

South Bend Public Transportation Corporation (TRANSPO)

September 6, 2016



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2017 BUDGET PRESENTATION

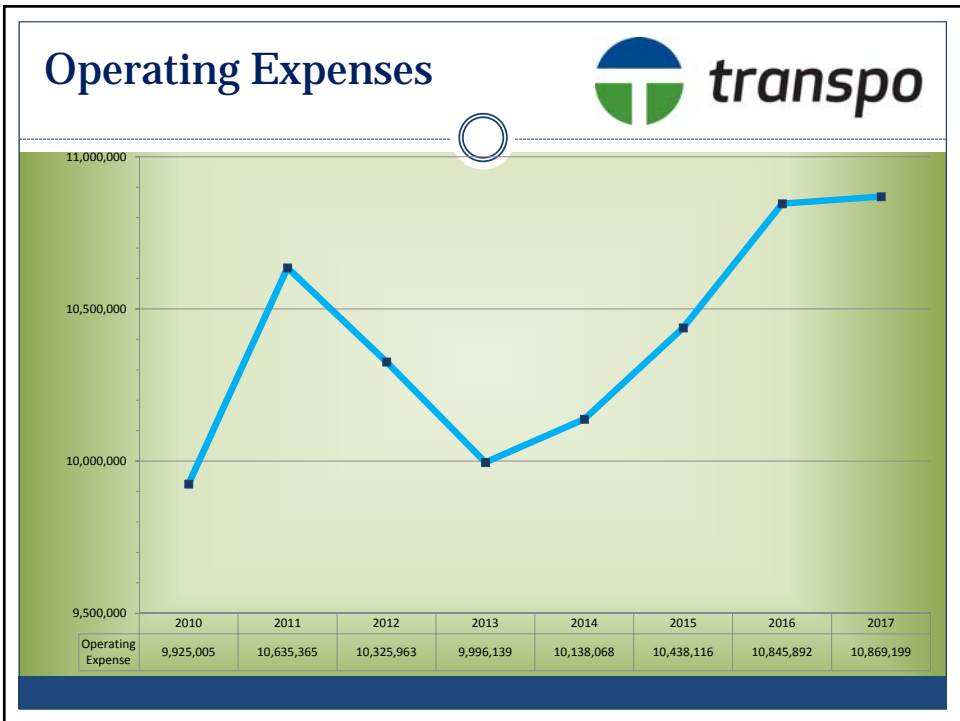
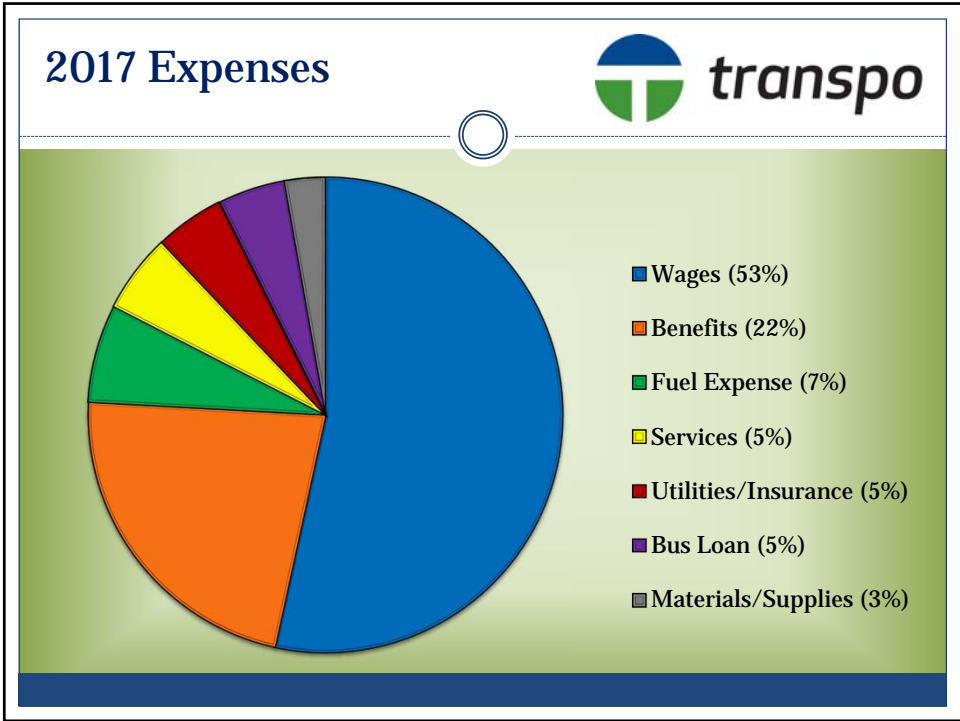
DAVID CANGANY
GENERAL MANAGER & CEO

