



FISCAL YEAR 2022 BUDGET – FINAL DRAFT

JUNE 14, 2021





MISSION STATEMENT

Deliver
transportation
services that
enhance the
Greater Louisville
community





MISSION STATEMENT & SUCCESS FACTORS

DELIVER TRANSPORTATION SERVICES THAT ENHANCE THE GREATER LOUISVILLE COMMUNITY



Deliver Quality Services

- Safe
- Accessible
- Sustainable



Support the Community's Well Being

- Program Involvement
- Workforce & Economic Development
- Outreach



Focus on Rider Needs

- Voice of the Customer
- Dependability
- Frequent, Fast, & Direct



Engage an Effective Team

- Promote Transparency
- Training & Development
- Opportunities for Growth



Maintain Adequate Financial Resources

- MTTF, Revenue, Expenses
- Fund Capital Needs
- Prudent Contractual Management



Explore Visionary Opportunities

- Long Range Planning
- Transformative Technology
- Multimodal Trends

BUDGET TIMELINE

COMPLETE ORGANIZATIONAL EFFORT

- Departmental meetings with Directors in January and February
- First Draft review at March 16 Finance Committee
<https://www.ridetarc.org/wp-content/uploads/2021/03/March-Finance-Meeting-Packet.pdf>
- First draft review at March 23 Board of Directors Meeting
<https://www.ridetarc.org/wp-content/uploads/2021/03/TARC-Board-of-Directors-March-2021-Meeting-Packet.pdf>
- Update and edit based on feedback from prior meetings
- Second/Final Draft presentation at April 20 Finance Committee
<https://www.ridetarc.org/wp-content/uploads/2021/04/TARC-Finance-Committee-April-Meeting-Packet-for-web.pdf>
- Final Draft presentation at April 27 Board of Directors Meeting
<https://www.ridetarc.org/wp-content/uploads/2021/04/April-Meeting-Packet.pdf>
 - Resolution 2021-13 approved
- Presented to Metro Council May 27, June 3, June 14
- To submit to Commonwealth of Kentucky by June 30



FY 2021 ACCOMPLISHMENTS

BY THE NUMBERS

- Awarded \$22M for clean diesel fleet purchases from Kentucky VW Settlement and Federal Transit Administration funds
- Reduced preventable accidents to 2.1 per 100,000 miles
- Increased social media engagement by 14%
- Awarded \$650k in grant funds to non-profits that provide transportation for seniors and people with disabilities
- Added 32 new bus shelters, 16 benches and three accessibility ramps



FISCAL YEAR (FY) 2021 ACCOMPLISHMENTS

BECAUSE OF A GLOBAL PANDEMIC

- Met CDC and state orders for safety protocols: hand sanitizer, masks, gloves, cleaning and sanitizing, and social distancing orders
- Managed operations when deemed essential service and executed remote work procedures
- Adjusted service levels to balance commuting patterns with finances
- Fulfilled the Families First Family Medical Leave Act
- Developed procedures for managing quarantines and increased absences



HEALTH & SAFETY COMMITMENTS PROGRAM
APTA PARTICIPATING SYSTEM

We're protecting each other.

WE'RE DOING OUR PART
Cleaning & disinfecting

YOU'RE DOING YOURS
Wear face coverings

tarC



FY 2021 ACCOMPLISHMENTS

IN THE MIDST OF A GLOBAL PANDEMIC

- Shuttle service for primary and general elections
- Celebrated Class of 2020 with bus wrap
- Transitioned to a new paratransit contractor
- Opened the Dixie Rapid Corridor
- Completing a comprehensive operations analysis
- Transitioned executive leadership team



THREE YEAR LOOK

HALF FULL, HALF EMPTY? WHERE WILL THE WATER COME FROM NEXT?

