

2020

Board of Directors Budget Notebook



Table of Contents

Board of Directors.....	3
CEO Message	4
Budget Summary	15
Executive Summary	15
Service Plan	19
Revenues	21
Expenses	28
Interfund Transfers	34
Cash and Reserves	39
Capital Program	44
Debt Service and Debt Capacity	50
Department Budgets.....	52
Department Overview.....	52
Board and Executive	56
Administration.....	62
Communications and Public Affairs	78
Customer Experience	85
Information Technology	99
Maintenance.....	117
Planning & Development.....	127
Transportation	143
Statistical and Supplemental Data.....	151
Agency Profile	151
Economy	156
Statistics and Demographics	157
Service and Operating Information.....	160
Key Performance Indicators (KPIs)	166
Reference.....	172
Budget Process	172
Budget Schedule	177
Funds List.....	178
Financial Policies.....	180
Glossary	191

Board of Directors

Goals:

Improve ridership.

Demonstrate good stewardship of public funds.

Be a positive force in our communities.

Board of Directors as of December 31, 2019

<i>Board Members</i>	<i>Title</i>
Dave Earling, Chair	Mayor, City of Edmonds
Terry Ryan, Vice-Chair	Council Member, Snohomish County
Jon Nehring, Secretary	Mayor, City of Marysville
Kim Daughtry	Council Member, City of Lake Stevens
Leonard Kelley	Mayor, City of Stanwood
Joe Neigel	Council Member, City of Sultan
Lance Norton	Labor Representative
Jan Schuette	Council Member, City of Arlington
Mike Todd	Council Member, City of Mill Creek
Stephanie Wright	Council Member, Snohomish County
<i>Board Alternates</i>	
Jennifer Gregerson	Mayor, City of Mukilteo
George Hurst	Council Member, City of Lynnwood
Nate Nehring	Council Member, Snohomish County
Bruce Straughn	Council Member, City of Granite Falls
Geoffrey Thomas	Mayor, City of Monroe



CEO Budget Message



2020 Adopted Budget *The Future is Here*

Since its founding in 1976, Community Transit has focused on meeting the transportation needs of the people of Snohomish County. These needs have evolved over time as the county and the Puget Sound region have grown dramatically in population. Snohomish County alone grew by more than 137 percent from 1980 to 2017, according to the [U.S. Census Bureau](#).

Over time, Community Transit has continued to grow and evolve to respond to the changing transportation needs, establishing itself as one of the most popular and successful transit agencies in Washington State. In fact, Community Transit is currently one of the top 50 transit agencies in the country, maintains the 11th largest vanpool fleet in the nation, and is an employer of choice in our Puget Sound Region.

Changes continue for our agency as rapid growth in our region continues. As noted in this report last year, forecasts show the region needs to plan for 1.8 million additional people and 1.2 million new jobs by 2050. The population of our Puget Sound region is expected to reach over 5.8 million in 2050 ([PRSC Vision 2050](#)).

This growth is leading to more transportation transformation in our county, most notably the arrival of Link light rail at Shoreline North, in Mountlake Terrace and in Lynnwood in 2024. What used to be called the “future” of transportation is now very much a part of our present. And we are working to ensure we are positioned to support this new era of mobility in our region as well as our customers’ evolving requests and expectations.

Some of this work to prepare began in 2015, as part of our promise to the community following the voters’ approval to support growth in our service through a three-tenths of one percent increase in sales tax revenue. As a part of this commitment, Community Transit ridership is increasing and we are continuing to provide an expanded suite of services to customers, including an ongoing increase in fixed route bus service, Bus Rapid Transit (BRT) network development, vanpool program, Transit Demand Management (TDM) products and services, enhanced customer communications, transit technology services, and more.

In 2019, we expanded service significantly through the addition of our new [Swift Green Line](#), which connects with our [Swift Blue Line](#) to create the first BRT network in Snohomish County. Project development also began on our [Swift Orange Line](#) that will connect with the Blue and Green Lines and serve the Lynnwood Link light rail station when it opens in 2024.

To support this continuing expansion of services, we have added more than 140 new positions since 2017. This brings us to over 800 employees, the largest our agency has been in our history and a clear reflection of the growth and development of our region.

This is an incredibly exciting time for our agency and for the communities we serve. And, as an agency that receives our funding from the public, it is our responsibility to ensure that we continue to remain good stewards of this funding as we grow to meet changing needs. Continuous improvements and efficiencies that support cost management goals are fundamental to financial stewardship. Through the support of our community, our customers and the voters - and through good planning and smart management of our resources - we are in a strong financial position and remain focused on ensuring we are committed to this financial stewardship. The 2020 budget reflects this as well as a continued focus on our community, our customers, our employees and our mission.

New Vision and Mission Reflects Evolution and Growth

This year, we made the decision to refine our organizational Mission and Vision in order to ensure it appropriately reflects the evolution of our services as well as our community and customers' expectations.

Our new Mission:

MISSION

We help people get from where they are
to where they want to be.

Our daily focus is to help people easily get places – whether it is to and from work, to run errands, to access services, or to meet up with friends. No matter where they are going or why, our number one goal is to help them get there.

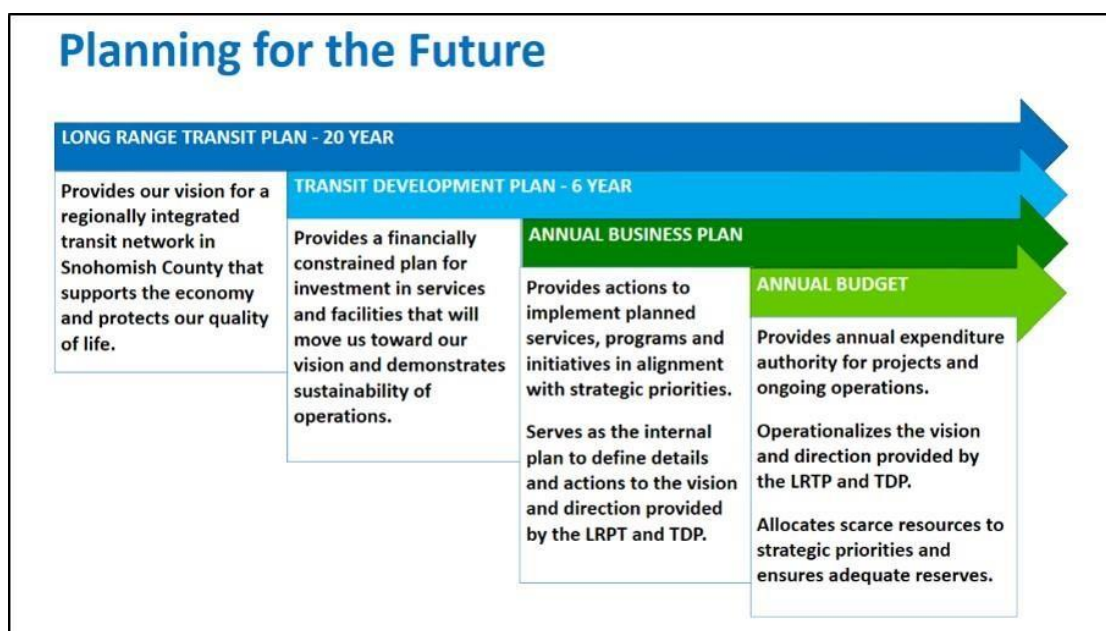
Our new Vision:

VISION

Travel made easy for all.

We think holistically about our customers’ entire journey, which often also includes experiences outside of our services. We are an integral component of our community’s infrastructure, focused on partnering with jurisdictions in our service area, other agencies, our community leaders, our legislators, and our customers to make all components of travel easy, from beginning to end.

Business Planning Cycle



The 2020 budget reflects long-range and more near-term plans for current and future service. The agency’s business planning cycle provides the roadmap to defining and delivering on these plans and our vision.

Long Range Transit Plan: 20-year unconstrained vision of a regionally integrated buildout of the transportation network. Coordinated in conjunction with local jurisdictions, this plan helps to ensure all agencies are working efficiently toward a common transportation vision which includes mobility services and programs to make mobility easier.

Transit Development Plan: Six-year financially sustainable implementation plan, updated annually. The 2019-2024 Transit Development Plan details over \$1.5 billion in investments over the six-year period and provide local and county jurisdictions with concrete commitments around which they can coordinate their services and investments.

Agency Business Plans: Two-year plans are updated annually to implement planned services, programs, and initiatives to ensure projects are delivered on scope, schedule and budget, as identified in the long range transit plan and six-year transit development plan.

Annual Budget: Strategic allocation of resources that fund the business plan for the coming year. The 2020 budget is balanced, financially sustainable, funds reserves at target levels, and is buffered against the effects of an economic downturn.

2019 Highlights and Accomplishments



Swift Green Line on Opening Day

- Launched the [Swift Green Line](#) in March of 2019, ahead of schedule, on scope and under budget.
 - The Green Line runs between the new Seaway Transit Center (across from Boeing) and Canyon Park Park & Ride, serving the communities of south Everett, Mill Creek, and Bothell as well as Paine Field in Everett. The Green Line connects with the *Swift* Blue Line at Highway 99 and Airport Road, creating the first high capacity rapid transit network within Snohomish County.
 - Within just a few months, the Green Line ridership has grown 20 percent to become the 2nd most popular route in the Community Transit system, averaging approximately 2,000 boardings per weekday. Total ridership along the corridor (including Green Line and other fixed routes) has doubled since the launch of the Green Line.
 - In March, the Women's Transportation Seminar (WTS) presented the Green Line with the [Innovative Transportation Solutions Award](#), recognizing it as an

“exceptional project advancing transportation.” The group honors projects with women in key leadership positions.

- In August, the Puget Sound Regional Council (PSRC) [honored the Green Line with its Vision 2040 Award](#). According to the PSRC, the award recognizes innovative projects and programs that help ensure a sustainable future as the region grows.
- Throughout the year, hosted members of Congress, local leaders and the Federal Transit Administration (FTA) Acting Administrator K. Jane Williams and FTA staff from Washington, D.C. and Seattle.

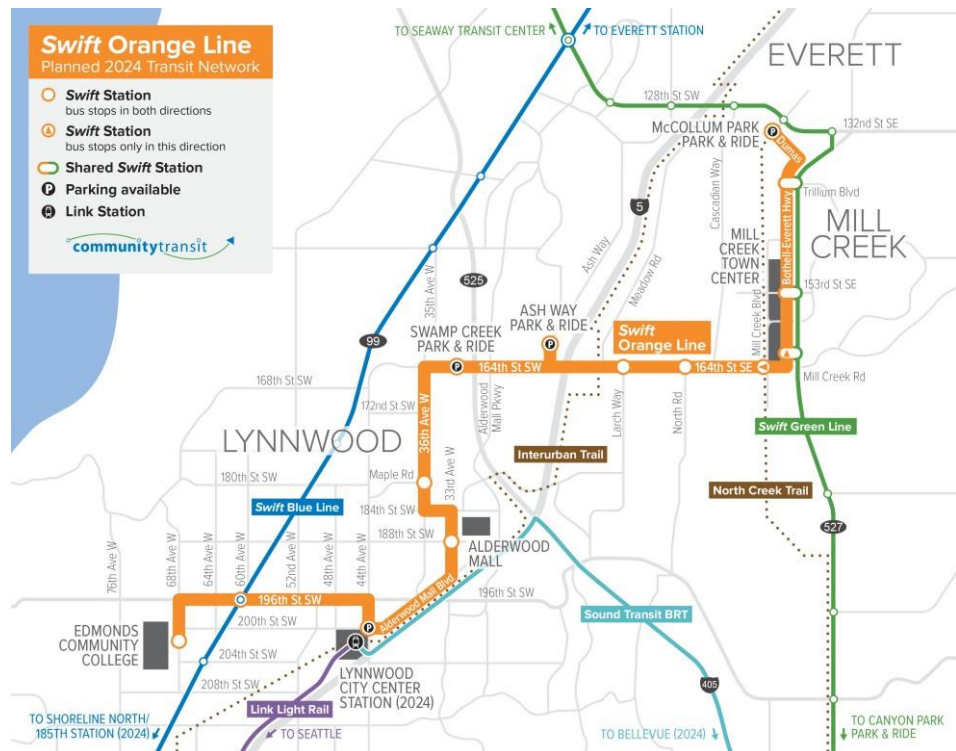


Visit with Congresswoman Suzan DelBene in September

- Opened the Seaway Transit Center as the

northern terminus for our *Swift* Green Line. This station provides a new option for Boeing employees who work at the nearby Boeing facility. As such, the Transit Center provides a connection to Boeing’s employee shuttle service and also serves as a regional hub for Everett Transit, King County Metro and Sound Transit.

- Began the project development phase of the third *Swift* line, the Orange Line. When it opens in 2024, the Orange Line will travel from Edmonds Community College (ECC) to McCollum Park, providing a vital connection to the initial northern terminus of Sound Transit’s Link light rail line at Lynnwood. It will also tie together



Community Transit's two other BRT lines, the *Swift* Blue Line and the *Swift* Green Line, and Sound Transit's upcoming I-405 BRT line. In August, at 30 percent design, Community Transit submitted for an FTA Capital Investment Grant (CIG) Small Starts rating for the Orange Line project.

- Continued to expand other fixed route service to meet community needs, adding more than 6,000 hours of directly operated bus service in addition to the nearly 40,000 hours of new service through the *Swift* Green Line. Fall service changes included additional *Swift* BRT trips early mornings and Saturdays, longer Sunday service hours, and better transit connections to improve the journey for riders.
- Continued to invest in successful vanpool program and with more than 400 vans in our vanpool fleet, we have more vans on the road than ever in our history. Customers continue to provide positive feedback, with nine out of 10 customers stating in a survey this year that they are extremely satisfied with the service, find it easy to use, and would recommend it to others.
- Launched updated real-time customer information tools, including an electronic rider alert system to give bus riders more timely information about service delays.
- Implemented a new Customer Connections comment software system that allows us to more effectively respond to customer feedback and also capture and address any trends in the feedback. This process also helps the agency review and conduct root cause analysis and communicate back to customers for further feedback or to let them know when issues are resolved.
- Maintained our commitment to comprehensive, system wide services and technology that keep customers and employees safe and secure. This included a complete update of the security and emergency preparedness plan.
- In partnership with Everett Transit and Washington Department of Social and Health Services (DSHS), Community Transit began offering a low-income bus fare ([ORCA LIFT](#)) to eligible Snohomish County residents. This lower fare option provides increased community access to Community Transit services and is a critical step forward in ensuring all people in Snohomish County have the ability to use transit to get to work, school, appointments or other destinations. The card provides additional regional access as it is also valid for reduced fare on King County Metro, Seattle Streetcar, King County Water Taxi, Kitsap Transit (bus, Foot Ferry and Fast Ferry), and Sound Transit (Link, ST Express and Sounder).



