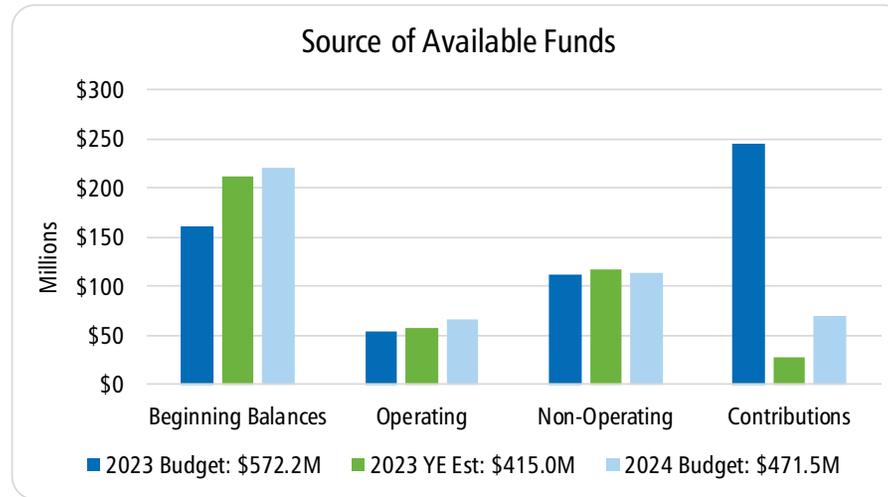


The operating budget finances the day-to-day operations, provides transfers to support capital and insurance needs, and is the primary budget of the Agency. The operating budget revenue includes fares, advertising, reimbursement from Sound Transit for regional service, sales tax, interest, operating contributions, and other miscellaneous revenues. Expenditure categories include wages, benefits, maintenance and operating costs, non-operating expenditures, and transfers to the capital and insurance budgets.

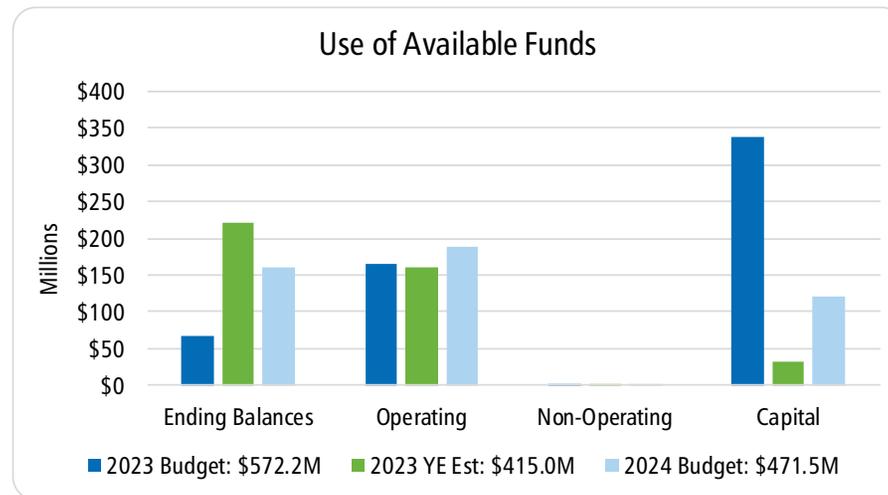
The capital budget revenues include federal and state grants, Sound Transit funding, interest earnings, and transfers from the operating budget. Capital budget expenditures include replacement vehicles, facility additions and improvements, and equipment.

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

The agency's source of available funds includes beginning balances and revenue which is divided into three categories: Operating includes fares, reimbursements for service, and advertising; non-Operating includes sales tax, interest, and other; and Contributions includes grants and assistance to provide specific programs or projects from Federal, State, and other agencies.

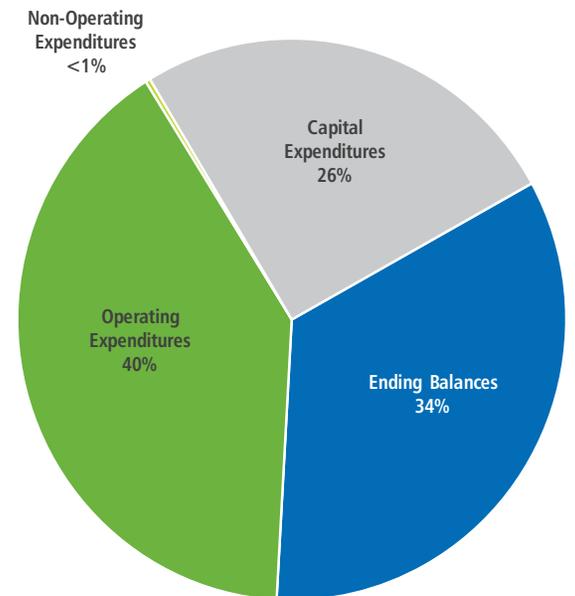
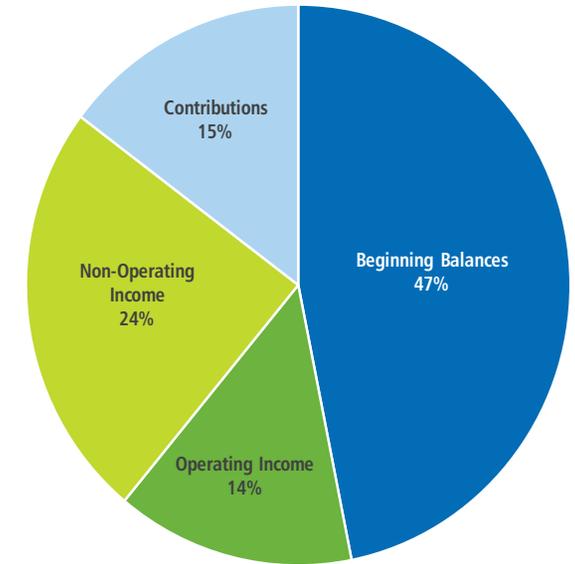


Use of available funds includes ending balances and expenditures: Operating which includes personnel and maintenance and operations; non-operating which includes payments to Pierce County Ferries 5307 agreement; and Capital expenditures including carryover funds for capital projects from the prior year.



**2024 BUDGET  
OVERALL SUMMARY**

	2022 ACTUALS	2023 AMENDED BUDGET	2023 YEAR-END ESTIMATE	2024 BUDGET	% CHANGE 2023 YEAR-END ESTIMATE VS. 2024 BUDGET
<b>REVENUES</b>					
<b>OPERATING INCOME</b>					
Passenger Fares	6,133,859	5,446,210	5,923,520	6,327,840	6.8%
Advertising	504,028	350,000	350,000	350,000	0.0%
Regional Transit Service (Sound Transit)	49,157,108	47,986,720	50,989,220	60,117,730	17.9%
<b>NON-OPERATING INCOME</b>					
Sales Tax	110,927,532	110,557,130	110,292,250	113,027,500	2.5%
Other	4,678,487	1,598,270	6,955,700	1,229,240	-82.3%
<b>CONTRIBUTIONS</b>					
Operating	41,593,479	10,670,670	17,610,680	14,047,540	-20.2%
Capital	11,105,464	234,631,590	10,810,600	55,500,130	413.4%
TIFIA Loan Proceeds	-	-	-	-	
<b>TOTAL REVENUES</b>	<b>224,099,958</b>	<b>411,240,590</b>	<b>202,931,970</b>	<b>250,599,980</b>	<b>23.5%</b>
<b>BEGINNING BALANCES</b>					
Operating	115,845,220	106,343,360	123,877,560	153,232,880	23.7%
Insurance	475,452	(884,390)	1,071,300	1,200,000	12.0%
Capital	61,887,828	55,464,480	87,148,760	66,537,730	-23.7%
<b>TOTAL BEGINNING BALANCES</b>	<b>178,208,500</b>	<b>160,923,450</b>	<b>212,097,620</b>	<b>220,970,610</b>	<b>4.2%</b>
<b>TOTAL REVENUE &amp; BEGINNING BALANCES</b>	<b>402,308,458</b>	<b>572,164,040</b>	<b>415,029,590</b>	<b>471,570,590</b>	<b>13.6%</b>
<b>EXPENDITURES</b>					
<b>OPERATING EXPENDITURES</b>					
Personnel	93,933,259	112,639,380	106,893,790	127,316,200	19.1%
Maintenance & Operations	44,530,581	49,820,850	51,061,000	58,894,540	15.3%
Insurance	1,528,092	3,775,710	1,854,980	3,330,240	79.5%
Express Service Route 1				-	
<b>NON-OPERATING EXPENDITURES</b>					
Grants Exchange Funds	4,463,382	1,150,000	1,327,580	1,326,210	-0.1%
<b>CAPITAL EXPENDITURES</b>					
Capital Projects	45,755,528	337,469,480	32,921,630	120,671,540	266.5%
<b>TOTAL EXPENDITURES</b>	<b>190,210,842</b>	<b>504,855,420</b>	<b>194,058,980</b>	<b>311,538,730</b>	<b>60.5%</b>
<b>ENDING BALANCES</b>					
Operating	123,877,557	57,758,620	153,232,880	150,831,860	-1.6%
Insurance	1,071,301	1,200,000	1,200,000	1,200,000	0.0%
Capital	87,148,758	8,350,000	66,537,730	8,000,000	-88.0%
<b>TOTAL ENDING BALANCES</b>	<b>212,097,616</b>	<b>67,308,620</b>	<b>220,970,610</b>	<b>160,031,860</b>	<b>-27.6%</b>
<b>TOTAL EXPENDITURES &amp; ENDING BALANCES</b>	<b>402,308,458</b>	<b>572,164,040</b>	<b>415,029,590</b>	<b>471,570,590</b>	<b>13.6%</b>



# Operating Budget

The 2024 operating revenues of \$194,899,850 support the operating expenditures of \$186,210,730, non-operating expenditures of \$1,326,210 and transfers of \$9,763,920. 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 \$2,401,010. Reserves beyond the required amount will be utilized over the next six years to fund capital projects. The operating budget revenue for 2024 is increasing by 2.3% and operating expenditures are increasing 17.9% from the 2023 Year-End Estimate.

	<u>2023 YE Estimate</u>	<u>2024 Budget</u>	Year-End Estimate to Budget	
			<u>\$ Change</u>	<u>% Change</u>
Operating Revenues	190,571,370	194,899,850	4,328,480	2.3%
Operating Expenditures	(157,954,790)	(186,210,740)	(28,255,950)	17.9%
	32,616,580	8,689,110	(23,927,470)	-73.4%
Non-Operating Expenditures	(1,327,580)	(1,326,210)	1,370	-0.1%
Transfers-Out	(1,933,680)	(9,763,920)	(7,830,240)	404.9%
Net Change - Reserves	29,355,320	(2,401,020)	(31,756,340)	-108.2%

## Operating Revenues

Operating Revenues include both Operating Income, Non-Operating Income, and Contributions to pay for ongoing transportation operations. The type of revenue and percent change from 2023 Year-End Estimate are included in the table below.

	<u>2023 YE Estimate</u>	<u>2024 Budget</u>	Year-End Estimate to Budget	
			<u>\$ Change</u>	<u>% Change</u>
Operating Income				
Fares	5,923,520	6,327,840	404,320	6.8%
Advertising	350,000	350,000	-	0.0%
Regional Transit Service	50,989,220	60,117,730	9,128,510	17.9%
Non-Operating Income				
Sales Tax	110,292,250	113,027,500	2,735,250	2.5%
Miscellaneous	5,405,700	1,029,240	(4,376,460)	-81.0%
Operating Contributions	17,610,680	14,047,540	(3,563,140)	-20.2%
	190,571,370	194,899,850	4,328,480	2.3%

**Fares** – Revenues are estimated based on ridership and average fare per boarding projections. The average fare per boarding is expected to be \$0.80 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 2024 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. As of September 1, 2022, no fares will be collected for riders aged 18 and under on local Pierce Transit services. ORCALift became available on Pierce Transit for those that qualify effective April 1, 2023.

**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.

**Sound Transit** – Regional Transit Service budgeted revenue totals \$60,117,730 in 2024 a 17.9% increase from 2023 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 2024, Sound Transit service hours are remaining at 271,300. In addition to Express Service reimbursement, Sound Transit reimburses for their share of costs associated with security, liability insurance, and special services for operating Tacoma Dome Station. Beginning in 2023, Pierce Transit will provide reimbursable ADA services to assist Sound Transit with FTA requirements for their Hilltop light rail extension.

**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 83.5% of the operating budget revenue excluding Sound Transit. In 2024, sales tax is expected to total \$113,027,500, a 2.5% increase over the 2023 Year-End Estimate and in line with current growth trends.

**Miscellaneous** – Includes revenues such as earned interest, gains on disposed assets, Lakeland Hill transportation services, and parking fees.

**Operating Contributions** – Operating Contributions are funds from partnering agencies. They include Federal Transportation Administration (FTA) for ADA Services and Low-No; Washington State Department of Transportation (WSDOT) for Special Needs, Transit Support, Electric Vehicle expansion, and Runner programs; and Pierce County for Behavioral Health funding. Final one-time federal contributions such as CARES, CRRSAA and ARPA were received in 2023 and accounts for the 20.2% decrease in contributions between 2023 YE Estimates and 2024 Budget.

### **Operating Expenditures**

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 expenses are projected to total 186,210,730 a 17.9% increase from the 2023 Year-End Estimate. The large increase is due to vacant positions not filled in 2023 that we expect to fill in 2024 and wage increases that are expected during the bargain unit negotiations. The changes from the 2023 Year-End Estimate to the 2024 Budget are as follows:

	<u>2023 YE Estimate</u>	<u>2024 Budget</u>	Year-End Estimate to Budget	
			<u>\$ Change</u>	<u>% Change</u>
Wages	78,532,880	94,062,320	15,529,440	19.8%
Benefits	28,360,910	33,253,880	4,892,970	17.3%
M&O	51,061,000	58,894,540	7,833,540	15.3%
Total Operations	157,954,790	186,210,740	28,255,950	17.9%
Non-Operating	1,327,580	1,326,210	(1,370)	-0.1%
Total Expenditures	159,282,370	187,536,950	28,254,580	17.7%

Wages – The 2024 Budget includes 1,002 positions and 999 full-time equivalents (FTEs). The 19.8% 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 15 new positions.

Represented employees are 83% of the total Agency workforce. Both master agreements with the Amalgamated Transit Union (ATU) and International Association of Machinists (IAM) are expiring December 31<sup>st</sup> and are currently in negotiations. A placeholder has been assumed in the budget; however, the actual amounts will be set in the final master agreements.

Benefits – The increase in benefits of 17.3% or \$4,892,950 is a result of a five percent projected medical premium increases, percentage-based benefits that increase with wages, and filling prior year vacancies and new positions with the most expensive benefit package.

Maintenance and Operations – The 2024 Maintenance and Operations (M&O) Budget is \$58,894,540. The expenditures support service, maintenance of equipment, and technology system needs. This is an increase of \$7,833,540 or 15.3% higher than the 2023 Year-End Estimate. The increases in expenses are impacted by the planned number of service hours and miles operated as well as inflation on key items such as fuel, electricity, and insurance.

Non-Operating Expenditures – 2024 Non-Operating Expenditures are for payment of \$1,326,210 for Pierce County Agreement grant exchange funds. Pierce County Ferries receives 80% of their portion of FTA funding. The remainder is held by Pierce Transit as an administrative fee.

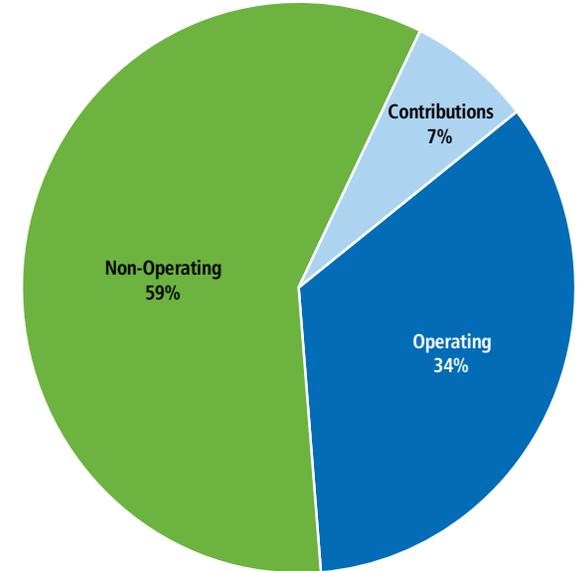
### **Operating Reserve Balance**

Pierce Transit defines the operating reserve balance as reserves maintained to provide enough working capital 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.

The 2024 budget includes operating and non-operating revenues of \$194.9 million which funds operating and non-operating expenses of \$187.5 million for 1,091,950 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.

