

# 2023 BUDGET



OPERATING/CAPITAL BUDGET WORKSHOP

NOVEMBER 15, 2022

V.2



# MISSION & CORE VALUES

## **Mission:**

At Jefferson Transit our mission is to provide safe, reliable, comfortable public transportation service in Jefferson County which is cost effective, reduces energy consumption and contributes to the cultural, **environmental**, and economic betterment of the residents of Jefferson County.

## **Core Values:**

- Acknowledgment and Support
- Accountability
- Shared Responsibility
- Communication
- Professionalism
- **Stewardship:** We will be stewards of the environment, of our customers, of the most vulnerable in our community, and of public funds. JTA will take an environmental leadership role in reducing both community emissions and JTA fleet vehicle emissions by continuing to invest in alternative fuel vehicles. We will also work to reduce our environmental impacts in 2 ways big and small throughout our operations.



# WHAT HAVE WE ACCOMPLISHED IN 2022?

- Added the Kingston Express bus service connect Port Townsend, Port Hadlock, Port Ludlow, and the Kingston Ferry Terminal to Edmonds & Seattle.
- Passed a Zero Fare Policy for all passengers 18 years of age and younger and for all passengers travelling on service labeled regular fixed-route or ADA Dial-A-Ride demand-response services.
- Updated reserve fund policies to ensure long term sustainability
- Began electrifying the JTA Fleet





# WHAT ARE OUR CHALLENGES IN 2023?

## ■ 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 and Employee retention

## ■ Updating Outdated IT infrastructure

## ■ Increases in Expenses

- Fuel
- Materials and Services
- Benefit
- Utilities and telecom





# RESERVE FUND STATUS

- Capital Reserve – Current Balance: \$6.4M
  - Estimated 2023 Transfer \$2.5M
  - Minimum annual funding level \$100K
  - Max level is \$100K plus 6-year TDP total project funding required (\$24M)
  
- Operating Reserve – Current Balance: \$4.03M
  - 3-Months expenses or 25% of the annual expense budget
  - For 2023 that total is \$2M
  - Fully funded
  
- Unemployment Reserve – Current Balance \$18,750K



# RESERVE FUND STATUS

- Vehicle Replacement Reserve – Current Balance: \$375K
  - Maximum annual funding \$250,000
  - **JTA is going electric-** plan to increase this funding level
  
- Technology Replacement Reserve in Current Balance: \$100K
  - Minimum annual funding \$25K
  
- Operating Fund Balance
  - Funds that are used to operate daily
  - Minimum should be no less than one month average expenses (2023 = \$579K)
  - 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 8% higher than 2022 Budgeted

## ■ Expenses

- 2023 Expense Projections are 7.8% higher than 2022

- Consolidated Grant Funding will be utilized in 2023 for Operational Expenses



# CAPITAL PROJECTS - CONSTRUCTION

- Construction Projects
  - Facilities Maintenance Building
  - 3<sup>rd</sup> Maintenance Bay
  - Electric Charging Infrastructure
  - Haines Place Bus Loop Configuration
- System Wide Projects
  - Climate Action Plan
- Capital Assets
  - IT infrastructure/software upgrades
- On-Going Projects
  - Security Cameras
  - New Shelters
  - Major Component Replacement







# CAPITAL PROJECTS - VEHICLES

## ■ Fixed Route Replacement Vehicles

- 1 Full Sized Electric Gillig - 2021 STE Funding
- 1 Full Size JTOC Cut-a-way (Consolidated Grant)
- 2 Replacement DAR Cut-a-ways (State/JTA Funded)

## ■ Service Vehicles –

- Purchase Pick-up Truck for Vehicle Maintenance Department





# SERVICE, ROUTES, RIDERSHIP

## ■ Service Levels

- Add trips to Tri-Area, downtown shuttle, upper sims loop
- Increased Dial-A-Ride service to current one-day a week areas.

## ■ Routes

- Minor Adjustments expected in Regular Routes

## ■ Ridership

- East County at 75% of pre-pandemic levels
- West County at 60% of pre-pandemic levels



# STAFFING, WAGES & BENEFITS



## ■ Administration

- Potentially 3 department head positions currently filled by Interim staff

## ■ Operations

- Transit Operator
- Customer Service/Office Assistant

## ■ No changes to staffing levels in Maintenance

- Potential maintenance clerk position

## ■ No changes to staffing levels in JTOC

## ■ 3% contractual wage adjustment for represented/non-represented staff

## ■ Benefits

- Approx 10% increase for Health Insurance premiums
- PERS employer contribution increased 0.14%
- Paid FMLA premium rate increase to 0.8%

## ■ Longevity Incentive

## ■ Salary Survey



# OPERATIONS

- Overall 8.85% Increase
- Adding Positions/Wage Increases
  - Supports plans to increase service levels
- 3% contractual wage adjustment for represented/non-represented staff
- Miscellaneous
  - Increased printing/supplies cost from 2022 budget



# HPTC

## ■ Materials

- New Refrigerator/Furniture for Operator Breakroom (not purchased in 2022)
- Safety and emergency supplies

## ■ Utilities

- Rate increases in 2023
- No other changes



# VEHICLE MAINTENANCE

- 6.32% Increase overall
- Wages/Benefits
- 3% contractual wage adjustment for represented/non-represented staff
- Material and Supplies
  - Increase in fuel costs, tires, and vehicle maintenance & repair parts



# FACILITY MAINTENANCE

- 4.98% Increase
- Wages and Benefits
- 3% contractual wage adjustment for represented/non-represented staff
- Services
  - Decrease in professional technical services: uniform service split between facilities and vehicle maintenance dept.
- Materials
  - Increased for Maintenance and Cleaning Supplies



# ADMINISTRATION

- **8.45% Increase**
- **Wages and Benefits**
  - Labor slightly down- IT position vacant
  - Increased Benefit Expenses
- **Services**
  - Increased contracted IT services
- **Travel & Meetings/Training**
- **Liability Insurance**
  - Increase of 8% over 2022 actuals
- **Misc. Expense**
  - COVID-19 related expense decreased from 2022





# JT-OLYMPIC CONNECTION

- **6.11% Increase**
- **Wages and Benefits Increases**
- **Material and Supplies**
  - Increase in fuel costs, tires, and vehicle maintenance & repair parts
- **Travel and meetings**
  - slightly increased for operator trainings
- **Misc. Expense**
  - COVID-19 related expense decreased from 2022
- **No Other Changes**



## 5-YEAR OUTLOOK

- Calculated using 4% increase in Expenses and 3% increase in Revenue
- Minimum \$100K Capital Reserve Transfer annually by policy



## CASH FLOW

- Cash flow will be sufficient through 2023 to cover all operating expenses and maintain capital expenditures



Thank  
you!

Questions?



## SCHEDULE

- November 1st – Budget Workshop
- November 15<sup>th</sup> – 1:30pm Public Hearing
- December 20th – 1:30pm Authority Board Meeting – Resolution to Authorize the 2023 Budget