



Mission Statement

“Pierce Transit improves people’s quality of life by providing safe, reliable, innovative and useful transportation services that are locally based and regionally connected.”

Strategic Priorities

Service Excellence

Financial Stability

Community Engagement

Innovative Solutions

Economic Development

Sustainability

Engaged Workforce



2017 BUDGET

Fiscal Year January 1, 2017 through December 31, 2017

SUE DREIER
Chief Executive Officer

Prepared By
The Finance Division

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PIERCE
TRANSIT



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PIERCE
TRANSIT



*This section includes Pierce
Transit Board of
Commissioners, Pierce Transit
Organizational Chart, and the
Budget Message.*

2017 Budget

Introduction



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 currently made up 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; however, this right is currently not being exercised and the position is vacant.



Commissioner Kent Keel
University Place Council Chair



Commissioner Nancy Henderson
Town of Steilacoom Vice Chair



Commissioner Don Anderson
Mayor of Lakewood



Commissioner Daryl Eiding
Represents Fife, Milton and Edgewood



Commissioner Ryan Mello
Tacoma City Council



Commissioner Marilyn Strickland
Mayor of Tacoma



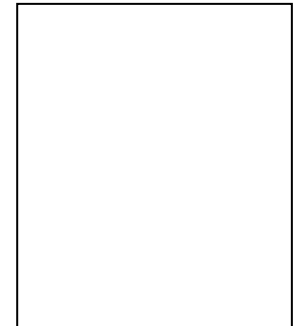
Commissioner Pat McCarthy
Pierce County Executive



Commissioner Heather Shadko
Puyallup Council



Commissioner Rick Talbert
Pierce County Council



Vacant
Non-Voting Union Representative



2017 ORGANIZATIONAL CHART

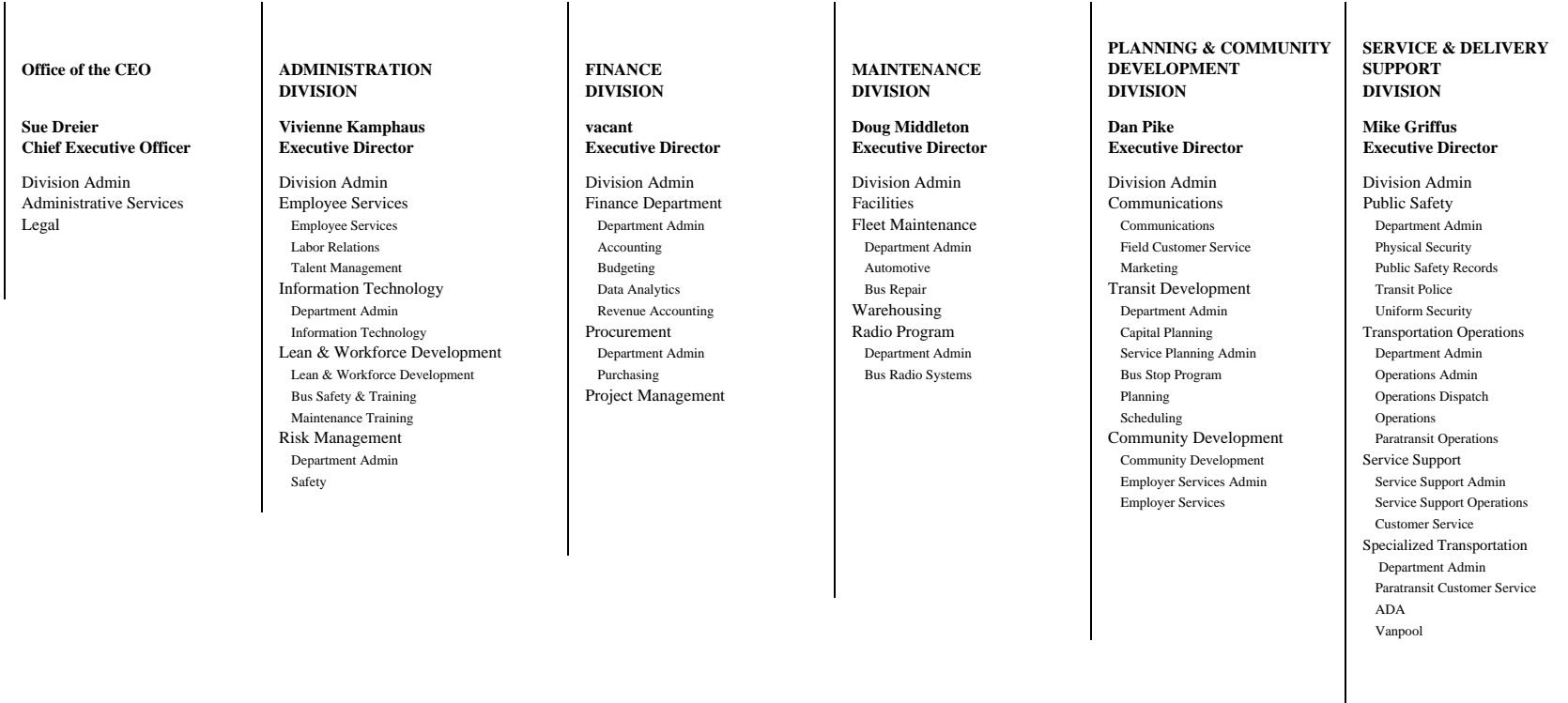
CITIZENS OF PIERCE COUNTY

BOARD OF COMMISSIONERS

GENERAL COUNSEL
Dana Henderson

CHIEF EXECUTIVE OFFICER
Sue Dreier

CLERK OF THE BOARD/
PUBLIC RECORDS OFFICER
Deanne Jacobson





2017 BUDGET MESSAGE

December 12, 2016

TO: Pierce Transit Board of Commissioners, Citizens and Employees

FROM: Sue Dreier, Chief Executive Officer



I am pleased to present the 2017 Budget for your review and consideration. Pierce Transit continues to build momentum as we move into 2017. In the year ahead we will make many improvements that will result in even better service for our customers, including the addition of 35,000 service hours in March and 10,000 in September. We will also continue building strong community partnerships and championing innovative projects that will move Pierce Transit toward being one of the premiere mid-sized transit agencies in America.

In 2017 we will continue and build upon our efforts to:

- *Refresh* – Freshen up our public-facing facilities, such as bus stops, shelters and public spaces;
- *Renew* – Undertake and complete repairs at Transit Centers, Park & Rides and the Tacoma Dome Station; and
- *Rebuild* – Rebuild inventory and infrastructure that the Agency was unable to focus on during the Great Recession, such as our aging fleets and technology infrastructure.

The goal in the 2017 Budget process was to make service restoration and the replacement of critical aging infrastructure our top priorities. We accomplished this mission with restoration of at least 45,000 fixed-route service hours and the replacement of important inventory and infrastructure in 2017. This builds upon our service restoration of over 20,000 hours in 2016.

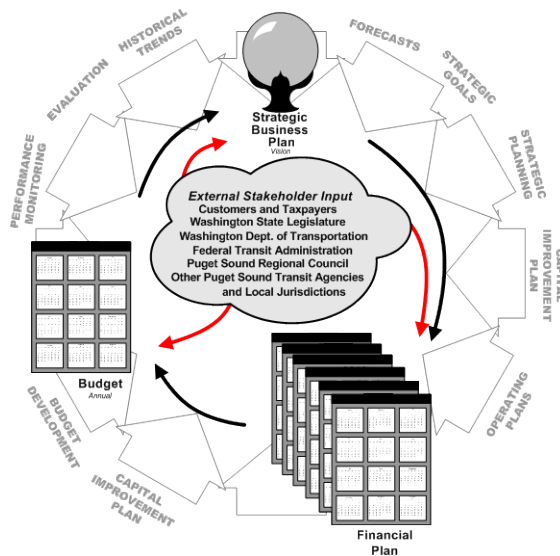
Additionally, Pierce Transit's budget will align with the goals of the Agency that include:

- Increasing ridership;



- Restructuring our fixed-route system to provide more frequent service and a greater span of service;
- Continuing to build the agency’s public image through high-quality and consistent service;
- Beginning in earnest the planning process for High Capacity Corridor service on Pacific/SR7;
- Laying the groundwork to add electric buses to our fleet in 2018;
- Replacing 25 buses, 55 Vanpool vans and 14 support vehicles that have exceeded the Agency’s vehicle life cycle;
- Conducting a grant-funded pilot project with Transportation Networking Companies and/or taxi companies to address the first/last mile challenge;
- Laying the groundwork for the next generation of One Regional Card for All (ngORCA);
- Replacing and upgrading technology, including the Agency’s network infrastructure, scheduling system, financial management systems and Intranet;
- Acquiring properties that will be vital to the Agency’s ability to expand, such as the West Base property adjacent to Pierce Transit’s headquarters;
- Using Lean processes to seek and implement new business models that improve efficiency and productivity in all areas of Pierce Transit;
- Undertaking the new “Downtown to Pt. Defiance” demonstration trolley service in summer 2017;
- Adopting a new Pierce Transit Base Master Plan and beginning work toward implementing it;
- Continuing to serve small communities with innovative thinking;
- Seeking additional opportunities for grant-funded capital projects; and
- Refreshing the Pierce Transit Strategic Plan.

BUSINESS PLANNING PROCESS



Overview

Pierce Transit’s annual planning process has examined service levels, financial outlook, and economic forecasts. Local economic conditions and consumer spending play major roles in the generation of sales tax revenue which is Pierce Transit’s primary operating revenue source. The outlook for the economic future is improving at a moderate pace and as these conditions improve, so will our levels of service.

There are still uncertainties that could have impact for Pierce Transit’s financial condition. Two of the uncertainties are the continued local economic growth and the next round of Amalgamated Transit Union (ATU) labor contract negotiations.

The level of the Bus and Bus Facility formula program was not increased with the passage of the Fixing America’s Surface Transportation Act (FAST) and we continue our collective efforts to seek increased funding in this area. Over the next five years, 37 buses on average, will exceed Pierce Transit’s vehicle 16 year life cycle.

Economic Condition and Outlook

Local economic conditions and retail spending play major roles in the generation of sales tax revenue which is Pierce Transit’s primary source of operating revenue. There are signs that the 2017 Puget Sound economy will continue its slow improvement. The Port of Tacoma is expected to be a major driver of the Pierce County economy with continued growth in container volumes. The proximity to King County, with its solid growth led in part by Amazon.com and Boeing, will remain an important source of employment for Pierce County residents.

With slow but steady economic growth over the last several years, consumption is finally returning to pre-recession levels. In 2017, Pierce County’s economy is expected to grow slightly by about 2.4 percent. Home sales are expected to be at 2016 levels while factory

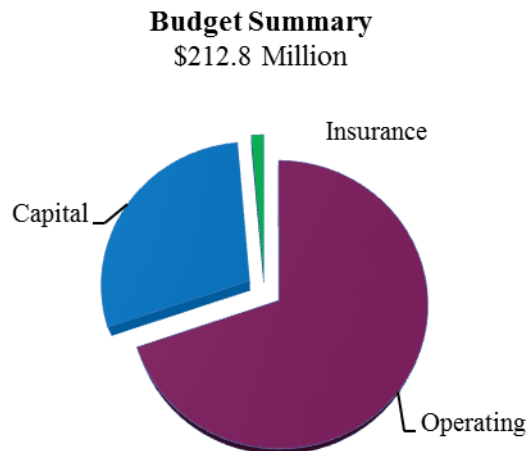


2017 BUDGET MESSAGE

sector and car sales activity remains solid. Stable gas prices will also contribute to a robust Puget Sound economy.

Changes in Gross Domestic Product (GDP), consumer disposable income and increased employment are some of the main drivers of the growth in sales tax. Washington State unemployment rate is expected to remain steady in 2017 at 2016 levels. Personal income growth in 2017 is forecast to grow at about 4.6%. These factors are expected to contribute to a modest growth in Pierce Transit's sales tax revenue.

Pierce Transit's sales tax collections are forecasted to improve in 2016, with actual year-end collections projected at 6.2% over 2015. Sales tax contributes 77% of total budgeted operating revenues in 2017 (excluding Sound Transit regional transit service revenue) and is expected to generate \$81.2 million in sales tax revenue in 2017.



Budget Summary

The 2017 Budget is approximately \$212.8 million. This is balanced by expected revenues and reserves. The gradual recovery of sales tax collections, continuing efforts to improve productivity as well as grants for service have resulted in service restoration plans to add over 45,000 fixed route service hours in 2017. A comprehensive system-wide service analysis, completed in 2016, will be implemented with the March 2017 service change. This service analysis will provide information in order to more effectively and efficiently utilize service hours.

This budget and service plan support our community by providing transportation access to jobs, school, medical appointments, shopping, and events. It also supports economic development, reduction in carbon emissions and congestion, and provides a lifeline access for those without cars in a growing population.

The Six-Year Financial Plan is sustainable. Reserves will be utilized over the next six years to restore additional service hours in 2017, to provide capital acquisitions to support the service plans, and to meet the required reserve at the end of the six-year period.



2017 BUDGET MESSAGE



Reserves are in compliance with required levels established by the Board of Commissioners. This provides the ability to deal with adverse economic conditions, emergencies, and exposure to casualty and legal risks. The Agency has no long-term debt.

Efforts are continuing to focus resources on restoring service, controlling costs, rolling out redesigned service delivery processes, and implementing a service model that will better meet our customers' needs. The Agency is committed to providing as much service as possible to the public and to refreshing, renewing and restoring our facilities and infrastructure in support of that service.

It is a very exciting time for Pierce Transit and the communities we serve. We have come through the economic downturn and are well on our way toward restoring service to Pierce County. The Agency is continuing to move forward, collaborating with partners to develop a transportation network that will meet the needs of our region well into the future.

I would like to take this opportunity to thank the Pierce Transit Finance and Budget professionals for their thoughtful preparation of the 2017 Budget. It is a testament to Pierce Transit's collaborative spirit and determination to continue the momentum into a bright future.

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

The 2017 Budget is balanced, sustainable, and focused on restoring a high-quality transportation system to the citizens of Pierce County.

Sue Dreier, Chief Executive Officer



2017 BUDGET MESSAGE

In brief:

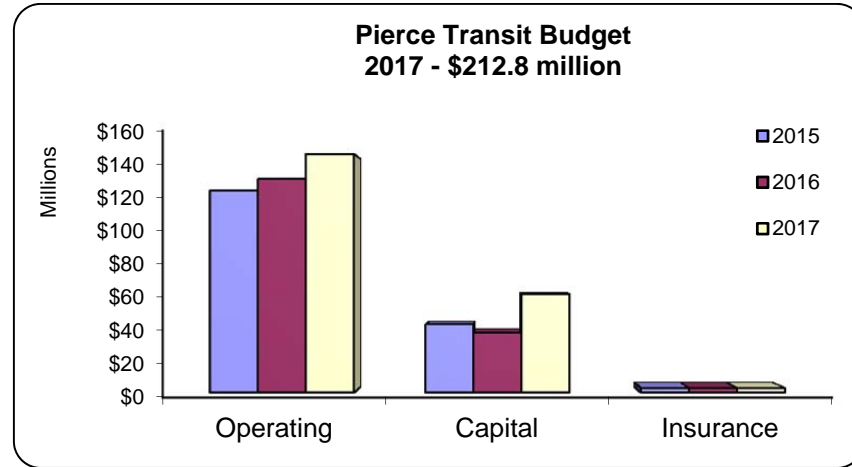
The 2017 budget totals \$212,770,080.

The Board of Commissioners appropriates all funds. The fund structure in the budget is the same as the audited financial statements. Pierce Transit is a single enterprise that uses the same accrual method of accounting as a private enterprise.

The budget is distributed across three major categories: Operating, Capital, and Insurance. These are treated as separate funds for budget purposes.

The operating budget finances the day-to-day operations of the Agency and provides operating transfers to support capital and insurance needs. The capital budget contains revenues and expenditures associated with capital acquisitions. The self-insurance budget is maintained for self-insurance expenses.

Agency Budget Summary



The operating budget is the primary budget of the Agency. It includes revenue from fares, advertising, reimbursement from Sound Transit for regional service, sales tax, preventive maintenance, interest, other, and operating contributions. The operating budget expenditure categories include wages, benefits, maintenance and operating costs, non-operating expenditures, and transfers to the capital and insurance funds.

The capital budget revenues include federal and state grants, Sound Transit funding, interest earnings, and transfers from the operating fund. Capital expenditures include budgeted replacement vehicles, facilities, and maintenance equipment.

