

# 2019 Budget Presentation South Bend Public Transportation Corporation (TRANSPO)

September 12, 2018



## TABLE OF CONTENTS

POWERPOINT PRESENTATION .....	2-8
TRANSPO BUDGET DETAIL.....	9-25



## 2019 BUDGET PRESENTATION

AMY HILL  
INTERIM GENERAL MANAGER & CEO

CHRIS KUBASZAK  
CONTROLLER

## Brief Overview



- 117 employees
- Local, State, Federal Funding
- 49 fixed route buses
- 17 paratransit vans
- Serving the cities of South Bend & Mishawaka



## 2018 At A Glance



### Accomplishments:

- New ridership programs with Holy Cross College and IU South Bend
- Record-setting K-12 Youth Ridership – 27,571
- Launched Yellow Line Connector Route
- New technology to improve paratransit service
- Bus Shelters



Free rides with TRANSPO all summer with your student ID.

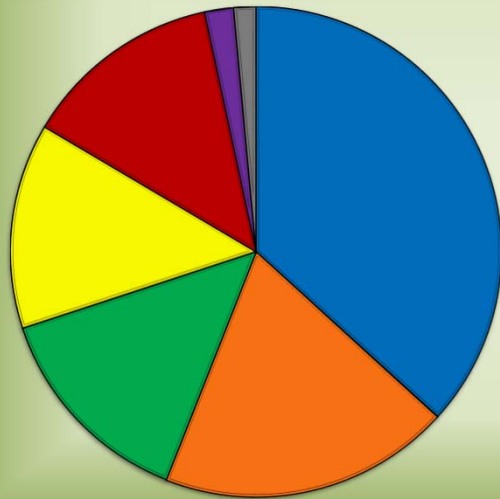
## 2019 At A Glance



### Challenges:

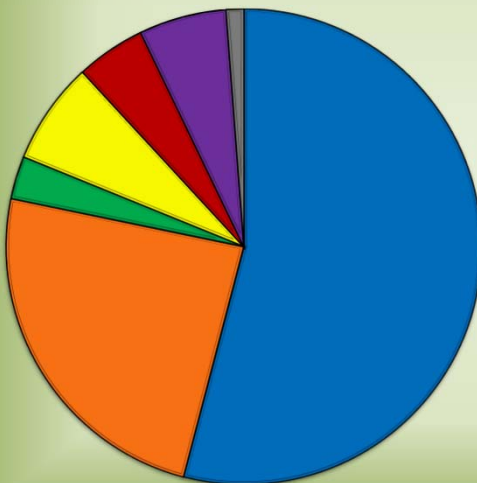
- Aging Fleet – 27 fixed route vehicles eligible for replacement
- Uncertainty in Federal and State Funding
- 2020 Circuit Breaker – estimated decrease of \$300,000 in property tax funding
- Increasing Insurance costs
- Collective Bargaining – current contract expires November 2019

## 2019 Revenue Sources



- Local Tax Revenue (36%)
- State Assistance (19%)
- Federal Operating Assistance (14%)
- Federal Prev. Maint. (14%)
- Passenger Fares (13%)
- Lease Revenue (2%)
- Advertising/Interest/Misc. (1%)

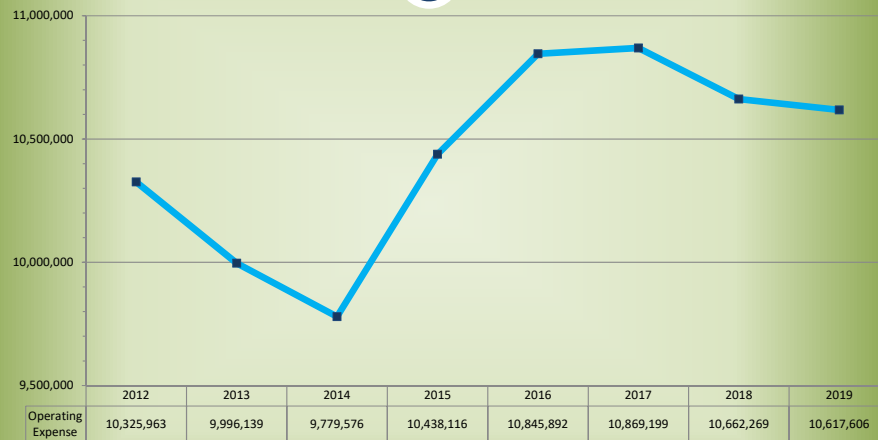
## 2019 Expenses



**Transpo 2019 Operating Budget - \$10,617,606**

- Wages (52%)
- Benefits (23%)
- Materials/Supplies (9%)
- Fuel Expense (7%)
- Services (4%)
- Utilities/Insurance (3%)
- Misc Expenses (2%)

