

2014

Pierce Transit

Budget

Lakewood,

Washington



## **Mission Statement**

*“Pierce Transit connects communities with safe, reliable, customer-friendly transit options.”*

We are locally based and regionally connected.

Our services are safe and on time.

Our fares are affordable.

Our vehicles are clean and comfortable.

We listen to our customers to make their service better.

We work with others to plan transportation improvements.

Our decisions reflect respect for this region's environment.

We use our tax resources effectively.

Our dedicated, professional employees are the key to quality.



## **2014 BUDGET**

Fiscal Year January 1, 2014 through December 31, 2014

LYNNE GRIFFITH  
Chief Executive Officer

Prepared By  
The Finance Division

WAYNE FANSHIER  
Vice President, Finance

CATHIE REID  
Assistant Manager Budget

BARB HUNTER  
Grants Administrator

KATHY SULLIVANT  
Finance Manager

KELLI DION  
Budget Coordinator

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

3701 96<sup>th</sup> Street S.W.  
P.O. Box 99070  
Lakewood, WA 98496-0070  
253-581-8080  
Fax 253-581-8075





## PIERCE TRANSIT 2014 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:*

*Cathie Reid – (253) 581-8078 or  
[creid@piercetransit.org](mailto:creid@piercetransit.org)*

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

*Barb Hunter – (253) 984-8200 or  
[bhunter@piercetransit.org](mailto:bhunter@piercetransit.org)*

| <b>Introduction</b>   | <b>Page</b> |
|---|-------------|
| Pierce Transit Board of Commissioners .....                               | 2           |
| Organizational Chart .....  | 3           |
| Budget Message .....  | 4           |
| <br><b>Budget Summary</b>   |             |
| Overall Summary .....   | 21          |
| Operating Summary - Revenues .....  | 22          |
| Operating Summary - Expenditures.....                                     | 23          |
| Capital Summary .....   | 24          |
| Insurance Summary .....   | 25          |
| Ending Balances .....   | 26          |
| Agency Expenditure Comparison .....                                       | 27          |
| <br><b>Budget Statistics</b>  |             |
| Operating Statistics – All Modes.....                                     | 31          |
| Personnel Summary .....   | 32          |
| Capital Program.....  | 34          |
| Preliminary Capital Budget.....   | 36          |
| Insurance Expenditure Comparison .....                                    | 38          |
| <br><b>Six-Year Financial Plan</b>  |             |
| Operating Revenues & Expenditures .....                                   | 40          |
| Ending Balances .....   | 42          |
| Capital Plan .....  | 44          |
| <br><b>Appendix</b>   |             |
| Acronym List.....   | 47          |
| Budget Glossary .....   | 49          |
| Resolution of the Board of Commissioners Adopting the Annual Budget ..... | 58          |





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

## **2014 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 ten-member Board of Commissioners. The Board is made up of elected officials representing Pierce County, Tacoma, Lakewood, Puyallup, University Place, the smaller towns and cities of our service area, and one non-voting Union Representative.*



Commissioner Marilyn Strickland  
Mayor of Tacoma  
CHAIR  
Term Expires 12/31/15



Commissioner Rick Talbert  
Pierce County Council  
VICE CHAIR  
Term Expires 12/31/13



Commissioner Don Anderson  
Lakewood Deputy Mayor  
Term Expires 12/31/14



Commissioner Glenn Hull  
Fife Mayor Pro Tem  
Term Expires 12/31/14



Commissioner Kent Keel  
University Place Council  
Term Expires 12/31/14



Commissioner Pat McCarthy  
Pierce County Executive  
Term Expires 5/1/15



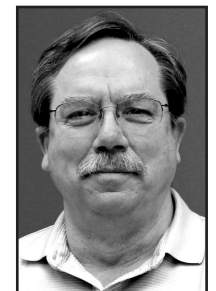
Commissioner Steve Vermillion  
Puyallup City Council  
Term Expires 5/1/14



Commissioner Lauren Walker  
Tacoma City Council  
Term Expires 12/31/15



Commissioner Derek Young  
Gig Harbor Council  
Term Expires 12/31/13



Commissioner Don McKnight  
Non-voting Union Representative  
Term Expires N/A



## 2014 ORGANIZATIONAL CHART

### CITIZENS OF PIERCE COUNTY

#### BOARD OF COMMISSIONERS

#### CHIEF EXECUTIVE OFFICER

Lynne Griffith

#### CLERK OF THE BOARD, ASSISTANT TO CEO

Deanne Jacobson

#### Office of the CEO

##### Lynne Griffith, Chief Executive Officer

Office Admin  
Business Development  
Project Management  
Legal  
Safety

#### ADMINISTRATION DIVISION

##### Alberto Lara Vice President

Division Admin  
Human Resources  
Labor Relations  
Training

##### *Information Technology Department*

Department Admin  
Information Technology

##### *Marketing Department*

Marketing  
Administrative Services  
Customer Services  
Field Customer Services

##### *Risk Management Department*

Risk Management  
ADA

#### FINANCE DIVISION

##### Wayne Fanshier Vice President

Division Admin

##### *Finance Department*

Department Admin  
Accounting  
Budgeting  
Revenue Accounting

##### *Procurement Department*

Department Admin  
Purchasing  
Warehousing

##### *Transit Development Department*

Department Admin  
Capital Planning  
Bus Stop Program  
Employer Services Admin  
Employer Services  
Vanpool  
*Service Planning*  
Service Planning Admin  
Bus Stop Program  
Planning  
Scheduling

#### OPERATIONS DIVISION

##### Doug Middleton Vice President

Division Admin  
Radio Program Admin  
Facilities Management

##### *Fleet Maintenance Department*

Office Admin  
Automotive  
Bus Radio Systems  
Bus Repair  
Maintenance Training

##### *Public Safety Department*

Department Admin  
Physical Security  
Records  
Transit Police  
Uniform Security

##### *Transportation Department*

Office Admin

##### *Transportation Operators*

Operators Admin  
Operators Dispatch  
Operators

##### *Paratransit*

Paratransit Admin  
Paratransit Customer Service  
Paratransit Operations

##### *Transportation Service Support Department*

Service Support Admin  
Service Support Operations  
Bus Safety & Training





## 2014 BUDGET MESSAGE

**December 9, 2013**

**TO: PIERCE TRANSIT BOARD OF COMMISSIONERS, CITIZENS AND EMPLOYEES**  
**FROM: LYNNE GRIFFITH, CHIEF EXECUTIVE OFFICER**

### The Improving Road Ahead - Pierce Transit's Financial Outlook

The impacts of the economic recession have been significant. According to *The Puget Sound Economic Forecaster* from 2008 to 2013 the Puget Sound economy lost \$14 billion in retail sales taxes, Pierce Transit's largest source of revenue.

The retail sector now is described as hot. Adjusted for inflation, Puget Sound retail spending in 2013, reported by the Washington Department of Revenue, will rise at the fastest rate since the late 1990s. Part of this is attributable to a low 1.6 percent inflation rate, as measured by the Seattle consumer price index. This is coupled with expected declining unemployment, rising personal income, increasing annual housing permits, and population increases. Taxable construction sales have jumped 31 percent accounting for 33 percent of the overall increase in taxable retail sales since 2011.

Forecasters say Puget Sound employment will grow at a 1.6 percent rate over the next ten years. The expected ten-year inflation rate should be about the same for the region (2.3 percent) as the nation (2.3 percent).

The 2014 Budget and Six-Year Financial Plan reflect these improvements. With the positive sales tax forecasts, Pierce Transit is projecting a 3% growth in the plan in 2014, 4% in 2015, and 5% in 2016 through 2019. This, along with less than expected increases in medical benefit costs in 2014 and an estimated \$.30 per therm reduction in compressed natural gas, the Six-Year Financial Plan is sustainable and improving allowing for limited increases in service in 2014 and the possibility of additional innovative offerings in the near future with economic stability.





## 2014 BUDGET MESSAGE

Along with the improvements to Pierce Transit service, the Agency is also experiencing an increase in Sound Transit service. Route 560, West Seattle to Bellevue, will operate the full year along with other routes for an 18.1% percent increase in hours over 2013.

Financial assumptions remain highly sensitive to changing economic conditions occurring locally and on the state and national levels. Sales tax collection trends will also affect the assumptions used in developing the 2014 Budget and the Agency's Six Year Plan.

Efforts will continue on the part of the staff to control costs and seek maximum efficiency in all processes along with assuring that Pierce Transit is the safest organization on the West Coast.

The Board's Strategic Direction frames the 2014 Budget and guides the future years in the Agency's Six-Year Financial Plan. The Strategic Focus Areas will be incorporated into the Agency's work plans in support of achieving the following:

- Operational Excellence
- Financial Stability
- Tailored Community Solutions
- Improve Public Perception
- Service Allocation

This 2014 Budget is approximately \$161 million. This is balanced by expected revenues and the use of reserves. Planned capital expenditures are approximately \$38 million primarily for revenue vehicle replacement and the preservation of business systems. The budget reflects ongoing efforts to control costs and deliver the most value possible for the public's tax and fare dollars.



#### Highlights of the Budget

Operating efficiencies have been included that

- continue staffing reductions resulting from organizational redesign in 2013
- reduce the layers of management
- provide innovative service
- create a safe environment

#### 2014 BUDGET MESSAGE

Continued efforts to reduce costs, redesign business processes, and prioritize the delivery of service are underway. The Board of Commissioners, legislators, local elected officials, key community and business leaders, and our employees will continue to be engaged in examining every possible way to lower Agency expenditures and increase revenues. The Agency is committed to providing as much service as possible to the public. Safety, quality, customers, and the success of our employees remain a top priority.

As our population increases and reliance on transit continues to grow, Pierce Transit will continue to make the best use of available funds, we will continue our efforts to better align services based on customer needs and demands and to ensure that the funds entrusted to Pierce Transit are used in the most effective and efficient manner possible.

A handwritten signature in cursive script, reading "Lynne Griffith".

Lynne Griffith, Chief Executive Officer



## 2014 BUDGET MESSAGE

### In brief:

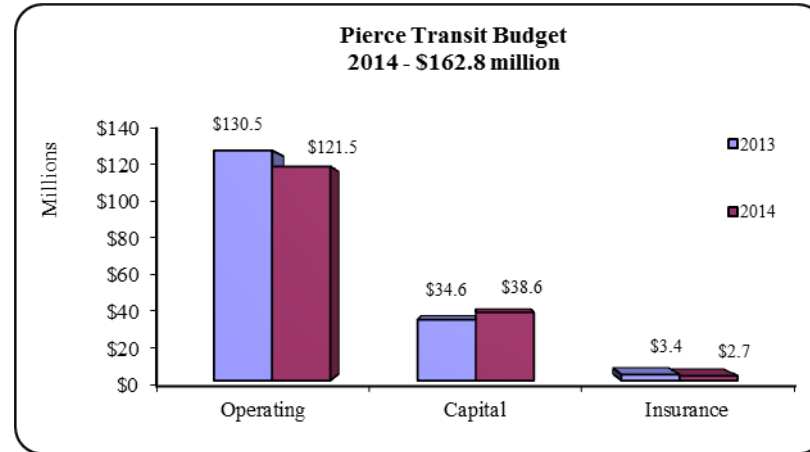
The 2014 preliminary balanced budget totals \$162,764,471. Internal transfers are \$1,339,935 resulting in a net budget of \$161,424,536.

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

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

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

### Agency Budget Summary



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

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

The insurance budget for administering self-insurance programs includes projected revenues for interest earnings on the insurance fund balance and transfers from the operating fund. Insurance expenditures include professional services, workers' compensation benefits, unemployment costs, and self-insured liability claims prior to 2010.

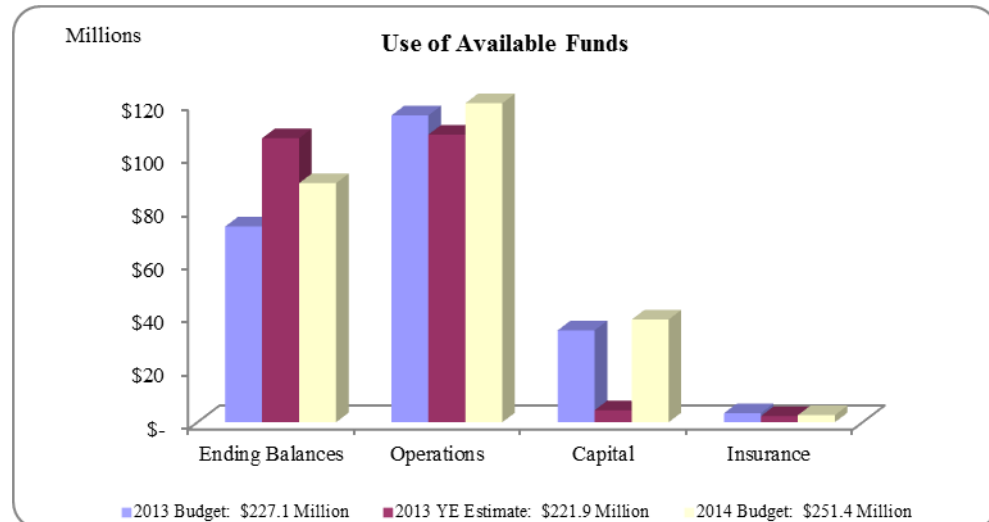
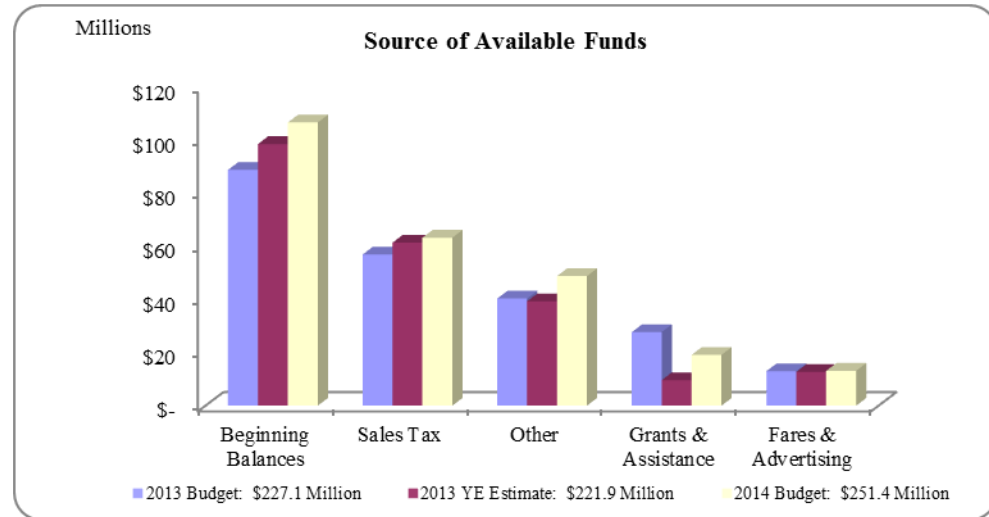


## 2014 BUDGET MESSAGE

A comparison of revenues and expenditures including beginning balances and ending balances for the total Agency 2013 Amended Budget, the 2013 Year-End Estimates, and the 2014 Budget is shown.

The change in 2014 other revenues is primarily due to projected reimbursement from Sound Transit for regional service.

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





## 2014 BUDGET MESSAGE

### In brief:

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

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

Operating Expenditures – Funds paid for providing transportation services.

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

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

### Operating Budget

The 2014 operating revenues of \$130,275,362 support the operating expenditures of \$119,264,193, non-operating expenditures of \$860,300, and operating transfers of \$1,339,935. Operating transfers support the self-insurance and capital programs. The net change in reserves is \$8,810,934. The operating budget revenue for 2014 is increasing by 8.6% and operating expenditures are increasing 4.1% from the 2013 Amended Budget.

|                            | 2013<br>Amended<br>Budget | 2013<br>Year-End<br>Estimate | 2014<br>Budget | Budget to Budget Change |      |
|----------------------------|---------------------------|------------------------------|----------------|-------------------------|------|
|                            |                           |                              |                | Amount                  | %    |
| Operating Revenues         | \$ 119,957,794            | \$ 118,041,647               | \$ 130,275,362 | \$ 10,317,568           | 8.6% |
| Operating Expenditures     | (114,568,936)             | (107,658,619)                | (119,264,193)  | 4,695,257               | 4.1% |
|                            | 5,388,858                 | 10,383,028                   | 11,011,169     |                         |      |
| Non-Operating Expenditures | (860,300)                 | (563,550)                    | (860,300)      |                         |      |
| Operating Transfers        | (15,090,749)              | (15,090,749)                 | (1,339,935)    |                         |      |
| Net Change - Reserves      | \$ (10,562,191)           | \$ (5,271,271)               | \$ 8,810,934   |                         |      |

2014 Non-Operating Expenditures include the payment of \$860,300 for the Pierce County Agreement grant exchange funds.



## 2014 BUDGET MESSAGE

### In brief:

The type of revenue and percent change from 2013 Amended Budget are provided in the table and briefly explained as follows.

