

# Pierce Transit

2020 Budget



Lakewood, Washington





## **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**

*Customer: Provide transportation services that meet our current and potential customers' needs.*

*Internal: Develop a culture which fosters safety, collaboration, data-driven decisions and innovation.*

*Financial: Act with financial accountability and transparency as stewards of the public trust.*

*Employee: Attract, cultivate, and maintain an engaged workforce.*



## **2020 BUDGET**

Fiscal Year January 1, 2020 through December 31, 2020

SUE DREIER, Chief Executive Officer

Prepared By  
The Finance Division

BRETT FRESHWATERS, Executive Director of Finance, CFO

KELLI DION, Budget Assistant Manager

CARON SANDERSON, Budget Coordinator

For budget and other information about Pierce Transit visit [www.piercetransit.org](http://www.piercetransit.org)



This page intentionally left blank.



## 2020 BUDGET TABLE OF CONTENTS

Information is available on Pierce  
Transit's website:

[www.piercetransit.org](http://www.piercetransit.org)

Or contact the Pierce Transit Budget  
Office:

Kelli Dion – (253) 983-3344 or  
[kdion@piercetransit.org](mailto:kdion@piercetransit.org)

Caron Sanderson – (253) 581-8048 or  
[csanderson@piercetransit.org](mailto:csanderson@piercetransit.org)

|   | <b>Page</b> |
|---|-------------|
| <b>Introduction</b>                         |             |
| Pierce Transit Board of Commissioners ..... | 2           |
| Organizational Chart .....                  | 3           |
| Budget Message .....                        | 4           |
| Fact Sheet .....                            | 19          |
| Resolution.....                             | 21          |
| <b>Summary</b>                              |             |
| Overall Summary .....                       | 25          |
| Operating Summary - Revenues .....          | 26          |
| Operating Summary - Expenditures.....       | 27          |
| Capital Summary.....                        | 28          |
| Insurance Summary.....                      | 29          |
| Ending Balances .....                       | 30          |
| Agency Expenditure Comparison .....         | 31          |
| <b>Statistics</b>                           |             |
| Operating Statistics - All Modes .....      | 33          |
| Personnel Summary .....                     | 34          |
| Capital Program.....                        | 36          |
| Capital Budget.....                         | 38          |
| Insurance Expenditure Comparison.....       | 41          |
| <b>Six-Year Financial Plan</b>              |             |
| Revenues & Expenditures.....                | 44          |
| Ending Balances.....                        | 46          |
| Capital Plan .....                          | 47          |
| <b>Appendix</b>                             |             |
| Acronym List.....                           | 50          |
| Budget Glossary .....                       | 51          |



This page intentionally left blank.



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

## **2020 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 comprised 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  
Victoria Woodards  
Chair  
Mayor of Tacoma**



**Commissioner  
Marty Campbell  
Vice Chair  
Pierce County Council**



**Commissioner  
Don Anderson  
Mayor of Lakewood**



**Commissioner  
Bruce Dammeier  
Pierce County  
Executive**



**Commissioner  
Daryl Eiding  
Mayor of Edgewood  
Representing Fife,  
Milton and Edgewood**



**Commissioner  
Robin Farris  
Puyallup City Council**



**Commissioner  
Nancy Henderson  
Town of Steilacoom  
Representing Auburn,  
Fircrest, Gig Harbor,  
Pacific, Ruston and  
Steilacoom**



**Commissioner  
Kent Keel  
Mayor of  
University Place**



**Commissioner  
Ryan Mello  
Tacoma City Council**

**Vacant  
Non-Voting Union  
Representative**





2020 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

Office of the CEO

Sue Dreier  
Chief Executive Officer

Division Admin  
Legal  
Communications

ADMINISTRATION  
DIVISION

Amy Cleveland  
Executive Director

Division Admin  
Employee Services  
Labor Relations  
Lean & Workforce Development  
Lean & Workforce Development  
Talent Management  
Bus Safety & Training  
Risk Management  
Administrative Services

FINANCE  
DIVISION

Brett Freshwaters  
Executive Director

Division Admin  
Finance  
Accounting  
Revenue Accounting  
Budget & Analytics  
Budgeting  
Data Analytics  
Information Technology  
Procurement  
Project Management

MAINTENANCE  
DIVISION

Skip Huck  
Executive Director

Division Admin  
Maintenance Training  
Facilities  
Fleet Maintenance  
Department Admin  
Automotive  
Bus Repair  
Warehousing  
Radio Program  
Department Admin  
Bus Radio Systems

PLANNING & COMMUNITY  
DEVELOPMENT  
DIVISION

Ryan Wheaton  
Executive Director

Division Admin  
Marketing  
Transit Development  
Department Admin  
Service Planning Admin  
Capital Planning  
Bus Stop Program  
Planning  
Scheduling  
Community Development

SERVICE & DELIVERY  
SUPPORT  
DIVISION

Mike Griffus  
Executive Director

Division Admin  
Safety  
Public Safety  
Department Admin  
Physical Security  
Public Safety Records  
Transit Police  
Uniform Security  
Transportation Operations  
Department Admin  
Operations Admin  
Operations Dispatch  
Operations  
Paratransit Operations  
Service Support  
Service Support Admin  
Service Support Operations  
Customer Service  
Specialized Transportation  
Department Admin  
Paratransit Customer Service  
ADA



## 2020 BUDGET MESSAGE



**December 9, 2019**

**TO: Pierce Transit Board of Commissioners, Citizens and Employees**

**FROM: Sue Dreier, Chief Executive Officer**

I am pleased to present the 2020 Budget for your review and consideration. The budget before you continues the process started in 2017 to implement Pierce Transit's updated Strategic Plan. A few highlights from 2019 illustrate the recent progress:

### Customer Focused

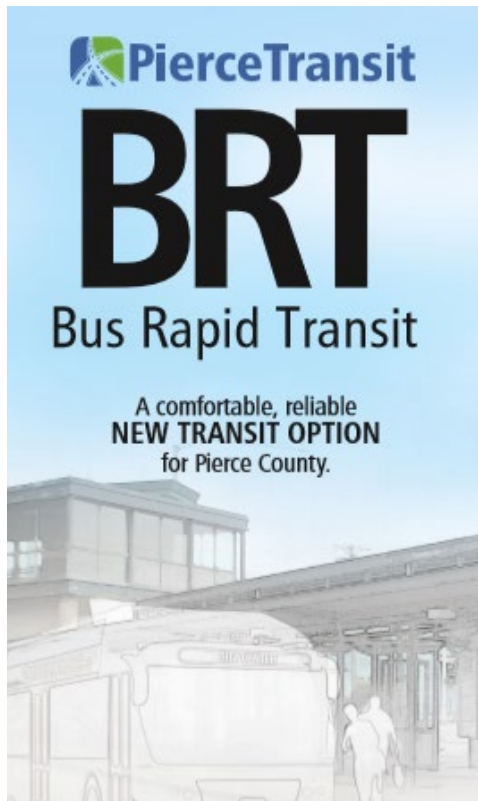
- Continued to focus on building partnerships to leverage resources and better serve our customers, working with school districts, community colleges, employers and even the rideshare company Lyft to provide more transit access.
- Provided a clean, safe and inviting space for our customers by completing renovation of the Tacoma Dome Station and several transit centers.
- Installed real-time bus information displays at eight of our transit centers to better inform our customers.
- Introduced the South Sound's first hybrid-electric vanpool vans through a unique partnership with Tacoma Public Utilities and the Washington State Department of Transportation.

### Safety

- Started on-road testing of the Collision Avoidance System to decrease the risk of collisions.
- Completed the Public Transportation Agency Safety Plan to ensure that safety is firmly embedded as a priority into the Pierce Transit culture.
- Fine-tuned use of the Drive Cam system to reinforce safe driving behavior in all agency vehicles.



## 2020 BUDGET MESSAGE



### Financial

- Completing the 2040 Long Range Plan Update to provide a better roadmap to maintain a fiscally sustainable transit system and target the agency's transit service spending where customers most desire it.
- Implemented One Solution, a new financial management system, that provides improved financial controls and reporting as well as electronic workflows for greater efficiency and paper use reduction.

### Employee

- Implemented a Mechanic Apprentice Program to develop a skilled in-house workforce.
- Implemented dedicated paths for professional development.

These projects represent the many we undertake each year to carry out Pierce Transit's Mission.

The 2020 Budget includes several operating and capital projects, as well as day-to-day activities, that continue our focus on providing safe, reliable and innovative transportation options. Three major projects that exemplify this focus are Bus Rapid Transit (BRT), Base Master Plan (BMP) and Computer Aided Dispatch/Automated Vehicle Locator (CAD/AVL).

The BRT project is well into the design phase as we complete our architect and contractor team. 2020 will bring major design milestones, as well as implementation of two related projects, the Traffic Signal Priority project and the Spanaway Turnaround Facility. The BRT project is a major undertaking for this agency that will improve service to our customers on our busiest route.

## 2020 BUDGET MESSAGE



The BMP project will update our 30-year old base to provide safe operating space and facilities for the next 30 years. This is a multi-year project that will bring the older facilities up to current code requirements, install new and innovative bus maintenance solutions and provide space for changing fleet composition and growth into the foreseeable future.

The CAD/AVL project will replace the current obsolete system that does not meet the requirements for Next Gen ORCA. The new system will use open standards for hardware and software (rather than the current proprietary system) and use cellular technology for reduced operating costs.

### **Economic Condition and Outlook**

Pierce Transit's annual budget planning process examines its programs, service and financial operations, along with various economic forecasts, to develop an overall financial outlook. The region's economic growth continues to be steady and moderate, providing sales tax growth to keep pace with inflationary costs of service.

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. The economic recovery is going on ten years; the Puget Sound economy is expected to continue its moderate growth into 2020. Many indicators suggest that the Puget Sound region has been the fastest-growing metropolitan area in the U.S. this decade, with high positive net migration. Locally, residents continue to move into Pierce County due to higher housing prices in King County. Employment growth has been strong in the service sectors (e.g., information technology, health care, etc.). Boeing, Joint Base Lewis-McChord (JBLM), the Port of Tacoma and high-tech companies all are major drivers of Pierce County's economy.

With slow but steady economic growth over the last several years, consumption has returned



## 2020 BUDGET MESSAGE



to pre-recession levels. Personal income is expected to grow by 4.5% in 2020. Employment growth is expected to slow down to 1.4% in 2020, then level off around that level for a few years. Home sales in Pierce County have slowed somewhat over the past year, but prices are still increasing year over year. Personal income growth and increased employment, along with generally positive consumer sentiment, are some of the main drivers of the growth in retail sales. These factors are expected to contribute to a modest growth in Pierce Transit's sales tax revenue next year.

Specifically, Pierce Transit's sales tax collections are forecasted to increase 5% in 2020, slowing from the last three years of growth. Sales tax will contribute 86% of total budgeted operating revenues in 2020 (excluding Sound Transit regional transit service revenue) and is expected to generate \$98 million in revenue.

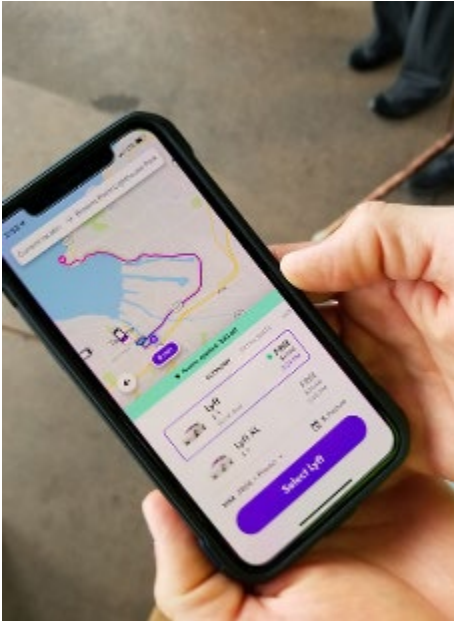
### **Budget Summary**

The 2020 budgeted expenditures for all funds are approximately \$291 million, balanced by expected revenues and reserves. While sales tax collections continue to increase at a moderate rate, uncertainty remains about future stability. While costs continue to escalate, employees will focus their efforts on improving productivity, reducing costs and obtaining grants for service and projects. Operating expenditures are increasing by 3.9%, with most of the growth coming from wages. Pierce Transit fixed route service hours for 2020 are planned to remain steady at approximately 500,000. The budget includes 971 FTEs (991 positions), a net reduction of two FTEs from 2019.

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



## 2020 BUDGET MESSAGE

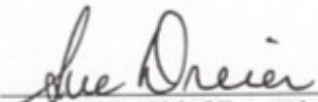


The Six-Year Financial Plan is sustainable for operations. Reserves and operating transfers will be used over the next six years to provide capital infrastructure that supports service plans. Additional grants or other funding sources will be required to fully implement the planned capital program, particularly the Base Master Plan and Bus Rapid Transit. Reserves comply with required levels established by the Board of Commissioners, giving us the ability to deal with adverse economic conditions, emergencies, and exposure to casualty and legal risks. The Agency has no long-term debt.

The 2020 budget includes several initiatives that are direct outcomes of the Strategic Plan, including placing a strong emphasis on safety, building collaborative partnerships, using data-driven analysis and providing innovative customer service and mobility options. We continue to move forward, collaborating with partners to develop a transportation network that will meet the needs of our region well into the future. I believe this budget fully meets our agency's Mission: Pierce Transit improves people's quality of life by providing safe, reliable, innovative and useful transportation services that are locally based and regionally connected.

I would like to thank the Pierce Transit Finance and Budget professionals for their thoughtful preparation of the agency's 2020 Budget. The budget development process continues to improve every year, resulting in a plan that allows Pierce Transit to serve its communities well into the future.

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

  
\_\_\_\_\_  
Sue Dreier, Chief Executive Officer



## 2020 BUDGET MESSAGE

### In brief:

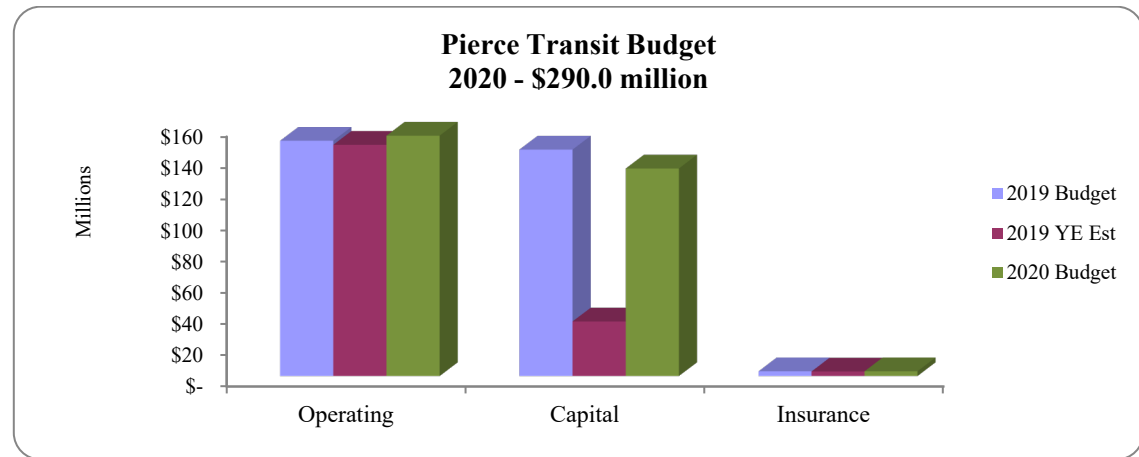
The 2020 net expenditure budget totals \$291,020,258. This total excludes transfers between funds and balances.

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 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 workers' compensation and unemployment.

### 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, 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 budget expenditures include 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 budget costs.

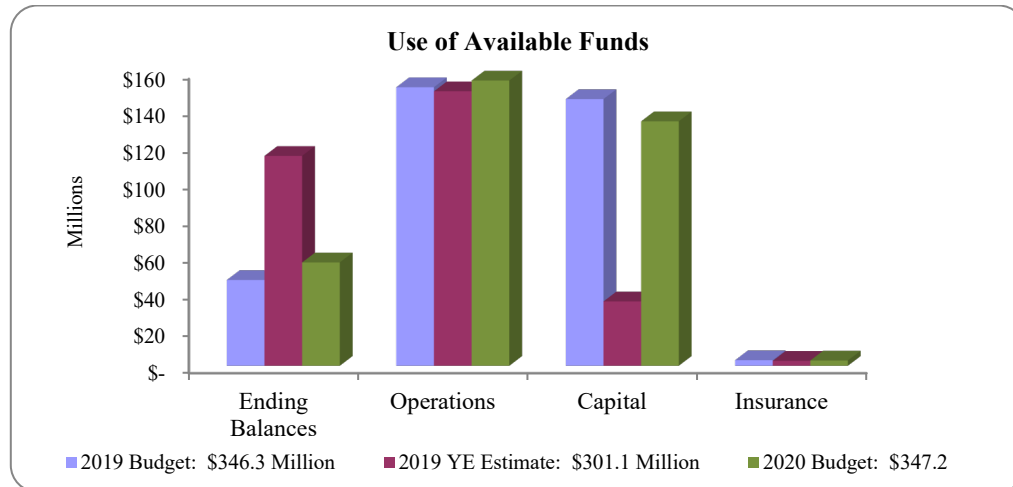
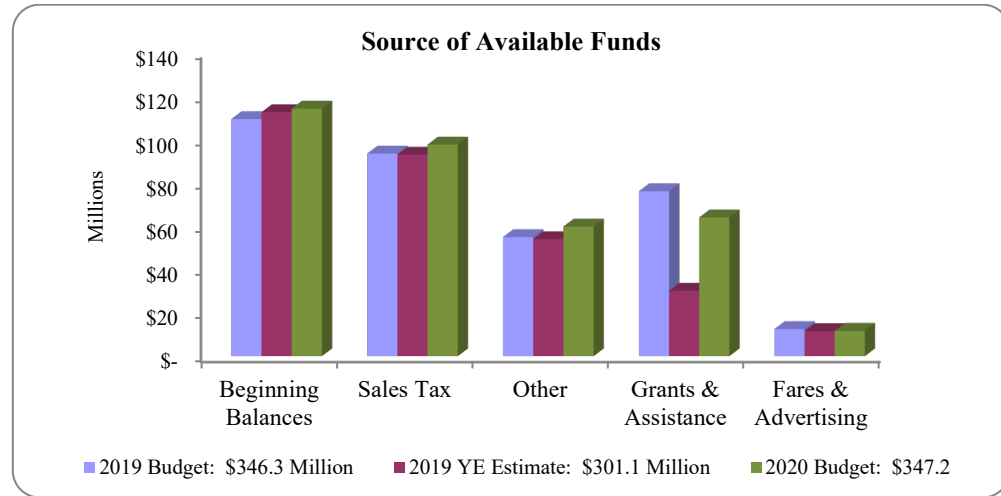


## 2020 BUDGET MESSAGE

### In brief:

The Agency Source of Available Funds includes beginning balances and is shown on the following chart. Sales tax revenue is projected to moderately grow. Grants & Assistance is increasing based on timing of receipts and increases in capital project funding. The remaining categories remain fairly flat.