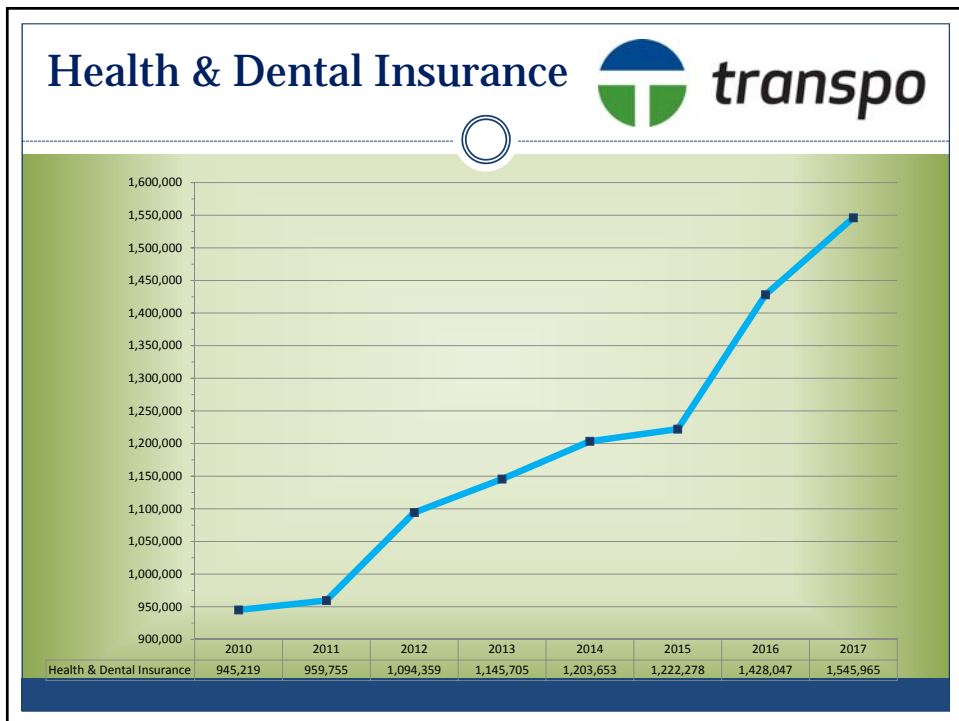
2017 At A Glance

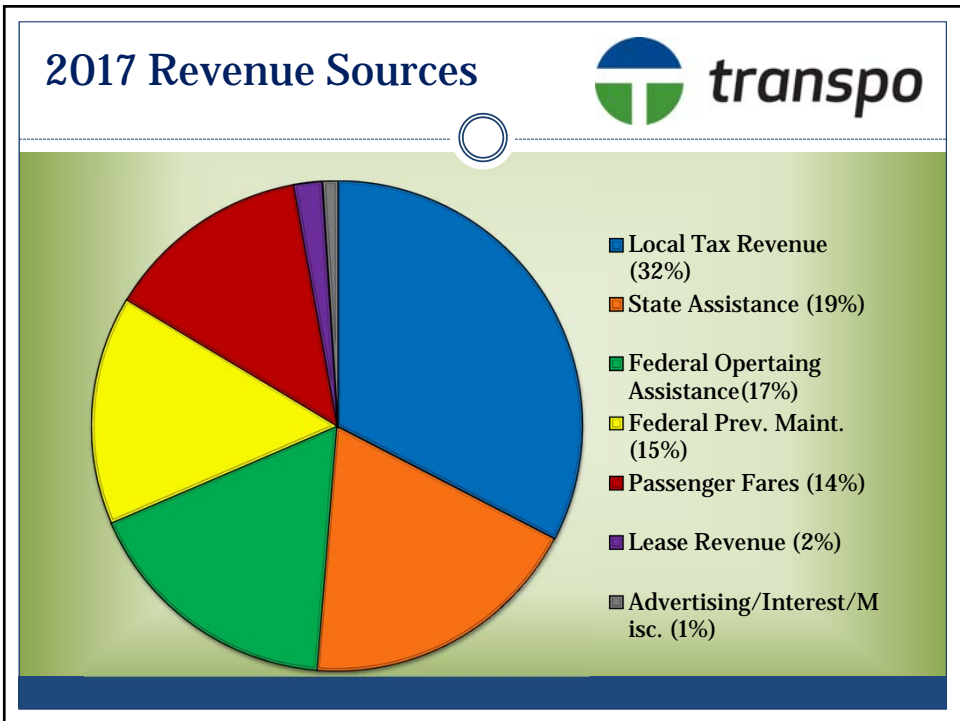


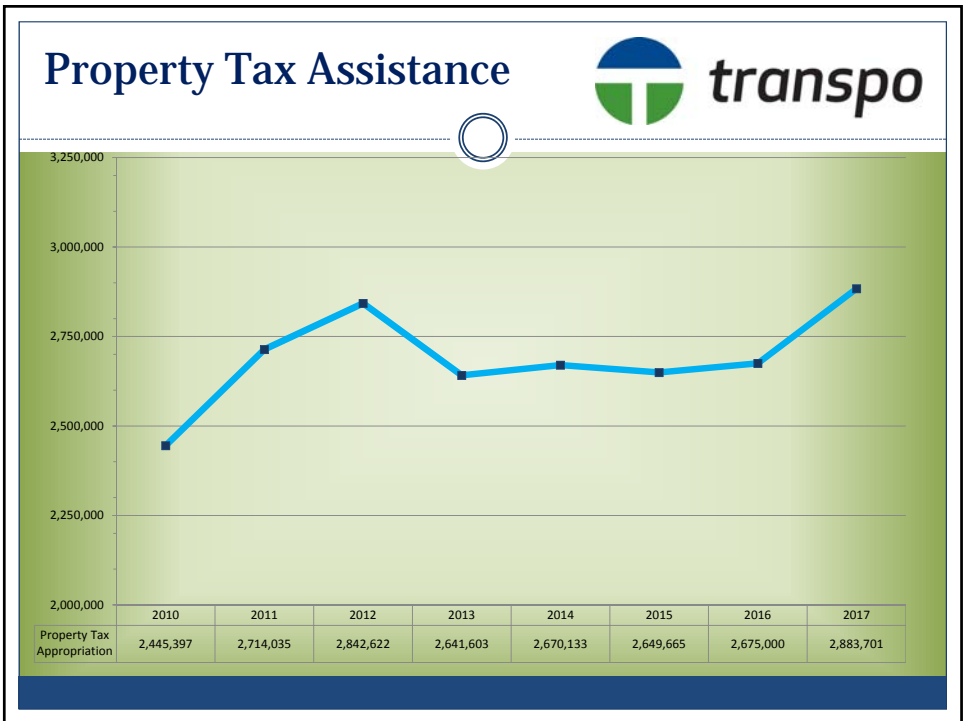