### Explanation of Change:

Fares – service changes  
ridership projections

Advertising – advertising demand  
service changes

Sound Transit – reimbursement rate  
services provided

Sales Tax – estimated revenue

Interest – investment balance  
interest rates

Other – salvage sales  
projected property sales

Operating Contributions – grants

### Operating Revenues

|                         | 2013<br>Amended<br>Budget | 2013<br>Year-End<br>Estimate | 2014<br>Budget        | Budget to Budget Change |             |
|-------------------------|---------------------------|------------------------------|-----------------------|-------------------------|-------------|
|                         |                           |                              |                       | Amount                  | %           |
| Operating Income        |                           |                              |                       |                         |             |
| Fares                   | \$ 12,317,655             | \$ 12,048,723                | \$ 12,429,612         | \$ 111,957              | 0.9%        |
| Advertising             | 690,000                   | 690,000                      | 725,000               | 35,000                  | 5.1%        |
| Sound Transit           | 33,888,591                | 34,549,345                   | 38,330,681            | 4,442,090               | 13.1%       |
| Non-Operating Income    |                           |                              |                       |                         |             |
| Sales Tax               | 57,003,863                | 61,503,864                   | 63,348,980            | 6,345,117               | 11.1%       |
| Preventive Maintenance  | 6,254,458                 | 6,254,458                    | 6,254,458             | -                       | 0.0%        |
| Interest                | 85,669                    | 136,278                      | 137,961               | 52,292                  | 61.0%       |
| Other                   | 6,024,429                 | 1,032,725                    | 5,312,885             | (711,544)               | -11.8%      |
| Operating Contributions | 3,693,129                 | 1,826,254                    | 3,735,785             | 42,656                  | 1.2%        |
|                         | <u>\$ 119,957,794</u>     | <u>\$ 118,041,647</u>        | <u>\$ 130,275,362</u> | <u>\$ 10,317,568</u>    | <u>8.6%</u> |

Fares - Revenues are estimated based on ridership and average fare per boarding projections. Pierce Transit ridership is expected to decline. There is a projected fare increase included in the 2014 Budget revenue. The last adult fare increase was November, 2010. The increase was \$.25 for the local adult fare from \$1.75 to \$2.00. There was no increase for senior/disabled, youth or specialized transportation (SHUTTLE) riders. The prior fare increase was January 1, 2009.

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



## 2014 BUDGET MESSAGE

Sound Transit - Pierce Transit is under contract with Sound Transit to provide regional express services. Sound Transit reimbursement represents 29% of operating budget revenue. For 2014, Sound Transit is increasing service hours 18.1% from 259,098 to 305,899. The rate of reimbursement is a negotiated rate. Sound Transit also reimbursed for their share of costs associated with the Tacoma Dome Station, security, liability insurance, and special services.

Sales Tax - A Public Transportation Improvement Conference (PTIC) as outlined by RCW 36.57A.020 was convened in 2012. As a result of the PTIC process, Pierce Transit's service and taxing area were changed. The cities of Bonney Lake, Buckley, Dupont, Orting and Sumner as well as portions of unincorporated Pierce County opted out of Pierce Transit's taxing and service area. The approved delineation and the new composition of the Board of Commissioners became effective on May 8, 2012. Taxing authority in the areas that were removed ended in October of 2012. The financial impact was projected to be a loss of \$8 million annually. The sales tax projections for 2013 and 2014 are therefore based on estimates, revised taxing areas, and economic conditions. The 2013 year-end estimate includes approximately an 8% increase over 2013 Budget estimates. The 2014 Budget reflects a three percent change from the 2013 year-end estimate. Sales tax represents 73% of the operating budget revenue excluding Sound Transit and a one-time sale of property.

Preventive Maintenance - This source is Federal Transit Administration (FTA) 5307 Preventive Maintenance dollars of \$6,254,458 for 2014 authorized under the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21, Public Law 112-141), signed into law by President Obama on July 6, 2012. It extended the prior law (SAFETEA-LU) through September 30, 2012 and put MAP-21 into full effect on October 1, 2012. This authorizes programs for two years, through September 30, 2014.

Interest - Interest revenue estimates are based on investment balances and projected interest rates. Interest rates and available funds to invest have increased slightly during 2013 resulting in increased interest revenue in 2014.





## 2014 BUDGET MESSAGE

Other - This revenue category includes revenue received from parking fees at the Tacoma Dome Station, revenue from the sale of vehicles at the end of their useful life, and miscellaneous sources. The decrease in 2014 is primarily due to the reduction of the alternative fuel tax credit.

Operating Contributions - Included in the Operating Contributions are grants with Pierce County and the City of Tacoma for \$119,219 for Commute Trip Reduction (CTR) administration and Pierce County Employer Services Programs. A Washington State Department of Transportation Regional Mobility Grant for Pacific Avenue peak hour service expansion is included for \$1,105,601. Also included is a Homeland Security FEMA grant for \$350,000 to conduct a transit security full scale exercise. The remainder of the funds provide services required by the Americans with Disabilities Act (ADA) through an agreement with Pierce County for the use of \$1,075,376 in federal formula funds and \$1,085,589 for a Washington Department of Transportation grant for special needs transportation.



## 2014 BUDGET MESSAGE

### In brief:

The 2014 Budget reflects the best use of the projected funds for the effective, efficient, and convenient provision of service to the community.

The type of expenditures and 2014 dollar and percent change from 2013 Amended Budget is provided in the table and is briefly explained as follows.

### Explanation of Change:

Wages –  
contract wage decrease

Benefits –  
health premium increases

Maintenance & Operating (M&O) –  
professional services increase  
purchased insurance increase  
purchased transportation contract

### Operating Expenditures

The focus for 2014 is on the strategic priorities: operational excellence, financial stability, tailored community solutions, public perception, and service allocation. Operating expenses for 2014 are projected to total \$119,264,193 for a 4.1% increase from the 2013 Amended Budget.

The changes from the 2013 Amended Budget to the 2014 Budget are as follows:

|                            | 2013<br>Amended<br>Budget | 2013<br>Year-End<br>Estimate | 2014<br>Budget | Budget to Budget Change |       |
|----------------------------|---------------------------|------------------------------|----------------|-------------------------|-------|
|                            |                           |                              |                | Amount                  | %     |
| Wages                      | \$ 56,044,567             | \$ 53,160,602                | \$ 55,665,496  | \$ (79,071)             | -0.1% |
| Benefits                   | 22,345,341                | 20,901,044                   | 22,847,011     | 501,670                 | 2.2%  |
| M & O                      | 36,179,028                | 33,596,973                   | 40,451,686     | 4,272,658               | 11.8% |
| Total Operations           | 114,568,936               | 107,658,619                  | 119,264,193    | 4,695,257               | 4.1%  |
| Non-Operating Expenditures | 860,300                   | 563,550                      | 860,300        | -                       | 0.0%  |
| Total                      | \$ 115,429,236            | \$ 108,222,169               | \$ 120,124,493 | \$ 4,695,257            | 4.1%  |

Wages - The -0.1% decrease in wages is primarily due to elimination of some contract employee positions. Represented employees are 85% of the total Agency workforce. The current Master Agreement with the transit union is for a three-year period, July 1, 2011 through June 30, 2014. The Master Agreement with the transit security officer union is for a three-year period, May 1, 2011 through April 30, 2014. The 2014 Budget includes 866 positions and 844 full-time equivalents (FTEs). There are no increases in staff positions from the 2013 Budget in the 2014 Budget.



The fuel prices from 2013 Amended Budget and 2014 Budget are shown below.

| Fuel Prices |              |          |                |        |
|-------------|--------------|----------|----------------|--------|
|             | 2013 Amended | 2014     | \$ Change      |        |
|             | Budget       | Budget   | 2014 Budget    |        |
|             |              |          | to 2013        |        |
|             |              |          | Amended Budget |        |
| Unleaded    | \$ 3.300     | \$ 3.300 | \$             | 0.000  |
| Diesel      | \$ 3.500     | \$ 3.500 | \$             | 0.000  |
| CNG         | \$ 0.721     | \$ 0.400 | \$             | -0.321 |

## 2014 BUDGET MESSAGE

Benefits - The increase in benefits of 2.2% or \$501,670 is primarily a result of health premium cost increases. The primary health benefit provider is increasing the premium by 4.18%. The Washington State Public Employees Retirement System (PERS) will decrease the employer contribution rate from 9.21% of eligible wages to 9.03% of eligible wages effective July 1, 2014. However, this has an annualized budget impact from 8.20% in the 2013 Amended Budget to 9.12% in the 2014 Budget.

Maintenance and Operations - The 2013 Maintenance and Operations (M&O) Budget is \$40,451,486. This is an increase of \$4,272,658 or 11.8% higher than the 2013 Amended Budget. The increase is to support the strategic priorities in business development for demonstration projects and system strategy, Sound Transit service increased reimbursable costs, and project management projects, purchased transportation contract costs, purchased insurance costs, utility increases, and repair and maintenance costs.

Fuel - Fuel costs, representing approximately 6% of the operating budget, are decreasing \$28,022. Compressed Natural Gas (CNG) comprises 10% of the fuel costs. This is down from 21% of the fuel costs due to a significant CNG contract price decrease. The Pierce Transit fleet is nearly 100% CNG powered and Sound Transit fleet is primarily diesel powered. The diesel and unleaded costs are estimated based on the best information available. A majority of diesel costs are reimbursed by Sound Transit.

Non-Operating Expenditures - 2014 Non-Operating Expenditures include the payment of \$860,300 for the Pierce County Agreement grant exchange funds.



## 2014 BUDGET MESSAGE

### In brief:

#### Itemization of Budgetary Changes

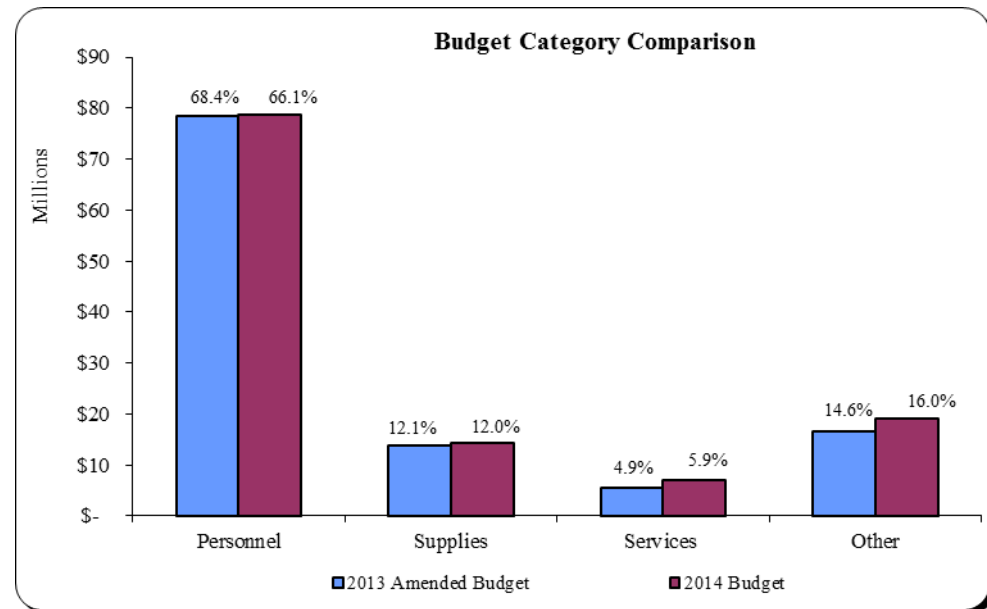
The 2014 total operating budget is 4.1% above the 2013 Amended Budget. An itemization of this increase is shown in the following chart.

#### Itemization of Budgetary Changes

| Category                 | % Change    |
|--------------------------|-------------|
| Wages                    | -0.1%       |
| Benefits                 | 0.4%        |
| Services                 | 1.2%        |
| Supplies                 | 0.4%        |
| Fuel                     | 0.0%        |
| Repairs & Maintenance    | 0.1%        |
| Rentals                  | 0.1%        |
| Utilities                | 0.1%        |
| Purchased Transportation | 0.7%        |
| Insurance                | 0.4%        |
| Other                    | 0.7%        |
| <b>Total</b>             | <b>4.1%</b> |

### Budget category comparison

As shown in the graph below, the operating budget categories are similar in the years shown. Personnel costs are approximately 66%, supplies 12%, services 6%, and other 16% of the operating budget.





### In brief:

The 2014 Capital Budget is comprised of the following categories.

#### Revenue Vehicles – 29%

*Provide customers a comfortable and reliable mode of transportation*

#### Passenger Facilities & Amenities – 19%

*Serve as the front door to the transit system*

#### Base Facilities – 7%

*Support the efficiency of the Agency*

#### Technology – 40%

*Improve information and services to the public*

#### Other – 5%

*Maintain equipment*

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

## 2014 BUDGET MESSAGE

### Capital

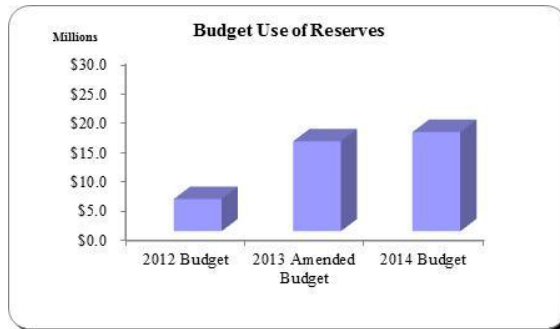
The Capital Budget presents the revenues and expenditures associated with capital development and acquisition. It includes funds for budgeted replacement vehicles, capital planning for the efficient use of base facilities, maintenance equipment, and off-site improvements. These items are distinguished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

Capital projects for 2014 are budgeted at \$38,626,043. Approved but unspent projects are carried over to the following budget year. The 2014 Budget contains approximately \$24.3 million of prior year budgeted funds (carryover). Expenditures are supported by \$14.2 million in grant revenue primarily from the Federal Transit Administration, Sound Transit, and the WSDOT Regional Mobility grant program. Operating costs or anticipated savings associated with significant non-routine capital expenditures such as personnel, maintenance, and utility costs have been included in the operating budgets of the responsible department.

|   | Carryover            | New                  | Total                |
|---|----------------------|----------------------|----------------------|
| <b>Revenue Vehicles</b>   | \$ 8,786,581         | \$ 2,516,801         | \$ 11,303,382        |
| (Bus - 6 replacement/2 expansion, Vanpool -80 replacement/10 expansion, Shuttle Vehicles - 66 replacement)  |                      |                      |                      |
| <b>Passenger Facilities and Amenities</b>   | 5,926,040            | 1,464,850            | 7,390,890            |
| (Parkland Transit Center, Tacoma Dome Station, G Street, 112th Street & Pacific Ave., Tacoma Comm. College Transit Center)  |                      |                      |                      |
| <b>Base Facilities</b>  | 2,333,387            | 254,752              | 2,588,139            |
| (Building 4)  |                      |                      |                      |
| <b>Technology</b>   | 6,092,683            | 9,152,356            | 15,245,039           |
| (Fare Box Replacement, Maintenance Mgmt. System, CAD/AVL Update, Radio Subscriber Replacement, Building 5 Audio Visual System, Cameras on Buses, Server and Infrastructure Replacement) |                      |                      |                      |
| <b>Other</b>  | 1,147,071            | 951,522              | 2,098,593            |
| (Support Vehicles, Maintenance, Admin. and Shop Equipment, Downtown Tacoma Signal Priority, Ticket Vending Machine)   |                      |                      |                      |
|   | <u>\$ 24,285,762</u> | <u>\$ 14,340,281</u> | <u>\$ 38,626,043</u> |



## 2014 BUDGET MESSAGE



### Insurance

The 2013 Budget of \$2,674,000 reflects a decrease of \$751,000 from the 2013 Amended Budget of \$3,425,000. This is a result of Unemployment costs projected to decrease \$850,000 or 85% due to nonrecurring expenses from prior years' layoffs. Workers' Compensation costs are projected to increase by 3.9% as a result of workers' compensation claims. Third Party Liability costs are projected to increase by 4.7% from 2013 as a result of the settlement and close out of self-insured liability claims. The Agency began purchasing liability insurance as of January 2010.

### Ending Balances

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

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

Capital reserve - 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

Insurance reserve - a level adequate to protect the agency from self-insurance claims (currently \$1 million).

### Conclusion

The 2014 Budget will focus on the strategic priorities adopted by the Board of Commissioners and continues to provide quality transportation services.





