



## 2020 Operating/Capital Budget

Budget Workshop  
November 5, 2019



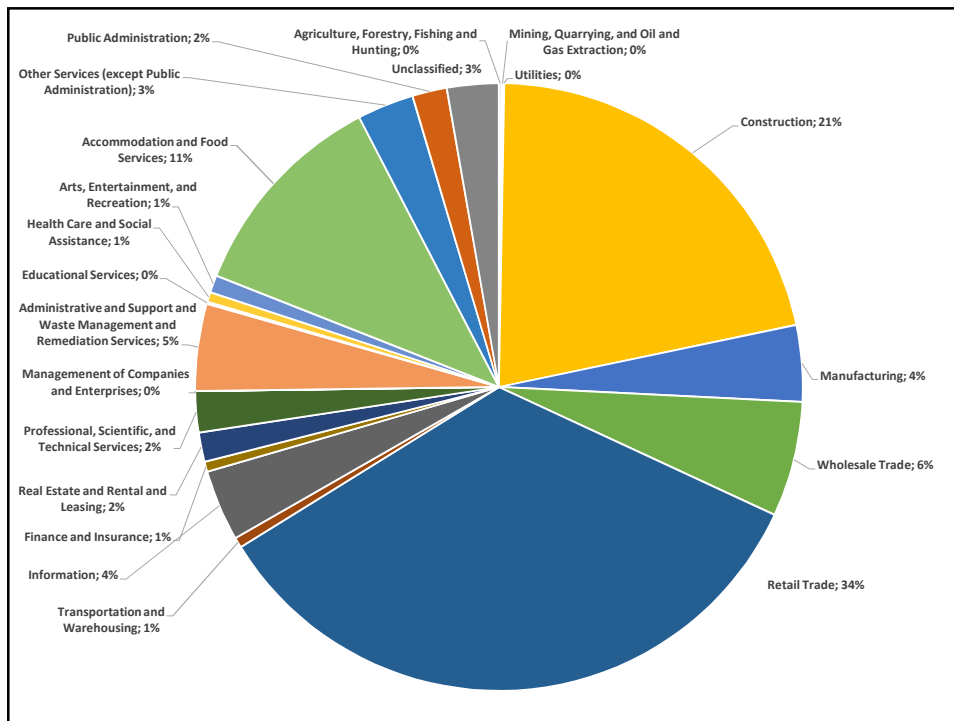
## Mission

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.



## What are our Challenges in 2020?

- Possible Recession
  - 60/40 Prediction
  - Not 2020 \* Maybe 2021
  - Retail Sales, Construction, and Accommodation and Food Services





## What are our Challenges in 2020?

- I-976
  - We don't know yet how this will affect OUR budget...makes planning difficult
  - Service Impact will be on 2021 budget
    - Fund Balance/Reserve sufficient for 2020
  - Presenting "Yes" and "No" Budgets
    - Nov 26 Budget Hearing
    - Assume all State grant funding will be lost
    - May affect our Federal grant funding if WSDOT reprioritizes projects



## Reserve Fund Status

### Reserve Funding Status - Board Policy

- Capital Reserve - 2019 Year-End Estimate \$3.96M
  - Minimum annual funding level \$100K
  - Max level is \$100K plus TDP project grant fund match for 6-year planning period (currently \$4,576,300 - will be 86% funded)
- Operational Reserve – 2019 \$1.35M
  - 3-Months expenses or 25% of the annual expense budget
  - For 2020 that total is \$1.47M
- ~~Bond Payment (Balance Varies per Month)~~
- ~~Bond Reserve – \$85K~~
- Unemployment Reserve – 2019 \$14.5K



## Reserve Fund Status

### Reserve Funding Status - Board Policy

- Vehicle Replacement Reserve - 2019 \$375K
  - With 2020 Transfer \$500K – Will Purchase Bus Zero Balance
  - Minimum annual funding \$125,000
    - provided capital reserve funding is available and operating reserve fund is fully funded
- Technology Replacement Reserve in 2019 \$50K (2020 \$75K)
- Operating Fund Balance
  - Funds that are used to operate daily
  - Minimum should be no less than one month average expenses (2019 = \$430K)
  - More responsible way to meet cash flow fluctuations is a fund balance = \$750K to \$1M
  - JTA currently meets this requirement



## Economic Outlook

- Sales Tax
  - 2020 Projections higher than budgeted for 2019, but less than 2019 Actual/Projected
- 2020 "Yes" Expense Budget is 7.81% higher
- 2020 "No" Expense Budget is 11.15% higher
- Paid Family Medical Leave goes into effect in 2020 – will cause more HR administration



## Capital Projects Highlights – "Yes" Budget

- On-Going Planning Projects
  - Comprehensive Plan
  - EV Feasibility Study and Plan
  - 3<sup>rd</sup> Maintenance Bay Design
  - HPTC Bus Loop Expansion
- On-Going Projects
  - Maynard Mountain Radio Repeater
  - Security Cameras
  - New Shelters
  - Bus Wrap
  - Major Component Replace
  - New Finance/Maintenance Software



## Capital Projects Highlights – "Yes" Budget

- Fixed Route Replacement Vehicles
  - 1 Full Sized Gillig (delivery early 2020 – JTA Funded, Expansion)
  - 1 Full Sized Gillig (to be ordered late 2020 – Grant Replacement)
  - 4 Full Sized Gilligs (ordered late 2019/Grant Replacement)
  - 1 Trolley Style Bus for Shuttle Service (delivery mid 2020)
- Column Vehicle Lifts
  - Necessary as back-ups for current column lifts
- New Customer Service Desk HPTC
  - Needs to be ADA Compliant
  - Provide additional security for Clerks



