



# Whatcom Transportation Authority 2014 Annual Budget

October 17, 2013

***FINAL***



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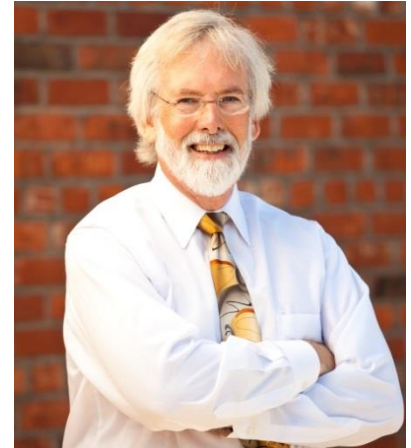
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## General Manager's Budget Message

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I am pleased to present the proposed 2014 budget for your review and consideration. Every initiative proposed in this budget ultimately supports the key element of our mission: to deliver safe, reliable, efficient and friendly service to our community.



Richard G. Walsh, General Manager

This budget also represents Whatcom Transportation Authority's fiscal stability. After the prolonged national recession and slow recovery, it is safe to say that we have "weathered the storm." WTA is fortunate to be well positioned for the future, with a leaner, stronger operation and solid financial reserves.

WTA's current cost structure is very nearly sustainable. We have moved from the threat of severe service cuts in 2010 to maintaining sufficient reserves and investing in infrastructure in 2014. Significant factors in the stabilization of our fiscal situation include increasing sales tax revenues and the move from a self-insured medical plan.

The proposed 2014 budget includes total operating resources of \$27.1 million, an increase of almost \$2.3 million over the 2013 budget. Capital grants are projected to be \$2.6 million. Sales taxes are the largest source of WTA revenue and represent 78% of operating resources. Revenues from transit operations are \$4.4 million or 16% of operating resources.

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The 2014 budget advances the following initiatives:

1. Continue to build our technology infrastructure
2. Complete a comprehensive asset management plan in compliance with new FTA rules
3. Introduce “Lean” principles to streamline business processes

Highlights of the 2014 budget include:

- An enhanced website with mobile access
- A modern fare collection system to accommodate day passes and allow future technology updates
- Modern back office systems to provide superior data collection and create efficiencies
- Maintaining a state of good repair for facilities and equipment
- A wide range of training opportunities for our employees

It’s hard to believe I began my career as a Bellingham Transit Driver in 1978. In 35 years at WTA, including the past 16 as General Manager, I have been incredibly proud of the ways we have adapted, grown and progressed to meet the needs and expectations of a growing community. Then as now however, I am most proud of the consistently excellent service I see our front line staff providing to our customers—hour after hour, day after day.

It has been my pleasure and privilege to work with each and every one of you.

Richard G. Walsh,  
General Manager



## At WTA, our mission is to enhance our community by:

- Delivering safe, reliable, efficient and friendly service.
- Offering environmentally sound transportation choices.
- Providing leadership in creating innovative transportation solutions.
- Partnering with our community to improve transportation systems.





# VISION FOR WTA - DESTINATION 2020

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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 practical 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.

## 2014 Agency Outlook

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### **Overall Economic Outlook**

Most of WTA's revenue is from sales tax collected in Whatcom County so the Agency's fiscal health is highly dependent on the local economy. Whatcom County's overall economic outlook is for slow, steady growth with less downside risk than the last several years. Residential housing inventory is decreasing, there is an uptick in construction activity, and home values are improving. Strong cross-border retail trade is expected to continue. Employment levels are creeping up to normal levels.

### **Service, Routes and Ridership**

Service levels will remain at 2013 levels, with no service additions or reductions in the budget. Paratransit service will increase slightly with no significant budgetary impact anticipated.

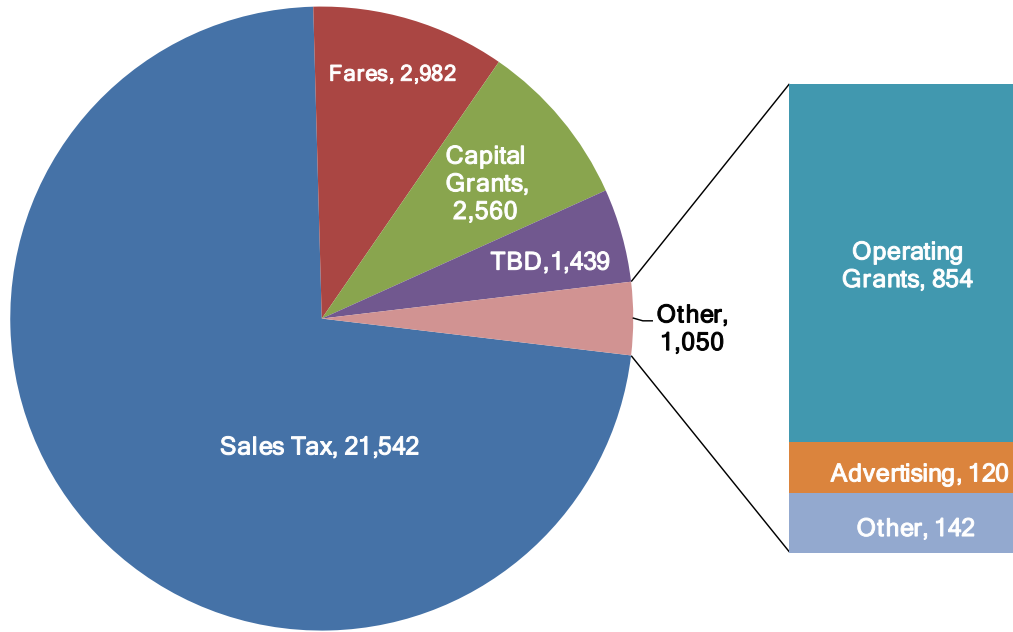
### **Revenue**

Sales tax revenues are forecasted to increase 3% in 2014 compared to 2013. With service, fares, and ridership at 2013 levels, farebox revenues will linger at 2013 levels. Operating grants will rise slightly from a transit grant bestowed by the State Legislature. Advertising revenue has doubled in the past 3 years. Purchased Services revenue from Bellingham Transportation Benefit District #1 (TBD) is down 8.5% due to the elimination of a non-performing route. Record low interest rates suppress interest income to a minuscule level.