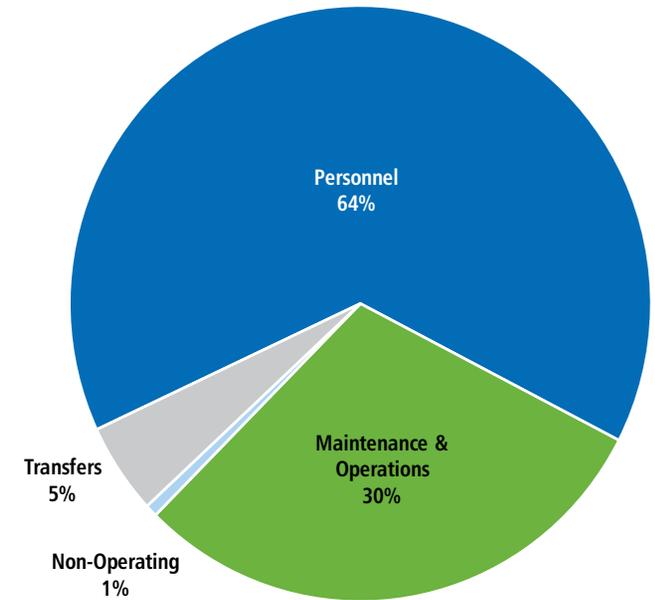
**2024 BUDGET  
OPERATING SUMMARY - REVENUES**

	2022 ACTUALS	2023 AMENDED BUDGET	2023 YEAR-END ESTIMATE	2024 BUDGET	% CHANGE 2023 YEAR-END ESTIMATE VS. 2024 BUDGET
<b>OPERATING REVENUES</b>					
<b>OPERATING INCOME</b>					
Passenger Fares	6,133,859	5,446,210	5,923,520	6,327,840	6.8%
Advertising	504,028	350,000	350,000	350,000	0.0%
Regional Transit Service (Sound Transit)					
Express Reimbursement	48,287,957	47,008,150	50,099,220	58,595,370	17.0%
Tacoma Dome Station Reimbursement	869,151	934,840	890,000	1,022,360	14.9%
ADA Travel Trainer Reimbursement	-	43,730	-	500,000	0.0%
<b>TOTAL OPERATING INCOME</b>	<b>55,794,995</b>	<b>53,782,930</b>	<b>57,262,740</b>	<b>66,795,570</b>	<b>16.6%</b>
<b>NON-OPERATING INCOME</b>					
Sales Tax	110,927,532	110,557,130	110,292,250	113,027,500	2.5%
Interest Income	2,531,399	250,000	4,500,000	250,000	-94.4%
Other	1,622,633	1,023,270	905,700	779,240	-14.0%
<b>TOTAL NON-OPERATING INCOME</b>	<b>115,081,564</b>	<b>111,830,400</b>	<b>115,697,950</b>	<b>114,056,740</b>	<b>-1.4%</b>
<b>OPERATING CONTRIBUTIONS</b>					
Federal	39,528,416	729,920	7,859,620	855,900	-89.1%
State	2,058,990	9,940,750	9,626,060	12,886,340	33.9%
Other	6,073	125,000	125,000	305,300	144.2%
<b>TOTAL OPERATING CONTRIBUTIONS</b>	<b>41,593,479</b>	<b>10,795,670</b>	<b>17,610,680</b>	<b>14,047,540</b>	<b>-20.2%</b>
<b>TOTAL REVENUES</b>	<b>212,470,038</b>	<b>176,409,000</b>	<b>190,571,370</b>	<b>194,899,850</b>	<b>2.3%</b>
<b>BEGINNING BALANCE</b>	<b>115,845,220</b>	<b>106,343,360</b>	<b>123,877,560</b>	<b>153,232,880</b>	<b>23.7%</b>
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>328,315,259</b>	<b>282,752,360</b>	<b>314,448,930</b>	<b>348,132,730</b>	<b>10.7%</b>



**2024 BUDGET  
OPERATING SUMMARY - EXPENDITURES**

	2022 ACTUALS	2023 AMENDED BUDGET	2023 YEAR-END ESTIMATE	2024 BUDGET	% CHANGE 2023 YEAR-END ESTIMATE VS. 2024 BUDGET
<b>OPERATING EXPENDITURES</b>					
<b>PERSONNEL</b>					
Wages	69,548,564	81,402,050	78,532,880	94,062,320	19.8%
Benefits	24,384,688	31,237,330	28,360,910	33,253,880	17.3%
<b>TOTAL PERSONNEL</b>	<b>93,933,252</b>	<b>112,639,380</b>	<b>106,893,790</b>	<b>127,316,200</b>	<b>19.1%</b>
<b>MAINTENANCE &amp; OPERATIONS</b>					
Supplies	15,585,910	19,361,180	19,867,820	21,453,030	8.0%
Services	8,422,023	8,951,980	8,764,380	11,728,020	33.8%
Insurance	3,999,384	4,602,530	3,911,230	5,933,470	51.7%
Utilities	1,852,714	1,687,100	1,665,480	1,971,500	18.4%
Repairs	287,392	676,250	728,370	645,750	-11.3%
Rentals	698,828	556,840	562,910	624,980	11.0%
Other	12,921,620	13,148,280	14,696,020	15,615,300	6.3%
Contract Services	751,197	836,690	864,790	922,490	6.7%
Other Improvements	11,520	-	-	-	0.0%
<b>TOTAL MAINTENANCE &amp; OPERATIONS</b>	<b>44,530,588</b>	<b>49,820,850</b>	<b>51,061,000</b>	<b>58,894,540</b>	<b>15.3%</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>138,463,840</b>	<b>162,460,230</b>	<b>157,954,790</b>	<b>186,210,740</b>	<b>17.9%</b>
<b>NON-OPERATION EXPENDITURES</b>					
Grant Exchange Funds	4,463,382	1,150,000	1,327,580	1,326,210	-0.1%
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>4,463,382</b>	<b>1,150,000</b>	<b>1,327,580</b>	<b>1,326,210</b>	<b>-0.1%</b>
<b>TOTAL EXPENDITURES</b>	<b>142,927,222</b>	<b>163,610,230</b>	<b>159,282,370</b>	<b>187,536,950</b>	<b>17.7%</b>
<b>TRANSFERS</b>					
To Insurance Fund	2,098,101	5,835,100	1,933,680	3,305,240	70.9%
To Capital Fund	59,412,378	55,548,410	-	6,458,680	0.0%
<b>TOTAL TRANSFERS</b>	<b>61,510,479</b>	<b>61,383,510</b>	<b>1,933,680</b>	<b>9,763,920</b>	<b>404.9%</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>204,437,701</b>	<b>224,993,740</b>	<b>161,216,050</b>	<b>197,300,870</b>	<b>22.4%</b>
<b>ENDING BALANCES</b>	<b>123,877,557</b>	<b>57,758,620</b>	<b>153,232,880</b>	<b>150,831,860</b>	<b>-1.6%</b>
<b>TOTAL EXPENDITURES &amp; ENDING BALANCES</b>	<b>328,315,259</b>	<b>282,752,360</b>	<b>314,448,930</b>	<b>348,132,730</b>	<b>10.7%</b>



# Personnel

The 2024 Budget includes 1,002 positions or 999 full-time equivalents (FTE). This is an increase of 15 positions from the 2023 Budget. The new positions are:

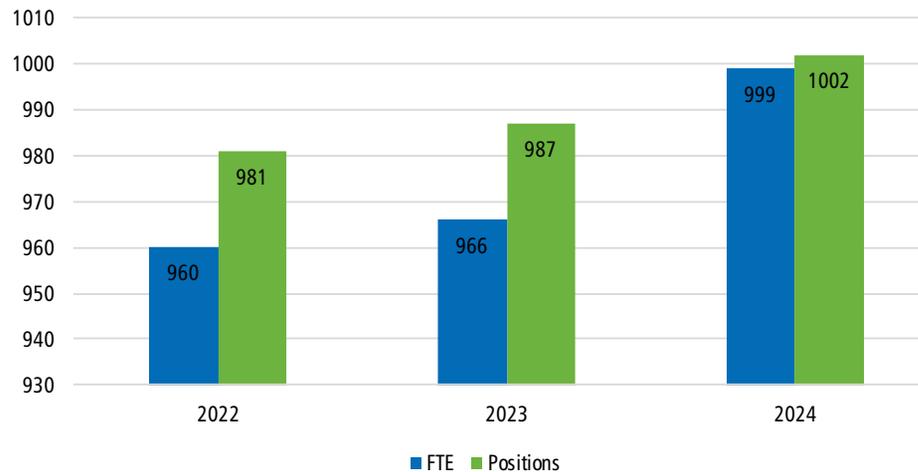
## 15 New Positions

- |                      |                                 |                                     |
|----------------------|---------------------------------|-------------------------------------|
| 2 Division Assistant | 1 IT Assistant Manager          | 1 Transit System Maintenance Worker |
| 1 Facilities Lead    | 3 Microtransit Driver           | 3 Transit Operator                  |
| 3 Instructor         | 1 Strategic Initiatives Manager |                                     |

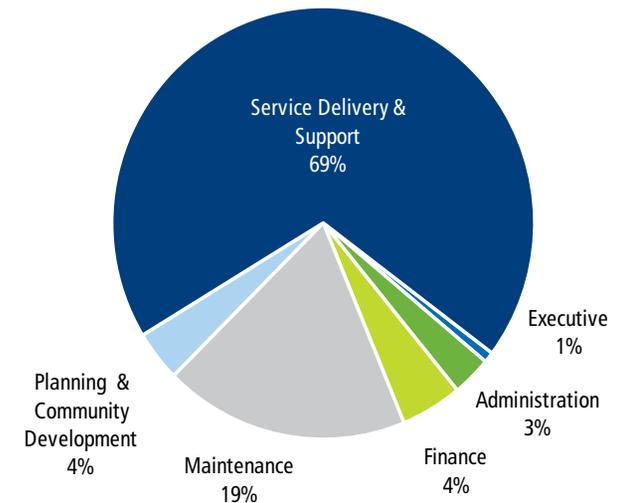
Directly operated service includes Service Delivery & Support and Maintenance divisions. These divisions represent 879 or 88% of the total positions. The remaining 123 positions or 12% are in Executive, Administration, Finance and Planning & Community Development divisions.

Most of the staff at Pierce Transit is equal to 1.0 FTE. An FTE is defined as having a work schedule of 2,080 hours annually. In the 2024 Budget, seven positions that are considered less than 1.0 FTE. The substantial increase in FTEs in 2023 compared to 2024, is attributed to reclassifying 71 Relief Transit Operators, a 0.75 FTE, to a Transit Operator, a 1.0 FTE, increasing the FTE count by 18.

Budgeted FTEs & Positions



2024 Budgeted Positions - 1,002



# Capital Budget

The Capital budget represents the revenues and expenditures associated with capital development and acquisition. It includes funds for replacement vehicles, capital planning for the efficient use of base and passenger facilities, technology, and equipment. 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 the total project cost the year the Agency anticipates entering into a contract for service or acquisition.

Capital projects for 2024 are budgeted at \$120,671,540. Approved but unspent projects are carried over from the prior year to the following budget year. The 2024 Budget contains \$64,404,920 of prior year budgeted funds (carryover) and \$56,266,580 in new projects or project increases. Expenditures are supported by \$55,500,130 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.

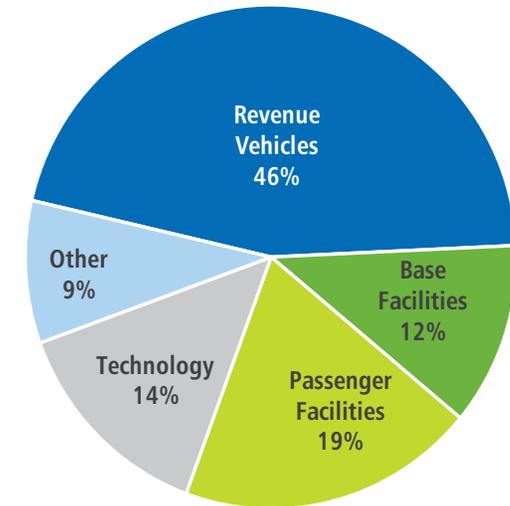
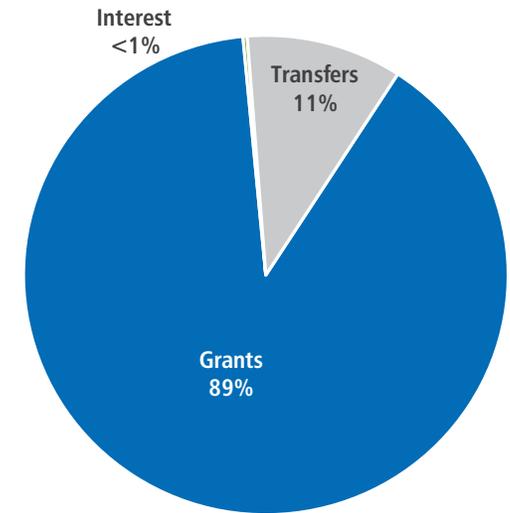
The 2024 Capital Budget is comprised of the following categories:

- Revenue Vehicles, 46% of the Capital budget, provide customers a comfortable and reliable mode of transportation
- Base Facilities, 12% of the Capital budget, support efficient operations of the Agency
- Passenger Facilities & Amenities, 19% of the Capital budget, serve as the front door to the transit system
- Technology, 14% of the Capital budget, provide infrastructure and software to improve information and services for staff and the public
- Other, 9% of the Capital budget, maintain equipment and provide improved transportation services

	2024 Capital Budget Expenditures		
	<u>Carryover</u>	<u>New</u>	<u>Total</u>
<b>Revenue Vehicles</b> (Bus, SHUTTLE, Rideshare Replacements)	25,536,960	29,552,720	55,089,690
<b>Base Facilities</b> (MOBI, Bldg 4 & 5 Improvements)	13,439,680	751,800	14,191,500
<b>Passenger Facilities</b> (Transit Centers, Park & Rides, TDS)	7,866,450	15,784,560	23,651,020
<b>Technology</b> (ngORCA, CAD/AVL, ADEPT, Security Systems)	10,091,160	6,612,730	16,703,890
<b>Other</b> (TDS Elevator, Commerce Charging Station)	7,470,670	3,564,770	11,035,440
	<b>64,404,920</b>	<b>56,266,580</b>	<b>120,671,540</b>

**2024 BUDGET  
CAPITAL SUMMARY**

	2022 ACTUALS	2023 AMENDED BUDGET	2023 YEAR-END ESTIMATE	2024 BUDGET	% CHANGE 2023 YEAR-END ESTIMATE VS. 2024 BUDGET
<b>CAPITAL REVENUES</b>					
<b>REVENUES</b>					
Grants	11,105,464	234,631,590	10,810,600	55,500,130	413.4%
Interest	498,615	175,000	1,500,000	175,000	-88.3%
TIFIA Loan Proceeds	-	-	-	-	
<b>TOTAL REVENUES</b>	<b>11,604,080</b>	<b>234,806,590</b>	<b>12,310,600</b>	<b>55,675,130</b>	<b>352.3%</b>
<b>TRANSFERS</b>					
From Operating Fund	59,412,378	55,548,410	-	6,458,680	0.0%
<b>TOTAL TRANSFERS</b>	<b>59,412,378</b>	<b>55,548,410</b>	<b>-</b>	<b>6,458,680</b>	<b>0.0%</b>
<b>TOTAL REVENUE &amp; TRANSFERS</b>	<b>71,016,458</b>	<b>290,355,000</b>	<b>12,310,600</b>	<b>62,133,810</b>	<b>404.7%</b>
<b>BEGINNING BALANCE</b>					
Capital Fund	61,887,828	55,464,480	87,148,760	66,537,730	-23.7%
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>132,904,286</b>	<b>345,819,480</b>	<b>99,459,360</b>	<b>128,671,540</b>	<b>29.4%</b>
<b>CAPITAL EXPENDITURES</b>					
<b>CAPITAL ACQUISITION</b>					
Revenue Vehicles	5,699,755	26,452,730	7,313,170	55,089,690	653.3%
Base Facilities	21,663,587	61,899,580	10,794,710	14,191,490	31.5%
Passenger Facilities & Amenities	2,781,746	9,831,360	2,242,770	23,651,030	954.5%
Technology	7,241,947	15,595,150	5,355,300	16,703,890	211.9%
Other	8,368,492	223,690,660	7,215,680	11,035,440	52.9%
<b>TOTAL EXPENDITURES</b>	<b>45,755,528</b>	<b>337,469,480</b>	<b>32,921,630</b>	<b>120,671,540</b>	<b>266.5%</b>
<b>ENDING BALANCE</b>					
Capital Fund	87,148,758	8,350,000	66,537,730	8,000,000	-88.0%
<b>TOTAL EXPENDITURES &amp; ENDING BALANCE</b>	<b>132,904,286</b>	<b>345,819,480</b>	<b>99,459,360</b>	<b>128,671,540</b>	<b>29.4%</b>



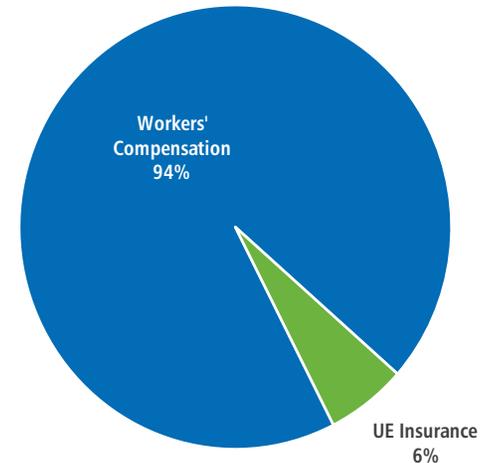
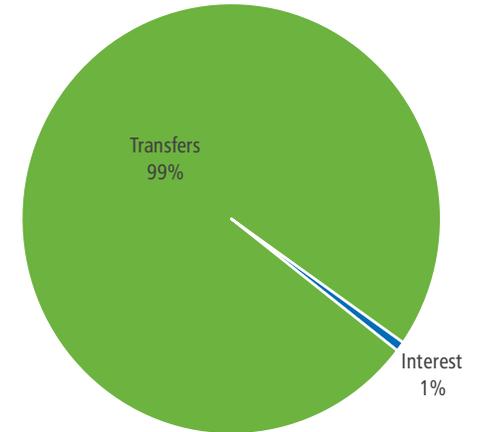
#	Project Name	Project #	Project Budget	Spent Thru 2022	2023 YE Est	2023 Est Carryover	2024 New Request	2024	Local Funding	Grant Funding
1	Maintenance & Operations Base Improvements (MOBI)	525	62,800,000	43,608,032	10,762,310	8,429,658		8,429,660	8,429,660	
2	Building 5 A/V Equipment Replacement	620	220,386	177,393	32,177	10,817		10,820	10,820	
3	Building 5 Exterior Sealing	642	130,000			130,000		130,000	130,000	
4	Building 4 Exterior Painting	643	273,160		62	273,098		273,100	273,100	
5	Building 1 Iron Worker Replacement for Body Shop	644	58,710			58,710		58,710	58,710	
6	Shatter Proof Film Buildings 4, 5 & TDS	652	92,900			92,900		92,900	82,140	10,760
7	Base BEB Charging Expansion to 12 Buses	653	4,444,500			4,444,500		4,444,500	888,900	3,555,600
8	Building 1 Evaporative Cooling Fans	NEW					30,000	30,000	30,000	
9	CNG Compressor Transformers	NEW					172,500	172,500	172,500	
10	Building 4 HVAC Retrofit	NEW					305,900	305,900	305,900	
11	Building 5 Specialized Transportation Redesign	NEW					170,400	170,400	170,400	
13	Building 1 Training Room Technology Upgrade	NEW					73,000	73,000	73,000	
<b>Subtotal Base Facilities Projects</b>			<b>68,019,656</b>	<b>43,785,425</b>	<b>10,794,549</b>	<b>13,439,683</b>	<b>751,800</b>	<b>14,191,490</b>	<b>10,625,130</b>	<b>3,566,360</b>
14	Support Vehicle Replacement 2021	606	292,463	138,762	85,189	68,512		68,510	68,510	
15	Commerce Facility Bus Charging Station	612	2,000,000	176,925	454,497	1,368,578		1,368,580	1,368,580	
16	Support Vehicle Replacement 2022	624	334,837			334,837		334,840	334,840	
17	Bus Stop Replacement	633	1,000,000	38,743		961,257	2,125,000	3,086,260	3,086,260	
18	Support Vehicle Replacement 2023	639	697,330			697,330		697,330	697,330	
19	Behavioral Health Vehicle	648	78,000			78,000		78,000	-	78,000
20	Public Safety Vehicle Expansion	649	150,000			150,000		150,000	150,000	
21	Employee Engagement Tool	651	42,000		160	41,840		41,840	41,840	
22	Stream System Expansion Study II	654	2,000,000			2,000,000		2,000,000	-	2,000,000
23	Enhanced Bus Service	658	1,672,290			1,672,290		1,672,290	334,460	1,337,830
24	Miscellaneous Capital Equipment	778	168,523		70,500	98,023	101,980	200,000	200,000	
25	Building 1 Paint Booth Controls	NEW					210,580	210,580	210,580	
26	Building 1 Wheel Alignment Machine	NEW					103,000	103,000	103,000	
27	Building 1 Aerosol Can Crusher	NEW					25,290	25,290	25,290	
28	Building 1 Sand Blast Cabinet	NEW					39,030	39,030	39,030	
29	Support Vehicle Replacement 2024	NEW					896,150	896,150	896,150	
30	Building 1 HD B&P Bending Brake	NEW					13,740	13,740	13,740	
31	Building 1 3 Phase Spot Welder	NEW					50,000	50,000	50,000	
<b>Subtotal Other Projects</b>			<b>8,435,443</b>	<b>354,430</b>	<b>610,346</b>	<b>7,470,667</b>	<b>3,564,770</b>	<b>11,035,440</b>	<b>7,619,610</b>	<b>3,415,830</b>
31	Narrows Park & Ride Renewal	503	1,013,060	98,922	3,873	910,265		910,270	910,270	
32	Commerce Tunnel Refurbishment	524	3,635,363	3,568,474	21,566	45,323		45,320	45,320	
33	Spanaway Transit Center Park & Ride	556	9,242,886	4,098,049	1,265,349	3,879,487		3,879,490	3,794,930	84,560
34	South Hill Mall TC Renewal	571	1,807,028	1,691,450		115,578		115,580	115,580	
35	Tacoma Dome Station Elevator Repairs & Upgrades	588	3,451,549	571,913	889,679	1,989,957		1,989,960	659,990	1,329,970
36	Spanaway Transit Center Parking Lot Expansion	607	1,000,000	58,643	15,514	925,843	14,493,350	15,419,190	2,047,710	13,371,480
37	TDS HVAC Metasys Building Management	NEW					17,300	17,300	6,920	10,380
38	TDS Wayfinding Implementation	NEW					1,273,920	1,273,920	509,570	764,350
<b>Subtotal Passenger Facilities Projects</b>			<b>20,149,886</b>	<b>10,087,451</b>	<b>2,195,981</b>	<b>7,866,454</b>	<b>15,784,570</b>	<b>23,651,030</b>	<b>8,090,290</b>	<b>15,560,740</b>

