

# South Bend Public Transportation Corporation (TRANSPO)

September 9, 2015



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## 2016 BUDGET PRESENTATION

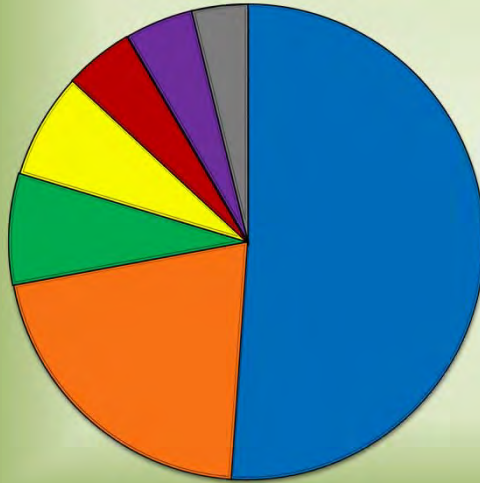
DAVID CANGANY, GENERAL MANAGER

## 2016 At A Glance



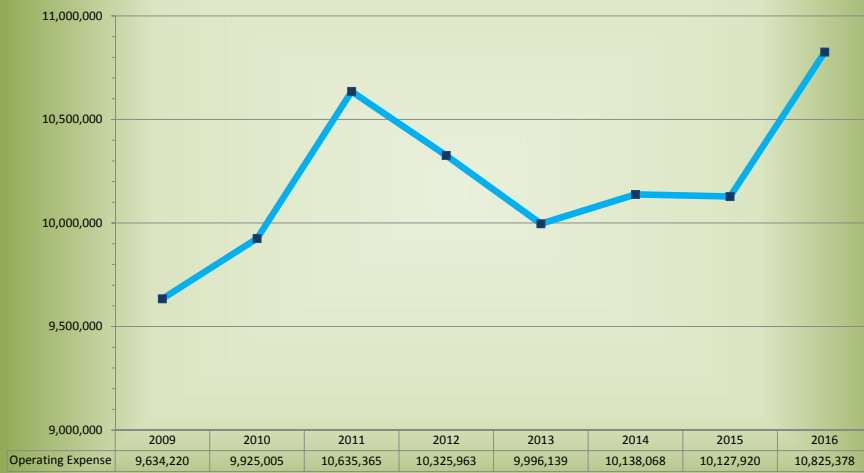
- Transpo 2016 Operating Budget - \$10,825,378
- 2016 Budget is balanced
- 2015 Service level is maintained

## 2016 Expenses

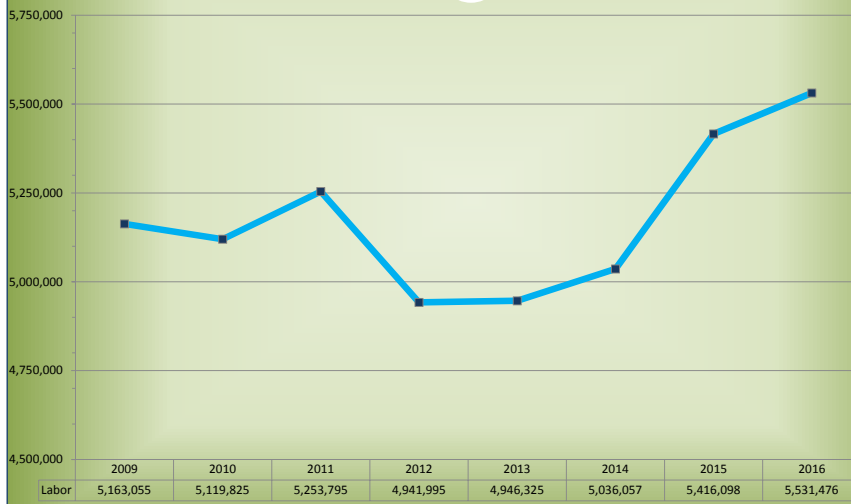


- Wages (51%)
- Benefits (21%)
- Fuel Expense (8%)
- Services (7%)
- Utilities/Insurance (5%)
- Bus Loan (5%)
- Materials/Supplies (4%)