- Continued to support the community through our popular [Van GO program](#), granting ten retired Community Transit vans to ten local non-profit organizations to help further meet the local demand for transportation. Collectively, the vehicles will provide 42,000 annual trips for youth, survivors of domestic violence, seniors and others who will benefit from the important work carried out by the local non-profits.



Mukilteo Boys & Girls Club plans to use awarded van to transport kids to and from school and summer programs

- Finalized our Facility Master Plan that will allow Community Transit to effectively support the ongoing growth of services. The plan includes modernization and expansion our operations, maintenance, and office spaces. This year, we also began the design of the first phase of this plan, the renovation of the Kasch Park Casino Road building.
- Maintained strong financial stewardship, as evidenced by earning the 24th consecutive clean audit from the Washington State Auditor's Office, earning the 28th consecutive Government Finance Officers Association (GFOA) award for excellence in financial reporting, and managing the 2018 budget to board-approved levels with reserves remaining funded at recommended levels to provide sustainability.
- Earned the Washington State Transit Insurance Pool (WSTIP) Star Safety Award (Large Agency Category) for the 2nd consecutive year and 3rd time in the past five years. The annual award recognizes WSTIP agency members that maintain impressive and stable safety records. Winners of this award are defined as consistently good performers in terms of auto liability losses to the organization.



2020 Priorities and Initiatives

Continuing to Expand Our High Capacity Transit Network

As we move forward with the planning of the *Swift* Orange Line, we are scheduled to complete the project development phase of the project in 2020. In addition to ongoing planning and collaboration with our jurisdictional partners, this will also include an environmental review

process and a focus on obtaining the federal Capital Investment Grant funding needed for the project.

In 2020, we will also conduct a scoping study for the planned 2024 *Swift* Blue Line extension, which will extend the Blue Line into King County to the planned Shoreline Sound Transit Link station at 185th and Interstate-5, providing a second direct *Swift*-Link connection in 2024 for Snohomish County residents and our King County neighbors.



Rendering of Planned Shoreline/185th Link Light Rail Station

Continued Service Expansion

In order to continue to meet the transportation needs of our community and as part of our commitment to the voters in our service area, we plan to add 18,000 hours of service in 2020 to our fixed route service.

Our vanpool program will also continue to grow as we add 15 more vans to our fleet in 2020. The program is researching options to begin transitioning the fleet to alternative fuel vehicles in coming years. Beginning in 2020, ten electric-hybrid vehicles will join the fleet.

In 2020, we will also launch a pilot program in Lynnwood that is designed to



assess transportation needs within the city of Lynnwood and identify potential new services or enhancements to existing services. This program will incorporate feedback from the city, from community members and from our customers.

Coordination with Sound Transit and Other Regional Partners

As Sound Transit plans for the opening of its Northgate Link light rail station in 2021, we are continuing work with Sound Transit and King County Metro to explore options for providing University of Washington and downtown Seattle commuters with light rail access at Northgate when the station opens. Within the next year, we will work to develop service proposals for September 2020 and March 2021 that will consider possible integration with our commuter bus service and Northgate light rail connections. Any changes will include a public outreach process and Board approval.

We have also begun work with Sound Transit, the Washington State Department of Transportation, and the cities of Mountlake Terrace and Lynnwood to continue to develop outreach plans for informing customers about impacts of Link light rail construction at the Lynnwood and Mountlake Terrace Transit centers. This is very exciting for Snohomish County and for Community Transit, as we develop plans to connect customers to light rail. Construction began in 2019 and we are working with Sound Transit and local cities to keep riders informed on how to best use our service during this time. Our goal is to continue to provide excellent service throughout this construction period and to minimize the impact to our customers as much as possible.



Lynnwood Light Rail groundbreaking event in September

Continued Focus on Customer Experience

This year, we will continue to focus on opportunities to improve the experience of our customers, including ongoing advances in real-time service alerts as well as improvements in our website.

We are also focused on expanding customer engagement in major projects through more feedback and research, including investing in online open houses that will provide customers and the community with an easier method for providing public comment. We believe this will increase the amount of feedback we receive and therefore allow us to make more informed decisions in order to best meet customer needs and expectations.

We will also launch a ridership marketing campaign which will help drive brand and awareness, encourage Snohomish County resident to try different transportation options, target promotions based on location, audience and specific service to connect customers with services that best meet their needs.

Ensuring a Positive Employee Experience

As we have grown considerably over the past couple of years in both service and staff, we are committed to providing adequate workspace to support this ongoing growth. This includes modernization and expansion of our operations, maintenance, and office spaces. Design on the first phase of our base expansion began this year and will continue through 2020, with the first deliverables scheduled for completion around the end of 2021.

With an ongoing focus on ensuring we provide a welcoming and respectful work environment for all Community Transit employees, we also plan on initiating additional dialogue and awareness around equity and inclusion programs, implementing new workplace initiatives and trainings.

This year we will also focus on training program enhancements, including a redesign of our Coach Operator Academy and the development of online learning options for some of our maintenance and operations employees.

In summary, Community Transit is in a strong financial position to support continued growth in 2020 through increased service hours, some new critical employee hires, and several



high priority initiatives. While the growth rate will be more modest than last year, we will continue to expand, with a continuing focus on ensuring we retain and build on the quality of the programs and projects that are already funded.

It is a privilege to work with all of our employees and serve as CEO of Community Transit. All that we do is in service to our community. The 2020 budget reflects our continued focus on our customers, our community and our mission, to help people get from where they are to where they want to be.

Thank you for your continued support.

A handwritten signature in black ink that reads "Emmett Heath". The signature is written in a cursive, flowing style.

Chief Executive Officer
Community Transit

Executive Summary

This executive summary covers these topics:

- An introductory summary that provides a high-level overview of Community Transit's service plan, anticipated revenues and expenditures to support that service plan, the agency's capital program, and the agency's reserves.
- The 2020 service plan follows Community Transit's transit development plan. In the fall of 2019, the Board of Directors will adopt the 2019-2024 Transit Development Plan TDP). This plan documents agency goals and strategies for the current and the following five years, as well as provides a financial plan and projection for the agency.
- Budgeted revenue and the sources of that revenue.
- Budgeted expenditures to support operational needs, including service expansion and the capital program.
- The capital program Community Transit proposes to meet the demand for current and future services in the communities we serve.
- Community Transit's reserves and general financial status.

Summary of the 2020 Adopted Budget

	2018 Actual	2019 Amended Budget	2020 Budget	Change 2020 vs. 2019	
Operating Revenue	\$ 192,107,700	\$ 199,791,775	\$ 213,362,205	\$ 13,570,430	6.8%
Operating Expense	\$ 138,065,743	\$ 161,628,671	\$ 169,536,894	\$ 7,908,223	4.9%
Operating Margin¹	\$ 54,041,956	\$ 38,163,104	\$ 43,825,311	\$ 5,662,207	14.8%
Planned Service Hours ²	644,238	694,463	721,817	27,354	3.9%
Full-Time Equivalent Employees ³	758.5	839.5	845.5	6.0	0.7%
Other Funds					
Workers' Compensation	\$ 1,848,562	\$ 2,420,022	\$ 2,720,972	\$ 300,950	12.4%
Debt Service	\$ 1,432,837	\$ 1,428,000	\$ 1,432,000	\$ 4,000	0.3%
Capital Program					
Budget amounts include funds appropriated in prior years for projects that are still in progress.					
Capital Program ⁴	\$ 57,081,050	\$ 122,209,392	\$ 119,347,820		

¹ The operating margin funds workers' compensation, debt service, the capital program, and reserves.

² Service hours do not include Sound Transit.

³ Full-Time Equivalent (FTE) employee counts for all years, including 2018, are authorized FTEs.

⁴ The capital program varies from year to year based on service needs, projects in progress, and available funding.

Overview

The adopted 2020 budget is a balanced budget. Revenues exceed expenditures, and all reserves are fully funded. Total 2020 budgeted operating revenues equal \$213.4 million. Total 2019 budgeted operating expenditures equal \$169.5 million. Interfund transfers of \$17.6 million fund capital projects, reserves, workers' compensation, and debt service.

Service Plan

The 2020 budget reflects the effect of adding 18,000 annual hours in March and September 2020, plus the annualized effect of 2019 service additions. The spring 2020 service change focuses on schedule improvements that improve customer connections, as well as new routes to serve high demand areas.

The September 2020 service change will restructure several routes to provide better connections between the *Swift* Green Line and surrounding neighborhoods. It will also add new routes to south Snohomish County where there is significant transit demand but no close bus stops, as well as add additional trips to routes requiring more frequent service. Total bus and paratransit service hours, a primary measure of Community Transit's business activity, will grow at about 5.4 percent over 2019 budgeted service hours. Discussion of the 2020 service plan continues in the Service Plan section.

Operating Revenues

Sales tax is Community Transit's main source of revenue. Sales tax revenue is projected to grow by 5.4 percent, roughly \$7.9 million, from the 2019 budget to the 2020 budget and by 4 percent over 2019 forecasted sales tax revenue. The major factors affecting sales tax revenue are the ongoing economic and population growth in Snohomish County, as well as construction in the county.

Overall, revenues will grow at 6.8 percent. Sales tax revenues drive this increase, along with the inclusion of a regional mobility operating grant and increased investment income. The Revenue section of this notebook contains more information about revenue assumptions and sources.

Operating Expenditures

Overall operating expenditures are budgeted to grow at about 4.9 percent from the 2019 budget. Salaries and wages are set to increase by about 7.8 percent as compared to the 2019 amended budget. Benefits will increase by 7.4 percent. While some of the benefits increase can be attributed to rate changes, a larger portion of that increase can be attributed to the growth in employee count, especially coach operators, to support continuing agency expansion.

Community Transit's diesel fuel costs have decreased slightly, averaging about \$2.25 per gallon in 2018, and just over \$2.00 per gallon year to date through late summer 2019. Market projections assume moderate increases in 2020. The 2020 budget projects \$2.25 per gallon for diesel fuel, compared with \$2.60 per gallon in the 2019 budget. Mileage driven will also increase, by 7.4 percent for directly operated buses (1.4% for contracted commuter miles). Therefore, fuel utilization will increase, but the lower budgeted cost per gallon means that the diesel fuel budget will decrease year over year, by 12.8%. Discussion of budgeted operating expenditures continues in the Expenses section of this document.

The cost per service hour is determined by dividing operating expenditures by the hours of service provided (workers' compensation, insurance, and pass-through expenditures are excluded from the calculation). We project the 2020 cost per service hour to increase by about 2.3 percent, which exceeds the TDP assumption of 3.3 percent. Sound Transit hours and estimated costs and hours are not included in the cost per service hour calculation. This is because Sound Transit's service hours are not considered to be Community Transit's service and are reported separately to the Federal Transit Administration on the National Transit Database report.

Capital Program

New 2020 capital projects total \$73.9 million for 10 new projects, additional funding for several existing projects, and various minor capital requests. The total capital budget for 2020, including new and carryover projects, amounts to \$119.3 million. The largest projects requiring



new or additional funding planned for 2020 are the Facilities Master Plan Phases 1 and 2, at a total of \$39.6 million. Additionally, three coach purchases are planned for 2020: the purchase of forty-foot expansion and replacement coaches, as well as the purchase of sixty foot coaches. Notable new technology projects include the Base Map Implementation project, and implementation of DriveCam, a cloud-based application that allows for

the recording of critical activities to improve driver outcomes. Continued work will occur on the wireless communications project, a passenger information control system, next generation ORCA, and planning for the *Swift* Orange Line. Discussion of the 2020 budgeted capital program continues in the Capital Program section.

Reserves and Cash Balance

The 2020 budget fully funds all reserves and provides a margin to fund future growth. Community Transit's budgeted reserves follow agency policy for maintaining adequate

reserves. Discussion of reserves and the budgeted cash balance continues in the Cash and Reserves section.

Capital Facilities Preservation and Expansion

As of 2019, Community Transit has surpassed its pre-recession service levels and staffing. Service and fleet expansion have begun to stretch the capacity of maintenance bays, bus parking, and operational support space. Community Transit has reserved \$70 million dollars in the Facilities and Technology Expansion Fund for this multi-year, multi-phase expansion and for the renovation of current facilities. Phase I for this project, which began in 2019, designs and renovates an existing building to accommodate the agency's administrative functions. Phase II begins in 2020 and will renovate the Merrill Creek Administration building to house transportation employees. Future base-related renovations will be included in Phases III and IV.



The 2020 capital budget programs \$4.6 million for various passenger facilities and amenities including *Swift* Orange Line development and repairs and renovations at the Edmonds Transit Center.

Service Plan

The 2019-2024 Transit Development Plan was adopted by the Board of Directors in the fall of 2019. The plan summarizes accomplishments from the past calendar year, documents agency goals and strategies for the current and following five years, identifies needed resources and provides a financial overview and plan. The 2019 TDP provides a summary of activities and accomplishments for 2018 and outlines goals and strategies for 2019-2024.

Over the next six years, the agency will focus on providing easy access and connectivity to Link light rail, and innovating to improve products and services that make travel easy and safe for all. With increasing growth, development and traffic in Snohomish County, as well as emergence of new technology and mobility options, our community's travel needs are changing. The agency will continue its research and development processes to develop new and flexible transportation options to connect communities in new ways, providing services that will both integrate and provide alternatives to bus, BRT and light rail.

Community Transit is using two important strategies to deliver on its priorities:

- Investing in the employee experience
- Modernizing and expanding our base facilities to support growth

Community Transit is continuing to fulfill Proposition 1 promises. The 2020 service plan increases total directly operated hours of service by 18,000 hours. The 2020 budgeted service hours include the full annual effect of the *Swift* Green Line, which was implemented in March of 2019. In March of 2020, the service change will focus on schedule improvements to improve customer connections between routes, as well as add new trips on routes with a high demand and limited capacity.

