




Operating/Capital Budget Workshop  
November 2, 2021



### Fare Free? - Factors

- Utilizing actual ridership/expense data from 2015-2020
- Estimating 2020/2021 revenue 2021 ridership figures

End Goal: Estimate of Fare Revenue in 2020 and 2021



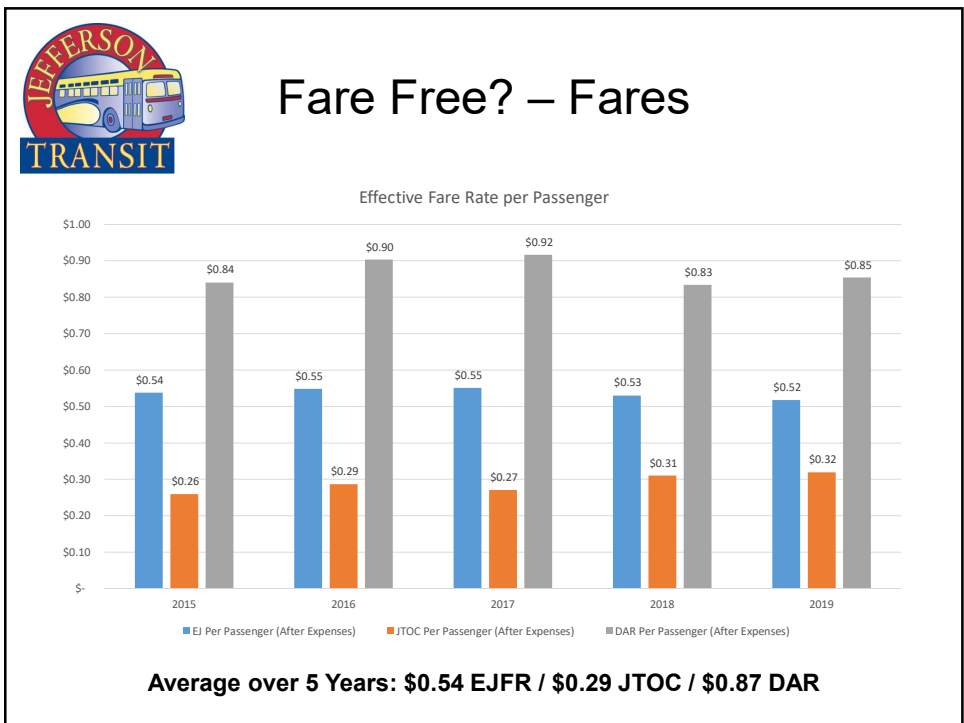
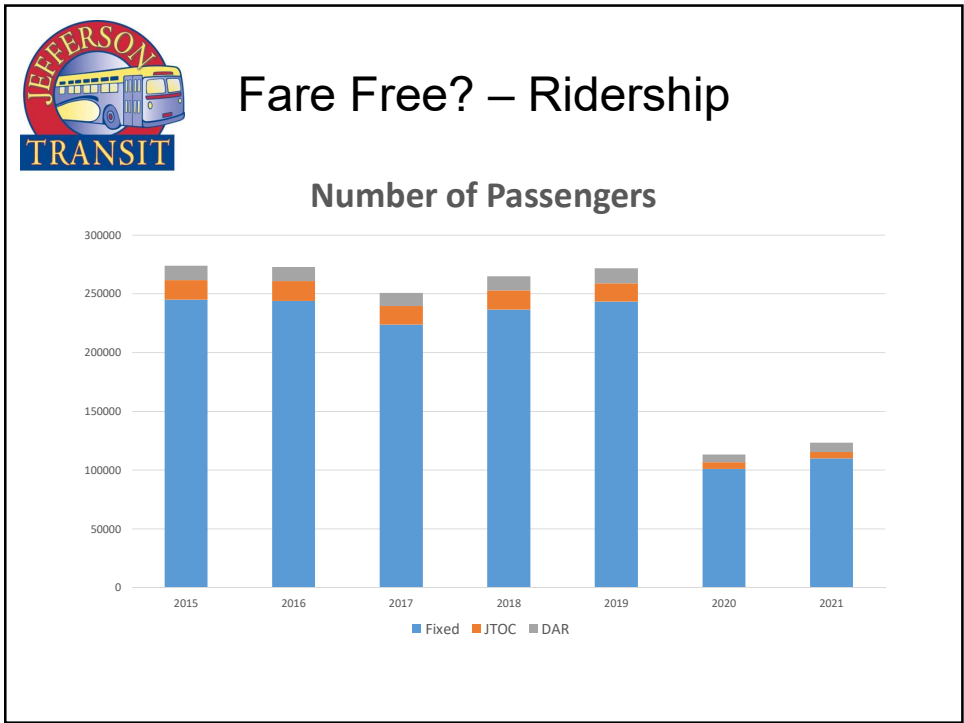
## Fare Free? – Fares