## Operating Expenses



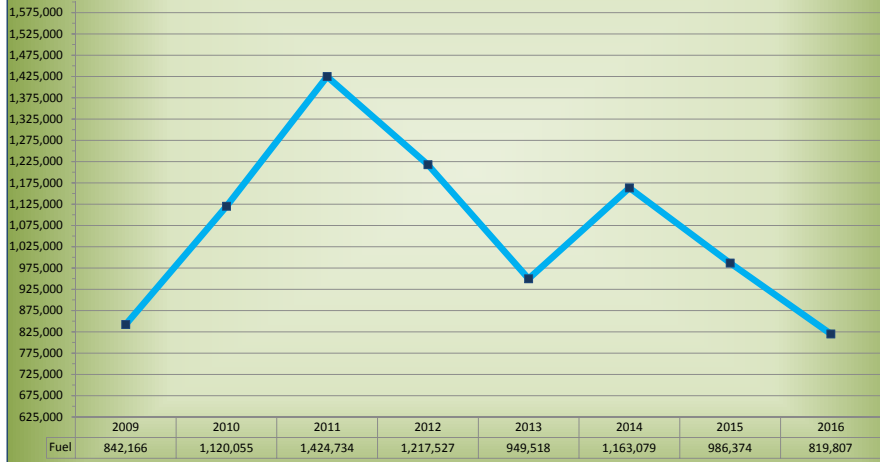
## Labor Expense



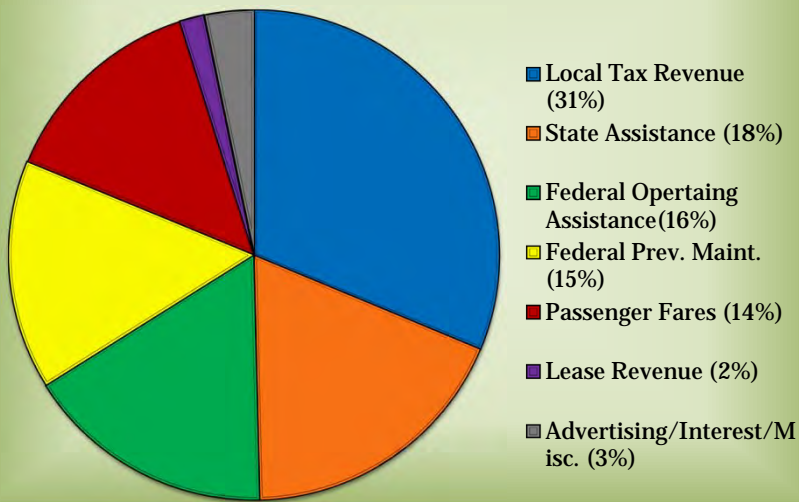
## Health & Dental Insurance



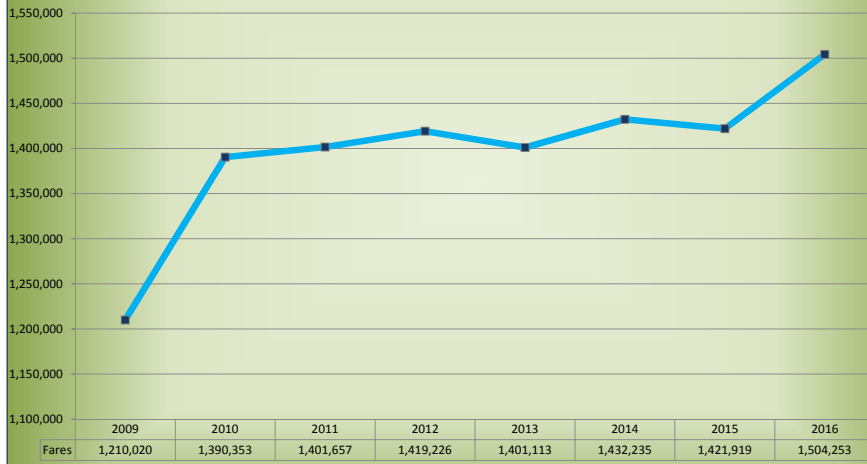
# Fuel



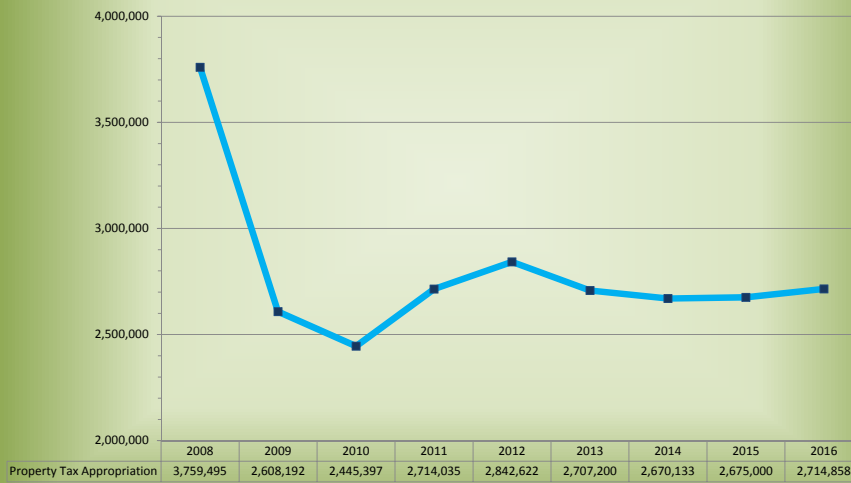
# 2016 Revenue Sources



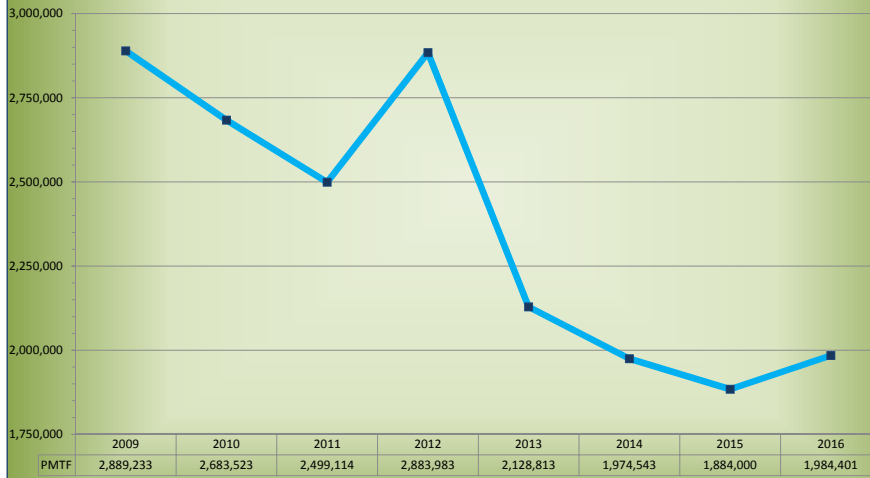
## Passenger Revenue



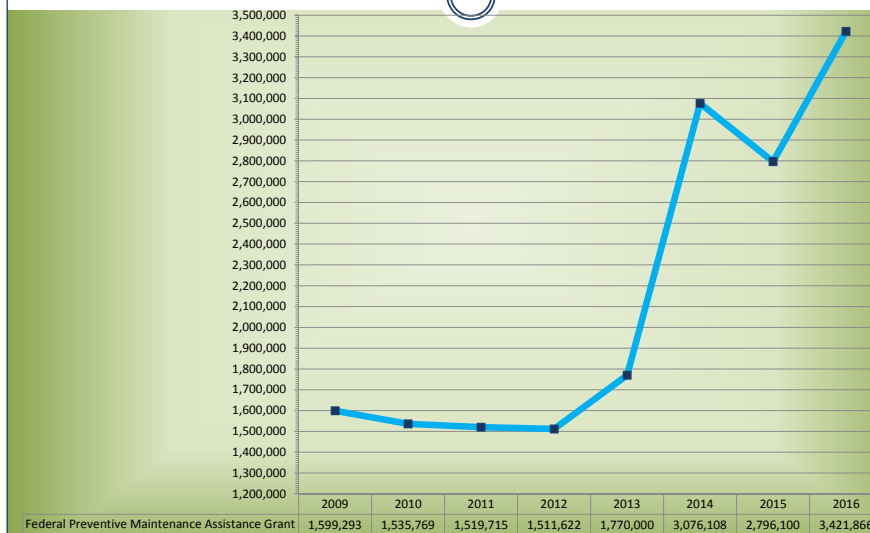
## Property Tax Assistance



## State Operating Assistance (PMTF)



## Federal Operating Assistance



## 2015 Challenges



- Purchase of Revenue Service Vehicles
- Uncertainty of Federal funding program
- Uncertainty of State level funding (PMTF)
- Controlling expenses
- Preparing for the 2017 Property Tax Caps

## 2016 Priorities



- Implementation of designated bus stop system
- Expand service opportunities with local universities and educational organizations
- Workforce development partnerships
