



# 2018 Annual Budget

*Approved*

December 19, 2017

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## INTRODUCTION

Consistent with other years, the goals of the 2018 Budget are to ensure that Mason Transit Authority (MTA) continues to meet the needs of the community and operate within its available financial resources. MTA views that the economic outlook for 2018 will remain stable, and projects that sales tax revenue will see a slight increase over 2017. Total operating expenses for 2018 are expected to increase by 6.58%, the result of wages associated to labor agreements, anticipated costs of technology investment, and a service review analysis.

### GOALS:

The goals of the 2018 Budget are:

- Maintain a 4-month Operating reserve fund
- Focus on long-term sustainability within current funding limits
- Grow reserves for future capital projects and vehicle replacement
- Ensure fiscal responsibility
- Review current service levels and community needs

## 2018 BUDGET ASSUMPTIONS

The following assumptions are incorporated into the preliminary budget.

### Operating Revenue

- Ridership is trending consistent with 2017 anticipated amounts with the exception of vanpool. Due to the decrease in ridership therein, fare revenue is expected to decrease slightly.
- 2018 sales tax revenue is projected to exceed the 2017 budgeted amount by 1%. The budget is based on a conservative forecast although the current revenue trend is higher.
- Operating grant funding is up for the 2017-2019 biennium, propelled by a substantial increase in Sales Tax Equalization funds for the period July 2017 through June 2018.
- Rental income at the T-CC is expected to increase with full tenant occupancy anticipated in 2018. Event usage is expected to increase as well now that the facility is well established.
- 2017 investment income is trending 300% above the budgeted amount for 2017. To remain conservative, the 2018 revenue amount is expected to decrease from 2017's significant increase, but still come in higher than the 2017 budgeted amount.

### Operating Expenses

- A net decrease of 4.5 full-time equivalents (FTE's):
  - -.9 FTE change within the Administrative department. Due to the shift in operations management, there has been downsizing within the department, as well as the consolidation of Finance, HR, and Admin falling within a single Administrative Services umbrella.

- -1 FTE within the Maintenance/Facilities department due to the elimination of the Maintenance Support Technician.
- -2.3 FTE in the Operations department. Many shifts are occurring within this department, including the elimination of the Operations Compliance Coordinator, Operations Coordinator and 1.9 Driver positions; two positions were created: Outreach/Transit Planner and Technical Support Analyst.
- The TCC FTEs remain unchanged from the prior year's budgeted FTEs.
- Medical premiums decrease by 2.5%.
- Labor and Insurance premiums stabilized for 2018 relatively the same as 2017 rates.
- No cost increase for Public Employee Retirement System (PERS) expected in 2018.
- Wages have been set for each of the Collective Bargaining Units (CBU's), and budgeted according to each of the CBU's wage matrices. General Wage increases have been established for non-represented employees.
- Fuel prices remain consistent with prior year's, even with the transition to bio-diesel.
- Labor attorney costs are anticipated at approximately \$30,000; there will be ongoing costs for contract renegotiations and labor issues.

**Mason Transit Authority**  
**2018 Proposed Budget - Operating**

The Operating Budget does not include Capital expenditures (see Capital Budget below).

Revenue	2017 Year-end					Notes	2017 vs 2018 % Change-Budget
	2015 Actual	2016 Actual	Projection	2017 Budget	2018 Budget		
Passenger Fares	\$ 92,665	\$ 101,286	\$ 98,228	\$ 98,300	\$ 101,600		3.36%
PSNS Worker/Driver & Vanpool Fares	352,146	289,897	268,336	295,000	265,000		-10.17%
Special Contract Fares - Local Govt.	12,120	101,631	-	-	-		-
<b>Operating Revenue (Fares)</b>	<b>456,931</b>	<b>492,813</b>	<b>366,564</b>	<b>393,300</b>	<b>366,600</b>	<sup>1</sup>	<b>-6.79%</b>
Sales Tax	3,833,979	4,070,658	3,955,391	3,858,621	3,897,207	<sup>2</sup>	1.00%
Operating Grant	1,950,078	2,787,014	2,768,111	2,669,650	3,046,116	<sup>3</sup>	14.10%
Rental Income	69,382	135,096	187,691	158,860	183,418	<sup>4</sup>	15.46%
Investment Income	5,094	16,218	41,436	13,800	20,000	<sup>5</sup>	44.93%
Other Non-operating Revenue	189,696	217,055	264,198	215,080	300,400	<sup>6</sup>	39.67%
<b>Non-operating Revenue</b>	<b>6,048,228</b>	<b>7,226,041</b>	<b>7,216,827</b>	<b>6,916,011</b>	<b>7,447,141</b>		<b>7.68%</b>
<b>Total Revenue</b>	<b>6,505,159</b>	<b>7,718,854</b>	<b>7,583,391</b>	<b>7,309,311</b>	<b>7,813,741</b>		<b>6.90%</b>
<b>Expenses</b>							
Wages and Benefits	5,077,781	5,385,066	5,117,152	5,561,759	5,677,315	<sup>7</sup>	2.08%
Contracted Services	172,530	254,963	237,891	293,129	423,608	<sup>8</sup>	44.51%
Purchased Transportation	65,767	1,794	-	-	-		-
Fuel	321,965	279,867	318,176	350,000	336,000	<sup>9</sup>	-4.00%
Vehicle/Facility Repair & Maintenance	252,705	321,344	270,512	322,165	308,200	<sup>10</sup>	-4.33%
Insurance Premium	188,697	194,978	229,516	237,338	238,506	<sup>11</sup>	0.49%
Intergovernmental - Audit Fees	20,797	27,468	27,985	27,000	29,000	<sup>12</sup>	7.41%
Facility Rent and Park & Ride	9,725	20,145	28,612	27,480	30,800	<sup>13</sup>	12.08%
Utilities	125,110	125,080	120,618	141,846	131,140	<sup>14</sup>	-7.55%
Supplies	217,491	136,327	89,702	129,130	118,235	<sup>15</sup>	-8.44%
Training & Meetings	47,424	34,950	26,448	41,900	55,185	<sup>16</sup>	31.71%
Pooled Reserves	-	-	-	-	240,000	<sup>17</sup>	-
Other Operating Expenses	147,659	120,369	117,648	147,621	170,012	<sup>18</sup>	15.17%
<b>Total Operating Expenses</b>	<b>6,647,650</b>	<b>6,902,350</b>	<b>6,584,261</b>	<b>7,279,368</b>	<b>7,758,001</b>		<b>6.58%</b>
<b>Net Income (Loss) from Operations</b>	<b>\$ (142,491)</b>	<b>\$ 816,504</b>	<b>\$ 999,130</b>	<b>\$ 29,943</b>	<b>\$ 55,740</b>		