## 2014 Revenue Sources

in thousands



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## Capital and Infrastructure

Several capital projects started in 2013 will continue into 2014. \$3.7 million is carried forward to 2014 from 2013 to complete these projects:

- ✓ Fare Collection System
- ✓ Workforce Management System
- ✓ Updated Website and Mobile web access
- ✓ VOIP Telephone System
- ✓ Mobile Data Terminal (MDT) replacement for Paratransit vehicles

The capital budget also includes \$1.1 million for these new projects:

- ✓ The first phase of replacing an assortment of vintage financial and business systems with an integrated system
- ✓ Upgrading the vanpool fleet with 3 new vans
- ✓ Vanpool GPS units
- ✓ A new vanpool database
- ✓ Fleet and facilities equipment, including a bus hoist
- ✓ A diagnostic system for gas powered vehicles
- ✓ A Ridership Survey System, replacing a legacy in-house system
- ✓ Replacing 3 staff vehicles
- ✓ Reconfiguring office space to accommodate technology and organizational needs

## WTA Staff

The budget includes a 2.25% wage increase for most represented employees, with Paratransit operators receiving a 3.25% increase. A 2.0% increase is included for Non-represented employees.

The 2014 budget includes the addition of two staff positions and an intern:

1. An IT Applications Administrator to support the significant technology additions to WTA's fleet, facilities, and systems.
2. A Financial Analyst will provide for centralization and reorganization of the fare collection process and also accommodate the significant increase in grant activity.
3. A Fleet Maintenance Intern, through Bellingham Technical College, for six months.

WTA's average employee age is 51, with 20% of employees over the age of 62. WTA anticipates recruiting for about 20 position vacancies throughout the agency in 2014. This will increase recruiting and training costs and decrease productivity and wages.

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With 60% of WTA's Supervisors, Managers, and Directors eligible to retire within 5 years, WTA will closely examine succession planning in 2014.

### **Cash**

WTA will enter 2014 with almost \$24 million in cash and short term investments. Reserves for 2014 have been established at \$10.2 million.

### **Conclusion**

WTA enters 2014 with a solid financial position and facing fewer risks than the past several years. 2014 will see the implementation of significant systems (fare collections and workforce management) that will strengthen WTA's infrastructure for the years ahead.

We've dubbed this budget "The Budget of Subdued Excitement" both as a tribute to the City of Bellingham and to our current economic state. We have weathered the past few years and look forward to what WTA can offer Whatcom County in the future.





**Whatcom Transportation Authority**  
**Revenue and Expenditures**  
**2014 Budget**

	2014 Budget	2013 Forecast	2013 Budget	2012 Actuals
<b>Revenue</b>				
Fixed Route Revenue	2,610,998	2,593,498	2,731,493	2,609,208
Paratransit Revenue	71,241	71,473	69,625	77,590
Contract Revenue	1,438,615	1,487,035	1,559,492	1,084,894
Vanpool Revenue	300,000	292,722	265,519	240,365
<b>Total Operating Revenue</b>	<b>4,420,854</b>	<b>4,444,728</b>	<b>4,626,129</b>	<b>4,012,056</b>
Sales Tax Income	21,542,281	20,331,402	19,016,105	20,022,608
Operating Grants	854,500	811,303	730,000	634,333
Investment Income	125,000	96,689	111,000	111,720
Other Revenue	137,400	142,072	103,504	-290,542
<b>Total Revenue</b>	<b>27,080,035</b>	<b>25,826,193</b>	<b>24,586,738</b>	<b>24,490,176</b>
<b>Expenses:</b>				
Salaries & Wages	13,174,814	12,406,956	12,194,131	11,792,526
Employee Benefits	5,887,519	5,592,045	6,716,734	5,470,405
Outside Services	1,373,833	1,310,662	1,267,407	773,509
Parts and Supplies	1,871,360	1,504,359	1,486,684	1,334,906
Fuel	1,783,000	1,768,646	1,770,000	1,805,187
Utilities	335,661	318,918	320,015	292,575
Insurance and Claims	452,000	407,606	409,000	354,992
General Expense	135,987	139,018	134,255	151,659
Training & Meetings	156,972	146,396	122,167	64,194
<b>Total Operating Expense</b>	<b>25,171,146</b>	<b>23,594,607</b>	<b>24,420,393</b>	<b>22,039,953</b>
<b>Net Income from Operations</b>	<b>1,908,889</b>	<b>2,231,586</b>	<b>166,345</b>	<b>2,450,223</b>
Depreciation	3,587,825	4,097,247	4,292,863	3,728,875
<b>Net Income</b>	<b>-1,678,936</b>	<b>-1,865,660</b>	<b>-4,126,519</b>	<b>-1,278,652</b>
<b>Capital Expenditures</b>	<b>4,803,000</b>	<b>10,288,661</b>	<b>11,162,600</b>	<b>10,147,198</b>
<b>Grants &amp; Contributions</b>	<b>2,560,000</b>	<b>8,228,235</b>	<b>3,960,000</b>	<b>1,073,931</b>
<b>Net Capital</b>	<b>2,243,000</b>	<b>2,060,426</b>	<b>7,202,600</b>	<b>9,073,267</b>
<b>Est Cashflow Impact</b>	<b>-334,111</b>	<b>171,161</b>	<b>-7,036,255</b>	<b>-6,623,044</b>