Use of Available Funds includes ending balances and is shown on the following chart. Ending balances include required reserves and fluctuate based on expenditures. Operating and Insurance expenditures are fairly flat. Capital expenditures include carryover funds for capital projects from the prior year.







## 2020 BUDGET MESSAGE

### Operating Budget

The 2020 operating revenues of \$171,175,672 support the operating expenditures of \$154,020,353, non-operating expenditures of \$1,143,054 and operating transfers of \$2,339,673. 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 \$13,672,592. Reserves beyond the required amount will be utilized over the next six years to fund capital projects.

The operating budget revenue for 2020 is increasing by 6.5% and operating expenditures are increasing 3.9% from the 2019 Year-End Estimate.

|                            | 2019 Year-End<br>Estimate | 2020<br>Budget | Year-End Estimate to Budget Change |         |
|----------------------------|---------------------------|----------------|------------------------------------|---------|
|                            |                           |                | Amount                             | %       |
| Operating Revenues         | \$ 160,675,390            | \$ 171,175,672 | \$ 10,500,282                      | 6.5%    |
| Operating Expenditures     | (148,171,512)             | (154,020,353)  | (5,848,841)                        | 3.9%    |
|                            | 12,503,878                | 17,155,319     | 4,651,441                          | 37.2%   |
| Non-Operating Expenditures | (1,143,468)               | (1,143,054)    | 414                                | 0.0%    |
| Operating Transfers        | (37,411,962)              | (2,339,673)    | 35,072,289                         | -93.7%  |
| Net Change - Reserves      | \$ (26,051,552)           | \$ 13,672,592  | \$ 39,724,144                      | -152.5% |

2020 Non-Operating Expenditures are for payment of \$1,143,054 for Pierce County Agreement grant exchange funds.



## 2020 BUDGET MESSAGE

### In brief:

Operating Revenues include both Operating Income such as fares, and Non-Operating Income such as sales tax received to pay for ongoing transportation operations.

### Operating Revenues

The type of revenue and percent change from 2019 Year-End Estimate are included in the table below.

|                             | 2019 Year-End         |                       | 2020                  |                       | Year-End Estimate to Budget Change |        |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------------|--------|
|                             | Estimate              | Budget                | Estimate              | Budget                | Amount                             | %      |
| <b>Operating Income</b>     |                       |                       |                       |                       |                                    |        |
| Fares                       | \$ 11,237,077         | \$ 11,363,904         | \$ 11,237,077         | \$ 11,363,904         | \$ 126,827                         | 1.1%   |
| Advertising                 | 320,000               | 340,000               | 320,000               | 340,000               | 20,000                             | 6.3%   |
| Sound Transit               | 51,273,524            | 57,277,321            | 51,273,524            | 57,277,321            | 6,003,797                          | 11.7%  |
| <b>Non-Operating Income</b> |                       |                       |                       |                       |                                    |        |
| Sales Tax                   | 92,916,050            | 97,561,853            | 92,916,050            | 97,561,853            | 4,645,803                          | 5.0%   |
| Miscellaneous               | 1,623,527             | 1,676,414             | 1,623,527             | 1,676,414             | 52,887                             | 3.3%   |
| Operating Contributions     | 3,305,212             | 2,956,180             | 3,305,212             | 2,956,180             | (349,032)                          | -10.6% |
|                             | <u>\$ 160,675,390</u> | <u>\$ 171,175,672</u> | <u>\$ 160,675,390</u> | <u>\$ 171,175,672</u> | <u>\$ 10,500,282</u>               | 6.5%   |

Fares – Revenues are estimated based on ridership and average fare per boarding projections. The average fare per boarding is expected to be \$0.95 per fixed route boarding. Average fare per boarding varies due to factors such as number of boardings and the percentage of boardings by fare type and category. There is no projected fare increase included in the 2020 Budget. The last adult fare increase was November, 2010. The current Adult Fare for Local PT Service (one-ride) is \$2.00 or a Local PT Service All Day Pass is \$5.00. In September 2017 the senior/disabled rate increased from \$1.25 to \$1.75.

Advertising – The advertising budget reflects the minimum contractual agreement rate which may be exceeded based on demand and the number of buses in service available for ads.



## 2020 BUDGET MESSAGE

Sound Transit – Regional Transit Service budgeted revenue totals \$57,277,321 in 2020 and is expected to increase by 11.7% from 2019 Year-End Estimate. 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 2020, Sound Transit is increasing service hours 3.9% from 343,685 to 357,142. Sound Transit also reimburses for their share of costs associated with security, liability insurance, special services, and for the cost of operating the Tacoma Dome Station.

Sales Tax – Sales tax projections are based on economic conditions and analysis of activity in the jurisdictions in the Public Transportation Benefit Area (PTBA). 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 86% of the operating budget revenue excluding Sound Transit. In 2020, sales tax is expected to total \$97,561,853 which is a 5.0% increase over the 2019 Year-End Estimate and in line with current growth trends.

Miscellaneous – Includes reimbursements of expenses from the Combined Communications Network (CCN) as well as other miscellaneous revenues such as interest revenue and insurance recoveries.

Operating Contributions – Operating Contributions are funds from partnering agencies. They include the City of Tacoma for Commute Trip Reduction (CTR), Pierce County Employer Services Programs, and Washington State Department of Transportation Special Needs Operations. Pierce County also partners for Americans with Disabilities Act (ADA) service. The decrease in 2020 is due to the completion of two grants.



## 2020 BUDGET MESSAGE

### In brief:

Operating Expenditures are funds paid for providing and administering transportation services including wages, benefits and Maintenance & Operations (M&O).

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

### Operating Expenditures

Operating expenses are projected to total \$155,163,407 for a 3.9% increase from the 2019 Year-End Estimate. The changes from the 2019 Year-End Estimate to the 2020 Budget are as follows:

|                            | 2019 Year-End  | 2020           | Year-End Estimate to Budget Change |      |
|----------------------------|----------------|----------------|------------------------------------|------|
|                            | Estimate       | Budget         | Amount                             | %    |
| Wages                      | \$ 73,030,712  | \$ 77,035,334  | \$ 4,004,622                       | 5.5% |
| Benefits                   | 28,034,828     | 28,754,405     | 719,577                            | 2.6% |
| M & O                      | 47,105,972     | 48,230,614     | 1,124,642                          | 2.4% |
| Total Operations           | 148,171,512    | 154,020,353    | 5,848,841                          | 3.9% |
| Non-Operating Expenditures | 1,143,468      | 1,143,054      | (414)                              | 0.0% |
| Total                      | \$ 149,314,980 | \$ 155,163,407 | \$ 5,848,427                       | 3.9% |

Wages – The 2019 Budget includes 991 positions and 970.75 full-time equivalents (FTEs). The 5.5% increase in wages includes general wage adjustments and eligible step increases. The increase in wages also includes projected wages and salaries for filling vacant positions from the prior year.

Represented employees are 85% of the total Agency workforce. The Master Agreement with the Amalgamated Transit Union (ATU) is for three-and-a-half-year period, July 1, 2017 through December 31, 2020. The Master Agreement with the International Association of Machinists (IAM) is for May 1, 2018 through December 31, 2021. The ATU contract calls for a general wage adjustment of 2.85% on January 1, 2020 and IAM wages will increase 2.5%.



## 2020 BUDGET MESSAGE

Benefits – The increase in benefits of 2.6% or \$719,577 is a result of 7% medical and dental premium increases, filling of vacancies, and a slight increase in the Washington State Public Employees Retirement System (PERS) employer contribution rates.

Maintenance and Operations – The 2020 Maintenance and Operations (M&O) Budget is \$48,230,614. The expenditures support service, maintenance of equipment, and technology system needs. This is an increase of \$1,124,642 or 2.4% higher than the 2019 Year-End Estimate. The increases in expenses are impacted by the number of service hours and miles operated. The following categories represent most of the change.

Supplies – Increases include fuel and parts costs.

Services – Security services and publicity are increasing.

Other – Purchased transportation and software subscriptions and support are increasing.

Non-Operating Expenditures – 2020 Non-Operating Expenditures are for payment of \$1,143,054 for Pierce County Agreement grant exchange funds.



## 2020 BUDGET MESSAGE

### In brief:

Pierce Transit defines the Operating Reserve Balance as reserves maintained to provide sufficient working capital and balances to finance cash flow requirements, meet unanticipated downturns in revenue, and provide funds for emergency expenditures. This balance must be maintained at a level of reserves that meets or exceeds the Agency's required reserve policy of two months of operating expenses.

### Operating Reserve Balance

The 2020 budget includes operating and non-operating revenues of \$171.2 million which funds operating and non-operating expenses of \$155.2 million for 1,151,126 hours of service and contributes to the capital and insurance programs. In addition, the budget fully funds and maintains all reserve balances at levels required by the Board adopted reserve policy.

|  | <b>\$ in Millions</b> |
|--|-----------------------|
| <b>Beginning Cash</b>                  | <u><b>\$ 25.7</b></u> |
| Operating & Non-Operating Revenue      | \$ 171.2              |
| Operating & Non-Operating Expenditures | <u>(155.2)</u>        |
| <b>Operating Margin</b>                | <b>\$ 16.0</b>        |
| Transfer to Capital / Insurance        | <u>(2.3)</u>          |
| <b>Ending Cash</b>                     | <b>\$ 39.4</b>        |
| Operating Reserves                     | (25.7)                |
| <b>Reserves for Sustainability</b>     | <u><b>\$ 13.7</b></u> |

#### Operating Reserve Balance Calculation (\$ in millions)

|   | <u>2019 Forecast</u> | <u>2020 Budget</u>    |
|---|----------------------|-----------------------|
| <b>Projected Ending Balance</b>                           | <b>\$ 25.7</b>       | <b>\$ 39.4</b>        |
| Operating Expenses  | \$ 148.2             | \$ 154.0              |
| Two Months Operating Expense / Required Operating Reserve | (24.7)               | (25.7)                |
| <b>Cash/Working Capital in Excess of Reserves</b>         | <u><b>\$ 1.0</b></u> | <u><b>\$ 13.7</b></u> |



## 2020 BUDGET MESSAGE

### In brief:

The 2020 Capital Budget is comprised of the following categories.

Revenue Vehicles – 24%

*Provide customers a comfortable and reliable mode of transportation*

Base Facilities – 25%

*Support efficient operations of the Agency*

Passenger Facilities & Amenities – 10%

*Serve as the front door to the transit system*

Technology – 20%

*Provide infrastructure and software to improve information and services for staff and the public*

Other – 21%

*Maintain equipment and provide improved transportation services*

A detailed project list reflecting the responsible division, carryover, and grant support is 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 and passenger facilities, technology, and maintenance equipment. These items are distinguished from operating items due to their greater than \$5,000 value and longer than one year projected useful life. Capital expenses and grant reimbursements are budgeted by project. Pierce Transit budgets funds in the year in which the Agency anticipates entering into a contract for service or acquisition.

Capital projects for 2020 are budgeted at \$132,965,521. Approved but unspent projects are carried over from the prior year to the following budget year. The 2020 Budget contains \$109,536,671 of prior year budgeted funds (carryover) and \$23,428,850 in new projects. Expenditures are supported by \$61,023,277 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 budget.

|   | Carryover             | New                  | Total                |
|---|-----------------------|----------------------|----------------------|
| <b>Revenue Vehicles</b><br>(Bus, Vanpool, SHUTTLE and Trolley replacements)   | \$ 23,996,627         | \$ 8,272,634         | \$ 32,269,261        |
| <b>Base Facilities</b><br>(Base Master Plan Implementation)   | 25,751,649            | 7,163,068            | 32,914,717           |
| <b>Passenger Facilities and Amenities</b><br>(Tacoma Dome Station, South Hill Transit Center, Pac Ave SR 7 Park & Ride, Commerce Tunnel)                  | 8,976,849             | 3,811,000            | 12,787,849           |
| <b>Technology</b><br>(Next Generation ORCA, CAD-AVL System Replacement, Collision Avoidance System, Security Systems Replacement, Network Infrastructure) | 24,415,247            | 2,065,196            | 26,480,443           |
| <b>Other</b><br>(Corridor Speed & Reliability Improvements, BRT, TDS Elevator)  | 26,396,299            | 2,116,952            | 28,513,251           |
|   | <u>\$ 109,536,671</u> | <u>\$ 23,428,850</u> | <u>\$132,965,521</u> |



## 2020 BUDGET MESSAGE

### **Self- Insurance**

The 2020 Budget of \$2,891,330 reflects an increase of \$189,000 from the 2019 Year-End Estimate of \$2,702,330. The increase is due to projected Workers' Compensation Insurance costs.

### **Ending Balances**

Ending balances include the required reserves for the operating, capital, and insurance funds. The Board of Commissioners reserve policy supports management decision-making by avoiding revenue-expenditure imbalances, supporting stable service delivery, and assuring funds are available for operations, self-insurance programs and planned capital acquisition during economic downturns or other unanticipated events.

Operating reserve – shall be maintained at a minimum of two months of agency operating expenditures.

Capital reserve – shall be maintained at no less than 50% of the previous three years average annual asset depreciation at any time in the Six-Year Financial Plan. At the end of the Six-Year Financial Plan, the capital reserve shall be at least 100% of the previous three years average annual asset depreciation.

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

### **Conclusion**

The 2020 Budget is balanced and sustainable and focused on strategic initiatives to meet Pierce Transit's Vision and Mission.



TITLE: Adoption of the Annual Budget for Fiscal Year 2020 DIVISION: Finance

SUBMITTED BY: Brett Freshwaters, Executive Director of Finance

RELATED ACTION:

FS 2013-036, Establishing a New Classification and Compensation System and a Rewards and Recognition Program for Non-Represented Employees

ATTACHMENTS: Proposed Resolution

RELATION TO STRATEGIC PLAN: Financial

### BUDGET INFORMATION

#### 2020 Budget Appropriations

| Operating Budget            | Expenditures                 | Resources                    |
|-----------------------------|------------------------------|------------------------------|
| Operating                   | \$ 154,020,353               | \$ 68,981,225                |
| Non-Operating               | 1,143,054                    | 99,238,267                   |
| Operating Contributions     | -                            | 2,956,180                    |
| Operating Transfers         | 2,339,673                    | -                            |
| Added to Reserves           | -                            | (13,672,592)                 |
|                             | <u>157,503,080</u>           | <u>157,503,080</u>           |
| <b>Capital Budget</b>       |                              |                              |
| Operating                   | 132,965,521                  | 61,823,277                   |
| Operating Transfers         | -                            | -                            |
| Use of Reserves             | -                            | 71,142,244                   |
|                             | <u>132,965,521</u>           | <u>132,965,521</u>           |
| <b>Insurance Budget</b>     |                              |                              |
| Operating                   | 2,891,330                    | 60,000                       |
| Operating Transfers         | -                            | 2,339,673                    |
| Use of Reserves             | -                            | 491,657                      |
|                             | <u>2,891,330</u>             | <u>2,891,330</u>             |
| <b>Total Appropriations</b> | 293,359,931                  | 293,359,931                  |
| Less Operating Transfers    | <u>(2,339,673)</u>           | <u>(2,339,673)</u>           |
| <b>Net Budget</b>           | <u><u>\$ 291,020,258</u></u> | <u><u>\$ 291,020,258</u></u> |

**BACKGROUND:**

The 2020 Budget has been submitted and reviewed at the Board of Commissioners' Study Session and Public Hearing on 10/14/2019. The budget has also been reviewed at the Community Transportation Advisory Group (CTAG) meeting on 10/24/2019.

The 2020 Budget is ready for adoption. The budget is balanced, sustainable, and meets Board-adopted reserve requirements. The Agency's budget is \$293,359,931. Of this amount, \$2,339,673 represents internal transfers, leaving a net budget of \$291,020,258. The three components that make up this amount are the Operating Budget (54%), Capital Budget (45%), and Insurance Budget (1%).

The budget includes Pierce Transit fixed route service hours totaling 500,130. Specialized Transportation (SHUTTLE) hours are budgeted at 166,620. Vanpool service hours are budgeted at 145,278. Pierce Transit anticipates providing 357,142 service hours for Sound Transit Regional Transit Service.

