

WTA

Whatcom Transportation Authority



Annual Budget 2013



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MEMORANDUM

TO: Members of the Executive Committee of the Board of Directors

FROM: Richard G. Walsh, General Manager
Patricia Dunn, Director of Finance

DATE: November 15, 2012

SUBJECT: 2013 Operating and Capital Budget

WTA staff presents the 2013 Operating and Capital Budget for approval. This budget reflects current service levels and related agreements.

The economy is expected to continue a slow gradual recovery through 2013 and beyond. WTA anticipates modest increases in sales tax revenue and grant funding. Operating expenses are expected to increase at similar levels with the exception of employee medical insurance and retirement contributions which are expected to continue to increase at double digit rates. Service levels are expected to remain at November 2012 levels.

The 2013 capital budget focuses on infrastructure. With MOAB (Maintenance, Operations, and Administration Base) now over 10 years old, equipment is beginning to show its age. Staff is building a State of Good Repair asset analysis, as required by the FTA, which will detail long term repairs and maintenance for facilities, equipment, technology and vehicles.

As the current vehicle replacement cycle comes to a close, WTA Staff proposes technology projects that will build strong infrastructure for future productivity and efficiency.

WTA is enthusiastic about continuing our proud tradition of providing public transportation to Whatcom County residents in 2013.



VISION FOR THE WTA - DESTINATION 2020

Our vision for WTA in 2020 is...

...to be a vital and permanent element of Whatcom County's transportation infrastructure.

This means WTA will:

- Provide public transportation services that best meet the community's mobility needs.
- Contribute to the economic vitality of the County.
- Make capital investments that enhance efficiency and prevent future problems.
- Provide a viable alternative to single occupancy vehicles.

...to maintain our commitment to service excellence.

This means WTA will:

- Respond to our customers' needs.
- Strive to achieve the highest level of customer service, efficiency and reliability.
- Attract, hire and retain employees who reflect our community and agency values.
- Maintain strong fiscal controls.

...to be a leader in an integrated regional transportation system that supports vibrant, livable communities.

This means WTA will work with others to:

- Build and maintain effective partnerships.
- Integrate transportation, land-use and growth management goals.
- Increase access to jobs, education and other community resources.

...to apply the relevant innovations in public transportation services to local and regional needs.

This means WTA will:

- Apply proven technology solutions to improve customer experience.
- Demonstrate environmental leadership.
- Coordinate with other providers and organizations to maximize use of limited resources.

WTA Road Map: Moving from Deficit to Sustainability

Background

WTA's most recent Strategic Planning process concluded in 2004. Since then, nearly all major service and business related recommendations have been implemented. While a new Strategic Direction would be extremely valuable, fiscal constraints, and uncertainty regarding future financial resources, make this an inopportune time for a comprehensive Strategic Planning effort. To guide our work in the meantime, WTA will focus on moving from deficit to sustainability.

What do we mean by “Moving from Deficit to Sustainability”? Specifically, we will:

- Preserve—for as long as possible—our capacity to maintain overall service levels and service quality
- Continue to seek opportunities for greater efficiency, with a focus on reducing costs wherever possible, without negatively impacting service

Key Focus Areas

We have identified five key focus areas to guide our work in the coming years. With our ultimate goal being to move the agency from deficit to sustainability, we are committed to:

- **Increasing Revenue**
 - Pursue grant opportunities
 - Explore entering into agreements for service with public and private entities
 - Explore fare increase
- **Developing our Employees and Building our Teams**
 - Invest in training to improve employee skills, knowledge, efficiency and customer service
 - Enhance productivity through increased “cross-pollination” among workgroups
 - Negotiate 2013 - 2015 Collective Bargaining Agreement
- **Connecting with the Community**
 - Develop and implement new communications/outreach plan in order to:
 - Enhance communications with community stakeholders
 - Expand communications through technology (website, social media, etc.)
- **Getting the Most from Internal Business Systems**
 - Maximize the value of existing IT products and programs
 - Raise the level of staff familiarity/facility with technology
 - Reduce energy usage
 - Enhance Business Process Improvement
- **Planning for the Future**
 - Update the comprehensive fleet, facility, and equipment replacement/composition plan
 - Evaluate and anticipate unmet service needs
 - Prepare our plan and practice our response to emergencies and/or natural disasters
 - Renew WWU contract (2013 – 2016)
 - Investigate feasibility of alternative vehicles, fuels and/or service options