- Aging Bus Fleet
  - Managing high cost of maintaining aging fleet
  - Local share on new vehicle purchases





**Thank You!**

**Questions?**

AUG 19 2015

JOHN VOORDE  
CITY CLERK, SOUTH BEND, IN



***transpo***

***south bend public  
transportation corporation***

**2016 FISCAL OPERATING & CAPITAL BUDGET**

January 1, 2016 through December 31, 2016

Prepared By  
South Bend Public Transportation

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**SOUTH BEND PUBLIC TRANSPORTATION CORPORATION**

**SOUTH BEND, INDIANA**

**2016 FISCAL YEAR BUDGET REQUEST**

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**BUDGET ESTIMATE FOR 2015  
PROJECTIONS / ASSUMPTIONS**

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## SOUTH BEND PUBLIC TRANSPORTATION CORPORATION

### 2016 REVENUE PROJECTION

SOURCE	% CHANGE - 2016 BUDGET VS. Actual				
	2016 BUDGET	2015 BUDGET	2014 ACTUAL	2016 BUDGET	2014 ACTUAL
FAREBOX	\$ 1,504,253	\$ 1,421,919	\$ 1,432,235	5.79%	5.03%
ADVERTISING	\$ 72,000	\$ 72,000	\$ 72,000	0.00%	0.00%
LEASE REVENUE	\$ 174,516	\$ 174,516	\$ 174,527	0.00%	-0.01%
CONCESSIONS AND MISCELLANEOUS	\$ 68,500	\$ 68,500	\$ 20,667	0.00%	231.45%
INTEREST INCOME	\$ 12,985	\$ 12,985	\$ 759	0.00%	1611.55%
PROPERTY TAX	\$ 2,714,858	\$ 2,675,000	\$ 2,670,133	1.49%	1.67%
LICENSE EXCISE TAX	\$ 210,000	\$ 200,000	\$ 221,276	5.00%	-5.10%
OPTION INCOME TAX	\$ 462,000	\$ 423,000	\$ 445,847	9.22%	3.62%
STATE ASSISTANCE	\$ 1,984,401	\$ 1,884,000	\$ 1,974,543	5.33%	0.50%
FEDERAL PREVENTIVE MAINTENANCE	\$ 1,640,000	\$ 1,620,000	\$ 1,355,800.0	1%	20.96%
FEDERAL ASSISTANCE	\$ 1,781,866	\$ 1,176,000	\$ 900,501.0	52%	97.87%
LEASE PAYMENT FROM CITY	\$ 200,000	\$ 400,000	\$ 400,000.0	0%	-50.00%
<b>TOTAL</b>	<b>\$10,825,378</b>	<b>\$10,127,920</b>	<b>\$ 9,668,286.6</b>	<b>6.89%</b>	<b>11.97%</b>

