



Draft 2017–2018 Budget: Operating and Capital

**C-TRAN Board of Directors Meeting
November 8, 2016**

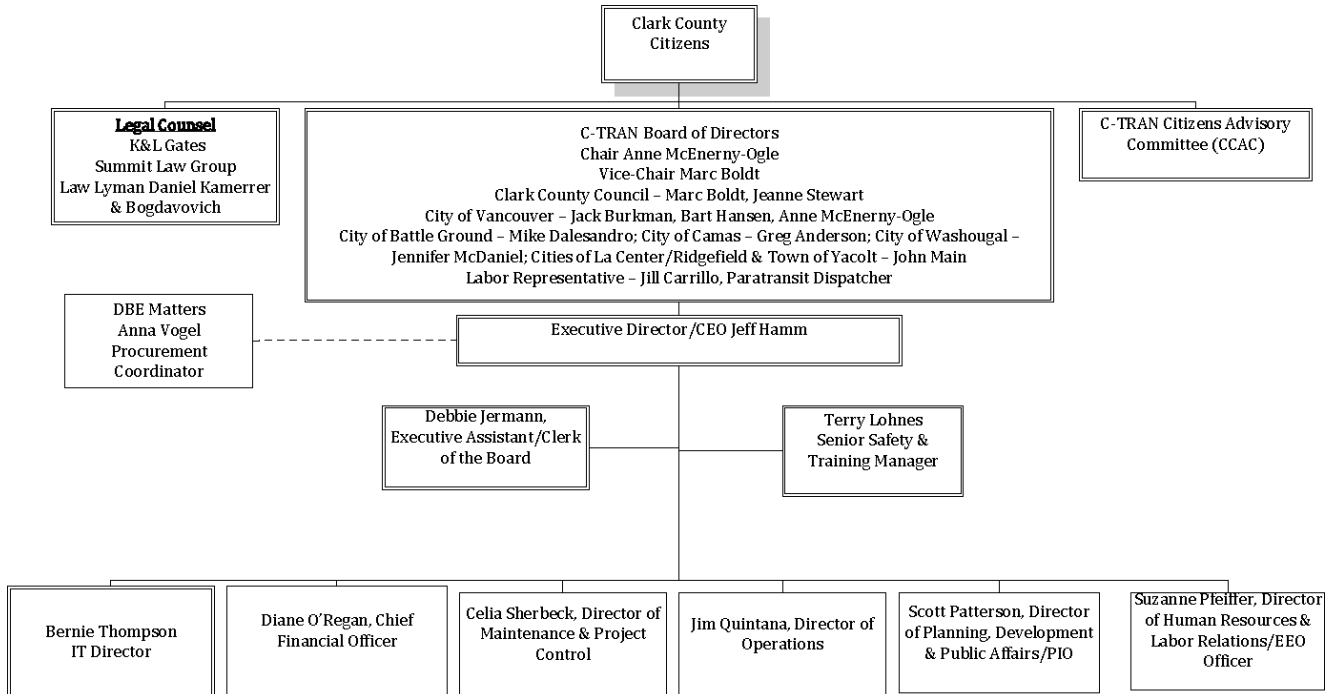


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C-TRAN Organizational Chart

C-TRAN Organizational Chart
Revised April 2016



C-TRAN's mission is to provide safe, reliable, efficient mobility choices.

50 YEAR VISION STATEMENT FOR C-TRAN

(Revised August 11, 2009)

By 2060:

C-TRAN is recognized as one of the leading transit agencies in the country because we provide cost-effective, safe, accessible, convenient, innovative, reliable public transportation moving people within Clark County and throughout the southwest Washington/Portland region.

C-TRAN empowers citizens by providing mobility options that connects them with places of employment, education, health care, shopping, entertainment, recreation, social, and religious functions.

C-TRAN is more than a bus system. As appropriate, C-TRAN is willing to provide traditional fixed route and bus rapid transit, trolley, streetcar, shuttles, Paratransit, connectors, light and heavy rail, vanpool and ridesharing services.

C-TRAN services contribute positively to the region's sustainability, livability and economic vitality by helping manage traffic congestion, reduce dependence on foreign oil, lower carbon emissions, contain transportation costs for employers and employees, enable denser land use and development of urban areas, and provide essential transport to persons with no other means of travel.

C-TRAN remains flexible and accountable as it grows and changes.

C-TRAN is cost effective and is a trusted steward of the public's resources.

C-TRAN's public transit network connects with transit systems throughout the region.

C-TRAN is the preferred form of transportation because, in addition to its efficiency, riders experience a pleasant, affordable, safe and secure trip.

INTRODUCTION

Budget Approach

C-TRAN implemented biennial budgeting with the 2007-2008 budget cycle. Biennial budgets are useful for governments because they provide greater lead-time for budget decisions and to make adjustments to agency and department budgets. The major advantages of a biennial budget include:

- Improving long-range planning information and decisions;
- Providing the Operations Department the ability to plan schedules and service modifications over a longer time period and with more predictable service hour assumptions;
- Providing policymakers more time to review the impacts of difficult decisions, such as fare or sales tax increases;
- Encouraging decision-makers to focus on performance-based budgeting and the use of service standards to evaluate program effectiveness; and
- Creating a more efficient budget approval process for the Board of Directors.

This document consists of a 2017-2018 baseline operating budget with adjustments added to advance the agency in the strategic direction established by C-TRAN's 50-Year Vision Statement and its updated C-TRAN 2030 Plan. The baseline budget maintains Fixed Route service operations at 2016 serve hour levels, but builds in expenditure increases associated with labor contract/inflation escalators, as well as an assumption for increased C-VAN service. The 2017-2018 budget adjustments represent additional investments and service expansion consistent with the updated C-TRAN 2030 Plan.

This document also presents a 2017-2022 capital budget. The timeframe coincides with the Southwest Washington Regional Transportation Council's (RTC) Transportation Development Plan and is intended to encompass the next five-year increment of C-TRAN 2030.

Historical Context

The Clark County Public Transportation Benefit Area (C-TRAN) is a transportation benefit area established and operated in accordance with Chapter 36.57A of the Revised Code of Washington (RCW). C-TRAN's founding taxing authority of 0.3 (three-tenths) sales tax was granted by the voters in the 1980 general election.

In the 1999 general election, Washington state voters approved Initiative 695, which repealed the Value-Based Motor Vehicles Excise Tax (MVET). MVET provided approximately 40 percent of C-TRAN's revenue, and revenue from this source ceased July 1, 2000. Extensive public outreach was conducted and a service reduction plan was implemented, which cut fixed route service about 13 percent over 1999 service levels.

In November 2004, voters rejected a ballot measure that would have increased the sales tax 0.3 (three-tenths) percent for transit service, and make up for the loss of the MVET revenue. In response to the defeat, C-TRAN reduced its service and taxing area boundary, implemented cost containment measures, raised fares, and presented a new 0.2 (two-tenths) sales tax service preservation ballot measure to voters that was approved in 2005. The Service Preservation Plan was a five-year plan that forecast the need for additional revenue in 2011 in order to sustain service levels and other agency commitments.

In June 2010, the C-TRAN Board of Directors adopted C-TRAN 2030, a comprehensive 20-year development and strategic plan for public transportation services in Clark County.

In 2011, consistent with C-TRAN 2030, the agency advanced a ballot measure for a 0.2 (two-tenths) percent sales tax increase to fund core bus and paratransit needs. The measure was approved by the voters.

In 2012, consistent with C-TRAN 2030, the agency advanced a ballot measure for a 0.1 (one-tenth) percent sales tax increase to fund a) operations and maintenance of light rail as part of the Columbia River Crossing (CRC) project; and b) the capital and operations/maintenance costs of C-TRAN's Fourth Plain Bus Rapid Transit (BRT) project. The measure was not approved by voters.

In 2016, the C-TRAN Board of Directors initiated an update to the adopted C-TRAN 2030 Plan in order to make adjustments to the plan's scope and schedule, including:

- The economic impact of the Great Recession;
- The defeat of 2012 0.1 (one-tenth) percent sales tax ballot measure;
- The cancellation of the Columbia River Crossing project;
- Achieving 80 percent federal funding for capital costs of the Fourth Plain BRT;
- Strong sales tax growth, post the Great Recession; and
- New service requests from C-TRAN's constituent jurisdictions.

The updated C-TRAN 2030 Plan provides a five-year financial and service development roadmap that serves as the foundation of the 2017-2018 biennial budget.

Budget Themes

The 2017-2018 Biennial Operating Budget is built around four principal areas of focus or themes:

1. Tend to Basics

This theme focuses on expenditures and investments that contribute to maintaining the agency's physical and human assets in order to provide safe, reliable, public transit service. For example:

- Improve the customer experience and communication;
- Maintain state of good repair of rolling stock and facilities including preparation for phased build-out of the 65th Avenue facility;
- Modernize technology to ensure continuity of service and improved security to prevent cyber attacks; and
- Provide development opportunities within the organization to encourage employees to stay in the transit industry to fill positions vacated with the onslaught of approaching retirements.

2. Safety, Security, and Compliance

This is an emphasis area that allocates resources to further build and strengthen a safety culture at C-TRAN and improves risk based management. In addition, investments are needed to comply with new federal and state requirements including implementation of federally mandated Agency Safety Plan (2017), Transit Asset Management (TAM) Plan (2018), and Washington State Local Government Common Records Retention Schedule (CORE) 30-day retention requirements.

Enhancements are included to security through equipment upgrades and deployment of additional security personnel to coincide with opening of the Fourth Plain BRT and new fare payment system (HopFast Pass).

3. Efficiency, Reliability, and Performance

Investment and allocation of resources are important to improve efficiency, reliability, and performance, with emphasis on achieving adequate Operator staffing levels and optimization of distribution of work.

