

October 14, 2019 - 3:00 p.m.  
Board of Commissioners Special Study Session Meeting



Pierce Transit Training Center  
3720 96<sup>th</sup> Street SW  
Lakewood, WA

**The regular Board Meeting will be held subsequent to this meeting at 4:00 p.m.**

## Agenda

---

### Call to Order

### Roll Call

### Review/Discussion

1. Opening Remarks on the Proposed 2020 Budget
2. Review of the Proposed 2020 Budget (Presentation)

Sue Dreier  
Chief Executive Officer

Brett Freshwaters  
Executive Director of Finance

### Public Hearing

*(Citizens wishing to provide comment will be given three minutes to comment on the public hearing topic(s). The Chair, at his or her discretion, may reduce the comment time allowed to allow sufficient time for the Board to conduct business.)*

1. Proposed 2020 Budget

### Executive Session

### Adjournment

American Disability Act (ADA) accommodations are available with a 72-hour notice. An interpreter for the hearing impaired will be provided upon request with a minimum notice of two weeks. Please contact the Clerk's office at 253-581-8066 for special accommodations. Meeting room is wheelchair accessible. Registered SHUTTLE customers may obtain specialized transportation to and from the hearing by calling SHUTTLE at 253-581-8000 from one to five days in advance of the hearing.

# Pierce Transit

2020 Preliminary Budget



Lakewood, Washington



# Division Strategic Initiatives



# Strategic Initiatives

## Administration Division Highlights

- Enhance Diversity, Equality, and Inclusion Program
- Implement Classification and Compensation System
- Increase Employee Retention Rate
- Implement Employee Financial Wellness Campaign



# Strategic Initiatives

## Finance Division Highlights

- Implement/manage projects to improve customer service:
  - Base Master Plan
  - CAD/AVL
  - Bus Rapid Transit
- Implement processes that will lead to cost savings/increase efficiencies
- Implement processes/programs to improve financial accountability and reduce risk of loss



# Strategic Initiatives

## Maintenance Division Highlights

- Development of a Human Capital Strategy with focus on apprentice program and leadership management fundamentals
- Focusing on safety awareness and safe practices
- Continuous improvement of planned maintenance programs for Facilities and Fleet
- Improve employee engagement through effective, consistent communication



# Strategic Initiatives

Planning & Community Development Division Highlights

- Improve perception of Pierce Transit
- Maintain timelines for major projects
- Update service scheduling process
- Increase number of ORCA for Business accounts



# Strategic Initiatives

## Service Delivery & Support Division Highlights

- Improve the safe operations of our services and Agency
- Increase focus on enhancing the customer experience
- Improve reliability of Fixed Route service
- Address staffing levels that impacts our safety and efficiencies
- Pilot new service offerings to increase ridership



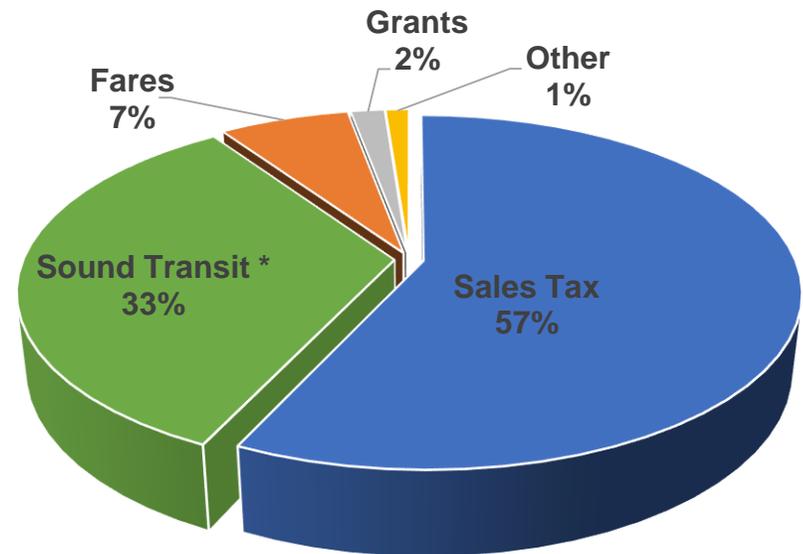
# Where Our Revenue Comes From

## 2020 Operating Revenue

Sales Tax	\$ 97,561,853
Sound Transit*	\$ 57,277,321
Fares	\$ 11,363,904
Grants	\$ 2,956,180
Other	\$ <u>2,016,414</u>
<b>Total Operating Revenue</b>	<b>\$ 171,175,672</b>