## Operating Expenses



## Labor Expense



## Health & Dental Insurance



## Passenger Revenue



- Passenger Revenue / Ridership continues to trend down with strong economy / low unemployment
  - Strong ridership this summer; building on the momentum
- Continue to explore new ridership initiatives and partnerships

## Property Tax Assistance



## Operating Assistance

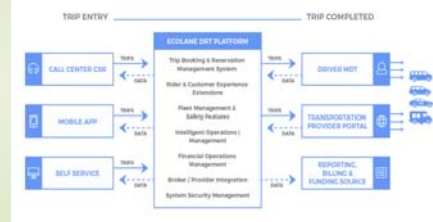


- State Operating Assistance / Public Mass Transportation Fund has remained relatively flat; slight decrease anticipated for 2019
- Federal Operating Assistance – decreased in 2018; slight increase anticipated for 2019

## 2019 Priorities



- Introducing new technologies:
  - Paratransit scheduling
  - Real-time Information
- Ridership Initiatives
- Workforce Development Partnerships
- Fleet Replacement Program
  - Federal Grant Funding
  - Indiana VW Mitigation Trust Program



Thank You!





***transpo***

***south bend public  
transportation corporation***

**2019 FISCAL OPERATING & CAPITAL BUDGET**

January 1, 2019 through December 31, 2019

Prepared By  
South Bend Public Transportation

---

**SOUTH BEND PUBLIC TRANSPORTATION CORPORATION**

**SOUTH BEND, INDIANA**

**2019 FISCAL YEAR BUDGET REQUEST**

**TABLE OF CONTENTS**

**BUDGET ESTIMATE FOR 2019  
PROJECTIONS / ASSUMPTIONS**

2019 Revenue Projection.....	. 1
2019 Expense Projection.....	. 2
2019 Appropriations.....	. 3
2019 Budget Assumptions.....	. 4
2019 Budget Policy Statements.....	. 6
2019 Budget Summaries by Category – All Accounts.....	. 7

# SOUTH BEND PUBLIC TRANSPORTATION CORPORATION

## 2019 REVENUE PROJECTION

SOURCE	% CHANGE - 2017 BUDGET vs. ACTUAL				
	2019 BUDGET	2018 BUDGET	2017 ACTUAL	2019 BUDGET	2017 ACTUAL
FAREBOX	\$ 1,394,874	\$ 1,642,051	\$ 1,337,076	-15.05%	4.32%
		\$ -			
ADVERTISING	\$ 120,000	\$ 79,497	\$ 113,844	50.95%	5.41%
LEASE REVENUE	\$ 2,400	\$ 2,400	\$ 165,055	0.00%	-98.55%
CONCESSIONS AND MISCELLANEOUS	\$ 34,100	\$ 34,311	\$ 23,286	-0.61%	46.44%
INTEREST INCOME	\$ 646	\$ 13,045	\$ 4,886	-95.05%	-86.78%
		\$ -			
PROPERTY TAX	\$ 3,104,261	\$ 2,954,329	\$ 2,936,116	5.08%	5.73%
LICENSE EXCISE TAX	\$ 210,000	\$ 208,548	\$ 244,281	0.70%	-14.03%
		\$ -			
OPTION INCOME TAX	\$ 587,208	\$ 547,130	\$ 541,713	7.33%	8.40%
STATE ASSISTANCE	\$ 2,040,382	\$ 2,130,958	\$ 1,981,382	-4.25%	2.98%
FEDERAL PREVENTIVE MAINTENANCE	\$ 1,440,000	\$ 1,440,000	\$ 1,319,319	0%	9.15%
FEDERAL ASSISTANCE	\$ 1,483,735	\$ 1,410,000	\$ 978,900	5%	51.57%
LEASE PAYMENT FROM CITY	\$ 200,000	\$ 200,000	\$ 200,000	0%	0.00%
<b>TOTAL</b>	<b>\$10,617,606</b>	<b>\$ 10,662,269</b>	<b>\$ 9,845,859</b>	<b>-0.42%</b>	<b>7.84%</b>