4. Service Surge: *Add and Innovate*

Consistent with the C-TRAN 2030 Plan update, the 2017-2018 Biennial Operating Budget provides for increases in both fixed route and C-VAN service hours, with additional operating and capital improvements over the next five years, which include but are not limited to:

- Identifying the next BRT corridor: Mill Plain and Highway 99 are the next highest ridership corridors;
- Restore fixed route span of service and frequency lost during the 2010 service reduction;
- Expand service using the 80 percent productivity/20 percent coverage approach as identified in the 2013 Service Performance and Design Standards Plan;
- Investigate Mobility on Demand options, using emerging technologies and innovative partnerships to improve efficiency and responsiveness, in coverage areas;
- Identify a possible eastside park-and-ride between I-205 and Camas-Washougal;
- Grow the vanpool program; and
- Expand service for C-VAN to ensure demand is met.

2017-2018 Operating Budget Summary

	2013-14 Actual	2015-16 Biennial Budget	2015-16 Trending	2017-18 Baseline	2017-18 Adjustment	2017-18 Biennial Budget
Revenue						
Passenger Fares	\$16,059,447	\$16,544,600	\$15,378,987	\$15,243,700	\$0	\$15,243,700
Bus Advertising Revenue	721,540	692,500	707,455	857,500	0	857,500
Interest Income	291,832	206,900	372,656	1,304,612	0	1,304,612
Sales Tax Revenue	75,130,903	85,523,000	90,751,875	100,510,900	0	100,510,900
Operating Grants	11,114,471	10,796,463	11,968,683	14,367,536	627,702	14,995,238
Miscellaneous	139,407	141,000	77,383	61,300	0	61,300
Total Revenue	<u>\$103,457,599</u>	<u>\$113,904,463</u>	<u>\$119,257,038</u>	<u>\$132,345,548</u>	<u>\$627,702</u>	<u>\$132,973,250</u>
Expenses						
Salaries & Wages	\$36,564,839	\$48,095,893	\$40,499,186	\$52,560,084	\$1,962,335	\$54,522,419
Benefits	28,277,599	28,501,314	34,198,497	31,984,086	1,261,355	33,245,441
Services	5,109,642	8,345,410	6,379,056	8,750,474	4,793,079	13,543,553
Supplies	12,740,791	12,678,771	10,944,291	13,529,800	1,184,636	14,714,436
Utilities	998,570	1,067,692	1,135,462	1,333,135	0	1,333,135
Insurance	1,324,462	1,806,138	1,570,819	2,357,519	0	2,357,519
Taxes	14,254	12,776	22,527	30,000	0	30,000
Miscellaneous	589,553	968,306	707,925	1,153,746	185,200	1,338,946
Leases	435,772	512,956	508,660	535,451	240,000	775,451
Depreciation	11,507,010	9,763,477	9,357,191	18,423,999	0	18,423,999
Total Operating Expenses	<u>\$97,562,492</u>	<u>\$111,752,733</u>	<u>\$105,323,614</u>	<u>\$130,658,294</u>	<u>\$9,626,605</u>	<u>\$140,284,899</u>
Less Non-Cash Depreciation	<u>(\$11,507,010)</u>	<u>(\$9,763,477)</u>	<u>(\$9,357,191)</u>	<u>(\$18,423,999)</u>	<u>\$0</u>	<u>(\$18,423,999)</u>
Net Operating Expenses	<u>\$86,055,482</u>	<u>\$101,989,256</u>	<u>\$95,966,423</u>	<u>\$112,234,295</u>	<u>\$9,626,605</u>	<u>\$121,860,900</u>
Net Change in Fund Balance	<u>\$17,402,117</u>	<u>\$11,915,207</u>	<u>\$23,290,615</u>	<u>\$20,111,253</u>	<u>(\$8,998,903)</u>	<u>\$11,112,350</u>

Note:

The 2015-16 Biennial Budget column reflects the Board adopted and amended Biennial Budget.

The 2015-16 Trending column reflects actual results for 2015 and nine months of actual results for 2016. Those nine months are then annualized and adjusted for anomalies to produce the 2016 Trending column.

The 2017-18 Baseline column reflects baseline operations for 2016 with built in contract/inflation escalators.

The 2017-18 Adjustment column are the operating budget requests brought forward by Executive Staff for the Board of Directors' approval. They represent requests that are out of the ordinary and/or non-recurring in nature.

The 2017-18 Biennial Budget column adds together the baseline and adjustment columns.

OPERATING BUDGET BASELINE

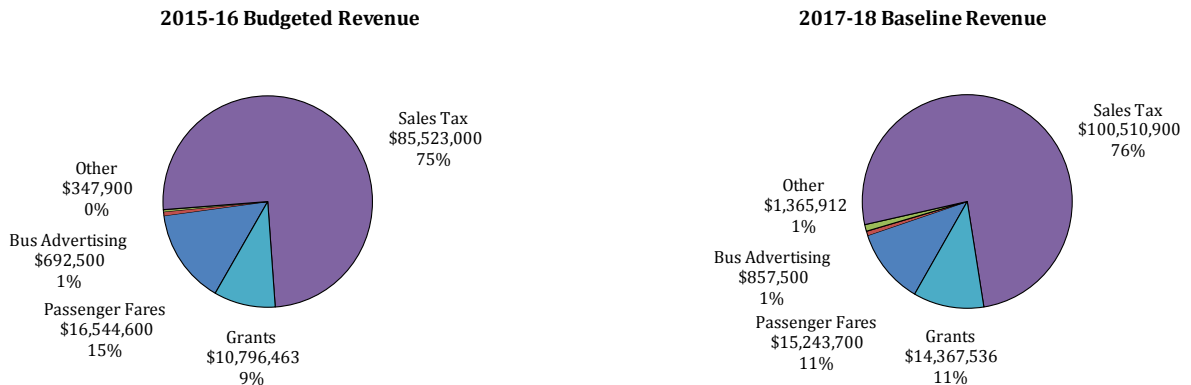
An operating budget baseline was established by evaluating the 2013-14 Biennial Actual results, 2015-2016 Biennial Budget and the actual twenty-one months results for 2015 and 2016. Year-to-date 2016 expenses were annualized and adjusted for grant and additional expenses expected to occur in the last three months of 2016 to create a trend figure. The budget continues operations consistent with 2016 service hours. Any enhancements to the operating budget are detailed in the Operating Adjustment following this section.

Revenue Analysis

The 2017-2018 Operating Revenue budget is reviewed below:

Revenue Descriptions	2013-14 Actual	2015-16 Biennial Budget	2015-16 Trending	2017-18 Baseline
Passenger Fares	\$16,059,447	\$16,544,600	\$15,378,987	\$15,243,700
Bus Advertising Revenue	721,540	692,500	707,455	857,500
Interest Income	291,832	206,900	372,656	1,304,612
Sales Tax Revenue	75,130,903	85,523,000	90,751,875	100,510,900
Operating Grants	11,114,471	10,796,463	11,968,683	14,367,536
Miscellaneous	139,407	141,000	77,383	61,300
Total Agency	\$103,457,600	\$113,904,463	\$119,257,039	\$132,345,548

Sales tax, passenger fares, and operating grants provide 98 percent of the agency's operating budget.



Passenger Fares

Passenger Fare Revenue is primarily dependent on ridership which has seen slight declines due to an improved economy and low gas prices. The agency has pulled together a task force to come up with recommendations on how to improve ridership. The biennial budget includes increased advertising expense to fund anticipated recommendations.

Another factor to Passenger Fare Revenue is the price of the fare to the customer. In 2016, the Board took action on adjusting the fare policy in preparation for regional electronic fares, or the HOP Fastpass. The most notable adjustments were the move to route-based price, and decreasing the honored citizen and disabled monthly fare from \$34 to \$28 to match TriMet's. HOP Fastpass is expected to be fully launched to the public in July 2017. The dynamic changes in fare payment delivery presented by the HOP Fastpass have made it a challenge to quantify the impact to fixed route fare revenue. Any fare increase in 2017 or 2018 has not been substantially discussed with the Board; however the Board continues to provide the direction to implement small incremental fare increases annually. The public expects user fees to increase just as other costs increase. With stagnant ridership and HOP Fastpass providing user benefits that may decrease revenue, Passenger Fare Revenue for fixed route and C-VAN services have been budgeted with no increase.

Vanpool fares will be reviewed in both 2017 and 2018. These fares are largely driven by consumer gas prices and are not impacted by HOP Fastpass.

Passenger Fares	2013-14 Actual	2015-16 Biennial Budget	2015-16 Trending	2017-18 Baseline
Fixed Route	\$14,859,663	\$15,069,700	\$14,142,650	\$12,155,400
The Vine	0	0	0	1,703,800
Demand Response (C-VAN)	778,561	864,500	799,160	799,600
Vanpool	421,223	610,400	437,177	584,900
Total Passenger Fares	\$16,059,447	\$16,544,600	\$15,378,987	\$15,243,700