To provide the projected levels of service, the 2020 Budget includes 991 positions and 970.75 full-time equivalent employees (FTEs). Five new positions are offset by seven (7) position reductions for a net decrease of 2 positions. The budget has a wage increase pool of 4.9%, which includes class and compensation adjustments, performance-based, and general wage adjustments for non-represented employees, as well as step and COLA increases for represented employees, per the terms of the applicable collective bargaining agreements.

Capital projects for 2020 are budgeted at \$132,965,521. Approved but unspent projects are carried over to the following budget year. The 2020 budget contains \$109,536,671 of prior year budgeted funds (carryover). Included are funds for vehicles, facilities, technology, and administrative and maintenance equipment.

The insurance budget of \$2,891,330 includes workers' compensation costs of \$2,741,330 and unemployment costs of \$150,000.

**STAFF RECOMMENDATION:**

Authorize adoption of the Annual Budget for fiscal year 2020 as presented at the October 14, 2019 Board of Commissioners' Study Session and Public Hearing.

**ALTERNATIVES:**

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

**PROPOSED MOTION:**

Move to: Approve Resolution No. 2019-041 adopting the Annual Budget for Fiscal Year 2020 with attendant wage adjustments and approval of 991 positions as presented therein.

RESOLUTION NO. 2019-041

A RESOLUTION of the Board of Commissioners of Pierce Transit Adopting the Annual Budget for Fiscal Year 2020

WHEREAS, the Chief Executive Officer has prepared a preliminary budget for fiscal year 2020; and

WHEREAS, the Board of Commissioners of Pierce Transit has reviewed the preliminary budget and held a public hearing on the preliminary budget at its October 14, 2019 Special Study Session Meeting; and

WHEREAS, the Board of Commissioners of Pierce Transit has now determined that the preliminary budget provides for the efficient and effective delivery of public transportation services within the financial capacity of Pierce Transit for 2020; and

WHEREAS, the Budget proposes service to provide 1,169,170 service hours for fixed route, SHUTTLE, Vanpool and Sound Transit services, requiring a workforce of 991 positions; and

WHEREAS, Pierce Transit seeks to be an employer of choice in Pierce County, and a general wage adjustment for non-represented employees should assist in hiring and retention of quality employees; and

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

Section 1. The Board of Commissioners authorizes the annual budget for Pierce Transit for Fiscal Year 2020 which was reviewed by the Board of Commissioners in its final form and content and, by this reference, incorporated herein as though fully set forth, and the same is hereby adopted as the annual budget for Pierce Transit for Fiscal Year 2020.

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

|  | Expenditures          | Resources             |
|--|-----------------------|-----------------------|
| Appropriation before use of Fund Balance | \$ 293,359,931        | \$ 235,398,622        |
| Use of Reserves                          | -                     | 57,961,309            |
| Total Appropriation                      | <u>293,359,931</u>    | <u>293,359,931</u>    |
| Less Operating Transfers                 | <u>(2,339,673)</u>    | <u>(2,339,673)</u>    |
| Net Budget                               | <u>\$ 291,020,258</u> | <u>\$ 291,020,258</u> |

Section 3. The Chief Executive Officer is hereby authorized to staff up to 991 positions.

Section 4. The Board affirms continuing the Classification and Compensation Program for Non-Represented Positions with an annual maximum salary adjustment of 3% based on documented performance towards defined goals.





This page intentionally left blank.



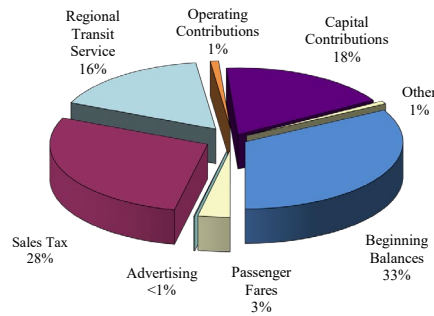
*A summary of Pierce Transit's budget is displayed in the following section. The summary is designed to present an overview of the Agency's financial outlook for the coming year. It includes an overall summary followed by summaries of operating revenues and expenditures, capital, insurance, and ending balances. An agency expenditure comparison concludes this section.*

## **2020 Budget Summary**

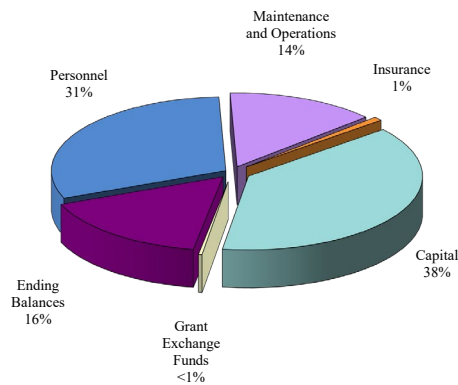


**2020 BUDGET  
OVERALL SUMMARY**

**Revenues**



**Expenditures**



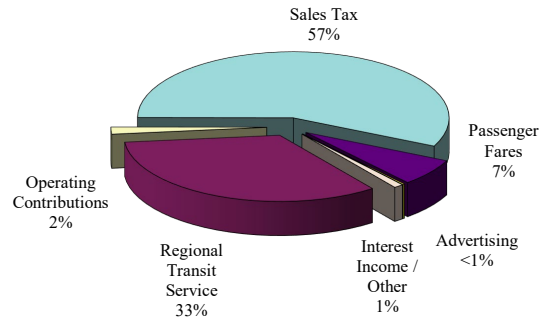
|  | 2018<br>YEAR-END<br>ACTUALS | 2019<br>AMENDED<br>BUDGET | 2019<br>YEAR-END<br>ESTIMATE | 2020<br>BUDGET        | % CHANGE<br>2019 YEAR-END<br>ESTIMATE TO<br>2020 BUDGET |
|--|-----------------------------|---------------------------|------------------------------|-----------------------|---|
| <b>REVENUES</b>                          |                             |                           |                              |                       |   |
| <b>OPERATING INCOME</b>                  |                             |                           |                              |                       |   |
| Passenger Fares                          | \$ 12,014,669               | \$ 12,209,000             | \$ 11,237,077                | \$ 11,363,904         | 1.1%  |
| Advertising                              | 334,350                     | 320,000                   | 320,000                      | 340,000               | 6.3%  |
| Regional Transit Service (Sound Transit) | 47,975,426                  | 52,394,123                | 51,273,524                   | 57,277,321            | 11.7%   |
| <b>NON-OPERATING INCOME</b>              |                             |                           |                              |                       |   |
| Sales Tax                                | 87,679,018                  | 93,415,421                | 92,916,050                   | 97,561,853            | 5.0%  |
| Other                                    | 3,251,366                   | 2,549,000                 | 2,725,527                    | 2,536,414             | -6.9%   |
| <b>CONTRIBUTIONS</b>                     |                             |                           |                              |                       |   |
| Operating                                | 4,234,031                   | 2,719,219                 | 3,305,212                    | 2,956,180             | -10.6%  |
| Capital                                  | 12,989,844                  | 73,359,382                | 26,874,823                   | 61,023,277            | 127.1%  |
| <b>REVENUES</b>                          | <b>168,478,704</b>          | <b>236,966,145</b>        | <b>188,652,213</b>           | <b>233,058,949</b>    | <b>23.5%</b>  |
| <b>BEGINNING BALANCES</b>                |                             |                           |                              |                       |   |
| Working Cash                             | 51,720,305                  | 49,464,798                | 51,777,764                   | 25,726,212            | -50.3%  |
| Insurance                                | 2,559,856                   | 2,139,022                 | 2,266,679                    | 2,491,657             | 9.9%  |
| Capital Reserve                          | 61,532,132                  | 57,710,190                | 58,440,197                   | 85,910,171            | 47.0%   |
| <b>BEGINNING BALANCES</b>                | <b>115,812,293</b>          | <b>109,314,010</b>        | <b>112,484,640</b>           | <b>114,128,040</b>    | <b>1.5%</b>   |
| <b>TOTAL REVENUES AND BALANCES</b>       | <b>\$ 284,290,997</b>       | <b>\$ 346,280,155</b>     | <b>\$ 301,136,853</b>        | <b>\$ 347,186,989</b> | <b>15.3%</b>  |
| <b>EXPENDITURES</b>                      |                             |                           |                              |                       |   |
| <b>OPERATING EXPENDITURES</b>            |                             |                           |                              |                       |   |
| Personnel                                | \$ 93,766,514               | \$ 101,042,039            | \$ 101,065,540               | \$ 105,789,739        | 4.7%  |
| Maintenance and Operations               | 42,029,171                  | 49,708,640                | 47,105,972                   | 48,230,614            | 2.4%  |
| Insurance                                | 2,807,993                   | 3,061,330                 | 2,702,330                    | 2,891,330             | 7.0%  |
| <b>NON-OPERATING EXPENDITURES</b>        |                             |                           |                              |                       |   |
| Grant Exchange Funds                     | 879,816                     | 780,000                   | 1,143,468                    | 1,143,054             | 0.0%  |
| <b>CAPITAL EXPENDITURES</b>              |                             |                           |                              |                       |   |
| Capital                                  | 32,322,861                  | 145,072,276               | 34,991,503                   | 132,965,521           | 280.0%  |
| <b>EXPENDITURES</b>                      | <b>171,806,355</b>          | <b>299,664,285</b>        | <b>187,008,813</b>           | <b>291,020,258</b>    | <b>55.6%</b>  |
| Working Cash                             | 51,777,764                  | 23,258,920                | 25,726,212                   | 39,398,804            | 53.1%   |
| Insurance                                | 2,266,681                   | 2,000,000                 | 2,491,657                    | 2,000,000             | -19.7%  |
| Capital Reserve                          | 58,440,197                  | 21,356,950                | 85,910,171                   | 14,767,927            | -82.8%  |
| <b>ENDING BALANCES</b>                   | <b>112,484,642</b>          | <b>46,615,870</b>         | <b>114,128,040</b>           | <b>56,166,731</b>     | <b>-50.8%</b>   |
| <b>TOTAL EXPENDITURES AND BALANCES</b>   | <b>\$ 284,290,997</b>       | <b>\$ 346,280,155</b>     | <b>\$ 301,136,853</b>        | <b>\$ 347,186,989</b> | <b>15.3%</b>  |

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



**2020 BUDGET  
OPERATING SUMMARY - REVENUES**

**Operating Revenues**



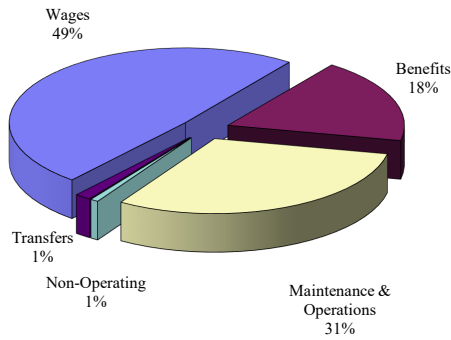
|   | 2018<br>YEAR-END<br>ACTUALS | 2019<br>AMENDED<br>BUDGET | 2019<br>YEAR-END<br>ESTIMATE | 2020<br>BUDGET        | % CHANGE<br>2019 YEAR-END<br>ESTIMATE TO<br>2020 BUDGET |
|---|-----------------------------|---------------------------|------------------------------|-----------------------|---|
| <b>OPERATING REVENUES</b>                                 |                             |                           |                              |                       |   |
| <b>OPERATING INCOME</b>                                   |                             |                           |                              |                       |   |
| Passenger Fares   | \$ 12,014,669               | \$ 12,209,000             | \$ 11,237,077                | \$ 11,363,904         | 1.1%  |
| Advertising   | 334,350                     | 320,000                   | 320,000                      | 340,000               | 6.3%  |
| Regional Transit Service (Sound Transit)                  |                             |                           |                              |                       |   |
| Express Reimbursement                                     | 46,892,773                  | 51,334,645                | 50,256,107                   | 56,266,216            | 12.0%   |
| Tacoma Dome Station Reimbursement                         | 806,615                     | 1,059,478                 | 1,017,417                    | 1,011,105             | -0.6%   |
| Special Service Reimbursement                             | 276,038                     | -                         | -                            | -                     | 0.0%  |
| <b>OPERATING INCOME</b>                                   | <b>60,324,445</b>           | <b>64,923,123</b>         | <b>62,830,601</b>            | <b>68,981,225</b>     | <b>9.8%</b>   |
| <b>NON-OPERATING INCOME</b>                               |                             |                           |                              |                       |   |
| Sales Tax   | 87,679,018                  | 93,415,421                | 92,916,050                   | 97,561,853            | 5.0%  |
| Interest Income   | 1,133,321                   | 650,000                   | 800,000                      | 700,000               | -12.5%  |
| Other   | 924,645                     | 1,029,000                 | 823,527                      | 976,414               | 18.6%   |
| <b>NON-OPERATING INCOME</b>                               | <b>89,736,984</b>           | <b>95,094,421</b>         | <b>94,539,577</b>            | <b>99,238,267</b>     | <b>5.0%</b>   |
| <b>OPERATING CONTRIBUTIONS</b>                            |                             |                           |                              |                       |   |
| CTR / Vanpool Assistance                                  | 195,996                     | 319,219                   | 297,719                      | 176,219               | -40.8%  |
| Operating Grants - Other                                  | 2,137,895                   | 500,000                   | 2,215,768                    | 729,920               | -67.1%  |
| Special Needs Transportation Grant                        | 1,900,140                   | 1,900,000                 | 791,725                      | 2,050,041             | 158.9%  |
| <b>OPERATING CONTRIBUTIONS</b>                            | <b>4,234,031</b>            | <b>2,719,219</b>          | <b>3,305,212</b>             | <b>2,956,180</b>      | <b>-10.6%</b>   |
| <b>TOTAL OPERATING REVENUES</b>                           | <b>154,295,460</b>          | <b>162,736,763</b>        | <b>160,675,390</b>           | <b>171,175,672</b>    | <b>6.5%</b>   |
| BEGINNING BALANCE   | 51,720,305                  | 49,464,798                | 51,777,764                   | 25,726,212            | -50.3%  |
| <b>TOTAL OPERATING REVENUES<br/>AND BEGINNING BALANCE</b> | <b>\$ 206,015,765</b>       | <b>\$ 212,201,561</b>     | <b>\$ 212,453,154</b>        | <b>\$ 196,901,884</b> | <b>-7.3%</b>  |





**2020 BUDGET  
OPERATING SUMMARY - EXPENDITURES**

**Operating Expenditures & Transfers**



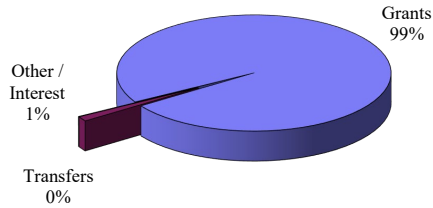
|  | 2018<br>YEAR-END<br>ACTUALS | 2019<br>AMENDED<br>BUDGET | 2019<br>YEAR-END<br>ESTIMATE | 2020<br>BUDGET        | % CHANGE<br>2019 YEAR-END<br>ESTIMATE TO<br>2020 BUDGET |
|--|-----------------------------|---------------------------|------------------------------|-----------------------|---|
| <b>OPERATING EXPENDITURES</b>                          |                             |                           |                              |                       |   |
| <b>OPERATING PERSONNEL</b>                             |                             |                           |                              |                       |   |
| Wages  | \$ 67,365,031               | \$ 72,719,660             | \$ 73,030,712                | \$ 77,035,334         | 5.5%  |
| Benefits   | 26,401,483                  | 28,322,379                | 28,034,828                   | 28,754,405            | 2.6%  |
| <b>PERSONNEL</b>                                       | <b>93,766,514</b>           | <b>101,042,039</b>        | <b>101,065,540</b>           | <b>105,789,739</b>    | <b>4.7%</b>   |
| <b>MAINTENANCE &amp; OPERATIONS</b>                    |                             |                           |                              |                       |   |
| Supplies   | 15,804,187                  | 17,947,467                | 16,219,790                   | 16,624,755            | 2.5%  |
| Services   | 7,230,617                   | 9,305,955                 | 8,681,816                    | 9,125,477             | 5.1%  |
| Insurance (Purchased)                                  | 3,130,245                   | 3,605,021                 | 3,605,021                    | 3,463,707             | -3.9%   |
| Utilities  | 1,649,201                   | 1,924,151                 | 1,847,330                    | 1,766,240             | -4.4%   |
| Repairs  | 287,154                     | 956,694                   | 912,580                      | 663,002               | -27.3%  |
| Rentals  | 609,245                     | 533,096                   | 558,676                      | 558,236               | -0.1%   |
| Purchased Transportation                               | 7,233,090                   | 8,064,533                 | 7,926,112                    | 8,490,200             | 7.1%  |
| Other  | 6,085,432                   | 7,371,723                 | 7,354,647                    | 7,538,997             | 2.5%  |
| <b>MAINTENANCE &amp; OPERATIONS</b>                    | <b>42,029,171</b>           | <b>49,708,640</b>         | <b>47,105,972</b>            | <b>48,230,614</b>     | <b>2.4%</b>   |
| <b>OPERATING EXPENDITURES</b>                          | <b>135,795,685</b>          | <b>150,750,679</b>        | <b>148,171,512</b>           | <b>154,020,353</b>    | <b>3.9%</b>   |
| <b>NON-OPERATING EXPENDITURES</b>                      |                             |                           |                              |                       |   |
| Grant Exchange Funds                                   | 879,816                     | 780,000                   | 1,143,468                    | 1,143,054             | 0.0%  |
| <b>NON-OPERATING EXPENDITURES</b>                      | <b>879,816</b>              | <b>780,000</b>            | <b>1,143,468</b>             | <b>1,143,054</b>      | <b>0.0%</b>   |
| <b>TOTAL EXPENDITURES</b>                              | <b>136,675,501</b>          | <b>151,530,679</b>        | <b>149,314,980</b>           | <b>155,163,407</b>    | <b>3.9%</b>   |
| <b>TRANSFERS</b>                                       |                             |                           |                              |                       |   |
| Other Insurance Transfer                               | -                           | 49,923                    | 49,923                       | 252,560               | 405.9%  |
| Workers' Comp. Transfer                                | 2,433,505                   | 2,802,385                 | 2,802,385                    | 2,087,113             | -25.5%  |
| Capital Reserve  | 15,128,995                  | 34,559,654                | 34,559,654                   | -                     | -100.0%   |
| <b>TRANSFERS</b>                                       | <b>17,562,500</b>           | <b>37,411,962</b>         | <b>37,411,962</b>            | <b>2,339,673</b>      | <b>-93.7%</b>   |
| <b>TOTAL EXPENDITURES AND TRANSFERS</b>                | <b>154,238,001</b>          | <b>188,942,641</b>        | <b>186,726,942</b>           | <b>157,503,080</b>    | <b>-15.7%</b>   |
| ENDING BALANCE   | 51,777,764                  | 23,258,920                | 25,726,212                   | 39,398,804            | 53.1%   |
| <b>TOTAL OPERATING EXPENDITURES AND ENDING BALANCE</b> | <b>\$ 206,015,765</b>       | <b>\$ 212,201,561</b>     | <b>\$ 212,453,154</b>        | <b>\$ 196,901,884</b> | <b>-7.3%</b>  |