**Whatcom Transportation Authority**  
**FTE Position Detail – 2013 & 2014 Budgets**

Division/Department	2013 Budget	Changes	2014 Budget
<b><u>EXECUTIVE ADMINISTRATION</u></b>			
General Manager	1.0		1.00
Executive Assistant	1.0		1.00
<b>TOTAL EXECUTIVE ADMINISTRATION</b>	<b>2.0</b>		<b>2.00</b>
<b>Manager Community Relatns &amp; Mktg</b>	<b>1.0</b>		<b>1.00</b>
<b><u>HUMAN RESOURCES</u></b>			
Director of Human Resources	1.0		1.00
Human Resources Specialist	1.0		1.00
Benefits Assistant	n/a	0.25	0.25
Department Assistant	1.0		1.00
<b>TOTAL HUMAN RESOURCES</b>	<b>3.0</b>	<b>0.25</b>	<b>3.25</b>
<b><u>OPERATIONS DIVISION</u></b>			
<b>Transit Administration:</b>			
Director of Operations	1.0		1.00
Operations / Field Supervisors	6.0		6.00
Safety & Security Officer	1.0		1.00
Executive Assistant	1.0		1.00
Department Assistant	0.75		0.75
<b>Total Transit Administration</b>	<b>9.75</b>		<b>9.75</b>
<b>Training Coordinator</b>	<b>1.0</b>		<b>1.00</b>
<b>Fixed Route Operations:</b>			
Dispatchers	3.0		3.00
Lead FR Customer Svc Rep	1.0		1.00
Fixed Rte Customer Svc Reps	3.0		3.00
Fixed Route Operators	98.0		98.00
Terminal Expeditors	3.0		3.00
<b>Total Fixed Route Operations</b>	<b>108.0</b>		<b>108.00</b>
<b>Paratransit Operations:</b>			
Paratransit Manager	1.0		1.00
Eligibility Specialist	1.0		1.00
Paratransit Dispatchers	6.0	1.0	7.00
Paratransit Dispatch Coordinator	1.0		1.00
Paratransit Customer Svc Reps	2.0		2.00
Paratransit Scheduler	1.0	(1.0)	0.00
Paratransit Operators	40.5		40.50
<b>Total Paratransit Operations</b>	<b>52.5</b>		<b>52.50</b>
<b>TOTAL OPERATIONS</b>	<b>171.25</b>		<b>171.25</b>
<b><u>FLEET &amp; FACILITIES DIVISION</u></b>			
<b>Vehicle Maintenance:</b>			
Director of Fleet and Facilities	0.5		0.50
Manager of Fleet Maintenance	1.0		1.00
Maintenance Program Coordinator	1.0		1.00
Lead Fleet Maintenance Techs	2.0		2.00
Fleet Maintenance Technicians	11.0		11.00
Fleet Maintenance Intern	0.0	0.5	0.50
<b>Total Vehicle Maintenance</b>	<b>15.5</b>	<b>0.5</b>	<b>16.00</b>

Division/Department	2013 Budget	Changes	2014 Budget
<b>Warehouse:</b>			
Senior Storekeeper	1.0		1.00
Storekeeper	1.0		1.00
<b>Total Warehouse</b>	<b>2.0</b>		<b>2.00</b>
<b>Vehicle Servicing:</b>			
Service Section Supervisor	1.0		1.00
Lead Hostler	1.0		1.00
Hostlers	4.0		4.00
<b>Total Hostlers</b>	<b>6.0</b>		<b>6.00</b>
<b>Route Maintenance Workers</b>	<b>2.7</b>	<b>0.1</b>	<b>2.80</b>
<b>Facilities Maintenance:</b>			
Director of Fleet and Facilities	0.5		0.50
Facilities Maintenance Worker	0.5		0.50
Facilities Technicians	2.0		2.00
<b>Total Facilities</b>	<b>3.0</b>		<b>3.00</b>
<b>Total Fleet &amp; Facilities</b>	<b>29.2</b>	<b>0.6</b>	<b>29.80</b>
<b><u>SERVICE DEVELOPMENT DIVISION</u></b>			
<b>Service Development:</b>			
Director of Service Development	1.0		1.00
Fare Policy Coordinator	0.1		0.10
Transit Service Analyst	1.0		1.00
Department Assistant	1.0	(0.25)	0.75
Surveyors	0.4		0.40
<b>Total Service Development</b>	<b>3.5</b>		<b>3.25</b>
Vanpool & Rideshare Coordinator	0.6		0.60
<b>TOTAL SERVICE DEVELOPMENT</b>	<b>4.1</b>	<b>(0.25)</b>	<b>3.85</b>
<b><u>FINANCE DIVISION</u></b>			
<b>Finance Administration:</b>			
Director of Finance	1.0		1.00
Purchasing & Contracts Administrator	1.0		1.00
Finance Analyst	n/a	1.0	1.00
<b>Total Finance Administration</b>	<b>2.0</b>	<b>1.0</b>	<b>3.00</b>
<b>Information Technology:</b>			
Manager of IT	1.0		1.00
Systems Technician	1.0		1.00
System Administrator	1.0		1.00
Systems Analyst	1.0		1.00
IT Applications Administrator	n/a	1.0	1.00
<b>Total IT</b>	<b>4.0</b>	<b>1.0</b>	<b>5.00</b>
<b>Accounting:</b>			
Manager of Accounting	1.0		1.00
Payroll Specialist	1.0		1.00
Accounting Technicians (I & II)	2.0		2.00
<b>Total Accounting</b>	<b>4.0</b>		<b>4.00</b>
<b>TOTAL FINANCE DIVISION</b>	<b>10.0</b>	<b>2.0</b>	<b>12.00</b>
<b>TOTAL</b>	<b>220.55</b>	<b>2.6</b>	<b>223.15</b>