#	Project Name	Project #	Project Budget	Spent Thru 2022	2023 YE Est	2023 Est Carryover	2024 New Request	2024	Local Funding	Grant Funding
39	SHUTTLE Replacement 2019	558	1,051,607			1,051,607		1,051,610	1,051,610	
40	Vanpool Replacement 2021	611	814,118		239,421	574,697		574,700	574,700	
41	SHUTTLE Replacement 2022	623	2,928,534		4,305	2,924,229		2,924,230	1,161,300	1,762,930
42	Vanpool Replacement 2022	628	1,453,062			1,453,062		1,453,060	1,453,060	
43	Barrier Door Install	636	606,580			606,580		606,580	606,580	
44	SHUTTLE Replacement 2023	637	3,114,390			3,114,390		3,114,390	622,880	2,491,510
45	Bus Fleet Replacement 2023	638	13,541,180			13,541,180		13,541,180	2,708,240	10,832,940
46	Vanpool Replacement 2023	646	1,933,230			1,933,230		1,933,230	1,933,230	
47	Puyallup Runner Wheelchair Accessible Vehicles	655	138,340			138,340		138,340	27,670	110,670
48	Rideshare Telematics	656	200,000		355	199,645		199,650	99,650	100,000
49	Bus Fleet Replacement 2024	NEW					13,651,990	13,651,990	2,730,390	10,921,600
50	SHUTLE Replacement 2024	NEW					13,898,430	13,898,430	11,124,360	2,774,070
51	Rideshare Replacement 2024	NEW					2,002,300	2,002,300	1,614,140	388,160
<b>Subtotal Revenue Vehicle Projects</b>			<b>25,781,041</b>	<b>-</b>	<b>244,081</b>	<b>25,536,960</b>	<b>29,552,720</b>	<b>55,089,690</b>	<b>25,707,810</b>	<b>29,381,880</b>
52	Security Systems Replacement	452	4,080,769	1,635,027	400,543	2,045,199		2,045,200	1,808,310	236,890
53	ngORCA	482	6,154,834	3,594,215	36,896	2,523,724		2,523,720	2,523,720	
54	Hastus Upgrade 2017	510	961,975	897,531	34,560	29,884		29,880	29,880	
55	Backup Software Replacement 2018	543	85,000	4,451	8,902	71,647		71,650	71,650	
56	CAD-AVL System Replacement 2019	573	11,000,000	5,869,474	4,380,530	749,996		750,000	(2,588,430)	3,338,430
57	Facilities Workorder Management System - EAM Repl 2019	576	48,877			48,877		48,880	48,880	
58	Storage Area Network 2019	579	329,700	40,236		289,464		289,460	289,460	
59	Network Infrastructure Replacement 2021	603	760,000	476,992	85,611	197,397		197,400	197,400	
60	Call Center Software Replacement 2021	604	159,000		134,116	24,884		24,880	24,880	
61	NeoGov HRIS Module	609	150,000	44,616		105,384		105,380	105,380	
62	ADEPT Upgrade or Replacement 2022	625	2,200,000	527	827	2,198,646		2,198,650	2,198,650	
63	Network Infrastructure Replacement 2022	626	440,000	175,017	116,946	148,037		148,040	148,040	
64	Computer/Laptop Replacement 2022	631	300,000	127,985	156,366	15,649		15,650	15,650	
65	Network Infrastructure Replacement 2023	640	732,050			732,050		732,050	732,050	
66	Comm Center Radio Consoles Replacement	641	284,500			284,500		284,500	284,500	
67	Real Time Sign Refurbishment	645	43,070			43,070		43,070	43,070	
68	Computer and Laptop Replacement 2023	647	332,750			332,750		332,750	332,750	
69	Managed Cyber Security Services	650	250,000			250,000		250,000	250,000	
70	Computer & Laptop Replacement 2024	NEW					384,780	384,780	384,780	
71	Network Infrastructure Replacement 2024	NEW					1,255,980	1,255,980	1,255,980	
72	SQL Service DB Monitoring	NEW					27,310	27,310	27,310	
73	ngORCA Phase 2	NEW					780,360	780,360	780,360	
74	DriveCam Equipment	NEW					264,300	264,300	264,300	
75	Finance ERP	NEW					3,900,000	3,900,000	3,900,000	
<b>Subtotal Technology Projects</b>			<b>28,312,525</b>	<b>12,866,071</b>	<b>5,355,295</b>	<b>10,091,159</b>	<b>6,612,730</b>	<b>16,703,890</b>	<b>13,128,570</b>	<b>3,575,320</b>
<b>Total Capital Projects</b>			<b>150,698,551</b>	<b>67,093,377</b>	<b>19,200,252</b>	<b>64,404,922</b>	<b>56,266,590</b>	<b>120,671,540</b>	<b>65,171,410</b>	<b>55,500,130</b>

# Insurance Budget

The Insurance budget pays for the claims that arise from workers' compensation or unemployment. The 2024 Budget of \$3,330,240 reflects an increase of \$1,475,260 from the 2023 Year-End Estimate of 1,854,980. The increase is due to projected Workers' Compensation insurance costs.

2024 BUDGET INSURANCE SUMMARY					
	2022 ACTUALS	2023 AMENDED BUDGET	2023 YEAR-END ESTIMATE	2024 BUDGET	% CHANGE 2023 YEAR-END ESTIMATE VS. 2024 BUDGET
<b>INSURANCE REVENUES</b>					
<b>REVENUES</b>					
Interest	25,840	25,000	50,000	25,000	-50.0%
<b>TOTAL REVENUES</b>	<b>25,840</b>	<b>25,000</b>	<b>50,000</b>	<b>25,000</b>	<b>-50.0%</b>
<b>TRANSFERS</b>					
From Operating Fund	2,098,101	5,835,100	1,933,680	3,305,240	70.9%
<b>TOTAL TRANSFERS</b>	<b>2,098,101</b>	<b>5,835,100</b>	<b>1,933,680</b>	<b>3,305,240</b>	<b>70.9%</b>
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>2,123,941</b>	<b>5,860,100</b>	<b>1,983,680</b>	<b>3,330,240</b>	<b>67.9%</b>
<b>BEGINNING BALANCE</b>					
Insurance Fund	475,452	(884,390)	1,071,300	1,200,000	12.0%
<b>TOTAL REVENUES &amp; BEGINNING BALANCE</b>	<b>2,599,393</b>	<b>4,975,710</b>	<b>3,054,980</b>	<b>4,530,240</b>	<b>48.3%</b>
<b>INSURANCE EXPENDITURES</b>					
<b>EXPENDITURES</b>					
Workers' Compensation Insurance					
Light Duty	9,490	60,000	12,000	60,000	400.0%
Workers' Compensation	1,196,738	2,950,000	1,270,100	2,500,000	96.8%
Professional Services	54,075	100,000	116,000	121,800	5.0%
Excess Workers' Compensation	87,574	115,710	100,620	98,440	-2.2%
Taxes & Assessments	111,182	350,000	235,070	350,000	48.9%
Unemployment Insurance	69,033	200,000	121,190	200,000	65.0%
<b>TOTAL EXPENDITURES</b>	<b>1,528,092</b>	<b>3,775,710</b>	<b>1,854,980</b>	<b>3,330,240</b>	<b>79.5%</b>
<b>ENDING BALANCE</b>					
Insurance Fund	1,071,301	1,200,000	1,200,000	1,200,000	0.0%
<b>TOTAL EXPENDITURES &amp; ENDING BALANCE</b>	<b>2,599,393</b>	<b>4,975,710</b>	<b>3,054,980</b>	<b>4,530,240</b>	<b>48.3%</b>

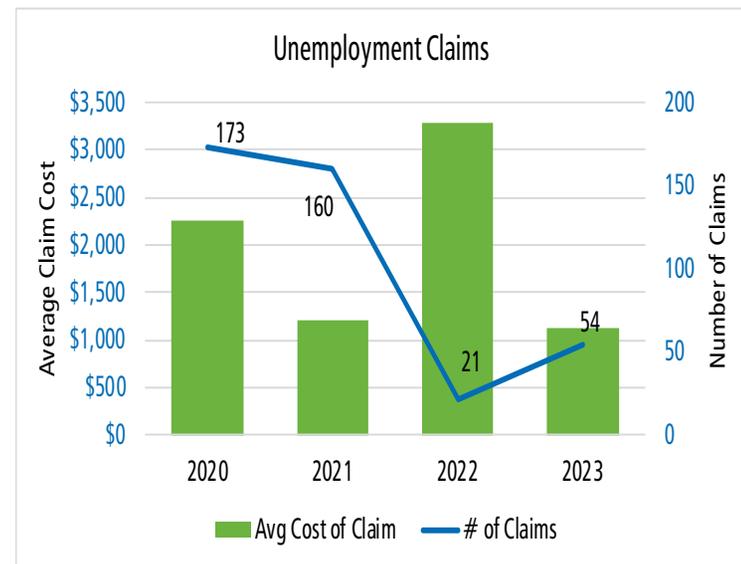
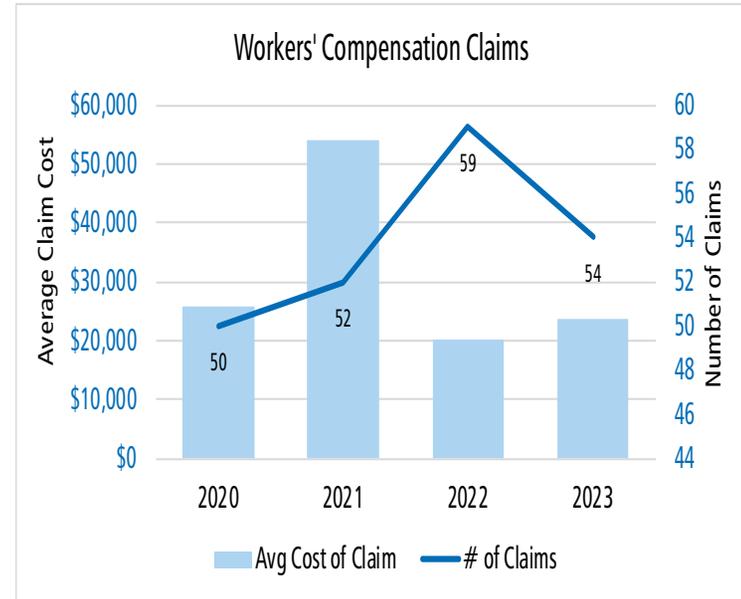


## Workers Compensation

Workers' compensation covers the expenses incurred by employees injured on the job resulting in the inability to work or perform their regular assigned duties while dealing with the effects of the injury. Workers' Compensation benefits are statutorily determined and governed by Labor & Industries. Pierce Transit is permissibly self-insured and financially responsible for the first \$1 million of every claim incurred. When Workers' Compensation payments exceed \$1 million, excess insurance takes over payments made to the injured worker, medical providers, and other qualifying expenses. Pierce Transit reduces workplace injuries by weekly safety reminders, enforcing safety policies, providing proper equipment to employees, and effective Workers' Compensation claims management practices. The cost of claims can vary based on the nature and severity of the injury. The number of claims has remained consistent, between 50 and 60 claims per year, from 2020 through 2022. 2021 had a significant increase in average claim amount due to retroactive claims. Claims for 2023 are based on known claims through June. Should claims maintain, 2023 will end with average number and amount as previous years.

## Unemployment

Unemployment was established to provide temporary income when an employee loses a job through no fault of their own. Pierce Transit pays claims based on the determination of the Employment Security Department. In 2020, there was a rise in unemployment claims due to the pandemic. Pierce Transit had to make severe reductions in service that lead to furloughs and layoffs. Pierce Transit made every effort to bring back laid-off employees as service increased. Additionally, Pierce Transit may be responsible for unemployment claims where a previous employee left for employment opportunities elsewhere but lost employment with the other organization. These claims arise due to the Employment Security Department calculation, where Pierce Transit may be considered a base-year employer. Currently, the number of claims and average claim cost is lower than pre-pandemic levels.



# Ending Balances

Ending balances include the required reserves for the operating, capital, and insurance budgets. 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.

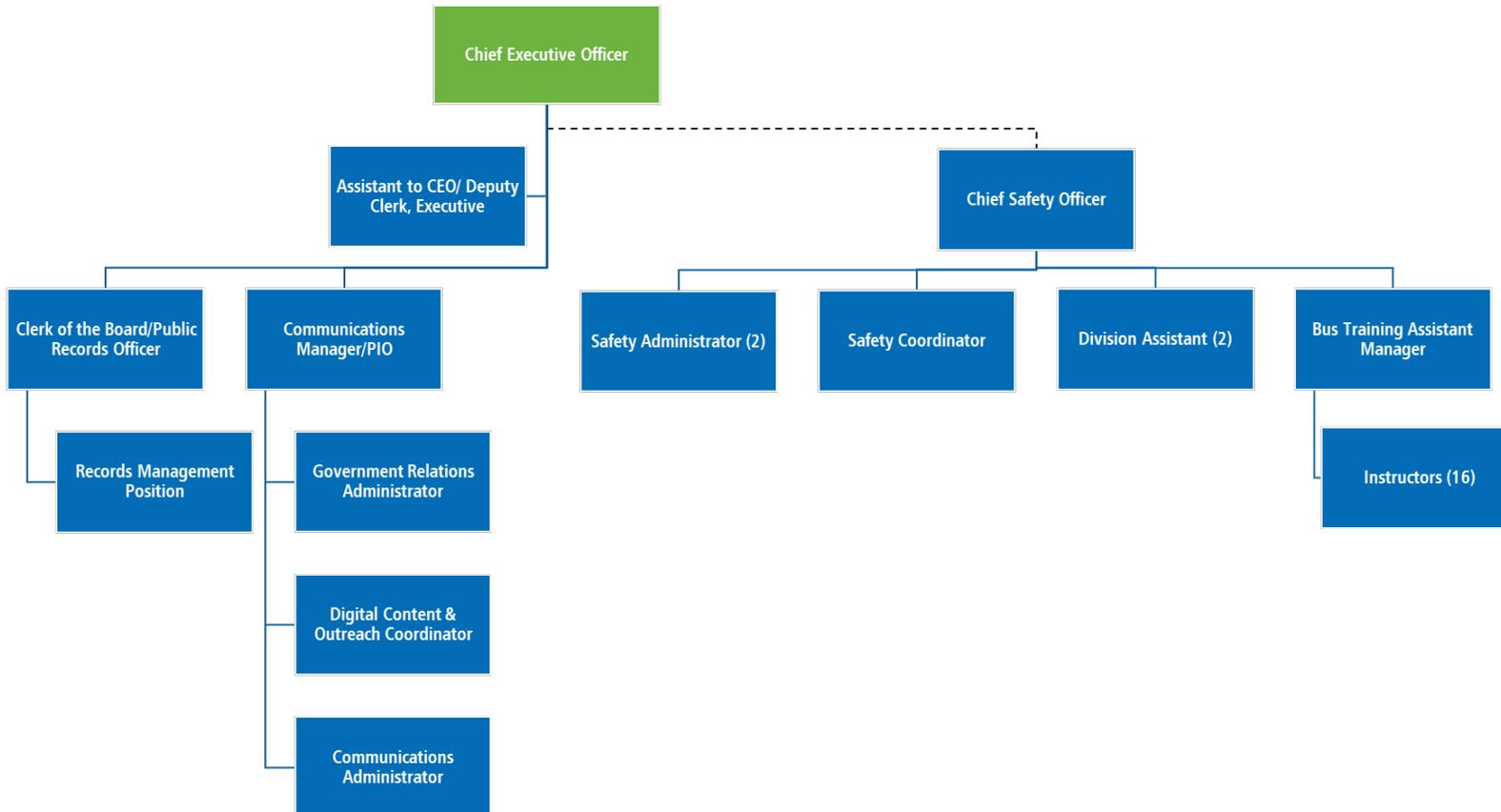
Budget	Beginning Balance	+	Revenue & Transfers-In	-	Expenditures & Transfers-Out	=	Ending Balance	Required Reserves	Margin
Operating	\$ 153,232,880		\$ 194,899,850		\$ 197,300,870		\$ 150,831,860	\$ 31,035,120	\$ 119,796,740
Capital	66,537,730		62,133,810		120,671,540		8,000,000	8,000,000	-
Insurance	1,200,000		3,330,240		3,330,240		1,200,000	1,200,000	-
<b>Total</b>	<b>\$ 220,970,610</b>		<b>\$ 260,363,900</b>		<b>\$ 321,302,650</b>		<b>\$ 160,031,860</b>	<b>\$ 40,235,120</b>	<b>\$ 119,796,740</b>

## Conclusion

The 2024 Budget is balanced, sustainable, and focused on strategic initiatives to meet Pierce Transit's vision and mission.