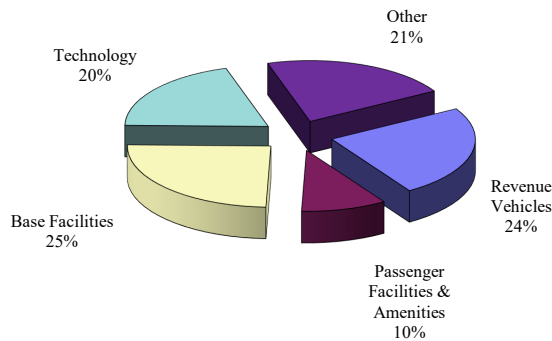
**2020 BUDGET  
CAPITAL SUMMARY**

|  | 2018<br>YEAR-END<br>ACTUALS | 2019<br>AMENDED<br>BUDGET | 2019<br>YEAR-END<br>ESTIMATE | 2020<br>BUDGET        | % CHANGE<br>2019 YEAR-END<br>ESTIMATE TO<br>2020 BUDGET |
|--|-----------------------------|---------------------------|------------------------------|-----------------------|---|
| <b>CAPITAL REVENUES</b>                                  |                             |                           |                              |                       |   |
| <b>REVENUES</b>  |                             |                           |                              |                       |   |
| Grants   | \$ 12,989,844               | \$ 73,359,382             | \$ 26,874,823                | \$ 61,023,277         | 127.1%  |
| Other Capital Revenue / Interest                         | 1,112,087                   | 800,000                   | 1,027,000                    | 800,000               | -22.1%  |
| <b>REVENUE</b>   | <b>14,101,931</b>           | <b>74,159,382</b>         | <b>27,901,823</b>            | <b>61,823,277</b>     | <b>121.6%</b>   |
| <b>TRANSFERS</b>   |                             |                           |                              |                       |   |
| Capital Reserve  | 15,128,995                  | 34,559,654                | 34,559,654                   | -                     | -100.0%   |
| <b>TRANSFERS</b>   | <b>15,128,995</b>           | <b>34,559,654</b>         | <b>34,559,654</b>            | <b>-</b>              | <b>-</b>  |
| <b>CAPITAL REVENUES</b>                                  | <b>29,230,926</b>           | <b>108,719,036</b>        | <b>62,461,477</b>            | <b>61,823,277</b>     | <b>-1.0%</b>  |
| <b>BEGINNING BALANCE</b>                                 |                             |                           |                              |                       |   |
| Capital Reserve  | 61,532,132                  | 57,710,190                | 58,440,197                   | 85,910,171            | 47.0%   |
| <b>TOTAL CAPITAL REVENUES<br/>AND BEGINNING BALANCE</b>  | <b>\$ 90,763,058</b>        | <b>\$ 166,429,226</b>     | <b>\$ 120,901,674</b>        | <b>\$ 147,733,448</b> | <b>22.2%</b>  |
| <b>CAPITAL EXPENDITURES</b>                              |                             |                           |                              |                       |   |
| <b>CAPITAL ACQUISITION</b>                               |                             |                           |                              |                       |   |
| Revenue Vehicles   | \$ 17,926,899               | \$ 42,157,914             | \$ 18,160,158                | \$ 32,269,261         | 77.7%   |
| Passenger Facilities & Amenities                         | 8,095,288                   | 11,084,034                | 2,107,185                    | 12,787,849            | 506.9%  |
| Base Facilities  | 2,161,498                   | 28,708,401                | 2,950,908                    | 32,914,717            | 1015.4%   |
| Technology   | 2,729,033                   | 28,450,777                | 4,035,530                    | 26,480,443            | 556.2%  |
| Other  | 1,410,143                   | 34,671,150                | 7,737,722                    | 28,513,251            | 268.5%  |
| <b>CAPITAL EXPENDITURES</b>                              | <b>32,322,861</b>           | <b>145,072,276</b>        | <b>34,991,503</b>            | <b>132,965,521</b>    | <b>280.0%</b>   |
| <b>ENDING BALANCE</b>                                    |                             |                           |                              |                       |   |
| Capital Reserve  | 58,440,197                  | 21,356,950                | 85,910,171                   | 14,767,927            | -82.8%  |
| <b>TOTAL CAPITAL EXPENDITURES<br/>AND ENDING BALANCE</b> | <b>\$ 90,763,058</b>        | <b>\$ 166,429,226</b>     | <b>\$ 120,901,674</b>        | <b>\$ 147,733,448</b> | <b>22.2%</b>  |

**Capital Revenues & Transfers**



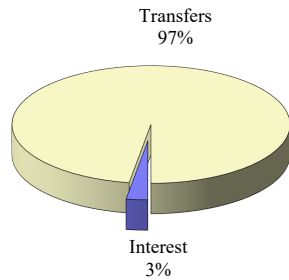
**Capital Expenditures**



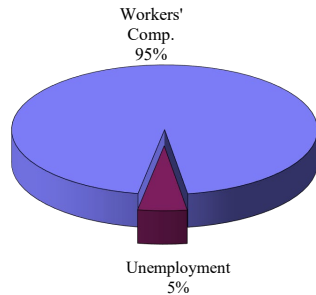


**2020 BUDGET  
INSURANCE SUMMARY**

**Insurance Revenues & Transfers**



**Insurance Expenditures**

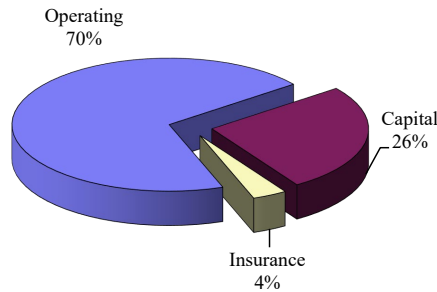


|   | 2018<br>YEAR-END<br>ACTUALS | 2019<br>AMENDED<br>BUDGET | 2019<br>YEAR-END<br>ESTIMATE | 2020<br>BUDGET      | % CHANGE<br>2019 YEAR-END<br>ESTIMATE TO<br>2020 BUDGET |
|---|-----------------------------|---------------------------|------------------------------|---------------------|---|
| <b>INSURANCE REVENUES</b>                                   |                             |                           |                              |                     |   |
| <b>REVENUES</b>   |                             |                           |                              |                     |   |
| Workers' Comp. Interest                                     | \$ 74,762                   | \$ 62,153                 | \$ 69,000                    | \$ 55,000           | -20.3%  |
| Unemployment Insurance Interest                             | 6,551                       | 7,847                     | 6,000                        | 5,000               | -16.7%  |
| <b>REVENUES</b>   | <b>81,313</b>               | <b>70,000</b>             | <b>75,000</b>                | <b>60,000</b>       | <b>-20.0%</b>   |
| <b>TRANSFERS</b>  |                             |                           |                              |                     |   |
| Workers' Comp. Transfer                                     | 2,433,505                   | 2,802,385                 | 2,802,385                    | 2,087,113           | -25.5%  |
| Unemployment Insurance Transfer                             | -                           | 49,923                    | 49,923                       | 252,560             | 405.9%  |
| <b>TRANSFERS</b>  | <b>2,433,505</b>            | <b>2,852,308</b>          | <b>2,852,308</b>             | <b>2,339,673</b>    | <b>-18.0%</b>   |
| <b>REVENUES AND TRANSFERS</b>                               | <b>2,514,818</b>            | <b>2,922,308</b>          | <b>2,927,308</b>             | <b>2,399,673</b>    | <b>-18.0%</b>   |
| <b>BEGINNING BALANCES</b>                                   |                             |                           |                              |                     |   |
| Workers' Comp. Insurance                                    | 2,275,809                   | 1,946,792                 | 2,155,162                    | 2,474,217           | 14.8%   |
| Unemployment Insurance                                      | 284,047                     | 192,230                   | 111,517                      | 17,440              | -84.4%  |
| <b>BEGINNING BALANCES</b>                                   | <b>2,559,856</b>            | <b>2,139,022</b>          | <b>2,266,679</b>             | <b>2,491,657</b>    | <b>9.9%</b>   |
| <b>TOTAL INSURANCE REVENUES<br/>AND BEGINNING BALANCES</b>  | <b>\$ 5,074,674</b>         | <b>\$ 5,061,330</b>       | <b>\$ 5,193,987</b>          | <b>\$ 4,891,330</b> | <b>-5.8%</b>  |
| <b>INSURANCE EXPENDITURES</b>                               |                             |                           |                              |                     |   |
| Workers' Comp. Insurance                                    | 2,628,913                   | 2,936,330                 | 2,552,330                    | 2,741,330           | 7.4%  |
| Unemployment Insurance                                      | 179,080                     | 125,000                   | 150,000                      | 150,000             | 0.0%  |
| <b>INSURANCE EXPENDITURES</b>                               | <b>2,807,993</b>            | <b>3,061,330</b>          | <b>2,702,330</b>             | <b>2,891,330</b>    | <b>7.0%</b>   |
| <b>ENDING BALANCES</b>                                      |                             |                           |                              |                     |   |
| Workers' Comp. Insurance                                    | 2,155,163                   | 1,875,000                 | 2,474,217                    | 1,875,000           | -24.2%  |
| Unemployment Insurance                                      | 111,518                     | 125,000                   | 17,440                       | 125,000             | 616.7%  |
| <b>ENDING BALANCES</b>                                      | <b>2,266,681</b>            | <b>2,000,000</b>          | <b>2,491,657</b>             | <b>2,000,000</b>    | <b>-19.7%</b>   |
| <b>TOTAL INSURANCE EXPENDITURES<br/>AND ENDING BALANCES</b> | <b>\$ 5,074,674</b>         | <b>\$ 5,061,330</b>       | <b>\$ 5,193,987</b>          | <b>\$ 4,891,330</b> | <b>-5.8%</b>  |



**2020 BUDGET  
ENDING BALANCES**

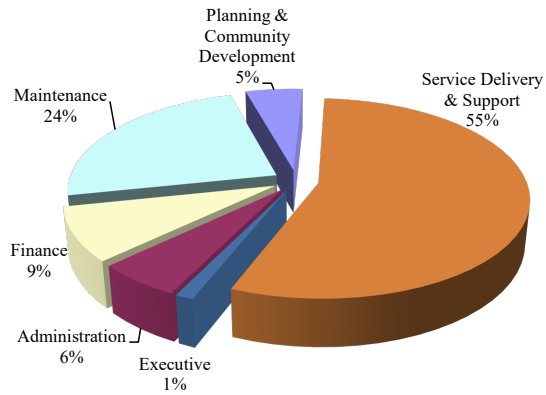
**Ending Balances**



|                                   | 2018<br>YEAR-END<br>ACTUALS | 2019<br>AMENDED<br>BUDGET | 2019<br>YEAR-END<br>ESTIMATE | 2020<br>BUDGET       | % CHANGE<br>2019 YEAR-END<br>ESTIMATE TO<br>2020 BUDGET |
|-----------------------------------|-----------------------------|---------------------------|------------------------------|----------------------|---|
| <b>OPERATING</b>                  |                             |                           |                              |                      |   |
| Revenues                          | \$ 154,295,460              | \$ 162,736,763            | \$ 160,675,390               | \$ 171,175,672       | 6.5%  |
| Less: Expenditures                | (136,675,501)               | (151,530,679)             | (149,314,980)                | (155,163,407)        | 3.9%  |
| <b>Subtotal</b>                   | <b>17,619,959</b>           | <b>11,206,084</b>         | <b>11,360,410</b>            | <b>16,012,265</b>    | <b>40.9%</b>  |
| Plus: Beginning Balance           | 51,720,305                  | 49,464,798                | 51,777,764                   | 25,726,212           | -50.3%  |
| Less: Transfers                   |                             |                           |                              |                      |   |
| Capital Reserve                   | (15,128,995)                | (34,559,654)              | (34,559,654)                 | -                    | -100.0%   |
| Insurance                         | (2,433,505)                 | (2,852,308)               | (2,852,308)                  | (2,339,673)          | -18.0%  |
| <b>ENDING OPERATING BALANCE</b>   | <b>\$ 51,777,764</b>        | <b>\$ 23,258,920</b>      | <b>\$ 25,726,212</b>         | <b>\$ 39,398,804</b> | <b>53.1%</b>  |
| <b>CAPITAL</b>                    |                             |                           |                              |                      |   |
| Revenues                          | \$ 14,101,931               | \$ 74,159,382             | \$ 27,901,823                | \$ 61,823,277        | 121.6%  |
| Plus: Transfers                   |                             |                           |                              |                      |   |
| Capital Reserve                   | 15,128,995                  | 34,559,654                | 34,559,654                   | -                    | -100.0%   |
| <b>Subtotal Revenue</b>           | <b>29,230,926</b>           | <b>108,719,036</b>        | <b>62,461,477</b>            | <b>61,823,277</b>    | <b>-1.0%</b>  |
| Less: Expenditures                | (32,322,861)                | (145,072,276)             | (34,991,503)                 | (132,965,521)        | 280.0%  |
| <b>Subtotal</b>                   | <b>(3,091,935)</b>          | <b>(36,353,240)</b>       | <b>27,469,974</b>            | <b>(71,142,244)</b>  | <b>-359.0%</b>  |
| Plus: Beginning Balance           | 61,532,132                  | 57,710,190                | 58,440,197                   | 85,910,171           | 47.0%   |
| <b>ENDING CAPITAL BALANCE</b>     | <b>\$ 58,440,197</b>        | <b>\$ 21,356,950</b>      | <b>\$ 85,910,171</b>         | <b>\$ 14,767,927</b> | <b>-82.8%</b>   |
| <b>INSURANCE</b>                  |                             |                           |                              |                      |   |
| Revenues                          | \$ 81,313                   | \$ 70,000                 | \$ 75,000                    | \$ 60,000            | -20.0%  |
| Plus: Transfers                   | 2,433,505                   | 2,852,308                 | 2,852,308                    | 2,339,673            | -18.0%  |
| <b>Subtotal Revenue</b>           | <b>2,514,818</b>            | <b>2,922,308</b>          | <b>2,927,308</b>             | <b>2,399,673</b>     | <b>-18.0%</b>   |
| Less: Expenditures                | (2,807,993)                 | (3,061,330)               | (2,702,330)                  | (2,891,330)          | 7.0%  |
| <b>Subtotal</b>                   | <b>(293,175)</b>            | <b>(139,022)</b>          | <b>224,978</b>               | <b>(491,657)</b>     | <b>-318.5%</b>  |
| Plus: Beginning Balance           | 2,559,856                   | 2,139,022                 | 2,266,679                    | 2,491,657            | 9.9%  |
| <b>ENDING INSURANCE BALANCE</b>   | <b>\$ 2,266,681</b>         | <b>\$ 2,000,000</b>       | <b>\$ 2,491,657</b>          | <b>\$ 2,000,000</b>  | <b>-19.7%</b>   |
| <b>GRAND TOTAL - ALL BALANCES</b> | <b>\$ 112,484,642</b>       | <b>\$ 46,615,870</b>      | <b>\$ 114,128,040</b>        | <b>\$ 56,166,731</b> | <b>-50.8%</b>   |