Whatcom Transportation Authority

Budget Initiatives

2013 Budget

Increase Revenue

- Examine 2013 fare increase
- Seek grant opportunities

Maximize Internal Business Systems

- Streamline bus pass processes
- Business systems planning
- Structure electronic records system

Develop Employees and Build Teams

- Expand Operator Refresher training
- Right size the Relief Board
- Implement Fleet Technicians tool and technology updates and training

Connect with the Community

- Mobility training for Seniors
- Community survey
- Service analysis

Planning for the Future

- Define Smart Bus direction
- Fare Policy review
- Succession planning



Economic Indicators and Risks

- Slow economic and job growth
- Residential construction may begin recovery in late 2013 and 2014
- National/International Risks:
 - European debt crisis
 - Elections, Congress, Politics
 - Oil prices
 - 2% FICA (payroll tax) reduction rolled back
 - Government employment continues to decline
- Whatcom County Indicators:
 - Employment growing, unemployment is trending down
 - Housing sales are building
 - Canadian dollar and border issues appear stable
- WTA
 - Sales Tax Revenue is up 5.0%¹ YTD over prior year
 - Ridership is stable
 - Grant Revenue is stable in 2012; there are indications that it will remain at or above current levels.
 - Risk: Medical Self Insurance claims and stop-loss costs

¹ For Sales Tax Receipts at September 30, 2012

Whatcom Transportation Authority

2013 Budget Assumptions

2013 Budget:

- 3% Sales Tax Revenue increase
- 25% Fare increase anticipated in fall 2013
- 20% health costs increase
- 4% Workers Comp Increase
- 28% PERS increase (7.08% to 9.10%) July 1
- 1.5% COLA increase for non-represented employees
- Flat fuel prices
- 7% Liability/property insurance increase

2014 – 2018:

- Medical insurance costs are expected to increase 14% annually with the current plan.
- Employer contributions for PERS, the State of Washington employee pension, are projected by the State Actuary to increase from the current 7.07% to 9.1% in 2013, and to 9.53% in 2015.
- Sales tax revenues are projected to increase 3% annually

Whatcom Transportation Authority
Revenues and Expenditures
2013 Budget

	2013 Budget	2012 Amended Budget	Actuals 2011
Revenue			
Farebox Revenue	2,801,118	2,544,940	2,518,677
Contract Revenue	1,559,492	1,187,114	482,704
Vanpool Revenue	265,519	221,265	191,581
Total Operating Revenue	4,626,129	3,953,319	3,192,962
Sales Tax Income	19,016,105	18,515,535	18,827,426
Operating Grants	730,000	564,177	507,744
Investment Income	111,000	168,652	175,052
Other Revenue	103,504	78,719	136,487
Total Revenue	24,586,738	23,280,402	22,839,671
Expenses:			
Salaries & Wages	12,194,131	11,714,723	11,086,179
Employee Benefits	6,716,734	5,731,966	5,945,628
Outside Services	1,093,410	914,315	733,896
Repairs & Maintenance	173,997	109,843	108,208
Parts & Supplies	1,486,684	1,328,884	1,263,931
Fuel	1,770,000	1,960,935	1,677,804
Utilities	320,015	318,494	294,748
Insurance & Claims	409,000	376,600	384,946
General Expense	134,255	158,001	141,621
Training & Meetings	122,167	106,099	56,411
Total Operating Expense	24,420,393	22,719,861	21,693,372
Net Income from Operations	166,345	560,541	1,146,299
Depreciation	4,292,863	3,890,579	3,556,482
Net Income	-4,126,518	-3,330,038	-2,410,183
Capital Expenditures	5,417,000	7,120,152	4,471,084
Grants & Contributions	3,960,000	5,265,860	3,101,269
Net Capital	1,457,000	1,854,292	1,369,814
Est Cashflow Impact	-1,290,655	-1,293,751	-223,516