Bus Advertising Revenue

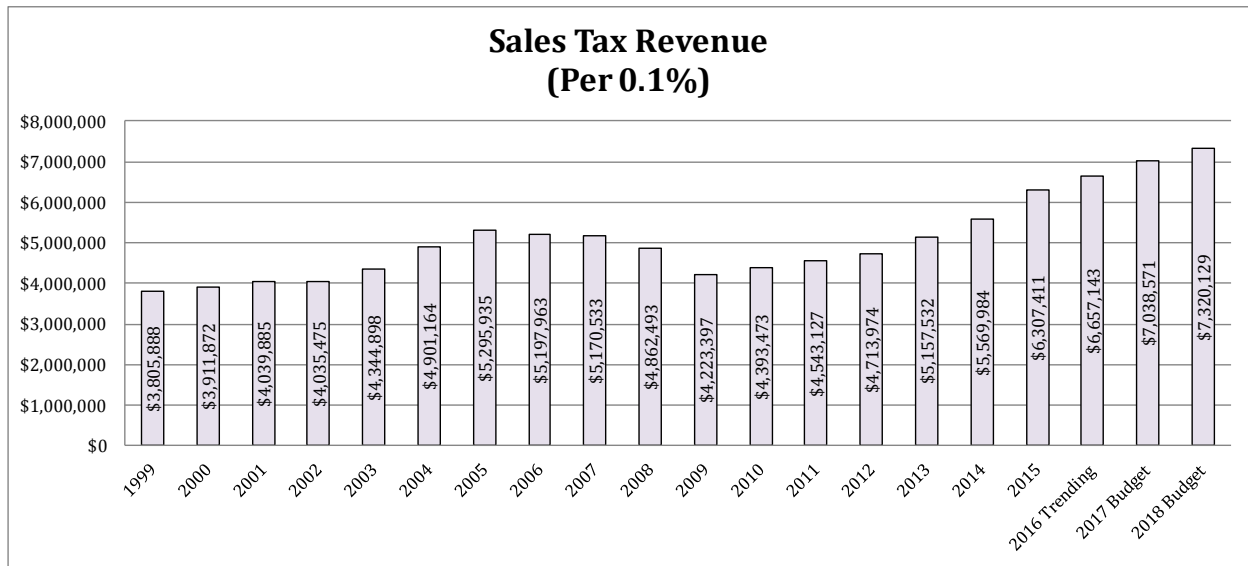
The 2017-2018 budget is based on the advertising contract minimum guarantee. In the past five years C-TRAN has seen annual increase over the contract minimum, averaging \$35,000 per year.

Interest Income

The agency budgeted to use a financial consulting to help improve investment strategies to maximize the returns in this area and mitigate any potential downturns in the economy.

Sales Tax Revenue

Sales Tax Revenue is 75 percent of the agency's operating revenue and is the most volatile source of revenue for the agency; however, the last three years have been higher than anticipated. This strong sales tax growth may allow for up to a 10 percent service increase in fixed route, depending on the funding needs for C-VAN and the Vanpool program. The budget represents a 4.0 percent increase in Sales Tax Revenues in 2017 and 2018, over 2015 actual collections.



Operating Grants

The budget continues the use of the following grants:

- Federal Section 5307 formula funds to address preventative maintenance costs;
- Federal Section 5310 formula funds to provide enhanced mobility options for seniors and people with disabilities;
- Federal New Freedom formula funds for travel training;
- Washington State Department of Transportation (WSDOT) Special Needs Program Formula grant for C-VAN services; and
- WSDOT Operating & Capital Grant for the Vancouver Mall Transit Center.

Actual grant awards, or available balances, were used for the 2017-2018 biennium. Grant funding related to one-time projects are included in the Operating Adjustment section and not considered baseline.

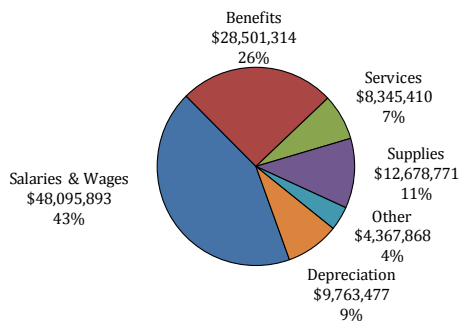
Expense Analysis

The 2017-2018 Operating Expense budget is reviewed below:

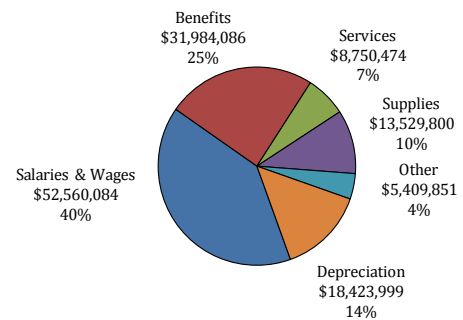
Expense Descriptions	2013-14	2015-16	2015-16	2017-18
	Actual	Biennial Budget	Trending	Baseline
Salary & Wages	\$36,564,839	\$48,095,893	\$40,499,186	\$52,560,084
Benefits	28,277,599	28,501,314	34,198,497	31,984,086
Services	5,109,642	8,345,410	6,379,056	8,750,474
Supplies	12,740,791	12,678,771	10,944,291	13,529,800
Utilities	998,570	1,067,692	1,135,462	1,333,135
Insurance	1,324,462	1,806,138	1,570,819	2,357,519
Taxes	14,254	12,776	22,527	30,000
Miscellaneous	589,553	968,306	707,925	1,153,746
Leases	435,772	512,956	508,660	535,451
Depreciation	11,507,010	9,763,477	9,357,191	18,423,999
Total Operating	97,562,492	111,752,733	105,323,614	130,658,294
Less Depreciation	(11,507,010)	(9,763,477)	(9,357,191)	(18,423,999)
Net Expenses	\$86,055,482	\$101,989,256	\$95,966,423	\$112,234,295

Salary, wages, benefits, services, and supply (primary fuel) costs use approximately 82 percent of the agency's operating budget.

2015-16 Budgeted Expenses



2017-18 Baseline Expenses



Service Hour Analysis

The following table reflects the distribution of service hours by type for the 2017-2018 budget.

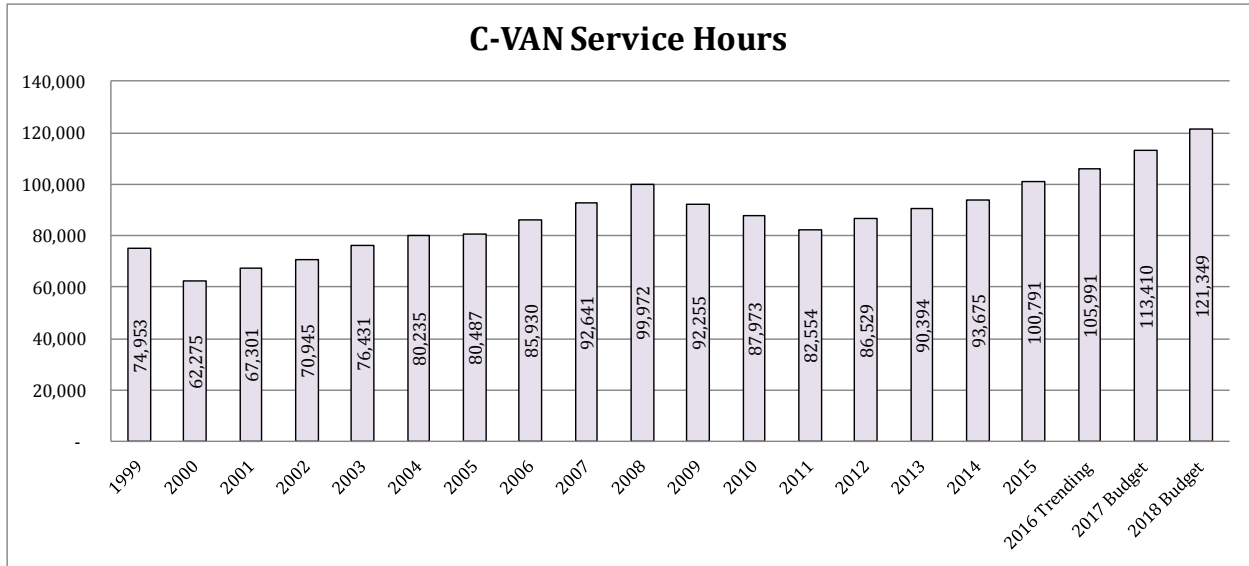
Service Hours	2015	2016	2017	Increase	Percent	2018	Increase	Percent
	Actual	Budget	Proposed Budget	from 2015 Actual	Increase (Decrease)	Proposed Budget	(Decrease)	Increase (Decrease)
Fixed Route	280,710	290,922	264,000	(16,710)	-6.0%	276,000	12,000	4.5%
The Vine	0	0	37,000	37,000	n/a	37,000	0	0.0%
Demand Response	100,791	99,348	113,410	12,619	12.5%	121,349	7,939	7.0%
Vanpool	10,784	17,000	14,000	3,216	29.8%	16,000	2,000	14.3%
Total Agency	392,285	407,270	428,410	36,125	9.2%	450,349	21,939	5.1%

Fixed Route

The fixed route service hours include the Local/Urban, Express, and Connector service and are compared to actual service hours provided in 2015. Over the course of the biennial budget, service hours are planned to increase by 24,000 annual hours over the 2016 Budget. Approximately 7,000 of these hours were implemented with the September 2016 Service Change primarily related to the cross-river shuttle. The budget then assumes adding approximately 5,000 annual hours in September 2017 and another 12,000 hours in September 2018. The recommended service hour additions will be brought to the Board of Directors and will reflect discussions related to the 2030 Plan update and specific jurisdictional concerns.

Demand Response

Demand Response refers to C-TRAN's complementary ADA Paratransit service (aka C-VAN). C-VAN is a service that cannot be limited by budget and it must be adequate to meet all demand, without exception, as mandated by the FTA. The below graph shows the C-VAN hours over 20 years and demonstrates the uncontrollable nature of the service.



The budgeted service hours represents an almost 21,000 hours increase compared to 2015. Although C-TRAN has implemented strategies that have been successful at constraining growth over the past several years compared to a nationwide trend of higher growth, demand for service hours is trending upward. Staff continues to evaluate additional opportunities for reducing C-VAN demand.

Vanpool

The Vanpool service hours are based on the assumption of 37 vehicles in service in 2017 with an average service hour per vehicle of about 378 hours. In 2018, the count is expected to grow to an average of 42 vehicles in service with approximately 380 service hours per vehicle. This program was implemented in May 2009 and currently has 32 vanpool vehicles in service. The program is assumed to have 35 vanpool vehicles in service by year-end 2016.