\*Sound Transit contracts with Pierce Transit to provide Regional transit service

## 2020 Budget Operating Revenue

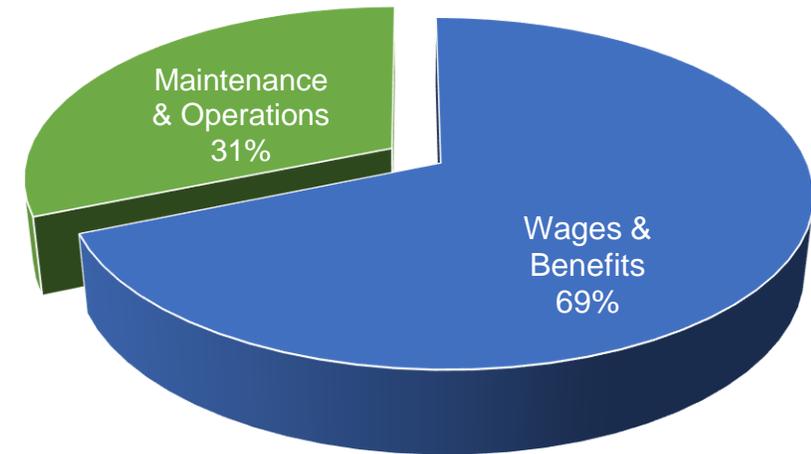


# Where Our Revenue is Spent

## 2020 Operating Expenditures

Wages	\$ 77,035,334
Benefits	\$ 28,754,405
Maintenance & Operations	\$ 48,230,614
<i>Subtotal</i>	<i>\$ 154,020,353</i>
Non-Operating	\$ 1,143,054
Transfer to other Funds <i>(self insurance and capital)</i>	\$ 2,339,673
<b>Total Operating Expenditures</b>	<b>\$157,503,080</b>

## 2020 Budget Operating Expenditures (excluding Non-Operating & Transfers)



*Note that Total Operating Revenue is \$13.7 million more than Expenditures.*



# Operations



# Services We Provide

## 2020 Operating Statistics

- Transit Service Hours: 1,169,170
  - *One year of Service Hours = 131 years*
- Transit Service Miles: 21,187,556
  - *One year of Service Miles = 851 trips around the Earth*
- Transit Service Rides: 15,226,239
  - *One year of Passenger Rides would fill the Tacoma Dome 662 times*

## Community Events

Pierce Transit is the way to go to fairs and other festivities around town! If you're heading out, chances are there's a local Pierce Transit route that can take you there - or maybe even an express bus straight to the event! Check [PierceTransit.org](http://PierceTransit.org) for more news!



National Drive Electric Week • Touch A Truck

Downtown to Defiance



Fife Harvest Festival • Truck and Tractor Day

Puyallup Santa Parade • Milton Santa Parade



6th Avenue Santa Parade



Spring Fair • Taste of Tacoma

Freedom Fair • Ethnic Fest



Washington State Fair



Downtown On The Go Events

transit  
to trails



Pierce Transit's Historic Twin bus will be on display this summer. Visit our website for more information [www.PierceTransit.org/twin](http://www.PierceTransit.org/twin)



Farmers Market locations include Fife, Gig Harbor, Puyallup, Ruston, Steilacoom, and Tacoma markets at: Broadway, Eastside and South Tacoma.