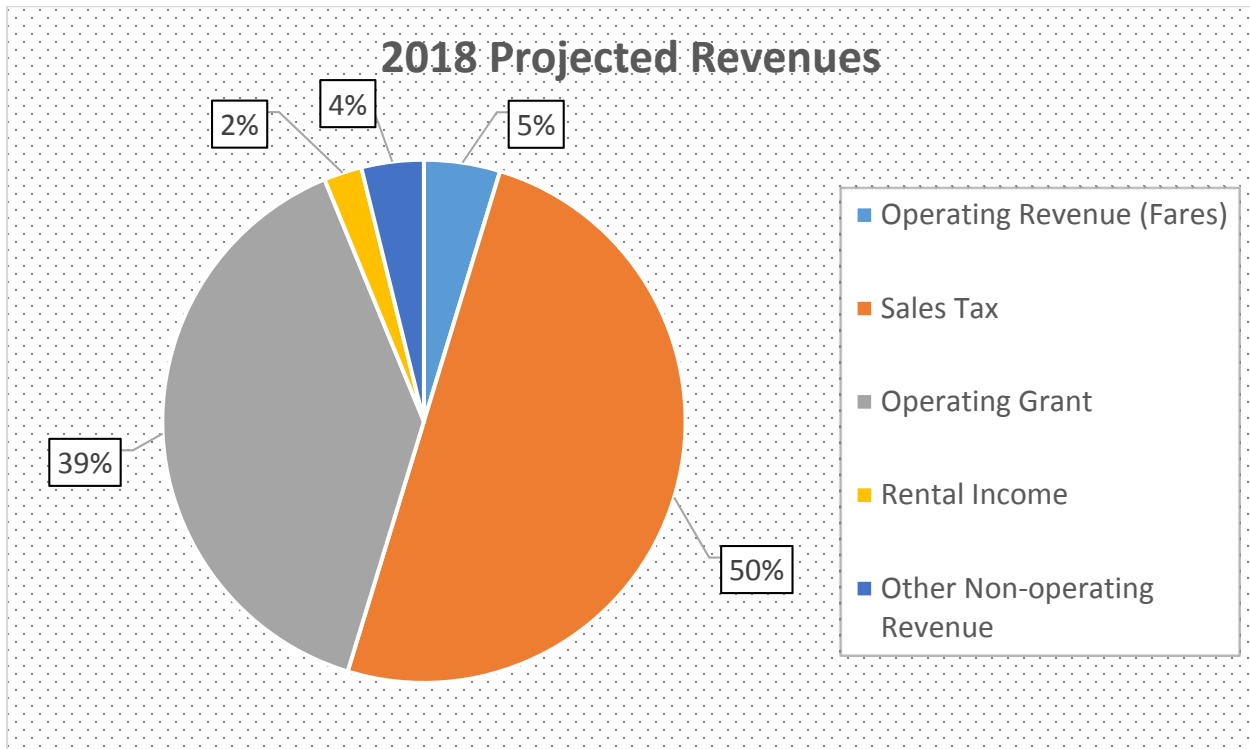
**COMPARISON OF 2018 VS 2017 BUDGET**

1. Passenger Fares and ridership has remained consistent year-over-year, noting a minor dip in the current year. The Worker/Driver program had no significant ridership changes and remains consistent with the prior year. Vanpool participation has decreased in 2017; trending a YTD projected decrease of approximately 22.3% from 2017's budgeted amount.
2. Rental Income has plateaued at the Transit Community Center (T-CC) with full occupancy achieved. The T-CC has reached its capacity for long-term tenants while continuing to increase its event rentals. Event revenue for 2017 has surpassed the 2017 budget and is expected to come in significantly higher than originally budgeted for.
3. Investment income continues to grow due to increased interest rates.