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

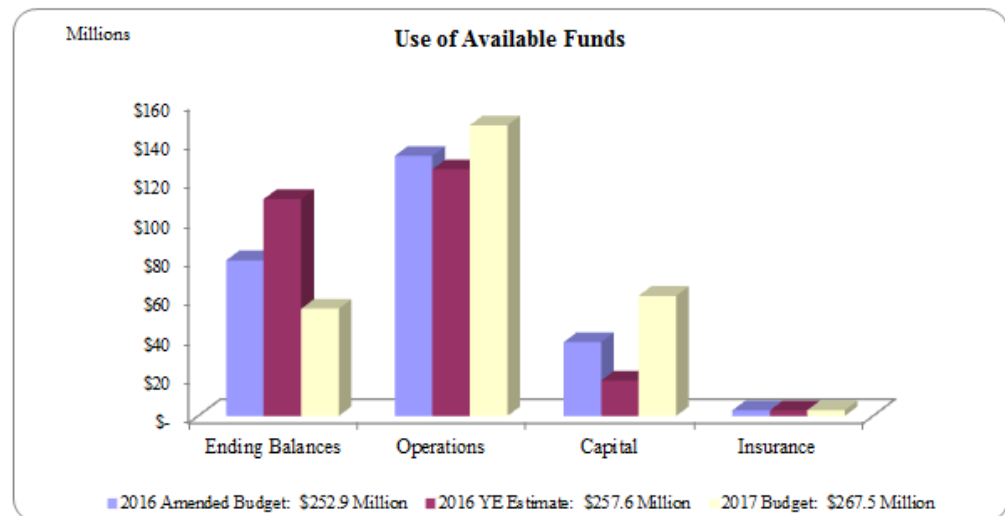
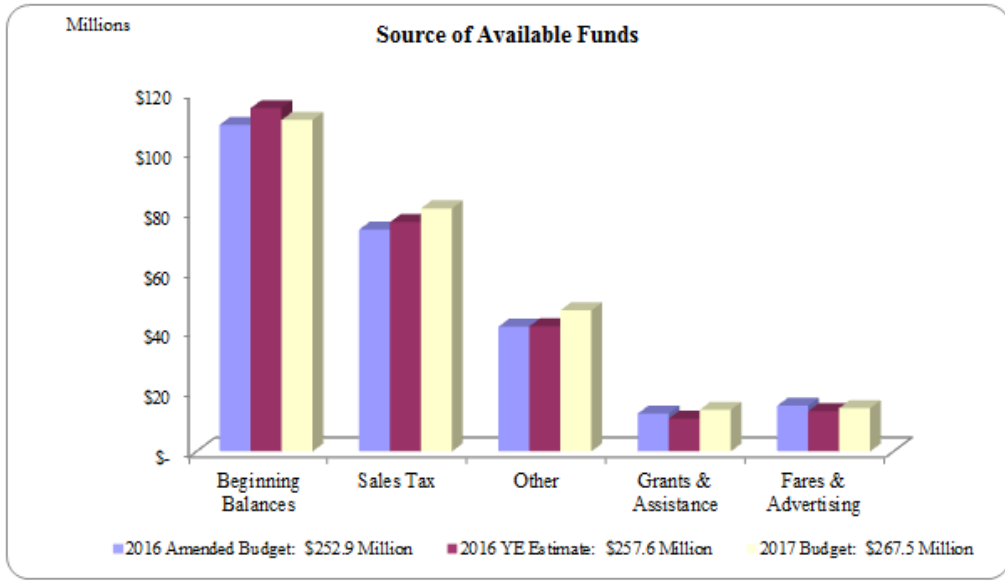


2017 BUDGET MESSAGE

A comparison of revenues and expenditures including beginning balances and ending balances for the total Agency 2016 Amended Budget, the 2016 Year-End Estimates, and the 2017 Budget is shown.

Sales tax revenue is gradually improving and offsetting other decreases in revenue.

Expenditure changes are driven by fixed route service changes and the carryover of capital projects.





2017 BUDGET MESSAGE

In brief:

The budget includes operating revenues, operating expenditures, non-operating expenditures, and operating transfers.

Operating Revenues – Funds such as sales tax and fares received to pay for ongoing operations.

Operating Expenditures – Funds paid for providing transportation services.

Non-Operating Expenditures – Expenditures for the Pierce County Agreement for grant exchange funds.

Operating Transfers – Amounts transferred from the Operating Budget to the Capital and Insurance Budgets to fund expenditures and reserves.

Operating Budget

The 2017 operating revenues of \$148,576,499 support the operating expenditures of \$147,718,332, non-operating expenditures of \$780,258, and operating transfers of \$42,786,117. Operating 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 (\$42,708,205). Additional reserves will be utilized over the next six years to restore additional service hours in 2017, to provide capital acquisitions to support service plans, and to meet the required reserves by the end of the six-year period.

The operating budget revenue for 2017 is increasing by 6.3% and operating expenditures are increasing 11.8% from the 2016 Amended Budget.

	2016 Amended	2017	Budget to Budget Change	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>%</u>
Operating Revenues	\$ 139,712,508	\$ 148,576,499	\$ 8,863,991	6.3%
Operating Expenditures	(132,124,152)	(147,718,332)	15,594,180	11.8%
	6,808,098	858,167		
Non-Operating Expenditures	(780,258)	(780,258)		
Operating Transfers	(26,425,723)	(42,786,114)		
Net Change - Reserves	\$ (19,617,625)	\$ (42,708,205)		

2017 Non-Operating Expenditures are for the payment of \$780,258 for the Pierce County Agreement grant exchange funds.



2017 BUDGET MESSAGE

In brief:

The type of revenue and percent change from 2016 Amended Budget are provided in the table and briefly explained as follows:

- Fares – service changes
ridership projections
average fare per boarding
- Advertising – advertising demand
- Sound Transit – reimbursement rate
services provided
- Sales Tax – estimated revenue
- Interest – investment balance
interest rates
- Other – projected property sales
- Operating Contributions – grants

Operating Revenues

	2016 Amended	2017	Budget to Budget Change	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>%</u>
Operating Income				
Fares	\$ 14,527,774	\$ 13,687,329	\$ (840,445)	-5.8%
Advertising	763,000	800,000	37,000	4.8%
Sound Transit	38,651,000	42,995,656	4,344,656	11.2%
Non-Operating Income				
Sales Tax	74,106,092	81,217,200	7,111,108	9.6%
FTA Formula	4,627,700	4,627,700	-	0.0%
Miscellaneous	2,438,295	1,969,000	(469,295)	-19.2%
Operating Contributions	4,598,647	3,279,614	(1,319,033)	-28.7%
	<u>\$ 139,712,508</u>	<u>\$ 148,576,499</u>	<u>\$ 8,863,991</u>	<u>6.3%</u>

Fares - Revenues are estimated based on ridership and average fare per boarding projections. The average fare per boarding is expected to increase in 2017 to \$1.00 from \$.95 per boarding. Average fare per boarding varies due to factors such as the percentage of boardings by fare type and category. Pierce Transit implemented revisions to its fares in 2014 to coincide with the replacement of its fareboxes. The revisions included elimination of paper transfers and the introduction of a new All Day Pass valid on Pierce Transit local service.

There is no projected fare increase included in the 2017 Budget revenue. The last adult fare increase was November, 2010. The increase was \$.25 for the local adult fare from \$1.75 to \$2.00. In March 2016 the senior/disabled rate increased from \$.75 to \$1.00.



2017 BUDGET MESSAGE

Advertising – The advertising budget reflects demand and the number of buses in service available for ads.

Sound Transit – Regional Transit Service budgeted revenue totals \$42,995,656 in 2017 and is expected to increase 11.2% from 2016 Budget. 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 2017, Sound Transit is increasing service hours 7.1% from 307,491 to 329,176. Sound Transit also reimburses for their share of costs associated with the Tacoma Dome Station, security, liability insurance, and special services.

Sales Tax - The sales tax projections are based on economic conditions and analysis of activity in the jurisdictions in the Public Transportation Benefit Area. 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 77% of the operating budget revenue excluding Sound Transit. In 2017, sales tax is expected to total \$81,217,200. The 2017 Budgeted sales tax revenue is a 9.6% increase over the 2016 Budget. This consists of a 6.0% increase over 2016 year-end estimate and the 2016 year-end estimate is 3.4% over 2016 Budget. The outlook for the economic future is improving at a moderate pace and as these conditions improve, so will our levels of service.

FTA Formula (Preventive Maintenance) - This source is a Federal Transit Administration (FTA) 5307 grant. The 5307 grant is allocated based on certain performance measures including the number of passenger boardings and service hours provided, based on a two year lag. Preventive Maintenance for 2017 is \$4,627,700 and is authorized under the Fixing America's Surface Transportation (FAST) Act (Public Law 114-94). FAST Act full reauthorization is pending congressional action. No additional increase is anticipated in 2017.



2017 BUDGET MESSAGE

Miscellaneous – Includes a Compressed Natural Gas (CNG) tax refund and reimbursements of expenses from the Combined Communications Network (CCN) as well as other miscellaneous revenues such as interest revenue and insurance recoveries. The 19.2% reduction in 2017 is primarily due to the one time sale of property in 2016.

Operating Contributions - Included in Operating Contributions are grants with Pierce County and the City of Tacoma for \$181,219 for Commute Trip Reduction (CTR) administration and Pierce County Employer Services Programs. Washington State Department of Transportation Regional Mobility Grants for peak hour service expansions is included for \$896,063. The remainder of the funds provides services required by the Americans with Disabilities Act (ADA) through an agreement with Pierce County for the use of \$975,322 in federal formula funds and \$1,227,010 for a Washington Department of Transportation grant for special needs transportation. The 28.7% reduction in 2017 is primarily due to the expiration of a Regional Mobility Grant.



2017 BUDGET MESSAGE

In brief:

The 2017 Budget reflects the best use of the projected funds for the effective, efficient, and convenient provision of service to the community.

The type of expenditures and 2017 dollar and percent change from 2016 Amended Budget is provided in the table and is briefly explained as follows:

- Wages –
 - Projected wage adjustments
- Benefits –
 - Medical and Dental insurance premium increases
 - Employer contribution rate change for Washington State Public Employees Retirement System (PERS)
- Maintenance & Operating (M&O) –
 - Services increase

Operating Expenditures

The goal in the 2017 Budget process was to make service restoration and the replacement of critical aging infrastructure our top priorities. We accomplished this mission with the restoration of at least 45,000 fixed route service hours and the replacement of important inventory and infrastructure in 2017. Operating expenses are projected to total \$147,718,332 for an 11.8% increase from the 2016 Amended Budget. The changes from the 2016 Amended Budget to the 2017 Budget are as follows:

	2016 Amended	2017	Budget to Budget Change	
	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>%</u>
Wages	\$ 61,918,366	\$ 68,630,926	\$ 6,712,560	10.8%
Benefits	27,760,235	32,057,318	4,297,083	15.5%
M & O	42,445,551	47,030,088	4,584,537	10.8%
Total Operations	132,124,152	147,718,332	5,873,577	11.8%
Non-Operating Expenditures	780,258	780,258	-	0.0%
Total	<u>\$ 132,904,410</u>	<u>\$ 148,498,590</u>	<u>\$ 15,594,180</u>	11.8%

Wages - The 2017 Budget includes 976 positions and 955.3 full-time equivalents (FTEs). The 10.8% increase in wages includes an addition of eighteen positions directly related to restoring service hours and two support positions. The increase in wages also includes projected increases in wages and salaries.

Represented employees are 86% of the total Agency workforce. The Master Agreement with the transit union is for a three-year period, July 1, 2014 through June 30, 2017. The Master Agreement with the transit security officer union is for a four-year period, May 1, 2014 through April 30, 2018.



2017 BUDGET MESSAGE

The fuel prices for the 2017 Budget are shown below.

	2017 Budget
Unleaded	\$ 2.500
Diesel	\$ 2.500
CNG	\$ 0.714

Unleaded and diesel prices are per gallon and CNG prices are per gas gallon equivalent.

Benefits - The increase in benefits of 15.5% or \$4,297,083 is a result of staff increases, medical and dental premium increases, and an increase in the Washington State Public Employees Retirement System (PERS) employer contribution rates. PERS is projected to increase from 2016 Budget of 11.18% of eligible wages to 11.93% of eligible wages effective July 1, 2017.

Maintenance and Operations - The 2017 Maintenance and Operations (M&O) Budget is \$47,030,088. This is an increase of \$4,584,537 or 10.8% higher than the 2016 Amended Budget. The increase is to support the restoration of service, maintenance of equipment, and technology system needs.

Fuel - Fuel costs of \$6,468,250 represent approximately 13.8% of the maintenance and operating budget. Compressed Natural Gas (CNG) comprises 17.3% of the fuel costs and is driven by CNG contracted prices. The Pierce Transit fleet is nearly 100% CNG powered and Sound Transit fleet is primarily diesel powered. The diesel and unleaded costs are estimated based on the best information available. A majority of diesel costs are reimbursed by Sound Transit.

Non-Operating Expenditures - 2017 Non-Operating Expenditures are for the payment of \$780,258 for the Pierce County Agreement grant exchange funds.



2017 BUDGET MESSAGE

In brief:

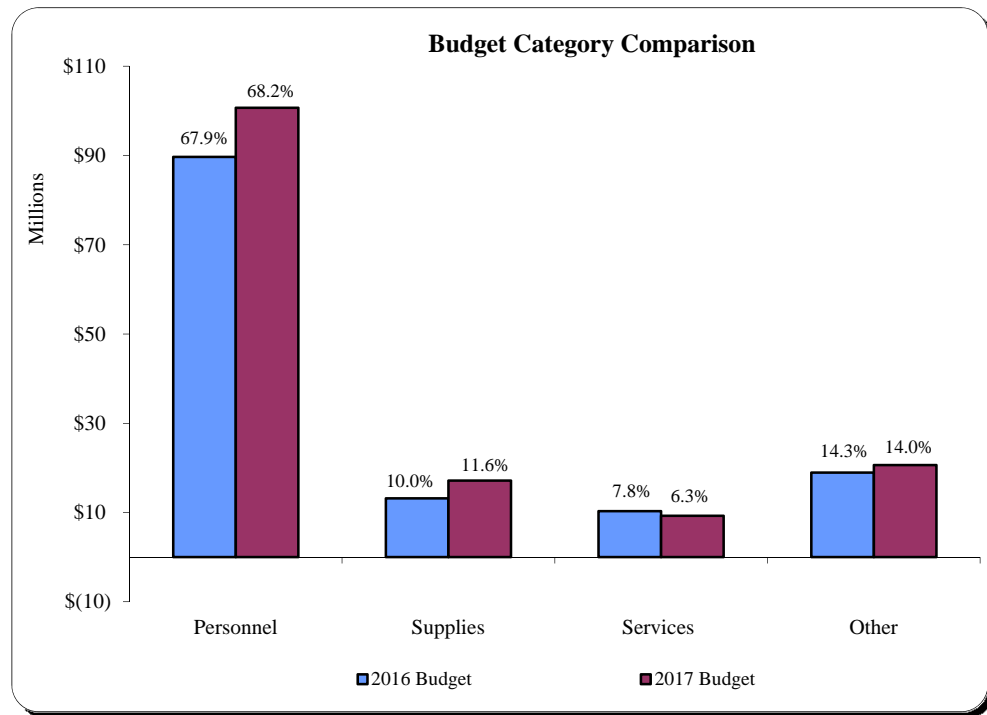
Itemization of Budgetary Changes

The 2017 total operating budget is 11.8% above the 2016 Amended Budget. An itemization of this increase is shown in the following chart.

Category	% Change
Wages	10.8%
Benefits	15.5%
Supplies	30.1%
Services	-10.1%
Insurance	11.1%
Utilities	-0.1%
Repairs & Maintenance	39.6%
Rentals	-19.4%
Other	12.0%
Repairs & Maint Contract Services	8.8%
Other Improvements	-100.0%
Total	11.8%

Budget category comparison

As shown in the graph below, the operating budget categories for 2016 Budget and 2017 Budget represent similar percentages of the total operating budget. Personnel costs are approximately 68%, supplies 12%, services 6%, and other 14%.





2017 BUDGET MESSAGE

In brief:

The 2017 Capital Budget is comprised of the following categories.

Revenue Vehicles – 50%

Provide customers a comfortable and reliable mode of transportation

Passenger Facilities & Amenities – 18%

Serve as the front door to the transit system

Base Facilities – 9%

Support the efficiency of the Agency

Technology – 20%

Improve information and services to the public

Other – 3%

Maintain equipment

A detailed project list reflecting the responsible division, carryover, and grant support is located in the Budget Statistics section of this document.