Whatcom Transportation Authority
Capital and Grants
2013 Budget

Project	Cost	Grants	WTA Pays	Operating Impact
Carryover Projects (2012):				
5 Hybrid Buses	3,500,000	2,821,760	678,240	In Service Jan 2013
3 Hybrid Buses	2,100,000	1,680,000	420,000	In Service Jan 2013
Energy Conservation	60,000		60,000	
Cameras, BTS	70,600		70,600	Complete Q1 2013
Fire Sprinkler System	15,000		15,000	Complete Q1 2013
Total Carryover Projects	5,745,600	4,501,760	1,243,840	
2013 Projects:				
11 Minibuses	1,463,000	1,170,400	292,600	Replace
12 Vanpool Units	512,000	409,600	102,400	Replace
Mobile Data Terminals	225,000	180,000	45,000	Replace
4 Staff Vehicles	120,000	0	120,000	Replace
Web Upgrade/Mobile App	100,000	0	100,000	Modernize, go mobile
IT Infrastructure	15,000	0	15,000	Reduce paper
Facilities Infrastructure	632,000	320,000	312,000	Replace
VOIP Phone System	200,000	160,000	40,000	Replace
Workforce Mgt System	650,000	520,000	130,000	Modernize manual systems
Farebox System	1,500,000	1,200,000	300,000	Replace Outdated System
Total 2013 Projects	\$5,417,000	\$3,960,000	\$1,457,000	





Ten Amazing Facts about WTA

1. A bus weighs 14 tons.
2. WTA operates 31 fixed and flex routes.
3. WTA provides 22,000 rides each day during the school year.
4. 50,000 free ride coupons are provided annually to social and health service agencies.
5. WTA has no long term debt.
6. Almost 400 senior citizens learned how to use fixed route buses in 2012.
7. WTA vehicles burn 522,000 gallons of fuel annually, and travel the equivalent of 5 round trips to the moon.
8. The average age of WTA employees is 53, with 67% over 50.
9. A Fixed Route bus requires about 230 hours of maintenance a year. A Paratransit bus needs 80 hours of maintenance annually.
10. There are 140 bus shelters in Whatcom County.

Whatcom Transportation Authority					
Position Detail					
2013 Budget					
Division/Department	2012 Budget	Changes	2012A Budget	Changes	2013 Budget
<u>OPERATIONS DIVISION</u>					
Transit Administration:					
Director of Operations	1.0		1.0		1.0
Operations / Field Supervisors	6.0		6.0		6.0
Safety & Security Officer	1.0		1.0		1.0
Executive Assistant	1.0		1.0		1.0
Department Assistant	0.5		0.5	0.25	0.8
Total Transit Administration	9.5		9.5	0.25	9.75
Training Coordinator	1.0		1.0		1.0
Fixed Route Operations:					
Dispatchers	3.0		3.0		3.0
Lead FR Customer Svc Rep	1.0		1.0		1.0
Fixed Rte Customer Svc Reps	3.0		3.0		3.0
Fixed Route Operators	94.0	2.0	96.0	2.0	98.0
Terminal Expeditors	3.0		3.0		3.0
Total Fixed Route Operations	104.0	2.0	106.0	2.0	108.0
Paratransit Operations:					
Paratransit Manager	1.0		1.0		1.0
Eligibility Specialist	1.0		1.0		1.0
Paratransit Dispatchers	6.0		6.0		6.0
Paratransit Dispatch Coordinator	1.0		1.0		1.0
Paratransit Customer Svc Reps	2.0		2.0		2.0
Paratransit Scheduler	1.0		1.0		1.0
Paratransit Operators	40.0		40.0	0.5	40.5
Total Paratransit Operations	52.0		52.0	0.5	52.5
TOTAL OPERATIONS	166.5	2.0	168.5	2.75	171.25
<u>FLEET & FACILITIES DIVISION</u>					
Vehicle Maintenance:					
Director of Fleet and Facilities	0.5		0.5		0.5
Manager of Fleet Maintenance	1.0		1.0		1.0
Maintenance Program Administrator	1.0		1.0		1.0
Fleet Maintenance Technicians	10.0		10.0		10.0
Lead Fleet Maintenance Techs	3.0		3.0		3.0
Total Vehicle Maintenance	15.5		15.5		15.5
Warehouse:					
Senior Storekeeper	1.0		1.0		1.0
Storekeeper	1.0		1.0		1.0
Total Warehouse	2.0		2.0		2.0
Vehicle Servicing:					
Service Section Supervisor	1.0		1.0		1.0
Lead Hostler	1.0		1.0		1.0
Hostlers	4.0		4.0		4.0
Total Hostlers	6.0		6.0		6.0
	0.0		0.0		0.0
Route Maintenance Workers	2.7		2.7		2.7
Facilities Maintenance:					
Director of Fleet and Facilities	0.5		0.5		0.5
Facilities Maintenance Worker	0.5		0.5		0.5
Facilities Technicians	2.0		2.0		2.0
Total Facilities	3.0		3.0		3.0
Total Fleet & Facilities	29.2		29.2		29.2