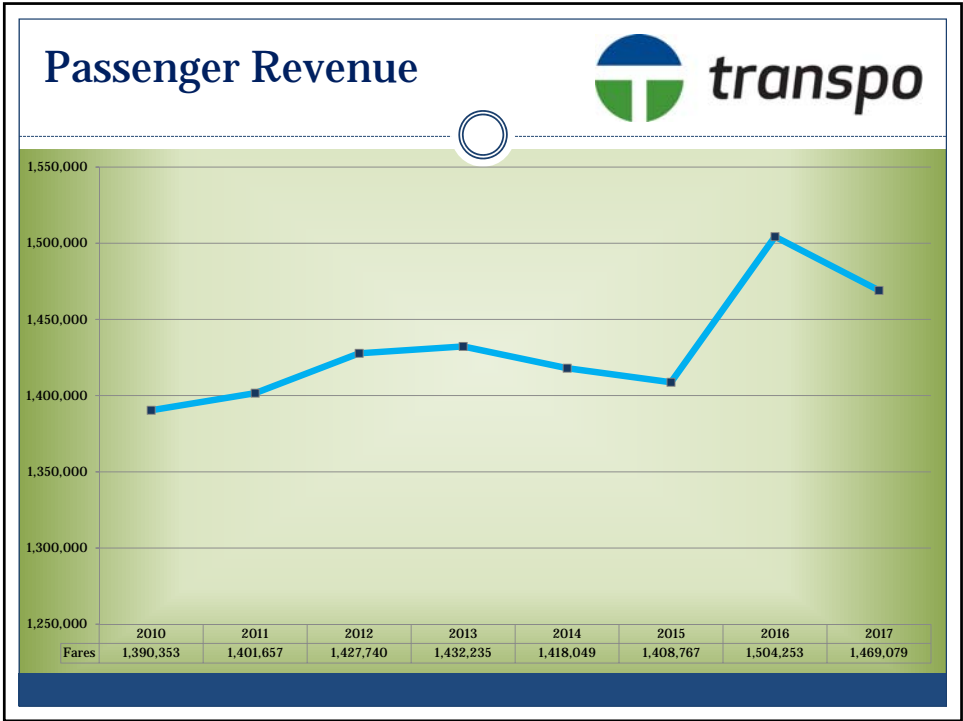
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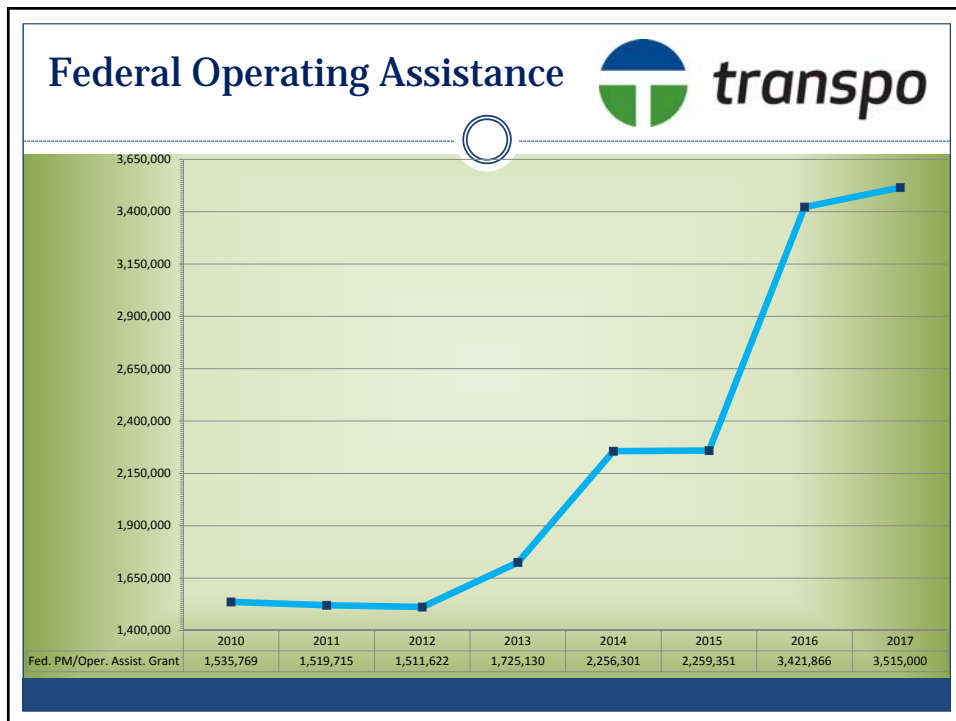