Capital

The Capital Budget presents the revenues and expenditures associated with capital development and acquisition. It includes funds for budgeted replacement vehicles, capital planning for the efficient use of base facilities, maintenance equipment, and off-site improvements. These items are distinguished from operating items due to their value (greater than \$5,000) and projected useful life (longer than one year). Capital expenses and grant reimbursements are budgeted by project. Projects are budgeted in their entirety when approved regardless of anticipated expenditure dates.

Capital projects for 2017 are budgeted at \$61,331,490. Approved but unspent projects are carried over to the following budget year. The 2017 Budget contains \$18,419,386 of prior year budgeted funds (carryover) and \$42,912,104 in new projects in 2017. Expenditures are supported by \$8,048,208 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 budgets of the responsible department.

	Carryover	New	Total
Revenue Vehicles	\$ 5,047,631	\$ 25,660,423	\$ 30,708,054
<i>(Bus Replacement - 25 CNG, 6 Electric, 3 Charging Stations; Bus Expansion- 7 CNG; Vanpool - 55 replacement; SHUTTLE capitalization)</i>			
Passenger Facilities and Amenities	7,956,616	2,842,201	10,798,817
<i>(Transit Center Renewal: Lakewood, SR512, Tacoma Mall, TCC, 72nd Street; Tacoma Dome Station, Air Spares/TDS Transit Oriented Development)</i>			
Base Facilities	3,069,674	2,663,177	5,732,851
<i>(Base Master Plan Implementation, Hoist Replacement, Bldg. 4 Improvements, West Base)</i>			
Technology	1,381,812	10,935,698	12,317,510
<i>(Next Generation ORCA, Financial Management System, Crash Avoidance System, Server and Infrastructure Replacement)</i>			
Other	963,653	810,605	1,774,258
<i>(Support Vehicles, Maintenance, Admin. and Shop Equipment)</i>			
	\$ 18,419,386	\$ 42,912,104	\$ 61,331,490



2017 BUDGET MESSAGE

Self- Insurance

The 2017 Budget of \$2,940,000 reflects an increase of \$110,000 from the 2016 Amended Budget of \$2,830,000. This is a result of projected Workers' Compensation claims and associated costs. Unemployment costs have no projected changes from the prior year.

Ending Balances

Ending balances include the required reserves for the operating, capital, and insurance funds. The Board of Commissioners designated balances policy follows:

Operating reserve - a minimum of two months of agency operating expenditures.

Capital reserve – an amount sufficient to fund the capital requirements identified in the Six-Year Financial Plan plus an amount equal to three prior years of local depreciation, excluding buildings and other structures. This reserve has been set at this level to enable the agency to respond to urgent unanticipated capital expenditure requirements as well as to protect Pierce Transit from the uncertainty of federal and state grant funding.

Self-Insurance reserve - a level adequate to protect the agency from self-insurance claims (currently \$2 million).

Conclusion

The 2017 Budget is balanced, sustainable, and focused on restoring a high-quality transportation system.



2017 BUDGET FACT SHEET



FACT SHEET NO: 16-076

AGENDA DATE: 12/12/16

Fact Sheet:

A Fact Sheet is prepared to accompany resolutions presented to the Board of Commissioners. It provides information about the item in the resolution including preceding actions affecting the current request. It also includes budget information, background, alternatives, and the recommendation.

FACT SHEET

TITLE: Adopting the Annual Budget for Fiscal Year 2017 DIVISION: Finance

ORIGINATOR: Kathy Sullivant, Acting Executive Director of Finance

PRECEDING ACTION: Review at Executive Finance Committee 10/27/2016; Budget Public Hearing 11/14/2016

COORDINATING DEPARTMENT: All Departments

APPROVED FOR SUBMITTAL: *Kathy Sullivant*
Chief Financial Officer

APPROVED FOR AGENDA: *Steve Hrein* *Dan Anderson*
Chief Executive Officer General Counsel

ATTACHMENTS: Proposed Resolution

BUDGET INFORMATION
2017 Budget Appropriations

	Expenditures	Resources
Operating Budget		
Operating	\$ 147,718,332	\$ 57,482,985
Non-Operating	780,258	87,813,900
Operating Contributions	-	3,279,614
Operating Transfers	42,786,114	-
Use of Reserves	-	42,708,205
	<u>191,284,704</u>	<u>191,284,704</u>
Capital Budget		
Operating	61,331,490	8,163,208
Operating Transfers	-	39,069,877
Use of Reserves	-	14,098,405
	<u>61,331,490</u>	<u>61,331,490</u>
Insurance Budget		
Operating	2,940,000	8,000
Operating Transfers	-	3,716,237
Use of Reserves	-	(784,337)
	<u>2,940,000</u>	<u>2,940,000</u>
Total Appropriations	255,556,194	255,556,194
Less Operating Transfers	<u>(42,786,114)</u>	<u>(42,786,114)</u>
Net Budget	\$ 212,770,080	\$ 212,770,080

Explanation: The 2017 Budget totals \$255,556,194 for the operating, capital, and insurance budgets. Of this amount, \$42,786,114 is internal transfers, leaving a net budget of \$212,770,080.



2017 BUDGET FACT SHEET

FACT SHEET
PAGE 2 of 2

BACKGROUND:

The 2017 Budget is ready for adoption. The budget is balanced, sustainable, and meets Board adopted reserve requirements. The Agency's budget is \$255,556,194. Of this amount \$42,786,114 represents internal transfers, leaving a net budget of \$212,770,080. The three components that make up this amount are the Operating Budget (75%), Capital Budget (24%), and Insurance Budget (1%).

The budget includes Pierce Transit fixed route service hours totaling 500,130. Specialized Transportation (SHUTTLE) hours are budgeted at 181,270. Vanpool service hours are budgeted at 150,000. Pierce Transit anticipates providing 329,176 service hours for Sound Transit Regional Transit Service.

To provide the projected levels of service for Pierce Transit and Sound Transit, the 2017 Budget includes 976 positions and 955.25 full-time equivalents (FTEs). This is a net increase of 18 positions, of which, 16 are in direct support of the service increase and two are indirect support. The Classification and Compensation Program for Non-Represented Positions annual maximum salary adjustment of 3% based on documented performance towards defined goals is included in the 2017 Budget.

Capital projects for 2017 are budgeted at \$61,331,490. Approved but unspent projects are carried over to the following budget year. The 2017 budget contains approximately \$18 million of prior year budgeted funds (carryover). Included are funds for facilities, vehicles, technology, and administrative and maintenance equipment.

The insurance budget of \$2,940,000 includes workers' compensation costs of \$2,815,000 and unemployment costs of \$125,000.

ALTERNATIVES:

Modify the budget. The Board may at any time throughout the budget year make modifications to the budget.

RECOMMENDATION:

Approve Resolution No. 16-047, adopting the annual budget for fiscal year 2017.



Resolution:

The resolution is the legal documentation of the formal action taken by the Board of Commissioners. It provides authority for the Agency to implement the action.

2017 BUDGET RESOLUTION

RESOLUTION NO. 16-047

1 A RESOLUTION of the Board of Commissioners of Pierce Transit Adopting the Annual Budget for
2 Fiscal Year 2017

3
4 WHEREAS, the Chief Executive Officer has prepared a preliminary budget for fiscal year 2017; and

5 WHEREAS, the Executive Finance Committee has carefully reviewed the preliminary budget at its
6 October 27th meeting; and

7 WHEREAS, the Board of Commissioners of Pierce Transit has carefully reviewed the preliminary
8 budget at its November 14th meeting; and

9 WHEREAS, the Board of Commissioners at Pierce Transit held a public hearing on the preliminary
10 budget at its November 14th meeting; and

11 WHEREAS, the Board of Commissioners of Pierce Transit has now determined that the preliminary
12 budget provides for the efficient delivery of public transportation services within the financial capacity of
13 Pierce Transit for 2017; and

14 WHEREAS, the 2017 Budget proposes service to provide 1,160,576 service hours for fixed route,
15 SHUTTLE, Vanpool and Sound Transit service, requiring a workforce of 976 positions; and

16 WHEREAS, the Classification and Compensation Program for Non-Represented Positions was adopted
17 by the Board of Commissioners on December 9, 2013 and revised November 10, 2014; and

18 NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

19 Section 1. The Board of Commissioners authorizes the annual budget for Pierce Transit for Fiscal
20 Year 2017 as determined in the preliminary budget which was reviewed and adopted by the Board of
21 Commissioners to its final form and content and, by this reference, incorporated herein as though fully set
22 forth, and the same is hereby adopted as the annual budget for Pierce Transit for Fiscal Year 2017.

23 Section 2. The summary of the total estimated expenditures and resources for the appropriations
24 are as follows:

25 2017 Budget Appropriation

	Expenditures	Resources
26		
27	\$255,556,194	\$199,533,921
28	Use of Reserves	<u>56,022,273</u>
29	Total Appropriation	255,556,194
30	Less Operating Transfers	<u>(42,786,114)</u>



2017 BUDGET RESOLUTION

1 Net Budget \$212,770,080 \$212,770,080

2 Section 3. The Chief Executive Officer is hereby authorized to staff up to 976 positions to meet the
3 objectives of the 2017 Budget.


4 Section 4: The Classification and Compensation Program for Non-Represented Positions annual
5 maximum salary adjustment of 3% based on documented performance towards defined goals is
6 authorized.

7 ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on
8 the 12th day of December, 2016.

9 PIERCE TRANSIT

10
11 
12 _____
13 Kent Keel, Chair
14 Board of Commissioners

15 ATTEST/AUTHENTICATED

16
17 
18 _____
19 Deanne Jacobson, CMC
Clerk of the Board



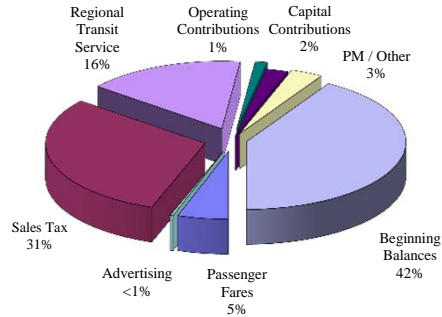
A summary of Pierce Transit's budget is displayed in the following section. This summary is designed to present a brief overview of the Agency's financial outlook for the coming year. This information includes an overall summary, operating revenue summary, operating expenditure summary, capital summary, insurance summary, ending balances summary and an agency expenditure comparison.

2017 Budget Summary

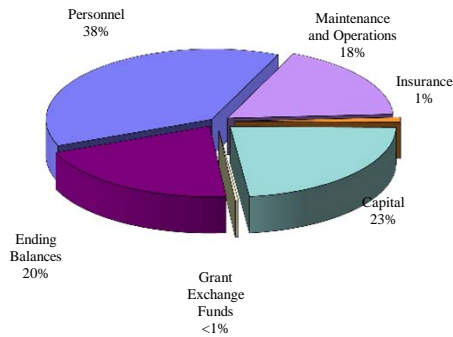


**2017 BUDGET
OVERALL SUMMARY**

Revenues



Expenditures



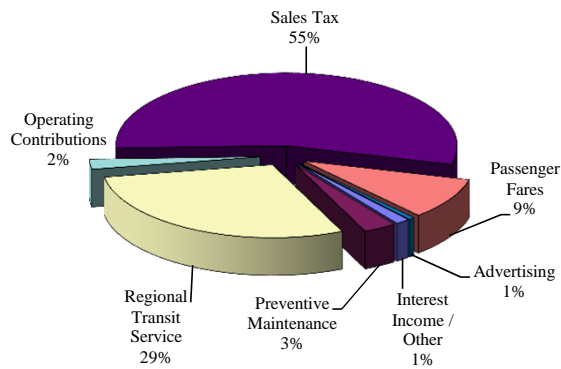
	2015 YEAR-END ACTUALS	2016 AMENDED BUDGET	2016 YEAR-END ESTIMATE	2017 BUDGET	% CHANGE 2017 BUDGET TO 2016 BUDGET
REVENUES					
OPERATING INCOME					
Passenger Fares	\$ 12,628,413	\$ 14,527,774	\$ 12,670,086	\$ 13,687,329	-5.8%
Advertising	782,601	763,000	780,000	800,000	4.8%
Regional Transit Service (Sound Transit)	35,976,730	38,651,000	38,651,000	42,995,656	11.2%
NON-OPERATING INCOME					
Sales Tax	72,076,026	74,106,092	76,620,000	81,217,200	9.6%
Preventive Maintenance	5,095,512	4,627,700	4,627,700	4,627,700	0.0%
Other	1,947,888	3,029,090	3,150,669	4,142,100	36.7%
CONTRIBUTIONS					
Operating	3,646,623	4,598,647	4,598,647	3,279,614	-28.7%
Capital	2,397,798	3,438,564	1,775,530	5,998,208	74.4%
REVENUES	134,551,591	143,741,867	142,873,632	156,747,807	9.0%
BEGINNING BALANCES					
Working Cash	98,367,580	91,851,513	88,856,627	77,446,705	-15.7%
Insurance	429,949	374,439	586,302	1,215,663	224.7%
Capital Reserve	19,740,699	16,935,743	25,295,278	32,098,405	89.5%
BEGINNING BALANCES	118,538,228	109,161,695	114,738,207	110,760,773	1.5%
TOTAL REVENUES AND BALANCES	\$ 253,089,819	\$ 252,903,562	\$ 257,611,839	\$ 267,508,580	5.8%
EXPENDITURES					
OPERATING EXPENDITURES					
Personnel	\$ 79,076,358	\$ 89,678,601	\$ 83,683,503	\$ 100,688,244	12.3%
Maintenance and Operations	33,620,838	42,445,551	41,495,440	47,030,088	10.8%
Insurance	2,479,279	2,830,000	2,829,300	2,940,000	3.9%
NON-OPERATING EXPENDITURES					
Debt Service	-	-	-	-	0.0%
Grant Exchange Funds	520,173	780,258	780,258	780,258	0.0%
CAPITAL EXPENDITURES					
Capital	17,767,302	37,663,961	18,062,565	61,331,490	62.8%
EXPENDITURES	133,463,950	173,398,371	146,851,066	212,770,080	22.7%
ENDING BALANCES					
Working Cash	93,744,290	72,233,888	77,446,705	34,738,500	-51.9%
Insurance	586,300	1,000,000	1,215,663	2,000,000	100.0%
Capital Reserve	25,295,279	6,271,303	32,098,405	18,000,000	187.0%
ENDING BALANCES	119,625,869	79,505,191	110,760,773	54,738,500	-31.2%
TOTAL EXPENDITURES AND BALANCES	\$ 253,089,819	\$ 252,903,562	\$ 257,611,839	\$ 267,508,580	5.8%

NOTE: Transfers are not shown since they result in offsetting allocations between unrestricted and restricted reserves.