The September 2020 service change prioritizes the restructuring of local routes along SR 527, SR 96 and Airport Road to better complement the *Swift* Green Line to connect *Swift* with the surrounding neighborhoods. It also may add new routes in areas of south Snohomish County with significant



transit demand and new trips on routes where higher ridership warrants increased frequency.

Future service expansions focus on building out the *Swift* Networks, designing an express commuter network to serve Lynnwood and Mountlake Terrace when Link light rail opens in Lynnwood, and continue to expand and improve local routes.

Summary of 2020 Service Hours by Service Mode

	<i>2018 Actual</i>	<i>2019 Projected</i>	<i>2020 Budget</i>	<i>Change 2020 vs. 2019</i>	
Directly Operated	362,974	405,902	429,138	23,236	5.7%
Contracted Commuter	49,390	51,508	51,886	378	0.7%
Paratransit	87,522	88,000	89,000	1,000	1.1%
Subtotal	499,886	545,410	570,024	24,614	4.5%
Vanpool	144,352	149,053	151,793	2,740	1.8%
Subtotal, CT Operated	644,238	694,463	721,817	27,354	3.9%
Sound Transit	99,540	103,019	100,871	(2,148)	-2.1%
Total	743,778	797,482	822,688	25,206	3.2%

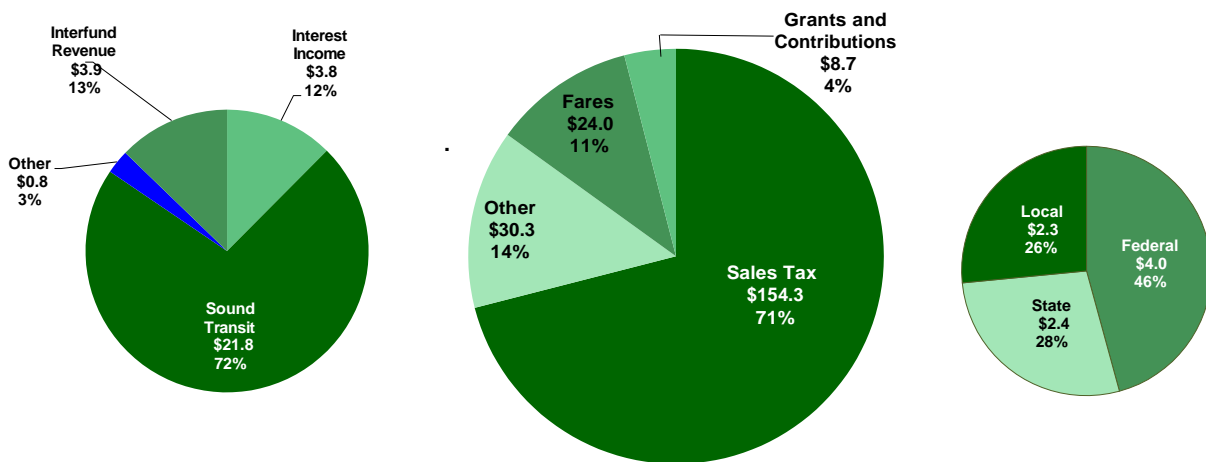
For more information on Community Transit's service for 2019 and beyond, please review the [2019 - 2024 Transit Development Plan](#).

Revenues

Retail sales tax in the amount of 1.2 percent on retail sales made within Community Transit's public transportation benefit area in Snohomish County funds the greatest share of Community Transit's operations. Other sources of revenue include fares and contributions from federal, state, and local governmental entities. In addition, the agency earns income from a contract with Sound Transit and from miscellaneous sources such as bus advertising, sale of surplus equipment, and interest earned on investments.

Major Sources of General Fund Revenue – Operating and Non-Operating

\$217.2 (in millions)



Revenue Type by Category

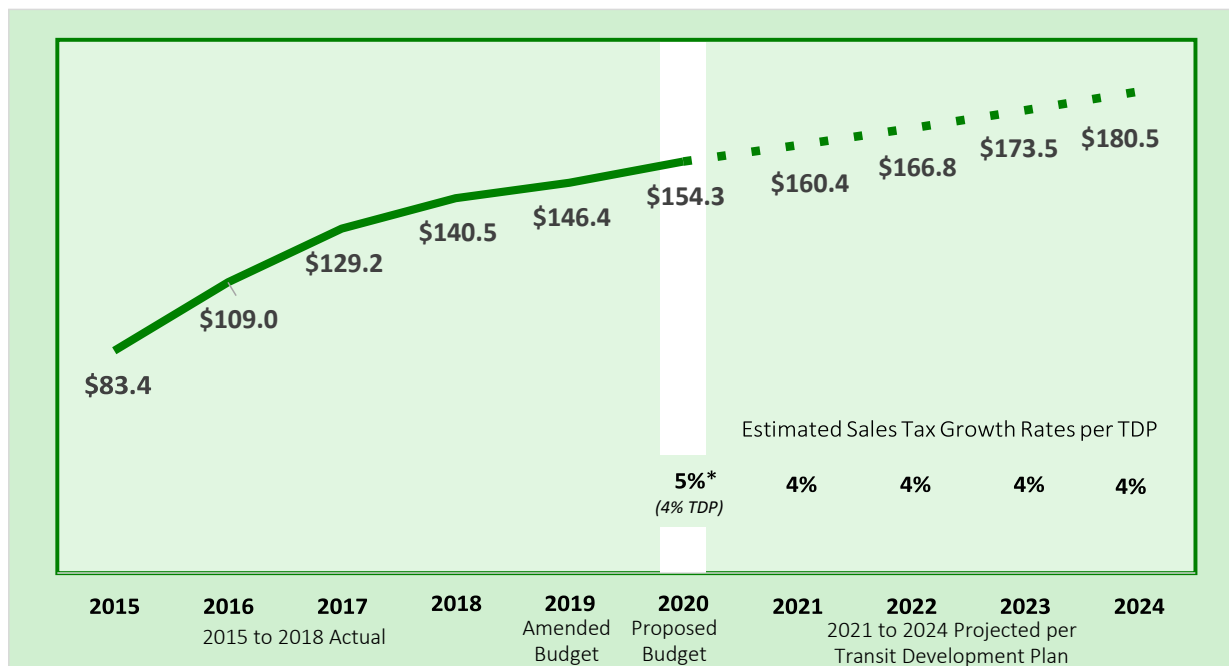
Revenue Type	2018 Actual	2019 Amended Budget	2020 Budget	Change 2020 vs. 2019	
				Dollars	Percent
Sales Tax	\$ 140,501,521	\$ 146,364,000	\$ 154,260,000	\$ 7,896,000	5.4%
Fares	22,399,353	22,982,000	23,982,000	1,000,000	4.4%
Sound Transit Commuter Service	18,971,605	21,202,273	21,822,876	620,603	2.9%
Federal, State, and Local Grants and Contributions	5,686,823	6,680,400	8,706,894	2,026,494	30.3%
Miscellaneous Revenues	4,548,399	2,563,102	4,590,435	2,027,333	79.1%
Total: Operating Revenues	\$ 192,107,700	\$ 199,791,775	\$ 213,362,205	\$ 13,570,430	6.8%
Interfund Transfers	3,025,557	4,789,925	3,868,330	(921,595)	-19.2%
Total Revenues	\$ 195,133,256	\$ 204,581,700	\$ 217,230,535	\$ 12,648,835	6.2%

Sales Tax

Community Transit receives the largest portion of its funding from local retail sales tax—about 72.3 percent of its total operating revenues (71.0 percent of total revenues). The 2020 adopted budget exceeds 2019 amended budget sales tax collections by 7.9 million, or 5.4 percent. Retail sales tax in 2019 is growing at a faster rate than the budget originally projected; therefore, the forecast for 2019 sales tax is higher than budget. The sales tax growth rate forecasted in the transit development plan for 2019 is 5 percent, but the actual growth rate was 6.2 percent through August 2019. A growth rate of 4 percent is projected for 2020 and beyond.

Sales Tax: Historical Perspective and Future Forecast

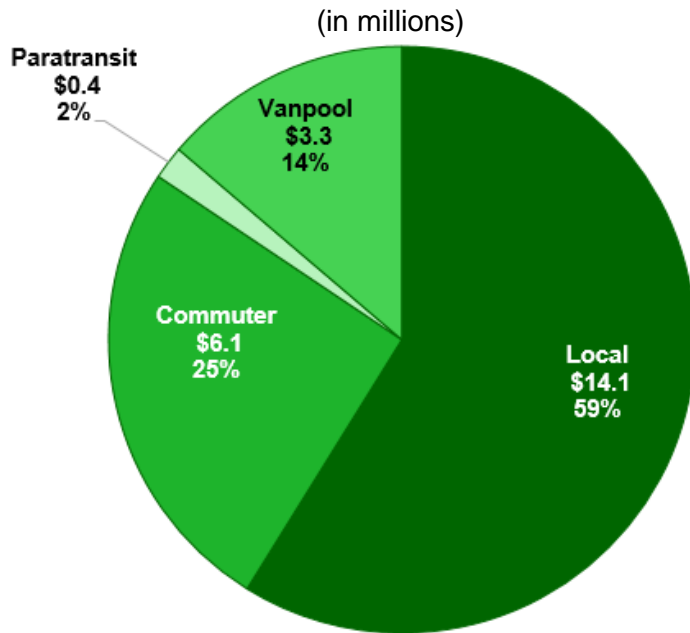
(in millions)



Fares

Community Transit estimates that 2020 fare revenue will total \$24 million. This represents modest growth (\$1 million) over forecasted and budgeted 2019 fare revenues of \$23 million.

Relative Share of Fare Revenue by Service Mode

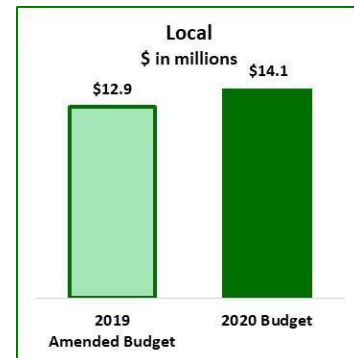


Fares equal about 11.2 percent of Community Transit's operating revenues.

Growth in fare revenues from the 2019 forecasted fares to the 2020 budget results primarily from ridership increases associated with higher transit service levels, as well as a modest fare increase that occurred October 1, 2018. The ongoing relatively low and stable cost of gasoline is believed to be a significant contributor to lower ridership growth. In 2020, gas prices are not expected to increase more than modestly.

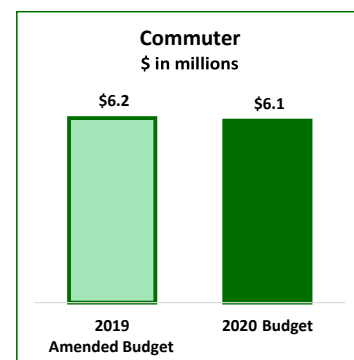
Local Directly Operated Fixed-Route Fares

The 2020 budget assumes that local fares will exceed the 2019 amended budget by \$1.3 million. The full annual effect of new service such as the *Swift* Green Line is expected to contribute to this increase.



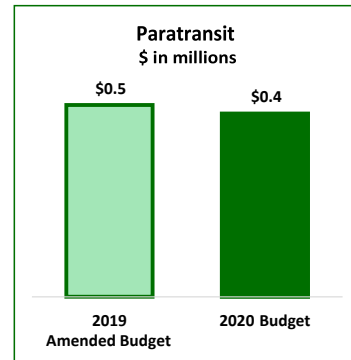
Commuter Fares

Community Transit expects 2020 contracted commuter fare revenues to decrease very slightly as compared to the 2019 amended budget, but will still exceed the current 2019 forecasted commuter fares by \$60,000. Fares in this category are in a plateau or slight decline, after steady increases that occurred over the previous five years.



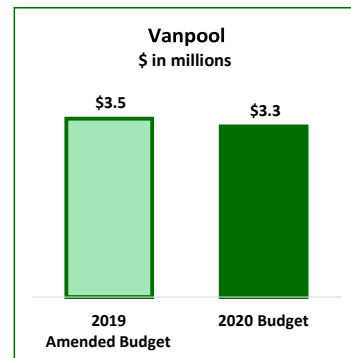
Paratransit

Paratransit 2020 budgeted revenue of \$440,000 represents a decrease of about 4.4 percent compared to the 2019 amended budget, but a slight increase compared to the forecast. Paratransit service hours for 2020 are projected to be 1,000 hours lower than those budgeted, but 1,000 hours higher than what is currently being projected for 2019.



Vanpool Fares

Vanpool 2020 fare revenue is budgeted at \$3.3 million, which reflects almost 152,000 budgeted hours of vanpool service. After remaining relatively flat for several years, vanpool fares have increased during the 2018-2019 timeframe. The 2020 budget for vanpool fares reflects a 3.6 percent increase from the 2019 forecast, though it is slightly lower than the 2019 amended budget for vanpool fare revenues.



Ticket Agent Commissions

Ticket agent commissions, which are paid to retailers who sell ORCA products to the general public, consist of a 2 percent commission for those products sold. As of 2019, ticket agent commissions have been included as an expenditure in the financial statements, rather than as an offset to fare revenues. This reflects a change in accounting practice recommended by the State Auditor.