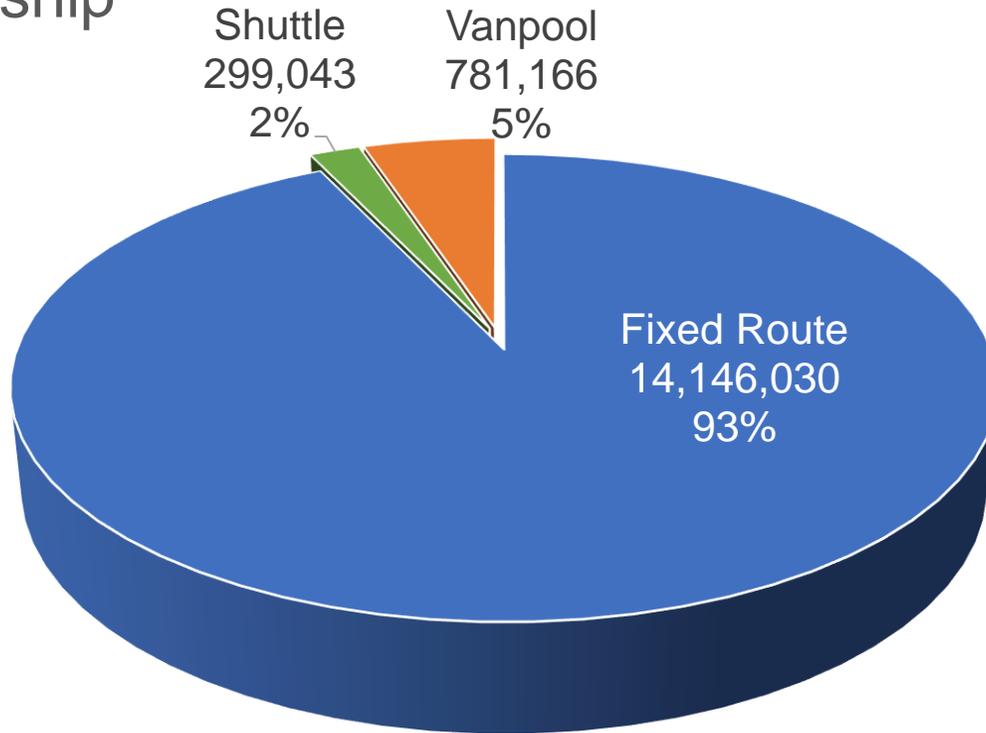
For details visit [www.pugetsoundfresh.org/markets](http://www.pugetsoundfresh.org/markets)



# Services We Provide

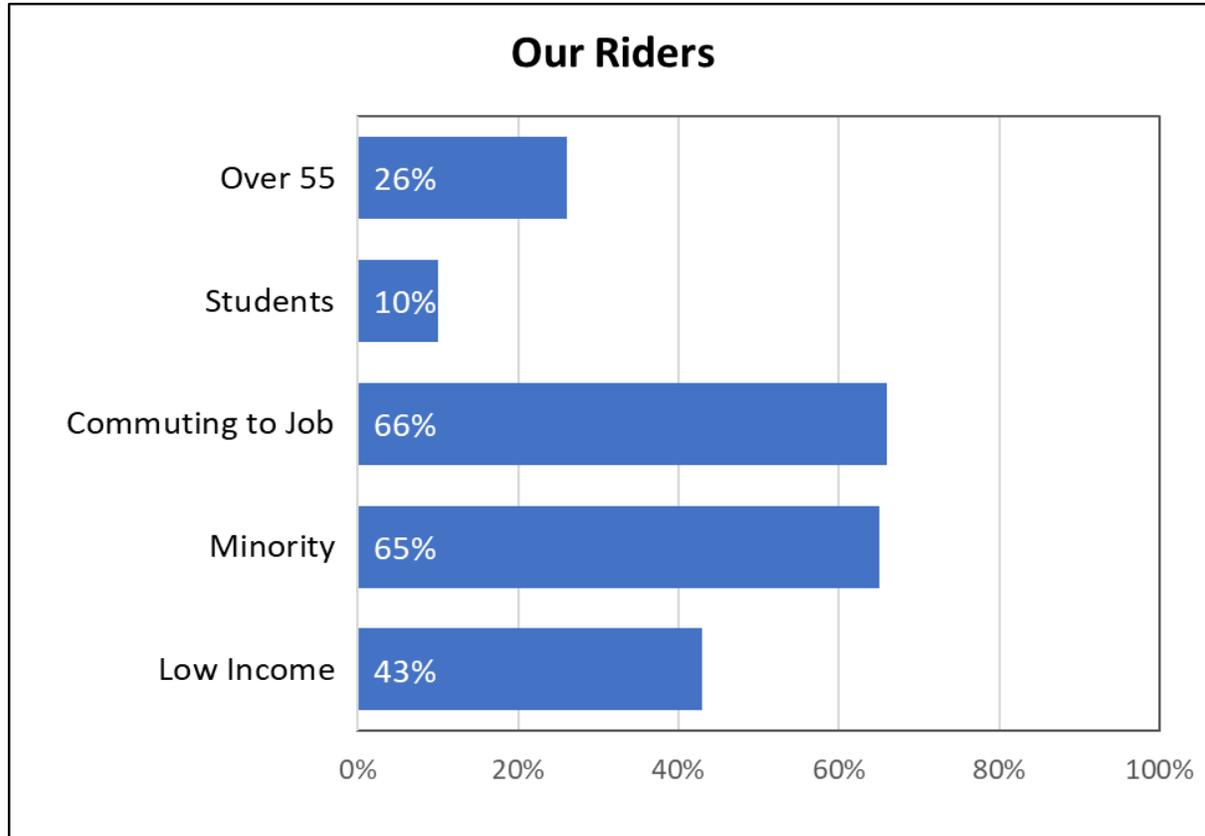
2020 Operating Statistics – Ridership by Mode