Year	Avg # of Vehicles in service	Service Hours performed
2009	8	2,141
2010	6	2,395
2011	12	4,181
2012	23	8,377
2013	29	10,530
2014	32	11,613
2015	30	10,784
2016 Trending	32	11,671
2017 Budget	37	14,000
2018 Budget	42	16,000

While the demand for Vanpool has seen little change in the past couple years as demonstrated in the table above, the agency plans for growth over the next two years in response to greater outreach and promotion of the program.

Salary & Wages

The Operating Salary & Wages baseline budget includes step, longevity, or merit pay for the two years as determined by the collective bargaining agreement or compensation plan. A wage range adjustment of two percent was applied to the baseline budget. Position additions are included in the Operating Adjustment section.

The 2015-2016 operating budget included a temporary project manager position responsible for coordination of all onsite contractor and vendor activity and liaison with operations and maintenance staff to ensure continuity of operations. The position was slated for elimination in 2017; however significant project management skills are needed long term so the position has been reclassified as a regular on-going position within the operating baseline budget.

Benefits

Regular cost increases due to rate increases were included in the baseline budget. The following budgeting assumptions were made:

Benefit Description	2017 Percent Increase	2018 Percent Increase
PERS	0.6%	1.3%
Medical	6.0%	6.0%
Dental	6.0%	6.0%
Life	0.0%	0.0%
Disability	0.0%	0.0%
Unemployment	0.0%	0.0%
Worker’s Compensation	3.0%	3.0%

Other benefits such as uniforms, sick leave and vacation leave payouts are also included in the baseline budget.

Services

Services include professional and technical, contract and custodial maintenance, printing, security and other services. Included in the baseline budget is \$150,000 per year for agency-wide strategic unforeseen costs for the Executive Director/CEO or the Board of Directors to utilize for unbudgeted needs.

Supplies

Supplies primarily include diesel fuel costs, which were budgeted at \$2.00 per gallon in 2017 and \$2.25 per gallon in 2018. This is compared to the 2015-2016 budget of \$3.25 per gallon in 2015 and in 2016.

Insurance

Insurance expense is increasing due to C-TRAN unfavorable losses and the rate estimates provided by WSTIP. The transit insurance pool has experienced some relatively high losses which is impacting insurance premiums for excess over the \$2 million self insurance. To reduce high excess insurance premiums, in 2017 the pool will increase to \$2.5 million self insurance and add a modest call for additional capital investment to fund up to a \$5 million self insurance should excess insurance premiums skyrocket.

Depreciation

Depreciation increased due to a number of larger capital projects being completed in the 2015-2016 biennium, or anticipated for completion in the 2017-2018 biennium, offset by the number of C-TRAN's aging assets coming in to the end of their depreciable lives. Assets at the end of their depreciable life are a trigger in the TAM Plan to address the prioritization of replacing assets at the end of their useful lives.

OPERATING BUDGET ADJUSTMENTS

The operating budget adjustments are organized according to the 2017-2018 budget themes:

1. Tending to Basics
2. Safety, Security and Compliance
3. Efficiency and Reliability Performance
4. Service Surge: *Add and Innovate*

Below are the operating budget requests brought forward by Executive Staff to the Board of Directors for approval and identified in summary in the 2017-18 Adjustment column. A request is called out as an operating adjustment when it is extraordinary; unusual; a capital project with recurring costs; and/or non-recurring in nature. The service increase related to security expenses were budgeted in the baseline category for budgeting simplicity. Capital expenses are identified where the operating adjustment is related to an ongoing cost resulting from the investment.

	2013-14 Actual	2015-16 Biennial Budget	2015-16 Trending	2017-18 Baseline	2017-18 Adjustment	2017-18 Biennial Budget
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Taxes	14,254	12,776	22,527	30,000	0	30,000
Miscellaneous	589,553	968,306	707,925	1,153,746	185,200	1,338,946
Leases	435,772	512,956	508,660	535,451	240,000	775,451
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Total Operating Expenses	<u>\$97,562,492</u>	<u>\$111,752,733</u>	<u>\$105,323,614</u>	<u>\$130,658,294</u>	<u>\$9,626,605</u>	<u>\$140,284,899</u>
Less Non-Cash Depreciation	<u>(\$11,507,010)</u>	<u>(\$9,763,477)</u>	<u>(\$9,357,191)</u>	<u>(\$18,423,999)</u>	<u>\$0</u>	<u>(\$18,423,999)</u>
Net Operating Expenses	<u>\$86,055,482</u>	<u>\$101,989,256</u>	<u>\$95,966,423</u>	<u>\$112,234,295</u>	<u>\$9,626,605</u>	<u>\$121,860,900</u>
Net Change in Fund Balance	<u>\$17,402,117</u>	<u>\$11,915,207</u>	<u>\$23,290,615</u>	<u>\$20,111,253</u>	<u>(\$8,998,903)</u>	<u>\$11,112,350</u>

Tending to Basics

1. Engine and Major Component Replacements: Much of the agency's revenue fleet is reaching an age when engines and other major components begin to fail. Planning for replacement when issues arise prevents a vehicle from being out of service for longer intervals. A portion of the 2003, 2008 and 2010 vehicles are targeted for mid-life overhauls including the hybrid batteries (Electrical Storage System or ESS) and engine replacements.

Supplies Expense	\$ 1,335,400
Total Local Funding	<u>\$ 1,335,400</u>

2. New Maintenance Positions:

Fleet assets are aging and service miles are increasing, creating additional maintenance. C-TRAN's Fleet Maintenance Division is extremely efficient compared with benchmark agencies; however, the division needs to increase staffing levels to adequately perform preventative maintenance and repair vehicles within an acceptable timeline. The increase in service miles will require the revenue vehicles to perform optimally as there is not an abundance of spare vehicles to perform the fixed route and C-VAN services. The budget adds two positions designed specifically to maintain the revenue fleet.

Similarly, expanding service and increasing service frequency increases the work for facilities. New facilities associated with The Vine, WSDOT Park and Pool, a driver's relief building at Delta Park and the expanded parking lot at Fisher's Landing Transit Center all require additional work to meet the minimum requirements to maintain cleaning quality standards. The budget adds one position to the facilities maintenance work force.

Salary & Wage Expense	\$ 396,000
Benefits Expense	<u>\$ 231,000</u>
Total Local Funding	<u>\$ 627,000</u>

3. Bus Surveillance Hard Drive Replacement:

The bus surveillance camera system records video on hard drives located inside the digital video recorders on board each fixed route and C-VAN revenue vehicle. The life expectancy of these hard drives is approximately three years, and they do not provide warning of actual failure. The budget includes a new preventative program to replace one-third of the hard drives each year beginning in 2017.

Supplies Expense	\$ 72,600
Total Local Funding	<u>\$ 72,600</u>

4. Bus Shelter Replacements: The shelter replacement program purchases and installs 80 replacement shelters in the biennial budget. The shelters are a barrel-vault roof top design, meet all ASCE and ADA standards, and are designed to withstand varying weather conditions.

Services Expense	\$ 200,000
Supplies Expense	\$ 426,200
Total Local Funding	<u>\$ 626,200</u>

5. Parking and Bus Yard Repairs: Cracks developing in asphalt allow for water seepage, causing the asphalt to disintegrate and expediting the end of its useful life. The damaged asphalt must be replaced, and a coat of cold sealant applied to the entire surface; this repair should last about five years. The main AOM Parking, Bus Yard and 99th Street TC Park and Ride are due for major repair, seal coat and striping in this biennium.

Services Expense	\$ 664,140
Total Local Funding	<u>\$ 664,140</u>

6. Office Furniture Replacement: Maximizing existing office space is essential to allow flexibility and efficient work spaces. Planning for replacing approximately 10 workstations per year provides for a standard line of furniture throughout the agency and allows for a reduction in inventory levels and storage space needs. Provided there is funding available, this program will become baseline expense in future years.

Supplies Expense	\$ 110,000
Total Local Funding	<u>\$ 110,000</u>

7. Public Affairs Advertising Increase:

C-TRAN is seeing an unprecedented number of significant projects occurring simultaneously. Both The Vine and Hop Fastpass will undoubtedly require a far larger budget for advertising, particularly in 2017, as BRT service will be in its infancy and eFares will be launching mid-year.

C-TRAN will likely be taking novel steps to combat declining transit use, and the agency will need to get those messages out to the public. Advertising will extend beyond traditional newspaper venues and include other “non-traditional” avenues

(such as Pandora, Facebook and Twitter boosts). Advertising will be an important part of the ridership initiatives in the next two years.

Advertising Expense	\$ 106,600
Total Local Funding	<u>\$ 106,600</u>

8. Facilities Master Plan:

The Administration and Operations buildings are at maximum capacity and the Operations portable building is nearing the end its useful life. In order to facilitate the future growth provided for in C-TRAN 2030, a facilities master plan and potential property purchase are needed. A facilities master plan would provide direction for long-term solutions to meeting space needs, including monthly board meetings, customer lost and found, underground storage tank replacements, office space constraints, revenue vehicle parking, and parts storage.

Services Expense	\$ 315,000
Total Local Funding	<u>\$ 315,000</u>

Safety and Compliance

9. New Operations Supervisor Position:

Supervisors are necessary to ensure safety, service delivery, procedural compliance, customer satisfaction and to prevent exposure to increased risk. The current supervisory staffing level does not provide adequate weekend resources to address today’s supervisory needs nor will it accommodate increased demand for resources required to successfully manage headways on The Vine and other system-wide service enhancements. One supervisor position is included in the budget due to the increase in the additional service hours and operators.

Salary & Wage Expense	\$ 145,000
Benefits Expense	\$ 69,000
Supplies Expense	<u>\$ 3,000</u>
Total Local Funding	<u>\$ 217,000</u>

10. Lighting Retrofits:

Light retrofits are budgeted for 99th Street Transit Center, Salmon Creek and the main facility at 65th Avenue to enhance nighttime light levels and visibility, as well as reduce energy usage and maintain costs.