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

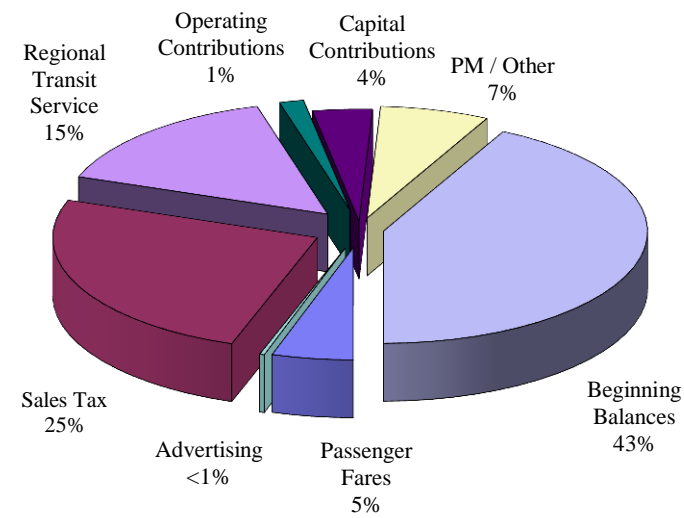
## **2014 Budget Budget Summary**



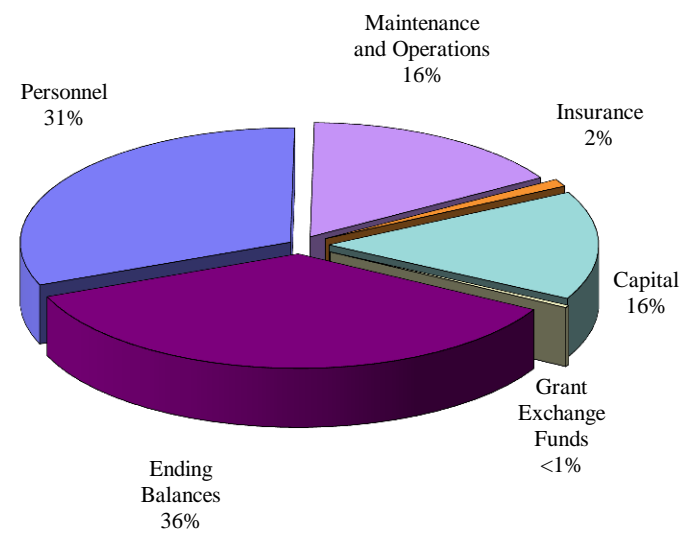




## Revenues



## Expenditures



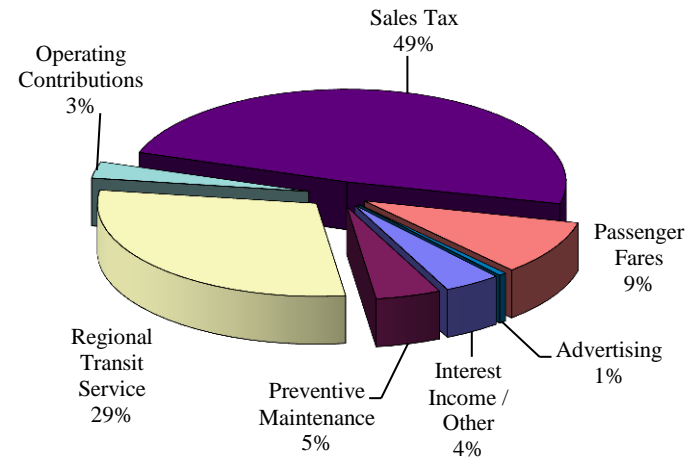
## 2014 BUDGET OVERALL SUMMARY

|  | 2012<br>YEAR-END<br>ACTUALS | 2013<br>AMENDED<br>BUDGET | 2013<br>YEAR-END<br>ESTIMATE | 2014<br>BUDGET       | % CHANGE<br>2014 BUDGET TO<br>2013 BUDGET |
|--|-----------------------------|---------------------------|------------------------------|----------------------|---|
| <b>REVENUES</b>                          |                             |                           |                              |                      |   |
| <b>OPERATING INCOME</b>                  |                             |                           |                              |                      |   |
| Passenger Fares                          | \$12,219,240                | \$12,317,655              | \$12,048,723                 | \$12,429,612         | 0.9%                                      |
| Advertising                              | 658,345                     | 690,000                   | 690,000                      | 725,000              | 5.1%                                      |
| Regional Transit Service (Sound Transit) | 31,666,382                  | 33,888,591                | 34,549,345                   | 38,330,681           | 13.1%                                     |
| <b>NON-OPERATING INCOME</b>              |                             |                           |                              |                      |   |
| Sales Tax                                | 65,190,106                  | 57,003,863                | 61,503,864                   | 63,348,980           | 11.1%                                     |
| Preventive Maintenance                   | 7,730,070                   | 6,254,458                 | 6,254,458                    | 6,254,458            | 0.0%                                      |
| Other                                    | 4,440,853                   | 6,495,310                 | 4,809,269                    | 10,535,137           | 62.2%                                     |
| <b>CONTRIBUTIONS</b>                     |                             |                           |                              |                      |   |
| Operating                                | 2,318,337                   | 3,693,129                 | 1,826,254                    | 3,735,785            | 1.2%                                      |
| Capital                                  | 2,471,315                   | 17,786,727                | 1,531,200                    | 9,169,622            | -48.4%                                    |
| <b>REVENUES</b>                          | <b>126,694,648</b>          | <b>138,129,733</b>        | <b>123,213,113</b>           | <b>144,529,275</b>   | <b>4.6%</b>                               |
| <b>BEGINNING BALANCES</b>                |                             |                           |                              |                      |   |
| Working Cash                             | 62,341,745                  | 67,855,153                | 75,889,339                   | 70,618,068           | 4.1%                                      |
| Insurance                                | 2,788,383                   | 795,530                   | 1,050,632                    | 2,303,107            | 189.5%                                    |
| Capital Reserve                          | 25,717,429                  | 20,285,985                | 21,748,469                   | 33,906,267           | 67.1%                                     |
| <b>BEGINNING BALANCES</b>                | <b>90,847,557</b>           | <b>88,936,668</b>         | <b>98,688,440</b>            | <b>106,827,442</b>   | <b>20.1%</b>                              |
| <b>TOTAL REVENUES AND BALANCES</b>       | <b>\$217,542,205</b>        | <b>\$227,066,401</b>      | <b>\$221,901,553</b>         | <b>\$251,356,717</b> | <b>10.7%</b>                              |
| <b>EXPENDITURES</b>                      |                             |                           |                              |                      |   |
| <b>OPERATING EXPENDITURES</b>            |                             |                           |                              |                      |   |
| Personnel                                | \$74,523,663                | \$78,389,908              | \$74,061,646                 | \$78,812,507         | 0.5%                                      |
| Maintenance and Operations               | 34,774,937                  | 36,179,028                | 33,596,973                   | 40,451,686           | 11.8%                                     |
| Insurance                                | 2,958,583                   | 3,425,000                 | 2,330,300                    | 2,674,000            | -21.9%                                    |
| <b>NON-OPERATING EXPENDITURES</b>        |                             |                           |                              |                      |   |
| Debt Service                             | -                           | -                         | -                            | -                    | 0.0%                                      |
| Grant Exchange Funds                     | 884,000                     | 860,300                   | 563,550                      | 860,300              | 0.0%                                      |
| <b>CAPITAL EXPENDITURES</b>              |                             |                           |                              |                      |   |
| Capital                                  | 6,540,446                   | 34,595,773                | 4,521,642                    | 38,626,043           | 11.6%                                     |
| <b>EXPENDITURES</b>                      | <b>119,681,629</b>          | <b>153,450,009</b>        | <b>115,074,111</b>           | <b>161,424,536</b>   | <b>5.2%</b>                               |
| <b>ENDING BALANCES</b>                   |                             |                           |                              |                      |   |
| Working Cash                             | 75,061,474                  | 57,292,962                | 70,618,068                   | 79,429,002           | 38.6%                                     |
| Insurance                                | 1,050,632                   | 1,000,000                 | 2,303,107                    | 1,000,000            | 0.0%                                      |
| Capital Reserve                          | 21,748,470                  | 15,323,430                | 33,906,267                   | 9,503,179            | -38.0%                                    |
| <b>ENDING BALANCES</b>                   | <b>97,860,576</b>           | <b>73,616,392</b>         | <b>106,827,442</b>           | <b>89,932,181</b>    | <b>22.2%</b>                              |
| <b>TOTAL EXPENDITURES AND BALANCES</b>   | <b>\$217,542,205</b>        | <b>\$227,066,401</b>      | <b>\$221,901,553</b>         | <b>\$251,356,717</b> | <b>10.7%</b>                              |

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



## Operating Revenues

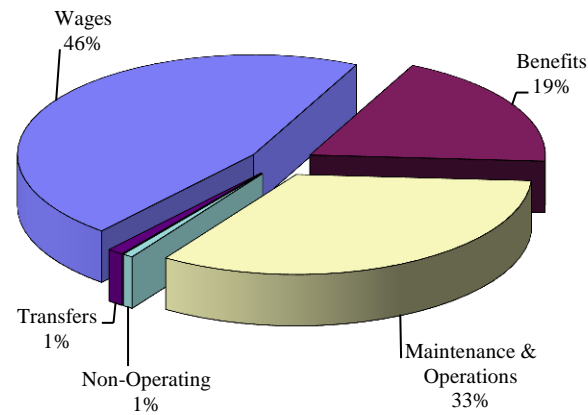


## 2014 BUDGET OPERATING SUMMARY - REVENUES

|   | 2012<br>YEAR-END<br>ACTUALS | 2013<br>AMENDED<br>BUDGET | 2013<br>YEAR-END<br>ESTIMATE | 2014<br>BUDGET       | % CHANGE<br>2014 BUDGET TO<br>2013 BUDGET |
|---|-----------------------------|---------------------------|------------------------------|----------------------|---|
| <b>OPERATING REVENUES</b>                                 |                             |                           |                              |                      |   |
| <b>OPERATING INCOME</b>                                   |                             |                           |                              |                      |   |
| Passenger Fares   | \$12,219,240                | \$12,317,655              | \$12,048,723                 | \$12,429,612         | 0.9%                                      |
| Advertising   | 658,345                     | 690,000                   | 690,000                      | 725,000              | 5.1%                                      |
| Regional Transit Service (Sound Transit)                  |                             |                           |                              |                      |   |
| Express Reimbursement                                     | 24,127,957                  | 33,240,391                | 33,901,145                   | 37,682,481           | 13.4%                                     |
| TDS Reimbursement   | 668,998                     | 408,200                   | 408,200                      | 408,200              | 0.0%                                      |
| Special Service Reimbursement                             | 282,705                     | 200,000                   | 200,000                      | 200,000              | 0.0%                                      |
| Other Reimbursement                                       | 6,586,722                   | 40,000                    | 40,000                       | 40,000               | 0.0%                                      |
| <b>OPERATING INCOME</b>                                   | <b>44,543,967</b>           | <b>46,896,246</b>         | <b>47,288,068</b>            | <b>51,485,293</b>    | <b>9.8%</b>                               |
| <b>NON-OPERATING INCOME</b>                               |                             |                           |                              |                      |   |
| Sales Tax   | 65,190,106                  | 57,003,863                | 61,503,864                   | 63,348,980           | 11.1%                                     |
| Preventive Maintenance                                    | 7,730,070                   | 6,254,458                 | 6,254,458                    | 6,254,458            | 0.0%                                      |
| Interest Income   | 137,961                     | 85,669                    | 136,278                      | 137,961              | 61.0%                                     |
| Other   | 4,184,224                   | 6,024,429                 | 1,032,725                    | 5,312,885            | -11.8%                                    |
| <b>NON-OPERATING INCOME</b>                               | <b>77,242,361</b>           | <b>69,368,419</b>         | <b>68,927,325</b>            | <b>75,054,284</b>    | <b>8.2%</b>                               |
| <b>OPERATING CONTRIBUTIONS</b>                            |                             |                           |                              |                      |   |
| CTR / Vanpool Assistance                                  | 126,041                     | 149,998                   | 104,698                      | 119,219              | -20.5%                                    |
| Grant Exchange Funds                                      | 1,105,000                   | 1,075,376                 | 704,437                      | 1,075,376            | 0.0%                                      |
| Operating Grants - Other                                  | -                           | 1,455,600                 | -                            | 1,455,601            | 0.0%                                      |
| Special Needs Transportation Grant                        | 1,087,296                   | 1,012,155                 | 1,017,119                    | 1,085,589            | 7.3%                                      |
| <b>OPERATING CONTRIBUTIONS</b>                            | <b>2,318,337</b>            | <b>3,693,129</b>          | <b>1,826,254</b>             | <b>3,735,785</b>     | <b>1.2%</b>                               |
| <b>TOTAL OPERATING REVENUES</b>                           | <b>124,104,665</b>          | <b>119,957,794</b>        | <b>118,041,647</b>           | <b>130,275,362</b>   | <b>8.6%</b>                               |
| BEGINNING BALANCE   | 62,341,745                  | 67,855,153                | 75,889,339                   | 70,618,068           | 4.1%                                      |
| <b>TOTAL OPERATING REVENUES<br/>AND BEGINNING BALANCE</b> | <b>\$186,446,410</b>        | <b>\$187,812,947</b>      | <b>\$193,930,986</b>         | <b>\$200,893,430</b> | <b>7.0%</b>                               |



## Operating Expenditures & Transfers

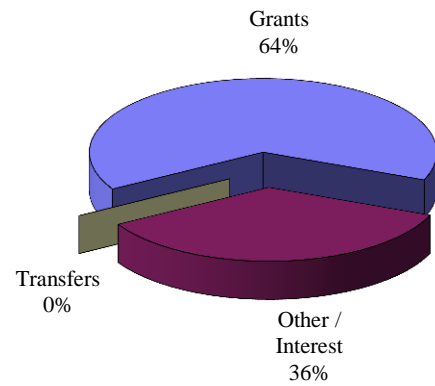


## 2014 BUDGET OPERATING SUMMARY - EXPENDITURES

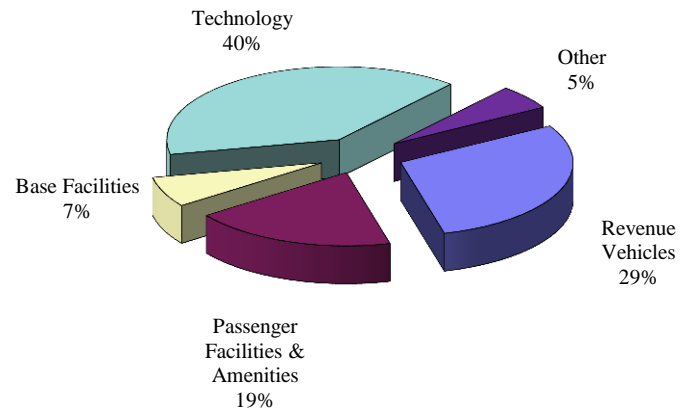
|  | 2012<br>YEAR-END<br>ACTUALS | 2013<br>AMENDED<br>BUDGET | 2013<br>YEAR-END<br>ESTIMATE | 2014<br>BUDGET       | % CHANGE<br>2014 BUDGET TO<br>2013 BUDGET |
|--|-----------------------------|---------------------------|------------------------------|----------------------|---|
| <b>OPERATING EXPENDITURES</b>                          |                             |                           |                              |                      |   |
| <b>OPERATING</b>                                       |                             |                           |                              |                      |   |
| <b>PERSONNEL</b>                                       |                             |                           |                              |                      |   |
| Wages  | \$53,623,629                | \$56,044,567              | \$53,160,602                 | \$55,965,496         | -0.1%                                     |
| Benefits   | 20,900,034                  | 22,345,341                | 20,901,044                   | 22,847,011           | 2.2%                                      |
| <b>PERSONNEL</b>                                       | <b>74,523,663</b>           | <b>78,389,908</b>         | <b>74,061,646</b>            | <b>78,812,507</b>    | <b>0.5%</b>                               |
| <b>MAINTENANCE &amp; OPERATIONS</b>                    |                             |                           |                              |                      |   |
| Supplies   | 14,382,701                  | 13,880,848                | 12,596,269                   | 14,344,477           | 3.3%                                      |
| Services   | 4,005,557                   | 5,613,354                 | 4,368,023                    | 7,025,487            | 25.2%                                     |
| Insurance (Purchased)                                  | 1,784,401                   | 1,975,000                 | 2,394,191                    | 2,457,000            | 24.4%                                     |
| Utilities  | 1,225,993                   | 1,460,142                 | 1,497,976                    | 1,522,476            | 4.3%                                      |
| Repairs  | 476,279                     | 597,534                   | 360,875                      | 702,552              | 17.6%                                     |
| Rentals  | 307,215                     | 230,104                   | 353,060                      | 389,445              | 69.2%                                     |
| Purchased Transportation                               | 7,839,620                   | 7,406,298                 | 7,129,783                    | 8,244,499            | 11.3%                                     |
| Other  | 4,753,171                   | 5,015,748                 | 4,896,796                    | 5,765,750            | 15.0%                                     |
| <b>MAINTENANCE &amp; OPERATIONS</b>                    | <b>34,774,937</b>           | <b>36,179,028</b>         | <b>33,596,973</b>            | <b>40,451,686</b>    | <b>11.8%</b>                              |
| <b>OPERATING EXPENDITURES</b>                          | <b>109,298,600</b>          | <b>114,568,936</b>        | <b>107,658,619</b>           | <b>119,264,193</b>   | <b>4.1%</b>                               |
| <b>NON-OPERATING EXPENDITURES</b>                      |                             |                           |                              |                      |   |
| Debt Service   | -                           | -                         | -                            | -                    | 0.0%                                      |
| Grant Exchange Funds                                   | 884,000                     | 860,300                   | 563,550                      | 860,300              | 0.0%                                      |
| <b>NON-OPERATING EXPENDITURES</b>                      | <b>884,000</b>              | <b>860,300</b>            | <b>563,550</b>               | <b>860,300</b>       | <b>0.0%</b>                               |
| <b>TOTAL EXPENDITURES</b>                              | <b>110,182,600</b>          | <b>115,429,236</b>        | <b>108,222,169</b>           | <b>120,124,493</b>   | <b>4.1%</b>                               |
| <b>TRANSFERS</b>                                       |                             |                           |                              |                      |   |
| Liability and Other Insurance Transfer                 | 1,596,918                   | 1,878,443                 | 1,878,443                    | (480,918)            | -125.6%                                   |
| Workers' Comp. Transfer                                | (394,582)                   | 1,698,433                 | 1,698,433                    | 1,820,853            | 7.2%                                      |
| Capital Reserve  | -                           | 11,513,873                | 11,513,873                   | -                    | -100.0%                                   |
| <b>TRANSFERS</b>                                       | <b>1,202,336</b>            | <b>15,090,749</b>         | <b>15,090,749</b>            | <b>1,339,935</b>     | <b>-91.1%</b>                             |
| <b>TOTAL EXPENDITURES AND TRANSFERS</b>                | <b>111,384,936</b>          | <b>130,519,985</b>        | <b>123,312,918</b>           | <b>121,464,428</b>   | <b>-6.9%</b>                              |
| ENDING BALANCE   | 75,061,474                  | 57,292,962                | 70,618,068                   | 79,429,002           | 38.6%                                     |
| <b>TOTAL OPERATING EXPENDITURES AND ENDING BALANCE</b> | <b>\$186,446,410</b>        | <b>\$187,812,947</b>      | <b>\$193,930,986</b>         | <b>\$200,893,430</b> | <b>7.0%</b>                               |