Ridership



# Who We Serve

*From Customer Survey Fall 2017*



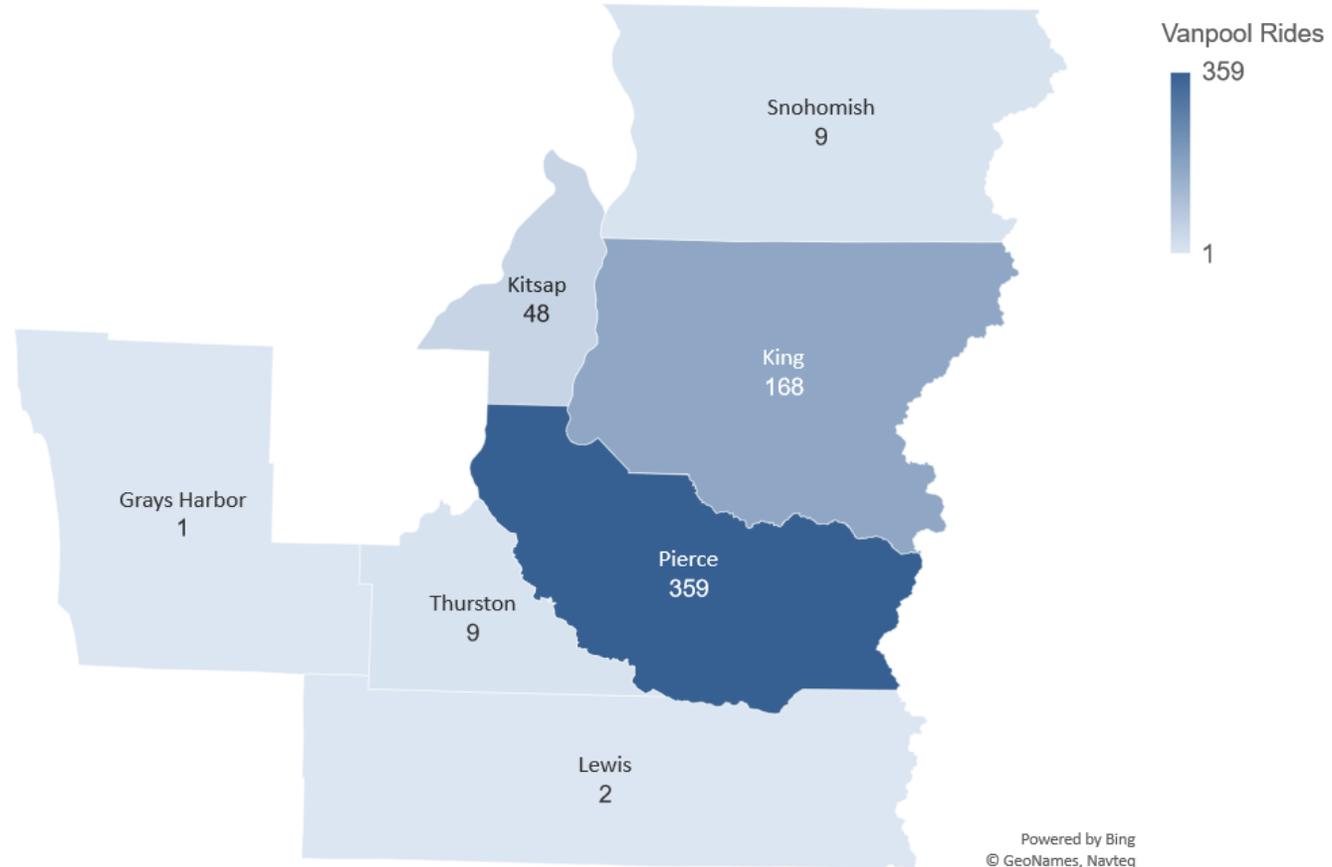


# Where We Serve

Vanpool



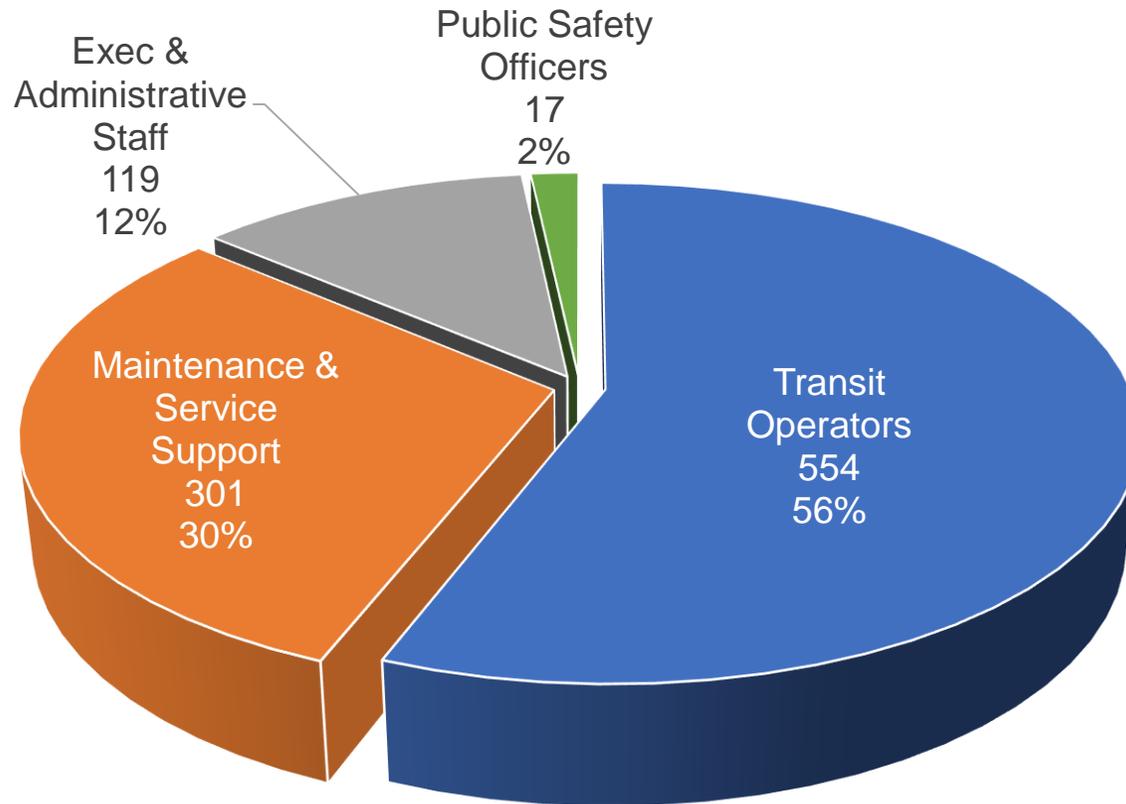