Whatcom Transportation Authority				
Capital and Grants				
2014 Budget				
Project	Cost	Grants	WTA Pays	Operating Impact
<b>Carryover Projects (2013):</b>				
Mobile Data Terminals	225,000	-	225,000	Replace older units
Web Upgrade/Mobile App	100,000	-	100,000	Modernize website and rider access to information
VOIP Phone System	200,000	-	200,000	Replace aging equipment
Workforce Mgt System	700,000	560,000	140,000	Modernize manual systems
Farebox System	2,500,000	2,000,000	500,000	Replace outdated fare collection hardware / software
<b>Total Carryover Projects</b>	<b>\$3,725,000</b>	<b>\$2,560,000</b>	<b>\$1,165,000</b>	
<b>2014 Projects:</b>	<b>Cost</b>	<b>Grants</b>	<b>WTA Pays</b>	<b>Operating Impact</b>
Vanpool vans	85,000	-	85,000	Replacement vehicles
Vanpool GPS units	30,000	-	30,000	New system
Vanpool database	70,000	-	70,000	New software
Staff Vehicles (3)	98,000	-	98,000	Replacement vehicles
Diagnostic system (fleet, gas)	15,000	-	15,000	Modernize system
Facilities Infrastructure	150,000	-	150,000	Replace outdated/aging equipment
Facilities Reconfiguration/Improvement	90,000	-	90,000	Reconfigure space for better organization
Bus Hoist	250,000	-	250,000	Replace aging unit
Finance Systems	200,000	-	200,000	Replace outdated system with integrated software
Route Improvements	50,000	-	50,000	
Trazpeze Ridership Survey System	40,000	-	40,000	Allow for in-house surveying
<b>Total 2014 Projects</b>	<b>\$1,078,000</b>	<b>-</b>	<b>\$1,078,000</b>	

Capital expenditures and grant reimbursements are budgeted on a project basis. Projects are budgeted in their entirety, regardless of the timeframe for completion and expenditure dates. Projects not completed at December 31 are carried over to the following year.



# **Whatcom Transportation Authority**

## **Division & Department Budgets**



<b>WTA</b>				
<b>Operations</b>				
	<b>2014 Budget</b>	<b>2013 Forecast</b>	<b>2013 Budget</b>	<b>Actuals 2012</b>
Salaries & Wages	9,620,027	9,202,410	9,090,776	8,722,164
Employee Benefits	4,456,651	4,292,639	5,224,653	4,165,644
Outside Services	283,833	267,294	258,330	196,236
Parts and Supplies	293,428	164,573	163,600	170,917
Utilities	18,865	18,990	21,875	18,243
Insurance and Claims	284,000	251,875	253,000	218,679
General Expense	26,747	26,646	20,785	43,588
Training & Meetings	39,025	38,789	30,390	21,438
<b>Total Operating Expense</b>	<b>15,022,576</b>	<b>14,263,216</b>	<b>15,063,408</b>	<b>13,556,909</b>
Depreciation	2,197,493	2,346,724	2,490,311	1,995,341
<b>Total Expense</b>	<b>17,220,069</b>	<b>16,609,940</b>	<b>17,553,720</b>	<b>15,552,250</b>

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 the 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 transit operations, including Training and Safety/Security are all under the umbrella of Operations:

- Six Supervisors and one Manager are responsible for day to day 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.

<b>WTA</b>				
<b>Fleet &amp; Facilities</b>				
	2014 Budget	2013 Forecast	2013 Budget	Actuals 2012
Salaries & Wages	1,814,238	1,726,558	1,670,229	1,611,307
Employee Benefits	759,866	765,634	884,074	773,527
Outside Services	492,700	445,019	453,477	356,253
Parts and Supplies	1,003,680	978,578	964,090	850,003
Fuel	1,783,000	1,768,646	1,770,000	1,805,187
Utilities	262,700	256,862	256,240	234,544
Insurance and Claims	36,000	35,117	35,000	27,514
General Expense	25,740	27,795	19,500	16,765
Training & Meetings	34,080	29,677	21,320	10,929
<b>Total Operating Expense</b>	<b>6,212,004</b>	<b>6,033,886</b>	<b>6,073,930</b>	<b>5,686,028</b>
Depreciation	1,100,592	1,136,897	1,164,747	1,082,037
<b>Total Expense</b>	<b>7,312,596</b>	<b>7,170,783</b>	<b>7,238,677</b>	<b>6,768,065</b>

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

The Vehicle Maintenance and Service Departments 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. This Department also oversees facilities modifications and renovations.