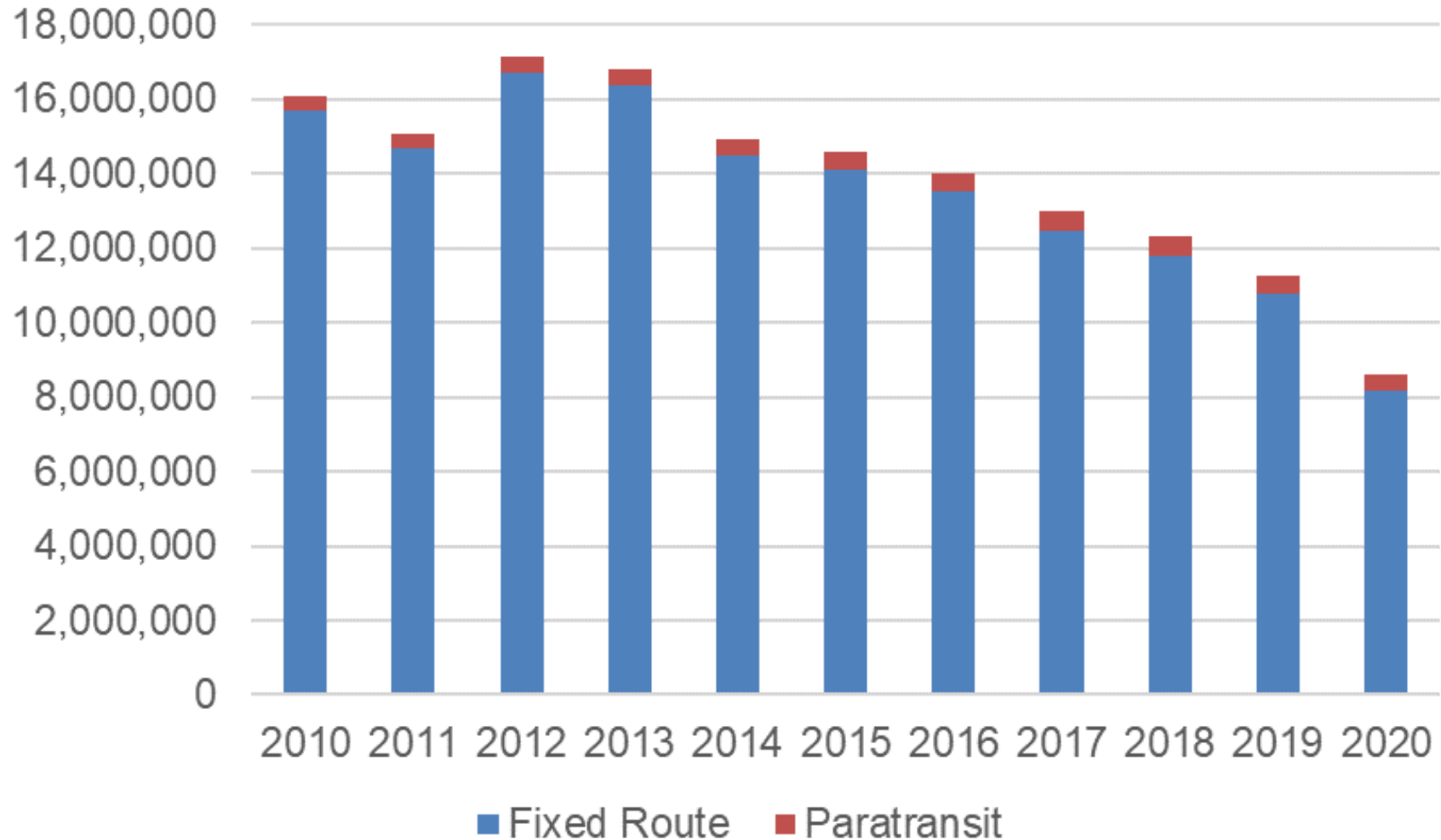
- Local, State, Federal funding outlook
- Expiring Federal transportation authorization bill
- Pace of economic recovery
- Temporary or permanent change to commute patterns?
- Increased activity, everywhere
- Pent up consumer demand
- Renewed interest in community and environmental actions
- Better, more relevant TARC service