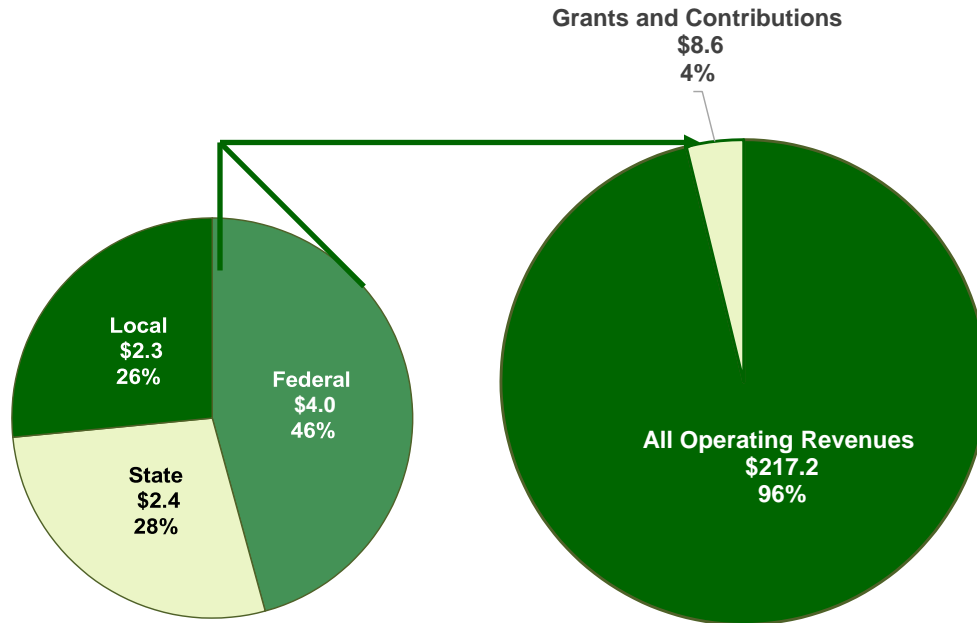
Sound Transit

Sound Transit contracts with Community Transit to deliver commuter services that start in Snohomish County and transport commuters to their jobs in King County. Community Transit expects 2020 contracted commuter service revenues to increase from 2019 levels by \$0.6 million, or about 2.9 percent. Contract rates drive this increase partly, and budgeted service hours for 2020 are increasing only slightly as compared with 2019 budget (3.5 percent). The operating contract between Sound Transit and Community Transit is cost-neutral because Sound Transit reimburses Community Transit for the agreed upon service hours based on actual expenses.

Operating Grants and Contributions

Relative Share of Operating Grants

(in millions)

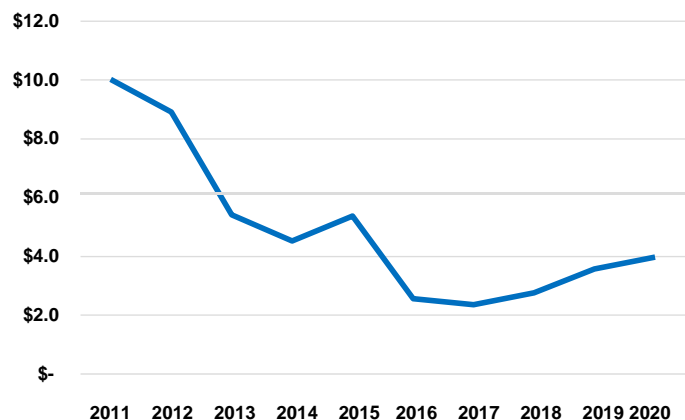


Federal Grants

Federal Transit Administration (FTA) grant rules allow grantees to use grant funds for vehicle maintenance and paratransit service and to identify which portions of their grant funds they choose to use for such purposes. During the Great Recession, Community Transit shifted most federal grant funds into operations for use in maintenance and paratransit service to avoid further service cuts. Once the recession ended, Community Transit began shifting its federal funds into the capital program to fund bus replacements and other needs that were delayed by the recession.

Operating revenues for 2020 include \$4.0 million in FTA grants, \$3.0 million of which are for Marysville urbanized area operating and preventative maintenance grant funds, and \$1 million is a Congestion Mitigation and Air Quality operating grant for a partial year of *Swift Green Line* operations.

Federal Grant Funds Used for Operations (in millions)



State Grants and Contributions

In 2020, Community Transit will receive a Regional Mobility grant from the State of Washington in the amount of \$1.5 million, which is new to the agency and supports operation of the *Swift* Green Line. In addition, Community Transit will continue to receive a special needs grant from the State of Washington in the amount of \$820,000, as well as a Commute Trip Reduction/Transportation Demand Management grant of \$126,000. Total contributions from the state total about \$2.4 million and make up 1.1 percent of Community Transit's operating revenues.

Local and County Contributions

In recognition of the value the *Swift* Blue Line brings, the City of Everett signed a partnership agreement with Community Transit in December 2007 whereby Everett contributes one-half of 1 percent of Everett's retail sales tax revenue to Community Transit. The 2020 budget includes \$1.7 million from this revenue source. In addition, Community Transit will receive funds from the City of Everett to handle Everett Transit's information phone calls and paratransit eligibility checks. Snohomish County transportation demand management funding will be \$200,000 in 2020, down by \$150,000 from the previous year's budget.

Miscellaneous Revenues

Interest Income

Community Transit invests the portion of its funds not needed immediately for operations or cash flow in the Washington State Treasurer's Local Government Investment Pool (LGIP). The LGIP is a voluntary investment vehicle operated by the State Treasurer. The pool was started in 1986 to provide safe, liquid, and competitive investment options for local governments pursuant to RCW 43.250. The LGIP allows local governments to use the state Treasurer's program to safely invest their funds while utilizing the economies of scale. During fiscal year 2018, the average balance in the LGIP's portfolio was \$13.3 million, maintained by 614 participants.

While the LGIP is a very safe, very liquid way to invest, the rate of return for funds invested in the LGIP has historically been quite low, though it has continued to increase in 2018 and 2019 from the previous years. As the Federal Reserve's monetary policy has shifted, the pool's yield has averaged about 2.3 percent, compared with 1.4 percent in the prior year and less than 1 percent in the previous eight years.

During 2016, Community Transit staff completed an extensive update of the agency's internal investment policy. In late 2016, staff implemented a new program to allow for a modest amount of safe investing outside the LGIP as allowed by RCW 39.59 and RCW 43.84.

As a result of both the new investment program and higher interest rates earned on conservative, shorter-term investments, Community Transit has seen a very significant increase in investment interest, particularly during 2019. At mid-year 2019, Community Transit's investment interest income has already exceeded the budget by \$734,000, or 40 percent. The 2020 investment income budget anticipates earnings of \$3.8 million, which is lower than the 2019 forecast, but considerably higher—\$1.9 million more—than the 2019 amended budget. The Federal Reserve anticipates additional rate decreases, and thus we anticipate Community Transit investments yielding a slightly more modest rate of return in 2020.

Advertising

Community Transit expects to receive about \$320,000 in advertising revenues for 2020. This is relatively unchanged from the previous years' advertising revenues (\$3,000 decrease, or 1 percent). Two years ago, Community Transit entered into a new contract and has changed elements of its advertising program related to policy and business decisions, including discontinuation of advertising via bus wraps. As a result, advertising revenue has decreased from what it was in 2018 and prior years.

Miscellaneous

The 2020 budget for other miscellaneous revenues totals \$484,000 and includes the sale of ORCA fare cards, warranty claims from bus manufacturers, annual RideStore sales of passenger amenities, bike locker fees, purchase card rebates, surplus equipment sales, and insurance recoveries. In 2019, miscellaneous revenues are projected to be considerably higher, at \$731,000. This is due primarily to the sale of surplus vehicles in excess of what usually occurs in a typical year, as well as higher warranty repair reimbursements that are one time occurrences in 2019.

Interfund Transfers

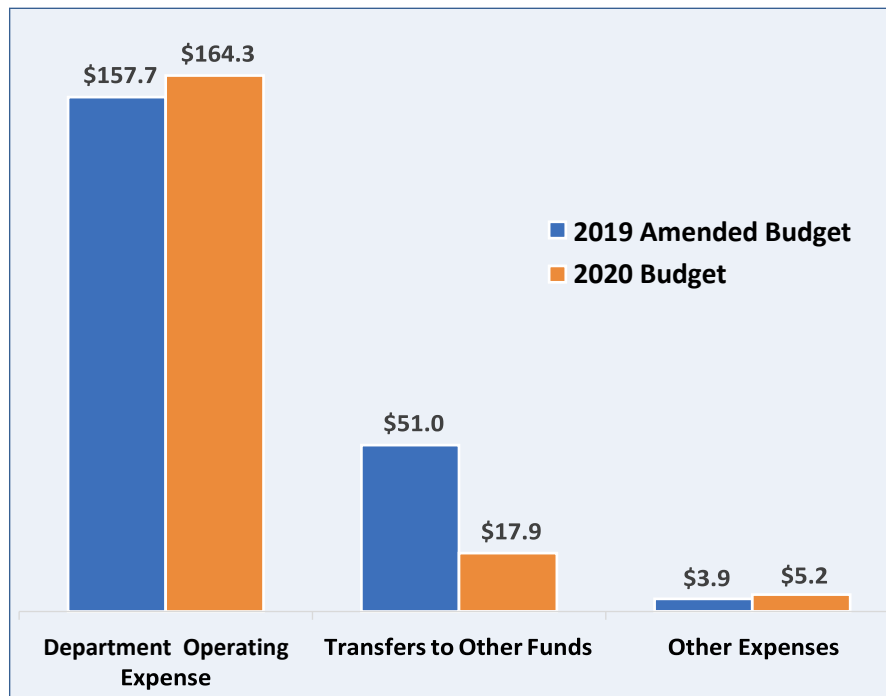
The 2020 budget includes an interfund transfers in the amounts of \$2 million and \$1.9 million, respectively, from Funds 45 and 46, the FTA Capital Projects fund and the Local Capital Projects fund. Both are related to funds returned from completed projects.

Expenses

The 2020 budget of \$187.4 million includes both operating and nonoperating expenses. Operating expenses consist of costs incurred by Community Transit departments, fuel, insurance, and cost pools for salary/wage adjustments and professional services. Cost increases reflect the full year of service changes put in place in 2019 as well as those planned for March and September of 2020. Nonoperating expenses consist of interfund cash transfers to capital funds, workers' compensation, and debt service.

The following chart shows 2020 adopted general fund expenses distributed by major operating cost category, with transfers and other expenses such as insurance and cost pools shown separately.

2020 General Fund Expense by Category
\$187.4 (in millions)



Operating Expenses

The adopted 2020 operating budget of \$169.5 million includes all department-related operating expenses (\$155.7 million) plus insurance costs, fuel, and the salary and professional services pools (\$13.8 million). The 2020 budget proposal represents an increase of \$7.9 million, or 4.9 percent, as compared to operating expenses in the 2019 amended budget.

Wages and Benefits

Wages and benefits increased by \$7.0 million, or 7.4 percent, as compared to the 2019 budget. This increase includes the cost of additional staff, as well as a small increase in the cost of medical benefits. It also carries forward wage increases negotiated in Community Transit's bargaining agreements.

This year Community Transit has planned a total net increase of 6 positions (16 new positions and 3 converted from term-limited, with 10 term-limited positions ending, for a net addition of 6), which are required to keep up with operational requirements. Most of the new positions directly support increasing service: the majority of the new positions—10 additions are coach operator positions, 4 positions either service vehicles or support coach operators directly, 3 staff provide training, and the remaining 2 positions support technology initiatives.

Department Staffing Summary

The following table shows the FTE count in 2019 and as adopted for 2020.

	<i>2018 Authorized</i>	<i>2019 Authorized</i>	<i>2020 Budget</i>	<i>Change 2020 vs. 2019</i>	
Board of Directors/Executive	5.5	5.5	5.5	0.0	0%
Administration	80.0	88.0	82.0	(6.0)	-7%
Communications and Public Affairs	7.0	9.0	9.0	0.0	0%
Customer Experience	48.0	53.0	53.0	0.0	0%
Information Technology	33.0	36.0	34.0	(2.0)	-6%
Maintenance	119.0	127.0	129.0	2.0	2%
Planning and Development	35.0	36.0	36.0	0.0	0%
Transportation	431.0	485.0	497.0	12.0	2%
Total FTEs Authorized or Proposed	758.5	839.5	845.5	6.0	1%

FTEs Budgeted

- 10 Coach Operators (5 start in the March 1, 2020; 5 start September 1, 2020)
- 2 Vehicle Service Workers
- 1 Dispatcher
- 1 Transportation Supervisor
- 2 Coach Operator Instructors (term-limited conversions)
- 1 Digital Business Analyst
- 1 IT Senior Project Manager (term-limited conversion)
- 10 Positions ending or eliminated: 1 IT term-limited Project Assistant, 1 IT Architect, 1 term-limited TDM Outreach Specialist, 1 Organizational Development Specialist, 1 term-limited Coach Operator Lead, and 5 term-limited Coach Operator Instructors.

As a recipient of federal grant funds, Community Transit reports FTEs according to job content, as defined in the Federal Transit Administration's National Transit Database (NTD). The NTD report includes four job categories: operations, vehicle maintenance, facility maintenance, and administrative. This table shows Community Transit's job distribution according to NTD classification.

<i>NTD Classification 2020 Budget</i>	<i>10-Year Average</i>	<i>5-Year Average</i>	<i>Current Year Ratio</i>
Operations	64%	64%	64%
Vehicle Maintenance	13%	13%	13%
Facility Maintenance	3%	3%	3%
Administration	20%	20%	20%

Benefits Increase

The Washington State Public Employees Benefits Board employee medical insurance rates for 2020 will increase at an average rate of about 2.3 percent. Rates for the IAM Benefit Trust are anticipated to increase in mid-2020, with an estimated increase for 2020 averaging 3.5 percent. Benefits costs have also increased due to growth in FTEs.

Public Employees' Retirement System Retirement Contribution

The Public Employees' Retirement System (PERS) retirement contribution rates will nominally increase in the 2020 budget, related to a small increase that occurred in July 2019 (to 12.86 percent, from 12.83 percent). The remainder of the PERS cost increase in the 2020 budget relates to growth in employee count.

Purchased Transportation

Community Transit contracts with other service providers—Homage Senior Services and First Transit—to provide paratransit services and a significant portion of Community Transit's commuter bus service. The total purchased transportation costs will increase by about 2.8 percent in 2020 as compared to the 2019 amended budget. The increase results primarily from contractual increases, as paratransit and contracted commuter services are not increasing significantly in 2020.

Services

Overall, Community Transit's services expenses, including intergovernmental services, are flat in 2020 as compared to the 2019 amended budget. There have been some shifts between categories of expenses: contract maintenance, professional services, and software have all increased, and a new category has been created for software leases, which are mainly cloud-based software or software as a service. In general, Community Transit is not planning to spend more in 2020 to purchase services than in 2019.

Supplies

Agencywide, supplies, excluding diesel fuel, will increase by about \$220,000. Notable areas where increases are occurring include predominantly maintenance-oriented supplies such as parts (\$275,000), tires (\$50,000), and postage (\$51,000). Other supply category will decrease, such as maintenance supplies (-\$94,000) and minor equipment (-\$76,000). Budgets for gasoline for vanpool and support vehicles will decrease by \$402,000, related to adjustments in assumptions for fuel prices, and in the case of vanpool, fuel usage.