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

<b>WTA</b>				
<b>Finance</b>				
	2014 Budget	2013 Forecast	2013 Budget	Actuals 2012
Salaries & Wages	499,045	403,429	383,730	392,030
Employee Benefits	194,793	145,671	150,006	134,303
Outside Services	118,500	134,894	98,650	52,846
Parts and Supplies	45,500	49,088	48,400	34,327
Insurance and Claims	60,000	56,780	57,000	48,789
General Expense	16,500	17,795	20,470	24,905
Training & Meetings	15,900	17,528	15,580	7,129
<b>Total Operating Expense</b>	<b>950,238</b>	<b>825,185</b>	<b>773,836</b>	<b>694,329</b>
Depreciation	27,910	105,479	106,201	198,440
<b>Total Expense</b>	<b>978,148</b>	<b>930,664</b>	<b>880,037</b>	<b>892,769</b>

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 managing competitive solicitations, contract management, DBE program, surplus and disposal programs, and claims management.

Accounting is responsible for grant administration, cash management, payroll, revenue accounting, accounts payable/receivable, and fixed asset accounting. Federal and State financial reporting, annual financial audits, and the FTA triennial reviews are managed here. Agency archives, social service agency pass sales, and fare media inventory control are also Accounting responsibilities.

<b>WTA</b>				
<b>Information Technology</b>				
	2014 Budget	2013 Forecast	2013 Budget	Actuals 2012
Salaries & Wages	385,978	280,397	294,692	292,080
Employee Benefits	153,888	108,412	140,505	122,147
Outside Services	104,700	66,272	66,300	42,472
Parts and Supplies	310,300	141,000	138,000	131,405
Utilities	35,300	40,222	39,300	37,458
General Expense	1,500	925	1,200	1,461
Training & Meetings	24,400	21,939	18,200	7,750
<b>Total Operating Expense</b>	<b>1,016,066</b>	<b>659,167</b>	<b>698,197</b>	<b>634,771</b>
Depreciation	58,473	125,202	135,208	121,532
<b>Total Expense</b>	<b>1,074,539</b>	<b>784,369</b>	<b>833,406</b>	<b>756,303</b>

The IT Department provides leadership and support to the other departments to assist in utilizing technology to solve business needs. IT facilitates information technology strategic planning, coordinates WTA participation in Information Technology Structure (ITS) regional planning, works closely with other departments, and manages the WTA portfolio of technology systems and services including:

- Data and voice communications
- Enterprise computing
- Enterprise applications
- User computing
- Facilities technology
- Fleet technology
- Department application support
- Public information services
- IT service delivery

<b>WTA</b>				
<b>Service Development</b>				
	2014 Budget	2013 Forecast	2013 Budget	Actuals 2012
Salaries & Wages	283,234	283,409	272,521	296,562
Employee Benefits	99,518	102,434	120,740	101,167
Outside Services	210,900	169,842	171,550	24,214
Parts and Supplies	180,052	137,686	138,344	120,949
Utilities	16,500	1,064	1,255	759
Insurance and Claims	72,000	63,834	64,000	60,010
General Expense	1,200	1,800	1,200	1,419
Training & Meetings	10,517	12,510	11,187	7,119
<b>Total Operating Expense</b>	<b>873,921</b>	<b>772,579</b>	<b>780,797</b>	<b>612,200</b>
Depreciation	180,706	275,403	287,799	226,187
<b>Total Expense</b>	<b>1,054,627</b>	<b>1,047,982</b>	<b>1,068,596</b>	<b>838,386</b>

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:

- Management of the Vanpool Program
- Production and distribution of customer information
- Liaison to the City and County planning departments, Western Washington University, WSDOT and other organizations with an interest in transportation-related planning
- Planning and conducting public forums and meetings to receive public and customer input
- Planning and administration related to fare policy and the purchase and/or production of bus passes and other fare media
- Compliance with various State and Federal Reporting agencies
- Liaison to developers who are planning significant commercial or residential projects



<b>WTA</b>				
<b>Human Resources</b>				
	2014 Budget	2013 Forecast	2013 Budget	Actuals 2012
Salaries & Wages	247,432	227,236	209,370	208,923
Employee Benefits	98,856	89,991	100,989	90,757
Outside Services	103,000	126,843	127,500	73,431
Parts and Supplies	25,300	21,889	23,500	18,776
General Expense	7,500	6,410	3,500	1,332
Training & Meetings	19,500	16,947	17,000	6,245
<b>Total Operating Expense</b>	<b>501,589</b>	<b>489,316</b>	<b>481,859</b>	<b>399,464</b>
Depreciation	17,455	101,411	102,037	100,261
<b>Total Expense</b>	<b>519,043</b>	<b>590,727</b>	<b>583,896</b>	<b>499,725</b>

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

WTA				
Community Relations & Marketing				
	2014 Budget	2013 Forecast	2013 Budget	Actuals 2012
Salaries & Wages	93,289	87,692	84,877	77,151
Employee Benefits	23,975	22,038	24,175	20,252
Outside Services	32,200	73,686	73,000	17,211
Parts and Supplies	10,200	8,124	7,720	7,299
General Expense	23,456	23,900	23,900	29,719
Training & Meetings	5,550	3,690	3,690	1,300
<b>Total Operating Expense</b>	<b>188,670</b>	<b>219,130</b>	<b>217,362</b>	<b>152,932</b>
Depreciation	455	343	1,262	990
<b>Total Expense</b>	<b>189,125</b>	<b>219,473</b>	<b>218,623</b>	<b>153,922</b>

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





<div> <div>WTA</div> <div>Executive Administration</div> </div>				
	2014 Budget	2013 Forecast	2013 Budget	Actuals 2012
Salaries & Wages	231,572	195,826	187,938	192,310
Employee Benefits	99,972	65,224	71,593	62,607
Outside Services	28,000	26,812	28,000	10,846
Parts and Supplies	2,900	3,418	3,275	1,231
General Expense	35,640	35,527	35,300	34,043
Training & Meetings	8,000	5,316	4,900	2,285
<b>Total Operating Expense</b>	<b>406,084</b>	<b>332,123</b>	<b>331,006</b>	<b>303,322</b>
Depreciation	4,741	4,948	5,299	4,087
<b>Total Expense</b>	<b>410,824</b>	<b>337,071</b>	<b>336,305</b>	<b>307,410</b>

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.”