**2017 BUDGET
OPERATING SUMMARY - REVENUES**

Operating Revenues

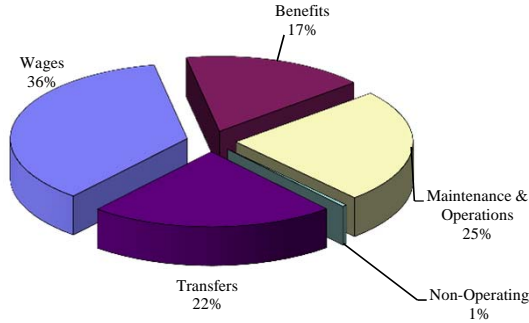


	2015 YEAR-END ACTUALS	2016 AMENDED BUDGET	2016 YEAR-END ESTIMATE	2017 BUDGET	% CHANGE 2017 BUDGET TO 2016 BUDGET
OPERATING REVENUES					
OPERATING INCOME					
Passenger Fares	\$ 12,628,413	\$ 14,527,774	\$ 12,670,086	\$ 13,687,329	-5.8%
Advertising	782,601	763,000	780,000	800,000	4.8%
Regional Transit Service (Sound Transit)					
Express Reimbursement	34,555,175	37,604,645	37,604,645	42,012,197	11.7%
TDS Reimbursement	836,682	846,355	846,355	783,459	-7.4%
Special Service Reimbursement	226,198	200,000	200,000	200,000	0.0%
Other Reimbursement	358,675	-	-	-	0.0%
OPERATING INCOME	49,387,744	53,941,774	52,101,086	57,482,985	6.6%
NON-OPERATING INCOME					
Sales Tax	72,076,026	74,106,092	76,620,000	81,217,200	9.6%
Preventive Maintenance	5,095,512	4,627,700	4,627,700	4,627,700	0.0%
Interest Income	148,864	120,000	109,274	415,000	245.8%
Other	1,757,775	2,318,295	2,918,295	1,554,000	-33.0%
NON-OPERATING INCOME	79,078,177	81,172,087	84,275,269	87,813,900	8.2%
OPERATING CONTRIBUTIONS					
CTR / Vanpool Assistance	82,277	196,219	196,219	181,219	-7.6%
Grant Exchange Funds	650,216	975,322	975,322	975,322	0.0%
Operating Grants - Other	1,594,327	1,873,087	1,873,087	896,063	-52.2%
Special Needs Transportation Grant	1,319,803	1,554,019	1,554,019	1,227,010	-21.0%
OPERATING CONTRIBUTIONS	3,646,623	4,598,647	4,598,647	3,279,614	-28.7%
TOTAL OPERATING REVENUES	132,112,544	139,712,508	140,975,002	148,576,499	6.3%
BEGINNING BALANCE	98,367,580	91,851,513	88,856,627	77,446,705	-15.7%
TOTAL OPERATING REVENUES AND BEGINNING BALANCE	\$ 230,480,124	\$ 231,564,021	\$ 229,831,629	\$ 226,023,204	-2.4%



**2017 BUDGET
OPERATING SUMMARY - EXPENDITURES**

Operating Expenditures & Transfers

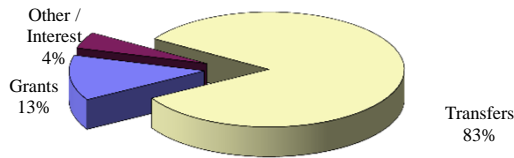


	2015 YEAR-END ACTUALS	2016 AMENDED BUDGET	2016 YEAR-END ESTIMATE	2017 BUDGET	% CHANGE 2017 BUDGET TO 2016 BUDGET
OPERATING EXPENDITURES					
OPERATING					
PERSONNEL					
Wages	\$ 55,794,437	\$ 61,918,366	\$ 59,544,049	\$ 68,630,926	10.8%
Benefits	23,281,921	27,760,235	24,139,454	32,057,318	15.5%
PERSONNEL	79,076,358	89,678,601	83,683,503	100,688,244	12.3%
MAINTENANCE & OPERATIONS					
Supplies	12,176,851	13,179,394	15,027,461	17,143,953	30.1%
Services	5,270,654	10,314,286	8,603,341	9,268,695	-10.1%
Insurance (Purchased)	2,256,713	2,116,997	2,120,714	2,351,678	11.1%
Utilities	1,380,615	1,878,500	1,680,900	1,876,150	-0.1%
Repairs	300,296	677,808	676,286	946,187	39.6%
Rentals	325,738	457,509	443,095	368,963	-19.4%
Purchased Transportation	7,788,159	8,202,451	8,129,344	8,530,141	4.0%
Other	4,121,812	5,618,606	4,814,299	6,544,321	16.5%
MAINTENANCE & OPERATIONS	33,620,838	42,445,551	41,495,440	47,030,088	10.8%
OPERATING EXPENDITURES	112,697,196	132,124,152	125,178,943	147,718,332	11.8%
NON-OPERATING EXPENDITURES					
Grant Exchange Funds	520,173	780,258	780,258	780,258	0.0%
NON-OPERATING EXPENDITURES	520,173	780,258	780,258	780,258	0.0%
TOTAL EXPENDITURES	113,217,369	132,904,410	125,959,201	148,498,590	11.7%
TRANSFERS					
Other Insurance Transfer	83,940	103,697	103,697	47,927	-53.8%
Workers' Comp. Transfer	2,546,090	3,346,864	3,346,864	3,668,310	9.6%
Capital Reserve	20,888,435	22,975,162	22,975,162	39,069,877	70.1%
TRANSFERS	23,518,465	26,425,723	26,425,723	42,786,114	61.9%
TOTAL EXPENDITURES AND TRANSFERS	136,735,834	159,330,133	152,384,924	191,284,704	20.1%
ENDING BALANCE	93,744,290	72,233,888	77,446,705	34,738,500	-51.9%
TOTAL OPERATING EXPENDITURES AND ENDING BALANCE	\$ 230,480,124	\$ 231,564,021	\$ 229,831,629	\$ 226,023,204	-2.4%

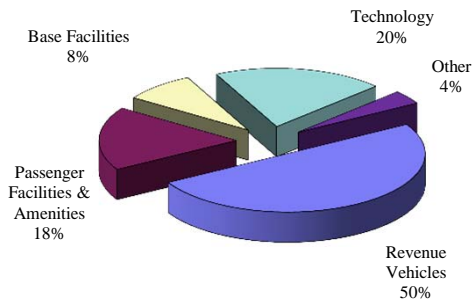


**2017 BUDGET
CAPITAL SUMMARY**

Capital Revenues & Transfers



Capital Expenditures

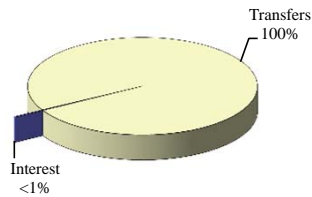


	2015 YEAR-END ACTUALS	2016 AMENDED BUDGET	2016 YEAR-END ESTIMATE	2017 BUDGET	% CHANGE 2017 BUDGET TO 2016 BUDGET
CAPITAL REVENUES					
REVENUES					
Grants	\$ 2,397,798	\$ 3,438,564	\$ 1,775,530	\$ 5,998,208	74.4%
Other Capital Revenue / Interest	35,649	585,795	115,000	2,165,000	269.6%
REVENUE	2,433,447	4,024,359	1,890,530	8,163,208	102.8%
TRANSFERS					
Capital Reserve	20,888,435	22,975,162	22,975,162	39,069,877	70.1%
TRANSFERS	20,888,435	22,975,162	22,975,162	39,069,877	
CAPITAL REVENUES	23,321,882	26,999,521	24,865,692	47,233,085	74.9%
BEGINNING BALANCE					
Capital Reserve	19,740,699	16,935,743	25,295,278	32,098,405	89.5%
TOTAL CAPITAL REVENUES AND BEGINNING BALANCE	\$ 43,062,581	\$ 43,935,264	\$ 50,160,970	\$ 79,331,490	80.6%
CAPITAL EXPENDITURES					
CAPITAL ACQUISITION					
Revenue Vehicles	\$ 7,470,307	\$ 15,679,408	\$ 10,631,778	\$ 30,708,054	95.8%
Passenger Facilities & Amenities	641,618	3,798,418	804,815	10,798,817	184.3%
Base Facilities	859,808	9,015,135	330,737	5,160,851	-42.8%
Technology	8,760,857	6,673,445	4,761,333	12,317,510	84.6%
Other	34,712	2,497,555	1,533,902	2,346,258	-6.1%
CAPITAL EXPENDITURES	17,767,302	37,663,961	18,062,565	61,331,490	62.8%
ENDING BALANCE					
Capital Reserve	25,295,279	6,271,303	32,098,405	18,000,000	187.0%
TOTAL CAPITAL EXPENDITURES AND ENDING BALANCE	\$ 43,062,581	\$ 43,935,264	\$ 50,160,970	\$ 79,331,490	80.6%

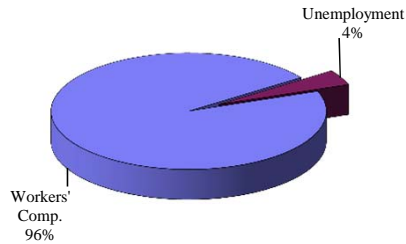


**2017 BUDGET
INSURANCE SUMMARY**

Insurance Revenues & Transfers



Insurance Expenditures

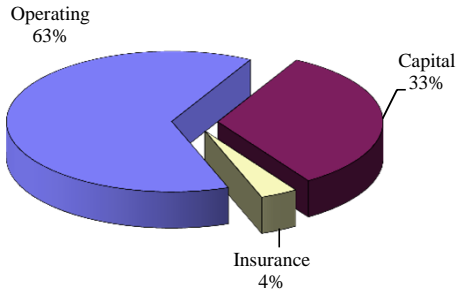


	2015 YEAR-END ACTUALS	2016 AMENDED BUDGET	2016 YEAR-END ESTIMATE	2017 BUDGET	% CHANGE 2017 BUDGET TO 2016 BUDGET
INSURANCE REVENUES					
REVENUES					
Workers' Comp. Interest	\$ 5,259	\$ 4,941	\$ 7,607	\$ 7,607	54.0%
Unemployment Insurance Interest	341	59	493	493	735.6%
REVENUES	5,600	5,000	8,100	8,100	62.0%
TRANSFERS					
Workers' Comp. Transfer	2,546,090	3,346,864	3,346,864	3,668,310	9.6%
Unemployment Insurance Transfer	83,940	103,697	103,697	47,927	-53.8%
TRANSFERS	2,630,030	3,450,561	3,450,561	3,716,237	7.7%
REVENUES AND TRANSFERS	2,635,630	3,455,561	3,458,661	3,724,337	7.8%
BEGINNING BALANCES					
Workers' Comp. Insurance	242,758	228,195	363,912	1,014,083	344.4%
Unemployment Insurance	187,191	146,244	222,390	201,580	37.8%
BEGINNING BALANCES	429,949	374,439	586,302	1,215,663	224.7%
TOTAL INSURANCE REVENUES AND BEGINNING BALANCES	\$ 3,065,579	\$ 3,830,000	\$ 4,044,963	\$ 4,940,000	29.0%
INSURANCE EXPENDITURES					
Workers' Comp. Insurance	2,430,196	2,705,000	2,704,300	2,815,000	4.1%
Unemployment Insurance	49,083	125,000	125,000	125,000	0.0%
INSURANCE EXPENDITURES	2,479,279	2,830,000	2,829,300	2,940,000	3.9%
ENDING BALANCES					
Workers' Comp. Insurance	363,911	875,000	1,014,083	1,875,000	114.3%
Unemployment Insurance	222,389	125,000	201,580	125,000	0.0%
ENDING BALANCES	586,300	1,000,000	1,215,663	2,000,000	100.0%
TOTAL INSURANCE EXPENDITURES AND ENDING BALANCES	\$ 3,065,579	\$ 3,830,000	\$ 4,044,963	\$ 4,940,000	29.0%



**2017 BUDGET
ENDING BALANCES**

Ending Balances

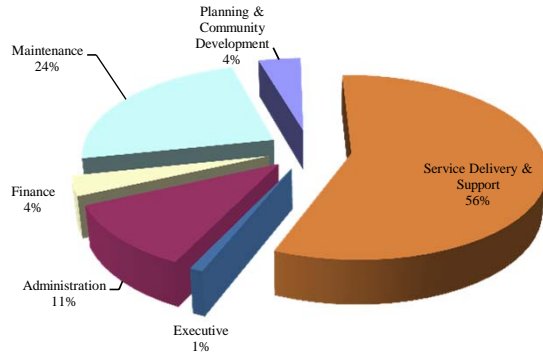


	2015 YEAR-END ACTUALS	2016 AMENDED BUDGET	2016 YEAR-END ESTIMATE	2017 BUDGET	% CHANGE 2017 BUDGET TO 2016 BUDGET
OPERATING					
Revenues	\$ 132,112,544	\$ 139,712,508	\$ 140,975,002	\$ 148,576,499	6.3%
Less: Expenditures	(113,217,369)	(132,904,410)	(125,959,201)	(148,498,590)	11.7%
Subtotal	18,895,175	6,808,098	15,015,801	77,909	-98.9%
Plus: Beginning Balance	98,367,580	91,851,513	88,856,627	77,446,705	-15.7%
Less: Transfers					
Capital Reserve	(20,888,435)	(22,975,162)	(22,975,162)	(39,069,877)	70.1%
Insurance	(2,630,030)	(3,450,561)	(3,450,561)	(3,716,237)	7.7%
ENDING OPERATING BALANCE	\$ 93,744,290	\$ 72,233,888	\$ 77,446,705	\$ 34,738,500	-51.9%
CAPITAL					
Revenues	\$ 2,433,447	\$ 4,024,359	\$ 1,890,530	\$ 8,163,208	102.8%
Plus: Transfers					
Capital Reserve	20,888,435	22,975,162	22,975,162	39,069,877	70.1%
Subtotal Revenue	23,321,882	26,999,521	24,865,692	47,233,085	74.9%
Less: Expenditures	(17,767,302)	(37,663,961)	(18,062,565)	(61,331,490)	62.8%
Subtotal	5,554,580	(10,664,440)	6,803,127	(14,098,405)	32.2%
Plus: Beginning Balance	19,740,699	16,935,743	25,295,278	32,098,405	89.5%
ENDING CAPITAL BALANCE	\$ 25,295,279	\$ 6,271,303	\$ 32,098,405	\$ 18,000,000	187.0%
INSURANCE					
Revenues	\$ 5,600	\$ 5,000	\$ 8,100	\$ 8,100	62.0%
Plus: Transfers	2,630,030	3,450,561	3,450,561	3,716,237	7.7%
Subtotal Revenue	2,635,630	3,455,561	3,458,661	3,724,337	7.8%
Less: Expenditures	(2,479,279)	(2,830,000)	(2,829,300)	(2,940,000)	3.9%
Subtotal	156,351	625,561	629,361	784,337	25.4%
Plus: Beginning Balance	429,949	374,439	586,302	1,215,663	224.7%
ENDING INSURANCE BALANCE	\$ 586,300	\$ 1,000,000	\$ 1,215,663	\$ 2,000,000	100.0%
GRAND TOTAL - ALL BALANCES	\$ 119,625,869	\$ 79,505,191	\$ 110,760,773	\$ 54,738,500	-31.2%



**2017 OPERATING BUDGET
AGENCY EXPENDITURE COMPARISON**

Agency Operating Budget



Description

	2015 Actual	2016 Amended Budget	2016 Year-End Estimate	2017 Budget	% Change 2017 Budget to 2016 Budget
Personnel					
Wages	\$ 55,794,437	\$ 61,918,366	\$ 59,544,049	\$ 68,630,926	10.8%
Benefits	23,281,921	27,760,235	24,139,454	32,057,318	15.5%
Personnel	79,076,359	89,678,601	83,683,503	100,688,244	12.3%

Maintenance and Operations

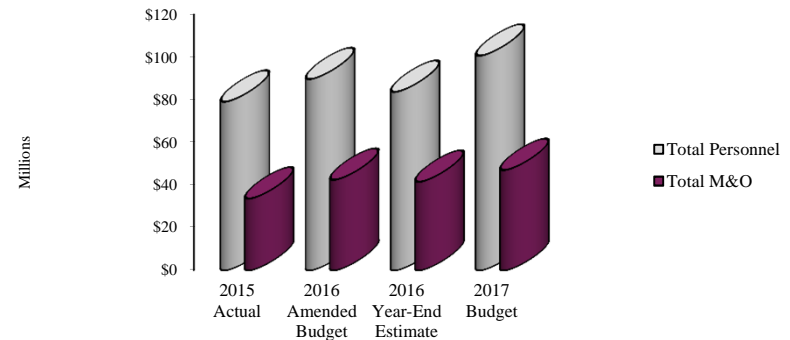
Supplies	12,176,851	13,179,394	15,027,461	17,143,953	30.1%
Services	5,270,654	10,314,286	8,603,341	9,268,695	-10.1%
Insurance	2,256,713	2,116,997	2,120,714	2,351,678	11.1%
Utilities	1,380,615	1,878,500	1,680,900	1,876,150	-0.1%
Repairs & Maintenance	300,296	677,808	676,286	946,187	39.6%
Rentals	325,738	457,509	443,095	368,963	-19.4%
Other	11,395,347	12,969,304	12,329,340	14,520,159	12.0%
Repairs & Maint Contract Services	449,218	509,603	544,303	554,303	8.8%
Other Improvements	65,406	342,150	70,000	-	-100.0%
Maintenance and Operations	33,620,838	42,445,551	41,495,440	47,030,088	10.8%

Total * \$ 112,697,197 \$ 132,124,152 \$ 125,178,943 \$ 147,718,332 11.8%

Total FTE's 911.0 911.0 955.3
 Total Positions 958.0 958.0 976.0

* Does not include Non-Departmental, Debt Service, Transfers or Self-Insurance Expenditures

Expenditure Summary





This section includes Operating Statistics for all modes of service, Personnel Summary, Capital Program, Capital Budget by Project, and an Insurance Expenditure Comparison.