RIDERSHIP, FAREBOX REVENUE LOSS + COVID

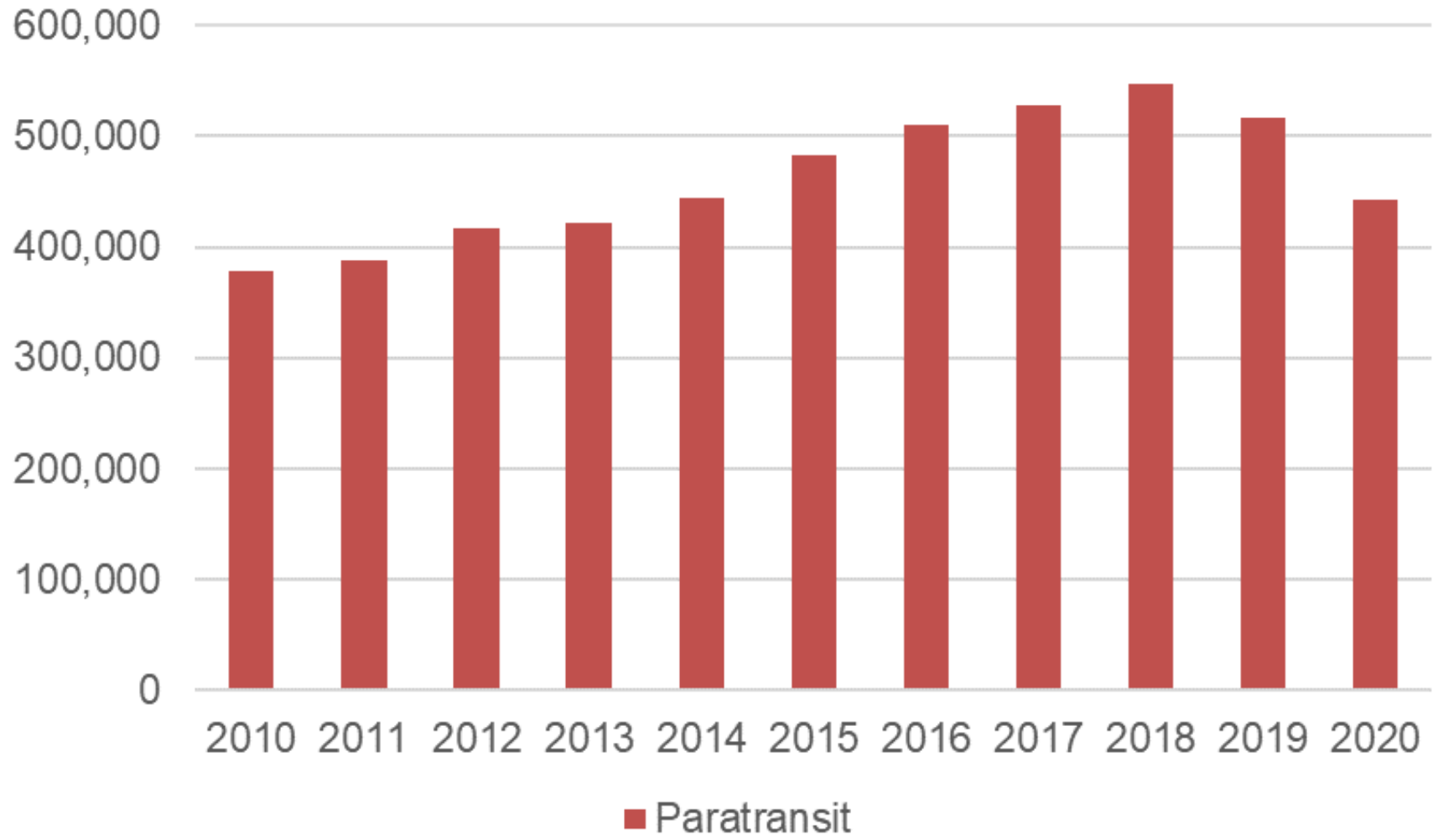
ACCELERATE THE NEED FOR CHANGES





PARATRANSIT RIDERSHIP

HAS GROWTH FLATTENED? WILL COSTS STABILIZE?