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



## 2014 Cash Reserves

WTA maintains cash reserves to protect its ability to provide public transit service. Reserves ensure that the agency can withstand economic disruptions, unanticipated expenditure demands, capital requirements, and meet the need of other non-recurring expenses.

Each reserve account has a minimum balance and a target balance. WTA reserves meet all target balances specified in the Reserve Policy.

The Board of Directors is required to approve reserve account balances and the deletion of any reserves. Recommended changes are shown in the summary below.

### 2014 Reserve Summary

<b>Cash Reserves</b>			
<b>(in thousands)</b>			
	<b>2014</b>	<b>2013</b>	
<b>Reserve</b>	<b>Recommended Balance</b>	<b>Current Balance</b>	<b>Increase/ Decrease</b>
Operating	\$6,300	\$6,100	\$200
Capital	\$1,580	1,561	\$19
Fleet	\$2,200	2,100	\$100
Medical	\$0	2,300	-\$2,300
	<b>\$10,080</b>	<b>\$12,061</b>	<b>-\$1,981</b>

### 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.

	<b>2014</b>	<b>2013</b>
Expenditures	\$25,200,000	\$24,331,000
Reserve Rate	25%	25%
Calculated Reserve	\$6,300,000	\$6,082,750
<b>Recommended Reserve</b>	<b>\$6,300,000</b>	<b>\$6,100,000</b>

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### 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 as well as 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 increase to the estimated yearend balance (including interest revenue) of \$1,580,000.

Year	2 Yrs Local Match	Recommended Balance
2014	2,715,720	1,580,000
2015	762,220	1,600,000
2016	1,195,700	1,700,000
2017	1,058,130	1,800,000
2018	267,930	1,800,000
2019	485,000	1,900,000
2020	1,335,000	1,900,000
2021	2,025,000	2,000,000

### 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.

When the next large coach procurement cycle commences (2019) WTA plans to purchase 5 coaches annually over the 12 year cycle instead of the current compressed 8 year cycle. This reduces the very high cash requirements in certain years and allows flexibility as grant opportunities and cash flows fluctuate.

Local match requirements over the next 20 years range from \$34,000 to \$1,262,000. WTA cash requirements are at the low ebb of the procurement cycle during 2014-2018, however, the agency will have much higher cash needs for the next procurement cycle beginning in 2019.

Anticipated fleet cash requirements for the next 10 years:

Year	Local Match	High 2 Years
2014	34,000	2,237,568
2015	595,200	
2016	678,400	
2017	219,800	
2018	262,800	
2019	1,262,750	
2020	653,000	
2021	962,957	
2022	968,348	
2023	974,818	



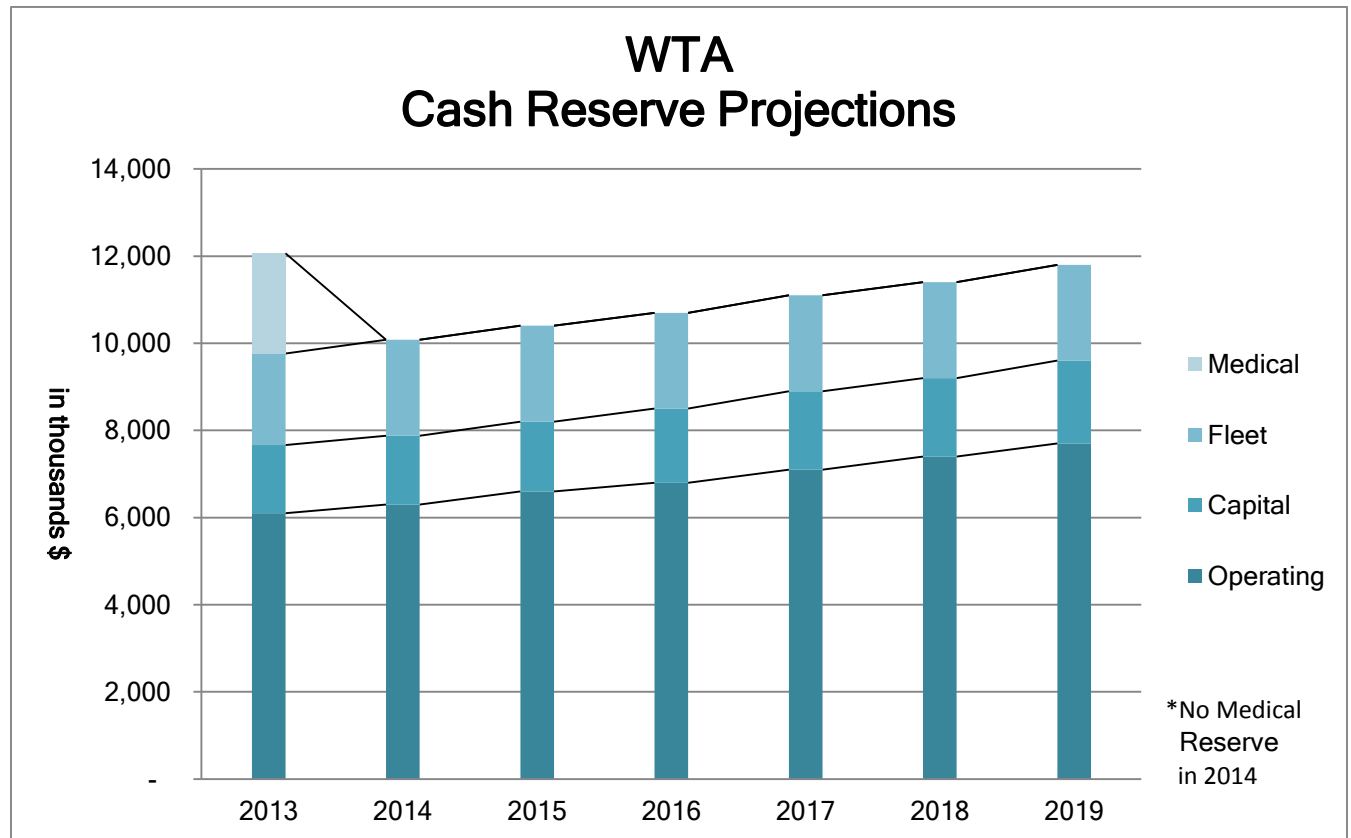
The sum of the highest two years over the next ten years is just over \$2,200,000. Maintaining the \$2,200,000 reserve balance will provide adequate reserves.