**Agency Operating Budget**

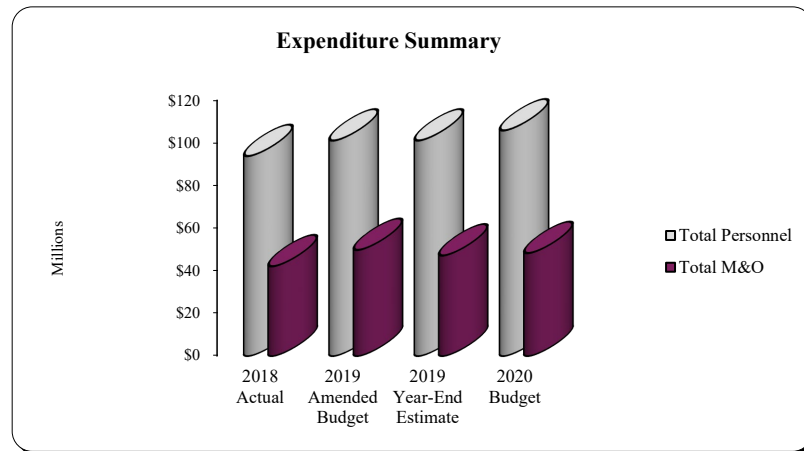


**2020 OPERATING BUDGET  
AGENCY EXPENDITURE COMPARISON**

| Description                       | 2018 Actual           | 2019 Amended Budget   | 2019 Year-End Estimate | 2020 Budget           | % Change 2019 Year-End Estimate to 2020 Budget |
|-----------------------------------|-----------------------|-----------------------|------------------------|-----------------------|--|
| <b>Personnel</b>                  |                       |                       |                        |                       |  |
| Wages                             | \$ 67,365,031         | \$ 72,719,660         | \$ 73,030,712          | \$ 77,035,334         | 5.5%   |
| Benefits                          | 26,401,483            | 28,322,379            | 28,034,828             | 28,754,405            | 2.6%   |
| <b>Personnel</b>                  | <b>93,766,514</b>     | <b>101,042,039</b>    | <b>101,065,540</b>     | <b>105,789,739</b>    | <b>4.7%</b>                                    |
| <b>Maintenance and Operations</b> |                       |                       |                        |                       |  |
| Supplies                          | 15,804,187            | 17,947,467            | 16,219,790             | 16,624,755            | 2.5%   |
| Services                          | 7,230,617             | 9,305,955             | 8,681,816              | 9,125,477             | 5.1%   |
| Insurance                         | 3,130,245             | 3,605,021             | 3,605,021              | 3,463,707             | -3.9%  |
| Utilities                         | 1,649,201             | 1,924,151             | 1,847,330              | 1,766,240             | -4.4%  |
| Repairs & Maintenance             | 287,154               | 956,694               | 912,580                | 663,002               | -27.3%   |
| Rentals                           | 609,245               | 533,096               | 558,676                | 558,236               | -0.1%  |
| Other                             | 12,736,204            | 14,808,453            | 14,380,556             | 15,127,778            | 5.2%   |
| Repairs & Maint Contract Services | 582,318               | 627,803               | 900,203                | 901,419               | 0.1%   |
| Other Improvements                | -                     | -                     | -                      | -                     | 0.0%   |
| <b>Maintenance and Operations</b> | <b>42,029,171</b>     | <b>49,708,640</b>     | <b>47,105,972</b>      | <b>48,230,614</b>     | <b>2.4%</b>                                    |
| <b>Total *</b>                    | <b>\$ 135,795,685</b> | <b>\$ 150,750,679</b> | <b>\$ 148,171,512</b>  | <b>\$ 154,020,353</b> | <b>3.9%</b>                                    |

Total FTE's 972.75 972.75 970.75  
 Total Positions 993 993 991

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





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

## **2020 Budget**

### **Statistics**



**2020 Budget  
Operating Statistics  
All Modes**

|   | <b>2018<br/>Actual</b> | <b>2019<br/>YE Estimate</b> | <b>2020<br/>Budget</b> | <b>% Change<br/>2019 YE Estimate -<br/>2020 Budget</b> |
|---|------------------------|-----------------------------|------------------------|--|
| <b>Pierce Transit</b>   |                        |                             |                        |  |
| <b>Fixed Route Local &amp; Express</b>  |                        |                             |                        |  |
| Ridership   | 8,654,242              | 8,597,535                   | 8,610,329              | 0.1%   |
| Service Hours   | 490,585                | 491,369                     | 500,130                | 1.8%   |
| Service Miles   | 5,792,497              | 5,782,071                   | 5,791,440              | 0.2%   |
| <b>Sound Transit</b>  |                        |                             |                        |  |
| <b>Fixed Route Express</b>  |                        |                             |                        |  |
| Ridership   | 5,222,584              | 5,327,120                   | 5,535,701              | 3.9%   |
| Service Hours   | 344,618                | 343,685                     | 357,142                | 3.9%   |
| Service Miles   | 8,074,891              | 8,102,122                   | 8,317,546              | 2.7%   |
| <b>Total Fixed Route (Pierce Transit &amp; Sound Transit)</b>                                 |                        |                             |                        |  |
| Ridership   | 13,876,826             | 13,924,655                  | 14,146,030             | 1.6%   |
| Service Hours   | 835,203                | 835,054                     | 857,272                | 2.7%   |
| Service Miles   | 13,867,388             | 13,884,193                  | 14,108,987             | 1.6%   |
| <b>SHUTTLE</b>  |                        |                             |                        |  |
| Ridership   | 300,043                | 283,598                     | 299,043                | 5.4%   |
| Service Hours   | 164,381                | 163,077                     | 166,620                | 2.2%   |
| Service Miles   | 2,348,588              | 2,255,371                   | 2,387,092              | 5.8%   |
| <b>Vanpool</b>  |                        |                             |                        |  |
| Ridership   | 783,571                | 749,545                     | 781,166                | 4.2%   |
| Service Hours   | 146,913                | 141,820                     | 145,278                | 2.4%   |
| Service Miles   | 4,729,543              | 4,526,602                   | 4,691,477              | 3.6%   |
| <b>AGENCY TOTAL (Pierce Transit and Sound Transit Fixed Route,<br/>SHUTTLE &amp; Vanpool)</b> |                        |                             |                        |  |
| Ridership   | 14,960,440             | 14,957,798                  | 15,226,239             | 1.8%   |
| Service Hours   | 1,146,497              | 1,139,951                   | 1,169,170              | 2.6%   |
| Service Miles   | 20,945,519             | 20,666,166                  | 21,187,556             | 2.5%   |



## 2020 BUDGET PERSONNEL SUMMARY

### Personnel Summary

The 2020 Budget includes 991 positions and 970.75 full-time equivalents (FTEs). This is a net decrease of 2 positions from the 2019 Budget. The net decrease in positions include:

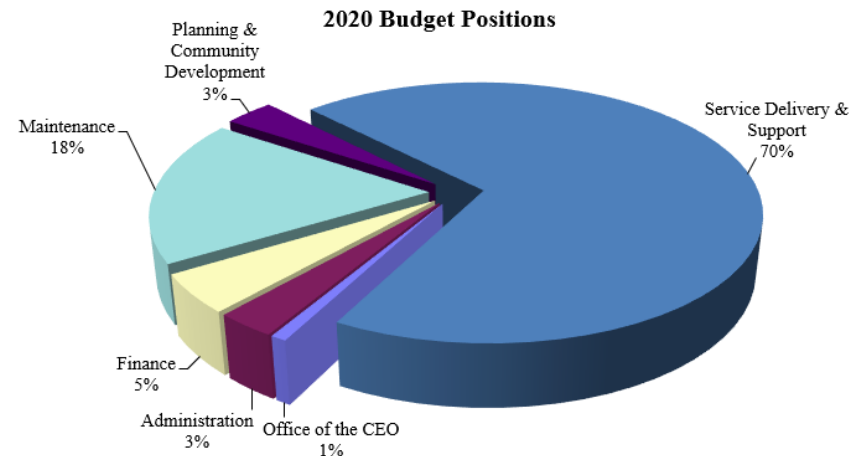
#### 5 New Positions

- 1 Records Analyst
- 1 Systems Analyst
- 1 Sr. Construction Project Manager
- 1 BRT Coordinator
- 1 Customer Satisfaction Coordinator

#### 7 Position Reductions

- 3 Paratransit Transit Operators
- 2 Paratransit Specialized Transportation Dispatchers
- 2 Paratransit Data Specialists

Directly operated service includes Service Delivery & Support and Maintenance Divisions and represents 872 or 88% of total positions. The remaining 119 positions or 12% are in the Office of the CEO, Administration, Finance, and Planning & Community Development Divisions.

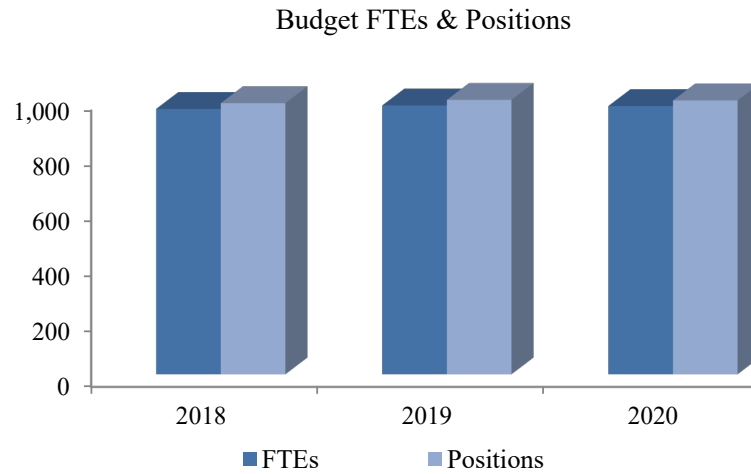






## 2020 BUDGET PERSONNEL SUMMARY

| Budget FTEs    |                |                |                     | Budget Positions |                |                |                     |
|----------------|----------------|----------------|---------------------|------------------|----------------|----------------|---------------------|
| 2018<br>Budget | 2019<br>Budget | 2020<br>Budget | 2019-2020<br>Change | 2018<br>Budget   | 2019<br>Budget | 2020<br>Budget | 2019-2020<br>Change |
| 960.25         | 972.75         | 970.75         | (2.00)              | 981              | 993            | 991            | (2)                 |





## 2020 BUDGET CAPITAL PROGRAM

### In brief:

Capital projects for 2020 are budgeted at \$132,965,521. Approved but unspent projects are carried over from the prior year to the following budget year. The 2020 Budget contains \$109,536,671 of prior year budgeted funds (carryover) and \$23,428,850 in new projects. Expenditures are supported by \$61,023,277 in grant revenue from the Federal Transit Administration, Sound Transit, State, and other capital assistance.

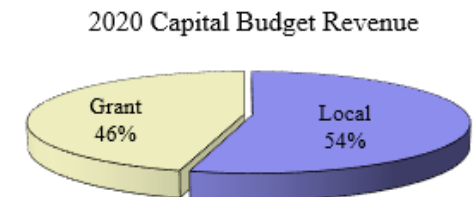
The Capital Budget presents the revenues and expenditures associated with capital development and acquisition. It includes funds for budgeted replacement vehicles, capital planning for the efficient use of base and passenger facilities, technology, and maintenance equipment. These items are distinguished from operating items due to their greater than \$5,000 value and longer than one year projected useful life. Capital expenses and grant reimbursements are budgeted by project. 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. 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 budget.

### Capital Revenues

Where possible, capital projects are funded from non-recurring funding sources such as grants and other capital assistance. Grant funding sources are estimated to provide \$61.0 million for capital funding in 2020. The remaining local funds come from transfers from operating and interest/other.

Grant revenues of \$61.0 million include the following projects:

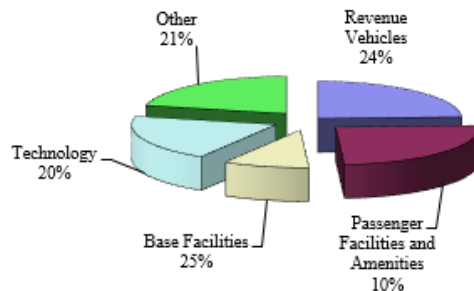
- Bus Rapid Transit (BRT) \$22.7 million
- Base Master Plan \$14.5 million
- Bus Fleet Replacement \$14.8 million
- Pac Ave SR 7 Park & Ride \$4.2 million
- CAD/AVL System \$3.3 million
- Collision Avoidance System \$1.1 million
- Vanpool Replacement \$0.4





## 2020 BUDGET CAPITAL PROGRAM

The capital budget is separated into five expenditure categories that are important for Agency reporting requirements and include Revenue Vehicles, Passenger Facilities and Amenities, Base Facilities, Technology, and Other.



### Capital Expenditures

Revenue Vehicles – Pierce Transit currently operates an active fleet of 156 buses, 362 vanpool vans, and 100 SHUTTLE vehicles. Revenue vehicles are replaced on an as needed basis that meet or exceed Federal Transit Administration (FTA) requirements. Pierce Transit has a fixed route fleet with an average age of 9.38 years and continues to extend the useful life of vehicles wherever possible. Funds are budgeted to replace 8 buses and 22 vanpool vans that have exceeded FTA requirements.

Passenger Facilities & Amenities – This category includes funds for necessary repairs and refurbishments at several locations including Tacoma Dome Station, South Hill Transit Center, Pac Ave SR 7 Park & Ride, and Commerce Tunnel.

Base Facilities – Funds are budgeted for repairs and refurbishments to base facilities and systems. Based on results of the Base Master Plan study, the Base Master Plan Phase 1 includes expansion of the parking behind Building 5, and reconfiguring of parking around Building 4 to provide additional bus parking capacity, wider lanes and improved circulation.

Technology – Budget includes maintenance and upgrade of critical software and systems, as well as replacement of infrastructure that has reached the end of its useful life. Some of these projects include Next Generation ORCA, CAD-AVL System, Collision Avoidance System, Security Systems, and Network Infrastructure.

Other – Other capital projects include the Bus Rapid Transit (BRT) project covering engineering design, environmental clearances, right-of-way, property acquisitions, community outreach, contractor services, and permits. This project is almost fully funded by State and Sound Transit contributions. Other also includes replacement and expansion of non-revenue support vehicles (trucks, forklifts, cars, etc.), and maintenance and administrative equipment.

The detailed 2020 Capital Budget list follows.

## 2020 CAPITAL BUDGET

| Project Title   | Project Number | Multi-Year Budget Data |  |                             |   | 2020 Annual Project Budget Data       |                                    |                            | Funding of 2020 Project Amount |                         |
|---|----------------|------------------------|--|-----------------------------|---|---------------------------------------|------------------------------------|----------------------------|--------------------------------|-------------------------|
|   |                | Total Project Budget   | Prior Year Expenditures (through 12/31/18) | Estimated 2019 Expenditures | Project Closeout - Amount Returned to Reserves At Close | Project Carryover from 2019 into 2020 | New 2020 Project Allocation Amount | 2020 Annual Capital Budget | Local (Pierce Transit) Funded  | Estimated Grant Funding |
| <b>Base Facilities Projects</b>                             |                |                        |  |                             |   |                                       |                                    |                            |                                |                         |
| Bldg. 4 Modifications                                       | 345            | \$ 3,943,317           | \$ 2,202,670                               | \$ 605,943                  | \$ -  | \$ 1,134,704                          | \$ -                               | \$ 1,134,704               | \$ 1,134,704                   | \$ -                    |
| Base Master Plan Update/Facility Needs                      | 470            | 353,000                | 332,502                                    | 14,654                      | 5,844   | -                                     | -                                  | -                          | -                              | -                       |
| Bldg 6 Property Improvements                                | 522            | 975,000                | 493,029                                    | 257,850                     | -   | 224,121                               | -                                  | 224,121                    | 224,121                        | -                       |
| Base Lot Lighting Upgrades                                  | 523            | 399,750                | 65,428                                     | 334,322                     | -   | -                                     | -                                  | -                          | -                              | -                       |
| Base Master Plan Implementation                             | 525            | 33,677,647             | 409,238                                    | 1,738,139                   | -   | 24,367,202                            | 7,163,068                          | 31,530,270                 | 17,026,346                     | 14,503,924              |
| Solar Panel Pilot Project 2019                              | 561            | 25,622                 | -  | -                           | -   | 25,622                                | -                                  | 25,622                     | 25,622                         | -                       |
| Subtotal Base Facilities Projects                           |                | \$ 39,374,336          | \$ 3,502,867                               | \$ 2,950,908                | \$ 5,844  | \$ 25,751,649                         | \$ 7,163,068                       | \$ 32,914,717              | \$ 18,410,793                  | \$ 14,503,924           |
| <b>Other Projects (Admin &amp; Shop Equipment)</b>          |                |                        |  |                             |   |                                       |                                    |                            |                                |                         |
| High Capacity Transit (HCT) Feasibility Study               | 481            | \$ 1,490,507           | \$ 1,063,958                               | \$ 426,549                  | \$ -  | -                                     | -                                  | -                          | -                              | -                       |
| Bldg 1 Body Shop Frame Rack 2017                            | 498            | 75,900                 | -  | -                           | -   | 75,900                                | -                                  | 75,900                     | 75,900                         | -                       |
| <del>Bldg 1 Boiler Repl 2018</del> CLOSED 6.19              | 530            | 48,350                 | 28,745                                     | -                           | 19,605  | -                                     | -                                  | -                          | -                              | -                       |
| Logo Refresh 2018   | 533            | 90,452                 | -  | 73,166                      | -   | 17,286                                | -                                  | 17,286                     | 17,286                         | -                       |
| Support Vehicle Repl 2018                                   | 534            | 546,687                | 355,280                                    | 53,242                      | 138,165   | -                                     | -                                  | -                          | -                              | -                       |
| Automated Tool Control Sys 2018                             | 535            | 152,100                | -  | -                           | -   | 152,100                               | -                                  | 152,100                    | 152,100                        | -                       |
| Corridor Speed & Reliability Improvements 2018              | 554            | 4,500,000              | -  | 1,610,347                   | -   | 2,889,653                             | -                                  | 2,889,653                  | 2,889,653                      | -                       |
| Support Vehicle Replacement 2019-2024                       | 560            | 486,858                | -  | 486,858                     | -   | -                                     | -                                  | -                          | -                              | -                       |
| BRT Pac Ave SR 7 Construction 2019-2021                     | 563            | 28,015,000             | -  | 5,000,060                   | -   | 23,014,940                            | -                                  | 23,014,940                 | 360,000                        | 22,654,940              |
| Bldg 4 Ops Lobby Skylights 2019                             | 565            | 103,500                | -  | -                           | -   | 103,500                               | -                                  | 103,500                    | 103,500                        | -                       |
| Bldg 4 IT Help Desk Area Remodel 2019                       | 566            | 92,920                 | -  | -                           | -   | 92,920                                | -                                  | 92,920                     | 92,920                         | -                       |
| TDS Operators Rest Area 2019                                | 568            | 30,000                 | -  | 2,500                       | -   | 27,500                                | -                                  | 27,500                     | 27,500                         | -                       |
| Warehouse Stand Up Forklift Repl 2019                       | 569            | 57,500                 | -  | 35,000                      | -   | 22,500                                | -                                  | 22,500                     | 22,500                         | -                       |
| Manlift Repl 2018   | 581            | 50,000                 | -  | 50,000                      | -   | -                                     | -                                  | -                          | -                              | -                       |
| TDS Elevator Repairs/Upgrades 2020                          | NEW            | 1,718,558              | -  | -                           | -   | -                                     | 1,718,558                          | 1,718,558                  | 1,718,558                      | -                       |
| TDS Server Room HVAC 2020                                   | NEW            | 30,410                 | -  | -                           | -   | -                                     | 30,410                             | 30,410                     | 30,410                         | -                       |
| Maintenance Floor Scrubber Repl 2020                        | NEW            | 28,146                 | -  | -                           | -   | -                                     | 28,146                             | 28,146                     | 28,146                         | -                       |
| Folding Stuffing Machine Repl 2020                          | NEW            | 10,963                 | -  | -                           | -   | -                                     | 10,963                             | 10,963                     | 10,963                         | -                       |
| Marketing Auto-Cutting Device 2020                          | NEW            | 28,875                 | -  | -                           | -   | -                                     | 28,875                             | 28,875                     | 28,875                         | -                       |
| ADA Eligibility-Travel Training Office move to Commerce 202 | NEW            | 300,000                | -  | -                           | -   | -                                     | 300,000                            | 300,000                    | 300,000                        | -                       |
| Subtotal Other Projects                                     |                | \$ 37,856,726          | \$ 1,447,983                               | \$ 7,737,722                | \$ 157,770  | \$ 26,396,299                         | \$ 2,116,952                       | \$ 28,513,251              | \$ 5,858,311                   | \$ 22,654,940           |