# Division Budgets



## Division Overview

The Executive Division consists of two departments: Division Administration and Communications. This division is responsible for overseeing the day-to-day operations, legal review of contracts, creating agency policies, implementing the vision of the Board, holding and documenting agency meetings, pursuing legislative priorities and the internal and external communications of the agency. There are eight budgeted positions within this division, representing less than 1% of the agency personnel. Executive has an operating budget of \$2,735,460 in 2024.

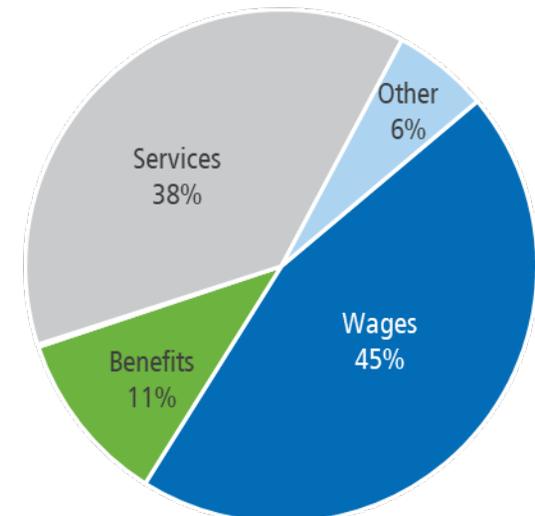
## Strategic Initiatives

Maintain an agency focus on customer service and work-life balance for employees, especially Operators
Center the new strategic plan in agency directives and operations
In collaboration with Marketing and other departments, complete and execute an agency-wide comprehensive communication campaign around Enhanced Bus Service launching spring 2024
Identify and share success stories to demonstrate Pierce Transit's value, responsiveness and accountability to employees and the community
Work with business, non-profit and governmental partners to solidify Pierce Transit's role in ensuring the South Puget Sound remains economically competitive among its counterparts state-wide

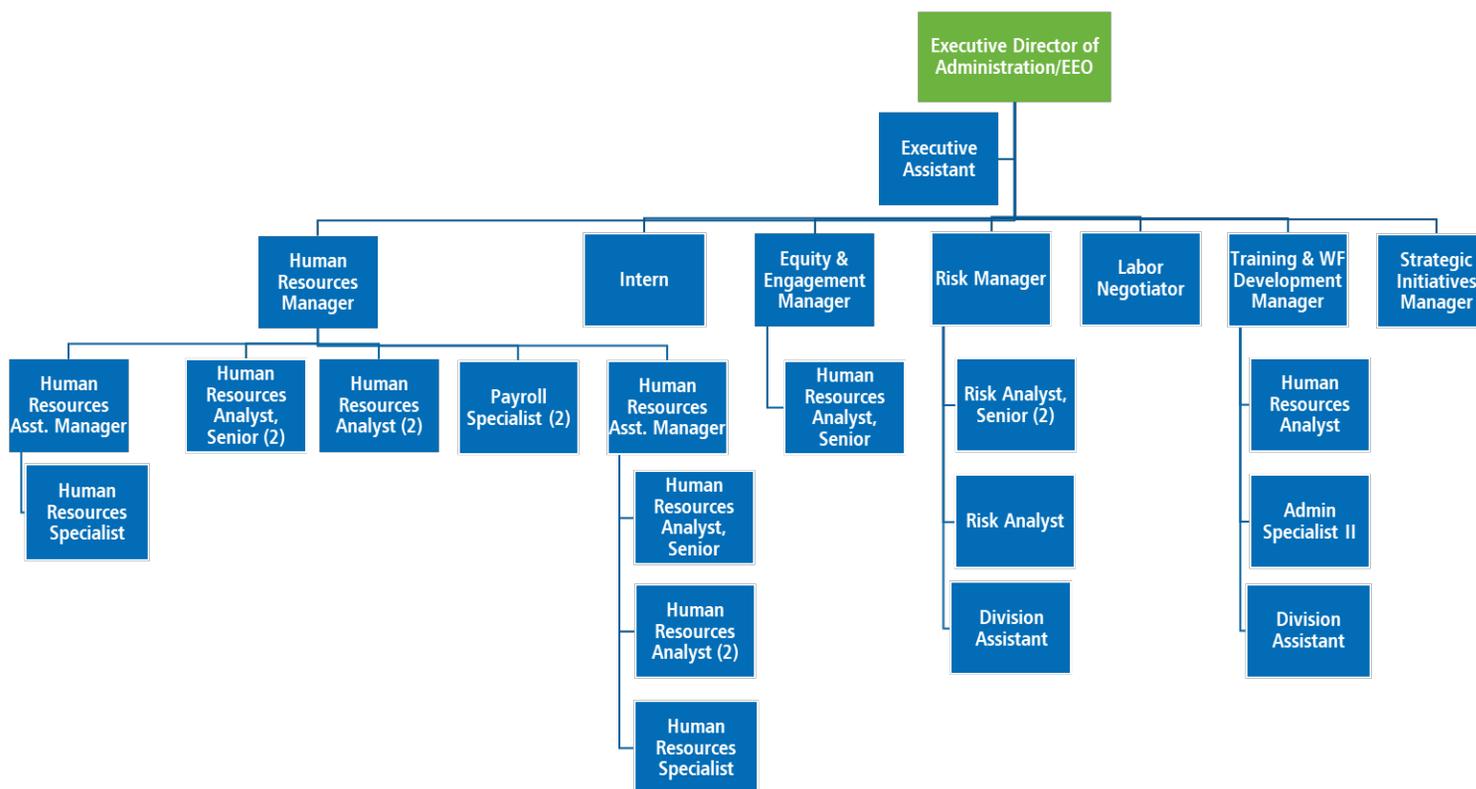
## Operating Budget by Object Type

	2022 Actuals	2023 Budget	2023 YE Estimate	2024 Budget	\$ Change 23 YE Est - 24 Budget	% Change 23 YE Est - 24 Budget
Wages	\$ 946,475	\$ 1,112,590	\$ 1,102,210	\$ 1,232,090	\$ 129,880	11.78%
Benefits	219,552	297,160	285,400	300,090	14,690	5.15%
Supplies	4,052	5,880	4,110	4,610	500	12.17%
Services	295,892	484,170	256,210	1,032,430	776,220	302.96%
Other	154,429	165,860	165,390	166,240	850	0.51%
<b>Division Total</b>	<b>\$ 1,620,400</b>	<b>\$ 2,065,660</b>	<b>\$ 1,813,320</b>	<b>\$ 2,735,460</b>	<b>\$ 922,140</b>	<b>50.85%</b>

## 2024 Executive Budget



# Administration Division



## Division Overview

The Administration Division consists of five departments: Division Administration (includes Equity and Engagement), Human Resources, Risk Management, Labor Relations, and Workforce Development. This division is responsible for directing and coordinating programs and policies that support current and future workforce strategic initiatives; strategic leadership and collaboration in managing and administering DEI and EEO programs working cross-departmentally across the organization, providing agency ADA coordination; managing and providing payroll services, employee leave and benefits, classification and compensation, HRMS, performance management, employee relations, personnel investigations, and recruitment; agency-wide workforce training and development programs; risk management through agency insurance, self-insurance, drug and alcohol compliance program, claims settlement, and workers' compensation, serving on the board at WSTIP (Washington State Transit Insurance Pool); agency-wide labor relations management including serving as primary liaison between management and union leadership, compliance with collective bargaining agreements, policies, and labor and employment laws, administration and interpretation of collective bargaining agreements, and management and resolution of grievance and arbitration processes. There are 30 budgeted positions within this division, representing 3% of the agency personnel. Administration has an operating budget of \$11,743,380 in 2024.

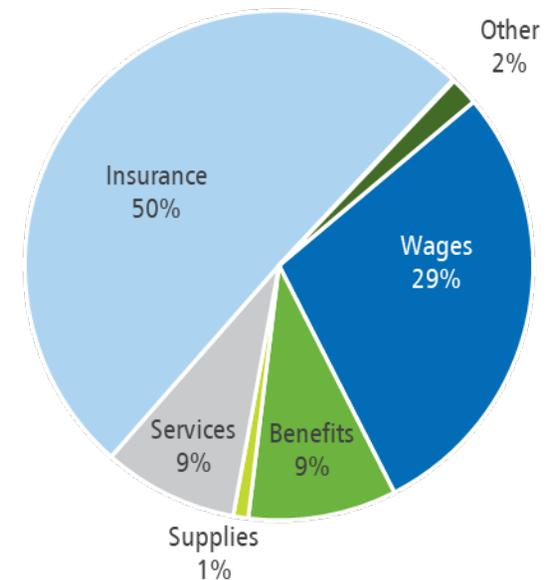
## Strategic Initiatives

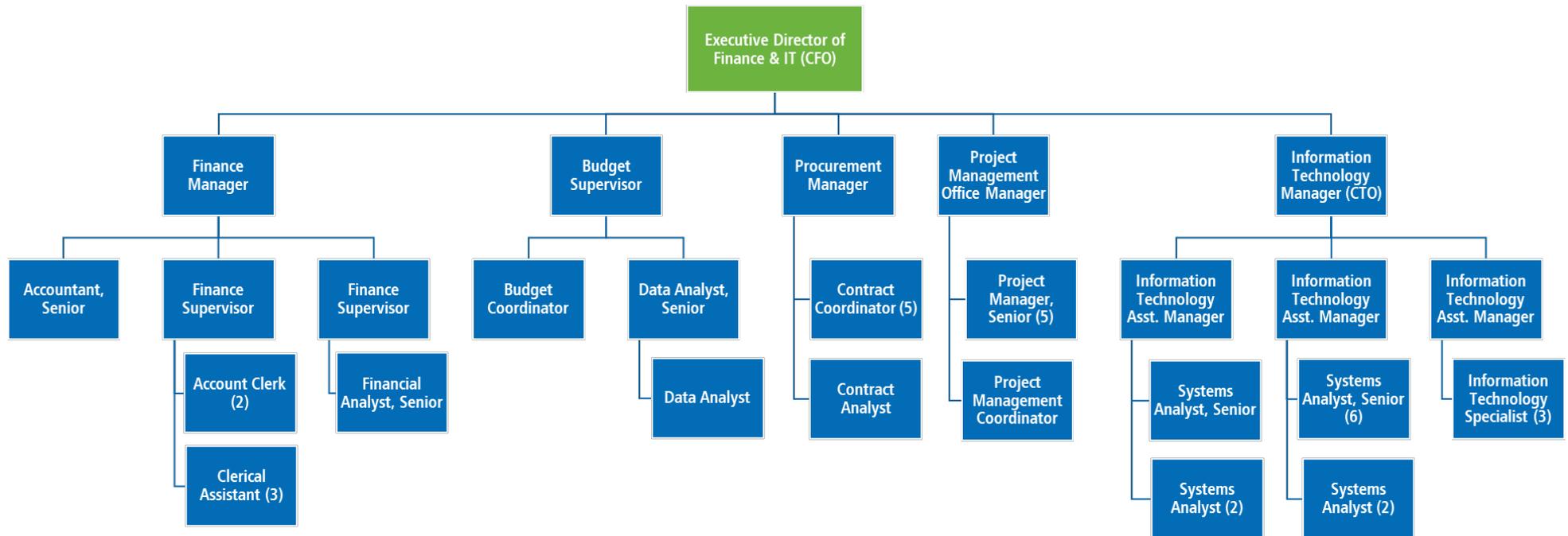
Participate in and enhance agency outreach efforts
Strengthen and enhance the EEO and DEI programs
Deliver a comprehensive development program for employees
Provide a foundation to engage and retain our workforce
Address workforce shortages

## Operating Budget by Object Type

	2022 Actuals	2023 Budget	2023 YE Estimate	2024 Budget	\$ Change 23 YE Est - 24 Budget	% Change 23 YE Est - 24 Budget
Wages	\$ 2,390,717	\$ 2,844,280	\$ 2,783,180	\$ 3,360,250	\$ 577,070	20.73%
Benefits	745,616	960,640	908,560	1,107,610	199,050	21.91%
Supplies	42,380	75,200	79,800	112,700	32,900	41.23%
Services	640,174	958,430	841,160	1,008,620	167,460	19.91%
Insurance	3,999,384	4,602,530	3,911,230	5,933,470	2,022,240	51.70%
Repairs	2,231	6,650	6,000	6,650	650	10.83%
Rentals	4,605	4,700	4,700	4,700	-	0.00%
Other	130,730	145,090	188,580	209,380	20,800	11.03%
<b>Division Total</b>	<b>\$ 7,955,837</b>	<b>\$ 9,597,520</b>	<b>\$ 8,723,210</b>	<b>\$ 11,743,380</b>	<b>\$ 3,020,170</b>	<b>34.62%</b>

## 2024 Administration Budget





## Division Overview

The Finance Division consists of six departments: Division Administration, Finance, Budget and Data Analytics, Procurement, Project Management, and Information Technology. This division is responsible for processing and maintaining the financial records for the agency, producing budget and reporting documents, developing reporting for effective decision making, administering contracts and purchasing, keeping projects going on-time and within budget, and implementing and supporting critical software and equipment throughout the agency. There are 47 budgeted positions within this division, representing 5% of the agency personnel. Finance has an operating budget of \$14,937,430 in 2024.

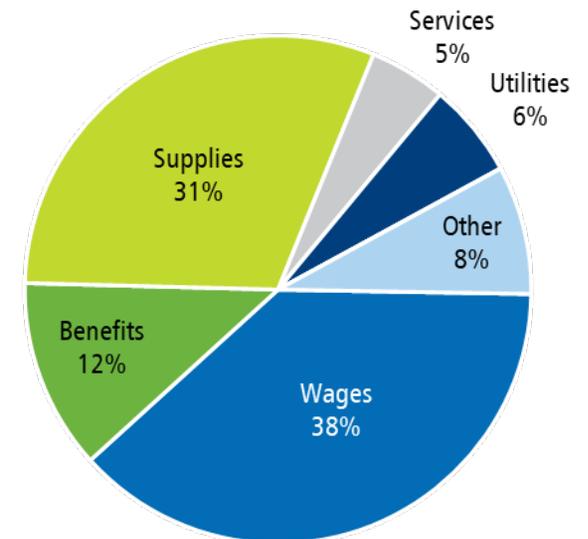
## Strategic Initiatives

Implement robust financial controls and compliance measures to uphold transparency and accountability in all financial transactions
Enhance financial reporting and transparency to build trust with customers and the community
Develop a long-term financial and capital investment plan to support maintenance and operational infrastructure, aligning with the agency's strategic growth
Enhance real-time dashboards and reporting systems to provide key performance indicators to stakeholders for informed decision-making
Continue to implement robust cybersecurity and business continuity measures to safeguard data and systems, ensuring the integrity and availability of critical transit services