Services Expense	\$ 290,500
Total Local Funding	<u>\$ 290,500</u>

11. Vanpool Front-Facing Cameras:

Camera systems have proven valuable on both fixed route and paratransit vehicles to reduce or eliminate disagreements between involved parties that arise when collisions happen and/or when property is damaged by vehicles owned by C-TRAN. Details of the event and, often, who was at fault, are captured by our camera systems, reducing investigation time and avoiding lawsuits. Currently, no camera systems are installed on any C-TRAN vanpool vehicles; however, WSTIP has advised all pool members that front-facing cameras on vanpools are a best practice to the extent the agency can afford them. The budget includes expenses for ten camera purchases and installation.

Supplies Expense	\$ 5,700
Total Local Funding	<u>\$ 5,700</u>

Efficiency, Reliability and Performance

12. IT Continuity of Service Solutions:

In 2016, C-TRAN participated in a cyber-security assessment on the agency's technology infrastructure which identified areas that could be improved to protect technology assets from external threats. The funds in the biennial budget are to implement a prioritized list of investments identified to mitigate security risks to the agency using industry best practices to ensure continuous improvement of C-TRAN's security position.

Another area at risk is the agency's data center, which is a room with overhead sprinklers, poor air-conditioning and little space. The budget includes funding to identify a scalable, cost-effective data center location outside of C-TRAN facilities to support a long-term solution supported by the Facilities Master Plan.

The agency's workstations are at the end of their useful lives and have become increasingly difficult to maintain. Many new applications require newer hardware platforms, additional memory and improved processing speed. Providing new workstations ensures optimal use and performance of C-TRAN assets, while taking full advantage of the most current applications and systems.

Services Expense	\$ 200,000
Supplies Expense	\$ 256,600
Lease Expense	<u>\$ 240,000</u>
Total Local Funding	<u>\$ 696,600</u>

13. Electronic Document Management:

Public records requests are time-consuming, and the cost of staying compliant is increasing using C-TRAN's current technology tools. The budget provides for a solution that simplifies storage, security, version control, process routing and retention. Many business process improvement opportunities will emerge to improve productivity and enable defensible record retention and disposition management.

Capital Expense	\$ 113,600
Services Expense	\$ 61,000
Total Local Funding	<u>\$ 174,600</u>

14. Ops Management Software Support:

C-TRAN's scheduling and operations management software is outdated and vulnerable to disruption. The budget includes scheduling and operations management software to support critical service-related applications including schedule-writing, trip-blocking; run-cutting; operator sign-ups; and to automate management tools to facilitate daily processes. Key daily activities include absence monitoring; operator and vehicle dispatching; management of extra board resources; timekeeping; operator performance; information reporting and dissemination; and customer comments. The budget also includes funding to purchase operations management software for the Vanpool Program. Current systems are home-grown and obsolete and require extensive manual data manipulation for useful functionality. Purchasing state-of-the-art operations management software allows the agency the opportunity to maximize efficiency of the workforce and make better use of the data.

Capital Expense	\$ 2,406,500
Services Expense	\$ 128,100
Total Local Funding	<u>\$ 2,534,600</u>

15. Technical Writing Services:

In recent years, a number of technically complex projects and systems have been completed and put in place at C-TRAN, such as CAD/AVL, mobile data terminals, eFare, maintenance tracking, and others across all departments. In order to insure that all these systems are used and maintained properly, good documentation is required to record requirements, specifications, processes, and operating instructions to guide staff. Technical writers specialize in researching systems and translating subject matter that requires direction, instruction, or explanation into clear, concise, straightforward language. Technical Writer vendor services would be for short durations and used for complex C-TRAN systems and projects that are critical to agency functionality.

Capital Expense	\$ 100,000
Services Expense	\$ 90,000
Total Local Funding	<u>\$ 190,000</u>

16. Intranet:

Developing a one-stop internal communication solution provides employees easy access to forms, policies, employee benefit information, news and an events calendar. In addition, employees will have access to a variety of applications and will be able to review payroll information and performance reviews, and take employee engagement surveys. Employees who do not sit at a computer would gain remote access, via kiosk or their own personal computer, to update their employee data and look up important information that they currently only have access to during regular business hours. Intranets provide tools to increase collaboration such as centralized document control, live chat and blogs. Intranet portals provide information to employees to make better-informed decisions, reduces costs, saves time, and increases collaboration.

Capital Expense	\$ 129,700
Services Expense	\$ 49,900
Total Local Funding	<u>\$ 179,600</u>

17. Budget, Reporting, and Dashboard solution:

Budgets, forecasts, reports and dashboards are maintained in elaborate Excel spreadsheets which are susceptible to formula errors and corruption risks. A user-friendly data warehouse that combines data sources for self-service analytics is critical to fast, efficient decision-making. The budget includes funding for a solution to include a complete budgeting, forecasting and modeling tool for divisional deployment. The software is able to visualize trends; analyze the agency's data with KPIs, charts and scorecards; and has a powerful, intuitive Excel-based report writer.

Capital Expense	\$ 55,100
Services Expense	\$ 7,000
Total Local Funding	<u>\$ 62,100</u>

18. Gartner Membership:

The budget includes membership with Gartner, a global information technology research and advisory company, that will deliver technology-related insights necessary for C-TRAN to become more skilled in IT decisions. IT is under increasing pressure to make quantifiable business contributions. For IT to be successful there

is a need to quickly acquire contextual advice, with daily access to information and tools that are relevant and insightful. Using Gartner’s tools, case studies, advice and recommendations will increase and improve technology-based decisions and deliver better business results.

Dues & Subscriptions Expense	\$ 75,000
Total Local Funding	<u>\$ 75,000</u>

Service Surge: *Add and Innovate*

19. Fixed Route Service Increase:

The September 2016 service change added approximately 7,000 more service hours increasing the calculated Fixed Route Operator count to 204. That service increase included the additional service hours allocated to the cross-river shuttle, which will be re-evaluated in 2017. Service hours also are scheduled to increase in September 2017 by 5,000 annual hours (1.7 percent) and again in September 2018 by 12,000 annual hours (3.8 percent) for a total of 315,000 annual service hours going into January 2019. The Fixed Route Operator count is budgeted to reach 213 by the end of 2018.

In addition, the budget includes eight hours of defensive driving refresher training per operator per year.

Salary & Wage Expense	\$ 411,400
Benefits Expense	\$ 232,100
Services Expense	\$ 22,400
Supplies Expense	\$ 142,300
Miscellaneous Expense	<u>\$ 3,600</u>
Total Local Funding	<u>\$ 811,800</u>

20. C-VAN Operator Positions:

The C-VAN budget includes fifteen additional Paratransit Operators (ten in 2017 and five in 2018) to respond to existing service demands, as well as a service hour increase assumption of approximately 7 percent annually in 2017 and 2018. Should the actual service hours not increase, the additional operators will not be added.

Salary & Wage Expense	\$ 861,700
Benefits Expense	\$ 659,100
Supplies Expense	<u>\$ 167,600</u>
Total Local Funding	<u>\$ 1,688,400</u>

21. Mobility on Demand Pilot Project:

C-TRAN 2030 allocates 80 percent of fixed route services toward productivity and 20 percent toward overall system coverage. How best to implement the system coverage portion is an ongoing challenge for the agency from the perspective of trying to grow ridership and control costs. Most recently, this challenge has surfaced as staff worked with the local jurisdictions on updating long-range needs. Many of the service request identified are in areas of lower density.

Current efforts within the transit industry are being made to take advantage of emerging technology and transportation business models to improve both productivity and the customer experience. The primary purpose of the study is to identify and build workable service options using these promising developments to respond to the needs identified by the local jurisdictions. The study also would build a plan on how to serve areas within the PTBA boundary that are not served, or are under served, in a way that maximizes ridership while controlling costs.

Services Expense	\$ 170,000
Total Local Funding	<u>\$ 170,000</u>

22. New Planner Position:

The planning workgroup has a growing need to prepare and evaluate data for various projects as well as on-going service needs. Many tasks are moving forward without the in-depth evaluation that would improve the final results. As C-TRAN looks to expand service in innovative ways, the number of projects continues to increase: Highway 99 TSP, Bus on Shoulders study, Mill Plain Phase II TSP, an eastside park-and-ride, Facility Master Plan, Mobility on Demand and identifying the next BRT line. In order to not delay any of these important projects, one planning position was added to the budget.

Salary & Wage Expense	\$ 149,500
Benefits Expense	\$ 71,900
Supplies Expense	<u>\$ 1,800</u>
Total Local Funding	<u>\$ 223,200</u>

23. Next BRT Corridor Study:

The Board has indicated support for identifying and planning for the next BRT line for construction in the near term. The proposed solution would be to bring on a consulting team to identify the corridor, consider the viability of the corridors; by forecasting ridership; conceptual engineering; and estimating capital and operating costs. If the Board deems the project beneficial, the consultant would then provide assistance with the FTA Small Starts application.

Services Expense	\$ 500,000
Total Local Funding	<u>\$ 500,000</u>

24. Eastside Park & Ride Study:

Considerable growth has occurred in the C-TRAN service area since C-TRAN 2030 was developed. With the I-5 corridor having significant existing capacity, the focus of a park-and-ride study would look at I-205 and SR 14 east of Fisher's Landing Transit Center to serve the Camas-Washougal area. Results of this study would be used in developing long-range service design to meet growing demand in the eastern portion of C-TRAN's service area.

Services Expense	\$ 85,000
Total Local Funding	<u>\$ 85,000</u>

25. Non-operating 5310:

C-TRAN is a designated recipient of Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities grant funds. The program purpose is to improve mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility option. Projects eligible for funding are developed from coordination efforts with applicable stakeholders through the Washington State Human Service Transportation Plan.