4. The increase within Other Non-Operating Revenue is due to the RMG award having increased for the 17-19 biennium. The per annum increase is approximately \$63,000.
5. The slight increase in wages and benefits can be attributed to the following:
  - I. Effective July 1, 2017 the Employer PERS contribution rates increased from 11.18% to 12.70%.
  - II. The driver and dispatch teams established their respective CBUs and came to an agreement with MTA on their wage structure, which has an overall increase to their wages.
  - III. AWC has quoted a decrease from 2017's medical plan premium of 2.5%. All other health care premiums remain the same for 2018.
6. The significant increase in Contracted Services relates to the procurement and commencement of the bus technology implementation and ongoing support.
7. Fuel prices are anticipated to remain stable going into 2018. The 2017 fuel expense is projected to be under the 2017 budget by 9.1%. A 4% reduction in fuel expense is budgeted for 2018. Also, beginning in 2018 a fuel reserve account will be established to cover unforeseen spikes in fuel costs.
8. Vehicle maintenance parts are projected to be 34% less than budgeted for 2017 due to replacement of older vans and coaches. A reduction of 16.7% in Vehicle Maintenance Parts is budgeted for 2018.
9. WSTIP's liability and property insurance premiums have stabilized for 2018 with a .20% increase over 2017.
10. 2018 Intergovernmental audit fees are quoted from the State Auditor's exit conference for the 2016 fiscal year audit.
11. Facility Rent and Park & Ride expense will remain consistent with 2017, as the Belfair Park & Ride location is still under lease.
12. Utilities have been adjusted to reflect full occupancy at the T-CC, notably garbage has been increased based on usage. Notification has been received from the City of Shelton of a 6% increase for 2018 water/sewer rates.
13. Supplies are expected to decrease in 2018 due to reduced printing expectations with the adoptions of various software that will help MTA head towards a more paperless operation.
14. Travel and training expenses are expected to increase going into 2018. This will be a year where bi-annual conferences are attended, thus resulting in a significant increase compared to 2017's budget. Additional training dollars are included for key staff to maintain certifications that provide long term value to the agency.
15. Other Operating Expenses is budgeted to have a significant increase to anticipate additional unemployment insurance expense for those who have been laid off due to the organizational restructure.
16. Pooled reserves is an account set aside to filter any excess funds, for future project use or operating use if necessary.

## OPERATING REVENUES

Total operating revenue budgeted is projected to increase from \$7,309,311 for 2017 to \$7,813,741 for 2018; this is an increase from prior year's budget levels by \$504,430, or 6.90%. Major revenue sources include sales taxes, collected in Mason County, and grant funding.



### Grant Revenues

Operating grants comprise 39% of the operating revenues. MTA received grant funding for the 2017-2019 biennium to assist with operating service. MTA recognized an increase in sales tax equalization funds of which \$400,000 was designated to the capital investment in technology advances with the balance applied toward the cost of operations.

### Transit-Community Center Revenues

The T-CC provides revenue through leases and event use. With the T-CC fully occupied rental income for 2018 is stable. Event use increased substantially in 2017, it is expected that event use will remain consistent to 2017 levels with efforts to increase 2018 usage through continued outreach.

### Sales Taxes

Sales tax revenue is the largest operating revenue source - projected to be 50% of revenue for 2018. Sales tax revenue has shown positive growth since May 2013. From 2013 to 2016 sales tax revenue has increased by approximately 21% and 2017 sales tax revenue is projected to be approximately 6.5% higher than budgeted.

For 2018, the level of sales tax collection is projected to remain on par with 2017's year to date projection that is estimated at \$4.1 million, however, to remain conservative going into the new year, 2018's budgeted amount is set at a 1% increase over the 2017 budgeted amount.

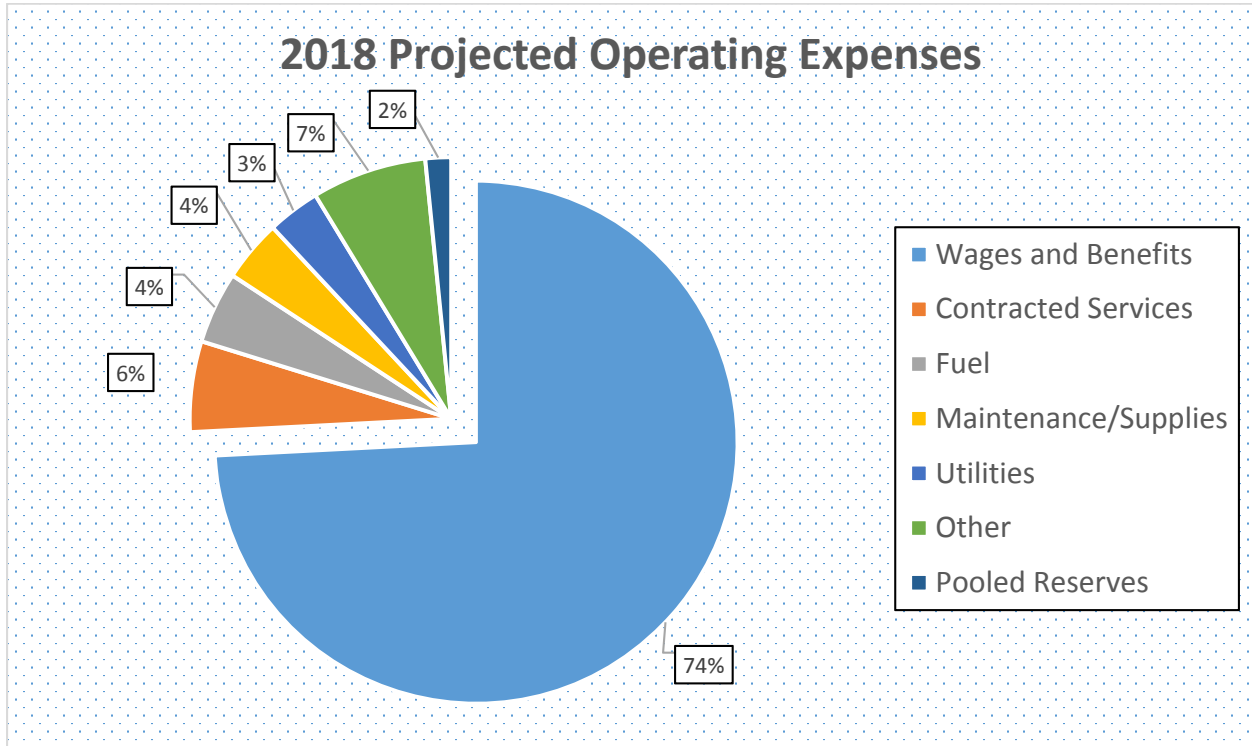
The following table shows actual sales tax revenue for 2014 through September 2017, along with the 2017 projections for October through December (based on 2017 budget).