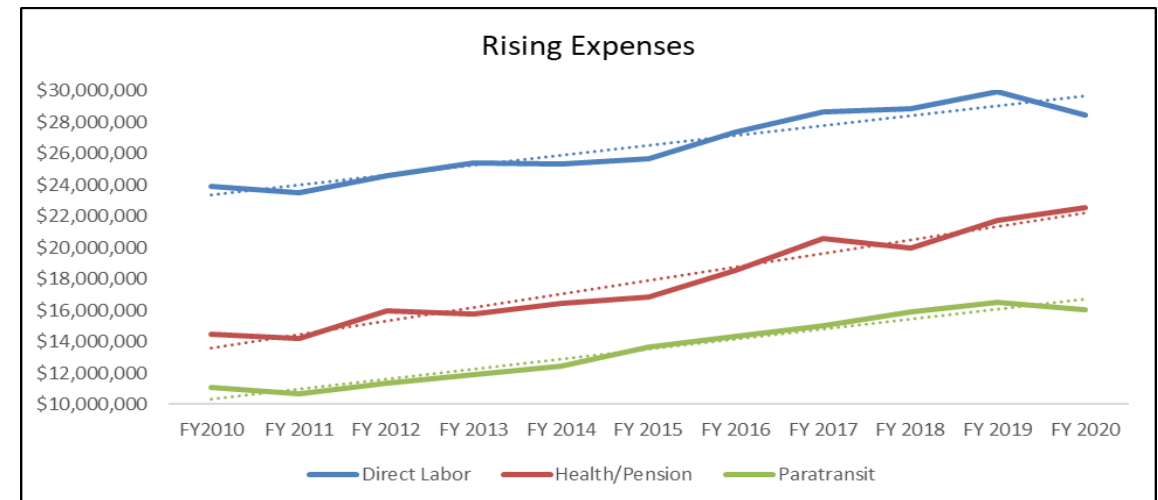
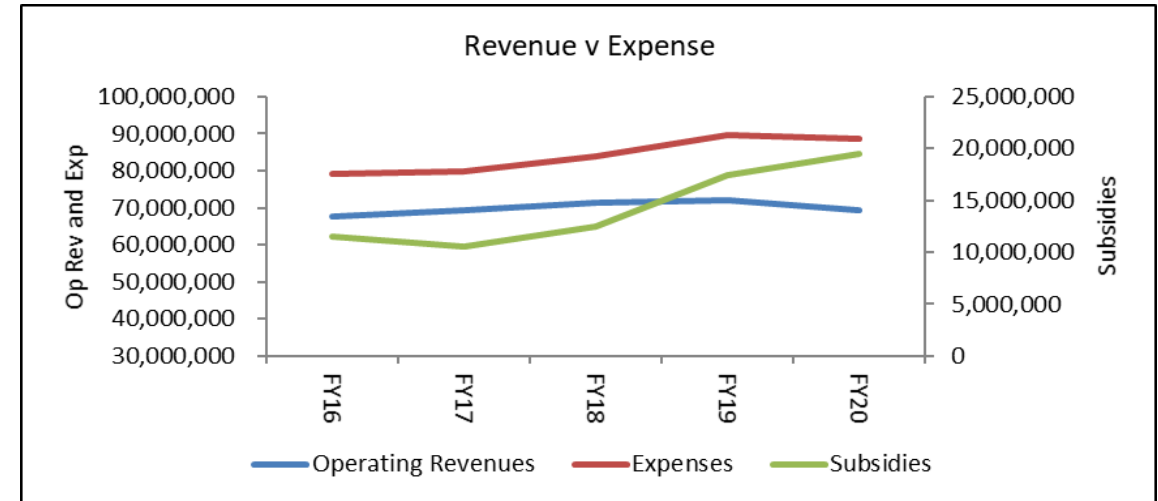