Vanpool Participation by County



# Our Employees

2020 Budget Workforce

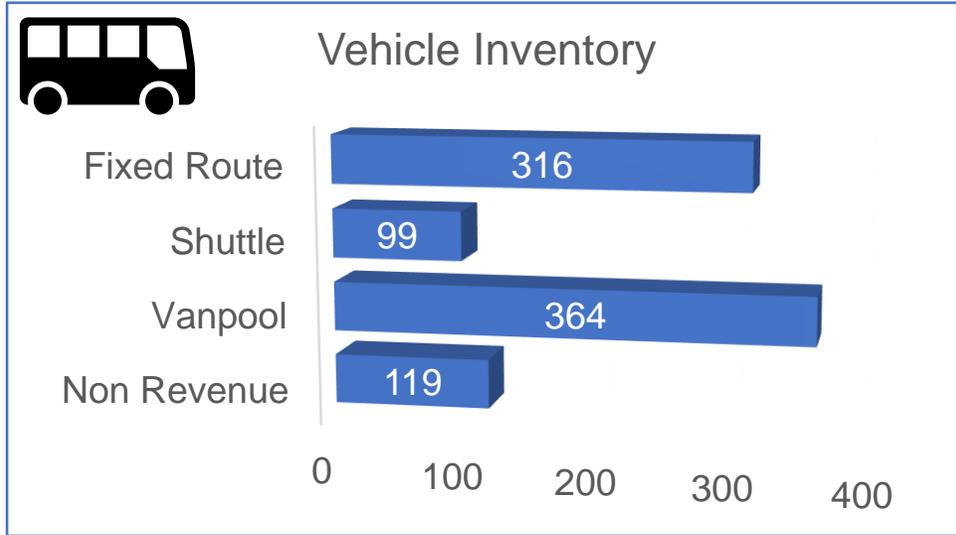
- 991 Positions  
970.75 Full Time Equivalent (FTEs)