**Historical and Projected Sales Tax Revenue**

	2014	2015	2016	2017 Budget	2017 Actual	2018 Budget
<b>JAN</b>	237,528	279,122	246,415	238,424	279,777	265,739
<b>FEB</b>	227,815	281,559	262,925	254,399	276,310	271,145
<b>MAR</b>	278,053	307,482	328,665	318,008	356,214	314,761
<b>APR</b>	260,396	286,903	312,635	302,497	320,241	293,506
<b>MAY</b>	274,641	347,236	332,428	321,649	357,049	325,094
<b>JUN</b>	323,498	354,920	391,485	378,791	435,445	357,644
<b>JUL</b>	329,201	350,290	360,375	348,689	386,531	354,154
<b>AUG</b>	323,336	336,522	389,222	376,601	397,061	356,288
<b>SEP</b>	349,872	348,805	426,039	376,577	388,845	379,731
<b>OCT</b>	296,170	309,042	324,125	318,776	318,776	323,078
<b>NOV</b>	249,648	261,713	314,996	268,703	268,703	286,643
<b>DEC</b>	330,297	367,053	381,623	355,508	355,508	369,425
<b>Total</b>	3,480,456	3,830,645	4,070,933	3,858,622	4,140,459	3,897,207

## OPERATING EXPENSES

Total operating expense budgeted is projected to increase from \$7,279,368 for 2017 to \$7,758,001 for 2018; this is an increase from prior year's budget levels by \$478,633 or 6.58%. The largest operating expense, by far, is employee wages and benefits, accounting for nearly 74% of total operating expense.



### Salaries, Wages, and Benefits

The salaries, wages, and benefits increase in the 2018 proposed budget is due to a variety of factors:

- The increased PERS rate of 12.7% from 11.18% will be in full effect for 2018. No further adjustments have been announced for 2018.
- Both the driver and dispatch teams established collective bargaining units and signed their respective agreements with MTA to set their wage structures for the upcoming years. The impact of the driver's contract increased their overall wages and benefits by 10%. Due to the size of the dispatch team, their wages and benefits impacted the 2018 budget minimally.
- 2018 Labor & Industries insurance premiums have stabilized, rates quoted are relatively the same as 2017.

The following chart shows the staff position and Full-Time Equivalent (FTE) changes with explanations describing each change.