2017 Budget

Budget Statistics



**2017 Budget
Operating Statistics
All Modes**

	2016 Budget	2017 Budget	% Change 2016 - 2017
Pierce Transit			
Fixed Route Local & Express			
Ridership	11,475,046	10,138,378	-11.6%
Service Hours	464,000	500,130	7.8%
Service Miles	5,198,370	5,690,199	9.5%
Sound Transit			
Fixed Route Express			
Ridership	7,502,782	5,322,519	-29.1%
Service Hours	307,491	329,176	7.1%
Service Miles	7,662,677	8,071,654	5.3%
Total Fixed Route (Pierce Transit & Sound Transit)			
Ridership	18,977,828	15,460,896	-18.5%
Service Hours	771,491	829,306	7.5%
Service Miles	12,861,047	13,761,854	7.0%
SHUTTLE			
Ridership	371,378	348,951	-6.0%
Service Hours	187,860	181,270	-3.5%
Service Miles	2,730,176	2,585,673	-5.3%
Vanpool			
Ridership	950,000	900,000	-5.3%
Service Hours	147,000	150,000	2.0%
Service Miles	5,000,000	4,900,000	-2.0%
AGENCY TOTAL (Pierce Transit and Sound Transit Fixed Route, SHUTTLE & Vanpool)			
Ridership	20,299,206	16,709,848	-17.7%
Service Hours	1,106,351	1,160,575	4.9%
Service Miles	20,591,223	21,247,527	3.2%



**2017 BUDGET
PERSONNEL SUMMARY**

In brief:

Pierce Transit workforce is representative of the diversity of customers served.

The ethnicity of the workforce is

White – 66%

African American – 19%

Asian – 8%

Hispanic – 4%

Native American – 1%

Pacific Islander – 1%

More than one race – 1%



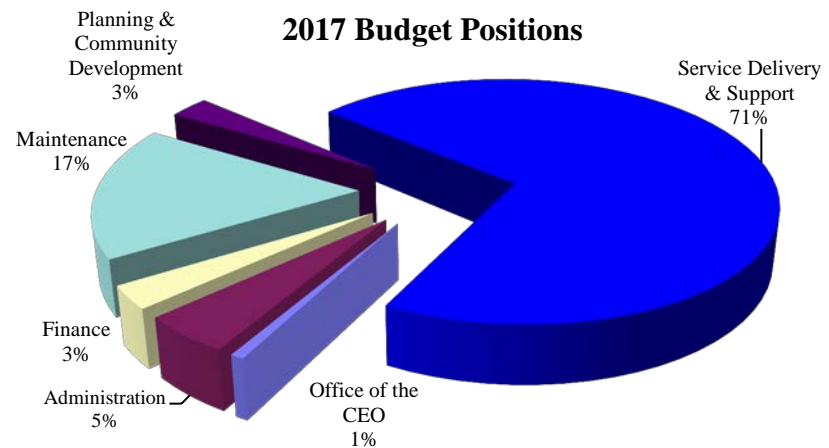
Personnel Summary

The 2017 Budget includes 976 positions and 955.3 full-time equivalents (FTEs). This is a net increase of 18 positions or 2% from the 2016 Budget.

The 18 direct operating positions include:

- | | |
|---------------------------------|---------------------------------------|
| 8 Transit Operators | 1 Transit Operator Assistant Manager |
| 3 Relief Transit Operators | 1 Attendance Analyst |
| 1 Service Supervisor - Dispatch | 1 Communication Assistant Manager |
| 1 Vehicle Custodian | 1 Communications Systems Technologist |
| 1 Laborer | |

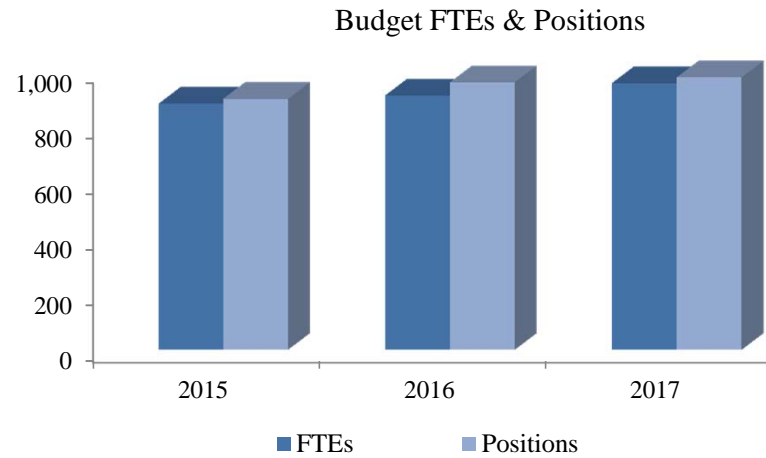
Directly operated service includes Service Delivery & Support and Maintenance Divisions and represents 865 or 88% of total positions. The remaining 111 positions or 12% are in the Office of the CEO, Finance, Administration, and Planning & Community Development Divisions.





**2017 BUDGET
PERSONNEL SUMMARY**

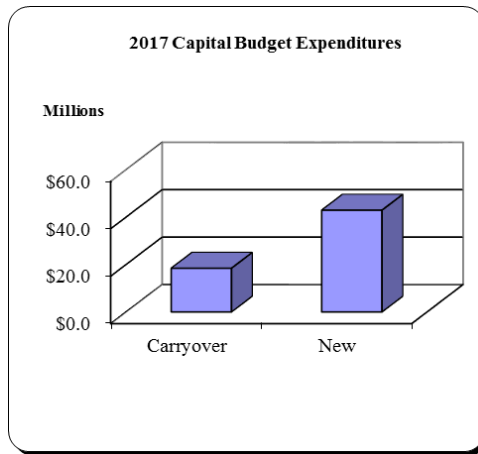
Budget FTEs				Budget Positions			
2015 Budget	2016 Budget	2017 Budget	2016-2017 Change	2015 Budget	2016 Budget	2017 Budget	2016-2017 Change
881.25	911.0	955.3	44.25	899	958	976	18





2017 BUDGET CAPITAL PROGRAM

In brief:



- Major projects spanning more than one year account for a significant portion of the budget.
- Investment supports public transportation needs in Pierce County.
- Provides critical infrastructure for the transit system.

The 2017 Capital Budget consists of a variety of projects primarily for the replacement and refurbishment of existing equipment and facilities including some multi-year projects that are carried over.

Revenue Vehicles – Pierce Transit currently operates an active fleet of 147 buses, 366 vanpool vans, and 100 SHUTTLE vehicles. Revenue vehicles are replaced on a regular cycle. The replacement schedule meets or exceeds Federal Transit Administration requirements that a vehicle not be removed from service prior to the completion of its useful life. Pierce Transit has a fixed route fleet with an average age of 9.6 years. The actual replacement of vehicles will be on an as-needed basis and the Agency continues to extend the useful life of vehicles wherever possible.

Funds are budgeted to replace 31 buses in 2017, and will include 25 Compressed Natural Gas (CNG), 6 battery-electric buses, 3 fast-fill electric charging stations, SHUTTLE Fleet capitalization and 55 vanpool vans. Funds are also budgeted for 7 CNG buses for increased service.

Passenger Facilities & Amenities – Funds are budgeted for necessary repairs and refurbishments at several locations including Tacoma Dome Station, 512 Park & Ride, 72nd Street Transit Center, TCC Transit Center, Tacoma Mall Transit Center, Lakewood Transit Center, Narrows Park and Ride, as well as Transit Oriented Development at the Air Spares property near the Tacoma Dome Station.

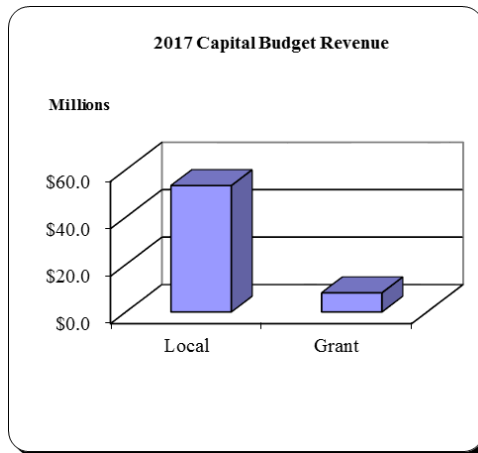
Base Facilities – Funds are budgeted for necessary repairs and refurbishments to base facilities and systems, and the acquisition of additional property for the base.

Technology – Funds are budgeted for for maintenance and upgrade of several critical software and systems, as well as replacement of infrastructure that has reached the end of its useful life. Some of these projects include the financial management system replacement, Next Generation ORCA (ngORCA), Hastus Upgrade, server and infrastructure replacement, and Crash Avoidance System.



2017 BUDGET CAPITAL PROGRAM

- Local funds
- Grant funds



Other – Other capital projects include replacement and expansion of non-revenue support vehicles (trucks, forklifts, cars, etc.), and maintenance and administrative equipment.

Carryover funds – As a matter of policy, Pierce Transit budgets funds in the year in which the Agency anticipates entering into a contract for service or acquisition. This generally results in funds that carry over from the previous budget year for projects in process. At the time the budget is prepared, the amount to be carried over is estimated. The estimated amounts are revised as necessary when the final year end expenditures are available, generally during the first quarter of the year.

Grant funds – Federal grant revenues for 2017 in the capital program are expected to be just over \$7 million and include the following projects:

- Tacoma Dome Station Mid-Life Maintenance \$1.9 million
- Electric Bus Deployment \$2.5 million
- Crash Avoidance System \$2 million
- Vanpool Replacement \$.7 million
- Bldg. 4 Modifications \$.3 million

State Grants and Other Capital Assistance are expected to be nearly \$.55 million for the Base Master Plan project.

- Commerce Placemaking \$.05 million
- Tacoma Dome Station Mid-Life Maintenance \$.4 million
- Base Master Plan Update \$.1 million

The detailed 2017 Capital Budget list follows.



2017 CAPITAL BUDGET

Project Biographical Data		Responsibility	Account Tracking		Multi-Year Budget Data				2017 Annual Project Budget Data			Funding of 2017 Project Amount	
Project Title	Division	Center	Project Number	Total Project Budget	Prior Year Expenditures (through 12/31/15)	Estimated 2016 Expenditures	Project Closeout - Amount Returned to Reserves At Close	Estimated Project Carryover from 2016 into 2017	New 2017 Project Allocation Amount	Total 2017 Annual Capital Budget	Local (Pierce Transit) Funded	Estimated Grant Funding	
Base Facilities Projects													
Bldg. 4 Modifications	Planning & CDev	411000	0345	3,943,317	2,016,573	28,737	398,007	-	1,500,000	1,500,000	1,166,097	333,903	
Base Master Plan Update/Facility Needs	Planning & CDev	411000	0470	303,000	-	202,000	-	101,000	-	101,000	-	101,000	
West Base Property Acquisition	Planning & CDev	411000	0471	2,590,000	-	-	-	2,590,000	-	2,590,000	2,590,000	-	
Critical Electrical Needs in Base Power 2015	Maintenance	653000	0462	11,800	-	-	-	11,800	-	11,800	11,800	-	
Bldg. 1 and 4 Rewire 2015 - CLOSED 2/3/16	Administration	262000	0461	447,665	192,730	-	254,935	-	-	-	-	-	
Emergency Warning System Repl. 2015	Operations	645000	0452	466,874	-	100,000	-	366,874	-	366,874	366,874	-	
Hoist Replacement 2017	Maintenance	651000	tba	591,177	-	-	-	-	591,177	591,177	591,177	-	
Base Master Plan Phase 1 Implementation 2017	Planning & CDev	411000	tba	572,000	-	-	-	-	572,000	572,000	572,000	-	
Subtotal Base Facilities Projects				8,925,833	2,209,303	330,737	652,942	3,069,674	2,663,177	5,732,851	5,297,948	434,903	
Other Projects (Admin & Shop Equipment)													
Ticket Vending Machine Purchase	Planning & CDev	243000	0407	109,771	-	-	-	109,771	-	109,771	109,771	-	
Training Fare Boxes	Operations	643000	0472	70,000	-	70,000	-	-	-	-	-	-	
Money Counting Room Sorter - CLOSED 3/4/16	Finance	242000	0473	12,581	-	9,360	3,221	-	-	-	-	-	
Support Vehicle Replacement 2015	Maintenance	651000	0455	411,711	-	361,711	-	50,000	-	50,000	50,000	-	
Auto Shop Equip Repl. 2015 - CLOSED 2/8/16	Operations	651000	0457	28,679	-	-	28,679	-	-	-	-	-	
Paint Booth Heater Refurbishment 2015	Maintenance	651000	0458	60,170	-	60,170	-	-	-	-	-	-	
Auto Shop Hoist Repl. 2015	Maintenance	651000	0459	359,218	-	255,336	-	103,882	-	103,882	103,882	-	
Radio Shop Equip 2015	Maintenance	662000	0465	235,611	-	235,611	-	-	-	-	-	-	
Support Fleet Replacement 2016	Maintenance	651000	0474	391,714	-	341,714	-	50,000	-	50,000	50,000	-	
High Capacity Transit (HCT) Feasibility Study	Planning & CDev	411000	0481	850,000	-	200,000	-	650,000	-	650,000	650,000	-	
Bldg 1 Bus Wheel Dollies Repl 2017	Maintenance	652000	tba	52,136	-	-	-	-	52,136	52,136	52,136	-	
Trash Compactor Repl 2017	Maintenance	653000	tba	43,290	-	-	-	-	43,290	43,290	43,290	-	
Bldg 1 Body Shop Windshield Platform Repl 2017	Maintenance	652000	tba	11,669	-	-	-	-	11,669	11,669	11,669	-	
Support Vehicle Expansion 2017	Maintenance	651000	tba	156,716	-	-	-	-	156,716	156,716	156,716	-	
Bldg 1 Parts Washers Repl 2017	Maintenance	652000	tba	47,288	-	-	-	-	47,288	47,288	47,288	-	
Bldg 1 Industrial Parts Washer Repl 2017	Maintenance	652000	tba	65,573	-	-	-	-	65,573	65,573	65,573	-	
Bldg 1 Body Shop Frame Rack 2017	Maintenance	652000	tba	75,900	-	-	-	-	75,900	75,900	75,900	-	
Bldg 1 Body Shop Floor Sweeper Repl 2017	Maintenance	652000	tba	29,969	-	-	-	-	29,969	29,969	29,969	-	
Support Vehicle Replacement 2017	Maintenance	651000	tba	289,564	-	-	-	-	289,564	289,564	289,564	-	
Electric Vehicle Infrastructure 2017	Maintenance	411000	tba	38,500	-	-	-	-	38,500	38,500	38,500	-	
Subtotal Other Capital Projects				3,340,060	-	1,533,902	31,900	963,653	810,605	1,774,258	1,774,258	-	
Passenger Facilities Projects													
112th Street & Pacific/SR-7 Transit Access Mods	Planning & CDev	411000	0343	1,938,843	1,785,273	153,570	-	-	-	-	-	-	
TDS G Street Expansion Zone	Planning & CDev	411000	0390	744,024	108,034	427,355	208,635	-	-	-	-	-	
Air Spare/TDS Transit Oriented Development	Planning & CDev	411000	0450	99,000	3,500	23,400	-	72,100	-	72,100	72,100	-	
TDS Mid-Life Maintenance	Planning & CDev	411000	0315	4,371,045	277,385	80,000	45,069	3,968,591	-	3,968,591	1,635,703	2,332,888	
Facilities Critical Repairs	Planning & CDev	411000	0418	757,051	-	48,925	-	665,925	42,201	708,126	708,126	-	
TDS Bus Shop Lighting 2015	Maintenance	653000	0463	71,565	-	71,565	-	-	-	-	-	-	
72nd Street Transit Center Renewal	Planning & CDev	411000	0483	1,000,000	-	-	-	750,000	250,000	1,000,000	1,000,000	-	
TCC Transit Center Renewal	Planning & CDev	411000	0484	1,500,000	-	-	-	900,000	600,000	1,500,000	1,500,000	-	
Tacoma Mall Transit Center Renewal	Planning & CDev	411000	0485	1,300,000	-	-	-	850,000	450,000	1,300,000	1,300,000	-	
SR512 Transit Center Renewal	Planning & CDev	411000	0486	1,000,000	-	-	-	500,000	500,000	1,000,000	1,000,000	-	
Lakewood Mall Transit Center Renewal	Planning & CDev	411000	tba	500,000	-	-	-	-	500,000	500,000	500,000	-	
Narrows Park & Ride Renewal	Planning & CDev	411000	tba	500,000	-	-	-	-	500,000	500,000	500,000	-	
Commerce Placemaking	Planning & CDev	411000	0487	250,000	-	-	-	250,000	-	250,000	200,000	50,000	
Subtotal Passenger Facilities Projects				14,031,528	2,174,192	804,815	253,704	7,956,616	2,842,201	10,798,817	8,415,929	2,382,888	