# SOUTH BEND PUBLIC TRANSPORTATION CORPORATION

## 2016 EXPENSE PROJECTION

Expense Category	% CHANGE - 2016 BUDGET VS. Actual				
	2016 BUDGET	2015 BUDGET	2014 AUDITED	2015 BUDGET	2014 AUDITED
Tangible Property / Fixed Assets	\$ -	\$ -	\$ -	N/A	N/A
Salaries & Wages	\$ 5,531,476	\$ 5,416,098	\$ 5,036,057	2.13%	9.84%
Fringe Benefits	\$ 2,272,399	\$ 2,049,701	\$ 1,779,273	10.86%	27.72%
Services	\$ 779,867	\$ 780,292	\$ 1,037,940	-0.05%	-24.86%
Materials & Supplies	\$ 1,110,466	\$ 1,277,033	\$ 1,740,194	-13.04%	-36.19%
Utilities	\$ 278,857	\$ 244,420	\$ 200,050	14.09%	39.39%
Insurance	\$ 230,477	\$ 230,477	\$ 193,395	0.00%	19.17%
Other Taxes	\$ -	\$ -	\$ -	N/A	N/A
Miscellaneous	\$ 121,835	\$ 121,835	\$ 151,159	0.00%	-19.40%
<b>SUB-TOTAL</b>	<b>\$ 10,325,378</b>	<b>\$10,119,856</b>	<b>\$ 10,138,068</b>	<b>2.03%</b>	<b>1.85%</b>
Transfer - Capital Improvements / Reserve for Liability	\$ 500,000	\$ 8,063	\$ -	6101.17%	100.00%
<b>TOTAL</b>	<b>\$ 10,825,378</b>	<b>\$10,127,919</b>	<b>\$ 10,138,068</b>	<b>6.89%</b>	<b>6.78%</b>

**TRANSPO**  
**Budgeted Appropriations**

Category	Operating Budget		Capital Budget		Total 2015 Appropriations
	2016	2015	2016	2015	
Personnel Services	7,803,874	7,465,799			7,803,874
Other Services and Charges	1,911,036	1,385,087			1,911,036
Supplies	1,110,466	1,277,033			1,110,466
Capital Outlays	208,628	375,461	1,043,138	1,877,305	1,251,766
<b>Total Appropriations</b>	<b>\$ 11,034,004</b>	<b>\$ 10,503,380</b>	<b>\$ 1,043,138</b>	<b>\$ 1,877,305</b>	<b>\$ 12,077,143</b>





# transpo

## 2016 OPERATING BUDGET ASSUMPTIONS

### REVENUES:

**Federal, State, and Local:** Given past and continued success in securing adequate capital funds through Federal Capital Grants for major capital projects that are becoming less common. Transpo is able to continue to avail ourselves of annual federal capital formula grant funds toward preventative maintenance and operating assistance, such funds available to the operations budget. In 2016, 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. We based the 2016 PMTF revenue on 2015 actual approved budget. This caused our budget figure to be increase by \$100,401 from the 2015 budget. Property Tax revenue was budgeted at \$39,858 increase from the prior year.

**Ridership and Leases:** Farebox revenues from regular services include a slight increase from our 2015 budgeted levels. The revenue increase is due to slight change in the fare structure in 2015 eliminating transfers. 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 2016, Transpo budgeted, a slight increase in wages for employees. Employee benefits reflect an estimated 10.86% increase over 2015. This increase is mainly due to an estimated increase of fifteen 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 decreased slightly from the 2015 budget. Diesel fuel has been budgeted at an average of \$3.09 per gallon and gasoline at \$2.50 per gallon. Starting in 2016, Transpo will have all sixteen fixed route CNG vehicles providing service. Transpo budgeted a decrease, in its overall fuel cost, of \$219,707. This decrease in fuel expenses should continue to as more of fixed route vehicles are converted to CNG.

**Utilities:** Utility costs were budgeted with an increased from the 2015 forecasted levels.

**Marketing:** Marketing contracts, services, and advertising placement accounts have not been changed from 2015 budgeted figures.

**Training:** The 2015 budgeted amounts increased from 2014 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 2016 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 first 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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## **2016 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.

