

The Regular Board meeting will follow this meeting at 4:00 p.m.

Agenda

Call to Order

Roll Call

Presentations

1. 2019 Proposed Budget

Brett Freshwaters
Executive Director of Finance

Discussion

1. Board Expectation Document

Chair Henderson

Executive Session

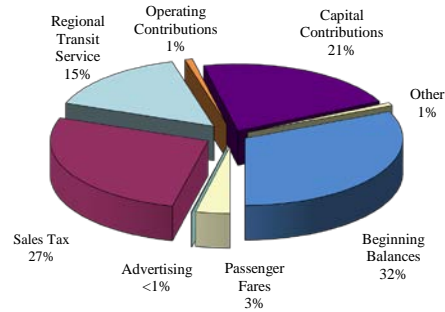
Adjournment

American Disability Act (ADA) accommodations are available with a 72-hour notice. An interpreter for the hearing impaired will be provided upon request with a minimum notice of two weeks. Please contact the Clerk's office at 253-581-8066 for special accommodations. Meeting room is wheelchair accessible. Registered SHUTTLE customers may obtain specialized transportation to and from the hearing by calling SHUTTLE at 253-581-8000 from one to five days in advance of the hearing.

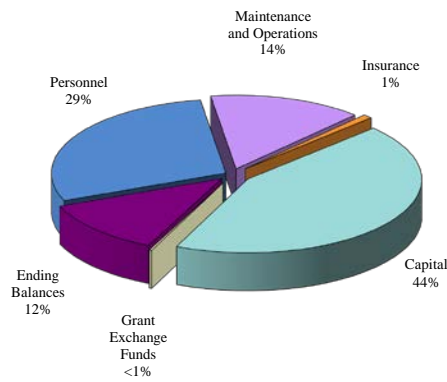


**2019 BUDGET
OVERALL SUMMARY**

Revenues



Expenditures



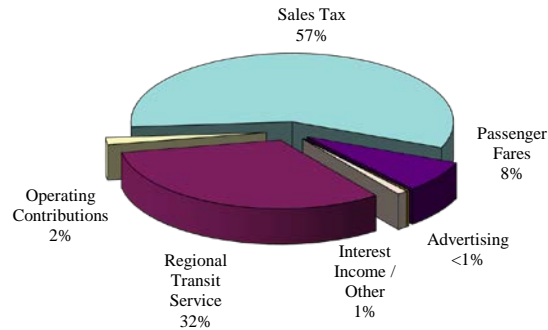
	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
REVENUES					
OPERATING INCOME					
Passenger Fares	\$ 12,137,563	\$ 12,766,221	\$ 12,170,647	\$ 12,209,000	0.3%
Advertising	528,090	300,000	310,000	320,000	3.2%
Regional Transit Service (Sound Transit)	42,064,929	44,342,387	47,969,261	52,394,123	9.2%
NON-OPERATING INCOME					
Sales Tax	81,799,746	87,021,320	87,714,010	93,415,421	6.5%
Other	3,671,318	2,511,500	2,791,940	2,549,000	-8.7%
CONTRIBUTIONS					
Operating	4,048,318	5,715,347	4,849,317	2,719,219	-43.9%
Capital	1,053,300	33,155,096	4,789,234	73,359,382	1431.8%
REVENUES	145,303,264	185,811,871	160,594,409	236,966,145	47.6%
BEGINNING BALANCES					
Working Cash	85,660,874	48,042,105	50,758,728	49,464,798	-2.5%
Insurance	1,704,031	2,583,995	2,559,856	2,139,022	-16.4%
Capital Reserve	34,735,963	58,359,995	61,532,132	57,710,190	-6.2%
BEGINNING BALANCES	122,100,868	108,986,095	114,850,716	109,314,010	-4.8%
TOTAL REVENUES AND BALANCES	\$ 267,404,132	\$ 294,797,966	\$ 275,445,125	\$ 346,280,155	25.7%
EXPENDITURES					
OPERATING EXPENDITURES					
Personnel	\$ 92,971,398	\$ 96,043,509	\$ 92,314,974	\$ 99,663,542	8.0%
Maintenance and Operations	41,544,110	48,050,993	45,318,815	49,487,543	9.2%
Insurance	2,886,947	3,040,000	2,927,339	3,061,330	4.6%
NON-OPERATING EXPENDITURES					
Grant Exchange Funds	396,312	2,056,129	879,816	780,000	-11.3%
CAPITAL EXPENDITURES					
Capital	13,656,383	97,510,289	24,690,171	151,734,408	514.6%
EXPENDITURES	151,455,150	246,700,920	166,131,115	304,726,823	83.4%
Working Cash	51,856,994	36,653,249	49,464,798	24,858,514	-49.7%
Insurance	2,559,856	2,000,000	2,139,022	2,000,000	-6.5%
Capital Reserve	61,532,132	9,443,797	57,710,190	14,694,818	-74.5%
ENDING BALANCES	115,948,982	48,097,046	109,314,010	41,553,332	-62.0%
TOTAL EXPENDITURES AND BALANCES	\$ 267,404,132	\$ 294,797,966	\$ 275,445,125	\$ 346,280,155	25.7%