## Medical Reserve

WTA moved employee medical coverage from the WTA self-insurance plan to the Association of Washington Cities (AWC) on April 1, 2013. At the end of 2013, most claims incurred on March 31 or earlier will be paid. The outstanding liability at December 31, 2013 will be assessed by the insurance broker, actuary, and WTA staff with an appropriate balance retained in a WTA liability account. The Medical Reserve will be eliminated no later than April 2014.

## Five Year Outlook for Cash Reserve Requirements:



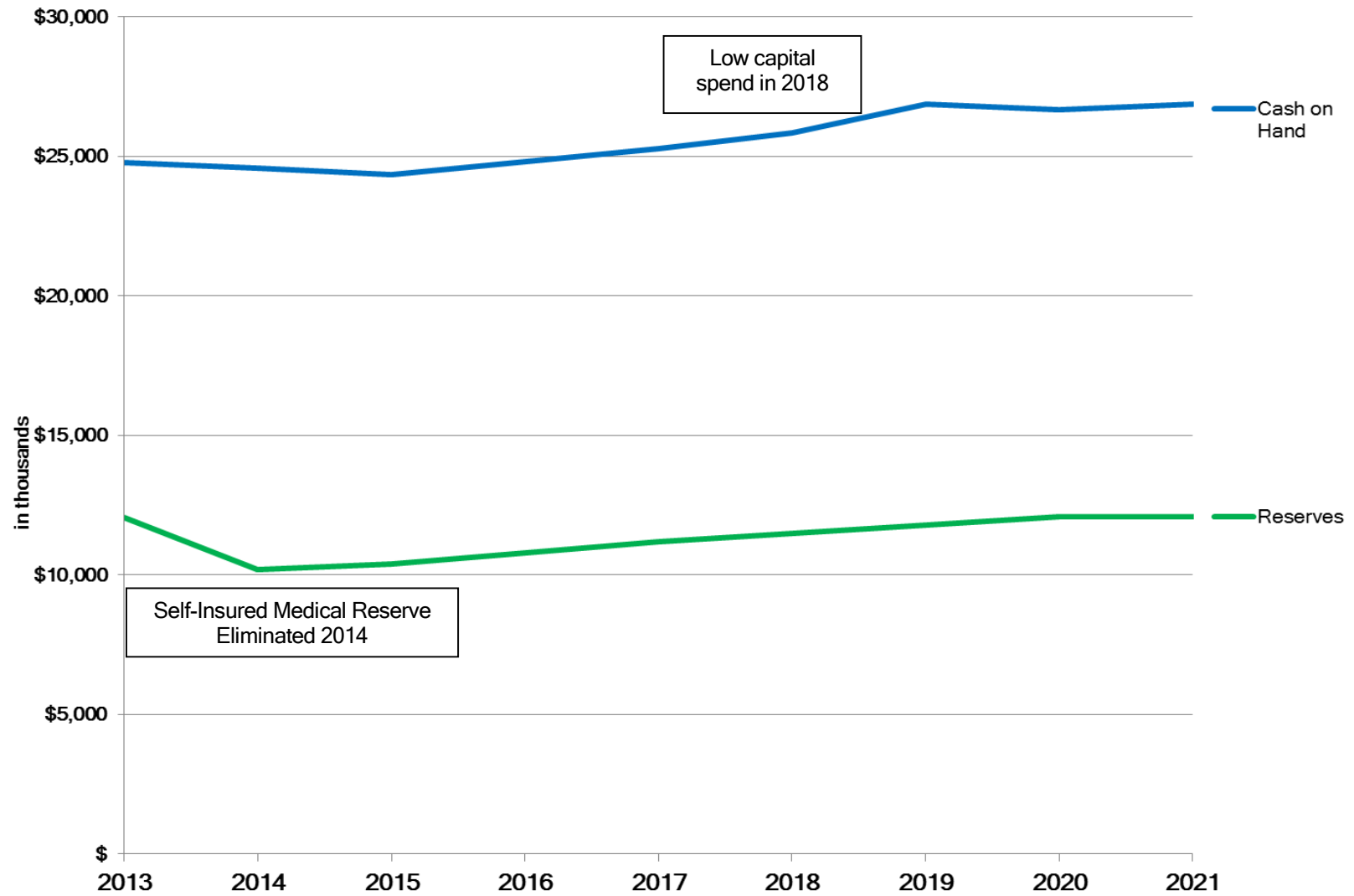
## Cash Reserves Summary:

Cash reserves will decrease from \$12m in 2013 to just over \$10m in 2014. The cash reserve requirements are expected to increase to \$12m in 2020.