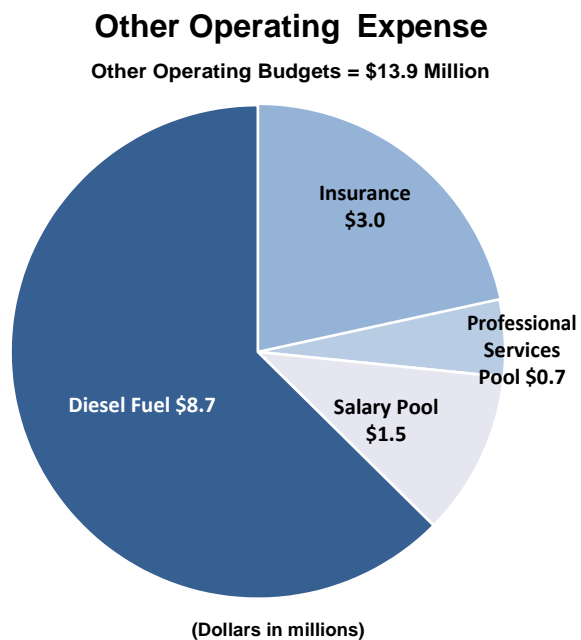
Other Operating Expense

The Other Operating Expense category includes diesel fuel, insurance, a salary pool, and a professional services pool.

Insurance

The 2020 insurance budget of just under \$3 million represents an increase of approximately 2.9 percent as compared to the 2019 amended budget of \$2.6 million. Forecasted insurance expense for 2019 is just under \$2.9 million. Community Transit anticipated higher annual premiums due to a combination of factors. More mileage was expected to be driven in 2019 for the Green Line Service increase, and we anticipated that a review by Community Transit's insurance agent of property coverage might drive an increase. While an increase did occur from 2018 to 2019, it was less than anticipated: about 12 percent instead of the projected 26 percent.

Community Transit's insurance, purchased through the Washington State Transit Insurance Pool, provides general liability coverage for the agency's vehicles and property, pollution liability, crime and fidelity, and other related coverages. Vehicle mileage, directly related to the number of service hours operated, drives a significant portion of this cost increase. Increased employee count—more coach operators and other employees to address the increase in service—also plays a role in the higher insurance cost.

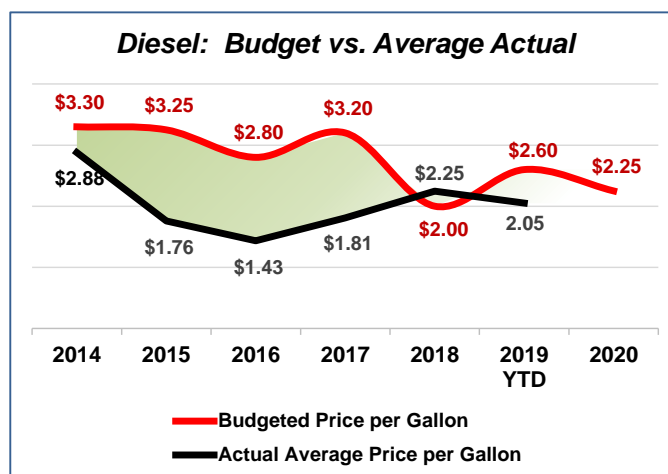


Diesel Fuel

The 2020 adopted budget for diesel fuel for coaches and other vehicles will decrease by 11 percent (\$1.1 million) as compared to the 2019 amended budget. Service hours have indeed increased and more gallons of fuel are projected to be purchased. However, fuel prices have been relatively stable during the current year, and Community Transit does not anticipate a significant increase in fuel in 2020. The 2020 budget anticipates a diesel cost per gallon of \$2.25 in 2020, down from a conservative estimate of \$2.60 in 2019. With actual fuel costs averaging just over \$2.00 per gallon year to date in 2019, the adopted budget, along with the designated fuel reserve in the general fund, provides a margin for fluctuations in fuel prices.

Employees in both Finance and Maintenance track the economy and the market for fuel, both locally and internationally. It appears that crude oil supplies remain relatively abundant and staff believe at this point that prices will remain relatively stable in 2020, though it depends on worldwide oil producers and global demand for oil.

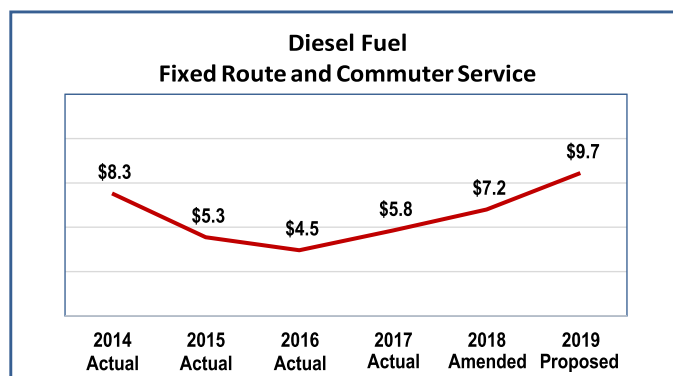
The decrease in budgeted fuel costs from 2019 to 2020 reflects the confidence staff has in the ability of the adopted \$2.25 per gallon plus the fuel reserve to protect Community Transit against unexpected changes in price. Should fuel prices rise unexpectedly, Community Transit continues to keep its \$5 million as a fuel reserve. With this additional reserve, Community Transit believes it will weather any diesel fuel price fluctuations that occur in 2020 and beyond.



Salary Pool

The salary pool funds anticipated employee salary adjustments, including increases to the administrative employee pay plan and any union contract settlements pending during the year, as well as associated payroll taxes, Public Employees' Retirement System, and other benefits. The salary pool also funds the voluntary paid time-off payout program for all employees.

The 2020 salary pool budget includes modest amounts for various labor contract settlements that may occur during the year, albeit much smaller than



the previous year's salary pool. In late 2018 and in 2019, several significant labor contracts were settled, which leads to a lower salary pool estimate. Additionally, in 2020, FTE counts are increasing only slightly, so the components of salary pool estimate related more closing to staff size will also increase only slightly.

Professional Services Cost Pool

Community Transit maintains a professional services cost pool as a contingency for unanticipated professional and other services needed during the year that could not be identified at the time the budget was prepared. Examples of items previously funded from the professional services cost pool include human resources consulting, legal costs, temporary staff to cover shortages, internal audits, and various consulting tasks, including a transportation services analysis and IT professional services.

The 2020 professional services cost pool is funded in the amount of \$689,500, up only slightly (\$6,500, or 1 percent) from the 2019 original professional services cost pool budget. The 2019 budget included a significant increase from the 2018 budget (\$238,000) and the pool is now budgeted at a level that will reasonably cover agency needs.

Interfund Transfers

Transfers to Fund 41, Replacement Reserve, Fund 42, Infrastructure Preservation Reserve, and Fund 48, Facilities and Technology Expansion, follow the plan for balances in the reserves as outlined in the 2019-2024 Transit Development Plan. During 2020, no additional transfers of funds are planned Fund 48, Facilities and Technology Expansion. The past three budgets have included funding to add to this reserve for Community Transit's Facilities Master Plan, to address future renovations and base expansion. These future improvements address base capacity associated with service expansion and agency growth.

Contributions to Fund 43, Workers' Compensation, cover usual, ongoing costs including workers' compensation claims and injury prevention efforts.

Transfers made to Fund 44 State Capital Projects, Fund 45, FTA Capital Projects, and Fund 46, Local Capital Projects, address local funding required to complete Community Transit's approved projects.

Community Transit's most recent limited sales tax general obligation bond issue occurred in June 2017. The transfer to Fund 50, Bond Debt Service, funds the principal and interest payments due in 2020 associated with that bond issue.

Interfund Transfers from the General Fund to Other Funds

	2018 Actual	2019 Amended Budget	2020 Budget	Change 2020 vs. 2019	
Fund 41: Replacement Reserve	\$ 859,854	\$ 4,950,000	\$ 6,026,971	\$ 1,076,971	21.8%
Fund 42: Infrastructure Preservation Reserve	15,957,918	6,724,884	-	(6,724,884)	-100.0%
Fund 43: Workers' Compensation	2,618,000	2,400,000	2,525,000	125,000	5.2%
Fund 44: State Capital Projects	-	-	254,353	254,353	-
Fund 45: FTA Capital Projects	11,379,995	4,686,216	271,485	(4,414,731)	-94.2%
Fund 46: Local Capital Projects	5,785,887	10,777,861	7,360,769	(3,417,092)	-31.7%
Fund 47: Bond Capital Projects	-	-	-	-	-
Fund 48: Facilities and Technology Expansion	14,784,000	20,000,000	-	(20,000,000)	-100.0%
Fund 50: Bond Debt Service	1,154,892	1,418,665	1,430,536	11,871	0.8%
Total Interfund Transfers from Fund 40, General Fund	\$ 52,540,546	\$ 50,957,626	\$ 17,869,114	\$ (33,088,512)	-64.9%

Fund 41—Replacement Reserve

The Replacement Reserve uses local revenues, primarily sales tax collections, to provide for support vehicles and for the locally funded match to grants for revenue vehicles.

Fund 41 Revenues

The adopted 2020 budget consists of \$15,000 in proceeds from the sale of surplus vehicles and interfund transfers from the General Fund in the amount of \$6.0 million.

Fund 41 Expenditures

The \$2.7 million adopted 2020 budget includes the replacement of DART paratransit vehicles and vanpool vans. Bus replacements are accounted for in Fund 45, FTA Capital Projects, because much of the cost is covered by FTA grants. The local match for federal bus funding is accumulated in this fund and can then be transferred to Fund 45 when federal grant funds are awarded.

Fund 42—Infrastructure Preservation Reserve

Similar to the Replacement Reserve, this fund reserves a portion of local revenues, primarily sales tax collections, to accumulate funds for the needed repair and replacement of Community Transit's aging facilities and technology infrastructure.

Fund 42 Revenues

The 2020 budget proposes no interfund transfers from the General Fund to cover new projects and future reserves. Sufficient reserves exist to cover budgeted projects and still maintain the TDP-required reserve levels.

Fund 42 Expenditures

The adopted 2020 budget includes \$14.6 million in new and remaining carryover projects, including carryover of \$8.0 million to fund a wireless communications solution to replace the current radio system. The adopted budget also includes \$6.0 million to replace and repair the hoists at the Merrill Creek Operating Base and \$0.6 million for renovations and repairs.

Fund 43—Workers' Compensation

This fund was established in 1998 when Community Transit became self-insured to set aside funds for future claims. This fund contains workers' compensation claims, program administration, operation of the employee maintenance center, and ergonomic equipment. It also functions as a reserve to pay future workers' compensation claims and related costs.

Fund 43 Revenues

Adopted 2020 revenues include \$0.2 million of investment income and \$2.5 million in interfund transfers from the General Fund to cover annual workers' compensation program costs.

Fund 43 Expenditures

The 2020 adopted budget of \$2.7 million represents a 12 percent compared to the 2019 budget. 2019 workers comp claims expense (paid claims) are anticipated to be at least 37% higher than the 2018 claims expense. Other expenses, such professional, other and governmental services expense, which include actuarial costs and claims management, will be relatively flat in 2020. The 2020 workers' compensation claims budget was calculated by using estimated worker hours and the claims experience rates provided by Community Transit's actuary. After showing a downward trend over the past three years, Community Transit's claims may be shifting upward again. Much of this is attributable to the growing employee base.

State law requires that self-insured entities keep a minimum amount in reserve to pay current and future claims. Projected ending cash for the Workers' Compensation Fund is \$5.1 million, exceeding the state-required minimum and covering a 90 percent confidence level as recommended by Community Transit's actuary.

Fund 44—State Capital Projects

This fund includes capital projects paid for by State of Washington grants which require that Community Transit contribute a partial match. The local match is funded with transfers from other capital reserves or the General Fund.

Fund 44 Revenues

The adopted 2020 budget includes WA State grant fund of \$1 million and a local match of \$0.3 million to cover the purchase of vanpool vehicles.

Fund 44 Expenditures

The adopted 2020 budget of \$1.3 million provides for the purchase of 15 expansion and 22 replacement vanpool vans.

Fund 45—FTA Capital Projects

This fund includes capital projects paid for in part by FTA grants which require that Community Transit contribute a partial match. The local match is usually funded with transfers from other capital reserves or the General Fund.

Fund 45 Revenues

The adopted 2020 budget provides \$30.7 million in new and carryover FTA grant funds that cover the purchases of various Community Transit coaches as well as project development for the new *Swift Orange Line*. These grants are matched by local funds, most of which have been transferred previously and are included in the cash balance for fund 45.

Fund 45 Expenditures

The adopted 2020 budget of \$31.8 million consists predominantly of coach replacements and expansion purchases, and \$4.2 million is for the *Swift Orange Line* development.

Fund 46—Local Capital Projects

The Local Capital Projects Fund includes capital projects paid for with locally generated funds, including minor routine capital purchases and technology implementations. Projects in this fund are primarily funded with transfers from capital reserves or the General Fund. Starting in 2020, new State grant funded projects will no longer be budgeted in the Local Capital Projects fund, but instead will have a designated fund: Fund 44, the State Capital Projects fund.

Fund 46 Revenues

The adopted 2020 budget includes a transfer of \$7.4 million from the General to cover new projects.

Fund 46 Expenditures

The adopted 2020 budget includes \$14.2 million for a several projects, including 40-foot expansion coaches, additional funding for paratransit vehicles, and several technology projects. Also funded is a local project contingency and budgets for agency minor capital needs.

Fund 48—Facility and Technology Expansion

This fund was established to set aside reserves for future facility and technology expansion projects. Since its inception in 2005, the largest capital investments from this fund have included the Kasch Park Operating Base maintenance expansion, *Swift* stations, and transit technologies.

Fund 48 Revenues

No interfund transfers are being proposed from the General Fund to the Facilities and Technology Expansion Fund. The past three years' budgets including significant funding (\$70 million) to fund facilities renovations and base expansion.

Fund 48 Expenditures

The adopted 2020 budget of \$39.6 million funds the Facilities Master Plan Phases 1 and 2. As explained in the previous paragraph, a reserve was set aside for base expansion and renovations to existing facilities. The reserve balance maintained in fund 48 will be appropriated to cover project costs in 2020. Rollover projects include the next generation ORCA project and a passenger information control system, as well as a \$1.6 million set aside as a contingency reserve. \$28.3 million will continue to be held in reserve for the remaining costs associated with all phases of the Facilities Master Plan project.