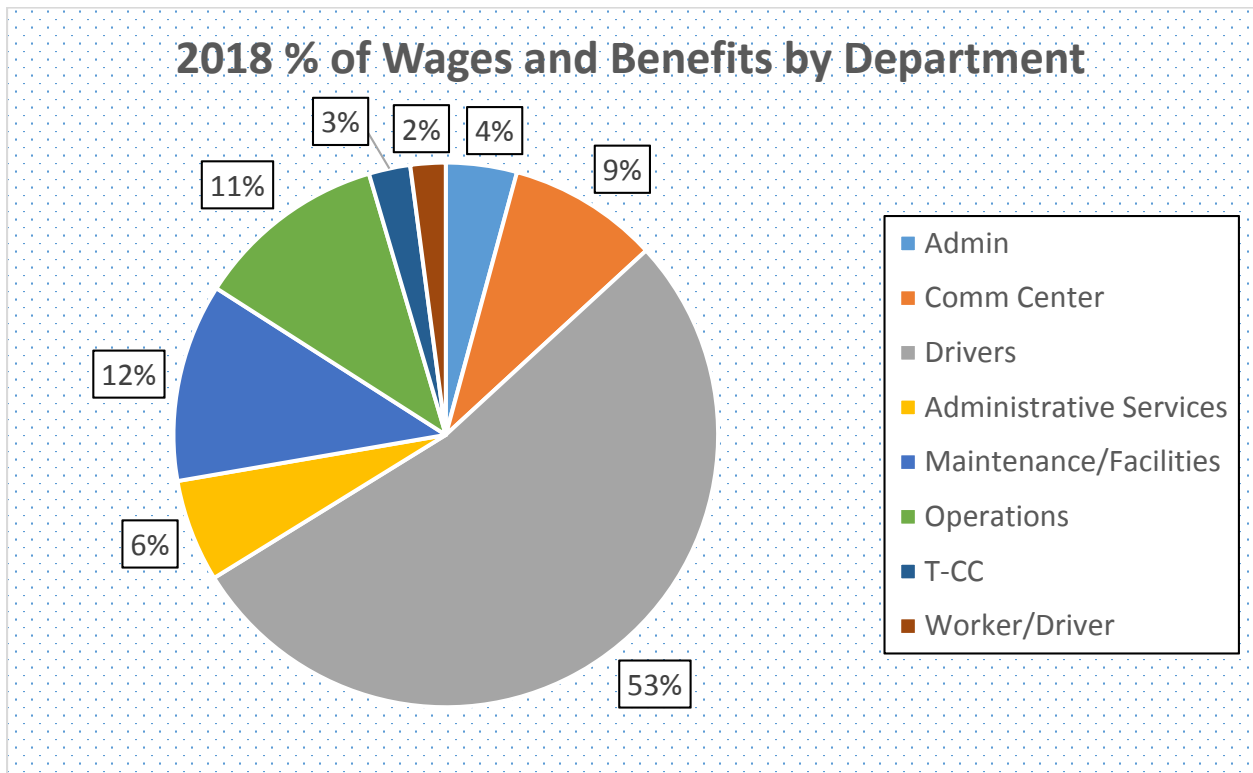


Department	2017		2018		2017		2018	
	Budget - Positions	Change	Budget - Positions	Budget - Positions	Budget - FTEs	Change	Budget - FTEs	Budget - FTEs
<b>Administration</b>								
General Manager	1.0	0.0	1.0	1.0	0.0	1.0	0.0	1.0
Administrative Services Manager <sup>(1)</sup>	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0
Administrative Assistant <sup>(3)</sup>	0.5	-0.5	0.0	0.5	-0.5	0.5	-0.5	0.0
HR Manager <sup>(1)</sup>	0.0	0.0	0.0	0.4	-0.4	0.4	-0.4	0.0
Development Manager <sup>(2)</sup>	1.0	-1.0	0.0	1.0	-1.0	1.0	-1.0	0.0
Finance Manager <sup>(1)</sup>	1.0	-1.0	0.0	1.0	-1.0	1.0	-1.0	0.0
Executive Assistant	1.0	0.0	1.0	1.0	0.0	1.0	0.0	1.0
Accounting Assistant	2.0	0.0	2.0	2.0	0.0	2.0	0.0	2.0
Staff Accountant <sup>(4)</sup>	0.0	1.0	1.0	0.0	1.0	0.0	1.0	1.0
<i>Total Administration</i>	<u>6.5</u>	<u>-0.5</u>	<u>6.0</u>	<u>6.9</u>	<u>-0.9</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>
<b>Maintenance/Facilities</b>								
Maintenance Manager	1.0	0.0	1.0	1.0	0.0	1.0	0.0	1.0
Maintenance Support Technician	1.0	-1.0	0.0	1.0	-1.0	1.0	-1.0	0.0
Mechanic <sup>(5)</sup>	1.0	0.0	1.0	1.0	0.0	1.0	0.0	1.0
Service Mechanics <sup>(5)</sup>	3.0	0.0	3.0	3.0	0.0	3.0	0.0	3.0
Fueler/Detailer	1.0	0.0	1.0	1.0	0.0	1.0	0.0	1.0
Facilities Technician	1.0	0.0	1.0	1.0	0.0	1.0	0.0	1.0
Custodian/Detailer	1.0	0.0	1.0	1.0	0.0	1.0	0.0	1.0
<i>Total Maintenance/Facilities</i>	<u>9.0</u>	<u>-1.0</u>	<u>8.0</u>	<u>9.0</u>	<u>-1.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>
<b>Operations</b>								
Operations Manager	1.0	0.0	1.0	1.0	0.0	1.0	0.0	1.0
Operations Supervisor <sup>(6)</sup>	3.0	1.0	4.0	3.0	0.7	3.7	0.7	3.7
Operations Compliance Coordinator <sup>(7)</sup>	1.0	-1.0	0.0	1.0	-1.0	0.0	-1.0	0.0
Operations Coordinator <sup>(7)</sup>	1.0	-1.0	0.0	1.0	-1.0	0.0	-1.0	0.0
Community Service Coordinator <sup>(7)</sup>	1.0	-1.0	0.0	1.0	-1.0	0.0	-1.0	0.0
Dispatcher/Scheduler/CSR <sup>(8)</sup>	8.0	0.0	8.0	8.0	0.0	8.0	0.0	8.0
Drivers <sup>(9)</sup>	46.0	-3.0	43.0	43.8	-1.9	41.8	-1.9	41.8
Worker/Drivers	9.0	-1.0	8.0	8.0	0.0	8.0	0.0	8.0
Outreach/Transit Planner <sup>(7)</sup>	0.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0
Technical Support Analyst <sup>(7)</sup>	0.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0
<i>Total Operations</i>	<u>70.0</u>	<u>-4.0</u>	<u>66.0</u>	<u>66.8</u>	<u>-2.3</u>	<u>64.5</u>	<u>64.5</u>	<u>64.5</u>
<b>Transit-Community Center</b>								
T-CC Manager <sup>(10)</sup>	1.0	-1.0	0.0	1.0	-1.0	0.0	-1.0	0.0
T-CC Assistant/Custodian <sup>(10)</sup>	1.0	0.0	1.0	1.0	0.0	1.0	0.0	1.0
T-CC Building Superintendent <sup>(10)</sup>	0.0	1.0	1.0	0.0	1.0	1.0	1.0	1.0
<i>Total Transit-Community Center</i>	<u>2.0</u>	<u>0.0</u>	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
<b>TOTAL</b>	<b>87.5</b>	<b>-5.5</b>	<b>82.0</b>	<b>84.7</b>	<b>-4.2</b>	<b>80.5</b>	<b>80.5</b>	<b>80.5</b>