DIVISION/DEPARTMENT	2012 Budget	Changes	2012A Budget	Changes	2013 Budget
<u>FINANCE DIVISION</u>					
Finance Administration					
Director of Finance	1.0		1.0		1.0
Purchasing & Contracts Administrator	1.0		1.0		1.0
Total Finance Administration	2.0		2.0		2.0
Accounting:					
Manager of Accounting	1.0		1.0		1.0
Payroll Specialist	1.0		1.0		1.0
Accounting Technicians (I & II)	2.0		2.0		2.0
Total Accounting	4.0		4.0		4.0
Information Technology:					
Manager of IT	1.0		1.0		1.0
Help Desk Technician	1.0		1.0		1.0
System Administrator	1.0		1.0		1.0
Systems Analyst	1.0		1.0		1.0
Interns	0.0	0.2	0.2	(0.2)	0.0
Total IT	4.0	0.2	4.2	(0.2)	4.0
TOTAL FINANCE DIVISION	10.0	0.2	10.2	(0.2)	10.0
<u>SERVICE DEVELOPMENT DIVISION</u>					
Service Development:					
Director of Service Development	1.0		1.0		1.0
Fare Policy Coordinator	0.1		0.1		0.1
Transit Service Analyst	1.0		1.0		1.0
Department Assistant	1.0		1.0		1.0
Surveyors	0.4		0.4		0.4
Total Service Development	3.7		3.5		3.5
Vanpool & Rideshare Coordinator	0.5		0.5	0.1	0.6
TOTAL SERVICE DEVELOPMENT	4.0		4.0	0.1	4.1
<u>HUMAN RESOURCES</u>					
Director of Human Resources	1.0		1.0		1.0
Human Resources Specialist	1.0		1.0		1.0
Department Assistant	1.0		1.0		1.0
TOTAL HUMAN RESOURCES	3.0		3.0		3.0
<u>EXECUTIVE ADMINISTRATION</u>					
General Manager	1.0		1.0		1.0
Executive Assistant	1.0		1.0		1.0
TOTAL EXECUTIVE ADMINISTRATION	2.0		2.0		2.0
Manager Community Relatns & Mktg	1.0		1.0		1.0
TOTAL	215.7	2.2	217.9	2.7	220.6

Whatcom Transportation Authority

Division Budgets

Whatcom Transportation Authority			
Operations			
2013 Budget			
	2013 Budget	2012 Amended Budget	2011 Actuals
Salaries & Wages	9,090,776	8,723,482	8,133,814
Employee Benefits	5,224,653	4,413,985	4,550,702
Outside Services	257,530	254,482	179,180
Repairs & Maintenance	800	567	1,366
Parts and Supplies	163,500	133,919	111,980
Utilities	21,875	24,367	23,990
Insurance and Claims	253,000	232,354	301,124
General Expense	20,885	20,472	25,701
Training & Meetings	30,390	24,782	16,035
Total Dept Op Exp	15,063,409	13,828,409	13,343,892
Depreciation	2,490,311	2,127,672	1,870,776
Total Expense	17,553,720	15,956,080	15,214,669

Fixed Route and Paratransit Operations are responsible for providing safe, reliable and friendly transportation services to our passengers. Fixed Route service includes:

- Dispatchers and Expeditors who ensure adherence to published route schedules
- Operators who safely operate coaches, interacting with many customers
- CSRs who assist customers by answering the Ride Line, covering the reception desk at MOAB and the Bellingham Station booth, selling passes and giving route information

Paratransit service includes:

- Dispatchers who schedule and adjust trips with the Operators throughout each day
- CSRs who book rides, provide trip planning and answer many questions
- Paratransit management who ensure compliance with the Americans with Disabilities Act (ADA), manage auxiliary taxi service contract, administrate eligibility for specialized services and oversee the mobile data system in coaches
- Operators who safely operate coaches, assisting special needs customers

Supervision of all operational elements, Training, and Safety/Security are all under the umbrella of Operations:

- Seven Supervisors and one Manager are responsible for day to day supervision and oversight of all aspects of Operations, 7 days a week
- Training ensures compliance with Federal and State training requirements for all personnel, including CPR, First Aid, and (for Operators) Ride Checks
- The Safety and Security Officer provides oversight for all safety and security issues at WTA, including MSDS compliance, accident records and investigation, and collaboration with law enforcement for provision of security services at WTA facilities.

Whatcom Transportation Authority			
Fleet & Facilities			
2013 Budget			
	2013 Budget	2012 Amended Budget	2011 Actuals
Salaries & Wages	1,670,229	1,601,916	1,570,115
Employee Benefits	884,074	770,813	825,471
Outside Services	285,780	285,828	270,667
Repairs & Maintenance	167,697	102,277	106,684
Parts and Supplies	964,090	899,590	875,903
Fuel	1,770,000	1,960,602	1,677,649
Utilities	256,240	247,861	230,417
Insurance and Claims	35,000	26,973	0
General Expense	19,500	22,151	26,220
Training & Meetings	21,320	15,791	9,076
Total Dept Op Exp	6,073,930	5,933,802	5,592,202
Depreciation	1,164,747	1,112,542	1,079,896
Total Expense	7,238,677	7,046,344	6,672,098

The Fleet and Facilities Division has oversight of the Vehicle Service, Vehicle, Route, Facilities Maintenance and Warehouse departments.

The Vehicle Maintenance and Service Department are responsible for the maintenance and safety of all WTA vehicles. Other areas of responsibilities include the effective management of vehicle specification, purchase, acceptance, modification, disposal and vehicle appearance, fueling, detailing and washing.

Route Maintenance is responsible for the safety and appearance of fixed route bus stops and amenities. Other areas of responsibility include the installation, repair and maintenance of bus stops and shelters, as well as route signage and information strips.

Facilities Maintenance oversees the day to day maintenance and repair of four transit stations and the maintenance and operations base.

The Warehouse Department is responsible for ordering, stocking and maintaining the inventory of parts needed to maintain and repair Agency vehicles and facilities.

Whatcom Transportation Authority			
Finance			
2013 Budget			
	2013 Budget	2012 Amended Budget	2011 Actuals
Salaries & Wages	678,421	669,879	640,916
Employee Benefits	290,511	266,644	272,261
Outside Services	149,450	183,511	192,102
Repairs & Maintenance	5,500	7,000	158
Parts and Supplies	186,400	157,152	144,399
Utilities	39,300	43,600	38,469
Insurance and Claims	57,000	57,263	60,025
General Expense	31,670	29,981	23,317
Training & Meetings	33,780	31,985	13,865
Total Dept Op Exp	1,472,032	1,447,016	1,385,513
Depreciation	241,409	314,737	301,748
Total Expense	1,713,441	1,761,752	1,687,261

The Finance Division includes the Accounting, Procurement and Information Technology functions.

The Finance Department is responsible for budget, financial analysis, internal control oversight and Agency compliance with local, state, and federal regulatory requirements. Procurement responsibilities include the oversight of agency purchasing, contract management, DBE program, surplus and disposal programs, and claims management.

The Accounting Department manages financial and National Transit Database (NTD) reporting and audits, grant administration, cash management, payroll, revenue accounting, accounts payable/receivable, and fixed asset accounting. Agency archives and bus media inventory control are also Accounting responsibilities.