Fund 50—Bond Debt Service

This fund provides annual principal and interest payments on outstanding bonds through interfund transfers from the General Fund.

Fund 50 Revenues

Adopted 2020 budget revenues include a transfer from the General Fund in the amount of \$1.4 million to cover debt service payments due on the 2017 limited sales tax general obligation bonds. Transfer amounts are prorated by month to ensure that funds are accumulated in advance of the February and August payments. Therefore, the ending cash balance of \$0.6 million is in preparation for debt service payments in 2020.

Fund 50 Expenditures

The adopted 2020 budget includes debt service on the 2017 limited sales tax general obligation bonds. The principal and interest payments due in 2020 equal \$1.4 million.

Cash and Reserves

Community Transit defines fund balance as modified working capital, in essence, cash and cash equivalents plus accrued revenues and less accrued expenses. Each fund maintains a level of reserves that meets or exceeds Community Transit's reserve policy (see Financial Policies section).

General Fund

The 2020 budget includes operating and nonoperating revenues of \$187.4 million which funds operating expenses of \$169.5 million for 823,000 hours of service and also contributes to the 2020 capital program. In addition, the budget fully funds the workers' compensation program at a level that meets or exceeds actuarial recommendations for claims coverage, funds the 2020 debt service requirement, and maintains all reserve balances at levels required by the Board-adopted transit development plan, internal policy, and any other statutory or contractual requirement.

	<u>\$ in Millions</u>
Beginning Cash	\$ 70.3
Total General Fund Revenue	\$ 213.4
Total Current Expenses and Obligations	(169.5)
Operating Margin	43.9
Transfer to Capital/Other Funds	(17.8)
Transfer from Capital/Other Funds	\$ 3.9
Ending Cash	\$ 100.2
Operating and Fuel Reserves	(30.1)
Reserves for Sustainability and Expansion	\$ 70.1

	2019 Forecast	2020 Budget
Projected Ending Cash Balance	\$ 70.3	\$ 100.2
Operating Expenses	\$ 158.1	\$ 169.5
Workers' Compensation Expense	<u>2.4</u>	<u>2.7</u>
Total Expense	160.5	172.2
Less: Sound Transit	<u>(21.2)</u>	<u>(21.8)</u>
Net Operating Expense Excluding Sound Transit	139.3	150.4
Two Months Operating Expense	(23.2)	(25.1)
Fuel Reserve	(5.0)	(5.0)
Cash/Working Capital in Excess of all Reserves	<u>\$ 42.1</u>	<u>\$ 70.1</u>

Summary of Cash Balances and Reserves by Fund

<i>Fund</i>	<i>Cash Balance \$ in Millions</i>
Operating Reserve	
Designated—Operating and Fuel Reserves ¹	\$ 30.1
Reserves for Sustainability/Expansion	70.1
Total Operating Reserve	\$ 100.2
Replacement Reserve	42.0
Infrastructure Preservation Reserve	17.1
Facilities and Technology Fund	28.3
Reserve for Base Capacity/Expansion	
Workers' Compensation	
Statutorily Restricted	\$ 2.1
Designated for Future Claims	3.0
Total Workers' Compensation	5.1
Bond Fund	0.6
<i>Total as of December 31, 2019</i>	<i>\$ 193.3</i>

¹ Includes two months operating cash flow reserve and \$5.0 million fuel reserve.

Activity and Cash Balances by Fund
Funds 40, 41, 42

<i>Fund</i>	<i>Amount (\$ in Millions)</i>	<i>Discussion</i>
40 - General Fund		
Beginning Cash Balance	\$ 70.3	
Revenues	213.4	
Interfund Transfers In	3.9	Return of unspent project funds and cash balance surplus for workers' compensation.
Expenditures	(169.5)	
Interfund Transfers Out	(17.9)	Funds capital projects, workers' compensation, and additions to capital reserves.
Ending Cash Balance	\$ 100.2	
41—Replacement Reserve		
Beginning Cash Balance	\$ 38.7	
Revenues	-	
Interfund Transfers In	6.0	Funds capital projects and reserves.
Expenditures	(2.7)	
Interfund Transfers Out	-	
Ending Cash Balance	\$ 42.0	
42 - Infrastructure Preservation Reserve		
Beginning Cash Balance	\$ 31.7	
Revenues	-	
Interfund Transfers In	-	Funds capital projects and reserves.
Expenditures	(14.6)	Significant project costs include wireless communications and MCOB hoist repair/replacements.
Interfund Transfers Out	-	
Ending Cash Balance	\$ 17.1	

Activity and Cash Balances by Fund
Funds 43, 44, 45

<i>Fund</i>	<i>Amount (\$ in Millions)</i>	<i>Discussion</i>
43 - Workers' Compensation Fund		
Beginning Cash Balance	\$ 5.1	
Revenues	0.2	
Interfund Transfers In	2.5	
Expenditures	(2.7)	Claims and administrative costs.
Interfund Transfers Out	-	
Ending Cash Balance	\$ 5.1	
44 - State Capital Projects Fund		
Beginning Cash Balance	\$ 0.0	
Revenues	1.0	State grant revenue.
Interfund Transfers In	0.3	Grant match from the general fund
Expenditures	(1.3)	Grant-supported van purchases.
Interfund Transfers Out	-	
Ending Cash Balance	\$ 0.0	
45 - FTA Capital Projects Fund		
Beginning Cash Balance	\$ 4.1	
Revenues	30.7	FTA grant revenues.
Interfund Transfers In	3.2	Funds capital projects.
Expenditures	(36.0)	Grant-supported coach purchases.
Interfund Transfers Out	(2.0)	
Ending Cash Balance	\$ 0.0	

Activity and Cash Balances by Fund
Funds 46, 48, 50

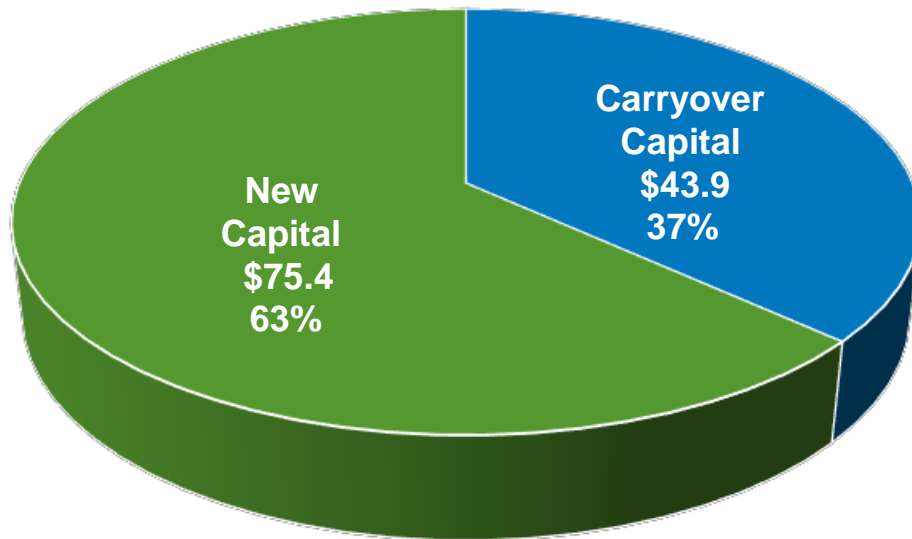
<i>Fund</i>	<i>Amount (\$ in Millions)</i>	<i>Discussion</i>
46 - Local Capital Projects Fund		
Beginning Cash Balance	\$ 11.5	
Revenues	-	
Interfund Transfers In	7.3	Funds capital projects
Expenditures	(14.1)	Funds a variety of local capital projects, including minor capital
Interfund Transfers Out	(4.7)	
Ending Cash Balance	\$ 0.0	
48 - Facilities and Technology Expansion Fund		
Beginning Cash Balance	\$ 78.9	
Revenues	-	
Interfund Transfers In	-	
Expenditures	(50.6)	Facilities Master Plan project, ngORCA project
Interfund Transfers Out	-	
Ending Cash Balance	\$ 28.3	Reserved for base expansion and renovations to current bases.
50 - Bond Debt Service Fund		
Beginning Cash Balance	\$ 0.6	
Revenues	-	
Interfund Transfers In	1.4	
Expenditures	(1.4)	Principal and interest on 2017 bond issue.
Interfund Transfers Out	-	
Ending Cash Balance	\$ 0.6	
Total at December 31, 2020	\$ 193.3	

Capital Program

Community Transit defines a capital asset as “property that is expected to generate value over a long period of time and form the productive base of an organization.” In terms of expense, agency policy categorizes purchases of single items costing \$5,000 or more per item as capital purchases. The 2020 capital program represents an investment of \$119.3 million and includes both new projects and multiyear projects started in prior years.

The travel needs of Snohomish County residents are evolving, as the population continues to grow, employment expands north, and traffic increases. Emerging new technology and new mobility options are also driving demand and expectations. One focus of Community Transit’s capital program will be to develop solutions that will allow travelers to access to Link light rail, which will come to South Snohomish County in 2024.

2020 Capital Program
\$119.3 (in millions)



Community Transit’s fleet consists of 40-foot, 60-foot, 62-foot bus rapid transit and double decker buses, as well as vanpool vans and paratransit vehicles. The agency makes replacement and expansion of its fleet a high priority. The average age of the fixed route bus fleet is about 7 years. Recent fleet innovations made by Community Transit include passive restraint systems for wheelchair users, on-board bicycle racks on the *Swift* bus rapid transit buses and the agency’s first fixed-route 40-foot diesel-electric hybrid buses.

The 2020 budget adds funding for the purchase of 12 forty-foot coaches, 16 sixty-foot coaches, 62 vanpool vans, and 13 DART paratransit replacement vehicles. This is in addition to revenue vehicle acquisitions carried over from the prior year.

Another continuing priority for Community Transit is modernizing and expanding its current base and other facilities to support agency growth. Community Transit has, in 2019, returned to its pre-recession levels of service, fleet size and employment. The *Swift* Green Line and other service expansions have stretched base capacity almost to the current limit in terms of bus parking and vehicle maintenance facilities. Future expansion will require more space for maintenance, bus parking, and operational support.

The 2019-2024 Transit Development Plan calls for a multi-phased and multi-year base expansion project that totals \$70 million. During the previous three budget cycles, \$70 million was set aside to provide funding to renovate the current operating bases. Community Transit values its employees and the employment experience. Expanding and modernizing the current facilities supports this principle by giving employees an environment that promotes operational excellence and allows employees to perform their jobs well.

New and Existing Initiatives

The 2020 budget includes funding for new and ongoing initiatives that increase Community Transit's effort to roll out a significant amount of new service in 2020 and beyond. This includes technology and other improvements that bring considerable value to the public. Other initiatives include projects and reserve funding intended to enable Community Transit to keep ahead of the game by planning for future infrastructure and other needs. Several initiatives from the 2020 capital budget are highlighted in the following discussion.

Swift Orange Line Project Development

Community Transit's second bus rapid transit line, the *Swift* Green Line, began operations in March 2019. The completion of this project frees up resources to begin design and development of the *Swift* Orange line. The 2020 budget carries forward \$4.2 million in federal and local funding for *Swift* Orange Line program development. Community Transit's third *Swift* bus rapid transit line will connect with Sound Transit's Link light rail when it extends to Lynnwood in 2024. The benefits conferred to the rider of running these bus rapid transit lines include faster boarding, no need for schedules, payment made at stations, accessibility, and technologies that allow for quicker movement of buses.

Coach and Other Service Vehicle Acquisitions

Community Transit continues to place large orders for new and replacement coaches. The total new and carryover budget for coaches in 2020 is \$37.9 million, about 32 percent of Community Transit's capital budget. More replacement DART vehicles and expansion and replacement

vanpool vans will also be ordered in 2020. State grant money partially funds the vanpool vehicles.

2020 Technology Enhancements

2020 technology projects include the continuation of the Wireless Communications and VoIP project, which replaces the current land mobile radio system (\$8 million budgeted in 2020).

Another continuing initiative is the Next Generation ORCA electronic fare collection system project (\$8.9 million budgeted in 2020). This is a regional project that is currently in the design phase, with a full implementation in 2022.

Community Transit continues to implement a passenger information control system (\$1.3 million), which will enable the agency to monitor, measure and control real-time information to multiple customer-facing tools.

Other technology projects continued security enhancements for Community Transit's existing network, internet and software systems, as well as the development of a disaster recovery plan. Community Transit will also begin the process of implementing Drive Cam, a fleet-based camera system intended to improve driving safety and increase operational efficiency.

An electronic content management system to help manage Community Transit's internal records Systems is being continued into 2020, amounting to about \$0.9 million. Continued enhancement to financial systems, including more work on a newly implemented budget system, and electronic timecards for the existing payroll system are also included in the 2020 budget.

Capital Facilities Preservation

Community Transit operates and maintains transit facilities consisting of administrative offices, two operating bases, the Mountlake Terrace Transit Center, *Swift* bus rapid transit stations, 29 park-and-rides and transit centers, 15 park-and-pool lots, and over 1,600 bus stops, including 66 BRT stations. Many facilities are older structures and in need of updating. Service expansion occurring in the previous three years, as well as planned for the future, has stretched the agency's capacity. We are at a crossroads where continued expansion depends on creating new capacity.

Repair and/or replacement of hoists at the Merrill Creek Operating Base is budgeted at \$6 million; this project may fold into the much larger facility master plan project. Also planned is exterior painting at the Kasch Park location, as well as the completion of the Edmonds Park & Ride renovation project.

Other Passenger Facilities and Amenities

As mentioned before, Community Transit is planning for a multi-year, multi-phased expansion of its operating bases, plus upgrades and renovations to the currently owned bases. In 2019, the agency has returned to prerecession service levels, fleet size and staffing. Service and fleet expansion beyond 2019 has begun to stretch the capacity of maintenance bays, bus parking, and operational support space. At the close of 2019, Community Transit has reserved \$70 million in the Facilities and Technology Expansion Fund in preparation for the expansion and improvements. The 2020 budget includes appropriation for phases 1 and 2 of Community Transit's Facilities Master Plan project.