## Capital Revenues & Transfers



## Capital Expenditures

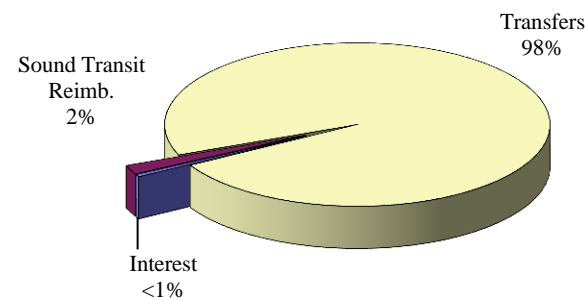


## 2014 BUDGET CAPITAL SUMMARY

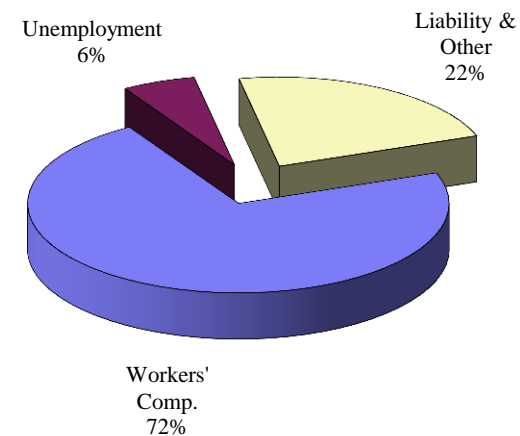
|  | 2012<br>YEAR-END<br>ACTUALS | 2013<br>AMENDED<br>BUDGET | 2013<br>YEAR-END<br>ESTIMATE | 2014<br>BUDGET      | % CHANGE<br>2014 BUDGET TO<br>2013 BUDGET |
|--|-----------------------------|---------------------------|------------------------------|---------------------|---|
| <b>CAPITAL REVENUES</b>                                  |                             |                           |                              |                     |   |
| <b>REVENUES</b>  |                             |                           |                              |                     |   |
| Grants   | \$2,471,315                 | \$17,786,727              | \$1,531,200                  | \$9,169,622         | -48.4%                                    |
| Other Capital Revenue / Interest                         | 100,172                     | 332,618                   | 3,634,367                    | 5,053,333           | 1419.3%                                   |
| <b>REVENUE</b>   | <b>2,571,487</b>            | <b>18,119,345</b>         | <b>5,165,567</b>             | <b>14,222,955</b>   | <b>-21.5%</b>                             |
| <b>TRANSFERS</b>   |                             |                           |                              |                     |   |
| Capital Reserve  | -                           | 11,513,873                | 11,513,873                   | -                   | -100.0%                                   |
| <b>TRANSFERS</b>   | <b>-</b>                    | <b>11,513,873</b>         | <b>11,513,873</b>            | <b>-</b>            | <b>-</b>                                  |
| <b>CAPITAL REVENUES</b>                                  | <b>2,571,487</b>            | <b>29,633,218</b>         | <b>16,679,440</b>            | <b>14,222,955</b>   | <b>-52.0%</b>                             |
| <b>BEGINNING BALANCE</b>                                 |                             |                           |                              |                     |   |
| Capital Reserve  | 25,717,429                  | 20,285,985                | 21,748,469                   | 33,906,267          | 67.1%                                     |
| <b>TOTAL CAPITAL REVENUES<br/>AND BEGINNING BALANCE</b>  | <b>\$28,288,916</b>         | <b>\$49,919,203</b>       | <b>\$38,427,909</b>          | <b>\$48,129,222</b> | <b>-3.6%</b>                              |
| <b>CAPITAL EXPENDITURES</b>                              |                             |                           |                              |                     |   |
| <b>CAPITAL ACQUISITION</b>                               |                             |                           |                              |                     |   |
| Revenue Vehicles   | \$2,529,685                 | \$13,551,891              | \$811,240                    | \$11,303,382        | -16.6%                                    |
| Passenger Facilities & Amenities                         | 123,231                     | 6,161,361                 | 223,110                      | 7,390,890           | 20.0%                                     |
| Base Facilities  | 3,031,165                   | 2,503,549                 | 60,000                       | 2,588,139           | 3.4%                                      |
| Technology   | 496,562                     | 11,187,630                | 3,401,167                    | 15,245,039          | 36.3%                                     |
| Other  | 359,803                     | 1,191,342                 | 26,125                       | 2,098,593           | 76.2%                                     |
| <b>CAPITAL EXPENDITURES</b>                              | <b>6,540,446</b>            | <b>34,595,773</b>         | <b>4,521,642</b>             | <b>38,626,043</b>   | <b>11.6%</b>                              |
| <b>ENDING BALANCE</b>                                    |                             |                           |                              |                     |   |
| Capital Reserve  | 21,748,470                  | 15,323,430                | 33,906,267                   | 9,503,179           | -38.0%                                    |
| <b>TOTAL CAPITAL EXPENDITURES<br/>AND ENDING BALANCE</b> | <b>\$28,288,916</b>         | <b>\$49,919,203</b>       | <b>\$38,427,909</b>          | <b>\$48,129,222</b> | <b>-3.6%</b>                              |



## Insurance Revenues & Transfers



## Insurance Expenditures

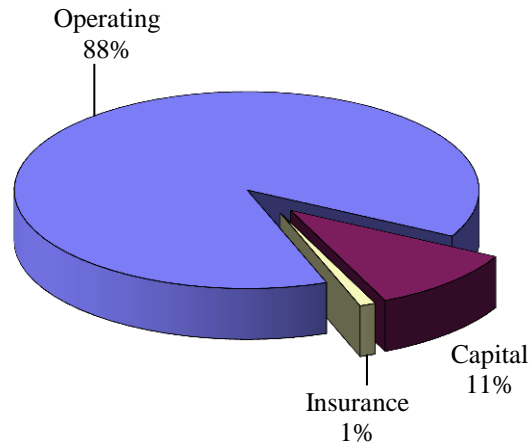


## 2014 BUDGET INSURANCE SUMMARY

|   | 2012<br>YEAR-END<br>ACTUALS | 2013<br>AMENDED<br>BUDGET | 2013<br>YEAR-END<br>ESTIMATE | 2014<br>BUDGET     | % CHANGE<br>2014 BUDGET TO<br>2013 BUDGET |
|---|-----------------------------|---------------------------|------------------------------|--------------------|---|
| <b>INSURANCE REVENUES</b>                                   |                             |                           |                              |                    |   |
| <b>REVENUES</b>   |                             |                           |                              |                    |   |
| Liability Insurance Interest                                | \$2,363                     | \$1,159                   | \$2,407                      | \$2,431            | 109.7%                                    |
| Workers' Comp. Interest                                     | 2,609                       | 1,423                     | 2,657                        | 2,684              | 88.6%                                     |
| Unemployment Insurance Interest                             | 820                         | 12                        | 835                          | 843                | 6925.0%                                   |
| Sound Transit Reimbursement Liability                       | 12,704                      | 50,000                    | -                            | 25,000             | -50.0%                                    |
| <b>REVENUES</b>   | <b>18,496</b>               | <b>52,594</b>             | <b>5,899</b>                 | <b>30,958</b>      | <b>-41.1%</b>                             |
| <b>TRANSFERS</b>  |                             |                           |                              |                    |   |
| Liability Insurance Transfer                                | 353,910                     | 837,486                   | 837,486                      | 663,154            | -20.8%                                    |
| Workers' Comp. Transfer                                     | (394,582)                   | 1,698,433                 | 1,698,433                    | 1,820,853          | 7.2%                                      |
| Unemployment Insurance Transfer                             | 1,243,008                   | 1,040,957                 | 1,040,957                    | (1,144,072)        | -209.9%                                   |
| <b>TRANSFERS</b>  | <b>1,202,336</b>            | <b>3,576,876</b>          | <b>3,576,876</b>             | <b>1,339,935</b>   |   |
| <b>REVENUES AND TRANSFERS</b>                               | <b>1,220,832</b>            | <b>3,629,470</b>          | <b>3,582,775</b>             | <b>1,370,893</b>   | <b>-62.2%</b>                             |
| <b>BEGINNING BALANCES</b>                                   |                             |                           |                              |                    |   |
| Liability Insurance   | 161,816                     | 186,355                   | 26,822                       | 411,415            | 120.8%                                    |
| Workers' Comp. Insurance                                    | 2,785,558                   | 525,144                   | 522,373                      | 473,463            | -9.8%                                     |
| Unemployment Insurance                                      | (158,991)                   | 84,031                    | 501,437                      | 1,418,229          | 1587.7%                                   |
| <b>BEGINNING BALANCES</b>                                   | <b>2,788,383</b>            | <b>795,530</b>            | <b>1,050,632</b>             | <b>2,303,107</b>   | <b>189.5%</b>                             |
| <b>TOTAL INSURANCE REVENUES<br/>AND BEGINNING BALANCES</b>  | <b>\$4,009,215</b>          | <b>\$4,425,000</b>        | <b>\$4,633,407</b>           | <b>\$3,674,000</b> | <b>-17.0%</b>                             |
| <b>INSURANCE EXPENDITURES</b>                               |                             |                           |                              |                    |   |
| Liability and Other Insurance                               | \$503,971                   | \$575,000                 | \$455,300                    | \$602,000          | 4.7%                                      |
| Workers' Comp. Insurance                                    | 1,871,212                   | 1,850,000                 | 1,750,000                    | 1,922,000          | 3.9%                                      |
| Unemployment Insurance                                      | 583,400                     | 1,000,000                 | 125,000                      | 150,000            | -85.0%                                    |
| <b>INSURANCE EXPENDITURES</b>                               | <b>2,958,583</b>            | <b>3,425,000</b>          | <b>2,330,300</b>             | <b>2,674,000</b>   | <b>-21.9%</b>                             |
| <b>ENDING BALANCES</b>                                      |                             |                           |                              |                    |   |
| Liability Insurance   | 26,822                      | 500,000                   | 411,415                      | 500,000            | 21.5%                                     |
| Workers' Comp. Insurance                                    | 522,373                     | 375,000                   | 473,463                      | 375,000            | 0.0%                                      |
| Unemployment Insurance                                      | 501,437                     | 125,000                   | 1,418,229                    | 125,000            | 0.0%                                      |
| <b>ENDING BALANCES</b>                                      | <b>1,050,632</b>            | <b>1,000,000</b>          | <b>2,303,107</b>             | <b>1,000,000</b>   | <b>0.0%</b>                               |
| <b>TOTAL INSURANCE EXPENDITURES<br/>AND ENDING BALANCES</b> | <b>\$4,009,215</b>          | <b>\$4,425,000</b>        | <b>\$4,633,407</b>           | <b>\$3,674,000</b> | <b>-17.0%</b>                             |



## Ending Balances

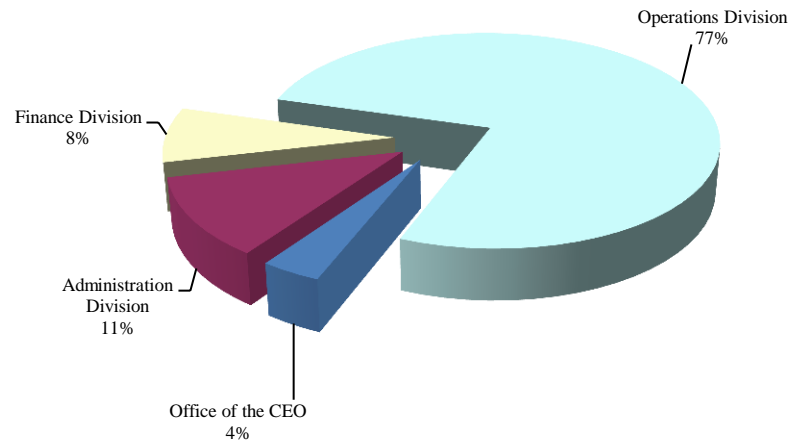


## 2014 BUDGET ENDING BALANCES

|                                   | 2012<br>YEAR-END<br>ACTUALS | 2013<br>AMENDED<br>BUDGET | 2013<br>YEAR-END<br>ESTIMATE | 2014<br>BUDGET      | % CHANGE<br>2014 BUDGET TO<br>2013 BUDGET |
|-----------------------------------|-----------------------------|---------------------------|------------------------------|---------------------|---|
| <b>OPERATING</b>                  |                             |                           |                              |                     |   |
| Revenues                          | \$124,104,665               | \$119,957,794             | \$118,041,647                | \$130,275,362       | 8.6%                                      |
| Less: Expenditures                | (110,182,600)               | (115,429,236)             | (108,222,169)                | (120,124,493)       | 4.1%                                      |
| <b>Subtotal</b>                   | <b>13,922,065</b>           | <b>4,528,558</b>          | <b>9,819,478</b>             | <b>10,150,869</b>   | <b>124.2%</b>                             |
| Plus: Beginning Balance           | 62,341,745                  | 67,855,153                | 75,889,339                   | 70,618,068          | 4.1%                                      |
| Less: Transfers                   |                             |                           |                              |                     |   |
| Capital Reserve                   | -                           | (11,513,873)              | (11,513,873)                 | -                   | -100.0%                                   |
| Insurance                         | (1,202,336)                 | (3,576,876)               | (3,576,876)                  | (1,339,935)         | -62.5%                                    |
| <b>ENDING OPERATING BALANCE</b>   | <b>\$75,061,474</b>         | <b>\$57,292,962</b>       | <b>\$70,618,068</b>          | <b>\$79,429,002</b> | <b>38.6%</b>                              |
| <b>CAPITAL</b>                    |                             |                           |                              |                     |   |
| Revenues                          | \$2,571,487                 | \$18,119,345              | \$5,165,567                  | \$14,222,955        | -21.5%                                    |
| Plus: Transfers                   |                             |                           |                              |                     |   |
| Capital Reserve                   | -                           | 11,513,873                | 11,513,873                   | -                   | -100.0%                                   |
| <b>Subtotal Revenue</b>           | <b>2,571,487</b>            | <b>29,633,218</b>         | <b>16,679,440</b>            | <b>14,222,955</b>   | <b>-52.0%</b>                             |
| Less: Expenditures                | (6,540,446)                 | (34,595,773)              | (4,521,642)                  | (38,626,043)        | 11.6%                                     |
| <b>Subtotal</b>                   | <b>(3,968,959)</b>          | <b>(4,962,555)</b>        | <b>12,157,798</b>            | <b>(24,403,088)</b> | <b>391.7%</b>                             |
| Plus: Beginning Balance           | 25,717,429                  | 20,285,985                | 21,748,469                   | 33,906,267          | 67.1%                                     |
| <b>ENDING CAPITAL BALANCE</b>     | <b>\$21,748,470</b>         | <b>\$15,323,430</b>       | <b>\$33,906,267</b>          | <b>\$9,503,179</b>  | <b>-38.0%</b>                             |
| <b>INSURANCE</b>                  |                             |                           |                              |                     |   |
| Revenues                          | \$18,496                    | \$52,594                  | \$5,899                      | \$30,958            | -41.1%                                    |
| Plus: Transfers                   | 1,202,336                   | 3,576,876                 | 3,576,876                    | 1,339,935           | -62.5%                                    |
| <b>Subtotal Revenue</b>           | <b>1,220,832</b>            | <b>3,629,470</b>          | <b>3,582,775</b>             | <b>1,370,893</b>    | <b>-62.2%</b>                             |
| Less: Expenditures                | (2,958,583)                 | (3,425,000)               | (2,330,300)                  | (2,674,000)         | -21.9%                                    |
| <b>Subtotal</b>                   | <b>(1,737,751)</b>          | <b>204,470</b>            | <b>1,252,475</b>             | <b>(1,303,107)</b>  | <b>-737.3%</b>                            |
| Plus: Beginning Balance           | 2,788,383                   | 795,530                   | 1,050,632                    | 2,303,107           | 189.5%                                    |
| <b>ENDING INSURANCE BALANCE</b>   | <b>\$1,050,632</b>          | <b>\$1,000,000</b>        | <b>\$2,303,107</b>           | <b>\$1,000,000</b>  | <b>0.0%</b>                               |
| <b>GRAND TOTAL - ALL BALANCES</b> | <b>\$97,860,576</b>         | <b>\$73,616,392</b>       | <b>\$106,827,442</b>         | <b>\$89,932,181</b> | <b>22.2%</b>                              |