The IT Department provides leadership and support to the other departments to assist in utilizing technology to solve business needs. IT assists the General Manager and Directors with information technology strategic planning, coordinating WTA participation in ITS regional planning, and working closely with departments to manage a complex portfolio of technology systems and services. This portfolio includes data communications, enterprise computing, enterprise applications, user computing, facilities technology, fleet technology, department application support, public information services, and IT service delivery.

Whatcom Transportation Authority			
Service Development			
2013 Budget			
	2013 Budget	2012 Amended Budget	2011 Actuals
Salaries & Wages	272,521	260,328	276,387
Employee Benefits	120,740	101,013	106,880
Outside Services	172,150	49,016	25,366
Parts and Supplies	138,199	101,136	90,447
Fuel	0	333	155
Utilities	900	1,082	437
Insurance and Claims	64,000	60,010	23,796
General Expense	1,200	1,233	9,928
Training & Meetings	11,087	6,029	1,368
Total Dept Op Exp	780,797	580,181	534,764
Depreciation	287,799	229,765	195,792
Total Expense	1,068,596	809,946	730,556

The Service Development Department manages service planning and performance evaluation for the Fixed Route and Vanpool programs and serves in support role for Specialized Transportation. Other areas of responsibility include:

- Production and Distribution of printed customer information
- Liaison to the City and County planning departments, Western Washington University, WSDOT and other organizations with an emphasis on transportation related planning
- Planning and holding forums and public meetings to receive public and customer input
- Planning and administration related to fares and the purchase and/or production of bus passes
- Oversees WTA's compliance with the Federal Title VI (Civil Rights) law
- Liaison with developers who are planning significant commercial or residential projects

Whatcom Transportation Authority			
Human Resources			
2013 Budget			
	2013 Budget	2012 Amended Budget	2011 Actuals
Salaries & Wages	209,370	202,181	198,078
Employee Benefits	100,989	94,533	100,754
Outside Services	127,500	97,960	45,260
Parts and Supplies	23,500	27,837	34,606
General Expense	3,500	2,581	2,338
Training & Meetings	17,000	19,009	6,866
Total Dept Op Exp	481,859	444,100	387,902
Depreciation	102,037	101,205	103,884
Total Expense	583,896	545,305	491,786

The Human Resources Department manages and administers employment-related programs including:

- Compliance with applicable labor laws and regulations
- A competitive and equitable compensation system
- Employee health benefit programs
- Fit for Work program (including drug and alcohol testing)
- FMLA leave administration
- Employee Relations
- Staff training and development
- Workers' Compensation
- Equal Opportunity Employment
- Employee performance review monitoring and tracking

In addition, Human Resources staff:

- Serve as an active participant in organizational development and strategic planning
- Lead efforts related to contract negotiations and administration
- Promote employee morale and recognition of all WTA employees

Whatcom Transportation Authority			
Community Relations and Marketing			
2013 Budget			
	2013 Budget	2012 Amended Budget	2011 Actuals
Salaries & Wages	84,877	75,144	74,609
Employee Benefits	24,175	20,666	21,190
Outside Services	73,000	14,004	17,825
Parts and Supplies	7,720	6,375	5,624
Utilities	900	759	771
General Expense	23,000	47,283	20,186
Training & Meetings	3,690	3,760	3,379
Total Dept Op Exp	217,362	167,990	143,583
Depreciation	1,262	1,100	855
Total Expense	218,623	169,090	144,438

The Community Relations and Marketing Manager plans and implements programs to increase ridership and to promote WTA throughout the community. Other responsibilities include:

- WTA advertising and promotion
- Smart Trips advertising and promotion
- Managing the transit advertising program
- Writing and submitting grant proposals
- Proactive media relations
- Community outreach and events
- Collaboration with community partners
- Coordination of Citizen Advisory Committee



Whatcom Transportation Authority			
Executive Administration			
2013 Budget			
	2013 Budget	2012 Amended Budget	2011 Actuals
Salaries & Wages	187,938	181,795	192,262
Employee Benefits	71,593	64,312	68,371
Outside Services	28,000	29,514	3,497
Parts and Supplies	3,175	2,875	971
Utilities	800	825	664
General Expense	34,600	34,300	33,931
Training & Meetings	4,900	4,742	5,821
Total Dept Op Exp	331,006	318,363	305,516
Depreciation	5,299	3,559	3,532
Total Expense	336,305	321,922	309,048

Executive Administration is responsible for the oversight, coordination and strategic management of the WTA to meet its mission to “Deliver Safe, Reliable, Efficient and Friendly Service to our Community.”