2017 CAPITAL BUDGET

Project Biographical Data				Multi-Year Budget Data				2017 Annual Project Budget Data			Funding of 2017 Project Amount	
Project Title	Division	Cost Center	Project Number	Total Project Budget	Prior Year Expenditures (through 12/31/15)	Estimated 2016 Expenditures	Project Closeout - Amount Returned to Reserves At Close	Estimated Project Carryover from 2016 into 2017	New 2017 Project Allocation Amount	Total 2017 Annual Capital Budget	Local (Pierce Transit) Funded	Estimated Grant Funding
Revenue Vehicles Projects												
Vanpool Fleet Expansion 2015 - CLOSED 4/4/16	Maintenance	651000	0456	550,000	241,005	8,032	300,963	-	-	-	-	-
Bus Fleet Expansion 2015	Maintenance	652000	0469	5,735,290	2,563	5,532,727	-	200,000	-	200,000	200,000	-
Bus Replacement 2013	Maintenance	652000	0406	4,215,900	4,207,319	8,581	-	-	-	-	-	-
Shuttle Replacement 2014	Operations	651000	0422	417,727	-	50,000	367,727	-	-	-	-	-
Vanpool Replacement 2014 - CLOSED 4/4/16	Maintenance	651000	0423	1,539,424	1,480,337	30,850	28,237	-	-	-	-	-
Bus Replacement 2014	Maintenance	652000	0442	5,411,413	5,450,577	-	(39,164)	-	-	-	-	-
Shuttle Fleet Replacement 2015	Maintenance	651000	0453	2,400,440	-	2,200,440	-	200,000	-	200,000	200,000	-
Bus Fleet Replacement 2015	Maintenance	652000	0460	1,037,875	3,133	934,742	-	100,000	-	100,000	100,000	-
Vanpool Fleet Replacement 2016	Maintenance	651000	0475	1,946,406	-	1,866,406	-	80,000	-	80,000	80,000	-
Bus Fleet Expansion 2016	Maintenance	652000	0480	4,467,631	-	-	-	4,467,631	-	4,467,631	4,467,631	-
Bus Fleet Replacement 2017	Maintenance	652000	tba	15,946,131	-	-	-	-	15,946,131	15,946,131	15,946,131	-
Vanpool Replacement 2017	Maintenance	651000	tba	1,714,292	-	-	-	-	1,714,292	1,714,292	1,034,875	679,417
Electric Bus Deployment 2017	Maintenance	652000	tba	8,000,000	-	-	-	-	8,000,000	8,000,000	5,449,000	2,551,000
Subtotal Revenue Vehicle Projects				53,382,529	11,384,934	10,631,778	657,763	5,047,631	25,660,423	30,708,054	27,477,637	3,230,417
Technology Projects												
CAD AVL System Upgrade 2013	Administration	262000	0387	404,269	60,640	343,629	-	-	-	-	-	-
Cameras on Buses	Administration	262000	0416	2,315,811	1,980,590	335,221	-	-	-	-	-	-
Portfolio Mgmt. Software 2015 - CLOSED 6/16/16	Executive	263000	0449	130,000	-	-	130,000	-	-	-	-	-
ORCA (Regional Fare Integration) - CLOSED 4/20/16	Finance	243000	0364	5,246,645	4,690,210	-	556,435	-	-	-	-	-
RSM Ridecheck Software 2015	Planning & CDev	451000	0451	184,835	77,580	26,520	80,735	-	-	-	-	-
CCTV Video Retention Expansion	Operations	645000	0476	48,000	-	34,686	13,314	-	-	-	-	-
Radio Site Fixed Video	Maintenance	662000	0477	443,965	-	443,965	-	-	-	-	-	-
Adept Version Upgrade	Administration	262000	0358	157,119	136,978	20,141	-	-	-	-	-	-
Fare Box Replacement 2013	Administration	262000	0388	3,700,000	3,063,438	395,697	240,865	-	-	-	-	-
AV System Replacement - Bldg. 5	Administration	262000	0410	546,452	354,981	31,471	140,000	20,000	-	20,000	20,000	-
Supervisor Veh. Computer Repl. - CLOSED 3/8/16	Administration	262000	0413	169,788	168,210	-	1,578	-	-	-	-	-
CAD AVL System Upgrade 2014 and 2019	Administration	262000	0415	454,780	278,952	120,442	55,386	-	-	-	-	-
Network Infrastructure Repl. 2015 - CLOSED 2/3/16	Administration	262000	0447	680,518	599,089	-	81,429	-	-	-	-	-
SAN 2015 - CLOSED 6/2/16	Administration	262000	0448	191,450	189,846	-	1,604	-	-	-	-	-
Network Infrastructure Replacement 2016	Administration	262000	0478	213,330	-	213,330	-	-	-	-	-	-
Financial Mgmt. Sys Repl. 2015	Finance	241000	0445	1,010,000	-	-	-	1,010,000	-	1,010,000	1,010,000	-
Master Key System Replacement - CLOSED 4/7/16	Operations	645000	0344	110,889	102,127	-	8,762	-	-	-	-	-
Radio Subscriber Replacement 2013	Maintenance	662000	0398	2,072,248	2,067,933	4,315	-	-	-	-	-	-
Radio Subscriber Replacement 2014	Maintenance	662000	0429	2,100,465	1,797,792	302,673	-	-	-	-	-	-
CAD AVL GPS Repeater 450 MHz Data Radio	Maintenance	662000	0430	3,612,319	1,929,776	1,682,543	-	-	-	-	-	-
Radio Subscriber Repl. 2015	Maintenance	662000	0464	806,700	-	806,700	-	-	-	-	-	-
ngORCA	Planning & CDev	243000	0482	5,654,834	-	-	-	351,812	5,303,022	5,654,834	5,654,834	-
Network Infrastructure Repl 2017	Administration	262000	tba	990,070	-	-	-	-	990,070	990,070	990,070	-
Threat and Vulnerability Software 2017	Administration	262000	tba	145,000	-	-	-	-	145,000	145,000	145,000	-
Hastus Upgrade 2017	Administration	262000	tba	961,975	-	-	-	-	961,975	961,975	961,975	-
Highline (SaaS) Upgrade 2017	Administration	262000	tba	29,700	-	-	-	-	29,700	29,700	29,700	-
Shuttle IVR 2017	Administration	262000	tba	110,000	-	-	-	-	110,000	110,000	110,000	-
Document Management System 2017	Administration	262000	tba	77,000	-	-	-	-	77,000	77,000	77,000	-
Vanpool Management System 2017	Administration	262000	tba	120,000	-	-	-	-	120,000	120,000	120,000	-
Shuttle MDT Replacement 2017	Administration	262000	tba	268,197	-	-	-	-	268,197	268,197	268,197	-
SharePoint Upgrade 2017	Administration	262000	tba	430,734	-	-	-	-	430,734	430,734	430,734	-
Crash Avoidance System	Maintenance	652000	tba	2,500,000	-	-	-	-	2,500,000	2,500,000	500,000	2,000,000
Subtotal Technology Projects				35,887,093	17,498,142	4,761,333	1,310,108	1,381,812	10,935,698	12,317,510	10,317,510	2,000,000
Grand Total				\$ 115,567,043	\$ 33,266,571	\$ 18,062,565	\$ 2,906,417	\$ 18,419,386	\$ 42,912,104	\$ 61,331,490	\$ 53,283,282	\$ 8,048,208

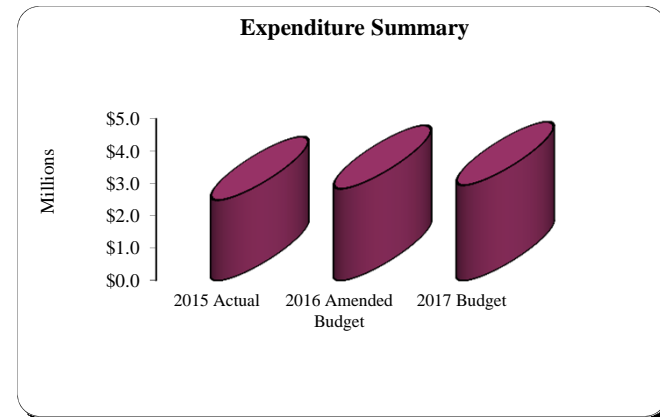


2017 BUDGET INSURANCE EXPENDITURE COMPARISON

Insurance Expenditure Comparison



Description	2015 ACTUAL	2016 AMENDED BUDGET	2017 BUDGET	% Change 2017 Budget to 2016 Budget
Workers' Comp. Insurance	2,430,196	2,705,000	2,815,000	4.1%
Unemployment Insurance	49,083	125,000	125,000	0.0%
TOTAL INSURANCE	\$ 2,479,279	\$ 2,830,000	\$ 2,940,000	3.9%





This section includes the Six-Year Financial Plan Operating Revenues & Expenditures, Ending Balances, and the 2017-2022 Six-Year Capital Plan.

A Six-Year Financial Plan is prepared to ensure fiscal sustainability over time.

2017 Budget

Six-Year Financial Plan

PIERCE TRANSIT
2017-2022 Six-Year Financial Plan
Operating Revenues & Expenditures

(Millions)	2016	2017	2018	2019	2020	2021	2022
REVENUES -							
BEGINNING WORKING CASH	88.856627	\$77.446705	\$40.647232	\$35.241916	\$37.464390	\$33.372865	\$33.148615
OPERATING INCOME							
FARES AND PASSES							
Local Fares	9.317610	10.138378	11.263738	11.376375	12.561497	12.660084	13.852241
Express Fares (Excludes ST)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Shuttle	0.352476	0.348951	0.395361	0.407222	0.457570	0.471297	0.525889
Vanpool	3.000000	3.200000	3.870000	3.870000	4.320000	4.320000	4.770000
Subtotal- Fares and Passes	12.670086	13.687329	15.529099	15.653598	17.339067	17.451380	19.148130
SALES TAX	76.620000	81.217200	86.090232	91.255646	96.730985	102.534844	108.686934
OPER. ASSIST. CTR/VANPOOL	0.196219	0.181219	0.100990	0.100990	0.100990	0.100990	0.100990
SPECIAL NEEDS PROGRAM FUNDS	1.554019	1.227010	0.932412	0.932412	0.932412	0.932412	0.932412
INTEREST	0.109274	0.415000	0.186925	0.178987	0.174326	0.163564	0.182240
ADVERTISING							
Contract Advertising - Pierce Transit Revenue	0.780000	0.800000	0.800000	0.800000	0.800000	0.800000	0.800000
SOUND TRANSIT							
ST Express Reimb.	37.604645	42.012197	47.906646	51.952579	54.722738	57.675788	60.826042
ST TDS Reimb.	0.846355	0.783459	0.783459	0.783459	0.799128	0.815111	0.831413
Special Service	0.200000	0.200000	0.200000	0.200000	0.204000	0.208080	0.212242
Other ST Reimb.	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
MISCELLANEOUS							
Operating Grant - Other (Homeland Sec/Reg Mot)	1.873087	0.896063	1.160352	0.580176	0.580176	0.000000	0.000000
Operating Grant (5307)/Pierce County	0.975322	0.975322	0.000000	0.000000	0.000000	0.000000	0.000000
Preventive Maint. (5307) / ADA	4.627700	4.627700	4.007648	2.671766	0.000000	0.000000	0.000000
Other Miscellaneous	2.918295	1.554000	1.554000	1.554000	1.554000	1.554000	1.554000
TOTAL OPERATING INCOME	140.975002	148.576499	159.251763	166.663612	173.937822	182.236169	193.274403
TOTAL REVENUES & WORKING CASH	\$229.831629	\$226.023204	\$199.898995	\$201.905528	\$211.402211	\$215.609034	\$226.423018

PIERCE TRANSIT
2017-2022 Six-Year Financial Plan
Operating Revenues & Expenditures

(Millions)	2016	2017	2018	2019	2020	2021	2022
EXPENDITURES -							
Ongoing Operations							
Wages	\$59.544049	\$65.885689	\$68.276902	\$71.157535	\$74.305983	\$77.296696	\$80.566355
Benefits	24.139454	30.775025	33.723790	36.442519	39.483618	42.641734	46.171915
M & O	20.621735	24.317302	22.909842	22.914442	23.374532	25.239048	24.343339
Fuel	6.123519	6.209520	6.185110	6.185110	6.282182	6.371428	6.467391
Parts	6.589913	6.386241	6.354133	6.354133	6.487576	6.610840	6.743057
Purchased Trans.	7.964344	8.030535	7.791191	7.962209	8.138469	8.320130	8.507361
Bridge Tolls	0.195929	0.205286	0.216150	0.218518	0.223373	0.228338	0.233415
TOTAL EXPENDITURES: w/out Debt Payment and Depreciation	125.178943	141.809599	145.457118	151.234466	158.295735	166.708215	173.032833
Non-Operating Costs							
Payments to Pierce Co for 5307 Agreement	0.780258	0.780258	0.000000	0.000000	0.000000	0.000000	0.000000
Subtotal	0.780258	0.780258	0.000000	0.000000	0.000000	0.000000	0.000000
EXPENDITURES (w/ Debt & Reimbursements)	125.959201	142.589857	145.457118	151.234466	158.295735	166.708215	173.032833
CURRENT REVENUES LESS CURRENT EXPENDITURES							
	15.015801	5.986642	13.794645	15.429146	15.642087	15.527954	20.241570
TRANSFERS -							
Capital Reserve	22.975162	39.069877	16.181761	10.097626	16.530994	12.453208	9.129814
Insurance	3.450561	3.716238	3.018200	3.109046	3.202617	3.298996	3.398266
Subtotal Transfers	26.425723	42.786115	19.199961	13.206672	19.733611	15.752204	12.528080
TOTAL EXPENDITURES AND TRANSFERS	152.384924	185.375972	164.657079	164.441138	178.029346	182.460419	185.560913
ENDING WORKING CASH	77.446705	40.64723203	35.241916	37.464390	33.372865	33.148615	40.862105
REQUIRED CASH	20.863157	23.634933	24.242853	25.205744	26.382622	27.784703	28.838806
TOTAL EXPENDITURES & WORKING CASH	\$229.831629	\$226.023204	\$199.898995	\$201.905528	\$211.402211	\$215.609034	\$226.423018
MARGIN / (DEFICIT)	\$56.583548	\$17.012299	\$10.999063	\$12.258645	\$6.990243	\$5.363912	\$12.023299