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



**2019 BUDGET
OPERATING SUMMARY - REVENUES**

Operating Revenues

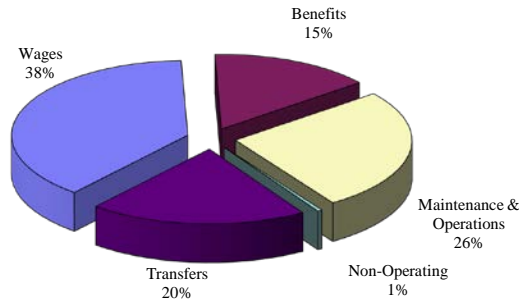


	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
OPERATING REVENUES					
OPERATING INCOME					
Passenger Fares	\$ 12,137,563	\$ 12,766,221	\$ 12,170,647	\$ 12,209,000	0.3%
Advertising	528,090	300,000	310,000	320,000	3.2%
Regional Transit Service (Sound Transit)					
Express Reimbursement	40,714,831	43,252,888	47,185,802	51,334,645	8.8%
Tacoma Dome Station Reimbursement	747,724	889,499	783,459	1,059,478	35.2%
Special Service Reimbursement	315,361	200,000	-	-	0.0%
Other Reimbursement	287,013	-	-	-	0.0%
OPERATING INCOME	54,730,582	57,408,608	60,449,908	64,923,123	7.4%
NON-OPERATING INCOME					
Sales Tax	81,799,746	87,021,320	87,714,010	93,415,421	6.5%
Interest Income	811,956	525,000	680,000	650,000	-4.4%
Other	2,503,452	1,654,000	1,088,940	1,029,000	-5.5%
NON-OPERATING INCOME	85,115,154	89,200,320	89,482,950	95,094,421	6.3%
OPERATING CONTRIBUTIONS					
CTR / Vanpool Assistance	87,850	131,219	230,219	319,219	38.7%
Operating Grants - Other	2,233,389	3,684,128	2,719,098	500,000	-81.6%
Special Needs Transportation Grant	1,727,079	1,900,000	1,900,000	1,900,000	0.0%
OPERATING CONTRIBUTIONS	4,048,318	5,715,347	4,849,317	2,719,219	-43.9%
TOTAL OPERATING REVENUES	143,894,054	152,324,275	154,782,175	162,736,763	5.1%
BEGINNING BALANCE	85,660,874	48,042,105	50,758,728	49,464,798	-2.5%
TOTAL OPERATING REVENUES AND BEGINNING BALANCE	\$ 229,554,928	\$ 200,366,380	\$ 205,540,903	\$ 212,201,561	3.2%