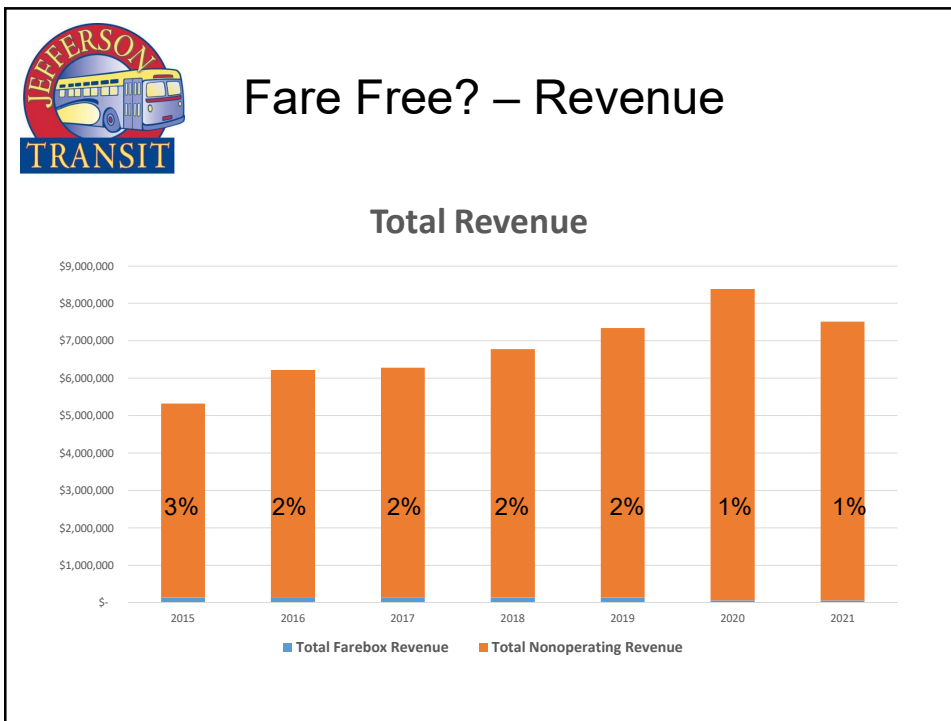
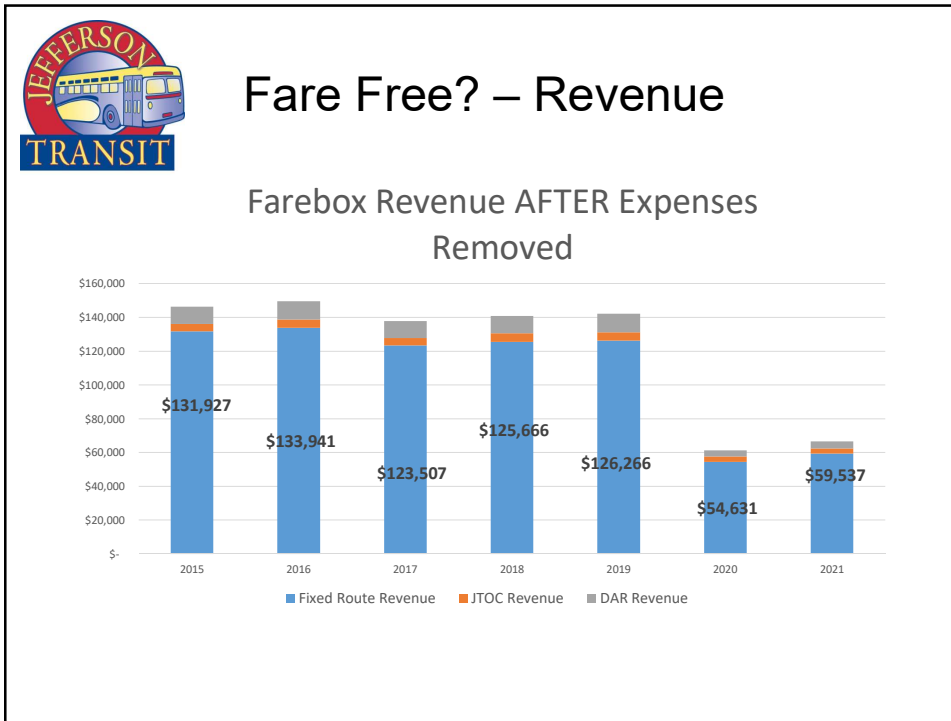
- DAR
  - \$1 Each Way (Caregivers Free but counted)
- JTOC
  - \$0.75 Ride All Day/\$0.25 Reduced Fare
  - Monthly Passes \$15/\$7 Reduced Fare
- East Jefferson County
  - \$1.50 Ride All Day/\$1.00 Reduced Fare
  - AND \$1.00 out of county surcharge
  - Monthly Passes \$24/\$36/Reduced \$12/\$20
  - Annual Passes \$230/\$345/Reduced \$115/\$192