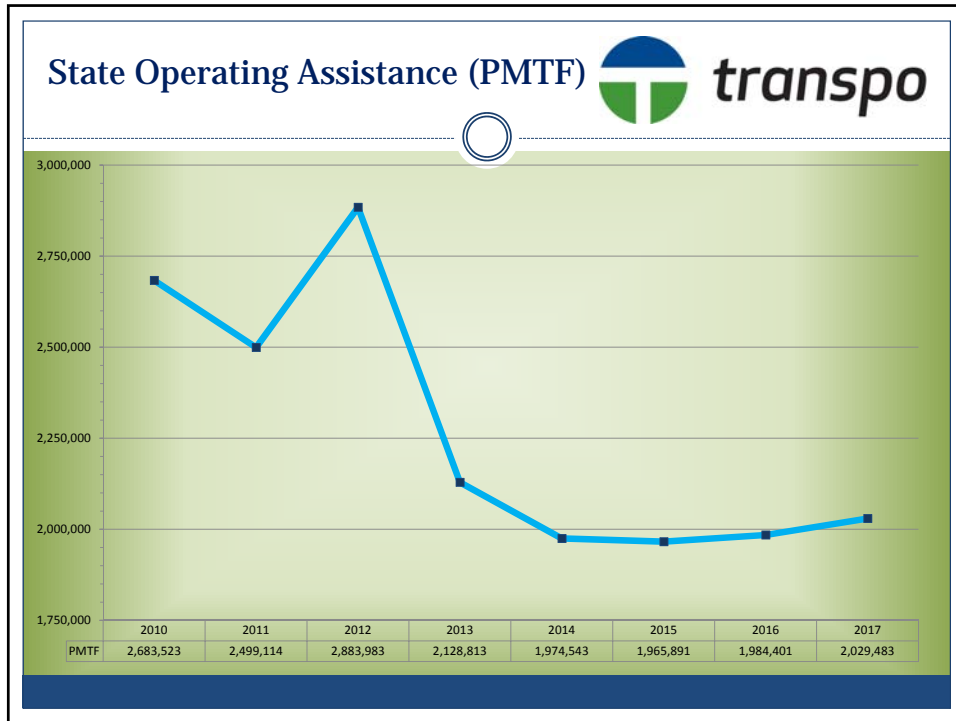
- **Transpo 2017 Operating Budget - \$10,869,199**
- **No changes in service**
- **No fare increase**