**2019 BUDGET
OPERATING SUMMARY - EXPENDITURES**

Operating Expenditures & Transfers

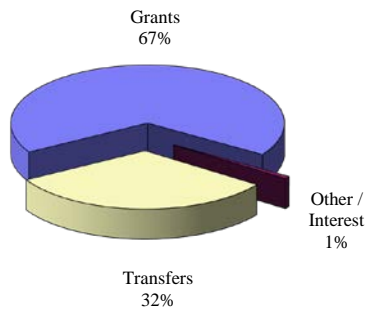


	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
OPERATING EXPENDITURES					
OPERATING PERSONNEL					
Wages	\$ 63,997,750	\$ 68,766,395	\$ 66,306,971	\$ 71,742,401	8.2%
Benefits	28,973,648	27,277,114	26,008,003	27,921,141	7.4%
PERSONNEL	92,971,398	96,043,509	92,314,974	99,663,542	8.0%
MAINTENANCE & OPERATIONS					
Supplies	15,877,778	15,754,310	16,575,681	17,732,370	7.0%
Services	7,731,657	8,827,299	8,517,137	9,252,530	8.6%
Insurance (Purchased)	2,665,294	3,261,290	3,260,938	3,605,021	10.6%
Utilities	1,663,900	1,873,200	1,846,640	1,924,151	4.2%
Repairs	297,554	1,140,191	887,617	956,694	7.8%
Rentals	732,913	507,241	512,726	533,096	4.0%
Purchased Transportation	7,206,771	8,446,951	7,215,160	8,064,533	11.8%
Other	5,368,243	8,240,511	6,502,916	7,419,148	14.1%
MAINTENANCE & OPERATIONS	41,544,110	48,050,993	45,318,815	49,487,543	9.2%
OPERATING EXPENDITURES	134,515,508	144,094,502	137,633,789	149,151,085	8.4%
NON-OPERATING EXPENDITURES					
Grant Exchange Funds	396,312	2,056,129	879,816	780,000	-11.3%
NON-OPERATING EXPENDITURES	396,312	2,056,129	879,816	780,000	-11.3%
TOTAL EXPENDITURES	134,911,820	146,150,631	138,513,605	149,931,085	8.2%
TRANSFERS					
Other Insurance Transfer	47,927	-	-	49,923	0.0%
Workers' Comp. Transfer	3,668,310	2,433,505	2,433,505	2,802,385	15.2%
Capital Reserve	39,069,877	15,128,995	15,128,995	34,559,654	128.4%
TRANSFERS	42,786,114	17,562,500	17,562,500	37,411,962	113.0%
TOTAL EXPENDITURES AND TRANSFERS	177,697,934	163,713,131	156,076,105	187,343,047	20.0%
ENDING BALANCE	51,856,994	36,653,249	49,464,798	24,858,514	-49.7%
TOTAL OPERATING EXPENDITURES AND ENDING BALANCE	\$ 229,554,928	\$ 200,366,380	\$ 205,540,903	\$ 212,201,561	3.2%

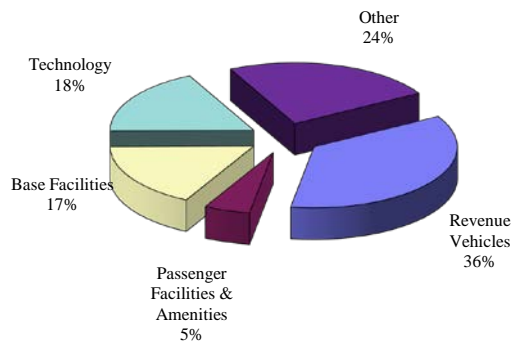


**2019 BUDGET
CAPITAL SUMMARY**

Capital Revenues & Transfers



Capital Expenditures

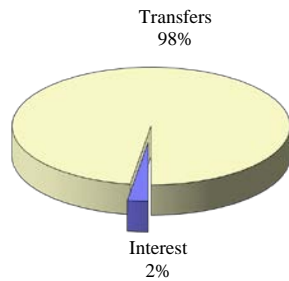


	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
CAPITAL REVENUES					
REVENUES					
Grants	\$ 1,053,300	\$ 33,155,096	\$ 4,789,234	\$ 73,359,382	1431.8%
Other Capital Revenue / Interest	329,375	310,000	950,000	800,000	-15.8%
REVENUE	1,382,675	33,465,096	5,739,234	74,159,382	1192.1%
TRANSFERS					
Capital Reserve	39,069,877	15,128,995	15,128,995	34,559,654	128.4%
TRANSFERS	39,069,877	15,128,995	15,128,995	34,559,654	
CAPITAL REVENUES	40,452,552	48,594,091	20,868,229	108,719,036	421.0%
BEGINNING BALANCE					
Capital Reserve	34,735,963	58,359,995	61,532,132	57,710,190	-6.2%
TOTAL CAPITAL REVENUES AND BEGINNING BALANCE	\$ 75,188,515	\$ 106,954,086	\$ 82,400,361	\$ 166,429,226	102.0%
CAPITAL EXPENDITURES					
CAPITAL ACQUISITION					
Revenue Vehicles	\$ 6,131,792	\$ 39,176,880	\$ 5,272,937	\$ 54,531,492	934.2%
Passenger Facilities & Amenities	570,526	13,061,891	11,159,767	7,858,869	-29.6%
Base Facilities	1,756,987	20,946,049	2,255,681	25,864,128	1046.6%
Technology	3,303,351	16,000,691	3,972,802	26,979,251	579.1%
Other	1,893,727	8,324,778	2,028,984	36,500,668	1699.0%
CAPITAL EXPENDITURES	13,656,383	97,510,289	24,690,171	151,734,408	514.6%
ENDING BALANCE					
Capital Reserve	61,532,132	9,443,797	57,710,190	14,694,818	-74.5%
TOTAL CAPITAL EXPENDITURES AND ENDING BALANCE	\$ 75,188,515	\$ 106,954,086	\$ 82,400,361	\$ 166,429,226	102.0%