OPERATING COST VS REVENUE OVER THE PAST TEN YEARS

MUST FIND LONG-TERM SUSTAINABILITY

- Operating expenses growing at a higher rate than revenue
- Gap continues to widen
- Muddling through with critical, vital federal grants and subsidies
- Three main cost drivers...



MAIN COST DRIVERS

HEALTHCARE, PENSIONS AND PARATRANSIT

1

Growth in paratransit ridership, cost per trip and impacts to overall TARC budget

18%

2

Cost of health care coverage, relation to negotiated benefits package and employee attraction and retention

16%

3

Pension contributions required as part of County Employee Retirement System (CERS)

10%



COMBINED CAPITAL AND OPERATING BUDGETS

FY 2020 FINAL

Operating: \$ 88,787,516

Ending Balance Mass Transit Trust Fund (MTTF): \$14,038,469

FY 2021 ESTIMATE

Operating: \$ 91,842,148

Ending Balance of MTTF: \$ 14,038,469

FY 2022 BUDGET

Operating: \$ 99,956,144

Ending Balance of MTTF: \$ 14,083,469

Capital Projects: \$ 24,406,719

FY22 CAPITAL PROJECTS & PROGRAM OF FUNDS

FY 2022 CAPITAL BUDGET

	TOTAL	FEDERAL	MTTF	STATE	OTHER	TOLL CREDITS
Projects That Use Local Funds						
Paratransit Vehicles (Municipal Lease 5/3 add year)	140,841	0	140,841	0	0	0
Sub-total	140,841	0	140,841	0	0	0
Projects That Use Formula Funds						
Bus Components	195,132	156,105	39,027	0	0	0
Architectural & Engineering Services	295,680	236,544	59,136	0	0	0
MIS Hardware/Software	98,570	78,856	19,714	0	0	0
Security Enhancements	549,902	439,922	109,980	0	0	0
Rehab Storage Facility	1,500,000	1,200,000	300,000	0	0	0
Operations Planning	100,000	80,000	20,000	0	0	0
Sub-total	2,739,284	2,191,427	547,857	0	0	0
Projects That Use Other (5339 & Flex) Formula Funds						
Diesel Bus Purchase (5339a – 2 Buses)	967,538	385,581	96,395	432,512	53,050	0
A & E Services (5339)	1,989	1,591	398	0	0	0
MIS Hardware/Software (5339)	805,170	644,136	161,034	0	0	0
Fare Collection Equipment (STP)	218,516	174,813	43,703	0	0	0
Support Vehicles (5339)	200,000	160,000	40,000	0	0	0
ITS Equipment (STP ITS)	1,987,999	1,590,400	397,599	0	0	0
Facility Rehabilitation Projects	2,352,741	1,882,193	470,548	0	0	0
Transit Enhancements (STP)	371,340	308,840	12,500	0	50,000	14,710
Transit Enhancements (STP TAP)	267,818	214,255	50,471	0	3,092	0
Sub-total	7,173,111	5,361,809	1,272,648	432,512	106,142	14,710
Projects That Use Discretionary Funds						
Diesel Bus Purchase (5339b – 28 Buses)	13,402,116	10,708,077	0	2,694,039	0	0
Architectural & Engineering Services (Solar Projects)	28,798	23,038	5,760	0	0	0
Facility Rehabilitation (Solar Projects)	227,272	181,818	45,454	0	0	0
Solar Project(s)	695,297	625,767	69,530	0	0	0
Sub-total	14,353,483	11,538,700	120,744	2,694,039	0	0
SUB-TOTAL - All Capital Projects	24,406,719	19,091,936	2,082,090	3,126,551	106,142	14,710
Capital Eligible Expense Reimbursements						
	TOTAL	FEDERAL	MTTF	STATE	OTHER	TOLL CREDITS
Projects That Use Formula Funds						
Non-Fixed Route ADA Paratransit	2,123,900	1,699,120	424,780	0	0	0
Capital Cost of Contracting (Fixed Route)	46,500	37,200	9,300	0	0	0
Capital Maintenance	5,011,865	4,009,492	552,373	450,000	0	0
Sub-total	7,182,265	5,745,812	986,453	450,000	0	0
Projects That Use CARES & CRRSA Act Funds						
CARES Act Non-Fixed Route ADA Paratransit	0	0	0	0	0	0
CARES Act Emergency Operations	13,000,563	13,000,563	0	0	0	0
CRRSA Act Emergency Operations	18,237,895	18,237,895	0	0	0	0
Sub-total	31,238,458	31,238,458	0	0	0	0
Projects That Use CMAQ Funds						
CMAQ Sponsored Service	800,000	640,000	160,000	0	0	0
Sub-total	800,000	640,000	160,000	0	0	0
SUB-TOTAL - All Contributions to Operations	39,220,723	37,624,270	1,146,453	450,000	0	0
TOTAL	63,627,442	56,716,206	3,228,543	3,576,551	106,142	14,710