2017 Challenges



- Aging Bus Fleet
- Uncertainty of Federal Funding
- Uncertainty of State Funding (PMTF)
- Exploring Ways to Reduce Expenses
- Preparing for 2018 Property Tax Caps

2017 Priorities

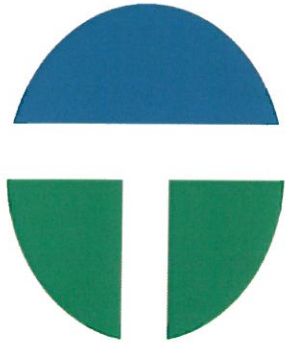


- Designated Bus Stops
- University and Educational Contracting Opportunities
- Workforce Development Partnerships
- Fleet Modernization Project
 - Local Share on Federal Grants



Thank You!

Questions?



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***south bend public
transportation corporation***

2017 FISCAL OPERATING & CAPITAL BUDGET

January 1, 2017 through December 31, 2017

Prepared By
South Bend Public Transportation

SOUTH BEND PUBLIC TRANSPORTATION CORPORATION

SOUTH BEND, INDIANA

2017 FISCAL YEAR BUDGET REQUEST

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BUDGET ESTIMATE FOR 2017

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SOUTH BEND PUBLIC TRANSPORTATION CORPORATION

2017 REVENUE PROJECTION

SOURCE	2017		2016		2015		% CHANGE - 2016 BUDGET VS. Actual	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
FAREBOX	\$ 1,469,079		\$ 1,504,253	\$ 1,432,235			-2.34%	2.57%
CHARTER	\$ -		\$ -	\$ -			0.00%	0.00%
ADVERTISING	\$ 72,000		\$ 72,000	\$ 72,000			0.00%	0.00%
LEASE REVENUE	\$ 2,400		\$ 174,516	\$ 174,527			-98.62%	-98.62%
CONCESSIONS AND MISCELLANEOUS	\$ 23,500		\$ 68,500	\$ 19,187			-65.69%	22.48%
INTEREST INCOME	\$ 12,985		\$ 12,985	\$ 1,560			0.00%	732.57%
PROPERTY TAX	\$ 2,883,701		\$ 2,714,858	\$ 2,649,665			6.22%	8.83%
LICENSE EXCISE TAX	\$ 227,789		\$ 210,000	\$ 224,343			8.47%	1.54%
FINANCIAL INSTITUTION TAX	\$ -		\$ -	\$ -			0.00%	0.00%
OPTION INCOME TAX	\$ 433,262		\$ 462,000	\$ 463,543			-6.22%	-6.53%
STATE ASSISTANCE	\$ 2,029,483		\$ 1,984,401	\$ 1,965,891			2.27%	3.23%
FEDERAL PREVENTIVE MAINTENANCE	\$ 1,640,000		\$ 1,640,000	\$ 1,339,852.0			0%	22.40%
FEDERAL ASSISTANCE	\$ 1,875,000		\$ 1,781,866	\$ 350,000.0			5%	435.71%
LEASE PAYMENT FROM CITY	\$ 200,000		\$ 200,000	\$ 400,000.0			0%	-50.00%
TOTAL	\$10,869,199		\$ 10,825,378	\$ 9,092,802.0			0.40%	19.54%