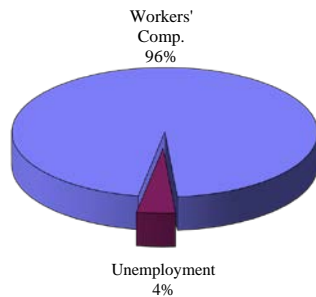


**2019 BUDGET
INSURANCE SUMMARY**

Insurance Revenues & Transfers



Insurance Expenditures

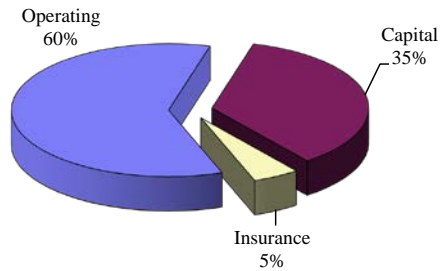


	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
INSURANCE REVENUES					
REVENUES					
Workers' Comp. Interest	\$ 23,838	\$ 19,978	\$ 64,817	\$ 62,153	-4.1%
Unemployment Insurance Interest	2,697	2,522	8,183	7,847	-4.1%
REVENUES	26,535	22,500	73,000	70,000	-4.1%
TRANSFERS					
Workers' Comp. Transfer	3,668,310	2,433,505	2,433,505	2,802,385	15.2%
Unemployment Insurance Transfer	47,927	-	-	49,923	0.0%
TRANSFERS	3,716,237	2,433,505	2,433,505	2,852,308	17.2%
REVENUES AND TRANSFERS	3,742,772	2,456,005	2,506,505	2,922,308	16.6%
BEGINNING BALANCES					
Workers' Comp. Insurance	1,406,989	2,276,544	2,275,809	1,946,792	-14.5%
Unemployment Insurance	297,042	307,451	284,047	192,230	-32.3%
BEGINNING BALANCES	1,704,031	2,583,995	2,559,856	2,139,022	-16.4%
TOTAL INSURANCE REVENUES AND BEGINNING BALANCES	\$ 5,446,803	\$ 5,040,000	\$ 5,066,361	\$ 5,061,330	-0.1%
INSURANCE EXPENDITURES					
Workers' Comp. Insurance	2,823,328	2,915,000	2,827,339	2,936,330	3.9%
Unemployment Insurance	63,619	125,000	100,000	125,000	25.0%
INSURANCE EXPENDITURES	2,886,947	3,040,000	2,927,339	3,061,330	4.6%
ENDING BALANCES					
Workers' Comp. Insurance	2,275,809	1,815,027	1,946,792	1,875,000	-3.7%
Unemployment Insurance	284,047	184,973	192,230	125,000	-35.0%
ENDING BALANCES	2,559,856	2,000,000	2,139,022	2,000,000	-6.5%
TOTAL INSURANCE EXPENDITURES AND ENDING BALANCES	\$ 5,446,803	\$ 5,040,000	\$ 5,066,361	\$ 5,061,330	-0.1%