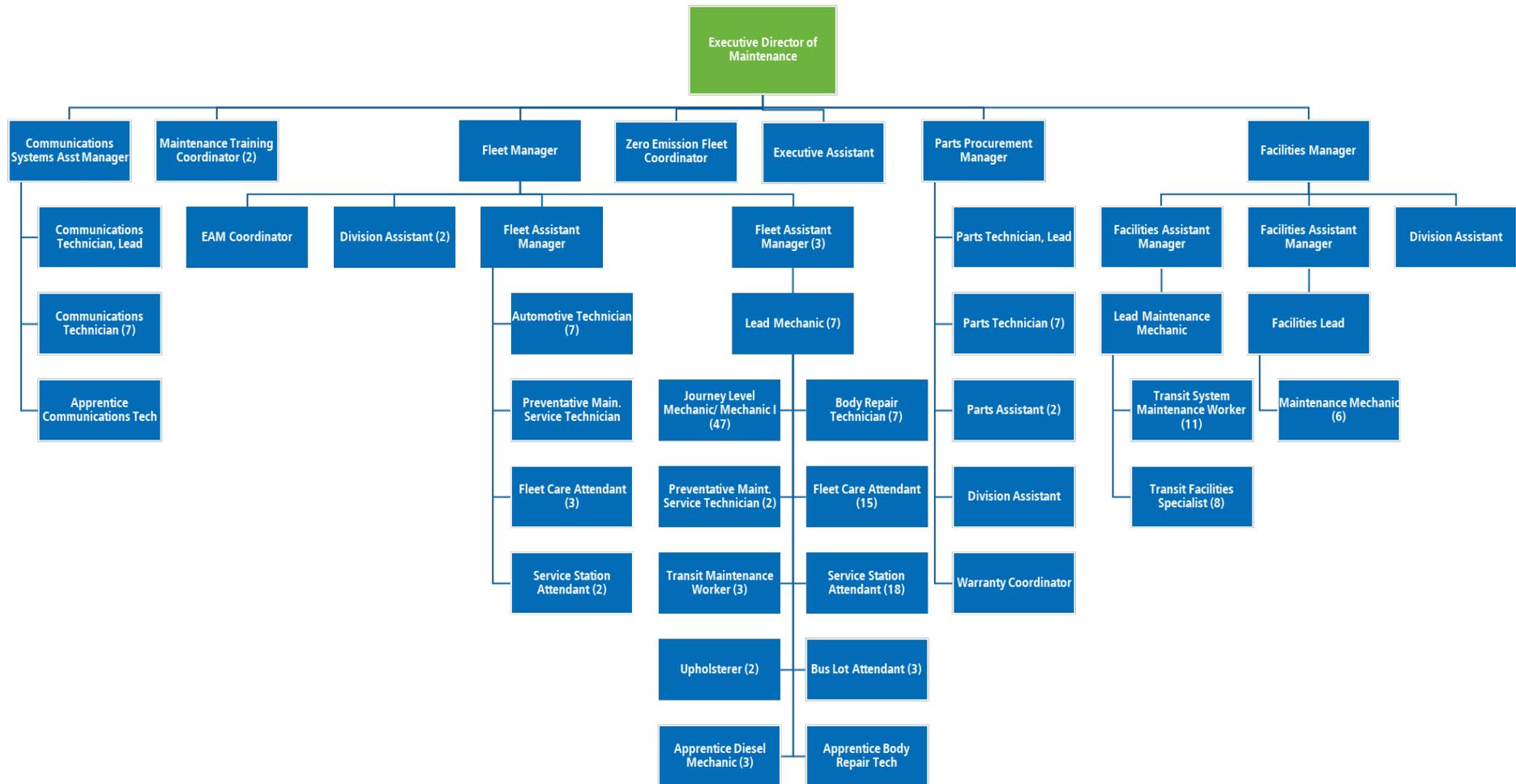
## Operating Budget by Object Type

	2022 Actuals	2023 Budget	2023 YE Estimate	2024 Budget	\$ Change 23 YE Est - 24 Budget	% Change 23 YE Est - 24 Budget
Wages	\$ 4,225,115	\$ 4,683,880	\$ 4,731,490	\$ 5,676,280	\$ 944,790	19.97%
Benefits	1,399,793	1,612,880	1,636,260	1,812,910	176,650	10.80%
Supplies	1,908,450	4,872,110	3,930,780	4,592,430	661,650	16.83%
Services	278,447	414,840	774,370	731,070	(43,300)	-5.59%
Utilities	837,218	684,600	650,000	900,000	250,000	38.46%
Repairs	41,238	6,750	2,750	3,250	500	18.18%
Rentals	123,322	32,000	-	-	-	0.00%
Other	3,215,605	652,960	1,181,900	1,221,490	39,590	3.35%
<b>Division Total</b>	<b>\$ 12,029,188</b>	<b>\$ 12,960,020</b>	<b>\$ 12,907,550</b>	<b>\$ 14,937,430</b>	<b>\$ 2,029,880</b>	<b>15.73%</b>

## 2024 Finance Budget



# Maintenance Division



## Division Overview

The Maintenance Division consists of six departments: Division Administration, Maintenance Training, Facilities, Fleet Maintenance, Warehousing and Radio Program. This division is responsible for commissioning and maintaining all fleet vehicles, communications equipment and facilities as well as keeping appropriate stock of inventory and procurement of specialized parts for the agency. There are 188 budgeted positions within this division, representing 19% of the agency personnel. Maintenance has an operating budget of \$42,729,460 in 2024.

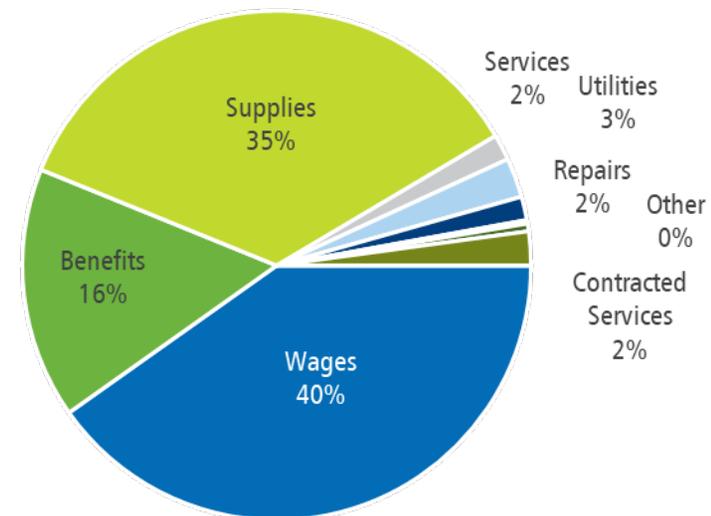
## Strategic Initiatives

Enhance the employee experience by offering an array of training and professional development opportunities
Further develop asset appearance and safety standards for the benefit of our internal and external customers
Build community partnerships for improved product delivery
Create opportunities for open dialog and meaningful engagement to foster trust
Explore creative financial solutions to reduce operational costs

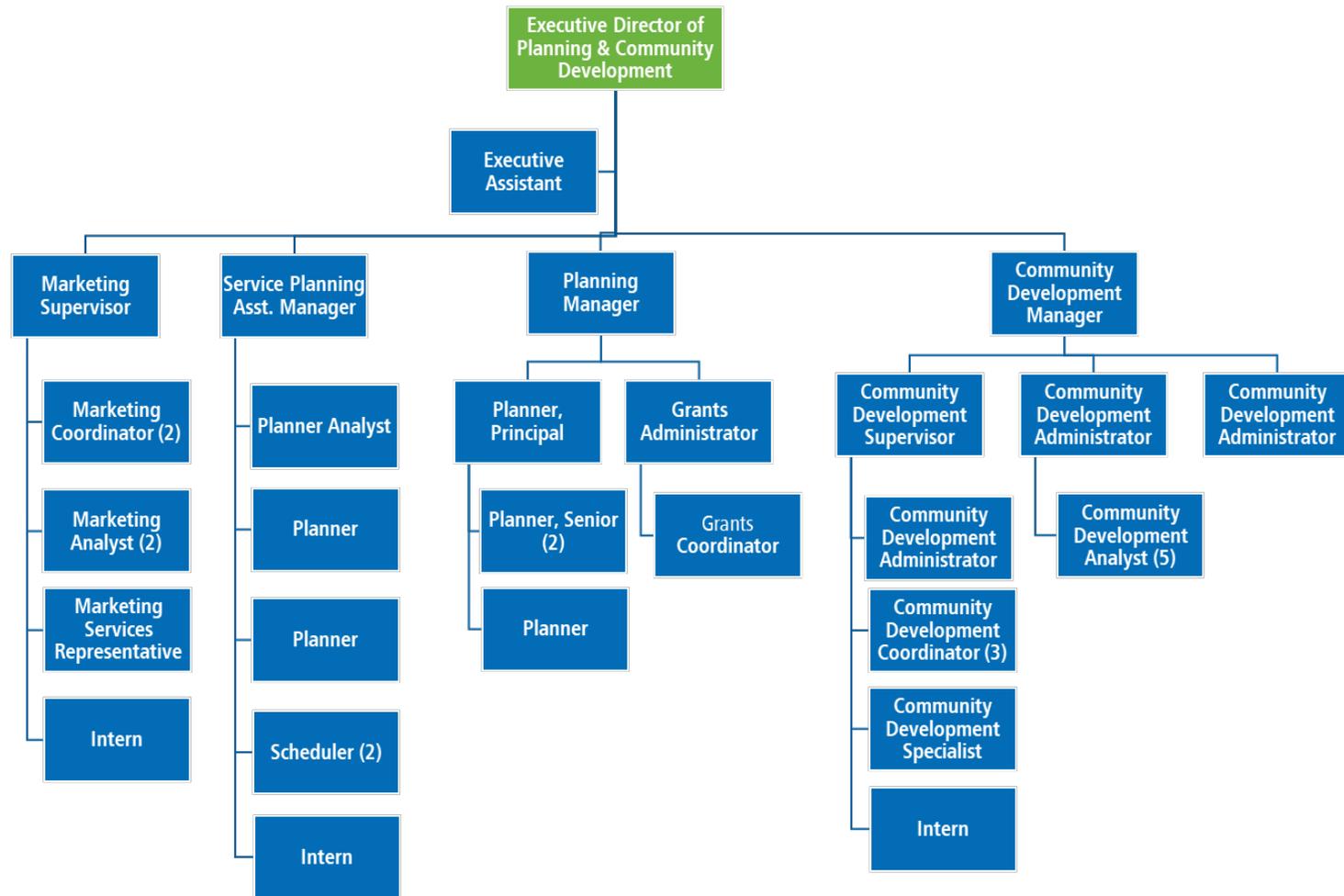
## Operating Budget by Object Type

	2022 Actuals	2023 Budget	2023 YE Estimate	2024 Budget	\$ Change 23 YE Est - 24 Budget	% Change 23 YE Est - 24 Budget
Wages	\$ 12,532,489	\$ 14,601,500	\$ 13,320,710	\$ 17,177,590	\$ 3,856,880	28.95%
Benefits	4,841,515	6,185,000	5,556,990	6,811,520	1,254,530	22.58%
Supplies	12,518,337	13,222,840	14,592,030	15,106,770	514,740	3.53%
Services	2,463,415	289,430	220,830	702,600	481,770	218.16%
Utilities	1,014,806	1,000,000	1,015,000	1,070,000	55,000	5.42%
Repairs	243,923	662,450	719,220	635,450	(83,770)	-11.65%
Rentals	144,044	90,000	87,470	100,000	12,530	14.32%
Other	619,755	134,080	297,390	204,830	(92,560)	-31.12%
Contracted Services	750,099	834,900	863,000	920,700	57,700	6.69%
Other Improvements	11,520	-	-	-	-	0.00%
<b>Division Total</b>	<b>\$ 35,139,903</b>	<b>\$ 37,020,200</b>	<b>\$ 36,672,640</b>	<b>\$ 42,729,460</b>	<b>\$ 6,056,820</b>	<b>16.52%</b>

## 2024 Maintenance Budget



# Planning & Community Development Division



## Division Overview

The Planning and Community Development Division consists of five departments: Division Administration, Marketing, Transit Development, Planning and Community Development. This division is responsible for providing marketing tools to promote current and future services, planning and developing our transit system annually and long term, connecting with businesses to provide transportation alternatives and pursuing grants to help fund operating and capital costs. There are 38 budgeted positions within this division, representing 4% of the agency personnel. Planning and Community Development has an operating budget of \$9,848,620 in 2024.

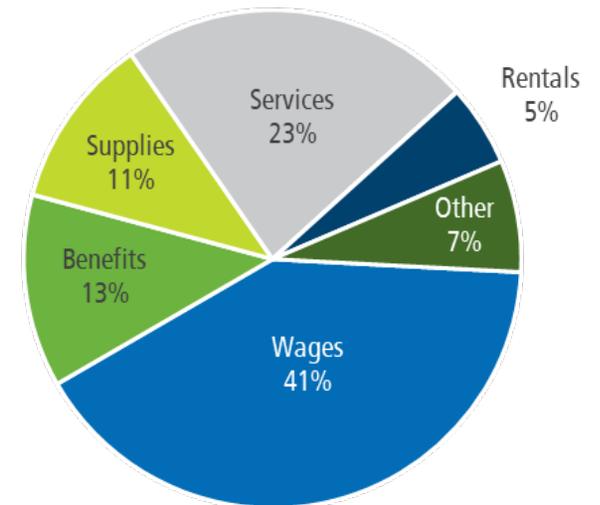
## Strategic Initiatives

Launch enhanced bus service on Pacific Avenue and complete plan for phased speed and reliability improvements
Develop a comprehensive awareness campaign to educate the community about public transit revenue
Implement system restoration improvements as staffing levels allow
Complete Draft 2045 Long Range Plan for adoption in 2025
Open Spanaway Transit Center

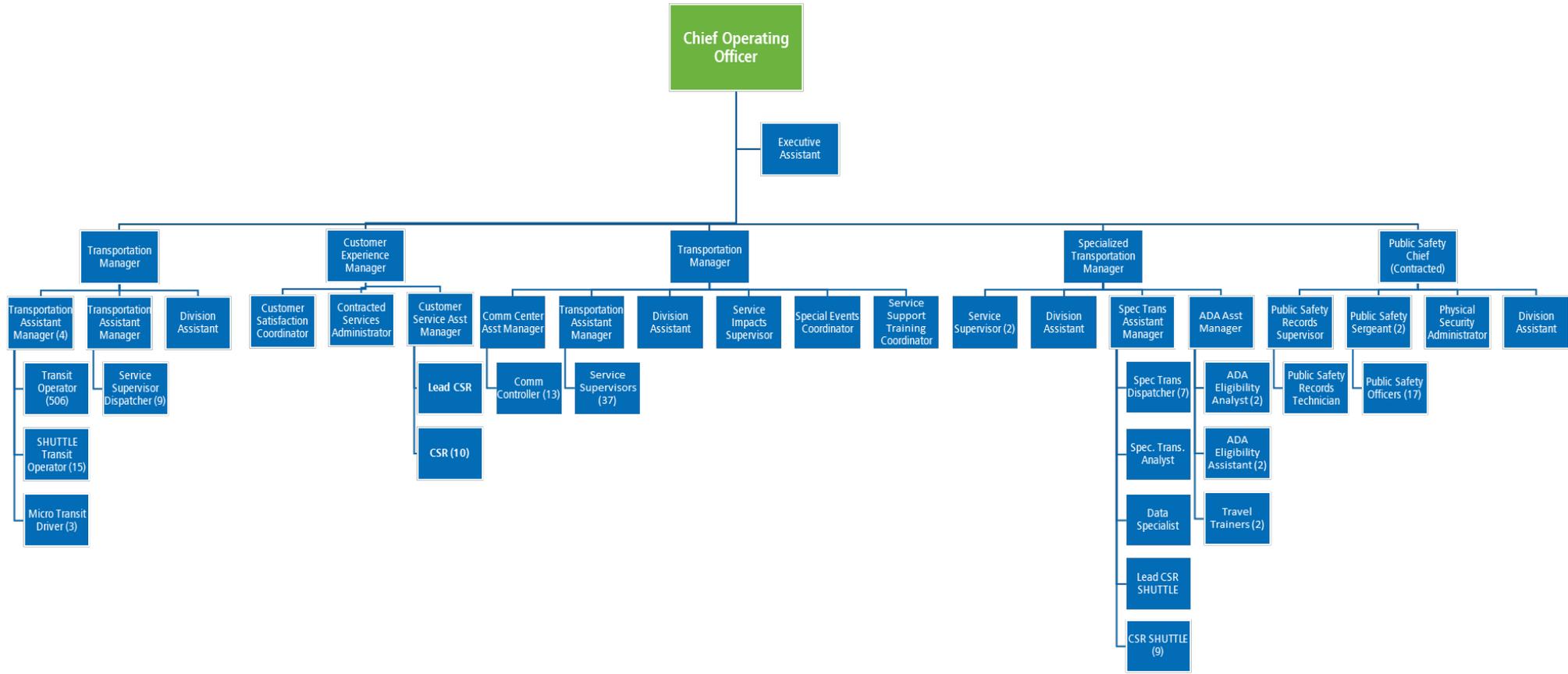
## Operating Budget by Object Type

	2022 Actuals	2023 Budget	2023 YE Estimate	2024 Budget	\$ Change 23 YE Est - 24 Budget	% Change 23 YE Est - 24 Budget
Wages	\$ 3,254,488	\$ 3,693,090	\$ 3,628,290	\$ 4,020,360	\$ 392,070	10.81%
Benefits	984,562	1,245,590	1,167,330	1,232,950	65,620	5.62%
Supplies	918,117	880,950	903,590	1,102,480	198,890	22.01%
Services	702,684	1,454,340	1,381,320	2,255,720	874,400	63.30%
Utilities	690	2,500	480	1,500	1,020	212.50%
Repairs	-	400	400	400	-	0.00%
Rentals	238,773	236,900	258,740	520,280	261,540	101.08%
Other	457,992	694,460	616,630	714,930	98,300	15.94%
<b>Division Total</b>	<b>\$ 6,557,306</b>	<b>\$ 8,208,230</b>	<b>\$ 7,956,780</b>	<b>\$ 9,848,620</b>	<b>\$ 1,891,840</b>	<b>23.78%</b>

## 2024 Planning & Community Development Budget



# Service Delivery & Support Division



## Division Overview

The Service Delivery and Support Division consists of seven departments: Division Administration, Safety, Public Safety, Transportation Operations, Training, Service Support and Specialized Transportation. This division is responsible for training the operators that provide our service, managing customer service to assist customer using our service, scheduling and managing daily activities, providing public safety at our transit centers, bus stops and on our buses, and providing ADA assessments and services for those unable to utilize our fixed route system. There are 691 budgeted positions within this division, representing 69% of the agency personnel. Service Delivery and Support has an operating budget of \$104,216,390 in 2024.