PIERCE TRANSIT
2017-2022 Six-Year Financial Plan
Ending Balances

(Millions)	2016	2017	2018	2019	2020	2021	2022
<u>OPERATING FUND</u>							
Operating Fund Beginning Balance	88.856627	77.446705	40.647232	35.241916	37.464390	33.372865	33.148615
Revenue							
Operating Income	140.975002	148.576499	159.251763	166.663612	173.937822	182.236169	193.274403
Subtotal - Operating Revenue	140.975002	148.576499	159.251763	166.663612	173.937822	182.236169	193.274403
Expenditures							
Operating Expenditures	125.959201	142.589857	145.457118	151.234466	158.295735	166.708215	173.032833
Transfers	26.425723	42.786115	19.199961	13.206672	19.733611	15.752204	12.528080
Subtotal - Operating Expenditures	152.384924	185.375972	164.657079	164.441138	178.029346	182.460419	185.560913
Operating Fund Ending Balance	\$77.446705	\$40.647232	\$35.241916	\$37.464390	\$33.372865	\$33.148615	\$40.862105
Required Margin	20.863157	23.634933	24.242853	25.205744	26.382622	27.784703	28.838806
Margin / (Deficit)	56.583548	17.012299	10.999063	12.258645	6.990243	5.363912	12.023299
<u>CAPITAL FUND</u>							
Beginning Reserves	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Revenue							
5307 Funding							
5307 Earned Share	4.627700	4.627700	4.007648	2.671766	0.000000	0.000000	0.000000
5307 Bus Replacement	0.000000	0.000000	3.290229	4.626112	7.297876	0.000000	0.000000
Less Preventive Maintenance	-4.627700	-4.627700	-4.007648	-2.671766	0.000000	0.000000	0.000000
5307 Funds Available for Capital Projects	0.000000	0.000000	3.290229	4.626112	7.297876	0.000000	0.000000
Pierce County 5307							
5307 Revenues from Pierce Co Agreement	0.975322	0.975322	0.000000	0.000000	0.000000	0.000000	0.000000
Pierce Co. 5307	-0.975322	-0.975322	0.000000	0.000000	0.000000	0.000000	0.000000
Pierce County 5307 Available for Capital	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
5339 Bus & Bus Facilities							
5339(HIMB) Bus Replacement	0.000000	0.000000	0.671586	0.671586	0.671586	0.000000	0.000000
5339b West Base Property Dev	0.000000	0.000000	0.000000	0.000000	0.000000	0.320000	0.680000
5339b Bus Replacement	0.000000	0.000000	3.191000	4.000000	4.000000	8.973756	0.000000
5339b Bus Expansion	0.000000	0.000000	0.000000	0.000000	8.000000	0.000000	0.000000
5339c LoNo Bus Replacement	0.000000	2.551000	2.500000	2.500000	0.000000	0.000000	0.000000
Flexible Funds & Earmarks							
Federal Flex Funds - Regional	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Federal Flex Funds - Countywide	0.000000	0.679417	1.796800	0.000000	0.000000	0.000000	3.105637
Earmarks - 5309	1.775530	2.256996	0.000000	45.000000	47.000000	45.000000	58.000000
TIGER							
Tiger	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	10.000000
Sound Transit							
Sound Transit Base	0.000000	0.101000	2.688400	0.000000	0.000000	0.000000	0.000000
Sound Transit - Other Capital	0.000000	0.409795	0.000000	20.000000	20.000000	20.000000	0.000000
Other Funding							
State Funding	0.000000	0.000000	2.080000	15.720000	3.000000	5.000000	2.000000
Interest	0.115000	0.115000	0.090000	0.090000	0.090000	0.090000	0.090000
Other Capital Revenues	0.000000	2.050000	0.000000	0.000000	0.000000	0.000000	0.000000
Contributions from Other Funds							
Transfer from Operating Fund	22.975162	39.069877	16.181761	10.097626	16.530994	12.453208	9.129814
Total Capital Revenues & Reserves	24.865692	47.233085	32.489776	102.705324	106.590456	91.836964	83.005451

PIERCE TRANSIT
2017-2022 Six-Year Financial Plan
Ending Balances

(Millions)	2016	2017	2018	2019	2020	2021	2022
Expenditures							
Revenue Vehicles	10.631778	30.708054	21.552640	14.753468	32.865195	19.959357	10.948111
Passenger Facilities & Amenities	0.804815	10.798817	2.400000	13.400000	1.000000	0.000000	0.000000
Base Facilities	0.330737	5.160851	0.200000	0.000000	0.000000	0.400000	0.850000
Technology	4.761333	12.317510	2.178160	3.698907	2.464674	1.277590	0.325000
Other	1.533902	2.346258	6.158976	70.852949	70.260587	70.200017	70.882340
Total Capital Expenditures	18.062565	61.331490	32.489776	102.705324	106.590456	91.836964	83.005451
USE OF CAPITAL RESERVE	6.803127	-14.098405	0.000000	0.000000	0.000000	0.000000	0.000000
CAPITAL RESERVE							
Revenue							
Beginning Reserves	\$25.295278	\$32.098405	\$18.000000	\$18.000000	\$18.000000	\$18.000000	\$18.000000
Total Capital Revenues	24.865692	47.233085	32.489776	102.705324	106.590456	91.836964	83.005451
TOTAL CAPITAL RESERVE REVENUES & BEGINNING RESERVE	50.160970	79.331490	50.489776	120.705324	124.590456	109.836964	101.005451
Expenditures							
Capital Expenditures	18.062565	61.331490	32.489776	102.705324	106.590456	91.836964	83.005451
CAPITAL RESERVE - Req'd \$18.0M	\$32.098405	\$18.000000	\$18.000000	\$18.000000	\$18.000000	\$18.000000	\$18.000000
INSURANCE FUND							
Revenue							
Beginning Balance	\$0.586301	\$1.215662	\$2.000000	\$2.000000	\$2.000000	\$2.000000	\$2.000000
Interest on Insurance Fund	0.008100	0.008100	0.010000	0.010000	0.010000	0.010000	0.010000
Transfer	3.450561	3.716238	3.018200	3.109046	3.202617	3.298996	3.398266
Expenditures							
Payments from Insurance Fund	2.829300	2.940000	3.028200	3.119046	3.212617	3.308996	3.408266
Insurance Fund Ending Balance	\$1.215662	\$2.000000	\$2.000000	\$2.000000	\$2.000000	\$2.000000	\$2.000000
TOTAL ENDING BALANCES	\$110.760772	\$60.647232	\$55.241916	\$57.464390	\$53.372865	\$53.148614	\$60.862104



2017 - 2022 SIX YEAR CAPITAL PLAN

Line #	Project Biographical Data		Responsibility	2017 Annual Budget Data		2018-2022 Project Forecast					Total
	C l i n e	Project Title	Division	2016 Est. Carryover Amount	2017	2018	2019	2020	2021	2022	
1	R P	72nd Street Transit Center Renewal	Planning & CDev	\$ 750,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
2	R T	Adept WB Version Upgrade	Administration	-	-	176,350	-	-	-	-	176,350
3	R T	Agency Plotter Replacement	Administration	-	-	-	18,000	-	-	-	18,000
4	E P	Air Spare/TDS Transit Oriented Development	Planning & CDev	72,100	-	-	-	-	-	-	72,100
5	E O	Articulated Bus Infrastructure	Planning & CDev	-	-	53,856	106,920	-	-	-	160,776
6	R O	Auto Shop Hoist Repl. 2015	Maintenance	103,882	-	-	-	-	-	-	103,882
7	R T	AV System Replacement - Bldg. 5	Administration	20,000	-	-	-	-	-	-	20,000
8	E O	Base Master Plan Phase 1 Implementation 2017	Planning & CDev	-	572,000	5,291,000	-	-	-	-	5,863,000
9	E B	Base Master Plan Update and Facility Needs Assessment	Planning & CDev	101,000	-	-	-	-	-	-	101,000
10	R O	Bldg 1 Body Shop Floor Sweeper Repl 2017	Maintenance	-	29,969	-	-	-	-	-	29,969
11	R O	Bldg 1 Body Shop Frame Rack 2017	Maintenance	-	75,900	-	-	-	-	-	75,900
12	R O	Bldg 1 Body Shop Windshield Platform Repl 2017	Maintenance	-	11,669	-	-	-	-	-	11,669
13	R O	Bldg 1 Bus Wheel Dollies Repl 2017	Maintenance	-	52,136	-	-	-	-	-	52,136
14	R O	Bldg 1 Industrial Parts Washer Repl 2017	Maintenance	-	65,573	-	-	-	-	-	65,573
15	R O	Bldg 1 Parts Washers Repl 2017	Maintenance	-	47,288	-	-	-	-	-	47,288
16	R T	Bldg 1 Vinyl Cutter Replacement	Administration	-	-	-	6,000	-	-	-	6,000
17	R B	Bldg 4 Exterior Paint Renewal	Maintenance	-	-	200,000	-	-	-	-	200,000
18	E B	Bldg 4 Modifications	Planning & CDev	-	1,500,000	-	-	-	-	-	1,500,000
19	R B	BST Office Remodel 2017	Maintenance	-	-	-	-	-	-	-	-
20	E R	Bus Fleet Expansion 2015	Maintenance	200,000	-	-	-	-	-	-	200,000
21	E R	Bus Fleet Expansion 2016 to 2022	Maintenance	4,467,631	-	-	-	10,000,000	-	-	14,467,631
22	R R	Bus Fleet Replacement 2015	Maintenance	100,000	-	-	-	-	-	-	100,000
23	R R	Bus Replacement 2017 to 2022	Maintenance	-	15,946,131	16,424,515	12,857,110	17,424,768	17,947,511	5,176,062	85,776,097
24	E T	Business Intelligence System	Administration	-	-	-	1,493,187	-	-	-	1,493,187
25	R T	CAD/AVL Upgrade	Administration	-	-	-	-	800,000	-	-	800,000
26	R P	Commerce Placemaking	Planning & CDev	250,000	-	-	-	-	-	-	250,000
27	E T	Crash Avoidance System	Maintenance	-	2,500,000	-	-	-	-	-	2,500,000
28	E B	Critical Electrical Needs in Base Power 2015	Maintenance	11,800	-	-	-	-	-	-	11,800
29	R T	Customer Resource Mgmt System Replacement	Administration	-	-	120,450	-	-	-	-	120,450
30	E T	Document Management System 2017 to 2022	Administration	-	77,000	-	622,000	-	-	-	699,000
31	R R	Electric Bus Deployment 2017	Maintenance	-	8,000,000	-	-	-	-	-	8,000,000
32	E O	Electric Vehicle Infrastructure 2017 to 2022	Maintenance	-	38,500	150,000	400,000	-	-	-	588,500
33	R B	Emergency Warning System Repl. 2015	Operations	366,874	-	-	-	-	-	-	366,874
34	R P	Facilities Critical Repairs	Planning & CDev	665,925	42,201	-	-	-	-	-	708,126
35	R T	Financial Mgmt. System Repl. 2015	Finance	1,010,000	-	-	-	-	-	-	1,010,000
36	R B	Fleet Office Remodel 2017	Maintenance	-	-	-	-	-	-	-	-
37	R T	Hastus Upgrade 2017 to 2022	Administration	-	961,975	-	-	501,609	-	-	1,463,584



2017 - 2022 SIX YEAR CAPITAL PLAN

Line #	Project Biographical Data	Responsibility	2017 Annual Budget Data		2018-2022 Project Forecast					Total
			2016 Est. Carryover	2017	2018	2019	2020	2021	2022	
38	E O High Capacity Transit Feasibility Study	Planning & CDe	650,000	-	-	-	-	-	-	650,000
39	E O High Capacity Transit Pac Ave/SR-7 Construction	Planning & CDe	-	-	-	70,000,000	70,000,000	70,000,000	70,000,000	280,000,000
40	R T Highline (SaaS) Upgrade 2017	Administration	-	29,700	-	-	-	-	-	29,700
41	R B Hoist Replacement 2017	Maintenance	-	591,177	-	-	-	-	-	591,177
42	R P Kimball Park & Ride Renewal	Planning & CDe	-	-	-	-	1,000,000	-	-	1,000,000
43	R P Lakewood Mall Transit Center Renewal	Planning & CDe	-	500,000	-	-	-	-	-	500,000
44	R P Narrows Park & Ride Renewal	Planning & CDe	-	500,000	-	-	-	-	-	500,000
45	R T Network Infrastructure Repl 2017 to 2022	Administration	-	990,070	481,360	1,239,720	763,065	1,077,590	125,000	4,676,805
46	R T ngORCA	Planning & CDe	351,812	5,303,022	-	120,000	-	-	-	5,774,834
47	E P Pacific Ave/SR-7 Park & Ride	Planning & CDe	-	-	700,000	6,800,000	-	-	-	7,500,000
48	R P Purdy Park & Ride Renewal	Planning & CDe	-	-	500,000	-	-	-	-	500,000
49	R T SAN Replacement	Administration	-	-	200,000	200,000	200,000	200,000	200,000	1,000,000
50	R T Service Supervisor Vehicle Computer Replacement	Administration	-	-	-	-	200,000	-	-	200,000
51	R T SharePoint Upgrade 2017	Administration	-	430,734	-	-	-	-	-	430,734
52	R R Shuttle Fleet Replacement 2015 (2018,2020,2022)	Maintenance	200,000	-	3,287,000	-	3,487,178	-	3,699,847	10,674,025
53	R T Shuttle IVR 2017	Administration	-	110,000	-	-	-	-	-	110,000
54	R T Shuttle MDT Replacement 2017	Administration	-	268,197	-	-	-	-	-	268,197
55	R P South Hill Mall Transit Center Renewal	Planning & CDe	-	-	500,000	-	-	-	-	500,000
56	E P South Hill Park & Ride	Planning & CDe	-	-	700,000	6,600,000	-	-	-	7,300,000
57	R P SR-512 Transit Center Renewal	Planning & CDe	500,000	500,000	-	-	-	-	-	1,000,000
58	R O Support Vehicle Fleet Expansion 2017	Maintenance	-	156,716	-	-	-	-	-	156,716
59	R O Support Vehicle Fleet Replacement 2015 to 2022	Maintenance	100,000	289,564	664,120	346,029	260,587	200,017	882,340	2,742,657
60	R P Tacoma Mall Transit Center Renewal	Planning & CDe	850,000	450,000	-	-	-	-	-	1,300,000
61	R P TCC Transit Center Renewal	Planning & CDe	900,000	600,000	-	-	-	-	-	1,500,000
62	R P TDS Mid-Life Maintenance	Planning & CDe	3,968,591	-	-	-	-	-	-	3,968,591
63	R T Telephone System Replacement 2017	Administration	-	-	-	-	-	-	-	-
64	E T Threat and Vulnerability Software 2017	Administration	-	145,000	-	-	-	-	-	145,000
65	E O Ticket Vending Machine Purchase	Planning & CDe	109,771	-	-	-	-	-	-	109,771
66	R T Transit Signal Priority Upgrade	Planning & CDe	-	-	1,200,000	-	-	-	-	1,200,000
67	R O Trash Compactor Repl 2017	Maintenance	-	43,290	-	-	-	-	-	43,290
68	R R Vanpool Fleet Replacement 2016 to 2022	Maintenance	80,000	1,714,292	1,841,125	1,896,358	1,953,249	2,011,846	2,072,202	11,569,072
69	E T Vanpool Management System 2017	Administration	-	120,000	-	-	-	-	-	120,000
70	E B West Base Property Acquisition	Planning & CDe	2,590,000	-	-	-	-	-	-	2,590,000
71	E B West Base Property Development	Planning & CDe	-	-	-	-	-	400,000	850,000	1,250,000
Total			\$ 18,419,386	\$ 42,912,104	\$ 32,489,776	\$ 102,705,324	\$ 106,590,456	\$ 91,836,964	\$ 83,005,451	\$ 477,959,461

*This section includes
the Acronym List,
Budget Glossary,
and Vehicle
Replacement Cycle.*

2017 Budget

Appendix



2017 BUDGET ACRONYM LIST

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

ADA – American Disabilities Act
APTA – American Public Transportation Association
BVP – Bulletproof Vest Partnership
CAFR – Comprehensive Annual Financial Report
CCTV – Closed Circuit Television
CMAQ – Congestion Mitigation & Air Quality Program
CNG – Compressed Natural Gas
CTR – Commute Trip Reduction
DOT – Department of Transportation
FEMA – Federal Emergency Management Agency
FTA – Federal Transit Administration
FY – Fiscal Year
GFOA – Government Finance Officers Association
GROW AMERICA ACT – Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America
ISTEA – Intermodal Surface Transportation Efficiency Act
JARC – Job Access and Reverse Commute
MAP 21– Moving Ahead for Progress in the 21st Century Act (P.L. 112-141)
ORCA – One Regional Card for All
OJP – Office of Justice Programs
PCEI – Pierce County Economic Index
PL – Public Law
PT – Pierce Transit
POV – Privately Owned Vehicle
PTBA – Public Transportation Benefit Area
RCW – Revised Code of Washington



2017 BUDGET ACRONYM LIST

SAFETEA-LU – Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users

SHUTTLE – Specialized Transportation

ST – Sound Transit

SUV – Special Use Van

TANF – Temporary Aid to Needy Families

TBSH – The Bus Stops Here

TDP – Transit Development Plan

TDS – Tacoma Dome Station

USDOT – United States Department of Transportation

UZA – Urbanized Area

VP – Vanpool

WATPA – Washington Auto Theft Prevention Authority

WSDOT – Washington State Department of Transportation

YE – Year End



2017 BUDGET GLOSSARY

Accounting System – Pierce Transit is a single enterprise that uses the accrual method of accounting. Under this method of accounting, revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received.

Accrual Accounting – A basis of accounting in which revenues and expenses are allocated to the year in which they are incurred, as opposed to when cash is actually received or spent.

Accrual Basis – The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

ADA 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.

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

Annual Service Hours – The number of hours of service provided during one year.

Appropriation – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

APTA – American Public Transportation Association. National, nonprofit trade association representing the public transit industry.

Basis of Accounting – The term that describes the criteria governing the timing of the recognition of transactions and events.

Beginning Reserve Balance – The fund balance as of January 1 that includes designated and undesignated amounts.



2017 BUDGET GLOSSARY

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 to allocate financial resources to personnel, equipment, and facilities to deliver transit services to the public. It serves four main purposes: a policy statement, an operation guide, a financial plan, and a communication device.