1. The HR Manager retired within 2017 and, with the consolidation of the Finance and Human Resources departments into Administrative Services, the positions of Finance Manager and HR Manager were both dissolved and duties were combined into the Administrative Services Manager position.
2. After the construction and establishment of the Transit Center, the Development Manager position workload has diminished. Due to this, the responsibilities of this position have deferred to the Administrative Services department and the position dissolved as of December 4, 2017.
3. The role the Office Assistant workload has been distributed out to the Administrative Services team, since the duties associated with the position were not enough to warrant a separate position.
4. To assist with the transition to a combined Administrative Services department, the Staff Accountant position has been established to help with the various influx of duties being reallocated from other departments, with a focus on the financial side of the spectrum.
5. As of April 2017, the Lead Mechanic position was revised to Mechanic with additional responsibilities compared to Service Mechanics.
6. An additional Operations Supervisor will be brought onboard part-way through the year to aid with the succession plan for a retiring Operations Supervisors.
7. In support of the upcoming service review engagement and the implementation of technology into our operation, two roles were dissolved in favor of creating a support system for each initiative. The support system consists of adding an Outreach/Transit Planner and a Technical Support Analyst. Both new positions will directly support Operations as well as the entire agency. The 2017 budgeted Community Service Coordinator position was never brought to fruition.
8. The Customer Service Representative position held at the Transit Center has been dissolved due to an overlap in duties and responsibilities with the other dispatch roles. An additional dispatch position is being held in the budget to expand Saturday hours at the T-CC.
9. One FTE Driver position is being reduced plus an adjustment to reflect the two on-call drivers that equates to .83 of an FTE.
10. The Transit Center will no longer have a separate manager, but will have a building superintendent. The superintendent will be responsible for maintaining the premises and working with tenants to address any building concerns, along with event contracting and coordination. The T-CC Assistant/Custodian position will remain.

**Wages and benefits by team are as follows:**

	Salary	Holiday	Personal Leave	PERS	FICA	L&I	Benefits	Total
Admin	163,043	6,603	2,025	21,802	13,133	1,171	43,680	251,456
Board	4,320	-	-	-	330	-	-	4,650
Comm Center	349,067	14,230	2,846	46,988	28,010	3,480	125,807	570,430
Drivers	1,701,598	67,195	14,318	221,991	136,408	167,701	670,298	2,979,510
Administrative Services	199,440	8,066	2,203	26,633	16,043	5,311	73,806	331,502
Maintenance/Facilities	383,561	15,491	3,708	51,151	30,811	32,052	135,286	652,060
Operations	350,327	14,228	3,566	46,751	28,161	19,228	98,206	560,468
T-CC	76,339	3,078	616	10,164	6,123	4,457	32,466	133,243
Vanpool	4,002	-	-	-	306	45	-	4,353
Volunteer Driver	12,361	505	101	1,667	992	134	4,531	20,291
Worker/Driver	84,559	3,132	4,186	8,822	7,029	9,193	-	116,921
<b>Total</b>	<b>3,328,619</b>	<b>132,528</b>	<b>33,569</b>	<b>435,969</b>	<b>267,346</b>	<b>242,773</b>	<b>1,184,081</b>	<b>5,624,885</b>
	↓	↓	↓	↓	↓	↓	↓	
<b>2018 Budgeted Amounts</b>	3,328,619	132,528	33,569	435,969	267,346	242,773	1,184,081	5,624,885
<b>2017 Budgeted Amounts</b>	3,239,321	128,713	25,694	378,761	259,620	249,192	1,244,097	5,525,399
<b>Change (\$)</b>	89,298	3,815	7,875	57,208	7,726	(6,419)	(60,016)	99,486
<b>Increase %</b>	2.76%	2.96%	30.65%	15.10%	2.98%	-2.58%	-4.82%	1.80%



The 2018 Compensation Plan for Salaries and Wages includes the following assumptions:

- Wages are set for each of the Collective Bargaining Units (CBU's), and budgeted according to each of the CBU's wage matrices. As of January 1, 2018, there will be a wage increase for all represented employees varying between 1-2%. In addition,

depending on longevity and which department they are associated with, they will receive an additional "step" raise, per their union agreement.

- Non-represented employees in management positions will receive a general wage increase (GWI) of 1.75%, along with two additional personal days; all other non-represented employees will receive a GWI of 1.90% based upon the prior twelve-month average of the West – Size Class B/C All Urban Consumers Consumer Price Index (CPI) as of August 2017.
- Worker/Drivers will now receive 25 hours of personal leave a year.
- Worker Drivers and On-Call Drivers will receive paid sick leave according to the new Washington State Paid Sick Leave law.