# Capital



# Infrastructure it Takes



4 Park & Ride Lots  
8 Transit Centers  
2400+ Bus Stops



**Information Technology**  
20 Core Systems  
500-600 PCs & Laptops  
200 Tablets  
120 Virtual & Physical Servers



8  
Administrative/Maintenance  
Buildings  
*179,791 square feet*

81% of  
Tacoma  
Dome SqF

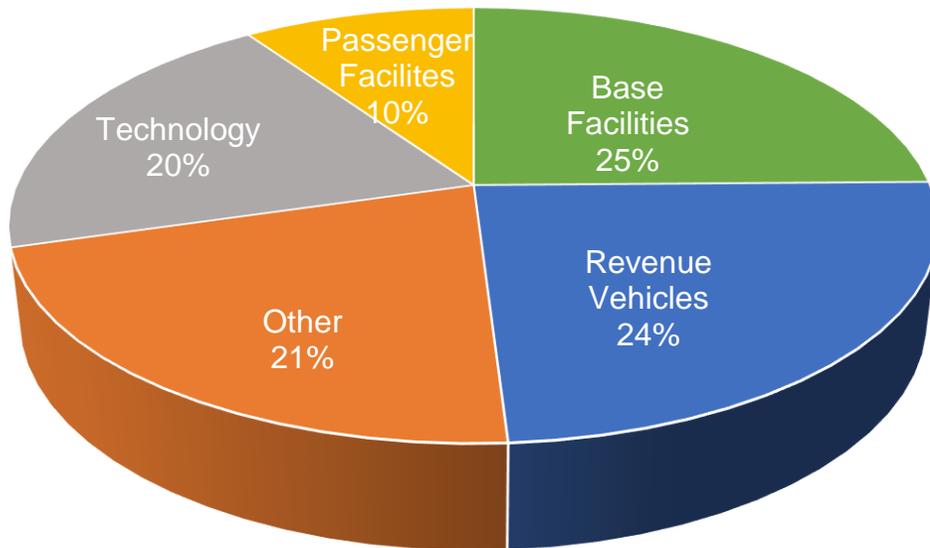


# Capital Projects

2020 Budget

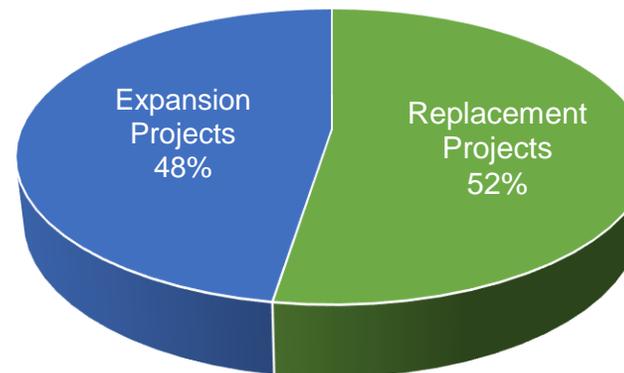


Capital Project Budget by Category



8 projects have Grant funds that total \$61M or 46%

Capital Project Budget by Class



# Capital Projects

2020 Budget



**Bus Replacement: \$7,410,663**



**TDS Elevator Repairs/Upgrades:  
\$1,718,558**



# Capital Projects

2020 Budget



**BMP: Add \$7,163,068**



**Commerce Placemaking: Add \$2,750,000**



# Six-Year Plan / Budget



# Six-Year Financial Plan

*2020 – 2025 Assumptions*

- Sales Tax Projections
  - 2020 5%
  - 2021-2025 4%
- Wage adjustments 4.7%
  - Includes steps, COLA, and performance based
- Benefits
  - Medical and Dental premiums 8%
  - Hold benefits as a percent of wages to 39%
- Fixed Route Service Hours
  - Includes 10,000 hours BRT in 2023
- Sustainable



# Six-Year Financial Plan

2020 – 2025 Summary

\$ In Millions (*rounded)	<u>2019 Year- End Estimate</u>	<u>2020 Budget</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Operating</b>							