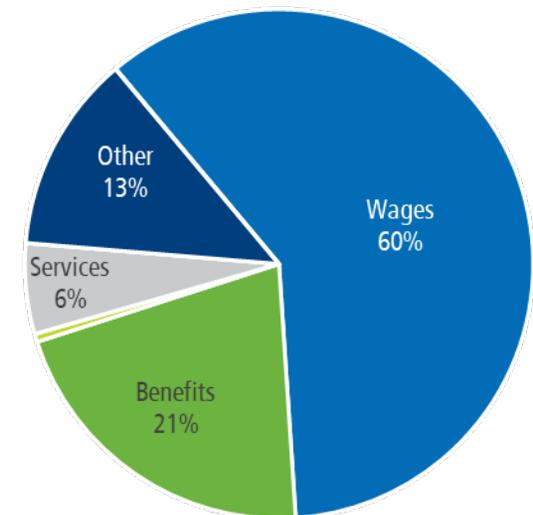
## Strategic Initiatives

Improve public confidence in the safety of the system
Increase focus on innovative ways to rebuild ridership
Improve the safe operations of our services and agency
Develop and maintain programs that enhance the customer experience
Increase service reliability and improve on-time performance

## Operating Budget by Object Type

	2022 Actuals	2023 Budget	2023 YE Estimate	2024 Budget	\$ Change 23 YE Est - 24 Budget	% Change 23 YE Est - 24 Budget
Wages	\$ 46,199,280	\$ 54,466,710	\$ 52,967,000	\$ 62,595,750	\$ 9,628,750	18.18%
Benefits	16,193,649	20,936,060	18,806,370	21,988,800	3,182,430	16.92%
Supplies	194,574	304,200	357,510	534,040	176,530	49.38%
Services	4,041,412	5,350,775	5,290,490	5,997,580	707,090	13.37%
Rentals	188,084	193,240	212,000	-	(212,000)	-100.00%
Other	9,463,589	11,355,825	12,246,130	13,098,430	852,300	6.96%
Contracted Services	1,097	1,790	1,790	1,790	-	0.00%
<b>Division Total</b>	<b>\$ 76,281,685</b>	<b>\$ 92,608,600</b>	<b>\$ 89,881,290</b>	<b>\$ 104,216,390</b>	<b>\$ 14,335,100</b>	<b>15.95%</b>

## 2024 Service Delivery & Support Budget





*It's*  
**ELECTRIC**



**Commerce Station  
Electrification  
Ribbon Cutting**

Six-Year Plan

# 2024 – 2029 Six-Year Plan Revenues & Expenditures

	2022 Actuals	2023 YE Est	2024 Budget	2025	2026	2027	2028	2029
<b>OPERATING</b>								
Revenues								
Operating Income								
Passenger Fares	6,133,859	5,923,520	6,327,840	6,721,350	7,101,220	7,511,490	7,566,870	7,622,810
Advertising	504,028	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Sound Transit Reimbursement								
ST Express	48,287,957	50,099,220	58,595,370	61,066,920	63,508,620	66,047,990	68,690,450	71,438,720
ST Tacoma Dome Station	869,151	890,000	1,022,360	1,049,960	1,077,260	1,105,270	1,135,110	1,168,030
ST ADA Travel Trainer	-	-	500,000	520,000	540,800	562,430	584,930	608,330
Total Operating Income	55,794,995	57,262,740	66,795,570	69,708,230	72,577,900	75,577,180	78,327,360	81,187,890
Non-Operating Income								
Sales Tax	110,927,532	110,292,250	113,027,500	117,740,750	122,473,930	127,213,670	131,971,460	136,735,630
Interest	2,531,399	4,500,000	250,000	754,160	725,810	707,590	695,830	697,040
Other Miscellaneous	1,622,633	905,700	779,240	790,620	802,340	814,410	826,840	839,640
Total Non-Operating Income	115,081,564	115,697,950	114,056,740	119,285,530	124,002,080	128,735,670	133,494,130	138,272,310
Operating Contributions								
Federal	39,528,416	7,859,620	855,900	3,953,420	3,882,880	4,496,020	5,247,330	5,100,240
State	2,058,990	9,626,060	12,886,340	12,552,630	10,475,480	10,525,480	10,068,770	10,068,770
Local	6,073	125,000	305,300	305,300	-	-	-	-
Total Operating Contributions	41,593,479	17,610,680	14,047,540	16,811,350	14,358,360	15,021,500	15,316,100	15,169,010
Total Operating Revenue	212,470,038	190,571,370	194,899,850	205,805,110	210,938,340	219,334,350	227,137,590	234,629,210
Expenditures								
Operating Expenditures								
Wages	69,548,568	78,532,880	94,062,320	99,802,130	103,794,230	107,945,950	112,263,770	116,754,350
Benefits	24,384,691	28,360,910	33,253,880	34,930,780	36,327,980	37,781,110	39,292,300	40,863,990
M&O	44,530,581	51,061,000	58,894,540	60,204,250	61,688,520	63,292,420	65,001,350	66,886,430
Total Operating Expenditures (less Debt, Depreciation, & Non-Departmental)	138,463,840	157,954,790	186,210,740	194,937,160	201,810,730	209,019,480	216,557,420	224,504,770
Non-Operating Expenditures								
Payment to Pierce Co. for 5307 Agreement	4,463,382	1,327,580	1,326,210	1,387,330	1,421,080	1,421,080	1,421,080	1,421,080
Long-Term Debt Payments	-	-	-	-	-	-	-	-
Total Expenditures	142,927,222	159,282,370	187,536,950	196,324,490	203,231,810	210,440,560	217,978,500	225,925,850

	2022 Actuals	2023 YE Est	2024 Budget	2025	2026	2027	2028	2029
<b>Transfers</b>								
To Capital Fund	59,412,378	-	6,458,680	11,725,640	7,823,990	7,612,950	5,175,490	12,876,370
To Insurance Fund	2,098,101	1,933,680	3,305,240	3,424,150	3,527,050	3,633,050	3,742,230	3,854,670
Total Transfers	61,510,479	1,933,680	9,763,920	15,149,790	11,351,040	11,246,000	8,917,720	16,731,040
Total Expenditures & Transfers	204,437,701	161,216,050	197,300,870	211,474,280	214,582,850	221,686,560	226,896,220	242,656,890
Change in Reserves	8,032,337	29,355,320	(2,401,020)	(5,669,170)	(3,644,510)	(2,352,210)	241,370	(8,027,680)
<b>CAPITAL</b>								
<b>Revenues</b>								
Federal Grants	3,949,421	5,738,440	39,947,960	11,883,690	12,172,200	10,166,690	10,766,210	10,954,840
State Grants	5,183,835	4,130,960	9,761,390	-	-	-	-	-
Other Grants/Contributions	1,972,208	941,200	5,790,780	-	-	-	-	-
Interest	498,615	1,500,000	175,000	40,000	40,000	40,000	40,000	40,000
TIFIA Loan Proceeds	-	-	-	-	-	-	-	-
Total Revenue	11,604,080	12,310,600	55,675,130	11,923,690	12,212,200	10,206,690	10,806,210	10,994,840
<b>Transfers</b>								
From Operating	59,412,378	-	6,458,680	11,725,640	7,823,990	7,612,950	5,175,490	12,876,370
Total Revenue & Transfers	71,016,458	12,310,600	62,133,810	23,649,330	20,036,190	17,819,640	15,981,700	23,871,210
<b>Expenditures</b>								
Revenue Vehicles	5,699,755	7,313,170	55,089,690	18,849,330	17,887,670	16,035,060	13,457,760	14,019,910
Base Facilities	21,663,587	10,794,710	14,191,490	-	-	-	-	-
Passenger Facilities & Amenities	2,781,746	2,242,770	23,651,030	23,400	-	-	-	-
Technology	7,241,947	5,355,300	16,703,890	3,748,240	1,730,300	1,300,750	1,851,300	1,851,300
Other	8,368,492	7,215,680	11,035,440	1,028,360	418,220	483,830	672,640	-
Total Expenditures	45,755,528	32,921,630	120,671,540	23,649,330	20,036,190	17,819,640	15,981,700	15,871,210
Change in Reserves	25,260,930	(20,611,030)	(58,537,730)	-	-	-	-	8,000,000
<b>2022 Actuals 2023 YE Est 2024 Budget 2025 2026 2027 2028 2029</b>								
<b>INSURANCE</b>								
<b>Revenues</b>								
Interest	25,840	50,000	25,000	6,000	6,000	6,000	6,000	6,000
<b>Transfers</b>								
From Operating	2,098,101	1,933,680	3,305,240	3,424,150	3,527,050	3,633,050	3,742,230	3,854,670
Total Revenue & Transfers	2,123,941	1,983,680	3,330,240	3,430,150	3,533,050	3,639,050	3,748,230	3,860,670
<b>Expenditures</b>								
Workers' Compensation	1,459,059	1,733,790	3,130,240	3,224,150	3,320,870	3,420,500	3,523,120	3,628,810
Unemployment Insurance	69,033	121,190	200,000	206,000	212,180	218,550	225,110	231,860
Total Expenditures	1,528,092	1,854,980	3,330,240	3,430,150	3,533,050	3,639,050	3,748,230	3,860,670
Change in Reserves	595,849	128,700	-	-	-	-	-	-

# 2024 – 2029 Six-Year Plan Ending Balances

	2022 Actuals	2023 YE Est	2024 Budget	2025	2026	2027	2028	2029
<b>OPERATING</b>								
Beginning Balance	115,845,220	123,877,560	153,232,880	150,831,860	145,162,690	141,518,180	139,165,970	139,407,340
Revenue	212,470,038	190,571,370	194,899,850	205,805,110	210,938,340	219,334,350	227,137,590	234,629,210
Total	328,315,258	314,448,930	348,132,730	356,636,970	356,101,030	360,852,530	366,303,560	374,036,550
Expenditures	142,927,222	159,282,370	187,536,950	196,324,490	203,231,810	210,440,560	217,978,500	225,925,850
Transfers to Capital/Insurance	61,510,479	1,933,680	9,763,920	15,149,790	11,351,040	11,246,000	8,917,720	16,731,040
Total	204,437,701	161,216,050	197,300,870	211,474,280	214,582,850	221,686,560	226,896,220	242,656,890
Ending Balance	123,877,557	153,232,880	150,831,860	145,162,690	141,518,180	139,165,970	139,407,340	131,379,660
Required Reserve	23,077,307	26,325,800	31,035,120	32,489,530	33,635,120	34,836,580	36,092,900	37,417,460
Margin / (Deficit)	100,800,250	126,907,080	119,796,740	112,673,160	107,883,060	104,329,390	103,314,440	93,962,200
<b>CAPITAL</b>								
Beginning Balance	61,887,828	87,148,760	66,537,730	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Revenue	11,604,080	12,310,600	55,675,130	11,923,690	12,212,200	10,206,690	10,806,210	10,994,840
Transfer from Operating	59,412,378	-	6,458,680	11,725,640	7,823,990	7,612,950	5,175,490	12,876,370
Total	132,904,286	99,459,360	128,671,540	31,649,330	28,036,190	25,819,640	23,981,700	31,871,210
Expenditures	45,755,528	32,921,630	120,671,540	23,649,330	20,036,190	17,819,640	15,981,700	15,871,210
Ending Balance	87,148,758	66,537,730	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	16,000,000
Required Reserve	9,500,000	8,500,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	16,000,000
Margin / (Deficit)	77,648,758	58,037,730	-	-	-	-	-	-
<b>INSURANCE</b>								
Beginning Balance	475,452	1,071,300	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Revenue	25,840	50,000	25,000	6,000	6,000	6,000	6,000	6,000
Transfer from Operating	2,098,101	1,933,680	3,305,240	3,424,150	3,527,050	3,633,050	3,742,230	3,854,670
Total	2,599,393	3,054,980	4,530,240	4,630,150	4,733,050	4,839,050	4,948,230	5,060,670
Expenditures	1,528,092	1,854,980	3,330,240	3,430,150	3,533,050	3,639,050	3,748,230	3,860,670
Ending Balance	1,071,301	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Required Reserve	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Margin / (Deficit)	(128,699)	-	-	-	-	-	-	-
<b>AGENCY-WIDE</b>								
Operating Ending Balance	212,097,616	220,970,610	160,031,860	154,362,690	150,718,180	148,365,970	148,607,340	148,579,660
Use of Reserves		(8,872,994)	60,938,750	5,669,170	3,644,510	2,352,210	(241,370)	27,680
Required Reserve	33,777,307	36,025,800	40,235,120	41,689,530	42,835,120	44,036,580	45,292,900	54,617,460
Margin / (Deficit)	178,320,309	184,944,810	119,796,740	112,673,160	107,883,060	104,329,390	103,314,440	93,962,200

# 2024 – 2029 Six-Year Capital Plan

#	Project Name	Project #	Project Budget	Spent Thru 2022	2023 YE Est	2023 Est Carryover	2024 New Request	2024	2025	2026	2027	2028	2029	Total Capital
1	Security Systems Repl	452	4,080,769	1,635,027	400,543	2,045,199		2,045,200						2,045,200
2	ngORCA	482	6,154,834	3,594,215	36,896	2,523,724		2,523,720						2,523,720
3	Narrows Park & Ride Renewal	503	1,013,060	98,922	3,873	910,265		910,270						910,270
4	Hastus Upgrade 2017	510	961,975	897,531	34,560	29,884		29,880						29,880
5	Commerce Tunnel Refurbishment	524	3,635,363	3,568,474	21,566	45,323		45,320						45,320
6	Maintenance & Operations Base Improvements (MOBI)	525	62,800,000	43,608,032	10,762,310	8,429,658		8,429,660						8,429,660
7	Backup Software Repl 2018	543	85,000	4,451	8,902	71,647		71,650						71,650
8	Spanaway TC P&R - Phase I	556	9,242,886	4,098,049	1,265,349	3,879,487		3,879,490						3,879,490
9	SHUTTLE Replacement 2019	558	1,051,607			1,051,607		1,051,610						1,051,610
10	South Hill Mall TC Renewal	571	1,807,028	1,691,450		115,578		115,580						115,580
11	CAD-AVL System Replacement 2019	573	11,000,000	5,869,474	4,380,530	749,996		750,000						750,000
12	Facilities Workorder Management System - EAM Repl 2019	576	48,877			48,877		48,880						48,880
13	Storage Area Network 2019	579	329,700	40,236		289,464		289,460						289,460
14	Tacoma Dome Station Elevator Repairs/Upgrades	588	3,451,549	571,913	889,679	1,989,957		1,989,960						1,989,960
15	Network Infrastructure Replacement 2021	603	760,000	476,992	85,611	197,397		197,400						197,400
16	Call Center Software Replacement 2021	604	159,000		134,116	24,884		24,880						24,880
17	Support Vehicle Replacement 2021	606	292,463	138,762	85,189	68,512		68,510						68,510
18	Spanaway TC Parking Lot Expansion	607	1,000,000	58,643	15,514	925,843	14,493,350	15,419,190						15,419,190
19	NeoGov HRIS Module	609	150,000	44,616		105,384		105,380						105,380
20	Rideshare Replacement 2021	611	814,118		239,421	574,697		574,700						574,700
21	Commerce Facility Bus Charging Station	612	2,000,000	176,925	454,497	1,368,578		1,368,580						1,368,580
22	Bldg 5 A/V Equip Repl	620	220,386	177,393	32,177	10,817		10,820						10,820
23	SHUTTLE Replacement 2022	623	2,928,534		4,305	2,924,229		2,924,230						2,924,230
24	Support Vehicle Replacement 2022	624	334,837			334,837		334,840						334,840
25	ADEPT Upgrade or Replacement 2022	625	2,200,000	527	827	2,198,646		2,198,650						2,198,650
26	Network Infrastructure Replacement 2022	626	440,000	175,017	116,946	148,037		148,040						148,040
27	Rideshare Replacement 2022	628	1,453,062			1,453,062		1,453,060						1,453,060
28	Computer/Laptop Replacement	631	300,000	127,985	156,366	15,649		15,650						15,650
29	Bus Stop Replacement	633	1,000,000	38,743		961,257	2,125,000	3,086,260						3,086,260
30	Barrier Door Install	636	606,580			606,580		606,580						606,580
31	SHUTTLE Replacement	637	3,114,390			3,114,390		3,114,390						3,114,390
32	Bus Fleet Replacement	638	13,541,180			13,541,180		13,541,180						13,541,180
33	Support Replacement	639	697,330			697,330		697,330						697,330
34	Network Infrastructure Replacement 2023	640	732,050			732,050		732,050						732,050
35	Comm Center Radio Consoles Replacement	641	284,500			284,500		284,500						284,500
36	Bldg 5 Exterior Sealing	642	130,000			130,000		130,000						130,000
37	Bldg 4 Exterior Painting	643	273,160		62	273,098		273,100						273,100
38	Bldg 1 Iron Worker Replacement for the Body Shop	644	58,710			58,710		58,710						58,710
39	Real Time Sign Refurbishment	645	43,070			43,070		43,070						43,070
40	Rideshare Replacement	646	1,933,230			1,933,230		1,933,230						1,933,230
41	Computer and Laptop Replacement	647	332,750			332,750		332,750						332,750
42	Behavioral Health Vehicle	648	78,000			78,000		78,000						78,000
43	Public Safety Vehicle Exp (2)	649	150,000			150,000		150,000						150,000
44	Managed Cyber Security Services	650	250,000			250,000		250,000						250,000
45	Employee Engagement Tool	651	42,000		160	41,840		41,840						41,840
46	Shatter Proof Film Bldgs 4, 5 & TDS	652	92,900			92,900		92,900						92,900
47	Base BEB Charging Expansion to 12 Buses	653	4,444,500			4,444,500		4,444,500						4,444,500
48	Stream Syst Expansion Study II	654	2,000,000			2,000,000		2,000,000						2,000,000
49	Puyallup Runner Wheelchair Accessible Vehicles (2)	655	138,340			138,340		138,340						138,340
50	Rideshare Telematics 2023	656	200,000		355	199,645		199,650						199,650
51	Enhanced Bus Service	658	1,672,290			1,672,290		1,672,290						1,672,290
52	Misc Capital Equipment	778	168,523		70,500	98,023	101,980	200,000						200,000
<b>Subtotal Carry-Over &amp; Additional</b>			<b>208,181,347</b>	<b>110,854,790</b>	<b>32,921,629</b>	<b>64,404,927</b>	<b>16,720,330</b>	<b>81,125,280</b>	-	-	-	-	-	<b>81,125,280</b>