Budget Amendment – A budget amendment is a formal action of the Board of Commissioners. An amendment is required in accordance with the Agency budget procedures.

Budget Revision – A budget revision is a record of change to the budget. A completed budget revision form is required for a revision.

Capital Budget – The Capital Budget is a portion of the annual budget that appropriates funds for the purchase of capital items. It includes funds for capital purchases such as vehicles, construction of new facilities, maintenance machinery, and off-site improvements. In addition, payroll costs and supplies may be capitalized if they are a portion of a project greater than \$5,000. These items are distinguished from operating items due to their value (greater than \$5,000) and projected useful life (greater than one year). Effective 2002.

Capital Fund Account – An account used to segregate a portion of the Agency's equity to be used for future capital program expenditures. The amount of the capital account is roughly equal to the Agency's annual equipment depreciation and an amount identified as being needed for future capital acquisition.

Capital Reserve – Reserves established to meet expenditure requirements for capital programmed in the Six-Year Financial Plan – a minimum amount equal to ten percent of the six-year average annual capital expenditures and fifty percent of the average annual grant funding programmed in the Six-Year Financial Plan.



2017 BUDGET GLOSSARY

Congestion Mitigation & Air Quality Program (CMAQ) – A federal program that funds transportation projects that will contribute to meeting the attainment of national ambient air quality standards.

Cost per Passenger – The cost of carrying each passenger. This is 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. This is 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.

Department – An sub-organizational unit of a Division responsible for achievement of specific Agency objectives such as service support, facilities management, and procurement.

Division – An organizational unit of the Agency responsible for carrying out Agency functions such as Operations and Finance.

DOT – See USDOT and WSDOT

Dwell Time – The scheduled time a vehicle is allowed to discharge and take on passengers at a stop, including opening and closing doors.

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



2017 BUDGET GLOSSARY

Ending Reserve Balance – The fund balance as of December 31 that includes designated and undesignated amounts.

Enterprise Fund – An enterprise fund is a type of proprietary fund used to account for a government's business-type activities. An enterprise fund may be used to report any activity for which a fee is charged to external users for goods or services. Enterprise funds are commonly used by transit districts to focus attention on the cost of providing services, and they serve to highlight the portion of that cost being borne by taxpayers.

Expenditures – Decrease in net current assets. Expenditures include debt service, capital outlays, and those current operating costs that require the use of current assets.

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

Express – A segment of fixed route service that operates between major commuting centers without intermediate stops. This service is designed to be faster and more direct than local fixed route service. Express service is made up of Sound Transit service and other express services.

Farebox Recovery Ratio – The amount of total fares collected divided by total costs. This ratio indicates how much the passenger provides toward the total cost of service.

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

Fixed Guideway (fg) – A Public transportation facility using and occupying: a separate right-of-way (ROW) or rail for the exclusive use of Public Transportation; or a fixed catenary system usable by other forms of transportation.

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.



2017 BUDGET GLOSSARY

Fund – A fiscal or accounting entity with a self-balancing set of accounts. A fund is established for the purpose of carrying on specific activities in accordance with specific limitations.

Fund Balance – Fund balance is the difference between assets and liabilities. The fund balance consists of required reserves set by the Board of Commissioners policy and unreserved amounts.

Grants – A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital depending on the purpose of the grant.

Grow America Act – Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America is the proposed multi-year surface transportation reauthorization proposal in 2014.

Insurance Fund Account – This account reflects the Agency's self-insured risk management programs: workers' compensation, and unemployment benefits. Operating funds pay an appropriate premium into this fund, which then pays valid claims. Dedicated cash funds to cover potential claims have been accumulated and are maintained in this account. These funds are restricted in their use.

Insurance Reserve – Reserves set at a level to adequately protect the Agency from self-insurance risks. The risks and reserve levels will be evaluated annually.

JARC – Job Access and Reverse Commute program. A grant funding support van services for Temporary Aid to Needy Families (TANF) and Welfare to Work recipients to transport eligible individuals with low income to and from jobs and activities related to their employment.

Layover Time – The time a bus is not in service between two scheduled trips.

Local Service – Fixed route bus service which travels within the local service area and makes regular and frequent stops. Pierce Transit's local service extends north to the Federal Way Transit Center in south King County, south to Spanaway, west to University Place and Steilacoom, and east to Puyallup.



2017 BUDGET GLOSSARY

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

MAP-21 Moving Ahead for Progress in the 21st Century Act (P.L. 112-141) – Federal legislation funding surface transportation programs through the Federal Transit Administration for fiscal years 2013 and 2014. It replaces *SAFETEA-LU*.

Mission Statement – This statement defines the purpose of Pierce Transit, thus providing long-term guidance to the Agency. This Mission Statement is the basis of the Agency's strategy priorities, annual goals, and objectives.

Modified Accrual Basis of Accounting – This method recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. Non-revenues and expenditures, including capital grant receipts, and capital acquisitions are budgeted on an accrual basis. Debt service principal is budgeted on a cash basis.

Net Cost per Passenger – A measure of the cost-effectiveness of a transit system. This is determined by subtracting total fare revenue from the total cost of providing service, divided by the number of passenger trips.

One Regional Card for All (ORCA) – The seamless fare system for the region's customers. It enables agencies to offer transit fare options, reduce media confusion, and improve interagency fare revenue reconciliation through an apportionment process. Regional fares are shared by the participating agencies which include Community Transit, Everett Transit, Kitsap Transit, King County Metro, Pierce Transit, Sound Transit, and Washington State Ferries.

Operating Budget – A plan of expenditures and proposed sources of financing current service. The operating budget does not include capital funds. The principle sources of revenue are operating income, sales tax, investment income and grants. All divisions are financed through this budget.

Operating Expenditures – The outflow of funds paid, or to be paid, for current goods and services.



2017 BUDGET GLOSSARY

Operating 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 - a minimum of two months of operating expenditures.

Operating Revenue – Funds that the Agency receives as income to pay for ongoing operations. It includes such items as: taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Passengers per Vehicle Hour – The number of passenger trips taken during one hour of service. This is calculated by dividing the total number of service hours by the number of passenger trips.

Performance Indicators – Measures by which Pierce Transit evaluates the effectiveness and efficiency of its operations.

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

Platform Hours – At Pierce Transit, the terms platform hours and service hours are interchangeable (see Service Hours).

Regional Fare Coordination Project (ORCA / Smart Card) - The Regional Fare Coordination (RFC) Contract, Joint Consultant contracts, and the combined Agency activities related to the RFC System. The System, which comprises Community Transit, Everett Transit, Kitsap Transit, King County Metro, Pierce Transit, Sound Transit, and Washington State Ferries, will provide a common, non-cash fare system throughout the Agencies' service areas.

Replacement – Capital items having reached the end of a minimum normal service life.

Required Reserve – The amount approved by the Board of Commissioner for the account groups operating, capital, and insurance account groups needed to mitigate current and future risks.



2017 BUDGET GLOSSARY

Reserve – An account used to segregate a portion of fund balance to indicate that it is not available for expenditures; or an account used to segregate a portion of fund equity as legally set aside for a specific future use.

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 per Passenger – The amount of revenue received per passenger trip. This is calculated by dividing the total amount of fares collected by the total number of passenger trips.

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

SAFETEA-LU – Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. Reauthorization of the federal surface transportation program covering the time periods 2005-2009 and extended through 2012.

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).

Sea-Tac – The general geographic area between Seattle and Tacoma and a city in the same area.

Self-insurance – The items determined to be administered by the Agency rather than covered by an insurance policy. The costs may include, workers' compensation, unemployment compensation benefits, related attorney fees and legal costs.

Service Hours – A calculation of service based on the number of hours a vehicle is on the road (includes revenue, recovery and deadhead hours) (also referred to as "Platform Hours").



2017 BUDGET GLOSSARY

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 also known as SHUTTLE.

Single-Enterprise Fund – Pierce Transit is a single-enterprise fund. Within the single fund, there are account groups (operating, capital, and insurance).

Smart Card – see Regional Fare Coordination Project.

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 – An Agency program whereby transportation services are provided to the area disabled.

Transfers – Amounts transferred from the operating budget to the insurance and capital budgets. These amounts represent the annual contribution to these budgets.

Unreserved Amount – The designated or undesignated fund balance resources available for spending.

USDOT – United States Department of Transportation. The federal agency responsible for overseeing, regulating and providing financial assistance to ensure safe, effective national transportation systems including the Federal Transit Administration.

Vanpool – A group of 5 to 15 people sharing the ride in an 8, 12, or 15-passenger van.

Vehicle Hours – Aggregation of time during which a transit vehicle leaves the operating base, is available for service, and returns to the operating base. Includes layover and deadhead hours.

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

2017 BUDGET GLOSSARY

WSDOT – Washington State Department of Transportation. The state agency responsible for carrying out state transportation programs including public transportation.



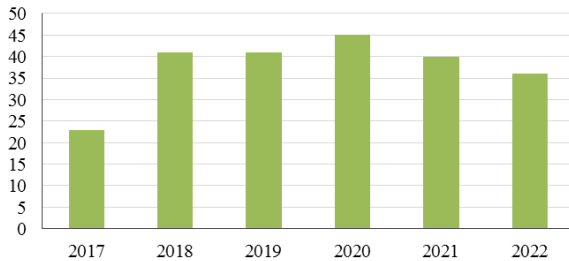


In brief:

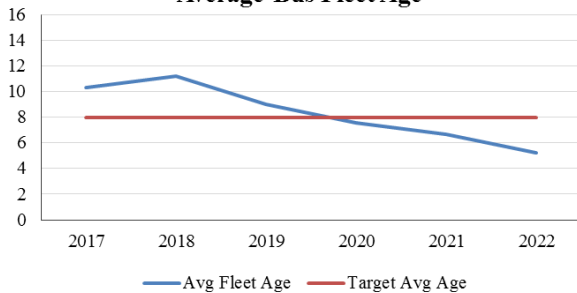
Vehicle replacement schedules are in support of the Agency’s Mission Statement:

“Pierce Transit improves people’s quality of life by providing safe, reliable, innovative and useful transportation services that are locally based and regionally connected.”

Buses At End of Useful Life



Average Bus Fleet Age



**2017 BUDGET
VEHICLE REPLACEMENT SCHEDULE**

Regularly replacing vehicles at the end of their useful life cycle will help reduce maintenance and operating costs, help improve reliability, and improve public perception and customer service as old and outdated rolling stock is replaced. Actual replacement of vehicles will be on an as-needed basis and the Agency continues to extend the useful life of vehicles wherever possible.

Bus Fleet Replacement Schedule

Pierce Transit’s adopted policy for bus fleet replacement is a useful life of 16 years or 640,000 miles; whichever comes first. In 2017, 23 buses will be past their useful life. The Capital plan will replace 100 buses over the next six years. The Agency’s target is to balance the average useful life of the bus fleet to a target average age of eight years.

Buses

Qty	Year of Mfg	Mfg Code	Model	Past Useful Life Year	Planned Bus Replacement					
					2017	2018	2019	2020	2021	2022
23	1999	GIL	Phantom	2015			23			
18	2002	NFA	C40LF	2018			8	10		
20	2004	NFA	C40LF	2020				15	5	
15	2004	NFA	C30LF	2020					14	1
10	2005	NFA	C40LF	2021						10
10	2005	NFA	C30LF	2021						10
15	2006	NFA	C40LF	2022						4
10	2007	NFA	C40LF	2023						
11	2008	NFA	C40LF	2024						
9	2010	GIL	G30A	2026						
6	2013	GIL	G30D	2029						
6	2014	GIL	G30D	2030						
10	2015	GIL	G27D	2031						

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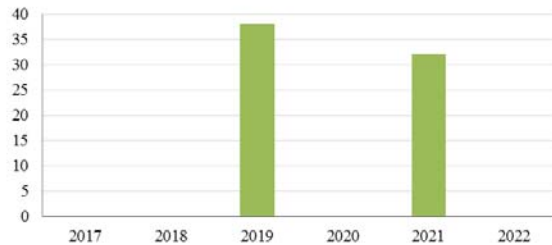


**2017 BUDGET
VEHICLE REPLACEMENT SCHEDULE**

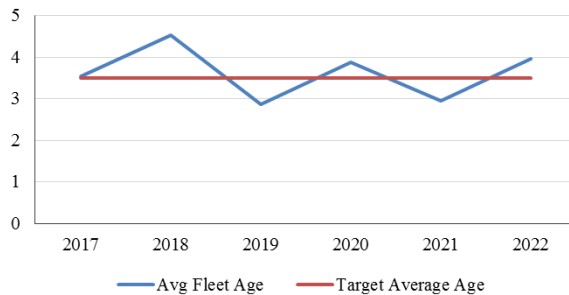
SHUTTLE (Paratransit) Vehicle Replacement Schedule

Pierce Transit’s adopted policy for SHUTTLE vehicle fleet replacement is a useful life of seven years or 150,000 miles; whichever comes first. In 2017, no SHUTTLE vehicles will be past their useful life. The Capital plan will replace 70 SHUTTLE vehicles over the next six years. The Agency’s target is to balance the average useful life to a target average age of three and a half years.

SHUTTLE Vehicles at End of Useful Life



Average SHUTTLE Fleet Age



SHUTTLE

Qty	Year of Mfg	Mfg Code	Model	Past Useful Life Year	Planned SHUTTLE Vehicle Replacement					
					2017	2018	2019	2020	2021	2022
23	2012	EBC	Aerotech	2019			23			
8	2012	EBC	Aerotech	2019			8			
7	2012	EBC	Aerotech	2019			7			
10	2014	EBC	Aerotech	2021					10	
22	2014	EBC	Aerotech	2021					22	
30	2016	EBC	Aerotech	2023						

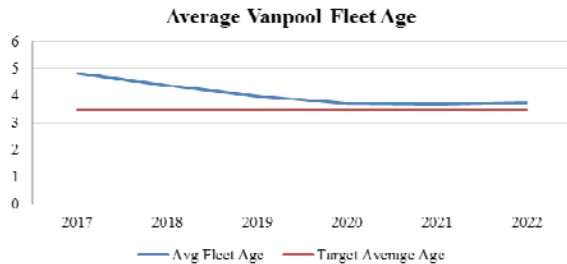
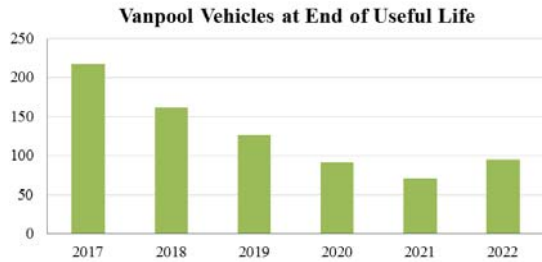
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**2017 BUDGET
VEHICLE REPLACEMENT SCHEDULE**

Vanpool Vehicle Replacement Schedule

Pierce Transit’s adopted policy for Vanpool vehicle fleet replacement is a useful life of seven years or 120,000 miles; whichever comes first. In 2017, 217 Vanpool vehicles will be past their useful life. The Capital plan will replace 330 Vanpool vehicles over the next six years. The Agency’s target is to balance the average useful life to a target average age of three and a half years.



Vanpool

Qty	Year of Mfg	Mfg Code	Model	Past Useful Life Year	Planned Vanpool Vehicle Replacement					
					2017	2018	2019	2020	2021	2022
10	2005	DTD	CARAVAN	2012	10					
10	2005	FRD	E350XL	2012	10					
6	2005	CMD	3500	2012	6					
10	2006	FRD	E350	2013	10					
27	2006	FRD	E350	2013	19	8				
37	2007	CMD	EXPRESS	2014		37				
14	2007	CMD	EXPRESS	2014		10	4			
8	2008	CMD	EXPRESS	2015			8			
1	2006	FRD	E350	2013			1			
23	2008	FRD	E350XL	2015			23			
7	2008	CMD	EXPRESS	2015			7			
42	2010	CMD	EXPRESS	2017			12	30		
22	2010	CMD	EXPRESS	2017				22		
20	2012	CMD	EXPRESS	2019				3	17	
19	2013	FRD	E350	2020					19	
6	2014	CMD	EXPRESS	2021					6	
6	2014	FRD	E350XL	2021					6	
23	2014	CMD	CG33706	2021					7	16
10	2015	DTD	CARAVAN	2022						10
11	2015	FRD	TRANSIT	2022						11
10	2015	FRD	TRANSIT	2022						10
23	2015	CMD	EXPRESS	2022						8
25	2015	FRD	TRANSIT	2022						
60	2016	CMD	EXPRESS	2023						

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Pierce Transit