## 2020 CAPITAL BUDGET

| Project Title                                | Project Number | Multi-Year Budget Data |  |                             |   | 2020 Annual Project Budget Data       |                                    |                            | Funding of 2020 Project Amount |                         |
|--|----------------|------------------------|--|-----------------------------|---|---------------------------------------|------------------------------------|----------------------------|--------------------------------|-------------------------|
|  |                | Total Project Budget   | Prior Year Expenditures (through 12/31/18) | Estimated 2019 Expenditures | Project Closeout - Amount Returned to Reserves At Close | Project Carryover from 2019 into 2020 | New 2020 Project Allocation Amount | 2020 Annual Capital Budget | Local (Pierce Transit) Funded  | Estimated Grant Funding |
| <b>Passenger Facilities Projects</b>         |                |                        |  |                             |   |                                       |                                    |                            |                                |                         |
| TDS Mid-Life Maintenance                     | 315            | \$ 5,671,045           | \$ 4,313,859                               | \$ 376,130                  | \$ -  | \$ 981,056                            | \$ -                               | \$ 981,056                 | \$ 981,056                     | \$ -                    |
| Facilities Critical Repairs                  | 418            | 63,843                 | 54,656                                     | -                           | -   | 9,187                                 | -                                  | 9,187                      | 9,187                          | -                       |
| Air Spare/TDS Transit Oriented Dev.          | 450            | 95,500                 | 16,190                                     | -                           | 79,310  | -                                     | -                                  | -                          | -                              | -                       |
| 72nd Street Transit Center Renewal           | 483            | 520,671                | 292,672                                    | 133,418                     | -   | 83,581                                | 11,000                             | 94,581                     | 94,581                         | -                       |
| TCC Transit Center Renewal                   | 484            | 1,500,000              | 1,160,799                                  | 166,211                     | -   | 172,990                               | -                                  | 172,990                    | 172,990                        | -                       |
| Tacoma Mall Transit Center Renewal           | 485            | 1,193,179              | 837,750                                    | 245,089                     | -   | 110,340                               | -                                  | 110,340                    | 110,340                        | -                       |
| SR512 Transit Center Renewal                 | 486            | 2,529,310              | 2,191,362                                  | 29,115                      | -   | 308,833                               | -                                  | 308,833                    | 308,833                        | -                       |
| Commerce Placemaking                         | 487            | 250,000                | 196,371                                    | 2,321                       | -   | 51,308                                | -                                  | 51,308                     | 51,308                         | -                       |
| Lakewood Towne Center Transit Center Renewal | 502            | 765,000                | 44,175                                     | 588,617                     | -   | 107,208                               | 25,000                             | 132,208                    | 132,208                        | -                       |
| Narrows Park & Ride Renewal                  | 503            | 500,000                | 4,943                                      | 87,952                      | -   | 407,105                               | -                                  | 407,105                    | 407,105                        | -                       |
| Commerce Tunnel Refurbishment                | 524            | 1,285,000              | 18,177                                     | 176,282                     | -   | 1,090,541                             | -                                  | 1,090,541                  | 1,090,541                      | -                       |
| Commerce Placemaking 2019-2020               | 570            | 2,860,000              | -  | 110,000                     | -   | -                                     | 2,750,000                          | 2,750,000                  | 2,750,000                      | -                       |
| South Hill Mall Transit Center Renewal 2019  | 571            | 846,750                | -  | -                           | -   | 821,750                               | 25,000                             | 846,750                    | 846,750                        | -                       |
| Pac Ave SR 7 Park & Ride 2019                | 556            | 5,025,000              | -  | 192,050                     | -   | 4,832,950                             | -                                  | 4,832,950                  | 632,950                        | 4,200,000               |
| Kimball Drive Park & Ride 2020               | NEW            | 400,000                | -  | -                           | -   | -                                     | 400,000                            | 400,000                    | 400,000                        | -                       |
| Parkland Transit Center 2020                 | NEW            | 200,000                | -  | -                           | -   | -                                     | 200,000                            | 200,000                    | 200,000                        | -                       |
| North Purdy Park & Ride 2020                 | NEW            | 400,000                | -  | -                           | -   | -                                     | 400,000                            | 400,000                    | 400,000                        | -                       |
| Subtotal Passenger Facilities Projects       |                | \$ 24,105,298          | \$ 9,130,954                               | \$ 2,107,185                | \$ 79,310   | \$ 8,976,849                          | \$ 3,811,000                       | \$ 12,787,849              | \$ 8,587,849                   | \$ 4,200,000            |
| <b>Revenue Vehicles Projects</b>             |                |                        |  |                             |   |                                       |                                    |                            |                                |                         |
| Bus Fleet Replacement 2017                   | 505            | \$ 15,946,131          | \$ 13,399,867                              | \$ 1,354,935                | \$ -  | \$ 1,191,329                          | \$ -                               | \$ 1,191,329               | \$ 1,191,329                   | \$ -                    |
| Electric Bus Deployment 2017                 | 507            | 4,284,364              | 3,773,241                                  | 5,909                       | -   | 505,214                               | -                                  | 505,214                    | 505,214                        | -                       |
| Bus Fleet Repl 2018                          | 536            | 14,555,661             | -  | 13,172,404                  | -   | 1,383,257                             | -                                  | 1,383,257                  | 1,383,257                      | -                       |
| Shuttle Fleet Repl 2018                      | 537            | 1,900,000              | -  | 1,900,000                   | -   | -                                     | -                                  | -                          | -                              | -                       |
| Trolley Repl 2018                            | 538            | 1,021,809              | -  | 1,021,809                   | -   | -                                     | -                                  | -                          | -                              | -                       |
| Vanpool Fleet Repl 2018                      | 539            | 1,110,095              | 814,189                                    | 116,837                     | -   | 179,069                               | -                                  | 179,069                    | 179,069                        | -                       |
| Vanpool Fleet Expansion 2018                 | 555            | 349,236                | -  | 340,696                     | -   | 8,540                                 | -                                  | 8,540                      | 8,540                          | -                       |
| Bus Replacement 2019                         | 557            | 17,959,490             | -  | -                           | -   | 17,959,490                            | -                                  | 17,959,490                 | 7,839,715                      | 10,119,775              |
| SHUTTLE Replacement 2019                     | 558            | 1,051,607              | -  | -                           | -   | 1,051,607                             | -                                  | 1,051,607                  | 1,051,607                      | -                       |
| Vanpool Replacement 2019                     | 559            | 1,965,689              | -  | 247,568                     | -   | 1,718,121                             | -                                  | 1,718,121                  | 1,718,121                      | -                       |
| Bus Replacement 2020                         | NEW            | 7,419,663              | -  | -                           | -   | -                                     | 7,419,663                          | 7,419,663                  | 2,763,903                      | 4,655,760               |
| Vanpool Replacement 2020                     | NEW            | 852,971                | -  | -                           | -   | -                                     | 852,971                            | 852,971                    | 402,521                        | 450,450                 |
| Subtotal Revenue Vehicle Projects            |                | \$ 68,416,716          | \$ 17,987,297                              | \$ 18,160,158               | \$ -  | \$ 23,996,627                         | \$ 8,272,634                       | \$ 32,269,261              | \$ 17,043,276                  | \$ 15,225,985           |

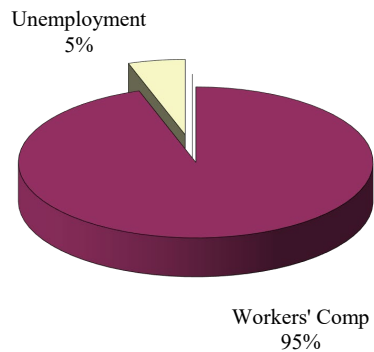
## 2020 CAPITAL BUDGET

| Project Title  | Project Number | Multi-Year Budget Data |  |                             |   | 2020 Annual Project Budget Data       |                                    |                            | Funding of 2020 Project Amount |                         |
|--|----------------|------------------------|--|-----------------------------|---|---------------------------------------|------------------------------------|----------------------------|--------------------------------|-------------------------|
|  |                | Total Project Budget   | Prior Year Expenditures (through 12/31/18) | Estimated 2019 Expenditures | Project Closeout - Amount Returned to Reserves At Close | Project Carryover from 2019 into 2020 | New 2020 Project Allocation Amount | 2020 Annual Capital Budget | Local (Pierce Transit) Funded  | Estimated Grant Funding |
| <b>Technology Projects</b>                           |                |                        |  |                             |   |                                       |                                    |                            |                                |                         |
| Financial Mgmt. Sys Repl. 2015                       | 445            | \$ 1,551,957           | \$ 632,061                                 | \$ 196,972                  | \$ -  | \$ 722,924                            | \$ -                               | \$ 722,924                 | \$ 722,924                     | \$ -                    |
| Security Systems Repl 2015                           | 452            | 2,183,143              | 102,881                                    | -                           | -   | 1,870,412                             | 209,850                            | 2,080,262                  | 2,080,262                      | -                       |
| ngORCA   | 482            | 6,154,834              | 146,693                                    | 81,948                      | -   | 5,926,193                             | -                                  | 5,926,193                  | 5,926,193                      | -                       |
| Network Infrastructure Repl 2017                     | 508            | 990,070                | 787,060                                    | 203,010                     | -   | -                                     | -                                  | -                          | -                              | -                       |
| Hastus Upgrade 2017                                  | 510            | 961,975                | 650,999                                    | 140,170                     | -   | 170,806                               | -                                  | 170,806                    | 170,806                        | -                       |
| Shuttle IVR 2017                                     | 512            | 140,000                | -  | 140,000                     | -   | -                                     | -                                  | -                          | -                              | -                       |
| Vanpool Management System 2017                       | 514            | 315,173                | 31,646                                     | 4,459                       | -   | 279,068                               | -                                  | 279,068                    | 279,068                        | -                       |
| SharePoint Upgrade 2017                              | 517            | 351,734                | -  | 166,123                     | -   | 185,611                               | -                                  | 185,611                    | 185,611                        | -                       |
| Collision Avoidance System                           | 518            | 2,800,000              | 144,487                                    | 1,288,965                   | -   | 1,366,548                             | -                                  | 1,366,548                  | 266,548                        | 1,100,000               |
| TDS Distributed Antenna Sys for PT PublicSafety 2018 | 540            | 312,500                | -  | 26,009                      | -   | 286,491                               | -                                  | 286,491                    | 286,491                        | -                       |
| Network Infrastructure 2018                          | 541            | 564,886                | 519,731                                    | 45,155                      | -   | -                                     | -                                  | -                          | -                              | -                       |
| Storage Area Network 2018                            | 542            | 274,750                | 211,315                                    | 63,435                      | -   | -                                     | -                                  | -                          | -                              | -                       |
| Backup Software Repl 2018                            | 543            | 85,000                 | -  | 85,000                      | -   | -                                     | -                                  | -                          | -                              | -                       |
| Bus Driving Simulator 2018                           | 544            | 507,581                | 25,000                                     | -                           | -   | 482,581                               | -                                  | 482,581                    | 482,581                        | -                       |
| Real-Time Information Signs 2018                     | 546            | 300,000                | 17,044                                     | 278,156                     | -   | 4,800                                 | -                                  | 4,800                      | 4,800                          | -                       |
| Customer Service Mgmt Sys Repl 2018 CLOSED 2019      | 547            | 139,140                | -  | -                           | 139,140   | -                                     | -                                  | -                          | -                              | -                       |
| Security Enhance Life Cycle Repl 2018 CONSOL 2019    | 551            | -                      | -  | -                           | -   | -                                     | -                                  | -                          | -                              | -                       |
| AV System Controller Replacement 2019                | 572            | 170,500                | -  | -                           | -   | 170,500                               | -                                  | 170,500                    | 170,500                        | -                       |
| CAD-AVL System Replacement 2019                      | 573            | 11,000,000             | -  | -                           | -   | 11,000,000                            | -                                  | 11,000,000                 | 7,661,572                      | 3,338,428               |
| Clarity Chat Survey 2019                             | 574            | 30,800                 | -  | 30,800                      | -   | -                                     | -                                  | -                          | -                              | -                       |
| E-Builder Software                                   | 575            | 200,000                | -  | 200,000                     | -   | -                                     | -                                  | -                          | -                              | -                       |
| Facilities Workorder Management System 2019          | 576            | 201,250                | -  | -                           | -   | 201,250                               | -                                  | 201,250                    | 201,250                        | -                       |
| Maintenance Management System - EAM Replacement 2019 | 577            | 257,910                | -  | -                           | -   | 257,910                               | -                                  | 257,910                    | 257,910                        | -                       |
| Network Infrastructure Replacements 2019-2024        | 578            | 1,773,000              | -  | 562,547                     | -   | 1,210,453                             | -                                  | 1,210,453                  | 1,210,453                      | -                       |
| Storage Area Network 2019 - 2024                     | 579            | 329,700                | -  | 50,000                      | -   | 279,700                               | -                                  | 279,700                    | 279,700                        | -                       |
| Zonar 2019   | 580            | 472,781                | -  | 472,781                     | -   | -                                     | -                                  | -                          | -                              | -                       |
| Bus Systems Mobile Access Routers                    | NEW            | 808,940                | -  | -                           | -   | -                                     | 808,940                            | 808,940                    | 808,940                        | -                       |
| Network Infrastructure Replacement 2020              | NEW            | 506,325                | -  | -                           | -   | -                                     | 506,325                            | 506,325                    | 506,325                        | -                       |
| Bldg 4 & 5 UPS Replacement                           | NEW            | 352,275                | -  | -                           | -   | -                                     | 352,275                            | 352,275                    | 352,275                        | -                       |
| ATIS Info-Web Software 2020                          | NEW            | 117,806                | -  | -                           | -   | -                                     | 117,806                            | 117,806                    | 117,806                        | -                       |
| Vanpool Telematics 2020                              | NEW            | 70,000                 | -  | -                           | -   | -                                     | 70,000                             | 70,000                     | 70,000                         | -                       |
| Subtotal Technology Projects                         |                | \$ 33,924,030          | \$ 3,268,917                               | \$ 4,035,530                | \$ 139,140  | \$ 24,415,247                         | \$ 2,065,196                       | \$ 26,480,443              | \$ 22,042,015                  | \$ 4,438,428            |
| <b>Total</b>   |                | <b>\$ 203,677,106</b>  | <b>\$ 35,338,018</b>                       | <b>\$ 34,991,503</b>        | <b>\$ 382,064</b>                                       | <b>\$ 109,536,671</b>                 | <b>\$ 23,428,850</b>               | <b>\$ 132,965,521</b>      | <b>\$ 71,942,244</b>           | <b>\$ 61,023,277</b>    |

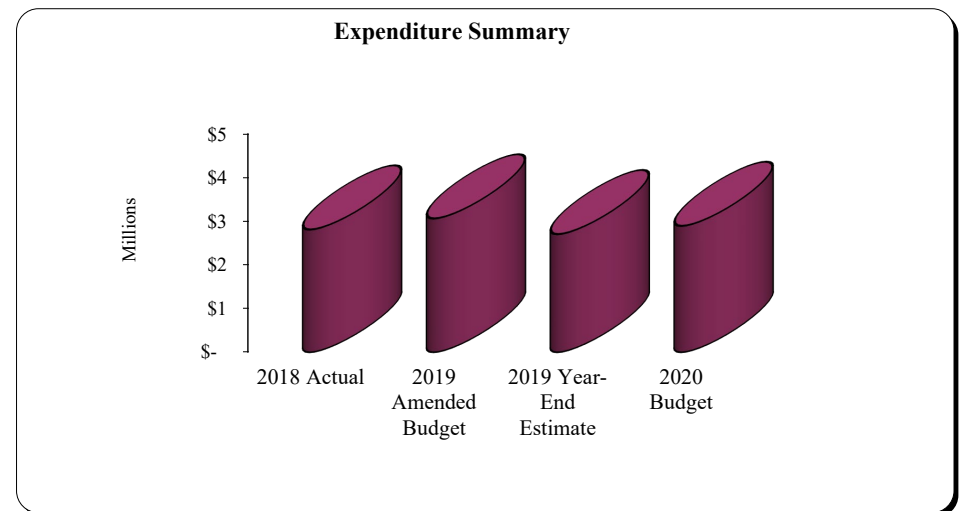


## 2020 BUDGET INSURANCE EXPENDITURE COMPARISON

### Insurance Expenditure Comparison



| Description              | 2018<br>YEAR-END<br>ACTUALS | 2019<br>AMENDED<br>BUDGET | 2019<br>YEAR END<br>ESTIMATE | 2020<br>BUDGET      | % Change<br>2019 Year-End<br>Estimate<br>to 2020 Budget |
|--------------------------|-----------------------------|---------------------------|------------------------------|---------------------|---|
| Workers' Comp. Insurance | \$ 2,628,913                | \$ 2,936,330              | \$ 2,552,330                 | \$ 2,741,330        | 7.4%  |
| Unemployment Insurance   | 179,080                     | 125,000                   | 150,000                      | 150,000             | 0.0%  |
| TOTAL INSURANCE          | <u>\$ 2,807,993</u>         | <u>\$ 3,061,330</u>       | <u>\$ 2,702,330</u>          | <u>\$ 2,891,330</u> | <u>7.0%</u>   |





This page intentionally left blank.