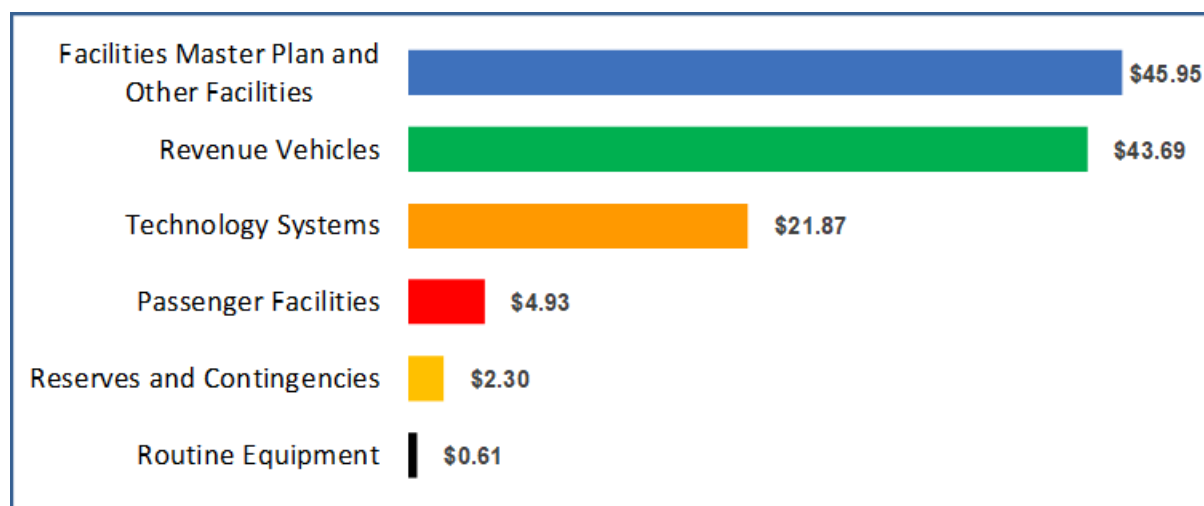
Phase 1, with a proposed new 2020 budget of \$27.2 million, will design and renovate the Kasch Park Casino Road building in order to move most administrative personnel from the Merrill Creek Administration building. This move is planned to occur in 2022.

Phase 2 of the Facilities Master Plan Project will design and renovate the Merrill Creek Administration building. Slated for completion in 2023, this building will house transportation employees. The 2020 budget for this phase is proposed at \$12.4 million.

The remaining reserve for base expansion and facilities renovation, of about \$28.3 million, remains unappropriated in Fund 48.

2020 Adopted Capital Program by Type

\$94.2 (in millions)



2020 Capital Program, Including Carryover Projects

Project Category	Capital Fund	Fund Source		Total
		Grants *	CT Local	
Revenue Vehicle Acquisitions				
40-Foot coaches	45/46	\$13,247,621	\$ 8,676,621	\$ 21,924,242
60-Foot coaches	45	14,044,531	1,898,374	15,942,905
Double Tall coaches	45	41,527	10,382	51,909
DART vehicles	41/46	0	3,390,721	3,390,721
Vanpool vans	41/44	1,026,475	1,351,603	2,378,078
Subtotal		\$28,360,154	\$15,327,701	\$ 43,687,855
Transit Facilities and Passenger Amenities				
Swift Orange Line project development	45	\$ 3,363,637	\$ 840,909	\$ 4,204,546
Edmonds P&R renovation	42	0	391,600	391,600
ORCA equipment	46	0	176,336	176,336
Passenger shelters	46	0	100,000	100,000
148th Street queue jump replacement	46	0	56,900	56,900
Subtotal		\$ 3,363,637	\$ 1,565,745	\$ 4,929,382
Technology Systems				
Next Generation ORCA	48	\$ 0	\$ 8,887,668	\$ 8,887,668
Wireless communications	42	0	7,986,288	7,986,288
Passenger information control system	46/48	0	1,284,870	1,284,870
Electronic content management system	46	0	914,742	914,742
Digital strategy for the customer experience	46	0	725,000	725,000
Budgeting and business planning system	46	0	483,105	483,105
DriveCam	46	0	250,000	250,000
IT service management system	46	0	176,377	176,377
Base map implementation	46	0	113,850	113,850
Trapeze WEB bidding requests	46	0	105,470	105,470
Vanpool management system	46	0	86,250	86,250
Web development	46	0	73,084	73,084
Other software initiatives and projects	46	0	340,410	340,410
Routine upgrades, maintenance, and equipment	46	0	241,000	241,000
IT security, disaster recovery, and data storage	46	0	203,369	203,369
Subtotal		\$ 0	\$21,871,483	\$ 21,871,483
Other Facilities				
Facility master plan - phase 1	48	\$ 0	\$27,191,000	\$ 27,191,000
Facility master plan - phase 2	48	0	12,400,000	12,400,000
MCOB hoist repair and replacement	42	0	6,000,000	6,000,000
Kasch Park exterior painting	42	0	258,500	258,500
Repairs and small projects	46	0	100,000	100,000
Subtotal		\$ 0	\$45,949,500	\$ 45,949,500

* Grant funding is primarily federal but may also include funding contributions from the State of Washington and other local jurisdictions.

2020 Capital Program, Including Carryover Projects (continued)

<i>Project Category</i>	<i>Capital Fund</i>	<i>Fund Source</i>		<i>Total</i>
		<i>Grants *</i>	<i>CT Local</i>	
Routine Equipment and Other Minor Projects				
Support vehicles	46	\$ 0	\$ 317,000	\$ 317,000
Vehicle and facility maintenance equipment	46	0	168,600	168,600
Routine minor equipment and furniture	46	0	124,000	124,000
Subtotal		\$ 0	\$ 609,600	\$ 609,600
Capital Program Total		\$ 31,723,791	\$ 85,324,029	\$ 117,047,820
Designated Reserves and Contingencies				
Construction/EPM contingency reserve	48	\$ 0	\$ 1,600,000	\$ 1,600,000
Local projects contingency	46	0	500,000	500,000
Department equipment cost pool	46	0	200,000	200,000
Subtotal		\$ 0	\$ 2,300,000	\$ 2,300,000
Capital Program and Designated Reserve Total		\$ 31,723,791	\$ 87,624,029	\$ 119,347,820

* Grant funding is primarily federal but may also include funding contributions from the State of Washington and other local jurisdictions.

Community Transit's capital plan supports new bus service, though many of the projects listed in the 2020 capital program are replacements and renovations, such as vehicle replacements, technology updates, facilities repairs, and replacement equipment. When Community Transit adds new service, this requires increases to operating expenses, particularly in terms of labor and maintenance for new transit facilities. Finance and Planning and Development staff analyze costs on a per service hour basis. Staff reviews planned service additions and estimates the incremental maintenance and operations costs for that service based on the projected cost per service hour for the year of the service increase. Those costs become part of the permanent base in the forecast. When forecasting agency revenues and expenses, new service-related costs are added in the year of the service addition and reflected as ongoing expenses.

The following chart shows estimates for the future service expansion initiatives:

Estimated Impact of Major New Service Initiatives on Community Transit's Operating Budget

<i>Project</i>		<i>2019</i>	<i>2020-2023</i>	<i>2024</i>
2020 New Service	New Service Hours	18,000 Hours		
	Estimated Cost	included in budget		
2021-2023 New Service	New Service Hours		36,000 Hours	
	Estimated Cost		\$10,416,000	
Swift Blue Line Extension and new Swift Orange Line Bus Rapid Transit	New Service Hours			54,000 Hours
	Estimated Cost			\$16,632,000

Debt Service and Debt Capacity

In June 2017, Community Transit issued \$11.0 million in limited sales tax general obligation bonds, which were sold with a premium of \$2.1 million. The proceeds were used to help fund the purchase of 26 forty-foot coaches and cover the bond issue costs.

During 2020, the principal due is \$970,000 and the interest due is \$462,000, resulting in total debt service payments of \$1.4 million. The total principal due after the 2020 bond payments have been made will be \$8.3 million, with a remaining unamortized premium of \$1.0 million. These bonds are subject to federal arbitrage rules.

The 2017 bonds are the only debt of Community Transit and Community Transit does not anticipate issuing additional debt in the near term. Community Transit's net revenues after operating expenses cover the annual bond principal and interest payments due in 2020 more than 30 times as calculated below:

<i>Debt Service Coverage</i>	<i>2020 Budget</i>
Operating Revenue	\$ 213,362,205
Operating Expense	(169,536,884)
Net Available for Debt Service	43,825,321
Required Debt Service Payments	1,432,000
<i>Debt Service Coverage</i>	<i>30.6 times</i>

Future annual debt service requirements are as follows:

<i>Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Debt Service</i>
2021	\$ 1,015,000	\$ 413,500	\$ 1,428,500
2022	1,070,000	362,750	1,432,750
2023	1,120,000	309,250	1,429,250
2024	1,175,000	253,250	1,428,250
2025	1,235,000	194,500	1,429,500
2026	1,295,000	132,750	1,427,750
2027	1,360,000	68,000	1,428,000
<i>Total</i>	<i>\$ 8,270,000</i>	<i>\$ 1,734,000</i>	<i>\$10,004,000</i>

Debt Capacity

Community Transit's debt is subject to a legal debt limit. This limit is calculated at 0.375 percent of assessed property values within the agency's boundaries. Larger amounts may be approved with a public vote.

This data is not yet available for the 2020 tax year. For the 2019 tax year, the calculated debt limit is as follows:

<i>Legal Debt Margin Information</i>		<i>(\$ in Millions)</i>	
for the most recent valuation year (2018)			
Assessed valuation in 2018 for collection of taxes in 2019	\$	90,592.9	
Nonvoted debt limit 0.375 percent of valuation		339.7	
Less outstanding bond issues - net		(11.8)	
<i>Nonvoted Debt Capacity Remaining</i>	\$	327.9	

Outstanding bonds are shown as of December 31, 2018, as per Community Transit's last Comprehensive Annual Financial Report. The table above includes the most recent assessed property valuation provided by the Snohomish County Assessor's Office, with an estimated adjustment for the public transportation benefit area.

Department Overview

Summary of 2020 Department Budgets—All Funds

Funds other than Fund 40 are discussed in the capital, cash and reserves, interfund, and debt service sections.

Budgets: by Department and Fund ¹	General Fund (Fund 40)	Replacement Reserve (Fund 41)	Infrastructure Reserve (Fund 42)	Workers' Compensation (Fund 43)	State Capital Projects (Fund 44)
Board of Directors and Executive Administration ²	\$ 1,145,885	\$ -	\$ -	\$ -	\$ -
Communications and Public Affairs	39,783,748	\$ -	\$ -	\$ 2,720,972	\$ -
Customer Experience	1,470,861	\$ -	\$ -	\$ -	\$ -
Information Technology	9,132,383	\$ 1,097,250	\$ -	\$ -	\$ 1,280,828
Maintenance ³	10,019,349	\$ -	\$ 7,986,288	\$ -	\$ -
Planning and Development	33,993,924	\$ 1,590,721	\$ 258,500	\$ -	\$ -
Transportation	36,738,418	\$ -	\$ 6,391,600	\$ -	\$ -
	55,121,440	\$ -	\$ -	\$ -	\$ -
Totals by Fund	\$ 187,406,008	\$ 2,687,971	\$ 14,636,388	\$ 2,720,972	\$ 1,280,828

¹ Fund 47 has no 2020 budget, thus is not shown.

² Administration Fund 40 includes interfund transfers, insurance, and cost pools as well as the department operating expense.

³ Maintenance Fund 40 includes fuel as well as department operating expense.

Budgets: by Department and Fund	FTA Capital (Fund 45)	Local Capital (Fund 46)	Facility & Tech Expansion (Fund 48)	Bond Debt Service (Fund 50)	Total Departmental Budget Responsibility
Board of Directors and Executive	\$ -	\$ -	\$ -	\$ -	\$ 1,145,885
Administration	0	989,105	1,600,000	1,432,000	46,525,825
Communications and Public Affairs	0	0	0	0	1,470,861
Customer Experience	0	725,000	0	0	12,235,461
Information Technology	0	3,377,188	9,427,668	0	30,810,493
Maintenance	31,779,537	9,173,119	0	0	76,795,801
Planning and Development	4,204,546	(430,000)	39,591,000	0	86,495,564
Transportation	0	105,470	0	0	55,226,910
Totals by Fund	\$ 35,984,083	\$ 13,939,882	\$ 50,618,668	\$ 1,432,000	\$ 310,706,800

Summary of 2020 Department Operating Budgets (Fund 40)

	2018 Actual	2019 Amended Budget	2020 Budget	Change 2020 vs. 2019	
Board of Directors/Executive	\$ 1,119,483	\$ 1,092,163	\$ 1,145,885	\$ 53,722	5%
Administration	14,868,865	16,804,237	16,713,345	(90,892)	-1%
Communications and Public Affairs	943,376	1,344,774	1,470,861	126,087	9%
Customer Experience	7,034,209	9,553,213	9,132,383	(420,830)	-4%
Information Technology	7,811,353	9,649,691	10,019,349	369,658	4%
Maintenance	20,997,705	24,340,436	25,393,202	1,052,766	4%
Planning and Development	32,436,691	35,500,035	36,738,418	1,238,383	3%
Transportation	42,985,756	49,760,518	55,121,440	5,360,922	11%
Total Operating Expense	\$ 128,197,438	\$ 148,045,067	\$ 155,734,883	\$ 7,689,816	5%

Cost increases for employee benefits and participation in the state retirement plan are not within the control of individual department budgets, so are not part of the department discussion. These cost factors are discussed under general operating expenses. Each department discussion contains a list of priorities for the department, and each division in the department includes a list of 2020 priorities that describe how the work of each division supports the agency's vision and mission.

Resolution No. 9-18 gives the CEO authority to approve additional FTEs so long as the cost can be absorbed within the Board-approved operating budget. After the original 2019 budget was approved, an additional 32 FTEs were authorized. The next table shows the department distribution of these FTEs:

Department	2019 FTEs Added	Position	Purpose
Administration	6	3—Term-limited Coach Operator Instructors 1—Human Resources Generalist 1—PeopleSoft Human Capital Management Functional Analyst 1—Senior Accountant	Training and HR staff support coach operator hiring and training needs. The PeopleSoft Human Capital Management Functional Analyst will set up, configure, and maintain employee salary and benefit information in the payroll system. Due to the increasing number of employees, the payroll supervisor can no longer continue to manage payroll and perform the functional analyst work as well. Workload has grown; the Senior accountant will support quarterly and annual financial reporting, grant reporting and other regulatory requirements, fixed asset accounting, and the annual budget.