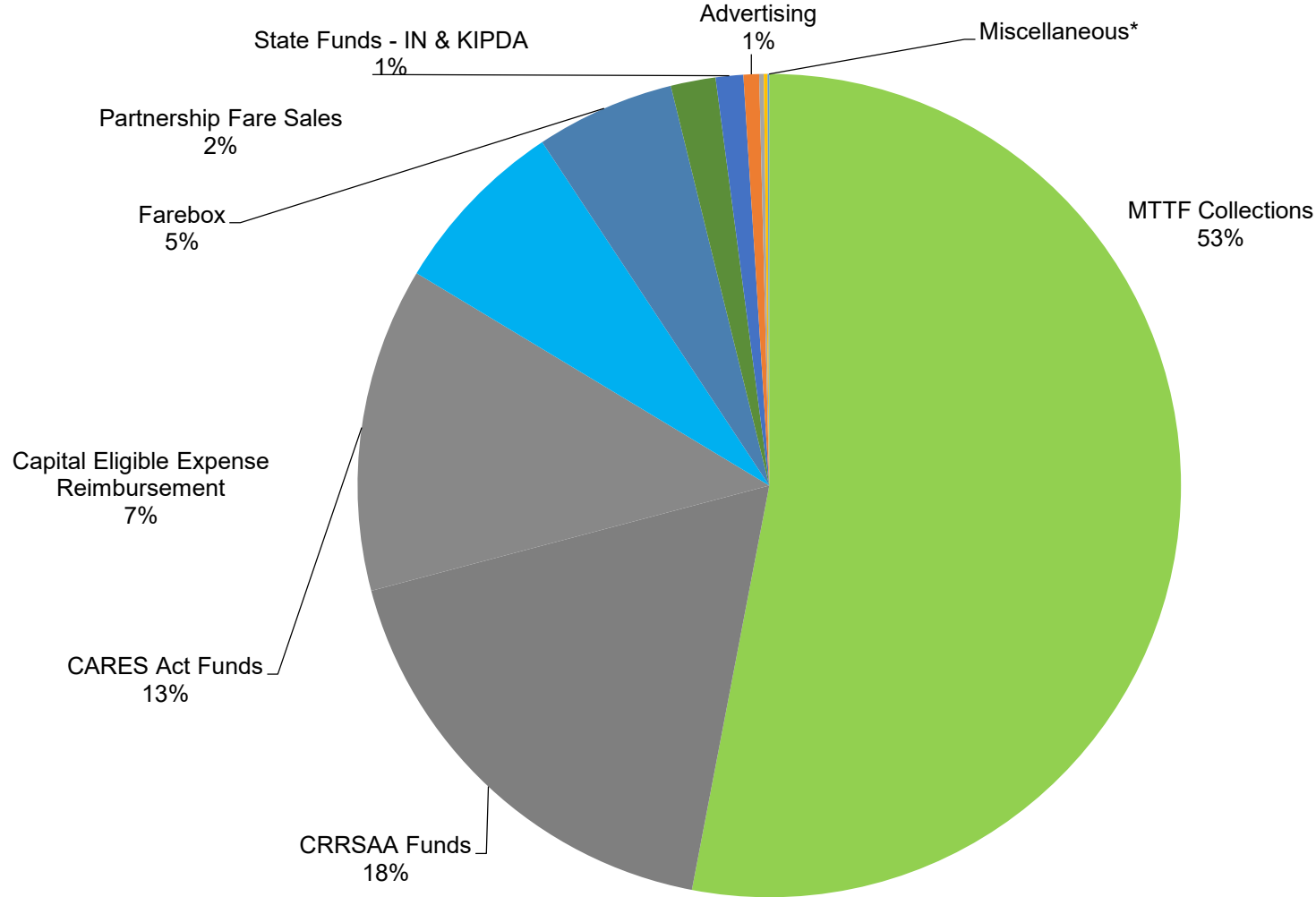
KEY CAPITAL PROJECTS

- Introduce new vehicles into fleet
- Renovation to Dispatch office
- Solar array panels
- Bus Barn HVAC System
- 30th Street Training Lot