## Capital Projects Highlights – "No" Budget

- Replacement Service Vehicle
  - Replace a 1993 Chevy Flat Bed Pick-Up Truck
- Small Tractor for Facilities Maintenance
- Zero-Turn Lawn Mower for Facilities
- New Badge (ID Maker) System for 63 4 Corners



## Service, Routes, Ridership

- Service Levels
  - "Yes" Budget - No Major Service Changes are planned
  - "No" Budget – Pilot Project for meeting Kingston Ferry
- Routes
  - Minor Adjustments expected in Regular Routes
- Ridership
  - Increased Ridership Expected – CAC/Staff to look into ways to increase ridership



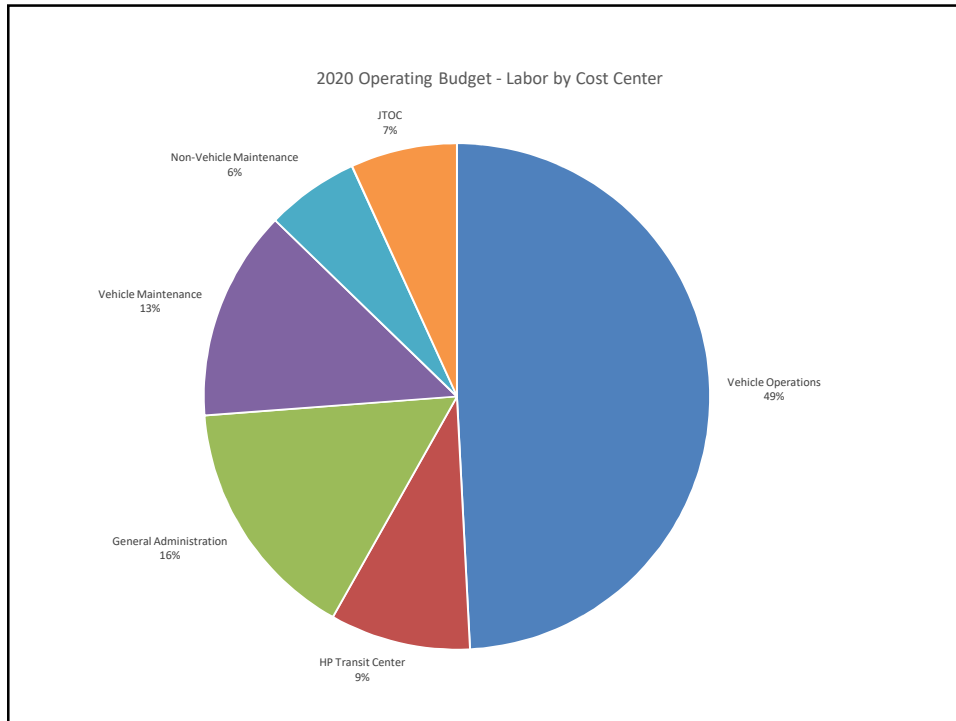
## STAFFING

- "Yes" Budget – 2020 Staffing Levels Remain the same as 2019
  - Added Facilities Maintenance Employee in 2019
  - Made AP/AR Position Full-time for assistance with on-going Inventory Reporting & Tracking/New Software Implementation
- "No" Budget – Add two Operators for Kingston Ferry Pilot Project



## Salaries & Wages

- Budget assumes Represented Employees contract issue is resolved and employees receive contractual increases and retro-active pay
- Non-Represented Employees will receive a step-increase



## Operations

- Operations Budget increase:
- “Yes” - 7.23% (\$136,776)
  - Wages and Benefits (Retroactive)
- “No” – 14.1% (\$286,535)
  - Includes two additional operators needed for Kingston Ferry Pilot Project





## Haines Place Transit Center

- HPTC Budget increase 7.97% (\$38,603)
  - Increases to Wages and Benefits
  - Increases for Custodial Services for Bathroom
  - Increases for Custodial/Bathroom Supplies
  - Utilities - Increase



## Vehicle Maintenance

- Vehicle Maintenance Budget increase:
- “Yes” - 6.31% (\$68,531)
  - Increases to Wages & Benefits
  - Increased Fuel Expense
- “No” – 8.43% (\$91,531)
  - Additional Fuel Capacity for Kingston Ferry Run
  - Additional Employee to attend RTA Conference



## Facility Maintenance

- Facility Maintenance Budget increase 34.58% (\$106,034)
  - Increases for wages and benefits (Additional Employee)
  - Maintenance and Supplies Increased
  - Moved Painting HPTC to Operating Budget
  - Additional Training Budget for Facilities Training



## Administration

- Administration Budget increase
- “Yes” - 4.2% (\$43,801)
  - Wages and benefits increases
  - Increased Professional Service (Legal Svcs)
  - Increased Casualty/Liability Insurance Costs
- “No” – 4.59% (\$47,927)
  - Computer Supplies – Upgrades to current PCs



## JT-Olympic Connection

- JT Olympic Connection Budget increase 5.1% (\$20,674)
  - Wages and Benefits increases
  - Facilities rent increase



## 5-Year Outlook

- Calculated using 4% increase in Expenses and 3% increase in Revenue
- Minimum \$100K Capital Reserve Transfer annually by policy
- Continue to watch sales tax trends



## Cash Flow

Cash flow will be sufficient through 2020 to cover all operating expenses and maintain capital expenditures



Questions?