## Fares Free? – Expenses

- Costs DIRECTLY related to Farebox Revenue Removed
- Labor (\$10,953 Average 2015-2019)
  - AP/AR 6.5 Hours/Week Counting/Billing/Receiving/Depositing
  - Customer Service – 2.5 Hours/Week – Counting
  - Maintenance Cleaner – 1 Hour/Week – Remove/Replace Fareboxes
- Annual Expense for Printing Day and Monthly Passes
  - (Average 2015-2020 \$2,370 )







## Fare Free?


- Going fare free has:
  - Enabled JTA to serve a part of community not served in the past
  - Given Service Organizations the ability to provide funding for services other than public transportation
- Ridership is a single performance measure
- The value of Transit in a rural community is in the service/opportunity it provides
- 2022 Budget assumes Fare Free continues



## Questions?



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What are our Challenges in 2022?

- Sales Tax Volatility
  - Sales Tax as a funding source not reliable
  - Sales Tax UP...way UP in 2022
  - Over 35-40% is from Retail Sales
- Recruiting
  - Transit Operators
  - Field Supervisor
  - Customer Service/Office Assistant
  - Part-Time Administrative Assistant



## Reserve Fund Status

- **Capital Reserve – Current Balance: \$5.98M**
  - Estimated 2022 Transfer \$2.47M
  - Minimum annual funding level \$100K
  - Max level is \$100K plus 6-year TDP total project funding required (\$20M)
- **Operating Reserve – Current Balance: \$2.03M**
  - COVID bump in 2020 due to economic uncertainty
  - 3-Months expenses or 25% of the annual expense budget
  - For 2022 that total is \$1.56M
  - Fully funded
- **Unemployment Reserve – Current Balance \$33.25K**



## Reserve Fund Status

- **Vehicle Replacement Reserve – Current Balance: \$125K**
  - Minimum annual funding \$125,000
  - If JTA goes fully electric plan to increase this funding level
- **Technology Replacement Reserve in Current Balance: \$75K**
  - Minimum annual funding \$25K
- **Operating Fund Balance**
  - Funds that are used to operate daily
  - Minimum should be no less than one month average expenses (2022 = \$516K)
  - More responsible way to meet cash flow fluctuations is a fund balance = \$750K to \$1M
  - JTA currently meets this requirement



