Call to Order

Roll Call

Review/Discussion

1. Opening Remarks on the Proposed 2020 Budget
   Sue Dreier
   Chief Executive Officer

2. Review of the Proposed 2020 Budget (Presentation)
   Brett Freshwaters
   Executive Director of Finance

Public Hearing
(Citizens wishing to provide comment will be given three minutes to comment on the public hearing topic(s). The Chair, at his or her discretion, may reduce the comment time allowed to allow sufficient time for the Board to conduct business.)

1. Proposed 2020 Budget

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.
Division Strategic Initiatives

- Administration
- Finance
- Maintenance
- Planning & Community Development
- Service Delivery & Support
Strategic Initiatives
Administration Division Highlights

• Enhance Diversity, Equality, and Inclusion Program
• Implement Classification and Compensation System
• Increase Employee Retention Rate
• Implement Employee Financial Wellness Campaign
Strategic Initiatives
Finance Division Highlights

• Implement/manage projects to improve customer service:
  • Base Master Plan
  • CAD/AVL
  • Bus Rapid Transit

• Implement processes that will lead to cost savings/increase efficiencies

• Implement processes/programs to improve financial accountability and reduce risk of loss
Strategic Initiatives
Maintenance Division Highlights

- Development of a Human Capital Strategy with focus on apprentice program and leadership management fundamentals
- Focusing on safety awareness and safe practices
- Continuous improvement of planned maintenance programs for Facilities and Fleet
- Improve employee engagement through effective, consistent communication
Strategic Initiatives
Planning & Community Development Division Highlights

• Improve perception of Pierce Transit
• Maintain timelines for major projects
• Update service scheduling process
• Increase number of ORCA for Business accounts
Strategic Initiatives
Service Delivery & Support Division Highlights

• Improve the safe operations of our services and Agency
• Increase focus on enhancing the customer experience
• Improve reliability of Fixed Route service
• Address staffing levels that impacts our safety and efficiencies
• Pilot new service offerings to increase ridership
### Where Our Revenue Comes From
#### 2020 Operating Revenue

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>$ 97,561,853</td>
</tr>
<tr>
<td>Sound Transit*</td>
<td>$ 57,277,321</td>
</tr>
<tr>
<td>Fares</td>
<td>$ 11,363,904</td>
</tr>
<tr>
<td>Grants</td>
<td>$ 2,956,180</td>
</tr>
<tr>
<td>Other</td>
<td>$ 2,016,414</td>
</tr>
</tbody>
</table>

**Total Operating Revenue**  $ 171,175,672

*Sound Transit contracts with Pierce Transit to provide Regional transit service

#### 2020 Budget Operating Revenue

- **Sales Tax**: 57%
- **Sound Transit**: 33%
- **Fares**: 7%
- **Grants**: 2%
- **Other**: 1%

![Pie chart showing budget revenue distribution](image-url)
Where Our Revenue is Spent

2020 Operating Expenditures

Wages $77,035,334
Benefits $28,754,405
Maintenance & Operations $48,230,614
Subtotal $154,020,353

Non-Operating $1,143,054
Transfer to other Funds $2,339,673
(self insurance and capital)

Total Operating Expenditures $157,503,080

Note that Total Operating Revenue is $13.7 million more than Expenditures.
Operations
Services We Provide

2020 Operating Statistics

• Transit Service Hours: 1,169,170
  • *One year of Service Hours = 131 years*

• Transit Service Miles: 21,187,556
  • *One year of Service Miles = 851 trips around the Earth*

• Transit Service Rides: 15,226,239
  • *One year of Passenger Rides would fill the Tacoma Dome 662 times*
Services We Provide

2020 Operating Statistics – Ridership by Mode

Ridership

- **Fixed Route**: 14,146,030 (93%)
- **Shuttle**: 299,043 (2%)
- **Vanpool**: 781,166 (5%)

Total Ridership: 15,226,249
Who We Serve

From Customer Survey Fall 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 55</td>
<td>26%</td>
</tr>
<tr>
<td>Students</td>
<td>10%</td>
</tr>
<tr>
<td>Commuting to Job</td>
<td>66%</td>
</tr>
<tr>
<td>Minority</td>
<td>65%</td>
</tr>
<tr>
<td>Low Income</td>
<td>43%</td>
</tr>
</tbody>
</table>
Where We Serve

*Fixed Route and SHUTTLE*

- Auburn
- Edgewood
- Fife
- Fircrest
- Gig Harbor
- Lakewood
- Milton
- Pacific
- Puyallup
- Ruston
- Steilacoom
- Tacoma
- Unincorporated Pierce County
- University Place
- Contracted routes with Sound Transit
  - Lakewood to Seattle with stops in between
Where We Serve

Vanpool Participation by County

Vanpool Rides

- Kitsap: 48
- King: 168
- Pierce: 359
- Snohomish: 9
- Grays Harbor: 1
- Thurston: 9
- Lewis: 2