**SOUTH BEND PUBLIC TRANSPORTATION CORPORATION**

**2019 EXPENSE PROJECTION**

Expense Category	% CHANGE - 2019 BUDGET VS. ACTUAL				
	2019 BUDGET	2018 BUDGET	2017 AUDITED	2019 BUDGET	2017 AUDITED
Tangible Property / Fixed Assets	\$ -	\$ -	\$ -	N/A	N/A
Salaries & Wages	\$ 5,741,969	\$ 5,801,603	\$ 5,336,932	-1.03%	7.59%
Fringe Benefits	\$ 2,565,921	\$ 2,204,108	\$ 2,045,682	16.42%	25.43%
Services	\$ 501,079	\$ 479,200	\$ 1,148,041	4.57%	-56.35%
Materials & Supplies	\$ 1,049,336	\$ 1,015,465	\$ 1,153,848	3.34%	-9.06%
Utilities	\$ 381,545	\$ 299,223	\$ 203,186	27.51%	87.78%
Insurance	\$ 250,477	\$ 230,477	\$ 265,603	8.68%	-5.69%
Other Taxes	\$ -	\$ -	\$ -	N/A	N/A
Miscellaneous	\$ 127,277	\$ 132,192	\$ 204,467	-3.72%	-37.75%
<b>SUB-TOTAL</b>	<b>\$ 10,617,606</b>	<b>\$10,162,269</b>	<b>\$ 10,357,759</b>	<b>4.48%</b>	<b>2.51%</b>
Transfer - Capital Improvements / Reserve for Liability	\$ -	\$ 500,000		-100.00%	100.00%
<b>TOTAL</b>	<b>\$ 10,617,606</b>	<b>\$10,662,269</b>	<b>\$ 10,357,759</b>	<b>-0.42%</b>	<b>2.51%</b>

12

**TRANSPO**  
**Budgeted Appropriations**

Category	Operating Budget		Capital Budget		Total 2019 Appropriations
	2019	2018	2019	2018	
Personnel Services	8,307,891	8,005,711			8,307,891
Other Services and Charges	1,260,378	1,641,092			1,260,378
Supplies	1,049,336	1,015,466			1,049,336
Capital Outlays	198,710	239,620	993,550	1,087,860	1,192,260
<b>Total Appropriations</b>	<b>\$ 10,816,315</b>	<b>\$ 10,901,889</b>	<b>\$ 993,550</b>	<b>\$ 1,087,860</b>	<b>\$ 11,809,865</b>



## 2019 OPERATING BUDGET ASSUMPTIONS

### REVENUES:

**Federal, State, and Local:** In the past, Transpo has been successful in securing adequate funding through Federal Capital Grants for major capital projects; however, funding opportunities are decreasing. Transpo continues to avail ourselves of annual federal capital formula grant funds toward preventative maintenance and operating assistance, such funds available to the operations budget. In 2018, the State of Indiana has fixed PMTF rate for the next two years and has made it a line item in the State's Budget. At the time of completing this budget, the 2019 PMTF figures have not been released, we budgeted a small increase in the 2018 PMTF contracted rate. Property Tax revenue was budgeted at a \$149,932 increase from the prior year.

**Ridership and Revenue:** Transpo will be entering into new contracts with the University of Notre Dame, Saint Mary's College and Holy Cross College with an anticipated increase in farebox revenue. Transpo has entered into an Agreement for Services with Indiana University South Bend to extend service to students, faculty and staff at a contracted rate. Transpo continue to explore additional revenue-generating opportunities.

Access has realized an increase in ridership since 2008 and this trend is expected to continue.

### EXPENSES:

**Employee Wages and Benefits:** For 2019, Transpo budgeted, a slight decrease in wages for employees. Employee benefits reflect an estimated increase of 16% from the 2018 budget. This is mainly due to an increase in health insurance premiums and pension contributions negotiated during collective bargaining.