*This section includes the Six-Year Financial Plan Revenues & Expenditures, Ending Balances, and the 2020-2025 Six-Year Capital Plan.*

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

## **2020 Budget**

# **Six-Year Financial Plan**

**PIERCE TRANSIT**  
**2020-2025 Six-Year Financial Plan**  
**Revenues & Expenditures**

| (Millions)  | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | YE Est              | Budget              |                     |                     |                     |                     |                     |
| <b>OPERATING</b>  |                     |                     |                     |                     |                     |                     |                     |
| <b>Revenue</b>  |                     |                     |                     |                     |                     |                     |                     |
| <b>Operating Income</b>   |                     |                     |                     |                     |                     |                     |                     |
| Passenger Fares (Fare Revenue)  | \$11.237077         | \$11.363904         | \$11.092303         | \$11.174919         | \$11.258361         | \$11.342638         | \$11.427757         |
| Advertising (contract)  | 0.320000            | 0.340000            | 0.320000            | 0.320000            | 0.320000            | 0.320000            | 0.320000            |
| Sound Transit Reimbursement (ST)  |                     |                     |                     |                     |                     |                     |                     |
| ST Express  | 50.256107           | 56.266216           | 56.355140           | 58.980523           | 61.779253           | 64.657452           | 67.726401           |
| ST Tacoma Dome Station  | 1.017417            | 1.011105            | 1.031327            | 1.051954            | 1.072993            | 1.094453            | 1.116342            |
| <b>Operating Income</b>   | <b>62.830601</b>    | <b>68.981225</b>    | <b>68.798769</b>    | <b>71.527395</b>    | <b>74.430607</b>    | <b>77.414542</b>    | <b>80.590500</b>    |
| <b>Non-Operating Income</b>   |                     |                     |                     |                     |                     |                     |                     |
| Sales Tax   | 92.916050           | 97.561853           | 101.464327          | 105.522900          | 109.743816          | 114.133569          | 118.698912          |
| Interest  | 0.800000            | 0.700000            | 0.703500            | 0.707018            | 0.710553            | 0.714105            | 0.717676            |
| Other Miscellaneous   | 0.823527            | 0.976414            | 0.775000            | 0.275000            | 0.275000            | 0.275000            | 0.275000            |
| <b>Non-Operating Income</b>   | <b>94.539577</b>    | <b>99.238267</b>    | <b>102.942827</b>   | <b>106.504918</b>   | <b>110.729369</b>   | <b>115.122674</b>   | <b>119.691588</b>   |
| <b>Operating Contributions</b>  |                     |                     |                     |                     |                     |                     |                     |
| CTR/Vanpool Assistance  | 0.297719            | 0.176219            | 0.100000            | 0.000000            | 0.000000            | 0.000000            | 0.000000            |
| Special Needs Transportation Grant  | 0.791725            | 2.050041            | 2.199940            | 2.199940            | 2.199940            | 2.199940            | 2.199940            |
| Operating Grants - Other  | 2.215768            | 0.729920            | 0.729920            | 0.729920            | 0.729920            | 0.729920            | 0.729920            |
| <b>Operating Contributions</b>  | <b>3.305212</b>     | <b>2.956180</b>     | <b>3.029860</b>     | <b>2.929860</b>     | <b>2.929860</b>     | <b>2.929860</b>     | <b>2.929860</b>     |
| <b>Total Operating Revenue</b>  | <b>\$160.675390</b> | <b>\$171.175672</b> | <b>\$174.771456</b> | <b>\$180.962173</b> | <b>\$188.089835</b> | <b>\$195.467077</b> | <b>\$203.211948</b> |
| <b>Expenditures</b>   |                     |                     |                     |                     |                     |                     |                     |
| <b>Operating Expenditures</b>   |                     |                     |                     |                     |                     |                     |                     |
| Wages   | \$73.030712         | \$77.035334         | \$80.655995         | \$84.446826         | \$89.358226         | \$93.558062         | \$97.955291         |
| Benefits  | 28.034828           | 28.754405           | 31.466821           | 32.899388           | 34.866241           | 36.453829           | 38.227581           |
| M & O   | 25.940167           | 26.301323           | 27.837881           | 26.991303           | 27.543783           | 28.091323           | 28.649815           |
| Fuel  | 5.897484            | 6.083012            | 6.101583            | 6.193738            | 6.317300            | 6.413770            | 6.512169            |
| Parts   | 7.344209            | 7.354079            | 7.389422            | 7.537210            | 7.733075            | 7.887737            | 8.045492            |
| Purchased Trans.  | 7.826112            | 8.490200            | 8.361479            | 8.361479            | 8.361479            | 8.361479            | 8.361479            |
| Bridge Tolls  | 0.098000            | 0.002000            | 0.002040            | 0.002081            | 0.002122            | 0.002165            | 0.002208            |
| <b>Total Operating Expenditures (w/out Debt, Depreciation, and NonDepartmental)</b> | <b>148.171512</b>   | <b>154.020353</b>   | <b>161.815219</b>   | <b>166.432025</b>   | <b>174.182227</b>   | <b>180.768365</b>   | <b>187.754034</b>   |
| <b>Non-Operating Expenditures</b>   |                     |                     |                     |                     |                     |                     |                     |
| Payments to Pierce Co for 5307 Agreement  | 1.143468            | 1.143054            | 1.143054            | 1.143054            | 1.143054            | 1.143054            | 1.143054            |
| <b>Non-Operating Expenditures</b>   | <b>1.143468</b>     | <b>1.143054</b>     | <b>1.143054</b>     | <b>1.143054</b>     | <b>1.143054</b>     | <b>1.143054</b>     | <b>1.143054</b>     |
| <b>Total Operating Expenditures</b>   | <b>\$149.314980</b> | <b>\$155.163407</b> | <b>\$162.958273</b> | <b>\$167.575079</b> | <b>\$175.325281</b> | <b>\$181.911419</b> | <b>\$188.897088</b> |

**PIERCE TRANSIT**  
**2020-2025 Six-Year Financial Plan**  
**Revenues & Expenditures**

| (Millions)  | 2019<br>YE Est      | 2020<br>Budget      | 2021                | 2022                | 2023                | 2024                | 2025                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Operating Revenue Less Total Operating Expenditures | \$11.360410         | \$16.012265         | \$11.813183         | \$13.387094         | \$12.764554         | \$13.555657         | \$14.314860         |
| <b>Transfers</b>  |                     |                     |                     |                     |                     |                     |                     |
| Capital Reserve   | \$34.559654         | \$0.000000          | \$21.274714         | \$9.560215          | \$8.323419          | \$0.000000          | \$9.833275          |
| Insurance   | 2.852308            | 2.339673            | 2.968070            | 3.057412            | 3.149434            | 3.244217            | 3.341844            |
| <b>Transfers</b>  | <b>37.411962</b>    | <b>2.339673</b>     | <b>24.242784</b>    | <b>12.617627</b>    | <b>11.472853</b>    | <b>3.244217</b>     | <b>13.175119</b>    |
| <b>Total Expenditures and Transfers</b>                   | <b>\$186.726942</b> | <b>\$157.503080</b> | <b>\$187.201057</b> | <b>\$180.192706</b> | <b>\$186.798135</b> | <b>\$185.155637</b> | <b>\$202.072207</b> |
| Change in Reserves  | -\$26.051552        | \$13.672592         | -\$12.429601        | \$0.769467          | \$1.291701          | \$10.311440         | \$1.139741          |

**CAPITAL**

|                                   |                    |                     |                     |                    |                    |                   |                    |
|-----------------------------------|--------------------|---------------------|---------------------|--------------------|--------------------|-------------------|--------------------|
| <b>Revenue</b>                    |                    |                     |                     |                    |                    |                   |                    |
| Federal                           | \$20.495036        | \$14.915535         | \$16.068382         | \$65.245646        | \$11.610071        | \$7.412071        | \$7.412071         |
| State                             | 1.268738           | 26.250450           | 0.450450            | 0.000000           | 0.000000           | 0.000000          | 0.000000           |
| Other                             | 5.111049           | 19.857292           | 71.555968           | 2.570212           | 10.043122          | 2.145997          | 0.000000           |
| Transfer from Operating Fund      | 34.559654          | 0.000000            | 21.274714           | 9.560215           | 8.323419           | 0.000000          | 9.833275           |
| Interest                          | 1.027000           | 0.800000            | 0.073840            | 0.046000           | 0.046000           | 0.046000          | 0.046123           |
| <b>Total Capital Revenues</b>     | <b>\$62.461477</b> | <b>\$61.823277</b>  | <b>\$109.423354</b> | <b>\$77.422073</b> | <b>\$30.022612</b> | <b>\$9.604068</b> | <b>\$17.291469</b> |
| <b>Expenditures</b>               |                    |                     |                     |                    |                    |                   |                    |
| Revenue Vehicles                  | \$18.160158        | \$32.269261         | \$16.353234         | \$14.505918        | \$14.066017        | \$1.743043        | \$6.483254         |
| Base Facilities                   | 2.950908           | 32.914717           | 39.055189           | 0.130000           | 8.651976           | 4.665210          | 0.000000           |
| Passenger Facilities & Amenities  | 2.107185           | 12.787849           | 0.000000            | 0.000000           | 0.000000           | 0.000000          | 0.000000           |
| Technology                        | 4.035530           | 26.480443           | 1.075450            | 4.228361           | 1.890850           | 1.470095          | 1.632750           |
| Other                             | 7.737722           | 28.513251           | 58.507408           | 58.557794          | 5.413769           | 1.701185          | 0.000000           |
| <b>Total Capital Expenditures</b> | <b>\$34.991503</b> | <b>\$132.965521</b> | <b>\$114.991281</b> | <b>\$77.422073</b> | <b>\$30.022612</b> | <b>\$9.579533</b> | <b>\$8.116004</b>  |
| <b>Use of Reserve</b>             | <b>27.469974</b>   | <b>-71.142244</b>   | <b>-5.567927</b>    | <b>0.000000</b>    | <b>0.000000</b>    | <b>0.024535</b>   | <b>9.175465</b>    |

**INSURANCE**

|   |                   |                    |                   |                   |                   |                   |                   |
|---|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenue</b>                                |                   |                    |                   |                   |                   |                   |                   |
| Interest                                      | \$0.075000        | \$0.060000         | \$0.010000        | \$0.010000        | \$0.010000        | \$0.010000        | \$0.010000        |
| Transfer                                      | 2.852308          | 2.339673           | 2.968070          | 3.057412          | 3.149434          | 3.244217          | 3.341844          |
| <b>Total Insurance Revenue &amp; Transfer</b> | <b>\$2.927308</b> | <b>\$2.399673</b>  | <b>\$2.978070</b> | <b>\$3.067412</b> | <b>\$3.159434</b> | <b>\$3.254217</b> | <b>\$3.351844</b> |
| <b>Expenditures</b>                           |                   |                    |                   |                   |                   |                   |                   |
| Insurance Expenditures                        | \$2.702330        | \$2.891330         | \$2.978070        | \$3.067412        | \$3.159434        | \$3.254217        | \$3.351844        |
| <b>Use of Reserve</b>                         | <b>\$0.224978</b> | <b>-\$0.491657</b> | <b>\$0.000000</b> | <b>\$0.000000</b> | <b>\$0.000000</b> | <b>\$0.000000</b> | <b>\$0.000000</b> |

**PIERCE TRANSIT**  
**2020-2025 Six-Year Financial Plan**  
**Ending Balances**

| (Millions)  | 2019<br>YE Est      | 2020<br>Budget     | 2021               | 2022               | 2023               | 2024               | 2025               |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>OPERATING</b>                                  |                     |                    |                    |                    |                    |                    |                    |
| Beginning Balance                                 | \$51.777764         | \$25.726212        | \$39.398804        | \$26.969203        | \$27.738670        | \$29.030371        | \$39.341811        |
| Revenue   | 160.675390          | 171.175672         | 174.771456         | 180.962173         | 188.089835         | 195.467077         | 203.211948         |
| Total   | \$212.453154        | \$196.901884       | \$214.170260       | \$207.931376       | \$215.828506       | \$224.497448       | \$242.553759       |
| Expenditures                                      | \$149.314980        | \$155.163407       | \$162.958273       | \$167.575079       | \$175.325281       | \$181.911419       | \$188.897088       |
| Transfers from Operating                          | 37.411962           | 2.339673           | 24.242784          | 12.617627          | 11.472853          | 3.244217           | 13.175119          |
| Total   | \$186.726942        | \$157.503080       | \$187.201057       | \$180.192706       | \$186.798135       | \$185.155637       | \$202.072207       |
| <b>Operating Ending Balance</b>                   | <b>\$25.726212</b>  | <b>\$39.398804</b> | <b>\$26.969203</b> | <b>\$27.738670</b> | <b>\$29.030371</b> | <b>\$39.341811</b> | <b>\$40.481552</b> |
| <b>Required Margin</b>                            | 24.695252           | 25.670059          | 26.969203          | 27.738671          | 29.030371          | 30.128061          | 31.292339          |
| <b>Margin / (Deficit)</b>                         | 1.030960            | 13.728745          | 0.000000           | 0.000000           | 0.000000           | 9.213750           | 9.189213           |
| <b>CAPITAL</b>                                    |                     |                    |                    |                    |                    |                    |                    |
| Beginning Balance                                 | \$58.440197         | \$85.910171        | \$14.767927        | \$9.200000         | \$9.200000         | \$9.200000         | \$9.224535         |
| Revenues  | 62.461477           | 61.823277          | 109.423354         | 77.422073          | 30.022612          | 9.604068           | 17.291469          |
| Total   | \$120.901674        | \$147.733448       | \$124.191281       | \$86.622073        | \$39.222612        | \$18.804068        | \$26.516004        |
| Expenditures                                      | \$34.991503         | \$132.965521       | \$114.991281       | \$77.422073        | \$30.022612        | \$9.579533         | \$8.116004         |
| <b>Capital Ending Balance</b>                     | <b>\$85.910171</b>  | <b>\$14.767927</b> | <b>\$9.200000</b>  | <b>\$9.200000</b>  | <b>\$9.200000</b>  | <b>\$9.224535</b>  | <b>\$18.400000</b> |
| <b>Required Margin &lt;\$9.2 M; 2025 \$18.4 M</b> | 9.000000            | 9.200000           | 9.200000           | 9.200000           | 9.200000           | 9.200000           | <b>18.400000</b>   |
| <b>Margin / (Deficit)</b>                         | 76.910171           | 5.567927           | 0.000000           | 0.000000           | 0.000000           | 0.024535           | 0.000000           |
| <b>INSURANCE</b>                                  |                     |                    |                    |                    |                    |                    |                    |
| Beginning Balance                                 | \$2.266679          | \$2.491657         | \$2.000000         | \$2.000000         | \$2.000000         | \$2.000000         | \$2.000000         |
| Interest  | 0.075000            | 0.060000           | 0.010000           | 0.010000           | 0.010000           | 0.010000           | 0.010000           |
| Transfer  | 2.852308            | 2.339673           | 2.968070           | 3.057412           | 3.149434           | 3.244217           | 3.341844           |
| Total   | \$5.193987          | \$4.891330         | \$4.978070         | \$5.067412         | \$5.159434         | \$5.254217         | \$5.351844         |
| Expenditures                                      | \$2.702330          | \$2.891330         | \$2.978070         | \$3.067412         | \$3.159434         | \$3.254217         | \$3.351844         |
| <b>Insurance Ending Balance</b>                   | <b>\$2.491657</b>   | <b>\$2.000000</b>  | <b>\$2.000000</b>  | <b>\$2.000000</b>  | <b>\$2.000000</b>  | <b>\$2.000000</b>  | <b>\$2.000000</b>  |
| <b>Required Margin</b>                            | 2.000000            | 2.000000           | 2.000000           | 2.000000           | 2.000000           | 2.000000           | 2.000000           |
| <b>Margin / (Deficit)</b>                         | 0.491657            | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           |
| <b>Total Ending Balances</b>                      | <b>\$114.128040</b> | <b>\$56.166731</b> | <b>\$38.169203</b> | <b>\$38.938670</b> | <b>\$40.230371</b> | <b>\$50.566346</b> | <b>\$60.881552</b> |
| <b>ALL FUNDS</b>                                  |                     |                    |                    |                    |                    |                    |                    |
| <b>Required Margin</b>                            | \$35.695252         | \$36.870059        | \$38.169203        | \$38.938671        | \$40.230371        | \$41.328061        | \$51.692339        |
| <b>Margin/ (Deficit)</b>                          | \$78.432788         | \$19.296672        | \$0.000000         | \$0.000000         | \$0.000000         | \$9.238285         | \$9.189213         |