**Agency Operating Budget**



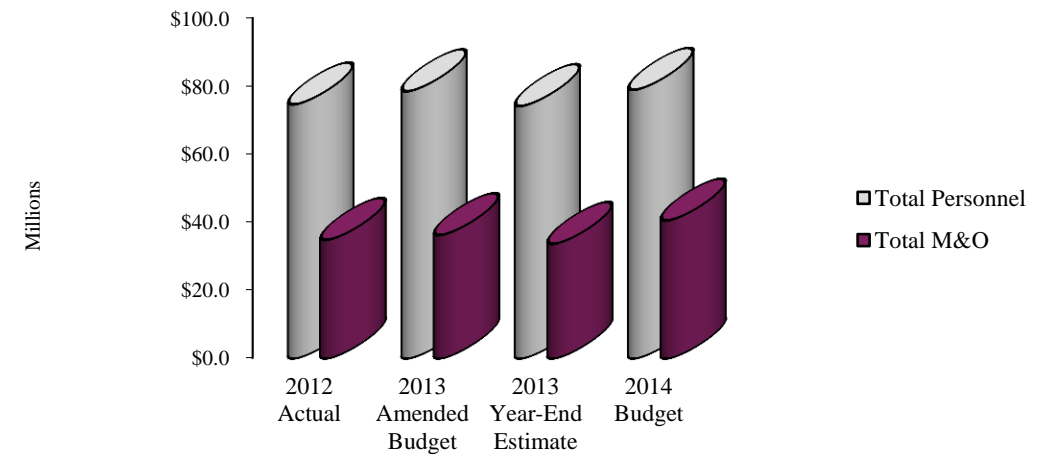
**2014 OPERATING BUDGET  
AGENCY EXPENDITURE COMPARISON**

| Description                       | 2012<br>Actual        | 2013<br>Amended<br>Budget | 2013<br>Year-End<br>Estimate | 2014<br>Budget        | % Change<br>2014 Budget to<br>2013 Budget |
|-----------------------------------|-----------------------|---------------------------|------------------------------|-----------------------|---|
| <b>Personnel</b>                  |                       |                           |                              |                       |   |
| Wages                             | \$ 53,623,629         | \$ 56,044,567             | \$ 53,160,602                | \$ 55,965,496         | -0.14%                                    |
| Benefits                          | 20,900,034            | 22,345,341                | 20,901,044                   | 22,847,011            | 2.25%                                     |
| <b>Personnel</b>                  | <b>74,523,663</b>     | <b>78,389,908</b>         | <b>74,061,646</b>            | <b>78,812,507</b>     | <b>0.54%</b>                              |
| <b>Maintenance and Operations</b> |                       |                           |                              |                       |   |
| Supplies                          | 14,382,701            | 13,880,848                | 12,596,269                   | 14,344,477            | 3.34%                                     |
| Services                          | 4,005,557             | 5,613,354                 | 4,368,023                    | 7,025,487             | 25.16%                                    |
| Insurance                         | 1,784,401             | 1,975,000                 | 2,394,191                    | 2,457,000             | 24.41%                                    |
| Utilities                         | 1,225,993             | 1,460,142                 | 1,497,976                    | 1,522,476             | 4.27%                                     |
| Repairs & Maintenance             | 476,279               | 597,534                   | 360,875                      | 702,552               | 17.58%                                    |
| Rentals                           | 307,215               | 230,104                   | 353,060                      | 389,445               | 69.25%                                    |
| Other                             | 12,039,802            | 11,801,243                | 11,490,376                   | 13,416,046            | 13.68%                                    |
| Repairs & Maint Contract Services | 547,083               | 529,503                   | 517,903                      | 500,403               | -5.50%                                    |
| Other Improvements                | 5,906                 | 91,300                    | 18,300                       | 93,800                | 2.74%                                     |
| <b>Maintenance and Operations</b> | <b>34,774,939</b>     | <b>36,179,028</b>         | <b>33,596,973</b>            | <b>40,451,686</b>     | <b>11.81%</b>                             |
| <b>Total *</b>                    | <b>\$ 109,298,601</b> | <b>\$ 114,568,936</b>     | <b>\$ 107,658,619</b>        | <b>\$ 119,264,193</b> | <b>4.10%</b>                              |

Total FTE's 842.0 842.0 844.0  
Total Positions 866.0 866.0 866.0

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

**Expenditure Summary**









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

## **2014 Budget**

### **Budget Statistics**





**2014 Budget  
Operating Statistics  
All Modes**

|   | <b>2013<br/>Budget</b> | <b>2014<br/>Budget</b> | <b>% Change<br/>2013 - 2014</b> | <b>% of total<br/>fixed route</b> | <b>% of<br/>Agency</b> |
|---|------------------------|------------------------|---------------------------------|-----------------------------------|------------------------|
| <b>Pierce Transit</b>   |                        |                        |                                 |                                   |                        |
| <b>Fixed Route Local &amp; Express</b>  |                        |                        |                                 |                                   |                        |
| Ridership   | 10,943,783             | 10,528,358             | -3.8%                           | 59%                               | 55%                    |
| Service Hours   | 416,911                | 427,717                | 2.6%                            | 58%                               | 40%                    |
| Service Miles   | 4,676,629              | 4,806,782              | 2.8%                            | 39%                               | 24%                    |
| <b>Sound Transit</b>  |                        |                        |                                 |                                   |                        |
| <b>Fixed Route Express</b>  |                        |                        |                                 |                                   |                        |
| Ridership   | 6,463,096              | 7,463,927              | 15.5%                           | 41%                               | 39%                    |
| Service Hours   | 259,098                | 305,899                | 18.1%                           | 42%                               | 29%                    |
| Service Miles   | 6,332,649              | 7,622,994              | 20.4%                           | 61%                               | 38%                    |
| <b>Total Fixed Route (Pierce Transit &amp; Sound Transit)</b>                                 |                        |                        |                                 |                                   |                        |
| Ridership   | 17,406,879             | 17,992,285             | 3.4%                            |                                   | 93%                    |
| Service Hours   | 676,009                | 733,616                | 8.5%                            |                                   | 69%                    |
| Service Miles   | 11,009,278             | 12,429,776             | 12.9%                           |                                   | 61%                    |
| <b>SHUTTLE</b>  |                        |                        |                                 |                                   |                        |
| Ridership   | 350,625                | 384,725                | 9.7%                            |                                   | 2%                     |
| Service Hours   | 173,238                | 186,566                | 7.7%                            |                                   | 17%                    |
| Service Miles   | 2,406,321              | 2,768,476              | 15.1%                           |                                   | 14%                    |
| <b>Vanpool</b>  |                        |                        |                                 |                                   |                        |
| Ridership   | 890,000                | 940,000                | 5.6%                            |                                   | 5%                     |
| Service Hours   | 143,000                | 147,000                | 2.8%                            |                                   | 14%                    |
| Service Miles   | 5,516,968              | 5,100,000              | -7.6%                           |                                   | 25%                    |
| <b>AGENCY TOTAL (Pierce Transit and Sound Transit Fixed Route,<br/>SHUTTLE &amp; Vanpool)</b> |                        |                        |                                 |                                   |                        |
| Ridership   | 18,647,504             | 19,317,010             | 3.6%                            |                                   |                        |
| Service Hours   | 992,247                | 1,067,182              | 7.6%                            |                                   |                        |
| Service Miles   | 18,932,567             | 20,298,252             | 7.2%                            |                                   |                        |



### In brief:

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

The ethnicity of the workforce is

White – 70%

African American – 19%

Native American – 1%

Asian – 6%

Hispanic – 4%



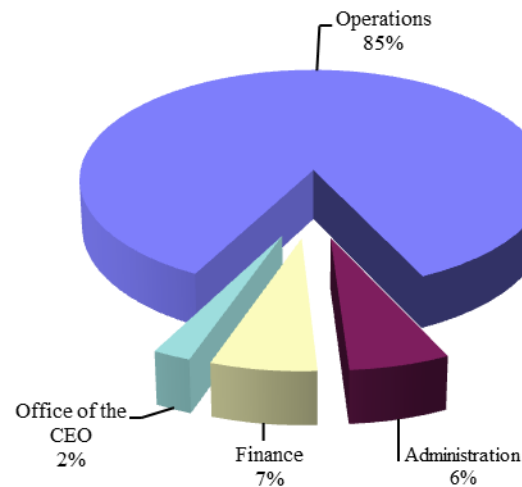
## 2014 BUDGET PERSONNEL SUMMARY

### Personnel Summary

The 2014 Budget includes 866 positions and 844 full-time equivalents (FTEs). There are no increases in staff positions in the 2014 Budget.

The Operations Division, which includes Maintenance personnel, represents 737 or 85% of total positions. The remaining 129 positions or 15% are in the Office of the CEO, Finance Division, and the Administration Division.

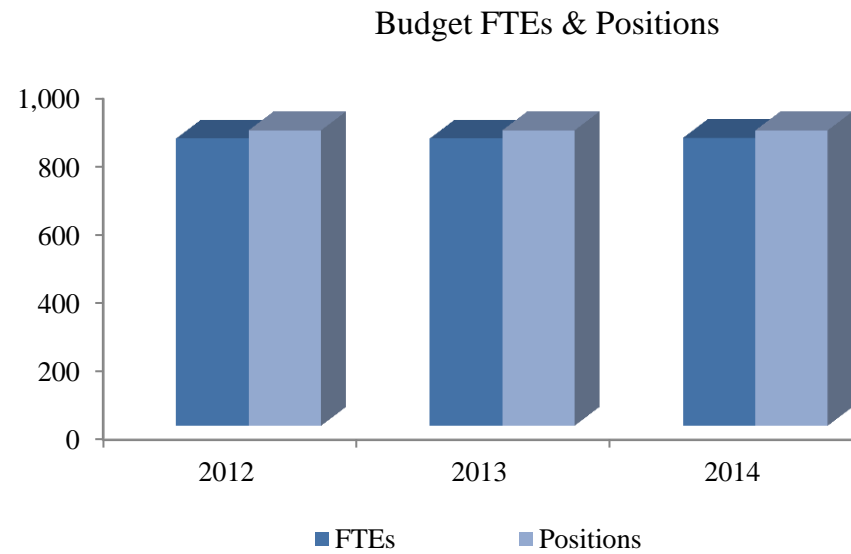
### 2014 Budget Positions





## 2014 BUDGET PERSONNEL SUMMARY

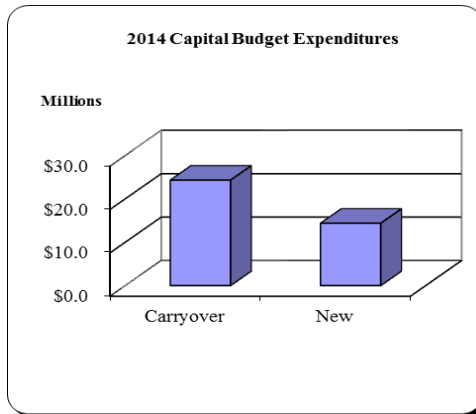
| Budget FTEs    |                |                |                     | Budget Positions |                |                |                     |
|----------------|----------------|----------------|---------------------|------------------|----------------|----------------|---------------------|
| 2012<br>Budget | 2013<br>Budget | 2014<br>Budget | 2014-2013<br>Change | 2012<br>Budget   | 2013<br>Budget | 2014<br>Budget | 2014-2013<br>Change |
| 842.0          | 842.0          | 844.0          | 2.0                 | 866.0            | 866.0          | 866.0          | -                   |





## 2014 BUDGET CAPITAL PROGRAM

### In brief:



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

The 2014 Capital Budget consists of a variety of projects primarily for the replacement and refurbishment of existing equipment and facilities including some multi-year projects that are carried over.

Revenue Vehicles – Pierce Transit currently operates an active fleet of 132 buses, 346 vanpool vans, and 100 SHUTTLE vehicles. Revenue vehicles are replaced on a regular cycle. The replacement schedule meets or exceeds Federal Transit Administration requirements that a vehicle not be removed from service prior to the completion of its useful life. With recent reductions, Pierce Transit has a fixed route fleet with an average age of 7.9 years. The actual replacement of vehicles will be on an as-needed basis and the Agency continues to extend the useful life of vehicles wherever possible.

Passenger Facilities & Amenities – Funds are budgeted for necessary repairs and refurbishments at several locations including Parkland Transit Center, Tacoma Dome Station, and 112<sup>th</sup> and Pacific Avenue. Funds are also budgeted for the possible relocation of the Tacoma Community College Transit Center and the expansion of bus zones on G Street at the Tacoma Dome Station.

Base Facilities – Funds are budgeted for necessary repairs and refurbishments to base facilities and systems.

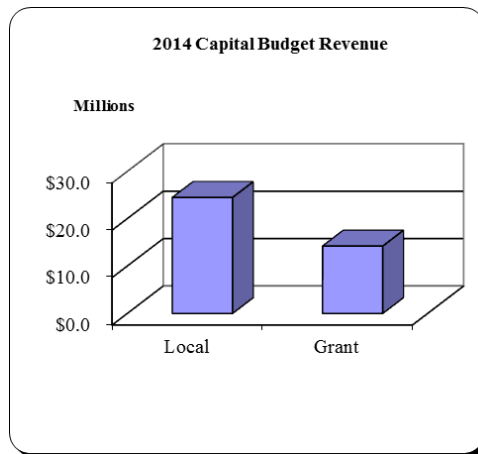
Technology – Funds are budgeted for for maintenance and upgrade of several critical software and systems, as well replacement of infrastructure that has reached the end of its useful life. Some of these projects include the maintenance management system replacement, fare boxes, telephone system, closed-circuit television system, server replacement, limited access control software, radio subscriber equipment, and base security.

Other – Other capital projects include replacement of non-revenue support vehicles (trucks, forklifts, cars, etc.), and maintenance and administrative equipment. Also continuing into 2014 is a grant-funded Transit Signal Priority project in downtown Tacoma that will provide improvements that support both transit and LINK light rail.



Capital projects are funded by

- Local funds
- Grant funds



## 2014 BUDGET CAPITAL PROGRAM

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

Grant funds – Federal grant revenues for 2014 in the capital program are expected to be just over \$12 million and include the following projects:

- Building 4 Modifications \$2 million
- Downtown Tacoma Transit Signal Priority \$.4 million
- Tacoma Dome Station Mid-Life Maintenance \$2.5 million
- Parkland Transit Center \$.2 million
- G Street Bus Zones at Tacoma Dome Station \$.6 million
- Vanpool Replacement \$1 million
- Bus Replacement \$3.5 million
- Fare Box Replacement \$2 million

State Grants and Other Capital Assistance are expected to be just over \$2 million and include the following projects:

- Tacoma Dome Station Mid-Life Maintenance \$.3 million
- 112<sup>th</sup> Street & Pacific/SR-7 Transit Access Modifications \$1.5 million
- Vanpool Expansion \$.3 million

The detailed 2014 Preliminary Capital Budget list follows.