**Vehicular and Operating:** Vehicular and other insurances costs have increased over the 2018 budget. This was due to an increase in vehicle liability insurance during 2018. Fuel cost per gallon increased from the prior year amounts to \$2.20 per gallon for both diesel and unleaded fuels. Due to this increase in fuel cost per gallon fuel costs increased in the 2018 budget even with the fuel year usage of three new CNG vehicles in Transpo's daily service.

**Utilities:** Utility costs were budgeted with an increased from the 2019 forecasted levels as Transpo continues to use more compressed national gas and electricity at its CNG filling station.

**Marketing:** Marketing contracts, services, and advertising placement accounts have not been changed from 2018 budgeted figures.

**Training:** The 2019 budgeted amounts decreased from 2018 budgeted provisions. Transpo plans to use federal grants to offset most of the cost associated with training. The current budget provides continued opportunities for all positions.

**Transfer – Capital Improvement Fund/Restricted Liability Reserve:** The 2019 budget does not provide the opportunity to transfer funds into the capital account to fund capital purchases. If at the end of 2019 a budget surplus would occur the surplus would be transferred to the capital account to fund 2020 capital transfers. At the end of the first half of 2019 all outstanding bus loans will be paid off.

- **UPON THE ADOPTION OF THE ANNUAL BUDGET BY THE SOUTH BEND PUBLIC TRANSPORTATION BOARD OF DIRECTORS, A MONTHLY BUDGET, BASED ON HISTORICAL AND FUTURE TRENDS, WILL BE ESTABLISHED. THIS WILL HELP FACILITATE THE MONTHLY REVIEW OF FINANCIAL REPORTS BY BOARD MEMBERS AND INTERNAL MANAGEMENT.**



## 2019 OPERATING BUDGET POLICY STATEMENTS

### **FINANCIAL CAPACITY:**

1. Management will continue to search for investment, grant and funding opportunities to maximize revenues.
2. Management will assure cash handling practices to safeguard funds in its protection and toward timely collection of funds owed.

### **SERVICE POLICY:**

3. A review of current services levels will be conducted and recommendations will follow based upon the results of the analysis.
4. Access service will be provided in accordance with all applicable FTA guidelines.

### **MANAGEMENT:**

5. A professional workforce will carry out our Mission Statement. Management will assure fairness, consistency, and effective Equal Employment Opportunity and Affirmative Action policies and practices.
6. Assumes continuation of team development, employee recognition, and continuation of increased opportunities for employee training.
7. Assumes continued pursuit of programs of wellness and accident prevention in an effort to stem, to whatever extent possible, rising insurance costs.



# TRANSPO

## 2019 BUDGET SUBMISSION

**DEPARTMENT:** All

**ACCOUNT TITLE:** Salaries & Wages      Summary

2017 ACTUAL	<u>\$ 5,336,932</u>	2019 BUDGET REQUEST	<u>\$ 5,741,969</u>
2018 MONTHLY AVERAGE	<u>\$ 462,054</u>	2018 APPROVED BUDGET	<u>\$ 5,801,603</u>
2018 EST EXPENSE	<u>\$ 5,544,645</u>	BUDGET CHANGE	<u>\$ (59,634)</u>

<u>Account Title</u>	<u>2018</u>	<u>2019</u>
Operations-Fixed Route	\$3,486,899	\$ 3,405,159
Operations-ADA	472,854	492,838
Operations-Administration	525,115	457,693
Maintenance- Vehicles	686,318	715,239
Maintenance- Administration	127,216	126,588
Maintenance-Non-Revenue	74,136	75,273
General Administration	429,065	469,179
Total	<u>\$5,801,603</u>	<u>\$ 5,741,969</u>

# TRANSCO

## 2019 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Fringe Benefits      Summary

2017 ACTUAL	<u>\$ 2,045,682</u>	2019 BUDGET REQUEST	<u>\$ 2,565,921</u>
2018 MONTHLY AVERAGE	<u>\$ 185,569</u>	2018 APPROVED BUDGET	<u>\$ 2,204,108</u>
2018 EST EXPENSE	<u>\$ 2,226,830</u>	BUDGET CHANGE	<u>\$ 361,813</u>