**2019 BUDGET
ENDING BALANCES**

Ending Balances



	2017 YEAR-END ACTUALS	2018 AMENDED BUDGET	2018 YEAR-END ESTIMATE	2019 BUDGET	% CHANGE 2018 YEAR-END ESTIMATE TO 2019 BUDGET
OPERATING					
Revenues	\$ 143,894,054	\$ 152,324,275	\$ 154,782,175	\$ 162,736,763	5.1%
Less: Expenditures	(134,911,820)	(146,150,631)	(138,513,605)	(149,931,085)	8.2%
Subtotal	8,982,234	6,173,644	16,268,570	12,805,678	-21.3%
Plus: Beginning Balance	85,660,874	48,042,105	50,758,728	49,464,798	-2.5%
Less: Transfers					
Capital Reserve	(39,069,877)	(15,128,995)	(15,128,995)	(34,559,654)	128.4%
Insurance	(3,716,237)	(2,433,505)	(2,433,505)	(2,852,308)	17.2%
ENDING OPERATING BALANCE	\$ 51,856,994	\$ 36,653,249	\$ 49,464,798	\$ 24,858,514	-49.7%
CAPITAL					
Revenues	\$ 1,382,675	\$ 33,465,096	\$ 5,739,234	\$ 74,159,382	1192.1%
Plus: Transfers					
Capital Reserve	39,069,877	15,128,995	15,128,995	34,559,654	128.4%
Subtotal Revenue	40,452,552	48,594,091	20,868,229	108,719,036	421.0%
Less: Expenditures	(13,656,383)	(97,510,289)	(24,690,171)	(151,734,408)	514.6%
Subtotal	26,796,169	(48,916,198)	(3,821,942)	(43,015,372)	1025.5%
Plus: Beginning Balance	34,735,963	58,359,995	61,532,132	57,710,190	-6.2%
ENDING CAPITAL BALANCE	\$ 61,532,132	\$ 9,443,797	\$ 57,710,190	\$ 14,694,818	-74.5%
INSURANCE					
Revenues	\$ 26,535	\$ 22,500	\$ 73,000	\$ 70,000	-4.1%
Plus: Transfers	3,716,237	2,433,505	2,433,505	2,852,308	17.2%
Subtotal Revenue	3,742,772	2,456,005	2,506,505	2,922,308	16.6%
Less: Expenditures	(2,886,947)	(3,040,000)	(2,927,339)	(3,061,330)	4.6%
Subtotal	855,825	(583,995)	(420,834)	(139,022)	-67.0%
Plus: Beginning Balance	1,704,031	2,583,995	2,559,856	2,139,022	-16.4%
ENDING INSURANCE BALANCE	\$ 2,559,856	\$ 2,000,000	\$ 2,139,022	\$ 2,000,000	-6.5%
GRAND TOTAL - ALL BALANCES	\$ 115,948,982	\$ 48,097,046	\$ 109,314,010	\$ 41,553,332	-62.0%

MEMO

To: Board of Commissioners

From: Chair Nancy Henderson

Date: September 19, 2018

Re: Board Member Expectations

As I begin my term as Chair of the Pierce Transit Board of Commissioners, please let this memo outline some of my expectations for how we should operate as a Board.

Staff is in the process of making revisions to the section of the Pierce Transit Code that contains our bylaws. Those proposed bylaw changes will be brought to our Board for evaluation, discussion, and decision at a later time.

The below points are not necessarily items that should be held in bylaws, rather, these are standards that I believe we should hold ourselves to in order to best serve Pierce Transit and the many people in our community who rely on our service.

- Commit to attending meetings. We have been having difficulty gaining and keeping a quorum. Please make every effort to attend meetings and give Deanne Jacobson, the Clerk of the Board, at least 24 hours' notice if you are not going to be able to make the meeting. Lack of notification will result in an unexcused absence.
- Review the Board packet and come prepared to make an informed vote. Typically, the Board packet is emailed out to you on the Tuesday prior to the Board meeting. If possible, it is very helpful to send questions on the packet in advance to the Clerk of the Board and the CEO so that staff may be prepared to answer our questions.
- Please be engaged during Board meetings. Use of electronic devices should pertain to Pierce Transit Board business.
- Send all requests for information, questions, items of concern, and/or other materials to our CEO Sue Dreier (sdreier@piercetransit.org or 253.581.8010) and the Clerk of the Board Deanne Jacobson (djacobson@piercetransit.org or 253.581.8066) so that they may properly direct and follow up on your request. Similarly, Board members should not direct staff to initiate action or prepare any report or other materials without involving the CEO. When information is provided to one Commissioner, the response will be provided to the entire Board so that all members will have the opportunity to be equally informed (unless the information is of a personal, confidential, or incidental nature).

- Please depend on the staff to follow up with any Commissioner forwarding a citizen concern or complaint as to the outcome.
- Be civil, courteous, and respectful in all dealings with each other, Agency staff, our customers, and the public.
- Understand the fiduciary nature of our responsibilities to Pierce Transit, and make decisions that reflect good stewardship of tax dollars and are in the best interests of Pierce Transit.
- Interaction with the press on all matters relating to Pierce Transit should be coordinated with the CEO for referral to the Agency's Public Relations office.
- Be a transit rider and advocate. I challenge each of my fellow Board members to ride our service at least once per quarter.

Thank you for your continued service to Pierce Transit. By adhering to the above expectations, we will conduct Pierce Transit's business in a manner that is efficient, responsible, effective, and furthers the common good of our community. I would appreciate you acknowledging receipt and understanding of this memorandum by signing below and returning a copy of this document to me at nhenderson@piercetransit.org.

I am looking forward to working with all of you in the year to come.

Nancy Henderson
Chair, Pierce Transit Board

My signature below acknowledges receipt and my understanding of the above memorandum regarding expectations for Pierce Transit Board of Commissioners.

Signature

Date