# 2014 CAPITAL BUDGET

|        |  |             |                |                      |   |                             |                            |                 |                          | <u>2014 Project Funding</u> |           |
|--------|--|-------------|----------------|----------------------|---|-----------------------------|----------------------------|-----------------|--------------------------|-----------------------------|-----------|
|        |  |             |                |                      |   |                             |                            |                 |                          | <u>2014 Project Budget</u>  |           |
| Line # | Project Title                                    | Cost Center | Project Number | Total Project Budget | Prior Years Expenditures (through 12/31/2012) | 2013 Estimated Expenditures | 2013 Est. Carryover Amount | New 2014 Amount | Total 2014 Annual Budget | Local                       | Grant     |
| 1      | High Line HR/Payroll System Enhancement          | 121000      | 0307           | 261,622              | 63,900  | -                           | 197,722                    | -               | <b>197,722</b>           | 197,722                     | -         |
| 2      | Performance Management System                    | 126000      | 0380           | 89,995               | -   | 9,995                       | 80,000                     | -               | <b>80,000</b>            | 80,000                      | -         |
| 3      | ORCA (Regional Fare Integration)                 | 243000      | 0364           | 4,944,833            | 4,674,512                                     | 20,000                      | 250,321                    | -               | <b>250,321</b>           | 250,321                     | -         |
| 4      | Ticket Vending Machine Purchase                  | 243000      | TBA            | 109,771              | -   | -                           | -                          | 109,771         | <b>109,771</b>           | 109,771                     | -         |
| 5      | Hastus Update                                    | 262000      | 0354           | 700,165              | 42,030  | 165,066                     | 493,069                    | -               | <b>493,069</b>           | 493,069                     | -         |
| 6      | Adept Version Upgrade                            | 262000      | 0358           | 157,119              | -   | 137,103                     | 20,016                     | -               | <b>20,016</b>            | 20,016                      | -         |
| 7      | Maintenance Management System                    | 262000      | 0359           | 382,364              | 125   | 213,029                     | 169,210                    | -               | <b>169,210</b>           | 169,210                     | -         |
| 8      | Fare Box Replacement 2013                        | 262000      | 0388           | 3,000,000            | -   | -                           | 3,000,000                  | -               | <b>3,000,000</b>         | 929,566                     | 2,070,434 |
| 9      | Limited Access Control Software                  | 262000      | 0361           | 204,951              | 41  | 118,423                     | 86,487                     | -               | <b>86,487</b>            | 86,487                      | -         |
| 10     | Telephone System Update                          | 262000      | 0360           | 427,438              | 119,074                                       | 233,364                     | 75,000                     | -               | <b>75,000</b>            | 75,000                      | -         |
| 11     | Server Replacement 2013                          | 262000      | 0381           | 76,510               | -   | 76,510                      | -                          | -               | -                        | -                           | -         |
| 12     | Blade Enclosures 2013                            | 262000      | 0383           | 193,461              | -   | 193,461                     | -                          | -               | -                        | -                           | -         |
| 13     | SAN Replacement 2013                             | 262000      | 0384           | 327,900              | -   | 327,900                     | -                          | -               | -                        | -                           | -         |
| 14     | LAN Replacement 2013                             | 262000      | 0386           | 358,939              | -   | 358,939                     | -                          | -               | -                        | -                           | -         |
| 15     | CAD AVL System Upgrade 2013                      | 262000      | 0387           | 404,269              | -   | -                           | 404,269                    | -               | <b>404,269</b>           | 404,269                     | -         |
| 16     | Doc and Records Retention - Email File Archiving | 262000      | TBA            | 60,170               | -   | -                           | -                          | 60,170          | <b>60,170</b>            | 60,170                      | -         |
| 17     | Call Center IVR Replacement                      | 262000      | TBA            | 150,425              | -   | -                           | -                          | 150,425         | <b>150,425</b>           | 150,425                     | -         |
| 18     | AV System Replacement - Bldg. 5                  | 262000      | TBA            | 546,452              | -   | -                           | -                          | 546,452         | <b>546,452</b>           | 546,452                     | -         |
| 19     | Network Infrastructure 2014                      | 262000      | TBA            | 306,600              | -   | -                           | -                          | 306,600         | <b>306,600</b>           | 306,600                     | -         |
| 20     | Storage Area Network 2014                        | 262000      | TBA            | 191,450              | -   | -                           | -                          | 191,450         | <b>191,450</b>           | 191,450                     | -         |
| 21     | Supervisor Vehicle Computer Replacement          | 262000      | TBA            | 169,788              | -   | -                           | -                          | 169,788         | <b>169,788</b>           | 169,788                     | -         |
| 22     | Email-Phone Upgrade                              | 262000      | TBA            | 35,000               | -   | -                           | -                          | 35,000          | <b>35,000</b>            | 35,000                      | -         |
| 23     | CAD AVL System Upgrade 2014 and 2019             | 262000      | TBA            | 454,780              | -   | -                           | -                          | 454,780         | <b>454,780</b>           | 454,780                     | -         |
| 24     | Cameras on Buses                                 | 262000      | TBA            | 2,050,391            | -   | -                           | -                          | 2,050,391       | <b>2,050,391</b>         | 2,050,391                   | -         |
| 25     | End Point Security                               | 262000      | TBA            | 90,255               | -   | -                           | -                          | 90,255          | <b>90,255</b>            | 90,255                      | -         |
| 26     | TDS Mid-Life Maintenance                         | 411000      | 0315           | 2,761,250            | 24,342  | 50,000                      | 2,686,908                  | -               | <b>2,686,908</b>         | 237,382                     | 2,449,526 |
| 27     | Bldg. 4 Modifications                            | 411000      | 0345           | 2,428,317            | 34,930  | 60,000                      | 2,333,387                  | -               | <b>2,333,387</b>         | 350,311                     | 1,983,076 |
| 28     | Facilities Critical Repairs                      | 411000      | TBA            | 714,850              | -   | -                           | -                          | 714,850         | <b>714,850</b>           | 714,850                     | -         |
| 29     | Parkland Transit Center                          | 411000      | 0170           | 438,462              | 172,959                                       | -                           | 265,503                    | -               | <b>265,503</b>           | 66,553                      | 198,950   |
| 30     | 121st Street Improvements/Parkland Design        | 411000      | 0176           | 134,533              | 92,600  | 4,110                       | 37,823                     | -               | <b>37,823</b>            | 37,823                      | -         |
| 31     | TCC Transit Center Relocation                    | 411000      | TBA            | 750,000              | -   | -                           | -                          | 750,000         | <b>750,000</b>           | 750,000                     | -         |

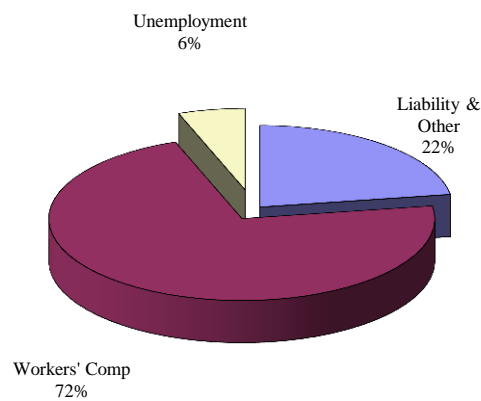


# 2014 CAPITAL BUDGET

| <u>2014 Project Budget</u> |   |             |                |                      |   |                             |                            |                      |                          | <u>2014 Project Funding</u> |                      |
|----------------------------|---|-------------|----------------|----------------------|---|-----------------------------|----------------------------|----------------------|--------------------------|-----------------------------|----------------------|
| Line #                     | Project Title   | Cost Center | Project Number | Total Project Budget | Prior Years Expenditures (through 12/31/2012) | 2013 Estimated Expenditures | 2013 Est. Carryover Amount | New 2014 Amount      | Total 2014 Annual Budget | Local                       | Grant                |
| 32                         | 112th Street & Pacific/SR-7 Transit Access Mods       | 411000      | 0343           | 2,375,658            | 42,376  | 169,000                     | 2,164,282                  | -                    | <b>2,164,282</b>         | 632,867                     | 1,531,415            |
| 33                         | Downtown Tacoma TSP II                                | 411000      | 0284           | 2,763,531            | 2,123,012                                     | 12,967                      | 627,552                    | -                    | <b>627,552</b>           | 207,531                     | 420,021              |
| 34                         | TDS G Street Expansion Zone                           | 411000      | 0390           | 744,024              | -   | -                           | 744,024                    | -                    | <b>744,024</b>           | 116,553                     | 627,471              |
| 35                         | Pacific Avenue Streetscape                            | 412000      | 0366           | 27,500               | -   | -                           | 27,500                     | -                    | <b>27,500</b>            | 27,500                      | -                    |
| 36                         | Master Key System Replacement                         | 645000      | 0344           | 110,889              | -   | -                           | 110,889                    | -                    | <b>110,889</b>           | 110,889                     | -                    |
| 37                         | Shuttle Replacement 2012                              | 651000      | 0296           | 3,246,671            | 1,985,932                                     | 809,799                     | 450,940                    | -                    | <b>450,940</b>           | 450,940                     | -                    |
| 38                         | Vanpool Fleet Replacement 2013                        | 651000      | 0392           | 1,447,727            | -   | -                           | 1,447,727                  | -                    | <b>1,447,727</b>         | 360,033                     | 1,087,694            |
| 39                         | Support Vehicle Replacement 2013                      | 651000      | 0393           | 503,577              | -   | -                           | 503,577                    | -                    | <b>503,577</b>           | 503,577                     | -                    |
| 40                         | Shuttle Replacement 2013                              | 651000      | 0394           | 2,673,455            | -   | 1,441                       | 2,672,014                  | -                    | <b>2,672,014</b>         | 2,672,014                   | -                    |
| 41                         | Auto Shop Equipment Repl 2013                         | 651000      | 0395           | 29,100               | -   | 13,158                      | 15,942                     | -                    | <b>15,942</b>            | 15,942                      | -                    |
| 42                         | Support Vehicle Replacement 2014                      | 651000      | TBA            | 696,229              | -   | -                           | -                          | 696,229              | <b>696,229</b>           | 696,229                     | -                    |
| 43                         | Transmission Service System Repl 2014                 | 651000      | TBA            | 5,032                | -   | -                           | -                          | 5,032                | <b>5,032</b>             | 5,032                       | -                    |
| 44                         | Shuttle Replacement 2014                              | 651000      | TBA            | 417,727              | -   | -                           | -                          | 417,727              | <b>417,727</b>           | 417,727                     | -                    |
| 45                         | Vanpool Replacement 2014                              | 651000      | TBA            | 1,539,424            | -   | -                           | -                          | 1,539,424            | <b>1,539,424</b>         | 1,539,424                   | -                    |
| 46                         | Vanpool Expansion 2014                                | 651000      | TBA            | 325,000              | -   | -                           | -                          | 325,000              | <b>325,000</b>           | 16,250                      | 308,750              |
| 47                         | Bus Replacement 2013                                  | 652000      | 0406           | 4,215,900            | -   | -                           | 4,215,900                  | -                    | <b>4,215,900</b>         | 708,857                     | 3,507,043            |
| 48                         | Column Lift System Replacement 2014                   | 652000      | TBA            | 121,660              | -   | -                           | -                          | 121,660              | <b>121,660</b>           | 121,660                     | -                    |
| 49                         | Brake Lathe Replacement 2014                          | 652000      | TBA            | 18,830               | -   | -                           | -                          | 18,830               | <b>18,830</b>            | 18,830                      | -                    |
| 50                         | Trolley Vehicle Expansion                             | 652000      | TBA            | 234,650              | -   | -                           | -                          | 234,650              | <b>234,650</b>           | 234,650                     | -                    |
| 51                         | Building 4 Roof Deck Replacement                      | 653000      | TBA            | 254,752              | -   | -                           | -                          | 254,752              | <b>254,752</b>           | 254,752                     | -                    |
| 52                         | TDS Panic Alarm System                                | 657000      | 0342           | 251,250              | 41  | 183,290                     | 67,919                     | -                    | <b>67,919</b>            | 67,919                      | -                    |
| 53                         | Bus Radio Shop Equipment                              | 662000      | 0396           | 205,423              | -   | 137,391                     | 68,032                     | -                    | <b>68,032</b>            | 68,032                      | -                    |
| 54                         | Radio Subscriber Replacement                          | 662000      | 0398           | 2,154,188            | -   | 1,226,696                   | 927,492                    | -                    | <b>927,492</b>           | 927,492                     | -                    |
| 55                         | Radio Subscriber Replacement/Bus, Shuttle and Support | 662000      | TBA            | 1,694,848            | -   | -                           | -                          | 1,694,848            | <b>1,694,848</b>         | 1,694,848                   | -                    |
| 56                         | CAD AVL GPS Repeater 450 MHz Data Radio Project       | 662000      | TBA            | 3,402,197            | -   | -                           | -                          | 3,402,197            | <b>3,402,197</b>         | 3,402,197                   | -                    |
| 57                         | TRAX Data Coverage Upgrade                            | 662000      | 0397           | 142,257              | -   | -                           | 142,257                    | -                    | <b>142,257</b>           | 142,257                     | -                    |
| <b>Grand Total</b>         |   |             |                | <b>\$ 52,523,559</b> | <b>\$ 9,375,874</b>                           | <b>\$ 4,521,642</b>         | <b>\$ 24,285,762</b>       | <b>\$ 14,340,281</b> | <b>\$ 38,626,043</b>     | <b>\$ 24,441,663</b>        | <b>\$ 14,184,380</b> |



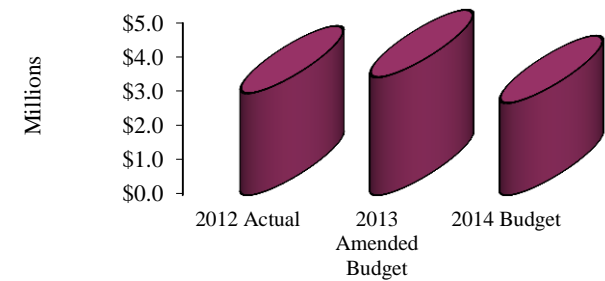
### Insurance Expenditure Comparison



## 2014 BUDGET INSURANCE EXPENDITURE COMPARISON

| Description                 | 2012<br>ACTUAL      | 2013<br>AMENDED<br>BUDGET | 2014<br>BUDGET      | % Change<br>2013 Budget<br>to 2014 Budget |
|-----------------------------|---------------------|---------------------------|---------------------|---|
| Liability & Other Insurance |                     |                           |                     |   |
| Liability                   | \$ 93,525           | \$ 125,000                | \$ 75,000           | -40.00%                                   |
| Light Duty                  | 174,454             | 185,000                   | 147,000             | -20.54%                                   |
| Professional Services       | 60,000              | 60,000                    | 60,000              | 0.00%                                     |
| Legal Services              | 6                   | -                         | -                   | 0.00%                                     |
| Other Expenses              | 175,986             | 205,000                   | 320,000             | 56.10%                                    |
| Liability & Other Insurance | 503,971             | 575,000                   | 602,000             | 4.70%                                     |
| Workers' Comp. Insurance    | 1,871,212           | 1,850,000                 | 1,922,000           | 3.89%                                     |
| Unemployment Insurance      | 583,400             | 1,000,000                 | 150,000             | -85.00%                                   |
| <b>TOTAL INSURANCE</b>      | <b>\$ 2,958,583</b> | <b>\$ 3,425,000</b>       | <b>\$ 2,674,000</b> | <b>-21.93%</b>                            |

### Expenditure Summary





*This section includes the Six-Year Financial Plan Operating Revenues & Expenditures, Ending Balances pages, and the 2014-2019 Six-Year Capital Plan.*

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

## **2014 Budget**

## **Six-Year Financial Plan**

**PIERCE TRANSIT**  
**2014-2019 Six-Year Financial Plan**  
**Operating Revenues & Expenditures**

| (Millions)                                    | 2013<br>YE Est | 2014<br>Budget | 2015         | 2016         | 2017         | 2018         | 2019         |
|---|----------------|----------------|--------------|--------------|--------------|--------------|--------------|
| <b>REVENUES -</b>                             |                |                |              |              |              |              |              |
| BEGINNING WORKING CASH                        | \$75.889339    | \$70.618068    | \$79.429001  | \$68.884796  | \$57.386657  | \$50.743247  | \$44.217179  |
| <b>OPERATING INCOME</b>                       |                |                |              |              |              |              |              |
| FARES AND PASSES                              |                |                |              |              |              |              |              |
| Local Fares                                   | 8.742541       | 8.822297       | 9.381915     | 10.567336    | 10.645874    | 11.838427    | 11.956812    |
| Express Fares (Excludes ST)                   | 0.049916       | 0.054910       | 0.055459     | 0.062308     | 0.062931     | 0.069980     | 0.070680     |
| Shuttle                                       | 0.336266       | 0.342405       | 0.352677     | 0.404073     | 0.416195     | 0.471982     | 0.486142     |
| Vanpool                                       | 2.920000       | 3.210000       | 3.825800     | 3.825800     | 4.295800     | 4.295800     | 4.765800     |
| Subtotal- Fares and Passes                    | 12.048723      | 12.429612      | 13.615851    | 14.859517    | 15.420801    | 16.676190    | 17.279434    |
| SALES TAX                                     | 61.503864      | 63.348980      | 65.882939    | 69.177086    | 72.635940    | 76.267737    | 80.081124    |
| OPER. ASSIST. CTR/VANPOOL                     | 0.104698       | 0.119219       | 0.100990     | 0.100990     | 0.100990     | 0.100990     | 0.100990     |
| SPECIAL NEEDS PROGRAM FUNDS                   | 1.017119       | 1.085589       | 1.012155     | 1.012155     | 1.012155     | 1.012155     | 1.012155     |
| INTEREST                                      | 0.136278       | 0.137961       | 0.732844     | 0.623181     | 0.000000     | 0.000000     | 0.000000     |
| <b>ADVERTISING</b>                            |                |                |              |              |              |              |              |
| Contract Advertising - Pierce Transit Revenue | 0.690000       | 0.725000       | 0.750000     | 0.750000     | 0.750000     | 0.750000     | 0.750000     |
| <b>SOUND TRANSIT</b>                          |                |                |              |              |              |              |              |
| ST Express Reimb.                             | 33.901145      | 37.682481      | 38.611624    | 40.459981    | 42.383460    | 44.591002    | 48.388006    |
| ST TDS Reimb.                                 | 0.408200       | 0.408200       | 0.416364     | 0.424691     | 0.437432     | 0.450555     | 0.464072     |
| Special Service                               | 0.200000       | 0.200000       | 0.204000     | 0.208080     | 0.214322     | 0.220752     | 0.227375     |
| Other ST Reimb.                               | 0.040000       | 0.040000       | 0.040000     | 0.040000     | 0.040000     | 0.040000     | 0.040000     |
| <b>MISCELLANEOUS</b>                          |                |                |              |              |              |              |              |
| Operating Grant - Other (Homeland Sec/Reg Mot | 0.000000       | 1.455601       | 0.631772     | 0.631772     | 0.000000     | 0.000000     | 0.000000     |
| Operating Grant (5307)/Pierce County          | 0.704437       | 1.075376       | 1.075376     | 1.075376     | 1.075376     | 1.075376     | 1.075376     |
| Preventive Maint. (5307) / ADA                | 6.254458       | 6.254458       | 4.627700     | 4.627700     | 4.627700     | 4.627700     | 4.627700     |
| Other Miscellaneous                           | 1.032725       | 5.312885       | 0.200000     | 0.200000     | 0.200000     | 0.200000     | 0.200000     |
| TOTAL OPERATING INCOME                        | 118.041647     | 130.275362     | 127.901615   | 134.190530   | 138.898177   | 146.012457   | 154.246231   |
| TOTAL REVENUES & WORKING CASH                 | \$193.930986   | \$200.893430   | \$207.330616 | \$203.075325 | \$196.284834 | \$196.755704 | \$198.463410 |