<u>Account Title</u>	<u>2018</u>	<u>2019</u>
Fringe Benefits-FICA	\$ 443,822	\$ 439,261
Fringe Benefits-Pension Plan	257,216	338,295
Fringe Benefits-Medical insurance	1,245,731	1,557,303
Fringe Benefits- Dental Insurance	54,464	51,588
Fringe Benefits--Life Insurance	28,000	27,740
Fringe Benefits-Short Term Disability	21,420	21,168
Fringe Benefits-Unemployment Insurance	11,246	11,139
Fringe Benefits-Workmans Compensation	89,654	69,230
Fringe Benefits-Unifroms	48,555	46,197
Fringe Benefits- Tool Allowance	4,000	4,000
Total	<u>\$2,204,108</u>	<u>\$ 2,565,921</u>

# TRANSPO

## 2019 BUDGET SUBMISSION

**DEPARTMENT:** All

**ACCOUNT TITLE:** Services Summary

2017 ACTUAL	\$	<u>596,149</u>	2019 BUDGET REQUEST	\$	<u>501,079</u>
2018 MONTHLY AVERAGE	\$	<u>46,589</u>	2018 APPROVED BUDGET	\$	<u>479,200</u>
2018 EST EXPENSE	\$	<u>561,566</u>	BUDGET CHANGE	\$	<u>21,879</u>

Account Title	2018	2019
Management Service Fees	\$ -	\$ -
Professional & Technical	205,939	193,439
Board Travel	10,000	10,000
Temporary Help	2,500	2,500
Contract Services      Operations	12,050	37,050
Contract Services      Maintenance	130,121	139,500
Contract Services      Administration	54,540	54,540
Security Services	64,050	64,050
Physical Damage Repairs	20,000	20,000
Recoveries of Physical Damage Repairs	(20,000)	(20,000)
Total	\$ <u>479,200</u>	\$ <u>501,079</u>

# TRANSPO

## 2019 BUDGET SUBMISSION

**DEPARTMENT:** Administration & Maintenance

**ACCOUNT TITLE:** Utilities

**ACCOUNT NUMBER:** 505-0x50-00 505-0x2x-00

2017 ACTUAL	<u>\$ 232,063</u>	2019 BUDGET REQUEST	<u>\$ 307,730</u>
2018 MONTHLY AVERAGE	<u>\$ 28,467</u>	2018 APPROVED BUDGET	<u>\$ 278,857</u>
2018 EST EXPENSE	<u>\$ 341,609</u>	BUDGET CHANGE	<u>\$ 28,873</u>

<u>Account Title</u>	<u>2018</u>	<u>2019</u>
Electricity	\$ 98,014	\$ 98,014
Electricity-CNG	\$ 45,941	\$ 73,814
Water & Sewage	\$ 16,654	\$ 16,654
Trash Collection	\$ 5,000	\$ 6,000
Telephone	\$ 34,000	\$ 34,000
Natural Gas	\$ 79,248	\$ 79,248
Totals	<u>\$ 299,223</u>	<u>\$ 307,730</u>

# TRANSPO

## 2019 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Insurance      Summary

---

2017 ACTUAL	<u>\$ 241,776</u>	2019 BUDGET REQUEST	<u>\$ 250,477</u>
2018 MONTHLY AVERAGE	<u>\$ 20,673</u>	2018 APPROVED BUDGET	<u>\$ 230,477</u>
2018 EST EXPENSE	<u>\$ 248,071</u>	BUDGET CHANGE	<u>\$ 20,000</u>

---

Insurance - Liability & Physical Damage		\$ 244,192
Other Corporate Insurance		6,285
		<hr/>
	Total	<u>\$ 250,477</u>

# TRANSPO

## 2019 BUDGET SUBMISSION

**DEPARTMENT:** All

**ACCOUNT TITLE:** Miscellaneous      Summary

2017 ACTUAL	<u>\$ 205,243</u>	2019 BUDGET REQUEST	<u>\$ 127,277</u>
2018 MONTHLY AVERAGE	<u>\$ 10,742</u>	2018 APPROVED BUDGET	<u>\$ 132,192</u>
2018 EST EXPENSE	<u>\$ 132,237</u>	BUDGET CHANGE	<u>\$ (4,915)</u>