SOUTH BEND PUBLIC TRANSPORTATION CORPORATION

2017 EXPENSE PROJECTION

Expense Category	% CHANGE - 2017 BUDGET VS. Actual			
	2017 BUDGET	2016 BUDGET	2015 AUDITED	2016 BUDGET
Tangible Property / Fixed Assets	\$ -	\$ -	\$ -	N/A
Salaries & Wages	\$ 5,806,671	\$ 5,416,098	\$ 5,036,057	7.21%
Fringe Benefits	\$ 2,438,603	\$ 2,275,737	\$ 1,779,273	7.16%
Services	\$ 452,661	\$ 780,292	\$ 1,037,940	-41.99%
Materials & Supplies	\$ 1,029,736	\$ 1,277,033	\$ 1,740,194	-19.36%
Utilities	\$ 278,857	\$ 244,420	\$ 200,050	14.09%
Insurance	\$ 230,477	\$ 230,477	\$ 193,395	0.00%
Other Taxes	\$ -	\$ -	\$ -	N/A
Miscellaneous	\$ 132,192	\$ 121,835	\$ 151,159	8.50%
SUB-TOTAL	\$ 10,369,199	\$10,345,892	\$ 10,138,068	0.23%
Transfer - Capital Improvements / Reserve for Liability	\$ 500,000	\$ 500,000	\$ -	0.00%
TOTAL	\$ 10,869,199	\$10,845,892	\$ 10,138,068	0.21%
				7.21%

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Budgeted Appropriations

Category	Operating Budget		Capital Budget		Total 2016 Appropriations
	2017	2016	2017	2016	
Personnel Services	8,245,274	7,465,799			8,245,274
Other Services and Charges	1,594,187	1,385,087			1,594,187
Supplies	1,029,736	1,277,033			1,029,736
Capital Outlays	181,310	375,461	906,550	1,877,305	1,087,860
Total Appropriations	\$ 11,050,508	\$ 10,503,380	\$ 906,550	\$ 1,877,305	\$ 11,957,058



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2017 OPERATING BUDGET ASSUMPTIONS

REVENUES:

Federal, State, and Local: Historically, Transpo has been successful in securing capital funds through Federal Capital Grants for major capital projects; however, opportunities are becoming less common. Transpo continues to avail ourselves of annual federal capital formula grant funds toward preventative maintenance and operating assistance, such funds available for the operations budget. In 2017, the State of Indiana has fixed a PMTF rate for the next two years and has made it a line item in the State's Budget. We based the 2017 PMTF revenue on 2016 actual approved budget. This caused our budget figure to increase by \$45,082 from the 2016 budget. Property Tax revenue was budgeted at a \$168,843 increase from the prior year.

Ridership and Leases: Farebox revenues from regular services include a slight decrease from our 2016 budgeted levels. Transpo Access has realized an increase in ridership since 2008 and is expected to continue this trend in future years.

EXPENSES:

Employee Wages and Benefits: For 2017, Transpo budgeted, a slight increase in wages for employees. Employee benefits reflect an estimated 6.68% increase over 2016. This increase is mainly due to an estimated increase of ten percent in health insurance premiums and other employee benefits outlined in the collective bargaining agreement and contingencies for future premiums given their historical trends.

Vehicular and Operating: Vehicular and other insurances costs will be maintained at the 2016 budget. Diesel fuel has been budgeted at an average of \$2.00 per gallon and gasoline at \$2.20 per gallon. In 2016, Transpo received an additional three CNG fueled vehicles, increasing our total CNG vehicles to nineteen. Transpo budgeted a decrease, in its overall fuel cost of \$80,730. This decrease in fuel expenses should continue as more fixed route vehicles are converted to CNG.

Utilities: Utility costs were budgeted with an increased from the 2016 forecasted levels.

Marketing: Marketing contracts, services, and advertising placement accounts have not been changed from 2016 budgeted figures.

Training: The 2017 budgeted amounts increased from 2016 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 2017 budget provides the opportunity to transfer up to \$500,000 to the Capital Improvements fund for future capital expenditures or deposit up to \$500,000 into a restricted liability reserve account, to be used pay off the second year installments on sixteen fixed route vehicles.

- **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.**



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2017 OPERATING BUDGET POLICY STATEMENTS

FINANCIAL CAPACITY:

1. The proposed budget does not reflect any fare changes. A fare analysis may be conducted and recommendations will follow, based upon the results of the analysis.
2. Management will continue to search for investment, grant and funding opportunities so as to maximize revenues.
3. Management will assure cash handling practices to safeguard funds in its protection and toward timely collection of funds owed.

SERVICE POLICY:

4. A review of current services levels will be conducted and recommendations will follow based upon the results of the analysis.
5. Management will continue to work within the current FTA charter regulations and existing agreements with private charter providers in order to provide charter services.
6. ACCESS service will be provided in accordance with all applicable FTA guidelines.