FY 2022 REVENUE - OPERATING BUDGET



* Charter, Insurance Recoveries, MTTF Interest

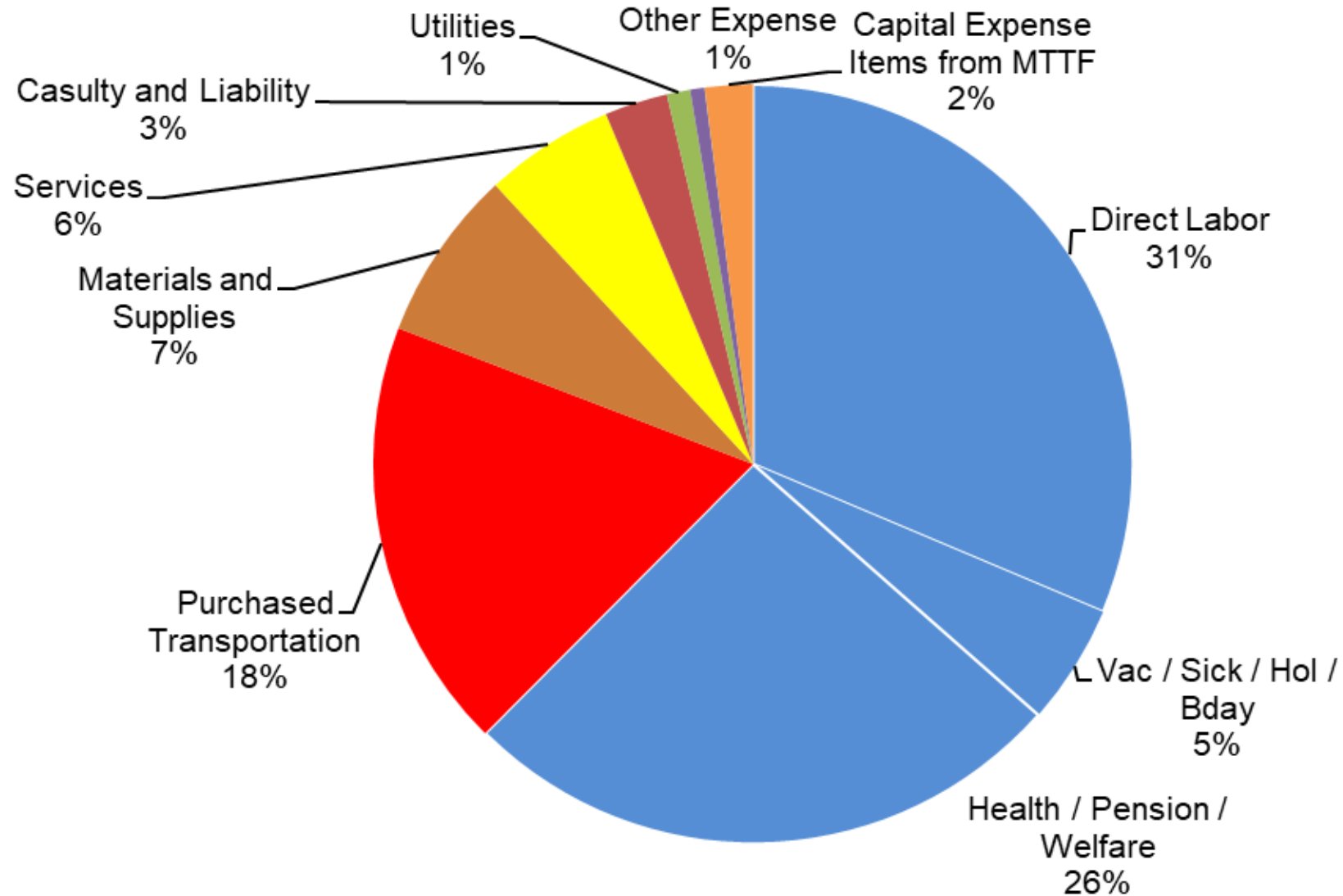


FY 2022 REVENUE - OPERATING BUDGET

BEGINNING MTTF BALANCE	\$14,038,469	
OPERATING REVENUES		
MTTF Collections & Interest	\$54,094,106	53.0%
Farebox	\$5,562,597	5.5%
Partnership Fare Sales	\$1,796,605	1.8%
State Funds - IN & KIPDA	\$1,103,856	1.1%
Advertising	\$624,000	0.6%
Other Agency Revenues	\$183,300	0.2%
Charter	\$150,000	0.1%
Total Recoveries - Insurance	\$65,000	0.1%
Total Operating Revenues	<u>\$63,579,464</u>	62.4%
SUBSIDIES		
CRRSAA Funds	\$18,237,895	17.9%
CARES Act Funds	\$13,000,563	12.7%
Capital Eligible Reimbursement - FTA Formula Funds	\$7,220,312	7.1%
Total Subsidies	<u>\$38,458,770</u>	37.7%
TOTAL REVENUES	<u><u>\$102,038,234</u></u>	100%



FY 2022 EXPENSES - OPERATING BUDGET





FY 2022 EXPENSES - OPERATING BUDGET

OPERATING EXPENSES

Direct Labor	\$32,000,848	32.0%
Fringe Benefits:		0.0%
Vac / Sick / Hol/ Bday	\$5,232,062	5.2%
Health / Pension / Welfare	\$26,501,995	26.5%
Purchasded Transportation	\$18,740,930	18.7%
Materials and Supplies	\$7,458,185	7.5%
Services	\$5,639,222	5.6%
Casualty and Liability	\$2,736,426	2.7%
Utilities	\$1,016,795	1.0%
Other Expenses	\$621,820	0.6%
Interest Expense	\$7,860	0.0%
Total Operating Expenses	<u>\$99,956,144</u>	
Captial Expense Items from MTTF for local match	<u>\$2,082,090</u>	
TOTAL EXPENSES	<u><u>\$102,038,234</u></u>	



FINAL DRAFT FISCAL YEAR 2022 BUDGET

April 27, 2021