Beginning Balance	\$ 51.8	\$ 25.7	\$ 39.4	\$ 27.0	\$ 27.7	\$ 29.0	\$ 39.3
Revenue	160.7	171.2	174.8	180.9	188.1	195.5	203.2
<b>Total</b>	<b>\$ 212.5</b>	<b>\$ 196.9</b>	<b>\$ 214.2</b>	<b>\$ 207.9</b>	<b>\$ 215.8</b>	<b>\$ 224.5</b>	<b>\$ 242.5</b>
Expenditures	\$ 149.3	\$ 155.2	\$ 163.0	\$ 167.6	\$ 175.3	\$ 181.9	\$ 188.9
Transfers from Operating	37.4	2.3	24.2	12.6	11.5	3.2	13.2
<b>Total</b>	<b>\$ 186.7</b>	<b>\$ 157.5</b>	<b>\$ 187.2</b>	<b>\$ 180.2</b>	<b>\$ 186.8</b>	<b>\$ 185.1</b>	<b>\$ 202.1</b>
<b>Operating Ending Balance</b>	<b>\$ 25.7</b>	<b>\$ 39.4</b>	<b>\$ 27.0</b>	<b>\$ 27.7</b>	<b>\$ 29.0</b>	<b>\$ 39.3</b>	<b>\$ 40.5</b>
<b>Required Balance</b>	<b>\$ 24.7</b>	<b>\$ 26.7</b>	<b>\$ 27.0</b>	<b>\$ 27.7</b>	<b>\$ 29.0</b>	<b>\$ 30.1</b>	<b>\$ 31.3</b>
<b>Margin / (Deficit)</b>	<b>\$ 1.0</b>	<b>\$ 13.7</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9.2</b>	<b>\$ 9.2</b>

\* Totals May not add due to rounding



# Budget Comparison

## Operating Revenues

	<u>2019 Year-End Estimate</u>	<u>2020 Budget</u>	<u>% Change</u>
<b>Operating Income</b>			
Fares	\$ 11,237,077	\$ 11,363,904	1.1%
Advertising	320,000	340,000	6.3%
Regional Transit Service	51,273,524	57,277,321	11.7%
<b>Non-Operating Income</b>			
Sales Tax	92,916,050	97,561,853	5.0%
Miscellaneous	1,623,527	1,676,414	3.3%
Operating Contributions	3,305,212	2,956,180	-10.6%
<b>Total</b>	<b>\$ 160,675,390</b>	<b>\$ 171,175,672</b>	<b>6.5%</b>