MANAGEMENT:

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

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2017 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Salaries & Wages Summary

2015 ACTUAL	<u>\$ 5,036,056</u>	2017 BUDGET REQUEST	<u>\$ 5,806,671</u>
2016 MONTHLY AVERAGE	<u>\$ 434,460</u>	2016 APPROVED BUDGET	<u>\$ 5,574,841</u>
2016 EST EXPENSE	<u>\$ 5,213,517</u>	BUDGET CHANGE	<u>\$ 231,830</u>

<u>Account Title</u>	<u>2015</u>	<u>2016</u>
Operators	\$3,464,685	\$ 3,548,243
Access Drivers & Clerk	464,052	460,277
Operations Administration	374,166	457,724
Revenue-Vehicle Maintenance	690,547	722,279
Maintenance Administration	119,725	123,792
Non-Revenue-Vehicle Maintenance	71,058	73,064
General Administration	<u>390,607</u>	<u>421,292</u>
Total	<u><u>\$5,574,840</u></u>	<u><u>\$ 5,806,671</u></u>

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2016 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Fringe Benefits Summary

2015 ACTUAL	<u>\$ 1,779,272</u>	2017 BUDGET REQUEST	<u>\$ 2,438,603</u>
2016 MONTHLY AVERAGE	<u>\$ 180,826</u>	2016 APPROVED BUDGET	<u>\$ 2,275,737</u>
2016 EST EXPENSE	<u>\$ 2,169,916</u>	BUDGET CHANGE	<u>\$ 162,866</u>

<u>Account Title</u>	<u>2015</u>	<u>2016</u>
FICA	\$ 426,475	\$ 444,211
Pension plan	211,694	248,694
Medical Insurance	1,377,570	1,492,087
Dental Insurance	50,477	53,878
Life Insurance	24,032	27,221
Short-Term Disability	22,189	20,664
Unemployment Insurance	10,925	10,925
Worker's Compensation	101,256	89,805
Uniforms	47,119	47,119
Tool Allowance	4,000	4,000
Total	<u><u>\$2,275,737</u></u>	<u><u>\$ 2,438,603</u></u>

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2017 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Services Summary

2015 ACTUAL	<u>\$ 984,072</u>	2017 BUDGET REQUEST	<u>\$ 452,661</u>
2016 MONTHLY AVERAGE	<u>\$ 45,412</u>	2016 APPROVED BUDGET	<u>\$ 525,599</u>
2016 EST EXPENSE	<u>\$ 528,740</u>	BUDGET CHANGE	<u>\$ (72,938)</u>

Account Title	2015	2016
Management Service Fees	\$ -	\$ -
Professional & Technical	274,939	190,939
Board Travel	10,000	10,000
Temporary Help	2,500	2,500
Contract Services Operations	12,050	12,050
Contract Services Maintenance	115,000	118,582
Contract Services Administration	47,060	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>\$ 525,599</u>	<u>\$ 452,661</u>

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2017 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Materials & Supplies Summary

2015 ACTUAL	<u>\$ 1,479,781</u>	2017 BUDGET REQUEST	<u>\$ 1,029,736</u>
2016 MONTHLY AVERAGE	<u>\$ 70,666</u>	2016 APPROVED BUDGET	<u>\$ 909,776</u>
2016 EST EXPENSE	<u>\$ 847,994</u>	BUDGET CHANGE	<u>\$ 119,960</u>

Account Title		2015	2016
Fuel & Lubricants	Operations	\$ 605,701	\$ 727,122
Fuel & Lubricants	Maintenance	13,415	11,954
Tires & Tubes	Maintenance	2,560	2,560
Materials & Supplies	Operations	25,000	25,000
Materials & Supplies	Maintenance	210,000	210,000
Materials & Supplies	Marketing	35,600	35,600
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		<u>\$ 909,776</u>	<u>\$ 1,029,736</u>

2017 BUDGET SUBMISSION

DEPARTMENT: Administration & Maintenance

ACCOUNT TITLE: Utilities

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

2015 ACTUAL	<u>\$ 209,394</u>	2017 BUDGET REQUEST	<u>\$ 278,857</u>
2016 MONTHLY AVERAGE	<u>\$ 22,582</u>	2016 APPROVED BUDGET	<u>\$ 244,420</u>
2016 EST EXPENSE	<u>\$ 270,980</u>	BUDGET CHANGE	<u>\$ 34,437</u>

<u>Account Title</u>	<u>2016</u>	<u>2017</u>
Electricity	\$ 98,014	\$ 98,014
Electricity-CNG	\$ 35,153	\$ 45,941
Water & Sewage	\$ 16,654	\$ 16,654
Trash Collection	\$ 5,000	\$ 5,000
Telephone	\$ 10,351	\$ 34,000
Natural Gas	\$ 79,248	\$ 79,248
	<u> </u>	<u> </u>
	Totals	
	<u><u>\$ 244,420</u></u>	<u><u>\$ 278,857</u></u>