Whatcom Transportation Authority							
Five Year Projections							
2015 - 2019							
	2013 Forecast	2014 Budget	2015	2016	2017	2018	2019
<b>Revenue</b>							
Fixed Route Revenue	2,593	2,611	2,663	2,716	3,129	3,192	3,256
Paratransit Revenue	71	71	73	74	76	77	79
Vanpool Income	293	300	312	324	337	351	365
<b>Operating Revenue</b>	<b>2,958</b>	<b>2,982</b>	<b>3,048</b>	<b>3,115</b>	<b>3,542</b>	<b>3,620</b>	<b>3,699</b>
TBD	1,487	1,439	1,482	1,526	1,572	1,619	1,668
Other Revenue	142	137	142	146	150	155	159
Operating Grants	811	855	765	675	675	675	675
Investment Inc	97	125	220	340	475	600	625
Sales Tax Revenue	20,331	21,542	22,189	22,854	23,540	24,246	24,973
<b>Total Revenue</b>	<b>25,826</b>	<b>27,080</b>	<b>27,844</b>	<b>28,656</b>	<b>29,954</b>	<b>30,914</b>	<b>31,799</b>
<b>Expenses</b>							
Salaries & Wages	12,407	13,175	13,591	13,863	14,140	14,423	14,712
Employee Benefits	5,592	5,888	6,481	7,022	7,616	8,352	9,006
Outside Services	1,311	1,374	1,407	1,441	1,475	1,511	1,547
Parts & Supplies	1,504	1,871	1,916	1,962	2,009	2,058	2,107
Fuel	1,769	1,783	1,812	1,862	1,923	1,989	2,060
Utilities	319	336	341	350	362	374	388
Insurance	408	452	463	474	485	497	509
General Expense	139	136	139	143	146	150	153
Training & Meetings	146	157	161	165	169	173	177
<b>Total Operating Exp</b>	<b>23,595</b>	<b>25,171</b>	<b>26,311</b>	<b>27,282</b>	<b>28,326</b>	<b>29,526</b>	<b>30,658</b>
<b>Net Operating Income</b>	<b>2,232</b>	<b>1,909</b>	<b>1,533</b>	<b>1,374</b>	<b>1,628</b>	<b>1,388</b>	<b>1,141</b>
Capital Programs	8,195	4,803	5,232	3,742	2,049	1,464	7,330
Grant Revenue	5,768	2,560	4,130	2,808	910	1,083	5,917
<b>Net Capital</b>	<b>2,427</b>	<b>2,243</b>	<b>1,102</b>	<b>934</b>	<b>1,139</b>	<b>381</b>	<b>1,413</b>
<b>Net Cashflow Impact</b>	<b>-195</b>	<b>-334</b>	<b>431</b>	<b>440</b>	<b>489</b>	<b>1,007</b>	<b>-272</b>
Cash, January 1	24,773	24,578	24,243	24,675	25,115	25,604	26,612
<b>Cash, December 31</b>	<b>24,578</b>	<b>24,243</b>	<b>24,675</b>	<b>25,115</b>	<b>25,604</b>	<b>26,612</b>	<b>26,340</b>

(Figures are in thousands)

# WTA Cashflow Projections 2014 Budget At January 1



	<b>Whatcom Transportation Authority Performance Data</b>				
		<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>2013 vs. 2014</b>
		<b>2014</b>	<b>2013</b>	<b>2013</b>	<b>% Change</b>
	<b>FIXED ROUTE</b>				
	Ridership	4,906,776	4,906,776	5,017,576	-2.21%
	Total Revenue Miles	1,772,000	1,772,000	1,833,659	-3.36%
	Total Revenue Hours	129,135	129,135	132,500	-2.54%
	Passengers Per Hour	38.00	38.00	37.87	0.34%
	Passengers Per Mile	2.77	2.77	2.74	1.19%
	Miles Per Hour	13.72	13.72	13.84	-0.84%
	<b>PARATRANSIT</b>				
	Ridership	184,400	184,400	184,300	0.05%
	Total Revenue Miles	843,000	843,000	810,000	4.07%
	Total Revenue Hours	60,500	60,500	58,800	2.89%
	Passengers Per Hour	3.05	3.05	3.13	-2.76%
	Passengers Per Mile	0.22	0.22	0.23	-3.86%
	Miles Per Hour	13.93	13.93	13.78	1.15%
	<b>VANPOOL</b>				
	Ridership	89,326	89,326	93,116	-4.07%
	Total Revenue Miles	706,874	706,874	713,244	-0.89%
	Total Revenue Hours	12,620	12,620	12,792	-1.34%
	Passengers Per Hour	7.08	7.08	7.28	-2.76%
	Passengers Per Mile	0.13	0.13	0.13	-3.21%



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