The budget extends the current contracts to fund Human Services Council's Mobility Management services, Human Services Council's Reserve-A-Ride program, and Catholic Community Services' Volunteer Transportation services. Additional grant funds are available for additional services.

For a couple of years C-TRAN has tested the viability of a shopping shuttle to group customers from the same senior/disabled housing facility to travel together. Eligible for C-VAN, or not, riders can enjoy a scheduled shopping trip from their place of residence directly to a shopping destination. This service is more suitable under Human Services Council's Reserve-A-Ride program and will relieve C-VAN's constrained resources due to higher than anticipated growth in CVAN demand. C-

TRAN is also exploring other service delivery options to redirect individuals away from C-VAN to curb the increasing cost of that service.

Service Expenses	\$ 674,700
Total Costs	<u>\$ 674,700</u>
<i>Less Grant Funding</i>	<u>\$ 627,700</u>
Total Local Funding	<u><u>\$ 47,000</u></u>

OPERATING REVENUE LESS NET EXPENSES ANALYSIS

In the 2017-2018 Biennial Budget, operating revenues, less net operating expenses, result in a budget surplus each year. A healthy positive net income is important to address the state of good repair issues the agency faces and any expansion or enhancements to the capital program.

Recap	2017 Budget	2018 Budget	2017-18 Biennial Budget
Total Revenue	\$ 65,019,625	\$ 67,953,625	\$ 132,973,250
Total Net Expenses	<u>\$ 59,962,091</u>	<u>\$ 61,898,809</u>	<u>\$ 121,860,900</u>
Net Income	<u>\$ 5,057,534</u>	<u>\$ 6,054,816</u>	<u>\$ 11,112,350</u>

2017-2022 CAPITAL BUDGET

MAP-21 requires a Transit Asset Management (TAM) Plan to be adopted by transit agency boards by October 1, 2018 for all recipients of chapter 53 federal formula funds. This is an unfunded mandate which must include an asset inventory, condition assessments and a prioritized list of investments to improve the state of good repair of capital assets. The TAM Plan is a business best practice which C-TRAN intends to fully utilize in the agency's safety plan and the biennial budgeting cycle. When transit assets are not in a state of good repair, the consequences include increased safety risks, decreased system reliability, higher maintenance costs and lower system performance.

All grant funds currently secured are listed below and anticipated to be expended by the end of 2018.

	2017-2018			2019-2022			Total
	Grant	Local	Total	Grant	Local	Total	Local
Rolling Stock							
Revenue Vehicles							
Replacement Buses-Fixed Route	\$6,080,000	\$3,094,000	\$9,174,000	\$0	\$5,558,988	\$5,558,988	\$8,652,988
Replacement Buses-Demand Response	0	2,751,000	2,751,000	0	0	0	2,751,000
Replacement Vans-Vanpool	0	393,159	393,159	0	0	0	393,159
Subtotal	\$6,080,000	\$6,238,159	\$12,318,159	\$0	\$5,558,988	\$5,558,988	\$11,797,147
Support Vehicles							
Maintenance and Utility Trucks	\$0	\$403,248	\$403,248	\$0	\$0	\$0	\$403,248
Field Support/Security Staff Vehicles	0	129,387	129,387	0	0	0	129,387
Subtotal	\$0	\$532,635	\$532,635	\$0	\$0	\$0	\$532,635
Facilities							
Fisher's Landing Transit Center	\$1,996,800	\$149,200	\$2,146,000	\$0	\$0	\$0	\$149,200
AOM Facility Improvements	0	2,008,387	2,008,387	0	3,529,793	3,529,793	5,538,180
Subtotal	\$1,996,800	\$2,157,587	\$4,154,387	\$0	\$3,529,793	\$3,529,793	\$5,687,380
Equipment							
Technology							
ITS/VAST	\$268,000	\$1,238,814	\$1,506,814	\$0	\$0	\$0	\$1,238,814
Computer Systems and Equipment	96,000	3,794,575	3,890,575	0	2,982,426	2,982,426	6,777,001
Facility Surveillance Equipment	0	950,076	950,076	0	0	0	950,076
Radio Replacement	0	1,100,000	1,100,000	0	0	0	1,100,000
Subtotal	\$364,000	\$7,083,465	\$7,447,465	\$0	\$2,982,426	\$2,982,426	\$10,065,891
Other Equipment							
Maintenance Equipment	\$0	\$195,120	\$195,120	\$0	\$0	\$0	\$195,120
Misc. Capital Repair/Replacement	0	394,987	394,987	0	1,491,212	1,491,212	1,886,199
Subtotal	\$0	\$590,107	\$590,107	\$0	\$1,491,212	\$1,491,212	\$2,081,319
Planning							
The Vine Project Completion	\$1,556,899	\$389,225	\$1,946,124	\$0	\$0	\$0	\$389,225
C-TRAN 2030 Capital Improvements	0	2,185,000	2,185,000	0	27,441,500	27,441,500	29,626,500
Subtotal	\$1,556,899	\$2,574,225	\$4,131,124	\$0	\$27,441,500	\$27,441,500	\$30,015,725
Total	\$9,997,699	\$19,176,178	\$29,173,877	\$0	\$41,003,919	\$41,003,919	\$60,180,097

Rolling Stock

Revenue Vehicles

- Replacement Revenue Vehicles – About \$8.7 million in local funds have been budgeted to purchase replacement fixed route buses. The buses scheduled for replacement will have reached the end of their useful lives and have escalating maintenance costs.

About \$3.0 million has been budgeted to purchase replacement C-VAN and Vanpool vehicles. Like the fixed route buses, these vehicles will have reached the end of their useful lives and have higher maintenance costs.

Support Vehicles

- Replacement Support Vehicles – The replacement schedule is based on mileage and condition of each vehicle. This budget invests about \$403,000 in replacement maintenance and utility vehicles and about \$129,000 in replacement of support type vehicles.

Facilities

- Fisher’s Landing Transit Center – The parking expansion completed in 2017 was 100 percent fund by a Washington State Department of Transportation Regional Mobility grant. The grant will also fund a building remodel in the public areas, adding shelters, security surveillance and other passenger amenities. Remaining grant funds will be returned to the grantor. A Congestion Mitigation and Air Quality (CMAQ) grant will fund work to review possible transit oriented development and other transit enhancements at the transit center.
- AOM Facility Improvements – This category focuses on facility improvements related to safety, state of good repair asset replacement, and environmental requirements. This area includes funding for deferred major maintenance such as emergency standby power improvements, a fleet fluid dispensing system replacement and miscellaneous fleet and facility equipment replacements for items that have exceeded their useful lives.

Equipment

Technology

- ITS/VAST Projects – The Hop Fastpass will be fully launched in 2017. Finalizing activities include \$711,000 for installing the The Vine validators, integrating C-VAN fare payment; updating point-of-sale with eFare; deploying dual chip cards to employees; documenting critical processes; and final agreements. Other projects within this category include traffic signal priority at Highway 99; a open trip planner; a service alert and disruption system; and replacement of the automatic people counters.

- Computer Systems and Equipment – The largest project in this category is an integrated operations management and scheduling software system described in more detail under the operating adjustment section. Additional projects describe under the operating adjustment section as they have on-going costs associated with them are: Intranet, Electronic Document Management, Budget software, Performance Management software, IT Continuity of Service solutions. Some other projects in this category include: Wayfinding software (80 percent funded with federal Section 5310 grant funds) to individuals with cognitive disabilities and seniors unfamiliar with the bus system to navigate the system; software to monitor use of C-TRAN's tires and wheels; asset condition and management software; and online form development to automate supervisor incident reports. About \$3 million is also included for new and replacement computer systems and equipment in 2019 through 2022.
- Facility Surveillance Equipment –A total of about \$950,076 in local funds is budgeted to upgrade the facility camera surveillance systems throughout C-TRAN facilities. This project responds to Washington State CORE requirements to maintain a minimum of 30 days of storage of all video clips and four years storage of clips directly associated with any security related events.
- Radio & Phone Replacement –A total of \$1.1 million in local funds has been budgeted to replace the agency's legacy radio and logger/recorder systems. This project partners with CRESA and other user agencies in the procurement of the replacement systems.

Other Equipment

- Maintenance Equipment – The capital budget includes about \$195,000 to replace two sets of portable column lifts.
- Miscellaneous Capital Repair/Replacement – Local funds of \$1.9 million have been budgeted for unanticipated miscellaneous equipment needs during the next six years. The development of the TAM Plan will provide greater predictability than what is currently available in this area.

Planning

- The Vine – The Vine will be completed in early 2017. The budget includes final implementation and close out costs.
- C-TRAN 2030 Capital Improvements – The updated C-TRAN 2030 provided direction for the potential of the next BRT line; a park-and-ride expansion; the relocation of the Administrative and Operation buildings; passenger amenities; and innovations in equipment. Excess cash and investments, as well as funding from surpluses in annual operating results, will be allocated to this budget category.

CASH & INVESTMENTS

Cash and Investments are estimated based on the available cash resources of the agency as of the beginning of the Biennial Budget. The operating and capital budgets, along with the reserve policies, are board commitments against cash and investments and reduce the amount available for future planning.

Reserve Policies

The Board of Directors adopted Board Resolution BR-09-017 to establish a reserve policy to include Self-Insurance, Capital, and Working Capital.

- Self-Insurance Reserve – A total of three million dollars was established to provide the ability to settle large claims beyond that provided for in the budget and available from existing cash sources, in order to protect the Board personally. One million dollars was set aside to self-insure the underground storage tank system. Insuring with WSTIP eliminated the need for the two million dollar self-insured retention effective in 2014 with Board Resolution BR-14-010.

A dental self-insurance reserve is required by the State of Washington, Department of Enterprise Services, Office of Risk Management in an amount equal to a minimum of 8 weeks of program expenses as per WAC 82-65. This was formally adopted by Board Resolution BR-10-010 and is a reserve of approximately \$35,000.