**PIERCE TRANSIT**  
**2014-2019 Six-Year Financial Plan**  
**Operating Revenues & Expenditures**

| (Millions)   | 2013<br>YE Est     | 2014<br>Budget     | 2015               | 2016               | 2017               | 2018               | 2019               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>EXPENDITURES -</b>                                      |                    |                    |                    |                    |                    |                    |                    |
| <b>Ongoing Operations</b>                                  |                    |                    |                    |                    |                    |                    |                    |
| Wages  | \$53.160602        | \$55.965496        | \$57.651489        | \$59.425634        | \$61.291479        | \$63.657631        | \$66.116786        |
| Benefits   | 20.901044          | 22.847011          | 25.326644          | 27.746087          | 29.867999          | 32.297478          | 34.950157          |
| M & O  | 15.741857          | 20.095344          | 20.486959          | 20.899187          | 21.523599          | 22.169307          | 22.834386          |
| Fuel   | 6.952402           | 7.617717           | 7.764700           | 7.947557           | 8.179502           | 8.357192           | 8.540213           |
| Parts  | 3.640427           | 4.355786           | 4.423896           | 4.516970           | 4.647745           | 4.787177           | 4.930792           |
| Purchased Trans.   | 7.129783           | 8.244499           | 8.451672           | 8.650229           | 8.854880           | 9.065812           | 9.283220           |
| Bridge Tolls   | 0.132504           | 0.138340           | 0.141439           | 0.144607           | 0.148597           | 0.152698           | 0.156912           |
| TOTAL EXPENDITURES: w/out Debt Payment<br>and Depreciation | 107.658619         | 119.264193         | 124.246799         | 129.330272         | 134.513802         | 140.487295         | 146.812467         |
| <b>Non-Operating Costs</b>                                 |                    |                    |                    |                    |                    |                    |                    |
| Payments to Pierce Co for 5307 Agreement                   | 0.563550           | 0.860301           | 0.860301           | 0.860301           | 0.860301           | 0.860301           | 0.860301           |
| Subtotal   | 0.563550           | 0.860301           | 0.860301           | 0.860301           | 0.860301           | 0.860301           | 0.860301           |
| EXPENDITURES (w/ Debt & Reimbursements)                    | 108.222169         | 120.124494         | 125.107100         | 130.190573         | 135.374102         | 141.347596         | 147.672768         |
| <b>CURRENT REVENUES LESS CURRENT</b>                       |                    |                    |                    |                    |                    |                    |                    |
| EXPENDITURES   | 9.819478           | 10.150868          | 2.794515           | 3.999956           | 3.524074           | 4.664861           | 6.573463           |
| <b>TRANSFERS -</b>   |                    |                    |                    |                    |                    |                    |                    |
| Capital Reserve  | 11.513873          | 0.000000           | 10.620250          | 12.697771          | 7.272851           | 8.209456           | 9.117883           |
| Insurance  | 3.576876           | 1.339936           | 2.718470           | 2.800324           | 2.894634           | 2.981473           | 3.070917           |
| Subtotal Transfers   | 15.090749          | 1.339936           | 13.338720          | 15.498095          | 10.167485          | 11.190929          | 12.188800          |
| TOTAL EXPENDITURES AND TRANSFERS                           | 123.312918         | 121.464430         | 138.445820         | 145.688668         | 145.541587         | 152.538525         | 159.861568         |
| ENDING WORKING CASH  | 70.618068          | 79.429001          | 68.884796          | 57.386657          | 50.743247          | 44.217179          | 38.601842          |
| REQUIRED CASH  | 17.943103          | 19.877366          | 20.707800          | 21.555045          | 22.418967          | 23.414549          | 24.468745          |
| TOTAL EXPENDITURES<br>& WORKING CASH                       | \$193.930986       | \$200.893430       | \$207.330616       | \$203.075325       | \$196.284834       | \$196.755704       | \$198.463410       |
| <b>MARGIN / (DEFICIT)</b>                                  | <b>\$52.674965</b> | <b>\$59.551635</b> | <b>\$48.176996</b> | <b>\$35.831612</b> | <b>\$28.324280</b> | <b>\$20.802630</b> | <b>\$14.133097</b> |

**PIERCE TRANSIT**

**2014-2019 Six-Year Financial Plan**

**Ending Balances**

| (Millions)                                   | 2013<br>YE Est     | 2014<br>Budget     | 2015               | 2016               | 2017               | 2018               | 2019               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b><u>OPERATING FUND</u></b>                 |                    |                    |                    |                    |                    |                    |                    |
| Operating Fund Beginning Balance             | 75.889339          | 70.618068          | 79.429001          | 68.884796          | 57.386657          | 50.743247          | 44.217179          |
| <b>Revenue</b>                               |                    |                    |                    |                    |                    |                    |                    |
| Operating Income                             | 118.041647         | 130.275362         | 127.901615         | 134.190530         | 138.898177         | 146.012457         | 154.246231         |
| Subtotal - Operating Revenue                 | 118.041647         | 130.275362         | 127.901615         | 134.190530         | 138.898177         | 146.012457         | 154.246231         |
| <b>Expenditures</b>                          |                    |                    |                    |                    |                    |                    |                    |
| Operating Expenditures                       | 108.222169         | 120.124494         | 125.107100         | 130.190573         | 135.374102         | 141.347596         | 147.672768         |
| Transfers                                    | 15.090749          | 1.339936           | 13.338720          | 15.498095          | 10.167485          | 11.190929          | 12.188800          |
| Subtotal - Operating Expenditures            | 123.312918         | 121.464430         | 138.445820         | 145.688668         | 145.541587         | 152.538525         | 159.861568         |
| <b>Operating Fund Ending Balance</b>         | <b>\$70.618068</b> | <b>\$79.429001</b> | <b>\$68.884796</b> | <b>\$57.386657</b> | <b>\$50.743247</b> | <b>\$44.217179</b> | <b>\$38.601842</b> |
| <b>Required Margin</b>                       | 17.943103          | 19.877366          | 20.707800          | 21.555045          | 22.418967          | 23.414549          | 24.468745          |
| <b><u>Margin / (Deficit)</u></b>             | <b>52.674965</b>   | <b>59.551635</b>   | <b>48.176996</b>   | <b>35.831612</b>   | <b>28.324280</b>   | <b>20.802630</b>   | <b>14.133097</b>   |
| <b><u>CAPITAL FUND</u></b>                   |                    |                    |                    |                    |                    |                    |                    |
| Beginning Reserves                           | \$0.000000         | \$0.000000         | \$0.000000         | \$0.000000         | \$0.000000         | \$0.000000         | \$0.000000         |
| <b>Revenue</b>                               |                    |                    |                    |                    |                    |                    |                    |
| <b>5307 Funding</b>                          |                    |                    |                    |                    |                    |                    |                    |
| 5307 Earned Share                            | 6.254458           | 6.254458           | 4.627700           | 4.627700           | 4.627700           | 4.627700           | 4.627700           |
| 5307 Competitive Funds                       | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           |
| Less Preventive Maintenance                  | -6.254458          | -6.254458          | -4.627700          | -4.627700          | -4.627700          | -4.627700          | -4.627700          |
| 5307 Funds Available for Capital Projects    | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           |
| <b>Pierce County 5307</b>                    |                    |                    |                    |                    |                    |                    |                    |
| 5307 Revenues from Pierce Co Agreement       | 0.704437           | 1.075376           | 1.075376           | 1.075376           | 1.075376           | 1.075376           | 1.075376           |
| Pierce Co. 5307                              | -0.704437          | -1.075376          | -1.075376          | -1.075376          | -1.075376          | -1.075376          | -1.075376          |
| Pierce County 5307 Available for Capital     | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           |
| <b>Flexible Funds &amp; Earmarks</b>         |                    |                    |                    |                    |                    |                    |                    |
| Federal Flex Funds - Regional                | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           |
| Federal Flex Funds - Countywide              | 1.396000           | 0.627471           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           |
| Earmarks - 5309                              | 0.000000           | 6.401986           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           |
| <b>Sound Transit</b>                         |                    |                    |                    |                    |                    |                    |                    |
| Sound Transit Base Expansion                 | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           |
| Sound Transit - Other Capital                | 0.000000           | 0.300000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           |
| <b>Other Funding</b>                         |                    |                    |                    |                    |                    |                    |                    |
| State Funding                                | 0.135200           | 1.840165           | 0.308750           | 0.308750           | 0.308750           | 0.308750           | 0.308750           |
| Interest                                     | 0.038194           | 0.038575           | 0.095032           | 0.056329           | 0.000000           | 0.000000           | 0.000000           |
| Other Capital Revenues                       | 3.596173           | 5.014758           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           |
| <b>Contributions from Other Funds</b>        |                    |                    |                    |                    |                    |                    |                    |
| Transfer from Operating Fund                 | 11.513873          | 0.000000           | 10.620250          | 12.697771          | 7.272851           | 8.209456           | 9.117883           |
| Proceeds from Bond Debt                      | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           | 0.000000           |
| <b>Total Capital Revenues &amp; Reserves</b> | <b>16.679440</b>   | <b>14.222955</b>   | <b>11.024032</b>   | <b>13.062850</b>   | <b>7.581601</b>    | <b>8.518206</b>    | <b>9.426633</b>    |

**PIERCE TRANSIT**

**2014-2019 Six-Year Financial Plan**

**Ending Balances**

| (Millions)                            | 2013<br>YE Est   | 2014<br>Budget    | 2015             | 2016            | 2017            | 2018            | 2019            |
|---------------------------------------|------------------|-------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Expenditures</b>                   |                  |                   |                  |                 |                 |                 |                 |
| Revenue Vehicles                      | 0.811240         | 11.303382         | 0.325000         | 0.325000        | 0.325000        | 0.325000        | 0.325000        |
| Passenger Facilities & Amenities      | 0.223110         | 7.390890          | 7.959784         | 6.535135        | 4.509069        | 5.570720        | 3.768250        |
| Base Facilities                       | 0.060000         | 2.588139          | 0.775189         | 4.889068        | 0.000000        | 0.000000        | 3.916970        |
| Technology                            | 3.401167         | 15.245039         | 5.615087         | 1.248007        | 1.517792        | 1.543718        | 1.416413        |
| Other                                 | 0.026125         | 2.098593          | 0.219238         | 0.065640        | 1.229740        | 1.078768        | 0.000000        |
| Total Capital Expenditures (Inflated) | 4.521642         | 38.626043         | 14.894298        | 13.062850       | 7.581601        | 8.518206        | 9.426633        |
| <b>USE OF CAPITAL RESERVE</b>         | <b>12.157798</b> | <b>-24.403088</b> | <b>-3.870266</b> | <b>0.000000</b> | <b>0.000000</b> | <b>0.000000</b> | <b>0.000000</b> |

**CAPITAL RESERVE**

|   |                    |                   |                   |                   |                   |                   |                   |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenue</b>  |                    |                   |                   |                   |                   |                   |                   |
| Beginning Reserves  | \$21.748469        | \$33.906267       | \$9.503179        | \$5.632913        | \$5.632913        | \$5.632913        | \$5.632913        |
| Total Capital Revenues  | 16.679440          | 14.222955         | 11.024032         | 13.062850         | 7.581601          | 8.518206          | 9.426633          |
| <b>TOTAL CAPITAL RESERVE REVENUES &amp;<br/>BEGINNING RESERVE</b> | 38.427909          | 48.129222         | 20.527211         | 18.695763         | 13.214514         | 14.151119         | 15.059546         |
| <b>Expenditures</b>   |                    |                   |                   |                   |                   |                   |                   |
| Capital Expenditures  | 4.521642           | 38.626043         | 14.894298         | 13.062850         | 7.581601          | 8.518206          | 9.426633          |
| <b>CAPITAL RESERVE -<br/>Req'd \$5.632913</b>                     | <b>\$33.906267</b> | <b>\$9.503179</b> | <b>\$5.632913</b> | <b>\$5.632913</b> | <b>\$5.632913</b> | <b>\$5.632913</b> | <b>\$5.632913</b> |

**INSURANCE FUND**

|                                      |                   |                   |                   |                   |                   |                   |                   |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenue</b>                       |                   |                   |                   |                   |                   |                   |                   |
| Beginning Balance                    | \$1.050631        | \$2.303106        | \$1.000000        | \$1.000000        | \$1.000000        | \$1.000000        | \$1.000000        |
| ST Reimbursement                     | 0.000000          | 0.025000          | 0.025750          | 0.026523          | 0.027318          | 0.028138          | 0.028982          |
| Interest on Insurance Fund           | 0.005899          | 0.005958          | 0.010000          | 0.010000          | 0.000000          | 0.000000          | 0.000000          |
| Transfer                             | 3.576876          | 1.339936          | 2.718470          | 2.800324          | 2.894634          | 2.981473          | 3.070917          |
| <b>Expenditures</b>                  |                   |                   |                   |                   |                   |                   |                   |
| Payments from Insurance Fund         | 2.330300          | 2.674000          | 2.754220          | 2.836847          | 2.921952          | 3.009611          | 3.099899          |
| <b>Insurance Fund Ending Balance</b> | <b>\$2.303106</b> | <b>\$1.000000</b> | <b>\$1.000000</b> | <b>\$1.000000</b> | <b>\$1.000000</b> | <b>\$1.000000</b> | <b>\$1.000000</b> |

|                              |                     |                    |                    |                    |                    |                    |                    |
|------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>TOTAL ENDING BALANCES</b> | <b>\$106.827441</b> | <b>\$89.932180</b> | <b>\$75.517709</b> | <b>\$64.019570</b> | <b>\$57.376159</b> | <b>\$50.850092</b> | <b>\$45.234755</b> |
|------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|