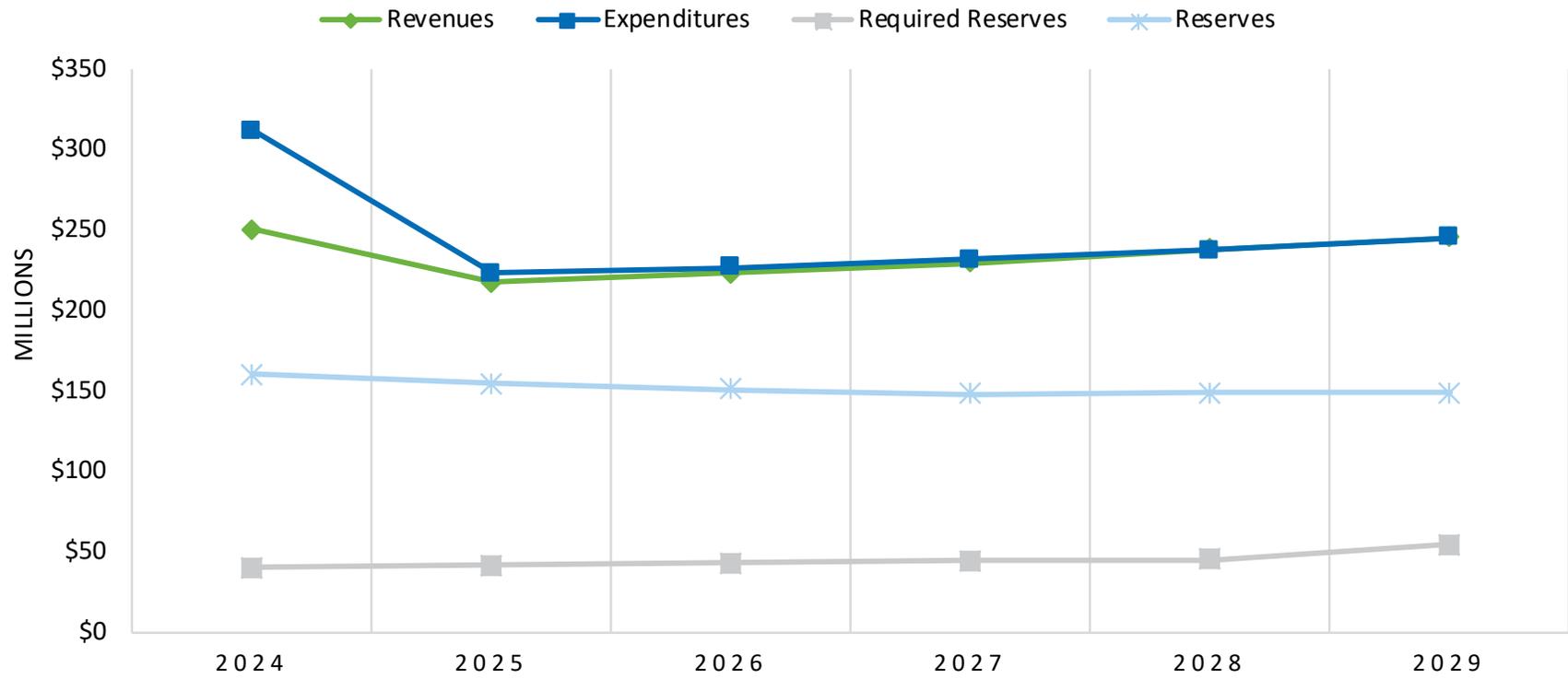
#	Project Name	Project #	Project Budget	Spent Thru 2022	2023 YE Est	2023 Est Carryover	2024 New Request	2024	2025	2026	2027	2028	2029	Total Capital
53	Bldg 1 Paint Booth Controls	NEW					210,580	210,580						210,580
54	Bus Fleet Replacement	NEW					13,651,990	13,651,990	7,820,200	8,009,700	7,243,280	6,304,140	6,488,000	49,517,310
55	SHUTLE Replacement	NEW					13,898,430	13,898,430	7,762,920	8,141,320	5,465,090	7,153,620	7,420,000	49,841,380
56	Computer & Laptop Replacement	NEW					384,780	384,780	453,750	453,750	453,750	453,750	453,750	2,653,530
57	Network Infrastructure Repl	NEW					1,255,980	1,255,980	2,613,600	1,276,550	847,000	1,397,550	1,397,550	8,788,230
58	Bldg 1 Wheel Alignment Machine	NEW					103,000	103,000						103,000
59	Bldg 1 Evap Cooling Fans	NEW					30,000	30,000						30,000
60	Bldg 1 Aerosol Can Crusher	NEW					25,290	25,290						25,290
61	Bldg 1 Sand Blast Cabinet	NEW					39,030	39,030						39,030
62	Rideshare Replacement	NEW					2,002,300	2,002,300	3,266,210	1,736,650	3,326,690		111,910	10,443,760
63	Support Vehicle Replacement	NEW					896,150	896,150	1,028,360	418,220	483,830	672,640		3,499,200
64	SQL Service DB Monitoring	NEW					27,310	27,310						27,310
65	CNG Compressor Transformers	NEW					172,500	172,500						172,500
66	TDS HVAC Metasys Bldg Mgmt	NEW					17,300	17,300						17,300
67	ngORCA Phase 2	NEW					780,360	780,360						780,360
68	Bldg 4 HVAC Retro	NEW					305,900	305,900						305,900
69	DriveCam Equipment	NEW					264,300	264,300						264,300
70	Bldg 1 HD B&P Bending Brake	NEW					13,740	13,740						13,740
71	Bldg 1 3 Phase Spot Welder	NEW					50,000	50,000						50,000
72	Finance ERP	NEW					3,900,000	3,900,000						3,900,000
73	TDS Wayfinding Implementation	NEW					1,273,920	1,273,920						1,273,920
74	Bldg 5 Spec Trans Redesign	NEW					170,400	170,400						170,400
75	Bldg 1 Trng Rm Tech Upgrade	NEW					73,000	73,000						73,000
<b>Subtotal New Requests</b>			-	-	-	-	<b>39,546,260</b>	<b>39,546,260</b>	<b>22,945,040</b>	<b>20,036,190</b>	<b>17,819,640</b>	<b>15,981,700</b>	<b>15,871,210</b>	<b>132,200,040</b>

#	Project Name	Project #	Project Budget	Spent Thru 2022	2023 YE Est	2023 Est Carryover	2024 New Request	2024	2025	2026	2027	2028	2029	Total Capital
76	72nd P&R Seal & Striping	OUTYEAR							23,400					23,400
77	Hastus Upgrade	OUTYEAR						680,890						680,890
<b>Subtotal Outyear</b>								<b>704,290</b>	-	-	-	-	-	<b>704,290</b>
<b>Grand Total</b>			<b>208,181,347</b>	<b>110,854,790</b>	<b>32,921,629</b>	<b>64,404,927</b>	<b>56,266,590</b>	<b>120,671,540</b>	<b>23,649,330</b>	<b>20,036,190</b>	<b>17,819,640</b>	<b>15,981,700</b>	<b>15,871,210</b>	<b>214,029,610</b>

A portion of the project is funded by grants

# SIX-YEAR FORECAST





# Appendix

# 2024 Service Summary

## All Modes

		2022	2023	2024	% Change
		Actual	YE Estimate	Budget	2023 YE Estimate - 2024 Budget
<b>Pierce Transit</b>					
<b>Fixed Route Local &amp; Express</b>					
	Ridership	4,946,334	5,218,052	5,442,830	4.3%
	Service Hours	411,323	428,061	475,000	11.0%
	Service Miles	4,147,369	4,967,079	5,516,782	11.1%
<b>Sound Transit</b>					
<b>Fixed Route Express</b>					
	Ridership	2,311,128	2,189,050	2,186,962	-0.1%
	Service Hours	258,448	271,300	271,300	0.0%
	Service Miles	4,495,481	5,549,710	5,540,902	-0.2%
<b>Total Fixed Route (Pierce Transit &amp; Sound Transit)</b>					
	Ridership	7,257,462	7,407,102	7,629,792	3.0%
	Service Hours	669,771	699,361	746,300	6.7%
	Service Miles	8,642,850	10,516,789	11,057,684	5.1%
<b>SHUTTLE</b>					
	Ridership	209,416	266,000	316,187	18.9%
	Service Hours	138,546	177,150	215,030	21.4%
	Service Miles	1,686,340	2,454,330	2,921,545	19.0%
<b>Runner</b>					
	Ridership	5,620	15,444	24,386	57.9%
	Service Hours	2,811	13,087	25,853	97.5%
	Service Miles	31,425	159,341	314,774	97.5%
<b>Rideshare</b>					
	Ridership	382,751	374,556	419,503	12.0%
	Service Hours	85,984	94,385	104,767	11.0%
	Service Miles	3,028,154	3,540,900	4,030,634	13.8%
<b>AGENCY TOTAL</b>					
	Ridership	7,849,629	8,047,658	8,389,868	4.3%
	Service Hours	894,301	970,896	1,091,950	12.5%
	Service Miles	13,357,344	16,512,019	18,324,637	11.0%

# Pierce Transit by the Numbers

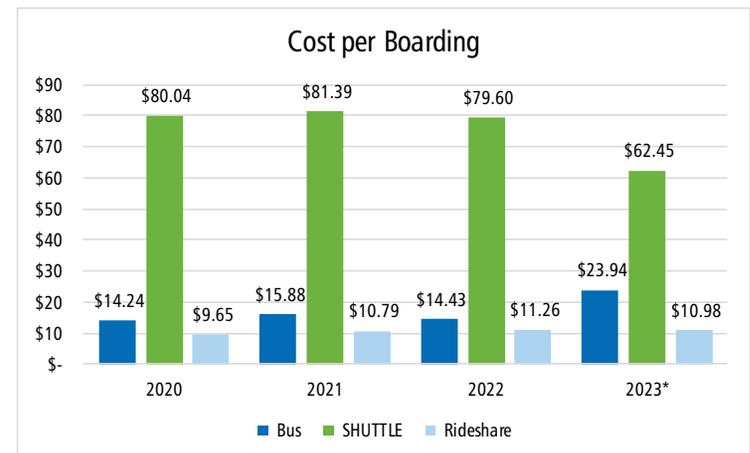
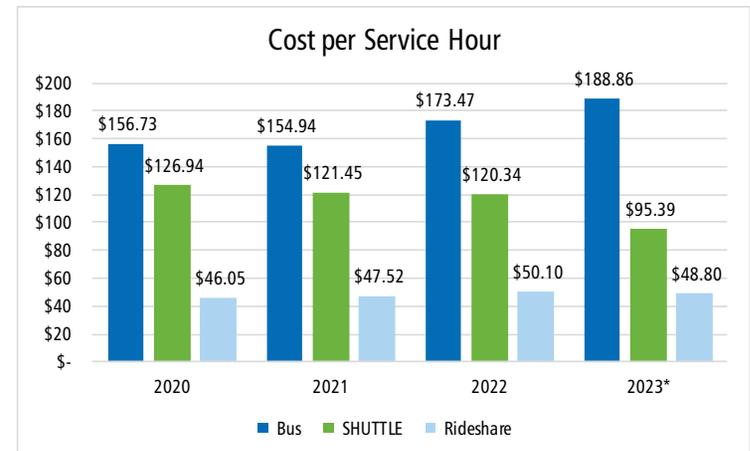
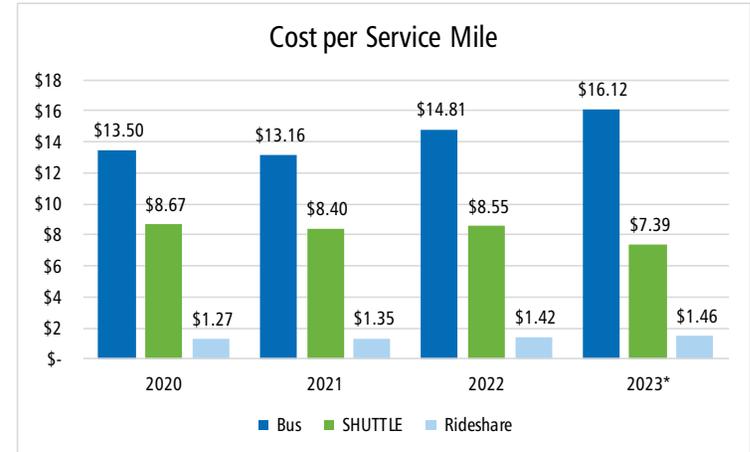
The following charts provide a historical view of Pierce Transit from a financial perspective. Years 2020 through 2022 use the actuals to perform the calculation, while 2023 budgeted amounts are used to break down costs by mode. The charts break down the cost of service by the mile, hour, and ridership. Pierce Transit has three modes; Fixed Route, SHUTTLE, and Rideshare. Looking at one unit, whether it is a mile, an hour, or a boarding, allows us to compare costs more easily over time. As a service industry, most of our operating expense is personnel costs. As wage and benefit costs rise, the cost per unit will increase until the units or efficiencies increase.

Fixed Route accounts for 80% of anticipated operating costs, over \$89 million in 2023, a 25.73% increase over 2022 costs of \$71.4 million. Service miles and hours are budgeted to increase in 2023, by 15.55% and 15.48%, respectively. Ridership is projecting a decrease of 24.24%.

SHUTTLE service is budgeted to increase expenditures during this same time frame by 11.82%. Similar to Fixed Route, SHUTTLE service miles, hours, and ridership are all budgeted for an increase, 29.40%, 41.08%, and 42.53%, respectively.

Rideshare, formerly branded as Vanpool, is challenging to predict because the service is requested, not planned. Rideshare service miles, hours, and ridership are all budgeted to remain stable with increases in hours of 4.67% and ridership of 4.51%, slightly decreasing in miles by 0.93%.

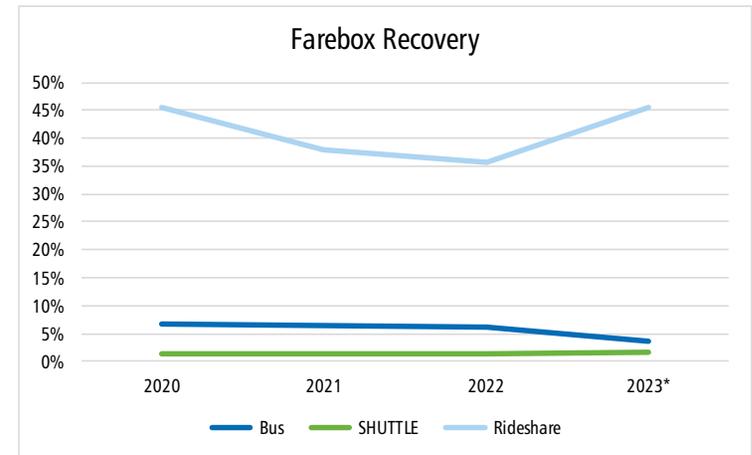
Due to recent inflation, costs escalated at a sharper rate than previous years. We anticipate inflation returning to more normal levels which will ease the cost of running the service.



## Fares

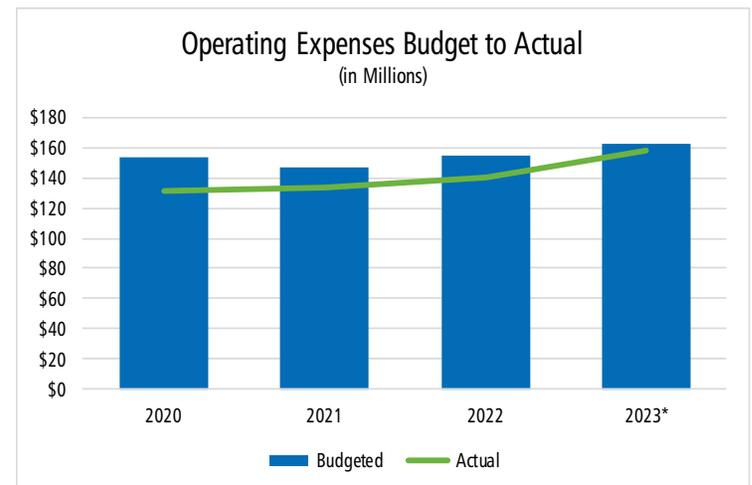
Farebox recovery is the percentage of direct fares received by each mode to cover the costs of operating the mode. Public transit is a benefit to the community and not for profit. As such, fares are not expected to cover the services provided in full. Pierce Transit anticipates that fares are approximately 3.4% of operating revenues in 2023. The remainder of the service is funded through sales tax collections.

SHUTTLE does receive an operating grant through the State of Washington to assist with providing services that is not shown in this graph.



## Budget Versus Actuals

As one of Pierce Transit's strategic priorities, we act with financial accountability and transparency as stewards of the public trust. Pierce Transit has underspent its budget by an average of 6.44% pre-COVID and had historic savings in 2020 of 14.53% due to reduced services and extreme cost-saving measures during uncertain times. We will continue to be conservative in our spending while planning appropriately to meet the needs of our riders and plan for the future.



# Federal Funding

Pierce Transit utilizes federal funding to cover the cost of capital projects. More routine formula funding is used to purchase replacement fleet vehicles. Federal funding has also contributed to the new bus rapid transit line, Stream. There is a variety of federal funds available to Pierce Transit either through formula or discretionary funding.

**5307** funding is apportioned based on legislative formulas. The formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles as well as population and population density.

**5337** funds are apportioned by statutory formulas for high intensity fixed guideway systems are based on revenue miles and route miles reported to National Transit Database (NTD).

**5309** is FTA discretionary grant program funds transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit.

**5339** provides funding to states and transit agencies through a statutory formula to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. In addition to the formula allocation, this program includes two discretionary components: The Bus and Bus Facilities Discretionary Program and the Low or No Emissions Bus Discretionary Program.

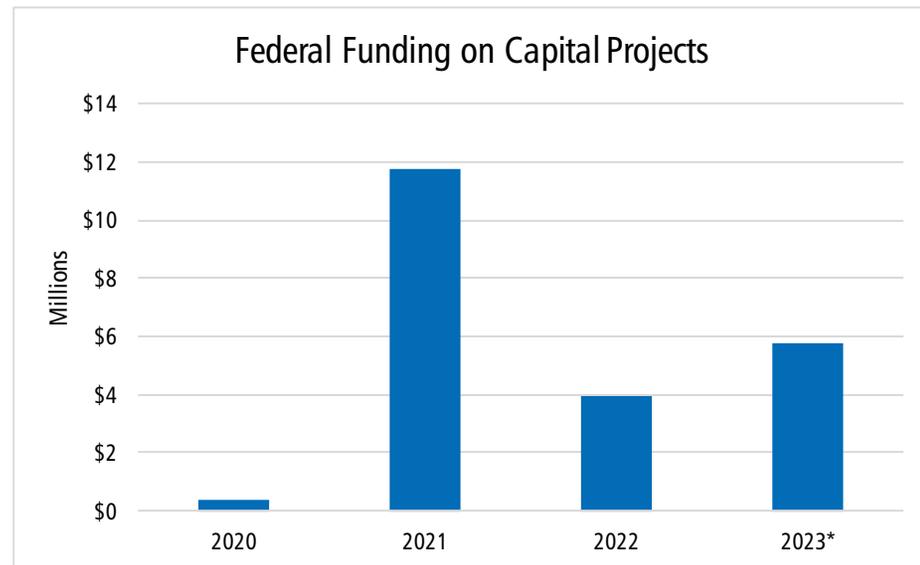
## Current Project with Federal Funding

- Spanaway Transit Center Parking Lot Expansion, \$6,271,480
- Bus Replacement 2023 – 2024, \$21,754,540
- SHUTTLE Replacement 2022 – 2024, \$7,028,510
- Battery Electric Bus & Infrastructure Expansion, \$3,555,600
- Enhanced Bus SR7, \$1,337,830

## Future Projects with Potential Federal Funding

- Bus Replacement 2025 – 2029, \$28,692,250
- SHUTTLE Replacement 2025 – 2029, \$27,251,380

\*Anticipated to receive in 2023



# Peer Comparison

The following performance analysis utilizes the 2021 National Transit Database (NTD) reporting. The selection of comparison transit agencies is based on proximately to Pierce Transit, annual expenditures and services provided.