- Capital Reserve – This reserve was established to provide the local funds to carry out the capital program as adopted or amended in the biennial budget. The formal designation of investments in the CAFR will match the total capital program and will be updated annually as capital projects are completed.

The Vanpool fare formula includes a component to address the planned recovery for the capital costs of replacing Vanpool vehicles. The Board of Directors formally established a Vanpool Capital Reserve (Board Resolution BR-13-001) to be maintained to provide for the purchase of replacement or new Vanpool vehicles to the extent funded by Vanpool fare collected.

- Working Capital Reserve – The goal of a minimum 90 Days Cash on Hand was established to create sufficient resources to cover cash flow until tax and grant revenues are collected. It also provides the ability for short term funding of operations during periods of economic downturn or unusual cost increases. This reserve is a goal rather than a Board designation and is not reported in the Comprehensive Annual Financial Report (CAFR). Rather it is a management tool to assist in budgeting cash flow and establishing future uses of cash and investments. The calculation uses the current adopted operating budget divided by 360 for the average daily cash usage. The available cash not committed for other purposes is divided by the average daily cash usage to reach the number of Days Cash on Hand.

Cash & Investments not Committed

The table below demonstrates the amount of cash available after board commitments.

Estimated Cash & Investments, January 1, 2017	\$65,090,000
Plus 2017-18 Budget Net Income	11,112,350
Less Capital Budget 2017-2022	(60,180,097)
Less Required Minimum Reserves	
Working Capital (Cash Flow)	(14,991,234)
Self Insurance	<u>(1,031,019)</u>
Estimated Cash & Investments not Committed at December 31, 2018	<u><u>\$0</u></u>

The estimated cash and investments not committed at December 31, 2018 is zero by design. All available funding from surplus in the biennial operating budget is used to fund capital projects identified in the draft update to C-TRAN 2030 to ensure a healthy organization.

BOARD OF DIRECTOR'S REQUIRED SCHEDULES

**C-TRAN
2017-2018 BUDGET
Schedule of Personnel (501)**

NUMBER OF POSITIONS

Positions ^{1,2}	2016 Budgeted	2017 Budgeted	2017 Net Change	Percent	2018 Budgeted	2018 Net	Percent Change
	Positions	Positions	in # of Positions	Change in Positions	Positions	Change in # of Positions	in Positions
Fixed Route Coach Operators	195	205	10	5.1%	213	8	3.9%
Paratransit Operators	72	82	10	13.9%	87	5	6.1%
Machinist	52	55	3	5.8%	55	0	0.0%
Non Represented	49	51	2	4.1%	51	0	0.0%
Clerical & C-VAN Dispatch	32	32	0	0.0%	32	0	0.0%
Supervisors/Analysts	26	27	1	3.8%	27	0	0.0%
Total	426	452	26	6.1%	465	13	2.9%

SALARY & WAGES

Positions	2017 Budget	2018 Budget	2017-18		2015-16		Percent Change in Biennial Budget Amount
			Biennial Budget	Net Change	Biennial Budget	Net Change	
Fixed Route Coach Operators	\$ 11,679,362	\$ 12,499,012	\$ 24,178,374	\$ 2,581,340	\$ 21,597,034	\$ 2,581,340	12.0%
Paratransit Operators	\$ 3,641,504	\$ 4,030,232	\$ 7,671,736	\$ 1,382,415	\$ 6,289,321	\$ 1,382,415	22.0%
Machinist	\$ 3,052,859	\$ 3,097,943	\$ 6,150,802	\$ 668,644	\$ 5,482,158	\$ 668,644	12.2%
Non Represented	\$ 4,449,265	\$ 4,581,173	\$ 9,030,438	\$ 1,170,004	\$ 7,860,434	\$ 1,170,004	14.9%
Clerical & C-VAN Dispatch	\$ 1,673,047	\$ 1,723,564	\$ 3,396,611	\$ 100,067	\$ 3,296,544	\$ 100,067	3.0%
Supervisors/Analysts	\$ 2,014,254	\$ 2,080,204	\$ 4,094,458	\$ 524,056	\$ 3,570,402	\$ 524,056	14.7%
Total	\$ 26,510,291	\$ 28,012,128	\$ 54,522,419	\$ 6,426,526	\$ 48,095,893	\$ 6,426,526	13.4%

Notes:

1. The number of positions for the 2017-2018 Biennial Budget will fluctuate in order to accommodate employee succession planning.
2. The Maintenance Temporary Capital Project Supervisor was not included in the 2016 position counts as this position was originally considered long term temporary help. Due to agency ongoing needs, this position has been included in the permanent position counts for 2017 and 2018 under the baseline assumptions.

**C-TRAN
2017-2018 BUDGET
Schedule of Professional Services (503.03)**

	2017	2018
OPERATIONS		
Technical Writer	\$ 10,000	\$ 10,000
TOTAL OPERATIONS	\$ 10,000	\$ 10,000
MAINTENANCE		
General Maintenance Consulting (Engineering, Architects, Etc...)	\$ 35,163	\$ 35,163
Technical Writer	10,000	10,000
LEAN & Project Management	5,000	5,000
Wetland Mitigation Monitoring	6,500	6,500
TOTAL MAINTENANCE	\$ 56,663	\$ 56,663
FINANCE & BUDGET		
Annual State Audit	\$ 40,250	\$ 41,500
Government Finance Officers Association - CAFR Review	435	435
Financial Consulting Services	7,000	7,000
Legal Representation in Procurement Areas	10,000	10,000
TOTAL FINANCE & BUDGET	\$ 57,685	\$ 58,935
HUMAN RESOURCES & LABOR RELATIONS		
Legal Representation in Personnel Areas	\$ 100,000	\$ 100,000
Compensation Consulting	39,000	5,000
Benefits Consulting	39,500	39,500
Investigative Services	15,000	15,000
Local Government Self Insurance Services	700	700
Physicals, Drug Screening, Hepatitis B shots, Audiogram	99,990	102,950
TOTAL HUMAN RESOURCES & LABOR RELATIONS	\$ 294,190	\$ 263,150
PLANNING, DEVELOPMENT, & PUBLIC AFFAIRS		
Next BRT Line Study	\$ 500,000	\$ 0
Facilities Master Plan	315,000	0
Mobility Management & Innovative Service Delivery	170,000	0
Eastside Park & Ride Study	85,000	0
Rider Satisfaction Survey	34,000	0
Legislative Representation	108,000	111,000
TOTAL PLANNING, DEVELOPMENT, & PUBLIC AFFAIRS	\$ 1,212,000	\$ 111,000
INFORMATION TECHNOLOGY		
Cyber Security Consulting	\$ 100,000	\$ 100,000
IT Engineering Services	40,000	40,000
Technical Writer	15,000	15,000
TOTAL INFORMATION TECHNOLOGY	\$ 155,000	\$ 155,000
EXECUTIVE OFFICE		
Legal Representation for General Administration	\$ 400,000	\$ 400,000
Legal Representation for the Board	115,000	115,000
Organizational Development for General Administration	20,000	20,000
Organizational Development for the Board	20,000	20,000
Safety Consultant	33,000	33,000
Bus on Should Feasibility Study	25,000	0
Technical Writer	10,000	10,000
TOTAL EXECUTIVE OFFICE	\$ 623,000	\$ 598,000
TOTAL PROFESSIONAL SERVICES	\$ 2,408,538	\$ 1,252,748

**C-TRAN
2017-2018 BUDGET
Schedule of Dues and Subscriptions (509.01)**

	2017	2018
OPERATIONS		
Community Transit Association	\$ 400	\$ 400
Association of Travel Instruction	115	115
Subscriptions	<u>0</u>	<u>775</u>
TOTAL OPERATIONS	\$ <u>515</u>	\$ <u>1,290</u>
MAINTENANCE		
Subscriptions	<u>\$ 320</u>	<u>320</u>
TOTAL MAINTENANCE	\$ <u>320</u>	\$ <u>320</u>
FINANCE & BUDGET		
Government Finance Officers Association	\$ 280	\$ 280
National Institute of Government Purchasing	190	190
Washington Finance Officers Association	150	150
Office of Minority and Women's Business Enterprises	250	250
Subscriptions	<u>120</u>	<u>120</u>
TOTAL FINANCE & BUDGET	\$ <u>990</u>	\$ <u>990</u>
HUMAN RESOURCES & LABOR RELATIONS		
Society for Human Resource Management	\$ 400	\$ 400
Subscriptions	<u>360</u>	<u>360</u>
TOTAL HUMAN RESOURCES & LABOR RELATIONS	\$ <u>760</u>	\$ <u>760</u>
PLANNING, DEVELOPMENT, & Public Affairs		
Subscriptions	<u>\$ 2,498</u>	<u>2,498</u>
TOTAL PLANNING & DEVELOPMENT	\$ <u>2,498</u>	\$ <u>2,498</u>
INFORMATION TECHNOLOGY		
Gartner IT Analysis/Research	<u>\$ 37,500</u>	<u>\$ 37,500</u>
TOTAL INFORMATION TECHNOLOGY	\$ <u>37,500</u>	\$ <u>37,500</u>
EXECUTIVE OFFICE		
American Public Transportation Association	\$ 43,000	\$ 47,000
Battle Ground Chamber of Commerce	1,100	1,100
Camas/Washougal Chamber of Commerce	625	650
Columbia River Economic Development Council (CREDC)	10,000	10,000
Greater Vancouver Chamber of Commerce	2,500	2,500
International Institute of Municipal Clerks	310	330
Washington Association of Public Records Officers (WAPRO)	25	25
Vancouver Downtown Association	400	400
Washington Municipal Clerks Association	200	200
Washington State Transit Association	30,000	30,000
Southwest Washington Regional Transportation Council	34,480	35,308
American Bus Benchmarking Group	20,625	21,625
Urban Land Institute	250	250
The Bus Coalition	5,000	5,000
Evergreen Safety Council Membership	700	700
National Safety Council	945	945
Subscriptions	<u>1,300</u>	<u>1,300</u>
TOTAL EXECUTIVE OFFICE	\$ <u>151,460</u>	\$ <u>157,333</u>
TOTAL DUES AND SUBSCRIPTIONS	\$ <u>194,043</u>	\$ <u>200,691</u>