<u>Account Title</u>	<u>2018</u>	<u>2019</u>
Dues & Subscriptions	\$ 25,192	\$ 20,277
Travel & Meetings	30,000	30,000
Community Services	15,000	15,000
Promotion	6,000	6,000
Advertising Placements	45,500	45,500
Interest Expense on Tax Warrants/Loans	10,500	10,500
Total	<u>\$ 132,192</u>	<u>\$ 127,277</u>

# TRANSPO

## 2019 BUDGET SUBMISSION

**DEPARTMENT:** All

**ACCOUNT TITLE:** Materials & Supplies Summary

2017 ACTUAL	\$	<u>744,264</u>	<b>2019 BUDGET REQUEST</b>	<b>\$</b>	<b><u>1,049,336</u></b>
2018 MONTHLY AVERAGE	\$	<u>65,407</u>	2018 APPROVED BUDGET	\$	<u>1,015,465</u>
2018 EST EXPENSE	\$	<u>784,885</u>	BUDGET CHANGE	\$	<u>33,871</u>

Account Title		2018	2019
Fuel & Lubricants	Operations	\$ 640,517	\$ 728,722
Fuel & Lubricants	Maintenance	10,981	11,954
Tires & Tubes	Maintenance	2,560	2,560
Materials & Supplies	Operations	25,000	25,000
Materials & Supplies	Maintenance	285,307	230,000
Materials & Supplies	Marketing	33,600	33,600
Other Materials & Supplies	Operations	4,500	4,500
Other Materials & Supplies	Maintenance	2,600	2,600
Other Materials & Supplies	General Administration	10,400	10,400
Total		<b><u>\$ 1,015,465</u></b>	<b><u>\$ 1,049,336</u></b>

# TRANSP0

## 2019 BUDGET SUBMISSION

**DEPARTMENT:** All

**ACCOUNT TITLE:** Capital Fund Requirements

**ACCOUNT NUMBER:** 301-0101-00

2017 ACTUAL	<u>\$ 6,121,744</u>	<b>2019 BUDGET REQUEST</b>	<b><u>\$ 993,550</u></b>
2018 MONTHLY AVERAGE	<u>\$ 173,785</u>	2018 APPROVED BUDGET	<u>\$ 906,550</u>
2018 EST EXPENSE	<u>\$ 2,085,425</u>	BUDGET CHANGE	<u>\$ 87,000</u>

<u>Grant Number</u>	<u>\$\$\$ Available</u>	<u>FTA/State Funded</u>	<u>Total Required</u>
Grant- IN-04-0053	\$ 1,512,750	\$ 1,210,200	\$ 302,550
Grant-IN-16-X021	\$ 800,000	\$ 500,000	\$ -
Grant-IN-90-X685	\$ 30,000	\$ 24,000	\$ 6,000
Grant- IN-90-X694	\$ 50,000	\$ 40,000	\$ 10,000
Grant- IN-90-X714	\$ 75,000	\$ 60,000	\$ 15,000
2018-5307- FTA GRANT	\$ 3,000,000	\$ 2,400,000	\$ 600,000
2018-5339-Funding	\$ 300,000	\$ 240,000	\$ 60,000
<b>Total</b>	<b><u>\$ 5,767,750</u></b>	<b><u>\$ 4,474,200</u></b>	<b><u>\$ 993,550</u></b>



# TRANSPO

## 2019 BUDGET SUBMISSION

**DEPARTMENT:** All

**ACCOUNT TITLE:** Passenger Fares Summary

**ACCOUNT NUMBER:** 413-0100-00

2017 ACTUAL: \$ 1,337,076      2019 BUDGET REQUEST \$ 1,394,874

2018 AVERAGE: \$ 117,420      2018 APPROVED BUDGET \$ 1,642,051

2018 ESTIMATED: \$ 1,409,034      BUDGET CHANGE: \$ (247,177)

Account Title	2018	2019
Passenger Revenue	\$ 778,419	\$ 713,002
Access Passenger Revenue	63,013	50,916
Access Punch Card Revenue	104,770	83,818
Passport Revenue	189,840	166,110
Student Pass Revenue	47,320	40,560
Trippler Revenue	9,676	9,783
Two Week Pass	133,254	109,026
One Day Pass	311,860	221,658
Student Summer Pass	3,900	-
	\$ 1,642,051	\$ 1,394,874