## CAPITAL BUDGET

### Mason Transit Authority 2018 Capital Budget

2018 CAPITAL PROJECT BUDGET						
Project	Budget	Grants	MTA Funding		Project Costs to Date	Purpose
IT Items	15,000		15,000			Server upgrades @ \$15,000
T-CC Parking Lot	302,500	250,000	52,500			Parking lot behind T-CC
Park & Ride Development - 2015-2019 RMG Funds	6,371,134	5,617,000	950,000		1,159,153	Purchase property (\$687,059) in North Mason for P&R; upgrade other P&R
Smart Bus Technology	400,000	400,000				CAD/AVL, Tablet, Scheduling Software, Automatic Stop
HVAC Units	50,000		50,000			Replace units Buildings 1 & 2
Rear Destination Signs Low Floor Buses	8,000		8,000			Ridership amenity - See route from rear of bus
4 New Wheel End Hoist	45,000		45,000			Maintenance shop
Passenger Amenities & Signage at Stops	80,000	69,200	10,800		42,419	Balance of 2015 TAP Grant. Initial spend T-CC start up.
Alder St./N. Olympic Hwy Project	100,000		100,000			Bus stop enhancements in coordination of City project. Contingent on City grant success.
Accounting Software	35,000		35,000			Pending updated pricing. RFP to follow.
T-CC Roof Repair	-		5,000			To repair T-CC's roof due to leaks
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$ 7,406,634</b>	<b>\$ 6,336,200</b>	<b>\$ 1,271,300</b>		<b>\$ 1,201,572</b>	

VEHICLE REPLACEMENT						
Vehicle	Budget	Grants	MTA Funding			Purpose
2 Worker Driver Coaches	550,000		550,000			Replacement inventory. New \$485K, used \$250-300K.
5 Cutaways	504,930	378,679	126,251			Replacement inventory.
Staff Vehicles	30,000		30,000			to replace staff car and maintenance pickup
<b>TOTAL VEHICLE REPLACEMENT</b>	<b>\$ 1,084,930</b>	<b>\$ 378,679</b>	<b>\$ 706,251</b>			

**PROPOSED 2018 CAPITAL PROJECTS**

**\$ 8,491,564    \$ 6,714,879    \$ 1,977,551                      \$ 1,201,572**

Cash encumbered for MTA Funding portion - \$1,239,551.

Capital Project Reserves - \$215,560 (Sales tax revenue above budgeted amount set aside in Capital Project Reserves monthly.)

## TRANSIT – COMMUNITY CENTER

The on-going operating costs for the T-CC are allocated between Transit-related functions and Community Center-related functions based upon the square footage associated with each, except for salaries and benefits. The T-CC's operating costs projected for 2018 are as follows:

	2018 Community Center Budget	2018 Transit Budget	2018 Total Budget	2017 Community Center Budget	2017 Transit Budget	2017 Total Budget	% Change
T-CC Event Rental	\$ 30,000	\$ -	\$ 30,000	\$ 11,000	\$ -	\$ 11,000	173%
T-CC Tenant Rental	135,821	-	135,821	137,463	-	137,463	-1%
<b>Total Projected Revenues</b>	165,821	-	165,821	148,463	-	148,463	
Salaries and Benefits	133,483	-	133,483	116,696	39,316	156,011	-14%
Repair/Maintenance by Other	1,420	580	2,000	710	290	1,000	100%
Professional and Technical Services	3,900	-	3,900	2,964	1,006	3,970	-2%
Contract Services	2,100	-	2,100	1,448	592	2,040	3%
Printing	500	-	500	320	131	450	11%
Security Services	-	-	-	71	29	100	-100%
Facility Repair/Maintenance	2,059	841	2,900	1,988	812	2,800	4%
Office Supplies	150	75	225	178	73	250	-10%
Cleaning/Sanitation Supplies	1,420	580	2,000	2,000	2,000	4,000	-50%
Water and Sewer	3,900	1,550	5,450	6,390	2,610	9,000	-39%
Garbage	2,000	900	2,900	2,130	870	3,000	-3%
Gas	2,100	800	2,900	1,593	651	2,244	29%
Electric	24,000	9,500	33,500	23,288	9,512	32,800	2%
Telephone Service	1,190	500	1,690	1,136	464	1,600	6%
Insurance Premium	15,409	-	15,409	23,734	-	23,734	-35%
Dues, Memberships, Subscriptions	643	-	643	391	160	550	17%
Travel & Meeting Expense MTA	355	-	355	355	145	500	-29%
Conference Registration	355	-	355	355	145	500	-29%
Training / Seminars	150	-	150	142	58	200	-25%
Advertising/Promotion Media	2,500	-	2,500	1,065	435	1,500	67%
Other Misc Expenses	900	200	1,100	1,434	586	2,020	-46%
Office Equipment Lease	1,260	700	1,960	1,011	1,011	2,021	-3%
<b>Total Projected Expenses</b>	199,794	16,226	216,020	189,397	60,893	250,290	
	\$ (33,973)	\$ (16,226)	\$ (50,199)	\$ (40,934)	\$ (60,893)	\$ (101,827)	



## **TEAM GOALS FOR 2018**

### **Administrative Services Team Mission Statement**

Provide financial support to all MTA teams, ensure internal controls and compliance, and keep agency financially stable and sustainable.

### **Administrative Services Goals for 2018**

- Prepare a Financial Policy Manual.
- Update Procurement Policy.
- Update Employee Handbook to be in line with union contracts.
- Prepare a long-term projection of MTA's financial sustainability and align with strategic plan.
- Continue streamlining processes to promote efficiency and keep costs down.
- Begin process of reviewing accounting software for potential change.

### **Revenue Sources and Cost Drivers**

- No revenue sources
- Wages/benefits
- Audit costs

### **Budget Changes from 2017 to 2018**

- Finance and Human Resource departments have been combined to create the Administrative Services Department

### **Information Technology (IT) Team Mission Statement**

Provide excellent customer service through prompt and efficient response to technology needs. Keep MTA safe from cyber vulnerabilities.