## 2014 - 2019 SIX-YEAR CAPITAL PLAN

| LINE # | Project Title                                    | Division       | Cost Center | Project Number | 2013 Est. Carryover Amount | 2014      | 2015      | 2016      | 2017    | 2018    | 2019    | Total     |
|--------|--|----------------|-------------|----------------|----------------------------|-----------|-----------|-----------|---------|---------|---------|-----------|
| 1      | High Line HR/Payroll System Enhancement          | Administration | 121000      | 307            | 197,722                    | -         | -         | -         | -       | -       | -       | 197,722   |
| 2      | Performance Management System                    | Administration | 126000      | 380            | 80,000                     | -         | -         | -         | -       | -       | -       | 80,000    |
| 3      | ORCA (Regional Fare Integration/Smart Card)      | Finance        | 243000      | 364            | 250,321                    | -         | -         | -         | -       | -       | -       | 250,321   |
| 4      | Ticket Vending Machine Purchase                  | Finance        | 243000      | TBA            | -                          | 109,771   | -         | -         | -       | -       | -       | 109,771   |
| 5      | Hastus Update                                    | Administration | 262000      | 354            | 493,069                    | -         | -         | -         | -       | -       | -       | 493,069   |
| 6      | Adept Version Upgrade                            | Administration | 262000      | 358            | 20,016                     | -         | -         | -         | -       | -       | -       | 20,016    |
| 7      | Maintenance Management System                    | Administration | 262000      | 359            | 169,210                    | -         | -         | -         | -       | -       | -       | 169,210   |
| 8      | Fare Box Replacement 2013                        | Administration | 262000      | 388            | 3,000,000                  | -         | -         | -         | -       | -       | -       | 3,000,000 |
| 9      | Limited Access Control Software                  | Administration | 262000      | 361            | 86,487                     | -         | -         | -         | -       | -       | -       | 86,487    |
| 10     | Telephone System Update                          | Administration | 262000      | 360            | 75,000                     | -         | -         | -         | -       | -       | -       | 75,000    |
| 11     | CAD AVL System Upgrade 2013                      | Administration | 262000      | 387            | 404,269                    | -         | -         | -         | -       | -       | -       | 404,269   |
| 12     | Doc and Records Retention - Email File Archiving | Administration | 262000      | TBA            | -                          | 60,170    | 568,880   | -         | -       | -       | -       | 629,050   |
| 13     | Call Center IVR Replacement                      | Administration | 262000      | TBA            | -                          | 150,425   | -         | -         | -       | -       | -       | 150,425   |
| 14     | AV System Replacement - Bldg 5                   | Administration | 262000      | TBA            | -                          | 546,452   | -         | -         | -       | -       | -       | 546,452   |
| 15     | Network Infrastructure 2014                      | Administration | 262000      | TBA            | -                          | 306,600   | 240,902   | 364,849   | 309,947 | 332,576 | 164,100 | 1,718,974 |
| 16     | Storage Area Network 2014                        | Administration | 262000      | TBA            | -                          | 191,450   | 191,450   | 191,450   | 191,450 | 191,450 | 191,450 | 1,148,700 |
| 17     | Supervisor Vehicle Computer Replacement          | Administration | 262000      | TBA            | -                          | 169,788   | -         | -         | -       | -       | -       | 169,788   |
| 18     | Email-Phone Upgrade                              | Administration | 262000      | TBA            | -                          | 35,000    | -         | -         | -       | -       | -       | 35,000    |
| 19     | CAD AVL System Upgrade 2014 and 2019             | Administration | 262000      | TBA            | -                          | 454,780   | -         | -         | -       | -       | 456,675 | 911,455   |
| 20     | Cameras on Buses                                 | Administration | 262000      | TBA            | -                          | 2,050,391 | -         | -         | -       | -       | -       | 2,050,391 |
| 21     | End Point Security                               | Administration | 262000      | TBA            | -                          | 90,255    | -         | -         | -       | -       | -       | 90,255    |
| 22     | TDS Mid-Life Maintenance                         | Finance        | 411000      | 315            | 2,686,908                  | -         | -         | -         | -       | -       | -       | 2,686,908 |
| 23     | Bldg 4 Modifications                             | Finance        | 411000      | 345            | 2,333,387                  | -         | -         | -         | -       | -       | -       | 2,333,387 |
| 24     | Facilities Critical Repairs                      | Finance        | 411000      | TBA            | -                          | 714,850   | 1,138,058 | 3,182,661 | 737,069 | 407,470 | 14,500  | 6,194,608 |
| 25     | Parkland Transit Center                          | Finance        | 411000      | 170            | 265,503                    | -         | -         | -         | -       | -       | -       | 265,503   |
| 26     | 121st Street Improvements/Parkland Design        | Finance        | 411000      | 176            | 37,823                     | -         | -         | -         | -       | -       | -       | 37,823    |
| 27     | TCC Transit Center Relocation                    | Finance        | 411000      | TBA            | -                          | 750,000   | 5,934,000 | -         | -       | -       | -       | 6,684,000 |
| 28     | 112th Street & Pacific/SR-7 Transit Access Mods  | Finance        | 411000      | 343            | 2,164,282                  | -         | -         | -         | -       | -       | -       | 2,164,282 |
| 29     | Downtown Tacoma TSP II                           | Finance        | 411000      | 284            | 627,552                    | -         | -         | -         | -       | -       | -       | 627,552   |
| 30     | TDS G Street Expansion Zone                      | Finance        | 411000      | 390            | 744,024                    | -         | -         | -         | -       | -       | -       | 744,024   |
| 31     | Pacific Avenue Streetscape                       | Finance        | 412000      | 366            | 27,500                     | -         | -         | -         | -       | -       | -       | 27,500    |
| 32     | Master Key System Replacement                    | Operations     | 645000      | 344            | 110,889                    | -         | -         | -         | -       | -       | -       | 110,889   |
| 33     | Shuttle Replacement 2012                         | Operations     | 651000      | 296            | 450,940                    | -         | -         | -         | -       | -       | -       | 450,940   |
| 34     | Vanpool Fleet Replacement 2013                   | Operations     | 651000      | 392            | 1,447,727                  | -         | -         | -         | -       | -       | -       | 1,447,727 |
| 35     | Support Vehicle Replacement 2013                 | Operations     | 651000      | 393            | 503,577                    | -         | -         | -         | -       | -       | -       | 503,577   |
| 36     | Shuttle Replacement 2013                         | Operations     | 651000      | 394            | 2,672,014                  | -         | -         | -         | -       | -       | -       | 2,672,014 |
| 37     | Auto Shop Equipment Repl 2013                    | Operations     | 651000      | 395            | 15,942                     | -         | -         | -         | -       | -       | -       | 15,942    |
| 38     | Support Vehicle Replacement 2014                 | Operations     | 651000      | TBA            | -                          | 696,229   | -         | -         | -       | -       | -       | 696,229   |
| 39     | Transmission Service System Repl 2014            | Operations     | 651000      | TBA            | -                          | 5,032     | -         | -         | -       | -       | -       | 5,032     |
| 40     | Shuttle Replacement 2014                         | Operations     | 651000      | TBA            | -                          | 417,727   | -         | -         | -       | -       | -       | 417,727   |
| 41     | Vanpool Replacement 2014                         | Operations     | 651000      | TBA            | -                          | 1,539,424 | -         | -         | -       | -       | -       | 1,539,424 |
| 42     | Vanpool Expansion 2014                           | Operations     | 651000      | TBA            | -                          | 325,000   | 325,000   | 325,000   | 325,000 | 325,000 | 325,000 | 1,950,000 |



## 2014 - 2019 SIX-YEAR CAPITAL PLAN

| LINE # | Project Title                                      | Division       | Cost Center | Project Number | 2013 Est. Carryover Amount | 2014          | 2015          | 2016          | 2017         | 2018         | 2019         | Total         |
|--------|--|----------------|-------------|----------------|----------------------------|---------------|---------------|---------------|--------------|--------------|--------------|---------------|
| 43     | Bus Replacement 2013                               | Operations     | 652000      | 406            | 4,215,900                  | -             | -             | -             | -            | -            | -            | 4,215,900     |
| 44     | Column Lift System Replacement 2014                | Operations     | 652000      | TBA            | -                          | 121,660       | -             | -             | -            | -            | -            | 121,660       |
| 45     | Brake Lathe Replacement 2014                       | Operations     | 652000      | TBA            | -                          | 18,830        | -             | -             | -            | -            | -            | 18,830        |
| 46     | Trolley Vehicle Expansion                          | Operations     | 652000      | TBA            | -                          | 234,650       | -             | -             | -            | -            | -            | 234,650       |
| 47     | Building 4 Roof Deck Replacement                   | Operations     | 653000      | TBA            | -                          | 254,752       | -             | -             | -            | -            | -            | 254,752       |
| 48     | TDS Panic Alarm System                             | Operations     | 657000      | 342            | 67,919                     | -             | -             | -             | -            | -            | -            | 67,919        |
| 49     | Bus Radio Shop Equipment                           | Operations     | 662000      | 396            | 68,032                     | -             | -             | -             | -            | -            | -            | 68,032        |
| 50     | Radio Subscriber Replacement                       | Operations     | 662000      | 398            | 927,492                    | -             | -             | -             | -            | -            | -            | 927,492       |
| 51     | Radio Subscriber Replacement/Bus, Shuttle and Supp | Operations     | 662000      | TBA            | -                          | 1,694,848     | -             | -             | -            | -            | -            | 1,694,848     |
| 52     | CAD AVL GPS Repeater 450 MHz Data Radio Proje      | Operations     | 662000      | TBA            | -                          | 3,402,197     | -             | -             | -            | -            | -            | 3,402,197     |
| 53     | TRAX Data Coverage Upgrade                         | Operations     | 662000      | 397            | 142,257                    | -             | -             | -             | -            | -            | -            | 142,257       |
| 54     | Emergency Warning System (EWS) Upgrade             | Operations     | 657000      | TBA            | -                          | -             | 366,250       | -             | -            | -            | -            | 366,250       |
| 55     | Commerce Landscaping Replacement                   | Finance        | 411000      | TBA            | -                          | -             | 64,092        | 125,895       | -            | -            | -            | 189,987       |
| 56     | Critical Electrical Needs in Base Power and Data   | Finance        | 411000      | TBA            | -                          | -             | 159,065       | 844,690       | -            | -            | -            | 1,003,755     |
| 57     | Air Spares TDS Transit-Oriented Development        | Finance        | 411000      | TBA            | -                          | -             | 79,200        | 99,000        | -            | -            | -            | 178,200       |
| 58     | Office 365 Study                                   | Administration | 262000      | TBA            | -                          | -             | 107,435       | -             | -            | -            | -            | 107,435       |
| 59     | Enterprise Operations Mgmt Systems Repl            | Administration | 262000      | TBA            | -                          | -             | 3,520,387     | -             | -            | -            | -            | 3,520,387     |
| 60     | Transit Center Shelter Refurbishment               | Finance        | 411000      | TBA            | -                          | -             | 61,934        | 82,579        | -            | -            | -            | 144,513       |
| 61     | Financial System Replacement                       | Finance        | 243000      | TBA            | -                          | -             | 727,218       | -             | -            | -            | -            | 727,218       |
| 62     | TSP Corridor Analysis                              | Finance        | 411000      | TBA            | -                          | -             | 99,803        | -             | -            | -            | -            | 99,803        |
| 63     | Building 1 Expansion                               | Finance        | 411000      | TBA            | -                          | -             | 506,000       | 3,832,950     | -            | -            | -            | 4,338,950     |
| 64     | Pac Ave SR-7 Park and Ride and Bus Turnaround      | Finance        | 411000      | TBA            | -                          | -             | 682,500       | 2,362,500     | 409,500      | 3,753,750    | -            | 7,208,250     |
| 65     | Articulated Bus Infrastructure Improvements        | Finance        | 411000      | TBA            | -                          | -             | 56,268        | 104,508       | -            | -            | -            | 160,776       |
| 66     | Hastus Upgrade                                     | Administration | 262000      | TBA            | -                          | -             | -             | 604,188       | -            | -            | 604,188      | 1,208,376     |
| 67     | South Meridian Corridor Park and Ride              | Finance        | 411000      | TBA            | -                          | -             | -             | 682,500       | 2,362,500    | 409,500      | 3,753,750    | 7,208,250     |
| 68     | West Base Automotive Facility                      | Finance        | 411000      | TBA            | -                          | -             | 53,856        | 106,920       | -            | -            | 3,916,970    | 4,077,746     |
| 69     | Money Counting Room Coin Sorter                    | Finance        | 243000      | TBA            | -                          | -             | 12,000        | -             | -            | -            | -            | 12,000        |
| 70     | Copier Replacement                                 | Administration | 262000      | TBA            | -                          | -             | -             | 65,640        | 229,740      | 78,768       | -            | 374,148       |
| 71     | Marketing Plotter Printer Replacement              | Administration | 262000      | TBA            | -                          | -             | -             | 87,520        | -            | -            | -            | 87,520        |
| 72     | Data Storage                                       | Administration | 262000      | TBA            | -                          | -             | -             | -             | 16,395       | -            | -            | 16,395        |
| 73     | Revenue Vehicle Preservation                       | Operations     | 652000      | TBA            | -                          | -             | -             | -             | -            | -            | -            | -             |
| 74     | Base Facilities Preservation                       | Finance        | 411000      | TBA            | -                          | -             | -             | -             | -            | -            | -            | -             |
| 75     | Passenger Facilities Preservation                  | Finance        | 411000      | TBA            | -                          | -             | -             | -             | 1,000,000    | 1,000,000    | -            | 2,000,000     |
| 76     | Technology Preservation                            | Administration | 262000      | TBA            | -                          | -             | -             | -             | 1,000,000    | 1,000,000    | -            | 2,000,000     |
| 77     | Other Capital Preservation                         | Finance        | 411000      | TBA            | -                          | -             | -             | -             | 1,000,000    | 1,000,000    | -            | 2,000,000     |
| 78     | Agency Plotter                                     | Administration | 262000      | TBA            | -                          | -             | -             | -             | -            | 19,692       | -            | 19,692        |
| TOTAL  |  |                |             |                | \$ 24,285,762              | \$ 14,340,281 | \$ 14,894,298 | \$ 13,062,850 | \$ 7,581,601 | \$ 8,518,206 | \$ 9,426,633 | \$ 92,109,631 |



*This section includes the  
Acronym List  
and  
Budget Glossary*

## **2014 Budget**

## **Appendix**



## 2014 BUDGET ACRONYM LIST

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

ADA – American Disabilities Act  
APTA – American Public Transportation Association  
BVP – Bulletproof Vest Partnership  
CAFR – Comprehensive Annual Financial Report  
CCTV – Closed Circuit Television  
CMAQ – Congestion Mitigation & Air Quality Program  
CNG – Compressed Natural Gas  
CTR – Commute Trip Reduction  
DOT – Department of Transportation  
FEMA – Federal Emergency Management Agency  
FTA – Federal Transit Administration  
FY – Fiscal Year  
GFOA – Government Finance Officers Association  
ISTEA – Intermodal Surface Transportation Efficiency Act  
JARC – Job Access and Reverse Commute  
MAP 21– Moving Ahead for Progress in the 21<sup>st</sup> Century Act (P.L. 112-141)  
ORCA – One Regional Card for All  
OJP – Office of Justice Programs  
PCEI – Pierce County Economic Index  
PL – Public Law  
PT – Pierce Transit  
POV – Privately Owned Vehicle  
PTBA – Public Transportation Benefit Area  
RCW – Revised Code of Washington  
SAFETEA-LU – Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users  
SHUTTLE – Specialized Transportation



**2014 BUDGET  
ACRONYM LIST**

ST – Sound Transit  
SUV – Special Use Van  
TANF – Temporary Aid to Needy Families  
TBSH – The Bus Stops Here  
TDP – Transit Development Plan  
TDS – Tacoma Dome Station  
USDOT – United States Department of Transportation  
UZA – Urbanized Area  
VP – Vanpool  
WATPA – Washington Auto Theft Prevention Authority  
WSDOT – Washington State Department of Transportation  
YE – Year End



## 2014 BUDGET GLOSSARY

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

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

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

*ADA Americans With Disabilities Act* – Federal legislation mandating specific requirements for vehicles and facilities to accommodate the disabled.

*Agency* – As a government agency, Pierce Transit is often referred to as “the Agency” in this document and in other Pierce Transit publications.

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

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

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

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

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

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



## 2014 BUDGET GLOSSARY

*Bond* – Long-term debt issued by an agency to help finance new acquisitions of property, facilities and equipment.

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

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

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

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

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

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

*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.



## 2014 BUDGET GLOSSARY

*Cost per Passenger* – The cost of carrying each passenger. This is determined by dividing the total cost of carrying all passengers by the total number of passenger trips.

*Cost per Vehicle Mile* – The cost of traveling one mile. This is determined by dividing the total cost of providing service by the total number of miles traveled.

*Deadhead Time* – The number of hours a bus is traveling while not in revenue service. Includes travel between the garage and the beginning/end of a route or travel between two routes when the vehicle is not actually in service.

*Debt* – The amount of money required to pay interest and principal on the Agency's borrowed funds.

*Debt Service* – The annual debt service requirements and future debt service schedule associated with the bonds currently outstanding as determined by the debt policy. Debt service includes the principal and interest payment obligations for the defined periods.

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

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

*DOT* – See USDOT and WSDOT

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

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

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





## 2014 BUDGET GLOSSARY

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

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

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

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

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

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

*Fixed Route* – Bus operations that adhere to a published schedule on specific routes.

*Full-time Equivalents (FTEs)* – A unit used for measuring personnel according to the percentage of hours worked annually, based on a 40-hour workweek / 52 weeks / 2080 hours.

*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.



## 2014 BUDGET GLOSSARY

*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.

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

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

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

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

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

*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.



## 2014 BUDGET GLOSSARY

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

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

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

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

*Operating Expenditures* – This term refers to 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.



## 2014 BUDGET GLOSSARY

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

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

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

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

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

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

*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.



## 2014 BUDGET GLOSSARY

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

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

*Sales Tax* – Tax on certain forms of consumption levied by the State of Washington within the service district for the Agency in the amount of six-tenths of one percent (0.6 percent) (effective 7/1/02).

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

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

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

*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.

## 2014 BUDGET GLOSSARY

*Specialized Transportation* – A major Agency program whereby transportation services are provided to the area disabled.

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

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

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

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

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

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

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





## 2014 BUDGET RESOLUTION

### Resolution:

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

### RESOLUTION NO. 13-037

A RESOLUTION of the Board of Commissioners of Pierce Transit  
Adopting the Annual Budget for Fiscal-Year 2014

WHEREAS, the Chief Executive Officer has prepared a preliminary budget for fiscal year 2014;

and

WHEREAS, the Executive-Finance Committee has carefully reviewed the 2014 preliminary budget at its November 21, 2013 meeting; and

WHEREAS, the Board of Commissioners of Pierce Transit has carefully reviewed the 2014 preliminary budget at a Special Board Meeting on November 18, 2013; and

WHEREAS, The Board of Commissioners of Pierce Transit held a public hearing on the proposed 2014 Budget at its November 18, 2013 Regular Board Meeting; and

WHEREAS, the Board of Commissioners of Pierce Transit has now determined that the preliminary budget provides efficient delivery of public transportation services within the financial capacity of Pierce Transit for 2014; and

WHEREAS, the 2014 Budget proposes service to provide 19,317,010 total passenger trips, and the service requires a workforce of 866 positions;

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

Section 1. The annual budget for Pierce Transit for Fiscal Year 2014 as determined in the preliminary budget which was reviewed and adopted by the Board of Commissioners to 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 2014.

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



## 2014 BUDGET RESOLUTION

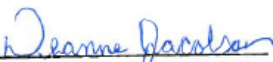
|    |  |                      |                      |
|----|--|----------------------|----------------------|
| 1  | 2014 Budget Appropriation                |                      |                      |
| 2  |  | Expenditures         | Resources            |
| 3  | Appropriation before use of Fund Balance | \$162,764,471        | \$145,869,210        |
| 4  | Use of Reserves                          | <u>-</u>             | <u>16,895,261</u>    |
| 5  | Total Appropriation                      | 162,764,471          | 162,764,471          |
| 6  | Less Operating Transfers                 | <u>(1,339,935)</u>   | <u>(1,339,935)</u>   |
| 7  | Net Budget                               | <u>\$161,424,536</u> | <u>\$161,424,536</u> |
| 8  |  |                      |                      |
| 9  |  |                      |                      |
| 10 |  |                      |                      |
| 11 |  |                      |                      |
| 12 |  |                      |                      |
| 13 |  |                      |                      |

Section 3. The Chief Executive Officer is hereby authorized to staff up to 866 positions to meet the objectives of the 2014 Budget.

ADOPTED by the Board of Commissioners of Pierce Transit at a regular meeting thereof held on the 9th day of December, 2013.

  
Marilyn Strickland, Chair  
Board of Commissioners

ATTEST:

  
Deanne Jacobson, CMC  
Clerk of the Board



RESOLUTION NO. 13-037