Powered by Bing
© GeoNames, NAvteq
Our Employees

2020 Budget Workforce

- 991 Positions
- 970.75 Full Time Equivalents (FTEs)

- Transit Operators: 554 (56%)
- Maintenance & Service Support: 301 (30%)
- Exec & Administrative Staff: 119 (12%)
- Public Safety Officers: 17 (2%)

- Public Safety Officers: 17 (2%)
- Maintenance & Service Support: 301 (30%)
- Exec & Administrative Staff: 119 (12%)
- Transit Operators: 554 (56%)
Capital
Infrastructure it Takes

- **4 Park & Ride Lots**
- **8 Transit Centers**
- **2400 + Bus Stops**

**Vehicle Inventory**
- Fixed Route: 316
- Shuttle: 99
- Vanpool: 364
- Non Revenue: 119

**Information Technology**
- 20 Core Systems
- 500-600 PCs & Laptops
- 200 Tablets
- 120 Virtual & Physical Servers

**Administrative/Maintenance Buildings**
- 179,791 square feet
- 81% of Tacoma Dome SqF

**Non Revenue**
- Vanpool
- Shuttle
- Fixed Route

**Vehicle Inventory**
- 0
- 100
- 200
- 300
- 400
Capital Projects

2020 Budget

$110M Carryover

$23M New

Total Capital Budget $133M

8 projects have Grant funds that total $61M or 46%

Capital Project Budget by Category

- Base Facilities 25%
- Revenue Vehicles 24%
- Other 21%
- Passenger Facilities 10%
- Technology 20%

Capital Project Budget by Class

- Expansion Projects 48%
- Replacement Projects 52%

- Other 21%

- Passenger Facilities 10%
- Technology 20%

- Base Facilities 25%
- Revenue Vehicles 24%
Capital Projects

2020 Budget

Bus Replacement: $7,410,663

TDS Elevator Repairs/Upgrades: $1,718,558
Capital Projects

2020 Budget

BMP: Add $7,163,068

Commerce Placemaking: Add $2,750,000
Six-Year Plan / Budget
Six-Year Financial Plan
2020 – 2025 Assumptions

• Sales Tax Projections
  • 2020 5%
  • 2021-2025 4%

• Wage adjustments 4.7%
  • Includes steps, COLA, and performance based

• Benefits
  • Medical and Dental premiums 8%
  • Hold benefits as a percent of wages to 39%

• Fixed Route Service Hours
  • Includes 10,000 hours BRT in 2023

• Sustainable
## Six-Year Financial Plan
### 2020 – 2025 Summary

<table>
<thead>
<tr>
<th>$ In Millions (*rounded)</th>
<th>2019 Year-End Estimate</th>
<th>2020 Budget</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>$ 51.8</td>
<td>$ 25.7</td>
<td>$ 39.4</td>
<td>$ 27.0</td>
<td>$ 27.7</td>
<td>$ 29.0</td>
<td>$ 39.3</td>
</tr>
<tr>
<td>Revenue</td>
<td>160.7</td>
<td>171.2</td>
<td>174.8</td>
<td>180.9</td>
<td>188.1</td>
<td>195.5</td>
<td>203.2</td>
</tr>
<tr>
<td>Total</td>
<td>$ 212.5</td>
<td>$ 196.9</td>
<td>$ 214.2</td>
<td>$ 207.9</td>
<td>$ 215.8</td>
<td>$ 224.5</td>
<td>$ 242.5</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$ 149.3</td>
<td>$ 155.2</td>
<td>$ 163.0</td>
<td>$ 167.6</td>
<td>$ 175.3</td>
<td>$ 181.9</td>
<td>$ 188.9</td>
</tr>
<tr>
<td>Transfers from Operating</td>
<td>37.4</td>
<td>2.3</td>
<td>24.2</td>
<td>12.6</td>
<td>11.5</td>
<td>3.2</td>
<td>13.2</td>
</tr>
<tr>
<td>Total</td>
<td>$ 186.7</td>
<td>$ 157.5</td>
<td>$ 187.2</td>
<td>$ 180.2</td>
<td>$ 186.8</td>
<td>$ 185.1</td>
<td>$ 202.1</td>
</tr>
<tr>
<td><strong>Operating Ending Balance</strong></td>
<td>$ 25.7</td>
<td>$ 39.4</td>
<td>$ 27.0</td>
<td>$ 27.7</td>
<td>$ 29.0</td>
<td>$ 39.3</td>
<td>$ 40.5</td>
</tr>
<tr>
<td><strong>Required Balance</strong></td>
<td>$ 24.7</td>
<td>$ 26.7</td>
<td>$ 27.0</td>
<td>$ 27.7</td>
<td>$ 29.0</td>
<td>$ 30.1</td>
<td>$ 31.3</td>
</tr>
<tr>
<td><strong>Margin / (Deficit)</strong></td>
<td>$ 1.0</td>
<td>$ 13.7</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 9.2</td>
</tr>
</tbody>
</table>