### **IT Team Goals for 2018**

- Implement bus technology into MTA system
- Review current network structure and ensure stabilization
- Incorporate records management system for naming convention and network structure.

## Revenue Sources and Cost Drivers

- Scheduled computer replacement.
- Incorporate bus technology into MTA system.

## Budget Changes from 2017 to 2018

- Increase cost for annual technology implementation.

## Maintenance Team Mission Statement

The Maintenance Team's mission is to effectively and efficiently provide safe, clean, reliable and comfortable vehicles, facilities and amenities for use by its customers and to ensure that such resources are available to deliver on the agency vision of Driving our Community Forward.

## Maintenance Team Goals for 2018

- Continue to explore maintenance processes & parts purchasing to increase cost savings without sacrificing quality.
- Partnering with other transit systems and the training coalition to looking for low-cost or no-cost training opportunities.
- Sharing resources with the City of Shelton and Mason County Maintenance Departments to reduce costs and better utilize our equipment.
- Continue with bus stop and shelter installation and amenities.
- Perform in depth vehicle maintenance program analysis for cost savings to include fuel mileage, oil consumption and prolonged tire life.
- Complete procurement for 5 cutaways place them in service.
- Work with Administrative Services division too develop inventory processes that meet all agency needs and to streamline the procurement, receiving and return activities.

## Revenue & Cost Drivers

- We project receiving \$5,000 for sales of contracted maintenance services in 2018
- Significant cost issues for both vehicle and facility maintenance remain the same. They include labor, fuel, parts and tires. Facility expenses include electricity and gas.

## Significant Changes from 2017 to 2018

- None.
- Following are challenges facing Maintenance:
  - With the coach bus fleet currently averaging 285,000 miles and cutaways 186,000 miles, we are experiencing major component failures that significantly increase parts costs. Examples of these components include: starters, alternators, air-compressors, injectors and diesel emission systems. It is anticipated that at least 50 percent (8) of the coach bus fleet will require some or all of these components requiring replacement within the next year. Repair and maintenance costs continue to rise.

With an emphasis on improved fleet appearance and more accurate body damage reporting, we have experienced an increase in body shop repairs. When possible we repair in-house; however, we are not equipped to repair or paint body panels.

- Facility repair and maintenance is stabilizing. With continued predictive maintenance the Johns Prairie Facility is beginning to become less labor and material intensive. Items of continued concern are plumbing issues, especially waste. Electrical systems are another; we are not equipped or certified to repair high voltage circuitry.

### **Operations Team Mission Statement**

- The mission of the Operations team is to provide a range of safe, courteous and on-time transit services to best meet the needs of the riding public in Mason County.

### **Goals for 2018**

- Conduct review of MTA services with the assistance of a consultant.
- Research/purchase technology for our fleet to improve fleet operations and customer accessibility.
- Provide refresher training to all regular drivers and dispatcher/schedulers.
- Hire and train new drivers as needed (3 classes).
- Reduce overall preventable accidents rate to 1.25 per 100,000 miles, annualized.
- Provide nearly 70,000 hours of directly operated service in 2018, including fixed route, dial-a-ride, and regional express.

### **Major Revenue and Cost Drivers**

- Fare box recovery: Out-of-county fixed route fares, vanpool and worker/driver programs
- Labor, uniforms

### **Significant Budget Changes from 2017 to 2018:**

Impact on wages and benefits as a result of the:

- Creating a new Organizational structure to facilitate implementation of our scheduled improvements. This will be accomplished by adding a Technical Support Analyst and Outreach/Transit Planner, and eliminating the following positions: Operations Coordinator, Operations Compliance Coordinator and the Customer Service Representative.

### **Transit-Community Center (T-CC) Team Mission Statement**

The T-CC team works to continually go beyond expectations to serve our customers through ridership support and information, as well as finding innovative ways to professionally meet the needs of our community center users and tenants.

### **T-CC Team Goals for 2018**



- Maximize at T-CC event space usage
- Maintain 100% occupancy of lease spaces at the T-CC
- Continue to reinforce transit code of conduct culture at the T-CC

### **Major Expenses**

- No capital expenses for the T-CC facility planned/expected for 2018

### **Major Revenue**

- Tenant leases
- Event fees
- Users fees

### **Budget Changes from 2017 to 2018**

- Elimination of T-CC Manager, replaced by Building Superintendent
- Income from space use agreements will remain consistent in 2018
- Income from event rentals is expected to increase in 2018

2018 Work Items	Completed as of	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Strategic Plan finalized and incorporated into the Transit Development Plan (TDP)		Δ	Δ		
Review and update Employee Handbook based on union contracts		Δ			
Create Financial Management Manual and update Procurement Policy		Δ			
Install Bus Technology and new scheduling software		Δ	Δ	Δ	
Develop a work plan for parking lot upgrades		Δ			
Accounting Software		Δ			
Incorporate Remix into service planning		Δ			
Finalize implementation of Performance Measures		Δ	Δ	Δ	Δ
Develop a route deviation policy			Δ		
Consolidated Grant Application preparation for 2019-2021			Δ	Δ	
Install rear destination signs on low floor buses				Δ	
Purchase refurbished buses for Worker/Driver program				Δ	
Re-train all drivers on a regular basis in order to provide consistent service and safety		Δ	Δ	Δ	Δ
Park & Ride project (through 2023)		Δ	Δ	Δ	Δ
T-CC parking lot construction		Δ	Δ	Δ	Δ