In addition, Executive Administration has daily oversight of all WTA departments and employees and provides support and assistance to the Board of Directors, various committees and the general public.



Supplemental Information

2013 Cash Reserves

Following are recommendations for the 2013 cash reserve balances. These balances have been determined from the framework described in the Reserve Policy:

Cash Reserves			
(in thousands)			
	2012	2013	
Reserve	Current Balance	Recommended Balance	Increase/Decrease
Operating	\$ 5,700	\$ 6,100	\$ 400
Capital	1,561	1,561	-
Fleet	2,000	2,100	100
Medical	2,064	2,300	236
	\$ 11,325	\$ 12,061	\$ 736

Operating Reserve

The Operating Reserve accumulates funds for the purpose of financing unforeseen operating contingencies. It is calculated as approximately 25% of the current year's operating expenditures.

	2013	2012
Expenditures	24,191,572	22,498,000
Reserve Rate	25%	25%
Calculated Reserve	6,083,000	5,625,000
Recommended Reserve	6,100,000	5,700,000

Capital Reserve

The Capital Reserve ensures that capital assets (excluding revenue fleet vehicles) can be acquired as needed. Building components, equipment, non-revenue vehicles, software, and technology require periodic replacement in addition to new equipment, buildings, or projects. The minimum reserve is two years of WTA's portion of projects (local match). It is recommended that the Capital Reserve remain at \$1,561,000.

Year	2 Yrs Local Match	Recommended Balance
2013	1,592,000	1,561,000
2014	1,006,000	
2015	835,800	
2016	1,339,800	
2017	1,310,000	
2018	300,000	
2019	925,000	
2020	1,565,500	
2021	1,596,810	


As WTA continues to review capital requirements, the future years' estimates will be refined.

Fleet Reserve

Revenue vehicles are generally purchased on roughly 12-16 (big bus) and 6 (mini-bus and vans) year cycles. Actual life is dependent on mileage and equipment condition. Local match requirements over the next 20 years vary from \$0 to \$1,400,000. WTA cash requirements will be at the low ebb of the procurement cycle during 2013-2015, however, the agency will have much higher cash needs for the next procurement cycle in 2019-2024.

WTA anticipates modifying the purchasing cycle to 5 coaches annually over a 12 year cycle instead of the current compressed 8 year cycle. This reduces the very high cash requirements in certain years and allows flexibility needed as grant opportunities change. Following are anticipated revenue vehicle cash requirements over the next 10 years:

Year	Local Match	High 2 Years
2013	395,000	2,093,017
2014	-	
2015	165,200	
2016	678,400	
2017	206,600	
2018	213,800	
2019	1,404,000	
2020	681,984	
2021	685,181	
2022	689,017	