# Budget Comparison

## *Operating Expenditures*

	2019 Year-End Estimate	2020 Budget	% Change
Wages	\$ 73,030,712	\$ 77,035,334	5.5%
Benefits	28,034,828	28,754,405	2.6%
M & O	47,105,972	48,230,614	2.4%
<b>Subtotal</b>	<b>148,171,512</b>	<b>154,020,353</b>	<b>3.9%</b>
Non-Operating	1,143,468	1,143,054	
Transfers	37,411,962	2,339,673	
<b>Total</b>	<b>\$ 186,726,942</b>	<b>\$ 157,503,080</b>	



# Budget Comparison

## *Personnel*

- 2020 Budget 991 positions / 970.75 Full-Time Equivalents (FTEs)
  - Net decrease of 2 positions from the 2019 Budget

### 5 New Positions

- 1 Records Analyst
- 1 Systems Analyst
- 1 Sr. Construction Project Manager
- 1 BRT Coordinator
- 1 Customer Satisfaction Coordinator

### 7 Position Reductions

- 3 Paratransit Transit Operators
- 2 Paratransit Specialized Transportation Dispatchers
- 2 Paratransit Data Specialists



# 2020 Budget Summary

## Appropriations

- Balanced
- Meets Reserve Requirements
- Sustainable for Operations

	<b>2020 Budget</b>
Operating	\$ 157,503,080
Capital	132,965,521
Insurance	2,891,330
<b>Total Appropriations</b>	<b>\$ 293,020,258</b>


Ready to Ride?  
make [PierceTransit.org](http://PierceTransit.org)  
your first stop!


These are some of the features you will find on [PierceTransit.org](http://PierceTransit.org) to help you:



Use Trip Planner

to plan your trip from beginning to end.



Get real-time bus arrival information

that tells you when your bus arrives at your stop.



Stay Connected

by having Route Updates and other news sent directly to your inbox or phone



Select foreign language translation

to view [PierceTransit.org](http://PierceTransit.org) in a different language



Adjust the type size

to your viewing needs on [PierceTransit.org](http://PierceTransit.org)



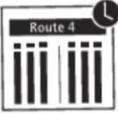
Take a virtual trip

to see where a route will take you



Check social media

for updates such as service on or around holidays.



Find your schedule,

print your schedule.



Access interactive maps

to spot landmarks or transfer points along your route.





# Next Steps

2020 Budget

- Study Session & Public Hearing 10/14
- CTAG Presentation 10/24
- Budget Adoption 12/9

**Stay Connected!**  
Get real-time information about the latest Pierce Transit news.

Visit [PierceTransit.org/StayConnected](https://www.piercetransit.org/StayConnected) to sign up for the latest news about Pierce Transit service changes, rider alerts, route-specific impacts, major initiatives, job opportunities, the Bus Rapid Transit project, and more!

When you sign up for route alerts using your smart phone, you'll receive text messages similar to this one with updates about your route.

Rt 1, detoured due to parade. Catch your bus on 9th & Market St. Instead of 9th & Pacific Ave.





**PIERCE TRANSIT  
NOTICE OF PUBLIC HEARING  
PROPOSED 2020 BUDGET**

A public hearing will be held as part of the Board of Commissioners Special Meeting on Monday, October 14, 2019 at 3:00 p.m. The meeting will be held at the Pierce Transit Training Center, Rainier Conference Room, located at 3720 96<sup>th</sup> ST SW, Lakewood, Washington. The purpose of the Public Hearing is to obtain comment and feedback from citizens on the proposed 2020 Budget.

The proposed Budget may be viewed on the Agency's website at <http://www.piercetransit.org/Resources/Public Documents> and is also on file in the Clerk of the Board's Office located at 3701 96<sup>th</sup> ST SW, Lakewood, WA. Questions and written comments pertaining to the proposed Budget should be submitted to:

Kelli Dion, Budget Assistant Manager  
PO Box 99070  
Lakewood, WA. 98496-0070  
Or calling 253-983-3344

Registered SHUTTLE customers may obtain specialized transportation to and from the hearing by calling SHUTTLE AT 253-581-8000, press 1, press 2, and then press 1, from one to five days in advance of the hearing. An interpreter for the hearing impaired will be provided upon request with a minimum notice of five days.

---

Deanne Jacobson, CMC  
Clerk of the Board

*Published in the Tacoma Daily Index and Tacoma News Tribune on Friday, October 4, 2019.*