## Economic Outlook

- Sales Tax
  - 2022 Projections 5.9% higher than 2021 Budgeted
- Expenses
  - 2022 Expense Projections are 4.5% higher than 2021
- CRRSAA Funding will be utilized in 2022
  - Provides 100% funding for 3 quarters
  - Allows sales tax \$\$ to be used for Capital Projects



## Capital Projects - Construction

- Construction Projects
  - 3<sup>rd</sup> Maintenance Bay
  - Facilities Maintenance Building
- On-Going Projects
  - Mt Maynard Radio Repeater
  - Security Cameras
  - New Shelters
  - Major Component Replacement

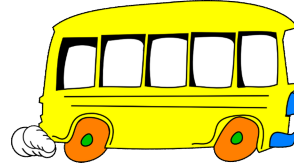






## Capital Projects - Vehicles

- Fixed Route Replacement Vehicles
  - 1 Full Sized Gillig - STP/Flex Funding
    - DES Bus Purchase Contract Seriously Delayed
    - Bus ordered in September 2021 – Late 2022/Early 2023 Delivery
  - 1 Full Size JTOC Cut-a-way (Consolidated Grant)
  - 1 Converted Electric Trolley (State Funded)
  - 2 Replacement DAR Cut-a-ways (State/JTA Funded)
- Service Vehicles –
  - Replace 1999 Mercury Mountaineer – All Electric AWD
  - Replace 2010 Ford Escape – All Electric AWD
  - Purchase Pick-up Truck for Vehicle Maintenance Department



## Service, Routes, Ridership

- Service Levels
  - Pilot Project - Kingston Express
- Routes
  - Minor Adjustments expected in Regular Routes
- Ridership





## STAFFING

- Operations
  - Transit Operators
  - Customer Service/Office Assistant
  - Field Supervisor
- No changes to staffing levels in Maintenance
- No changes to staffing levels in JTOC
- Need part-time Administrative Assistant for HR



## Operations 8.5% Increase

- Adding Positions/Wage Increases
- Removed Software Services for Route Match
- Purchasing Digital Camera
  - Bringing Schedule creation In-House
- Miscellaneous
  - Reinstating Rodeo Safety Training Program
- Leases – Mt Maynard Repeater Lease



## HPTC 3.25% Decrease

- **Materials**
  - New Refrigerator/Furniture for Operator Breakroom
- **Utilities**
  - Decreased Phone & Internet



## Vehicle Maintenance 2% Decrease

- **Line Item Tango**
  - Wages include increases will see savings in Benefits
  - Services increase for Uniform, Environmental Services and Software Maintenance Fees
  - Materials increase VM Parts, Decrease Maintenance & Cleaning



## Facility Maintenance 9.4% Increase

- Wages and Benefits
  - MOA with ATU to increase Facilities Maintenance wages to make it a competitive position and retain a highly qualified employee
- Services
  - Uniform Services/Reduce Property Maintenance
- Materials
  - Increased for Maintenance and Cleaning Supplies



## Administration 1.6% Increase

- Wages and Benefits
- Services
  - Increased Advertising – Employment Advertising
- Liability Insurance
  - Decrease in WSTIP due to credit/will see rebound in 2023 (possibly 40% over 2022 expense)
- Taxes
  - Increase due to Kingston Express Fares



## JT-Olympic Connection 5.2% Increase

- Wages and Benefits Increases
- No Other Changes



## 5-Year Outlook

- Calculated using 4% increase in Expenses and 4% increase in Revenue
- Minimum \$100K Capital Reserve Transfer annually by policy



## Cash Flow

Cash flow will be sufficient through 2022 to cover all operating expenses and maintain capital expenditures



Questions?



## Schedule

- November 2<sup>nd</sup> – Budget Workshop
- November 16<sup>th</sup> – 1:30pm 1<sup>st</sup> Public Hearing
- November 30<sup>th</sup> – 1:30pm 2<sup>nd</sup> Public Hearing  
(Public Hearing Closes)
- December 21<sup>st</sup> – 1:30pm Authority Board Meeting – Resolution to Authorize the 2022 Budget