



2017 Operating/Capital Budget

Budget Workshop
November 1, 2016



Mission

Provide safe, reliable, comfortable public transportation service in Jefferson County which is cost effective, reduces energy consumption and contributes to the cultural and economic betterment of the residents of Jefferson County.



Responsibility

- At current level of service JTA sustainability will happen over the long term
 - Operational Reserves fully funded by end of 2016
 - Capital Reserves are and will continue to be an issue
 - Ensure that all passengers have equal access to public transportation (49 CFR 37.121 Sub-part F)
 - Must provide service that will provide passengers with safe reliable public transportation far into the future (Mission Statement)
 - Maximize commuter routes to ensure green alternatives exist for citizens of Jefferson County (As a participant of the Climate Action Plan for Jefferson County)



Sustainability

Reserve Funding Status - Board Policy

- Operating Fund Balance
 - Funds that are used to operate daily
 - Minimum Fund Balance should be no less than one month average expenses (2017 = \$390K)
 - More responsible way to meet cash flow fluctuations is a fund balance = \$500K
 - JTA currently meets this requirement
- Operational Reserve
 - 3-Months expenses or 25% of the annual expense budget
 - JTA will be fully funded at end of 2016
- Capital Reserve
 - Minimum annual funding level \$100K
 - Maximum level is \$100K plus TDP project grant fund match for the six-year planning period
- Bond Payment/Bond Reserve
- Unemployment Reserve



CHALLENGES for 2017

- Fleet Replacement
- Construction of 4C-Bike and Ride
- HP Transit Center Upgrades
- Purchase Service Equipment/Generator
- Procure Transit Based Software
- Comprehensive Plan



Economic Outlook

- Sales Tax
 - Encouraging signs of recovery
 - 2017 Projections are unchanged from 2016, construction is nearing completion at the hospital – besides Howard Street project, no other large construction projects
 - Economic uncertainty due to elections
 - JTA must be cost conscious because we cannot go back to the voters, .09% is the legislative maximum for sales tax collections for public transit agencies
- In 2011 we predicted we would be fully recovered in 5-years, JTA is on track to have Operating Reserve fully funded by the end of 2016
- 2017 Budget is 2.31% higher than 2016 Budget primarily due to Wages/Benefits/Liability Insurance/planned service increases Fall 2017



Capital Projects

- Four Corners Bike and Ride
 - Complete by June 2017
- JTOC Replacement Vehicles
 - 3 - 29' Cutaways to be used for JTOC
 - 2 Full Sized Gilligs (delivery expected in 2017)
 - 2 Full Sized Gilligs pending grant approval
- Service Equipment Purchase (generator, parking lot vacuum & sweeper)
- Software Upgrades
- Comprehensive Plan
- Remaining projects are carry-over from prior years



Service, Routes, Ridership

- Service Levels
 - Planned Fall Service Increases
- Routes
 - Minor Adjustments expected
- Ridership
 - Increased Ridership Expected – unknown at this time



STAFFING

- Down the equivalent of a FTE position in HPTC
 - Electing not to fill Field Supervisor positions at this time
- Hiring a 3rd Dispatcher
- Added equivalent of .5 FTE operator
- Planned FTE increase in 2016 in Maintenance was cancelled



Salaries & Wages

- Represented Employees will receive a 1.5% increase
- Non-Represented Employees will receive a cost of living 2% increase



Salaries & Wages

Represented Wage Increases

2011 – 0%
2012 – 1%
2013 – 3.5%
2014 – 1%
2015 – 1%
2016 – 1.5%
2017 – 1.5%

Non-Represented Salary Increases

2011 – 0%
2012 – 0%
2013 – 0%
2014 – 2% COLA Increase
2015 – Performance Based Step
Increases (Approximately 3%)
2016 – Performance Based Step
Increases (Approximately 3%)
2017 – 2% COLA Increase



Operations

- Operations Budget increase 19.34%
 - Moved Dispatch back to Operations
 - Across all departments Health Insurance costs increased 10.9%
 - COLA increase for non-represented salaries, and contractual increases in represented
 - Printing budget increased due to Fall Service Change
 - Computer Programs & Supplies increased
 - Training for new drivers (few CDL holders available)
 - Increasing Safety Program (All Staff Training Day Budget)
 - Decreased travel budget



Haines Place Transit Center

- HPTC Budget decrease 44.56%
 - Moved Dispatch back to Operations
 - Electing not to fill Field Supervisor positions at this time
 - Across all departments Health Insurance costs increased 10.9%
 - COLA increase for non-represented salaries, and contractual increases in represented
 - Did not budget for travel and training in 2016, added a travel and training budget
 - Leases and Rentals – Increased budget for twice weekly summer port-a-potty replacement/vandalism



Vehicle Maintenance

- Vehicle Maintenance Budget decrease .44%
 - Health Insurance increases
 - Decrease Professional Services and Vehicle Technical Services
 - Fuel cost decreases (conservative due to market uncertainty) off set by increases to Vehicle Maintenance Parts
 - Increased Software and Computer Supplies
 - Increase wages to non-represented increase, and contractual represented increases



Facility Maintenance

- Facility Maintenance Budget decrease 8.89%
 - Increased wages for represented wage increase and not adding equivalent of one FTE to this department
 - Health Insurance
 - Decreased Professional Services
 - Increased Shop Supplies
 - Decreased Leases and Rentals



Administration

- Administration Budget increase 11.98%
 - Non-represented 2% COLA salary increases
 - Health Insurance and Unemployment Insurance
 - Increased Professional Services, IT Services, and Contracted IT Fees
 - Increased budget for Computer Supplies
 - Increased liability insurance cost due to self-insured retention
 - Utilities handled by Department by rearranging expenses to electric and water (ultimately a decrease in utilities)



JT-Olympic Connection

- JT Olympic Connection Budget increase 2.8%
 - Increase in wages
 - Health Insurance
 - Facilities rent minor increase this year



5-Year Outlook

- Calculated using 4% increase in Expenses and 3% increase in Revenue
- Minimum \$100K Capital Reserve Transfer annually by policy
- Forecasting fully funded operating reserve by end of 2016
- Must continue to be diligent in controlling costs



Cash Flow

- Cash flow will be sufficient through 2017 to cover all operating expenses and maintain capital purchases



Questions?