# TRANSPO

## 2016 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Salaries & Wages      Summary

2014 ACTUAL	<u>\$ 5,036,056</u>	2016 BUDGET REQUEST	<u>\$ 5,531,476</u>
2015 MONTHLY AVERAGE	<u>\$ 424,345</u>	2015 APPROVED BUDGET	<u>\$ 5,416,098</u>
2015 EST EXPENSE	<u>\$ 5,092,138</u>	BUDGET CHANGE	<u>\$ 115,378</u>

<u>Account Title</u>	<u>2015</u>	<u>2016</u>
Operators	\$3,391,192	\$ 3,464,685
Access Drivers & Clerk	438,306	464,052
Operations Administration	371,078	374,166
Revenue-Vehicle Maintenance	684,971	690,547
Maintenance Administration	119,174	119,725
Non-Revenue-Vehicle Maintenance	70,241	71,058
General Administration	<u>341,136</u>	<u>347,242</u>
Total	<u>\$5,416,098</u>	<u>\$ 5,531,476</u>

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## 2016 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Fringe Benefits      Summary

2014 ACTUAL	<u>\$ 1,779,272</u>	2016 BUDGET REQUEST	<u>\$ 2,272,399</u>
2015 MONTHLY AVERAGE	<u>\$ 170,765</u>	2015 APPROVED BUDGET	<u>\$ 2,049,701</u>
2015 EST EXPENSE	<u>\$ 2,049,179</u>	BUDGET CHANGE	<u>\$ 222,698</u>

<u>Account Title</u>	<u>2015</u>	<u>2016</u>
FICA	\$ 414,331	\$ 423,158
Pension plan	211,694	211,694
Medical Insurance	1,175,516	1,377,570
Dental Insurance	42,887	50,477
Life Insurance	24,032	24,032
Short-Term Disability	22,189	22,189
Unemployment Insurance	10,925	10,925
Worker's Compensation	97,337	101,235
Uniforms	46,790	47,119
Tool Allowance	4,000	4,000
Total	<u>\$2,049,701</u>	<u>\$ 2,272,399</u>

# TRANSPO

## 2016 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Services                      Summary

2014 ACTUAL	<u>\$ 984,072</u>	2016 BUDGET REQUEST	<u>\$ 779,867</u>
2015 MONTHLY AVERAGE	<u>\$ 181,802</u>	2015 APPROVED BUDGET	<u>\$ 780,292</u>
2015 EST EXPENSE	<u>\$ 846,235</u>	BUDGET CHANGE	<u>\$ (425)</u>

<u>Account Title</u>	<u>2015</u>	<u>2016</u>
Management Service Fees	\$ 263,868	\$ 263,868
Professional & Technical	279,939	274,939
Board Travel	10,000	10,000
Temporary Help	2,500	2,500
Contract Services            Operations	12,050	12,050
Contract Services            Maintenance	115,000	115,000
Contract Services            Administration	37,460	37,460
Security Services	59,475	64,050
Physical Damage Repairs	20,000	20,000
Recoveries of Physical Damage Repairs	(20,000)	(20,000)
Total	<u>\$ 780,292</u>	<u>\$ 779,867</u>

# TRANSPO

## 2016 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Materials & Supplies Summary

2014 ACTUAL	<u>\$ 1,479,781</u>	2016 BUDGET REQUEST	<u>\$ 1,110,466</u>
2015 MONTHLY AVERAGE	<u>\$ 121,488</u>	2015 APPROVED BUDGET	<u>\$ 1,133,496</u>
2015 EST EXPENSE	<u>\$ 1,457,851</u>	BUDGET CHANGE	<u>\$ (23,030)</u>

Account Title	2015	2016
Fuel & Lubricants	\$ 825,408	\$ 806,391
Fuel & Lubricants	17,428	13,415
Tires & Tubes	2,560	2,560
Materials & Supplies	25,000	25,000
Materials & Supplies	210,000	210,000
Materials & Supplies	35,600	35,600
Other Materials & Supplies	4,500	4,500
Other Materials & Supplies	2,600	2,600
Other Materials & Supplies	10,400	10,400
Total	<u>\$ 1,133,496</u>	<u>\$ 1,110,466</u>

# TRANSPO

## 2016 BUDGET SUBMISSION

DEPARTMENT: Administration & Maintenance

ACCOUNT TITLE: Utilities

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

2014 ACTUAL	<u>\$ 209,394</u>	2016 BUDGET REQUEST	<u>\$ 278,857</u>
2015 MONTHLY AVERAGE	<u>\$ 25,018</u>	2015 APPROVED BUDGET	<u>\$ 244,420</u>
2015 EST EXPENSE	<u>\$ 300,221</u>	BUDGET CHANGE	<u>\$ 34,437</u>