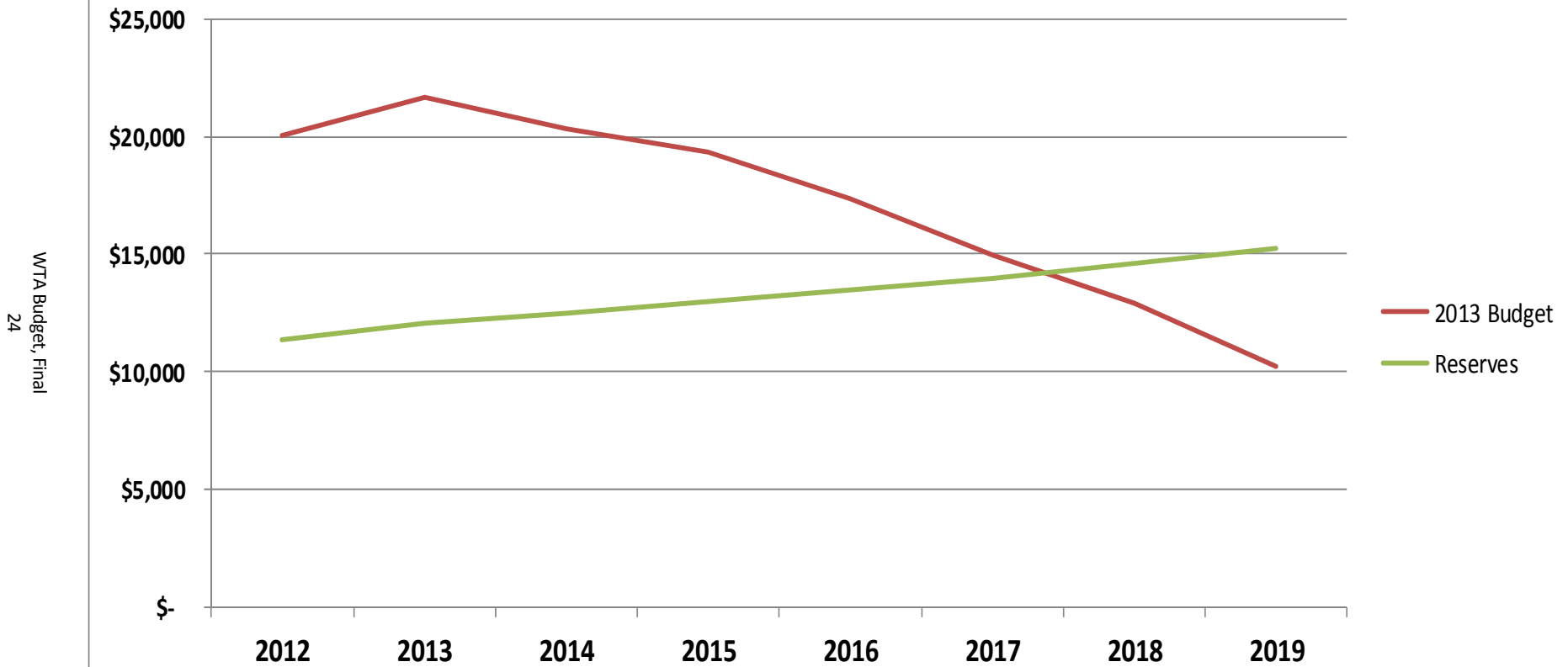


The sum of the highest two years over the next ten years is almost \$2,100,000. Staff recommends increasing the 2012 \$2,000,000 fleet reserve balance to \$2,100,000.

Medical Reserve

This reserve fluctuates based on self-insurance activity. It is regularly reviewed and monitored by Staff to ensure it remains within minimum and maximum levels. The midyear 2012 balance of \$2,300,000 falls within the target range of \$1,370,000 to \$2,476,000.

WTA Cashflow Projections 2013 Budget at January 1



Whatcom Transportation Authority					
Projected 2012 and Budget 2013					
Year End Performance Data					
		Budget	Budget	Projected	Bud/Bud
DESCRIPTION		2013	2012	2012	12-13 % Change
FIXED ROUTE					
	Ridership	5,017,576	4,785,391	4,967,897	4.85%
	Total Revenue Miles	1,833,659	1,752,512	1,821,969	4.63%
	Total Revenue Hours	132,500	126,305	131,655	4.90%
	Passengers Per Hour	37.87	37.89	37.73	-0.05%
	Passengers Per Mile	2.74	2.73	2.73	0.21%
	Miles Per Hour	13.84	13.88	13.84	-0.26%
PARATRANSIT					
	Ridership	184,300	182,703	183,100	0.87%
	Total Revenue Miles	810,000	801,657	808,000	1.04%
	Total Revenue Hours	58,800	57,957	58,600	1.45%
	Passengers Per Hour	3.13	3.15	3.12	-0.57%
	Passengers Per Mile	0.23	0.23	0.23	-0.16%
	Miles Per Hour	13.78	13.83	13.79	-0.41%
VANPOOL					
	Ridership	93,116	113,581	91,122	-18.02%
	Total Revenue Miles	713,244	750,046	689,092	-4.91%
	Total Revenue Hours	12,792	14,503	12,380	-11.80%
	Passengers Per Hour	7.28	7.83	7.36	-7.05%
	Passengers Per Mile	0.13	0.15	0.13	-13.79%



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