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2017 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Insurance Summary

2015 ACTUAL	<u>\$ 190,051</u>	2017 BUDGET REQUEST	<u>\$ 230,477</u>
2016 MONTHLY AVERAGE	<u>\$ 17,592</u>	2016 APPROVED BUDGET	<u>\$ 230,477</u>
2016 EST EXPENSE	<u>\$ 211,108</u>	BUDGET CHANGE	<u>\$ -</u>

Insurance - Liability & Physical Damage	\$ 224,192
Other Corporate Insurance	6,285
	<hr/>
Total	<u>\$ 230,477</u>

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2017 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Miscellaneous Summary

2015 ACTUAL	<u>\$ 151,083</u>	2017 BUDGET REQUEST	<u>\$ 132,192</u>
2016 MONTHLY AVERAGE	<u>\$ 13,994</u>	2016 APPROVED BUDGET	<u>\$ 121,835</u>
2016 EST EXPENSE	<u>\$ 187,928</u>	BUDGET CHANGE	<u>\$ 10,357</u>

Account Title	2015	2016
Dues & Subscriptions	\$ 27,835	\$ 25,192
Travel & Meetings	20,000	30,000
Community Services	15,000	15,000
Promotion	3,000	6,000
Advertising Placements	45,500	45,500
Interest Expense on Tax Warrants	10,500	10,500
Total	<u>\$ 121,835</u>	<u>\$ 132,192</u>

2017 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Transfer - Capital Improvement Fund/Reserve for Liability

ACCOUNT NUMBER: 301-0101-00

2015 ACTUAL	<u>\$ -</u>	2017 BUDGET REQUEST	<u>\$ 500,000</u>
2016 MONTHLY AVERAGE	<u>\$ 41,667</u>	2016 APPROVED BUDGET	<u>\$ 500,000</u>
2016 EST EXPENSE	<u>\$ 500,000</u>	BUDGET CHANGE	<u>\$ -</u>

This account is used for the transfer to the Capital Improvement Fund for the "Local Share" or to fund a reserve for future liabilities. The capital expenditures are detailed in the monthly Capital Improvement resolutions.

Loan Payment	\$ 500,000
	<hr/>
Total	<u><u>\$ 500,000</u></u>

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2017 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Capital Fund Requirements

ACCOUNT NUMBER: 301-0101-00

2015 ACTUAL	<u>\$ 6,121,744</u>	2017 BUDGET REQUEST	<u>\$ 906,550</u>
2016 MONTHLY AVERAGE	<u>\$ 173,785</u>	2016 APPROVED BUDGET	<u>\$ 1,043,138</u>
2016 EST EXPENSE	<u>\$ 2,085,425</u>	BUDGET CHANGE	<u>\$ (136,588)</u>

<u>Grant Number</u>	<u>\$\$\$ Available</u>	<u>FTA/State Funded</u>	<u>Total Required</u>
Grant- IN-04-0053	\$ 1,612,750	\$ 1,290,200	\$ 322,550
Grant IN-90-X628	\$ 120,000	\$ 96,000	\$ 24,000
Grant-IN-90-X650	\$ 300,000	\$ 240,000	\$ 60,000
Grant-IN-90-X685	\$ 500,000	\$ 400,000	\$ 100,000
2016-2017 FTA GRANT	\$ 2,000,000	\$ 1,600,000	\$ 400,000
Total	<u><u>\$ 4,532,750</u></u>	<u><u>\$ 3,626,200</u></u>	<u><u>\$ 906,550</u></u>

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2017 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Passenger Fares Summary

ACCOUNT NUMBER: 413-0100-00

2015 ACTUAL:	<u>\$ 1,432,235</u>	2017 BUDGET REQUEST	<u>\$ 1,469,079</u>
2016 AVERAGE:	<u>\$ 117,420</u>	2016 APPROVED BUDGET	<u>\$ 1,504,253</u>
2016 ESTIMATED:	<u>\$ 1,409,034</u>	BUDGET CHANGE:	<u>\$ (35,174)</u>

Account Title	2016	2017
Passenger Revenue	\$ 802,698	\$ 775,121
Access Passenger Revenue	51,187	49,218
Access Punch Card Revenue	73,321	88,719
Passport Revenue	166,075	152,250
Student Pass Revenue	41,130	40,560
Trippler Revenue	9,623	9,623
Two Ride Pass Revenue	-	-
Two Week Pass	90,048	99,072
One Day Pass	263,721	250,617
Student Summer Pass	6,450	3,900
	\$ 1,504,252	\$ 1,469,079