* Totals May not add due to rounding
## Budget Comparison

**Operating Revenues**

<table>
<thead>
<tr>
<th>Operating Income</th>
<th>2019 Year-End Estimate</th>
<th>2020 Budget</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fares</td>
<td>$11,237,077</td>
<td>$11,363,904</td>
<td>1.1%</td>
</tr>
<tr>
<td>Advertising</td>
<td>320,000</td>
<td>340,000</td>
<td>6.3%</td>
</tr>
<tr>
<td>Regional Transit Service</td>
<td>51,273,524</td>
<td>57,277,321</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Operating Income</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>92,916,050</td>
<td>97,561,853</td>
<td>5.0%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,623,527</td>
<td>1,676,414</td>
<td>3.3%</td>
</tr>
<tr>
<td>Operating Contributions</td>
<td>3,305,212</td>
<td>2,956,180</td>
<td>-10.6%</td>
</tr>
</tbody>
</table>

| Total                     | $160,675,390           | $171,175,672| 6.5%     |
# Budget Comparison

## Operating Expenditures

<table>
<thead>
<tr>
<th></th>
<th>2019 Year-End Estimate</th>
<th>2020 Budget</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>$73,030,712</td>
<td>$77,035,334</td>
<td>5.5%</td>
</tr>
<tr>
<td>Benefits</td>
<td>28,034,828</td>
<td>28,754,405</td>
<td>2.6%</td>
</tr>
<tr>
<td>M &amp; O</td>
<td>47,105,972</td>
<td>48,230,614</td>
<td>2.4%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>148,171,512</strong></td>
<td><strong>154,020,353</strong></td>
<td><strong>3.9%</strong></td>
</tr>
<tr>
<td>Non-Operating</td>
<td>1,143,468</td>
<td>1,143,054</td>
<td></td>
</tr>
<tr>
<td>Transfers</td>
<td>37,411,962</td>
<td>2,339,673</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$186,726,942</strong></td>
<td><strong>$157,503,080</strong></td>
<td></td>
</tr>
</tbody>
</table>
Budget Comparison

Personnel

• 2020 Budget 991 positions / 970.75 Full-Time Equivalents (FTEs)
  • Net decrease of 2 positions from the 2019 Budget

5 New Positions
  1 Records Analyst
  1 Systems Analyst
  1 Sr. Construction Project Manager
  1 BRT Coordinator
  1 Customer Satisfaction Coordinator

7 Position Reductions
  3 Paratransit Transit Operators
  2 Paratransit Specialized Transportation Dispatchers
  2 Paratransit Data Specialists
2020 Budget Summary

Appropriations

- Balanced
- Meets Reserve Requirements
- Sustainable for Operations

<table>
<thead>
<tr>
<th></th>
<th>2020 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$157,503,080</td>
</tr>
<tr>
<td>Capital</td>
<td>132,965,521</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,891,330</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$293,020,258</strong></td>
</tr>
</tbody>
</table>

These are some of the features you will find on PierceTransit.org to help you:

- Use Trip Planner to plan your trip from beginning to end.
- Get real-time bus arrival information that tells you when your bus arrives at your stop.
- Stay Connected by having Route Updates and other news sent directly to your inbox or phone.
- Select foreign language translation to view PierceTransit.org in a different language.
- Adjust the type size to your viewing needs on PierceTransit.org.
- Take a virtual trip to see where a route will take you.
- Check social media for updates such as service on or around holidays.
- Find your schedule, print your schedule.
- Access interactive maps to spot landmarks or transfer points along your route.
Next Steps

2020 Budget

• Study Session & Public Hearing 10/14
• CTAG Presentation 10/24
• Budget Adoption 12/9
PIERCE TRANSIT
NOTICE OF PUBLIC HEARING
PROPOSED 2020 BUDGET

A public hearing will be held as part of the Board of Commissioners Special Meeting on Monday, October 14, 2019 at 3:00 p.m. The meeting will be held at the Pierce Transit Training Center, Rainier Conference Room, located at 3720 96th ST SW, Lakewood, Washington. The purpose of the Public Hearing is to obtain comment and feedback from citizens on the proposed 2020 Budget.

The proposed Budget may be viewed on the Agency’s website at http://www.piercetransit.org/Resources/Public Documents and is also on file in the Clerk of the Board’s Office located at 3701 96th ST SW, Lakewood, WA. Questions and written comments pertaining to the proposed Budget should be submitted to:

Kelli Dion, Budget Assistant Manager
PO Box 99070
Lakewood, WA. 98496-0070
Or calling 253-983-3344

Registered SHUTTLE customers may obtain specialized transportation to and from the hearing by calling SHUTTLE AT 253-581-8000, press 1, press 2, and then press 1, from one to five days in advance of the hearing. An interpreter for the hearing impaired will be provided upon request with a minimum notice of five days.

_____________________________
Deanne Jacobson, CMC
Clerk of the Board

Published in the Tacoma Daily Index and Tacoma News Tribune on Friday, October 4, 2019.