C-TRAN
2017-2018 BUDGET
Schedule of Training and Meetings (509.02)

	2017	2018
OPERATIONS		
American Public Transportation Association Conferences	\$ 6,500	\$ 5,000
CTAA Expo & Paratransit Roadeo	0	4,600
American Bus Benchmarking Group Paratransit Workshop	1,500	1,500
Association of Travel Instruction Annual Conference	1,500	1,400
National Transit Institute Transit Trainers Workshop	2,500	2,500
Bus Collision Investigation Training	1,740	1,800
Northwest Transit Exchange	1,500	1,800
Transit Industrial Safety Managemetn	1,700	0
Trapeze Users Conference	2,500	0
ADA Workshops	2,000	0
Minor Travel & Training (In State)	13,843	13,123
Local Seminars/Training	2,000	2,000
TOTAL OPERATIONS	\$ 37,283	\$ 33,723
MAINTENANCE		
American Public Transportation Association Conferences	\$ 2,000	\$ 15,500
FA Suite User Conference	6,000	6,000
Maintenance Program & Process Benchmarking	4,000	3,000
IFMA Synopsis Workshop	2,500	2,500
Eno Mid Level Manager Seminars	16,500	11,000
Transit Oriented Development Workshop	1,500	2,000
National Transit Institute Transit Trainers Workshop	2,500	2,500
Other National Transit Institute Workshops	8,000	8,000
Minor Travel & Training (In State)	50,759	39,960
Local Seminars/Training	2,000	2,000
TOTAL MAINTENANCE	\$ 95,759	\$ 92,460
FINANCE & BUDGET		
National Transit Institute Procurement Series Training	\$ 3,400	\$ 3,400
Performance Benchmarking	2,500	0
American Bus Benchmarking Group Annual Meeting	2,500	3,000
American Bus Benchmarking Group Paratransit Workshop	1,500	1,500
Eno Mid Level Manager Seminars	5,500	5,500
National Transit Database Workshop	1,500	0
Minor Travel & Training (In State)	7,250	6,750
Local Seminars/Training	2,000	2,000
TOTAL FINANCE & BUDGET	\$ 26,150	\$ 22,150
HUMAN RESOURCES & LABOR RELATIONS		
American Public Transportation Association Conferences	\$ 0	\$ 2,500
Society for Human Resource Management Annual National Conference	3,700	0
RIM, or PRIMA, Annual Conference	2,100	0
Northwest Human Resource Management Conference	1,500	1,500
Minor Travel & Training (In State)	4,675	13,575
Local Seminars/Training	2,000	2,000
TOTAL HUMAN RESOURCES & LABOR RELATIONS	\$ 13,975	\$ 19,575

C-TRAN
2017-2018 BUDGET
Schedule of Training and Meetings (509.02)

	2017	2018
PLANNING, DEVELOPMENT & PUBLIC AFFAIRS		
American Public Transportation Association Conferences	\$ 8,700	9,200
Adobe Max	2,600	2,800
Remix Conference	0	1,500
Northwest Transit Exchange	1,500	1,800
Other National Transit Institute Workshops	1,600	1,760
Eno Mid Level Manager Seminars	5,500	0
Minor Travel & Training (In State)	4,100	4,350
Local Seminars/Training	2,000	2,000
TOTAL PLANNING & DEVELOPMENT	\$ 26,000	\$ 23,410
INFORMATION TECHNOLOGY		
American Public Transportation Association Conferences	\$ 2,500	0
CIO Consortium Conferences	2,000	4,000
Information Technology Project Management	5,000	5,000
Eno Mid Level Manager Seminars	0	5,500
Security ⁺	5,000	5,000
Managing Office 365	2,795	2,795
SharePoint Administration Training	2,795	2,795
Windows 10 Administration Training	2,995	2,995
SQL Server Administration Training	2,995	2,995
Hyper-V Administration Training	2,995	2,995
MicroSoft Exchange Administration Training	2,795	2,795
Citrix XenApp Administration Training	4,995	4,995
VM-Ware Administration Training	2,995	2,995
Manage Engine Deskto Central & Service Deck Plus Training	5,000	5,000
Installing and Configuring Windows 2016 Server Training	9,990	9,990
Minor Travel & Training (In State)	3,545	1,400
Local Seminars/Training	2,000	2,000
TOTAL INFORMATION TECHNOLOGY	\$ 60,395	\$ 63,250
EXECUTIVE OFFICE		
American Public Transportation Association Conferences	\$ 28,100	\$ 30,100
International Institute of Municipal Clerks Conference	0	3,000
American Bus Benchmarking Group Annual Meeting	2,500	3,000
Senior Management Staff Recruitment Travel	3,000	3,000
Eno Mid Level Manager Seminars	0	5,500
Eno Senior Executive Seminars	5,500	5,500
American Society of Safety Engineers SeimarFest	4,500	4,500
Minor Travel & Training (In State)	9,560	9,810
Local Seminars/Training	2,000	2,000
TOTAL EXECUTIVE OFFICE	\$ 55,160	\$ 66,410
TOTAL TRAINING AND MEETINGS	\$ 314,722	\$ 320,978

OPERATING INFORMATION

2017-2018 BUDGET FEDERAL TRANSIT ADMINISTRATION (FTA) INFORMATION BY MODE Ten Years

	2018 BUDGET	2017 BUDGET	2015 ACTUAL	2014 ACTUAL	2013 ACTUAL	2012 ACTUAL	2011 ACTUAL	2010 ACTUAL	2009 ACTUAL
OPERATING HOURS									
A. Fixed Route	276,000	264,000	280,710	279,840	280,922	281,940	282,552	279,432	299,243
B. The Vine	37,000	37,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C. Demand Response	121,349	113,410	100,791	93,675	90,394	86,529	82,554	87,973	92,255
D. Vanpool	16,000	14,000	10,784	11,613	10,530	8,377	4,181	2,395	2,141
Total	450,349	428,410	392,285	385,128	381,846	376,846	369,287	369,800	393,639
IN-SERVICE HOURS									
A. Fixed Route	249,050	238,222	253,300	252,900	254,632	256,684	258,137	256,428	275,743
B. The Vine	33,387	33,387	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C. Demand Response	111,425	104,135	92,548	86,327	83,040	79,515	75,949	80,555	81,064
D. Vanpool	16,000	14,000	10,784	11,613	10,530	8,377	4,181	2,395	2,141
Total	409,862	389,744	356,632	350,840	348,202	344,576	338,267	339,378	358,948
NET OPERATING COST									
A. Fixed Route	\$39,385,089	\$38,141,003	\$35,075,668	\$34,483,217	\$31,781,431	\$31,063,712	\$29,935,491	\$28,219,249	\$28,689,099
B. The Vine	5,414,817	5,345,958	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C. Demand Response	15,721,749	15,079,625	11,006,372	9,905,245	8,999,356	8,554,901	7,771,570	7,775,082	7,816,398
D. Vanpool	800,877	762,056	448,471	229,465	189,693	172,019	128,488	219,071	281,796
Total	\$61,322,532	\$59,328,642	\$46,530,511	\$44,617,927	\$40,970,480	\$39,790,632	\$37,835,549	\$36,213,402	\$36,787,293
OPERATING REVENUE									
A. Fixed Route	\$6,541,543	\$6,503,950	\$7,568,954	\$7,838,603	\$7,742,600	\$7,551,671	\$7,295,061	\$6,793,511	\$6,670,570
B. The Vine	819,307	851,900	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C. Demand Response	399,800	399,800	399,531	400,362	378,198	340,685	330,428	336,942	230,340
D. Vanpool	310,300	274,600	209,957	221,424	199,799	158,695	67,246	46,697	37,348
Total	\$8,070,950	\$8,030,250	\$8,178,442	\$8,460,389	\$8,320,597	\$8,051,051	\$7,692,735	\$7,177,150	\$6,938,258
COST PER OPERATING HOUR									
A. Fixed Route	\$142.70	\$144.47	\$124.95	\$123.22	\$113.13	\$110.18	\$105.95	\$100.99	\$95.87
B. The Vine	146.35	144.49	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C. Demand Response	129.56	132.97	109.20	105.74	99.56	98.87	94.14	88.38	84.73
D. Vanpool	50.05	54.43	41.59	19.76	18.01	20.53	30.73	91.47	131.62
PERCENT OF OPERATING REVENUE TO OPERATING COSTS									
A. Fixed Route	16.6 %	17.1 %	21.6 %	22.7 %	24.4 %	24.3 %	24.4 %	24.1 %	23.3 %
B. The Vine	15.1	15.9	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C. Demand Response	2.5	2.7	3.6	4.0	4.2	4.0	4.3	4.3	2.9
D. Vanpool	38.7	36.0	46.8	96.5	105.3	92.3	52.3	21.3	13.3

Notes:
 * Data for operating and in-service hours match the NTD reported data.
 * Net operating cost excludes cost of service contracted to the Tri-County Metropolitan Transit District, Portland, Oregon (TriMet), depreciation and leases to match NTD reporting requirements.
 * Operating revenue includes passenger revenue, the sale of maps and rater's digests and advertising revenue.
 * Effective January 2011 the Camas Connector service was moved from Demand Response to Fixed Route.
 * C-TRAN's Vanpool program was discontinued in 2005 and re-implemented in May of 2009.
 * Effective January 1, 2015, the Vanpool Program includes a share of the agency's overall overhead costs.
 * 2016 Operating Information is not included in the table as 2016 Budget does not accurately represent actual results and 2016 actual data is not available as of this printing