| #  | Project Title   | Project Number | 2019 Estimated Carryover | New 2020 Project Allocation | 2020-Cap   | 2021-Cap   | 2022-Cap   | 2023-Cap  | 2024-Cap  | 2025-Cap | Total       |
|----|---|----------------|--------------------------|-----------------------------|------------|------------|------------|-----------|-----------|----------|-------------|
| 1  | TDS Mid-Life Maintenance                              | 315            | \$ 981,056               | -                           | \$ 981,056 | -          | -          | -         | -         | -        | \$ 981,056  |
| 2  | Bldg. 4 Modifications                                 | 345            | 1,134,704                | -                           | 1,134,704  | -          | -          | -         | -         | -        | 1,134,704   |
| 3  | Facilities Critical Repairs                           | 418            | 9,187                    | -                           | 9,187      | -          | -          | -         | -         | -        | 9,187       |
| 4  | Financial Mgmt. Sys Repl. 2015                        | 445            | 722,924                  | -                           | 722,924    | -          | -          | -         | -         | -        | 722,924     |
| 5  | Security Systems Repl                                 | 452            | 1,870,412                | 209,850                     | 2,080,262  | -          | 385,000    | 664,450   | 380,195   | -        | 3,509,907   |
| 6  | ngORCA  | 482            | 5,926,193                | -                           | 5,926,193  | -          | -          | -         | -         | -        | 5,926,193   |
| 7  | 72nd Street Transit Center Renewal                    | 483            | 83,581                   | 11,000                      | 94,581     | -          | -          | -         | -         | -        | 94,581      |
| 8  | TCC Transit Center Renewal                            | 484            | 172,990                  | -                           | 172,990    | -          | -          | -         | -         | -        | 172,990     |
| 9  | Tacoma Mall Transit Center Renewal                    | 485            | 110,340                  | -                           | 110,340    | -          | -          | -         | -         | -        | 110,340     |
| 10 | SR512 Transit Center Renewal                          | 486            | 308,833                  | -                           | 308,833    | -          | -          | -         | -         | -        | 308,833     |
| 11 | Commerce Placemaking                                  | 487            | 51,308                   | -                           | 51,308     | -          | -          | -         | -         | -        | 51,308      |
| 12 | Bldg 1 Body Shop Frame Rack 2017                      | 498            | 75,900                   | -                           | 75,900     | -          | -          | -         | -         | -        | 75,900      |
| 13 | Lakewood Towne Center Transit Center Renewal          | 502            | 107,208                  | 25,000                      | 132,208    | -          | -          | -         | -         | -        | 132,208     |
| 14 | Narrows Park & Ride Renewal                           | 503            | 407,105                  | -                           | 407,105    | -          | -          | -         | -         | -        | 407,105     |
| 15 | Bus Fleet Replacement 2017                            | 505            | 1,191,329                | -                           | 1,191,329  | -          | -          | -         | -         | -        | 1,191,329   |
| 16 | Electric Bus Deployment 2017                          | 507            | 505,214                  | -                           | 505,214    | -          | -          | -         | -         | -        | 505,214     |
| 17 | Hastus Upgrade 2017                                   | 510            | 170,806                  | -                           | 170,806    | -          | -          | -         | -         | -        | 170,806     |
| 18 | Vanpool Management System 2017                        | 514            | 279,068                  | -                           | 279,068    | -          | -          | -         | -         | -        | 279,068     |
| 19 | SharePoint Upgrade 2017                               | 517            | 185,611                  | -                           | 185,611    | -          | -          | -         | -         | -        | 185,611     |
| 20 | Collision Avoidance System                            | 518            | 1,366,548                | -                           | 1,366,548  | -          | -          | -         | -         | -        | 1,366,548   |
| 21 | Bldg 6 Property Improvements                          | 522            | 224,121                  | -                           | 224,121    | -          | -          | -         | -         | -        | 224,121     |
| 22 | Commerce Tunnel Refurbishment                         | 524            | 1,090,541                | -                           | 1,090,541  | -          | -          | -         | -         | -        | 1,090,541   |
| 23 | BMP   | 525            | 24,367,202               | 7,163,068                   | 31,530,270 | 39,055,189 | 130,000    | 8,651,976 | 4,665,210 | -        | 84,032,645  |
| 24 | Logo Refresh 2018                                     | 533            | 17,286                   | -                           | 17,286     | -          | -          | -         | -         | -        | 17,286      |
| 25 | Automated Tool Control Sys 2018                       | 535            | 152,100                  | -                           | 152,100    | -          | -          | -         | -         | -        | 152,100     |
| 26 | Bus Fleet Repl 2018                                   | 536            | 1,383,257                | -                           | 1,383,257  | -          | -          | -         | -         | -        | 1,383,257   |
| 27 | Vanpool Fleet Repl 2018                               | 539            | 179,069                  | -                           | 179,069    | -          | -          | -         | -         | -        | 179,069     |
| 28 | TDS Distributed Antenna Sys for PT Public Safety 2018 | 540            | 286,491                  | -                           | 286,491    | -          | -          | -         | -         | -        | 286,491     |
| 29 | Bus Driving Simulator 2018                            | 544            | 482,581                  | -                           | 482,581    | -          | -          | -         | -         | -        | 482,581     |
| 30 | Real-Time Information Signs 2018                      | 546            | 4,800                    | -                           | 4,800      | -          | -          | -         | -         | -        | 4,800       |
| 31 | Corridor Speed & Reliability Improvements 2018        | 554            | 2,889,653                | -                           | 2,889,653  | -          | -          | -         | -         | -        | 2,889,653   |
| 32 | Vanpool Fleet Expansion 2018                          | 555            | 8,540                    | -                           | 8,540      | -          | -          | -         | -         | -        | 8,540       |
| 33 | Pac Ave SR 7 Park & Ride 2019                         | 556            | 4,832,950                | -                           | 4,832,950  | -          | -          | -         | -         | -        | 4,832,950   |
| 34 | Bus Replacement 2019                                  | 557            | 17,959,490               | -                           | 17,959,490 | -          | -          | -         | -         | -        | 17,959,490  |
| 35 | SHUTTLE Replacement 2019                              | 558            | 1,051,607                | -                           | 1,051,607  | -          | -          | -         | -         | -        | 1,051,607   |
| 36 | Vanpool Replacement 2019                              | 559            | 1,718,121                | -                           | 1,718,121  | -          | -          | -         | -         | -        | 1,718,121   |
| 37 | Solar Panel Pilot Project 2019                        | 561            | 25,622                   | -                           | 25,622     | -          | -          | -         | -         | -        | 25,622      |
| 38 | BRT   | 563            | 23,014,940               | -                           | 23,014,940 | 58,350,000 | 58,410,000 | 5,083,000 | -         | -        | 144,857,940 |

| #   | Project Title  | Project Number | 2019 Estimated Carryover | New 2020 Project Allocation | 2020-Cap              | 2021-Cap              | 2022-Cap             | 2023-Cap             | 2024-Cap            | 2025-Cap            | Total                 |
|---|--|----------------|--------------------------|-----------------------------|-----------------------|-----------------------|----------------------|----------------------|---------------------|---------------------|-----------------------|
| 39  | Bldg 4 Ops Lobby Skylights 2019                                | 565            | 103,500                  | -                           | 103,500               | -                     | -                    | -                    | -                   | -                   | 103,500               |
| 40  | Bldg 4 IT Help Desk Area Remodel 2019                          | 566            | 92,920                   | -                           | 92,920                | -                     | -                    | -                    | -                   | -                   | 92,920                |
| 41  | TDS Operators Rest Area 2019                                   | 568            | 27,500                   | -                           | 27,500                | -                     | -                    | -                    | -                   | -                   | 27,500                |
| 42  | Warehouse Stand Up Forklift Repl 2019                          | 569            | 22,500                   | -                           | 22,500                | -                     | -                    | -                    | -                   | -                   | 22,500                |
| 43  | Commerce Placemaking 2020-2025                                 | 570            | -                        | 2,750,000                   | 2,750,000             | -                     | -                    | -                    | -                   | -                   | 2,750,000             |
| 44  | South Hill Mall (restroom improvements)                        | 571            | 821,750                  | 25,000                      | 846,750               | -                     | -                    | -                    | -                   | -                   | 846,750               |
| 45  | AV System Controller Replacement 2019                          | 572            | 170,500                  | -                           | 170,500               | -                     | -                    | -                    | -                   | -                   | 170,500               |
| 46  | CAD-AVL System Replacement 2019                                | 573            | 11,000,000               | -                           | 11,000,000            | -                     | -                    | -                    | -                   | -                   | 11,000,000            |
| 47  | Facilities Workorder Management System 2019                    | 576            | 201,250                  | -                           | 201,250               | -                     | -                    | -                    | -                   | -                   | 201,250               |
| 48  | Maintenance Management System 2019                             | 577            | 257,910                  | -                           | 257,910               | -                     | -                    | -                    | -                   | -                   | 257,910               |
| 49  | Network Infrastructure Replacements 2019                       | 578            | 1,210,453                | -                           | 1,210,453             | -                     | -                    | -                    | -                   | -                   | 1,210,453             |
| 50  | Storage Area Network 2019                                      | 579            | 279,700                  | -                           | 279,700               | -                     | -                    | -                    | -                   | -                   | 279,700               |
| <b>Subtotal Additional &amp; Carryover Requests</b> |  |                | <b>\$ 109,536,671</b>    | <b>\$ 10,183,918</b>        | <b>\$ 119,720,589</b> | <b>\$ 97,405,189</b>  | <b>\$ 58,925,000</b> | <b>\$ 14,399,426</b> | <b>\$ 5,045,405</b> | <b>\$ -</b>         | <b>\$ 295,495,609</b> |
| 51  | Bus Replacement 2020   | new            | \$ -                     | \$ 7,419,663                | \$ 7,419,663          | \$ 15,539,116         | \$ 13,052,857        | \$ 7,709,344         | \$ -                | \$ -                | \$ 43,720,980         |
| 52  | Bus Systems Mobile Access Routers                              | new            | -                        | 808,940                     | 808,940               | -                     | -                    | -                    | -                   | -                   | 808,940               |
| 53  | Network Infrastructure Replacement 2020                        | new            | -                        | 506,325                     | 506,325               | 388,500               | 417,900              | 1,226,400            | 1,089,900           | 1,632,750           | 5,261,775             |
| 54  | Tacoma Dome Station Elevator Repairs/Upgrades                  | new            | -                        | 1,718,558                   | 1,718,558             | -                     | -                    | -                    | -                   | -                   | 1,718,558             |
| 55  | Building 4 and 5 UPS Replacement                               | new            | -                        | 352,275                     | 352,275               | -                     | -                    | -                    | -                   | -                   | 352,275               |
| 56  | HVAC for TDS Server Room 2020                                  | new            | -                        | 30,410                      | 30,410                | -                     | -                    | -                    | -                   | -                   | 30,410                |
| 57  | Vanpool Replacement 2020                                       | new            | -                        | 852,971                     | 852,971               | 814,118               | 1,453,061            | 2,333,233            | 1,743,043           | 2,324,651           | 9,521,077             |
| 58  | Maintenance Floor Scrubber Replacements 2020                   | new            | -                        | 28,146                      | 28,146                | -                     | -                    | -                    | -                   | -                   | 28,146                |
| 59  | Folding Stuffing Machine Replacement 2020                      | new            | -                        | 10,963                      | 10,963                | -                     | -                    | -                    | -                   | -                   | 10,963                |
| 60  | ATIS Info-Web Software 2020                                    | new            | -                        | 117,806                     | 117,806               | -                     | -                    | -                    | -                   | -                   | 117,806               |
| 61  | Vanpool Telematics 2020  | new            | -                        | 70,000                      | 70,000                | -                     | -                    | -                    | -                   | -                   | 70,000                |
| 62  | Kimball Drive Park & Ride 2020                                 | new            | -                        | 400,000                     | 400,000               | -                     | -                    | -                    | -                   | -                   | 400,000               |
| 63  | Parkland Transit Center 2020                                   | new            | -                        | 200,000                     | 200,000               | -                     | -                    | -                    | -                   | -                   | 200,000               |
| 64  | Marketing Department Auto Cutting Device 2020                  | new            | -                        | 28,875                      | 28,875                | -                     | -                    | -                    | -                   | -                   | 28,875                |
| 65  | North Purdy Park & Ride 2020                                   | new            | -                        | 400,000                     | 400,000               | -                     | -                    | -                    | -                   | -                   | 400,000               |
| 66  | ADA Eligibility - Travel Training Office Move to Commerce 2020 | new            | -                        | 300,000                     | 300,000               | -                     | -                    | -                    | -                   | -                   | 300,000               |
| <b>Subtotal New Requests</b>                        |  |                | <b>\$ -</b>              | <b>\$ 13,244,932</b>        | <b>\$ 13,244,932</b>  | <b>\$ 16,741,734</b>  | <b>\$ 14,923,818</b> | <b>\$ 11,268,977</b> | <b>\$ 2,832,943</b> | <b>\$ 3,957,401</b> | <b>\$ 62,969,805</b>  |
| 67  | Agency Computer Replacement 2022                               | outyear        | \$ -                     | \$ -                        | \$ -                  | \$ -                  | \$ 1,152,901         | \$ -                 | \$ -                | \$ -                | \$ 1,152,901          |
| 68  | Hastus Upgrade 2022  | outyear        | -                        | -                           | -                     | -                     | 347,560              | -                    | -                   | -                   | 347,560               |
| 69  | Marketing Plotter - Printer Replacement 2023                   | outyear        | -                        | -                           | -                     | -                     | -                    | 115,684              | -                   | -                   | 115,684               |
| 70  | Records Management System 2021                                 | outyear        | -                        | -                           | -                     | 686,950               | -                    | -                    | -                   | -                   | 686,950               |
| 71  | SHUTTLE Replacement 2023                                       | outyear        | -                        | -                           | -                     | -                     | -                    | 4,023,440            | -                   | 4,158,603           | 8,182,043             |
| 72  | Support Vehicle Replacement 2021                               | outyear        | -                        | -                           | -                     | 157,408               | 147,794              | 215,085              | 1,701,185           | -                   | 2,221,472             |
| 73  | Upgrade or Replace Paratransit Scheduling/Routing System 2022  | outyear        | -                        | -                           | -                     | -                     | 1,925,000            | -                    | -                   | -                   | 1,925,000             |
| <b>Subtotal Outyear Requests</b>                    |  |                | <b>\$ -</b>              | <b>\$ -</b>                 | <b>\$ -</b>           | <b>\$ 844,358</b>     | <b>\$ 3,573,255</b>  | <b>\$ 4,354,209</b>  | <b>\$ 1,701,185</b> | <b>\$ 4,158,603</b> | <b>\$ 14,631,610</b>  |
| <b>Grand Total</b>                                  |  |                | <b>\$ 109,536,671</b>    | <b>\$ 23,428,850</b>        | <b>\$ 132,965,521</b> | <b>\$ 114,991,281</b> | <b>\$ 77,422,073</b> | <b>\$ 30,022,612</b> | <b>\$ 9,579,533</b> | <b>\$ 8,116,004</b> | <b>\$ 373,097,024</b> |



*This section includes the  
Acronym List  
and  
Budget Glossary.*

## **2020 Budget**

### **Appendix**



## 2020 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  
AWC – Association of Washington Cities  
BMP – Base Master Plan  
BRT – Bus Rapid Transit  
CAFR – Comprehensive Annual Financial Report  
CNG – Compressed Natural Gas  
CTR – Commute Trip Reduction  
DOT – Department of Transportation  
FTA – Federal Transit Administration  
FY – Fiscal Year  
GFOA – Government Finance Officers Association  
JBLM – Joint Base Lewis McChord  
M&O – Maintenance and Operations  
ngORCA – Next Generation One Regional Card for All  
PERS – Public Employees Retirement System  
PT – Pierce Transit  
PTBA – Public Transportation Benefit Area  
SHUTTLE – Specialized Transportation  
ST – Sound Transit  
SUV – Special Use Van  
TDS – Tacoma Dome Station  
USDOT – United States Department of Transportation  
VP – Vanpool  
WSDOT – Washington State Department of Transportation  
YE – Year End





## 2020 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.



## 2020 BUDGET GLOSSARY

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

*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.

*Bus Rapid Transit* – Bus Rapid Transit systems are designed to carry larger numbers of riders with greater speed, reliability and frequency than a standard fixed-route bus.

*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.



## 2020 BUDGET GLOSSARY

*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.

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



## 2020 BUDGET GLOSSARY

*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.

*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.



## 2020 BUDGET GLOSSARY

*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 Equivalent (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.

*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.



## 2020 BUDGET GLOSSARY

*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.

*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 21<sup>st</sup> 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.



## 2020 BUDGET GLOSSARY

*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.

*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.



## 2020 BUDGET GLOSSARY

*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.

*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.





## 2020 BUDGET GLOSSARY

*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").

*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.

## 2020 BUDGET GLOSSARY

*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.

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