<u>Account Title</u>	<u>2015</u>	<u>2016</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
Totals	<u>\$ 244,420</u>	<u>\$ 278,857</u>

# TRANSP0

## 2016 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Insurance      Summary

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2014 ACTUAL	<u>\$ 190,051</u>	2016 BUDGET REQUEST	<u>\$ 230,477</u>
2015 MONTHLY AVERAGE	<u>\$ 17,354</u>	2015 APPROVED BUDGET	<u>\$ 230,477</u>
2015 EST EXPENSE	<u>\$ 208,250</u>	BUDGET CHANGE	<u>\$ -</u>

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

# TRANSPO

## 2016 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Miscellaneous      Summary

2014 ACTUAL	<u>\$ 151,083</u>	2016 BUDGET REQUEST	<u>\$ 121,835</u>
2015 MONTHLY AVERAGE	<u>\$ 9,450</u>	2015 APPROVED BUDGET	<u>\$ 121,835</u>
2015 EST EXPENSE	<u>\$ 150,567</u>	BUDGET CHANGE	<u>\$ -</u>

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



**2016 BUDGET SUBMISSION**

DEPARTMENT: All

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

ACCOUNT NUMBER: 301-0101-00

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2014 ACTUAL	\$ -	2016 BUDGET REQUEST	\$ 500,000
2015 MONTHLY AVERAGE	_____	2015 APPROVED BUDGET	\$ 8,063
2015 EST EXPENSE	_____	BUDGET CHANGE	\$ 491,937

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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

Detail of Capital Funds required to match existing grants on following page

Total

\$ 500,000

# TRANSPO

## 2016 BUDGET SUBMISSION

DEPARTMENT: All  
 ACCOUNT TITLE: Passenger Fares Summary  
 ACCOUNT NUMBER: 413-0100-00

2014 ACTUAL:	<u>\$ 1,432,235</u>	2016 BUDGET REQUEST	<u>\$ 1,504,253</u>
2015 AVERAGE:	<u>\$ 117,420</u>	2015 APPROVED BUDGET	<u>\$ 1,421,919</u>
2015 ESTIMATED:	<u>\$ 1,409,034</u>	BUDGET CHANGE:	<u>\$ 82,334</u>

<u>Account Title</u>	<u>2015</u>	<u>2016</u>
Passenger Revenue	\$ 944,883	\$ 802,698
Access Passenger Revenue	43,742	51,187
Access Punch Card Revenue	67,891	73,321
Passport Revenue	174,755	166,075
Student Pass Revenue	40,110	41,130
Tripper Revenue	9,623	9,623
Two Ride Pass Revenue		-
Two Week Pass	72,007	90,048
One Day Pass	65,759	263,721
Student Summer Pass	3,150	6,450
	<u>\$ 1,421,919</u>	<u>\$ 1,504,253</u>

# TRANSPO

## 2016 BUDGET SUBMISSION

DEPARTMENT: All

ACCOUNT TITLE: Capital Fund Requirements

ACCOUNT NUMBER: 301-0101-00

2014 ACTUAL	<u>\$ 6,121,744</u>	2016 BUDGET REQUEST	<u>\$ 1,043,138</u>
2015 MONTHLY AVERAGE	<u>\$ 173,785</u>	2015 APPROVED BUDGET	<u>\$ 1,877,305</u>
2015 EST EXPENSE	<u>\$ 2,085,425</u>	BUDGET CHANGE	<u>\$ (834,167)</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-34-0002	\$ 202,942	\$ 162,354	\$ 40,588
Grant-IN-95-X048	\$ 750,000	\$ 600,000	\$ 150,000
Grant IN-90-X628	\$ 350,000	\$ 280,000	\$ 70,000
Grant-IN-90-X650	\$ 300,000	\$ 240,000	\$ 60,000
2015-2016 FTA GRANT	\$ 2,000,000	\$ 1,600,000	\$ 400,000
Total	<u>\$ 5,215,692</u>	<u>\$ 4,172,554</u>	<u>\$ 1,043,138</u>