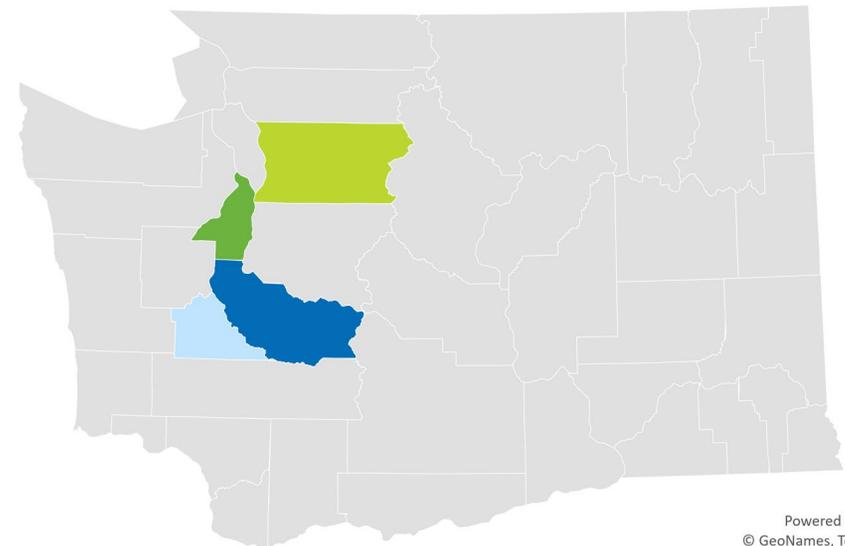
Agency	Agency Profile			
	Service Population	Service Area (Sq Mi)	FTA Urbanized Zone Area	Vehicles Operated at Maximum Service
Pierce Transit	575,963	292	Seattle	351
Kitsap Transit	254,183	396	Bremerton	213
InterCity Transit	198,000	101	Olympia	233
Community Transit	804,287	258	Seattle	505

Agency	Sales Tax Rate	Local Fares		
		Adult	Discounted	Adult Monthly
Pierce Transit	0.6%	\$ 2.00	\$ 1.00	\$ 62.00
Kitsap Transit	0.8%	\$ 2.00	\$ 1.00	\$ 50.00
InterCity Transit	1.2%	\$ -	\$ -	\$ -
Community Transit	1.2%	\$ 2.50	\$ 1.25	\$ 90.00

Agency	Motor Bus				
	Operating Expenses	Vehicle Revenue Miles	Vehicle Revenue Hours	Unlinked Trips	Fare Revenue
Pierce Transit	69,288,838	4,558,354	407,561	4,363,241	4,462,149
Kitsap Transit	26,646,477	2,036,360	116,731	946,001	1,889,919
InterCity Transit	29,694,801	2,342,918	180,687	2,287,878	-
Community Transit	79,800,613	6,311,028	440,436	4,000,232	3,706,721

Agency	SHUTTLE				
	Operating Expenses	Vehicle Revenue Miles	Vehicle Revenue Hours	Unlinked Trips	Fare Revenue
Pierce Transit	13,266,088	1,367,836	96,105	163,024	204,661
Kitsap Transit	13,128,283	974,582	63,255	153,020	160,240
InterCity Transit	14,371,857	857,985	78,734	115,286	-
Community Transit	7,725,100	877,538	50,919	85,059	223,654

Agency	Vanpool				
	Operating Expenses	Vehicle Revenue Miles	Vehicle Revenue Hours	Unlinked Trips	Fare Revenue
Pierce Transit	3,485,434	2,583,536	73,511	323,089	1,321,152
Kitsap Transit	847,124	363,404	11,950	63,723	134,449
InterCity Transit	2,316,905	1,435,516	37,400	178,904	301,631
Community Transit	2,844,848	1,582,130	48,425	227,847	1,784,087

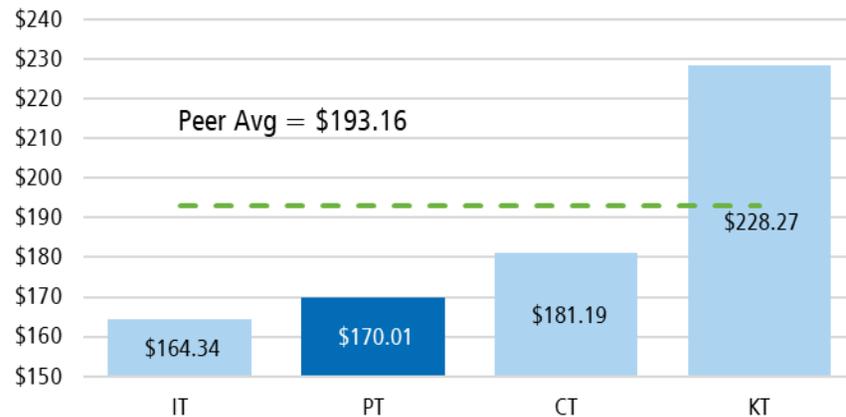


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### Operating Expense per Vehicle Revenue Mile



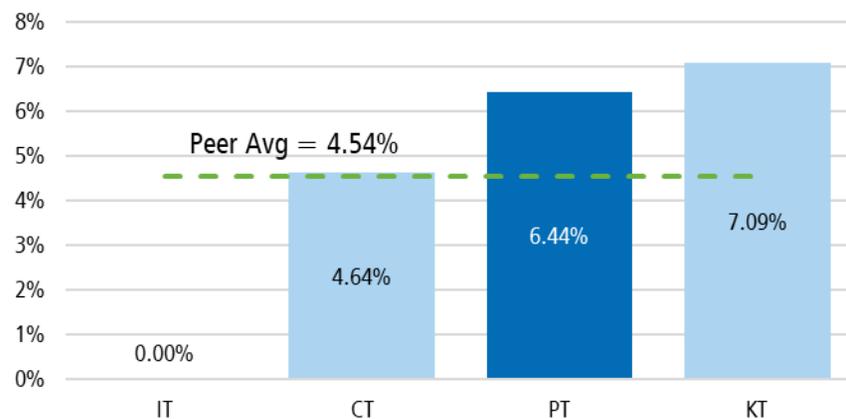
### Operating Expense per Revenue Hour



### Operating Expense per Unlinked Passenger Trip



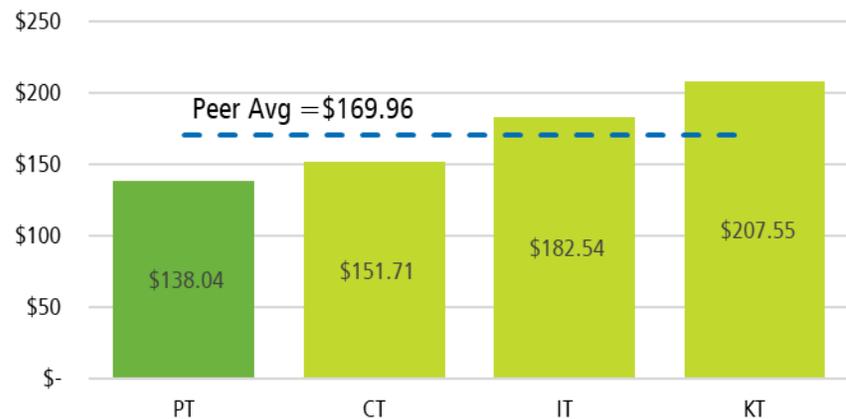
### Fare Recovery



### Operating Expense per Vehicle Revenue Mile



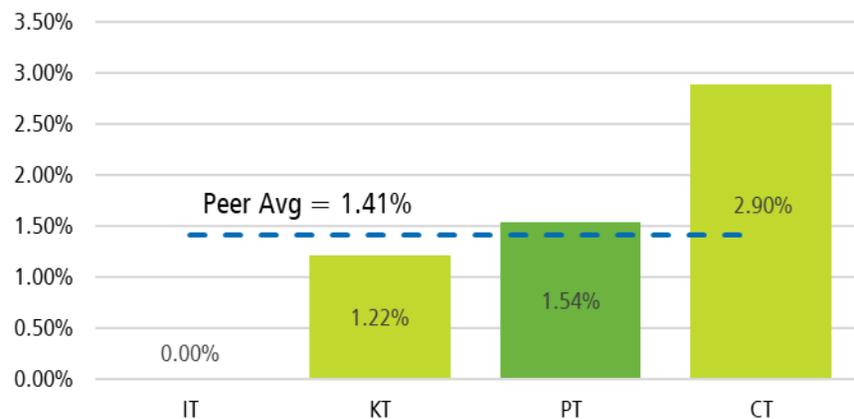
### Operating Expense per Revenue Hour

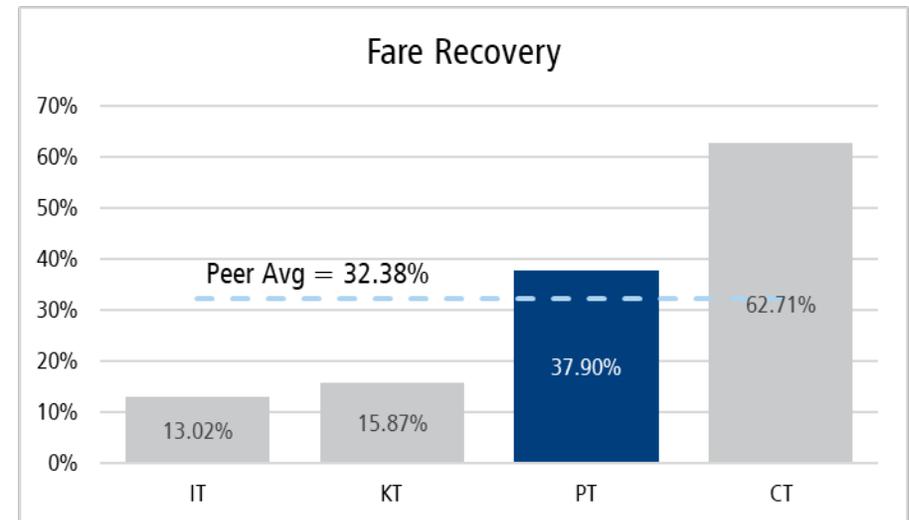
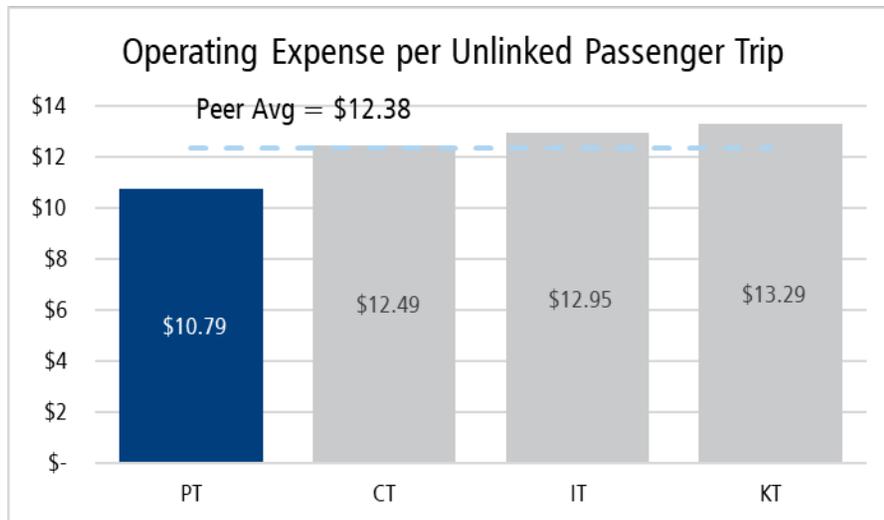
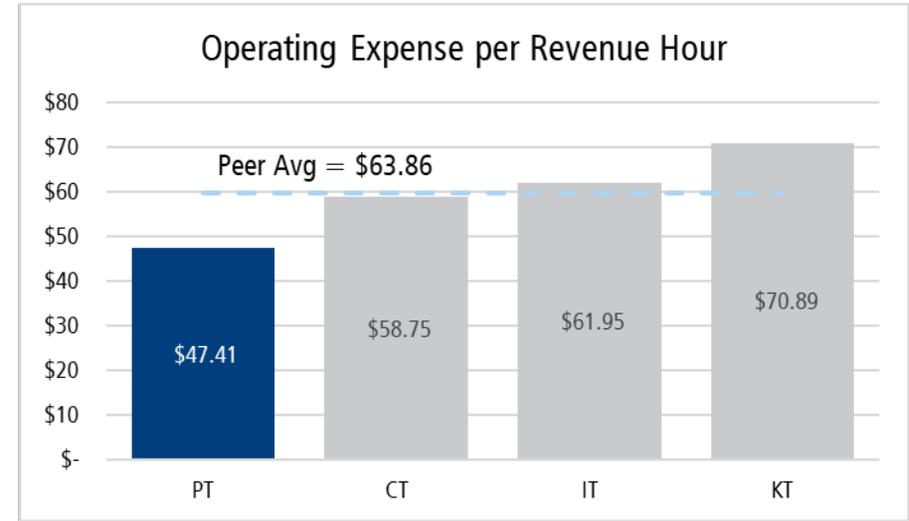
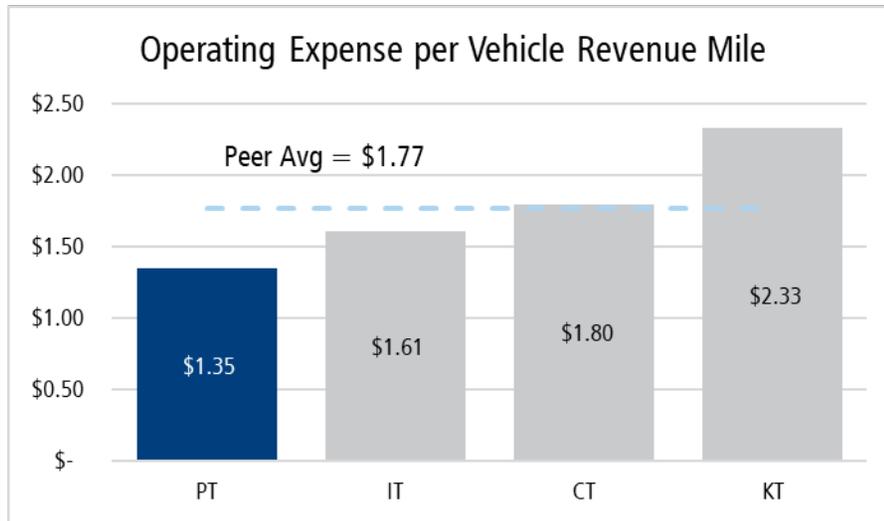


### Operating Expense per Unlinked Passenger Trip



### Fare Recovery





# Acronyms

Acronyms are words formed from the initial letters of other words most used in the context of the budget.

ADA – American Disabilities Act

AFR – Annual Financial Report

APTA – American Public Transportation Association

BEB – Battery Electric Bus

BRT – Bus Rapid Transit

CNG – Compressed Natural Gas

CTR – Commute Trip Reduction

DOT – Department of Transportation

FTA – Federal Transit Administration

FTE – Full-Time Equivalent

FY – Fiscal Year

JBLM – Joint Base Lewis McChord

M&O – Maintenance and Operations

MOBI – Maintenance & Operations Base Improvements

ngORCA – Next Generation One Regional Card for All

NTD – National Transit Database

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

WSDOT – Washington State Department of Transportation

YE – Year End

*Accrual Basis of Accounting* – A method of accounting that matches revenues and expenditures with the period to which they relate rather than received or distributed.

*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.

*Appropriation* – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

*Beginning Balance* – The fund balance as of January 1.

*Benefits* – Employer paid costs provided for employees such as retirement contributions, medical and dental insurance premiums, and workers’ compensation.

*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 for the operation of a program or organization for a specific timeframe or through project completion.

*Budget Amendment* – A budget amendment is a formal action of the Board of Commissioners to approve additional appropriations after the initial budget adoption.

*Budget Revision* – A budget revision is a record of change to the budget with no financial impact.

*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* – Purchase or construction project that has a cost of greater than \$5,000, or \$50,000 aggregate, and a useful life of greater than one year.

*Capital Budget* – A portion of the annual budget that appropriates funds for the purchase of capital items.

*Consumer Price Index (CPI)* – A statistical description of price levels provided by the U.S. Department of Labor that measures the change in the cost of goods purchased in comparative timeframes.

*Cost per Passenger* – The cost of carrying each passenger 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 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.

*Division* – An organizational unit of the Agency responsible for carrying out Agency functions.

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

*Ending Balance* – The fund balance as of December 31.

*Enterprise Fund* – An enterprise fund is a type of proprietary fund used to account for a government’s business-type activities and used to report any activity for which a fee is charged to external users for goods or services.

*Expenditure* – The payment of cash or the transfer of property or services for the purpose of acquiring an asset, service, or materials.

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

*Farebox Recovery Ratio* – The total fares collected divided by total costs to operate the service.

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

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

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

*Fund* – A fiscal or accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities.

*Grants* – A contribution by a government or other organization to support a particular function.

*Insurance Budget* – A portion of the annual budget that appropriates funds for Workers’ Compensation and Unemployment claims.

*Insurance Reserve* – Reserves set at a level to adequately protect the Agency from self- insurance risks that is evaluated annually.

*Key Performance Indicators (KPI)* – Measures by which Pierce Transit evaluates the effectiveness and efficiency of its operations.

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

*On Demand Services* – Allows user to ride-hail on-demand trips within a specific microtransit zone using a mobile app.

*One Regional Card for All (ORCA)* – The seamless fare system for the region’s customers, enabling agencies to offer transit fare options, reduce media confusion, and improve interagency fare revenue reconciliation through an apportionment process.

*Operating Budget* – A portion of the annual budget that appropriates funds for continued operations.

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

*Platform Hours* – see Service Hours

*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 set by Board of Commissioners.

*Revenue* – Income received by the agency in support of its program of services to the community.

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

*Rideshare* – A group of 3 to 15 people sharing the ride in an 8, 12, or 15-passenger van.

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

*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.

*Self-insurance* – The items determined to be administered by the Agency rather than covered by an insurance policy.

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

*Single-Enterprise Fund* – A self-supporting government fund whose activities include selling goods and/or services to the public for a charge or fee.

*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* – A program whereby transportation services are provided to those with a qualifying disability within  $\frac{3}{4}$  of a mile of our fixed bus routes.

*Transfers* – Amounts transferred from the operating budget to the insurance and capital budgets.

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