<i>Department</i>	<i>2019 FTEs Added</i>	<i>Position</i>	<i>Purpose</i>
Planning and Development	1	1—Research Coordinator	Work is related to Integration with regional partners on issues related to build out of Link light rail.
Maintenance	3	1—Assistant Manager 2—Vehicle Service Attendants	Growth in the number of buses to maintain. The assistant manager is responsible for diagnosing, dismantling, repairing, and maintaining heavy-duty hybrid and diesel buses as well as gasoline and diesel internal combustion engines. An increase in fleet size requires more vehicle service attendants to refuel, wash, and prepare buses for service.
Transportation	20	Coach Operators	Maintain scheduled service.
Information Technology	2	1—Spatial Data Administrator 1—IT Senior Project Manager	The spatial data administrator oversees and coordinates activities to ensure that the mapping information the agency produces is thorough, accurate, and current. This data is used for vehicle location and customer facing applications. The IT senior project manager is responsible for process engineering, vendor management, requirements development, and scope management to ensure that assigned projects stay on schedule.

Staffing changes planned for 2020 are discussed in department sections where the FTE changes will occur. The 32 FTEs authorized after the 2019 budget was adopted are included in the “2019 Authorized” column in the next table.

Summary of 2020 FTES by Department

	<i>2018 Authorized</i>	<i>2019 Authorized</i>	<i>2020 Budget</i>	<i>Change 2020 vs. 2019</i>	
Board of Directors/Executive	5.5	5.5	5.5	0.0	0%
Administration	80.0	88.0	82.0	(6.0)	-7%
Communications and Public Affairs	7.0	9.0	9.0	0.0	0%
Customer Experience	48.0	53.0	53.0	0.0	0%
Information Technology	33.0	36.0	34.0	(2.0)	-6%
Maintenance	119.0	127.0	129.0	2.0	2%
Planning and Development	35.0	36.0	36.0	0.0	0%
Transportation	431.0	485.0	497.0	12.0	2%
Total FTEs Authorized or Proposed	758.5	839.5	845.5	6.0	1%

Summary of 2020 FTEs by NTD Classification

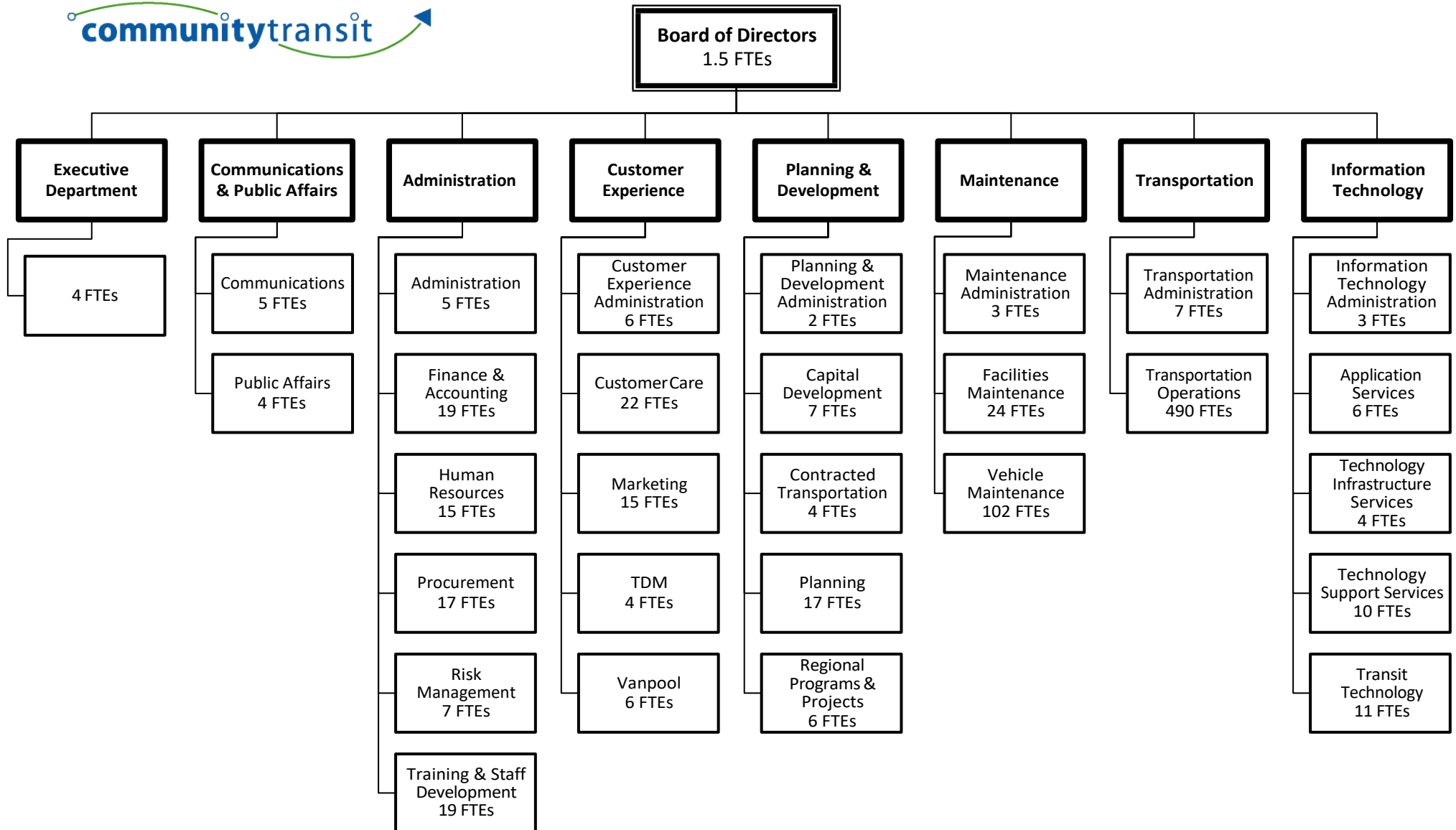
	2015	2016	2017	2018	2019	2020	Change 2020 vs. 2019	
Operations	372.0	428.0	449.0	482.0	540.0	546.0	6.0	1%
Vehicle Maintenance	73.0	91.0	96.0	102.0	105.0	107.0	2.0	2%
Facility Maintenance	16.0	19.0	19.0	20.0	26.0	26.0	0.0	0%
Administration	119.5	124.5	136.5	154.5	168.5	166.5	(2.0)	-1%
Totals	580.5	662.5	700.5	758.5	839.5	845.5	6.0	1%

As a recipient of federal grant funds, Community Transit is required to complete the annual Federal Transit Administration (FTA) National Transit Database (NTD) report. The NTD report classifies employees based on job content, and agencies required to complete the report use the job content methodology to account for FTEs in their NTD report. The table above shows Community Transit's employee complement according to NTD classification.

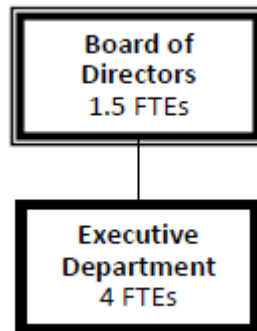
The intent of the job content methodology is to facilitate comparisons among transit providers. The table below shows the same classifications, but on a percentage basis. Community Transit monitors these ratios during each budget cycle with the optimum goal of maintaining an 80/20 ratio of operational employees to support employees over five- and ten-year periods. The table below shows the consistency of Community Transit's employment practices.

	2015	2016	2017	2018	2019	2020	5 Year Average	10 Year Average
Operations	64%	65%	64%	64%	64%	65%	64%	64%
Vehicle Maintenance	13%	14%	14%	13%	13%	13%	13%	13%
Facility Maintenance	3%	3%	3%	3%	3%	3%	3%	3%
Administration	21%	19%	19%	20%	20%	20%	20%	20%
	100%	100%	100%	100%	100%	100%	100%	100%

2020 Organizational Chart



Board of Directors and the Executive Department



The Board of Directors is the governing body of Community Transit, establishing policy and legislative direction for the agency. These duties include approval of the agency's annual budget. Working closely with the Chief Executive Officer (CEO), Board members represent the agency's position to the public, in the legislature, and in the community. They are responsible for hiring, supervising, and evaluating the CEO. Board members establish their performance standards and abide by all state and local laws with regard to Board member conduct and protocol, as well as the agency's by-laws, resolutions, and procedures. The CEO and the agency's legal counsel report to the Board of Directors.

The Executive Department oversees the general administration of the agency and ensures that the operation of the agency and the Board of Directors is in accordance with state and federal laws and regulations as they relate to general administration, governing boards, agency documents, the Open Public Meetings Act, and the Public Records Act. The Executive Department provides confidential support for the CEO, the Board of Directors and assistance to employees and the general public.

Board of Directors

The Board of Directors consists of ten members, nine of whom are elected officials selected by the respective governing bodies of the county and component cities within Community Transit's service area, as follows:

- Two members and their alternate from the governing body of the county.
- Two members and an alternate from cities with populations of more than 35,000.
- Three members and two alternates from cities with populations between 15,000 and 35,000.
- Two members and an alternate from cities with populations less than 15,000.
- One non-voting labor representative.

Major Department Accomplishments for 2019

- Approved multiple items related to the launch of the *Swift* Green line in March 2019. With its connection to the existing *Swift* Blue line, the launch marked the creation of the first high capacity transit network in Snohomish County.
- Approved 30 percent design of the *Swift* Orange line, which will expand the network by providing east/west connectivity and will serve Link light rail at Lynnwood City Center Station in 2024.
- Approved purchases for expansion and replacement vehicles:
 - Vanpool: 55 replacement vans and 5 expansion vans
 - Buses: 21 replacement buses and 3 expansion buses
 - Paratransit: 15 replacement buses
- Approved adoption of a low income (ORCA Lift) bus fare effective July 1, 2019.
- Approved the implementation of machine to machine, voice, and data services to leverage cellular connection for data communications.
- Approved an agency market research strategy and implementation services for a holistic customer and constituent research and engagement strategy.
- Approved a full service integrated marketing agency to position the agency for future growth, support employee recruitment efforts and initiate a ridership campaign.
- Approved the Casino Road project-Facility Master Plan 1 to expand agency operating capacity to meet future service needs.
- Approved execution of the revised ORCA interlocal cooperation agreement.
- Approved the 2019-2022 Title VI Program update.
- Approved the labor contract between Community Transit and the International Association of Machinists.



Board of Directors 2020 Budget

Community Transit's mission is to help people get from where they are to where they want to be, and its vision is to make travel easy for all. To accomplish this, the Board of Directors provides fiduciary oversight to ensure necessary resources are available and approves the annual budget.

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	125,394	129,325	132,571	3,246	3%
Benefits	9,646	9,934	10,392	458	5%
<i>Subtotal: Employee Expense</i>	<i>135,040</i>	<i>139,259</i>	<i>142,963</i>	<i>3,704</i>	<i>3%</i>
Services	17,171	43,500	43,000	(500)	-1%
<i>Total Operating Expense</i>	<i>152,211</i>	<i>182,759</i>	<i>185,963</i>	<i>3,204</i>	<i>2%</i>

This budget funds industry, legal affairs, and legislative conferences and travel for transit advocacy, both to Olympia and Washington, D.C.; stipends for eligible board members; and the hourly contract rate for the Board's legal counsel.

Salaries, Wages, and Benefits

No significant changes from the prior year.

Services

No significant changes from the prior year.

Goals, Initiatives, Programs, and Projects for 2020

- Seek education on Community Transit and transit industry issues, using that knowledge to benefit the agency and provide the best possible service to the customers and the communities we serve.
- Represent the agency in the community, promoting Community Transit's interests and policies.
- Continue to develop and maintain good relationships at the national, state, regional and local levels including support of Community Transit staff and attendance at staff events.
- Abide by the performance standards as outlined in Community Transit's bylaws.

Executive Department

The department consists of the Chief Executive Officer (CEO), Chief of Staff, Executive Board Administrator, and Executive Support/Records Management Specialist.

The CEO is the head of the agency, is in charge of all departments and employees, and possesses the authority to designate assistants and department heads. The CEO is the primary spokesperson for the agency, represents the agency externally, and oversees the administration of the agency in accordance with policies prescribed by the Board of Directors, including state and national legislative issues. The CEO submits a proposed budget to the Board of Directors prior to the beginning of each fiscal year and is responsible for administration of the budget. The CEO develops and implements administrative policies and procedures as well as corporate plans and programs.

The Chief of Staff assists the CEO in maintaining effective working relationships across the agency and externally, coordinates projects and initiatives involving the CEO and Executive Leadership Team to ensure alignment across the agency, and manages all activities of the Board of Directors, the Executive Department, and the Office of the CEO. The Executive Board Administrator and Records Management/Administrative Assistant report to the Chief of Staff.

The Executive Board Administrator provides administrative support to the Board of Directors and manages the process for selection and orientation of new Board members. The administrator also provides support to the CEO and Chief of Staff, has oversight of the agency's policies, ensures compliance with the Washington State Open Public Meetings Act, receives legal documents, and serves as the Public Records and Title VI Officer.

Major Department Accomplishments for 2019

- Guided the revision of the agency vision, mission, and guiding principles, and strengthened organizational alignment to ensure delivery of commitments.
- Kept 2019 expenditures below the adopted budget with reserves at or above recommended levels. Developed a 2020 budget that is balanced and sustainable with reserves fully funded.
- Hired and on-boarded two executive leadership team members: the Director of Transportation and the Director of Communications and Public Affairs.
- Actively participated in the Washington State Transit Insurance Pool, Washington State Transit Association, American Public Transportation Association, Regional Mobility Partnership, Conference of Minority Transportation Officials, the Washington State Transportation Demand Management Executive Board; and ORCA Joint Board.
- Received and responded to approximately 107 public disclosure requests (as of 9/30/2019) and secured a public disclosure management tool to enhance program efficiencies.

- Worked collaboratively with leadership at Sound Transit, King County Metro, North Puget Sound Transportation Alliance, and with key Paine Field stakeholders.
- Worked to build strong partnerships by serving on the Board of Trustees for the Economic Alliance of Snohomish County and as a member of the United Way of Snohomish County Board; participated in numerous regional forums including chapters, rotaries, jurisdictional councils, and the Puget Sound Regional Council.

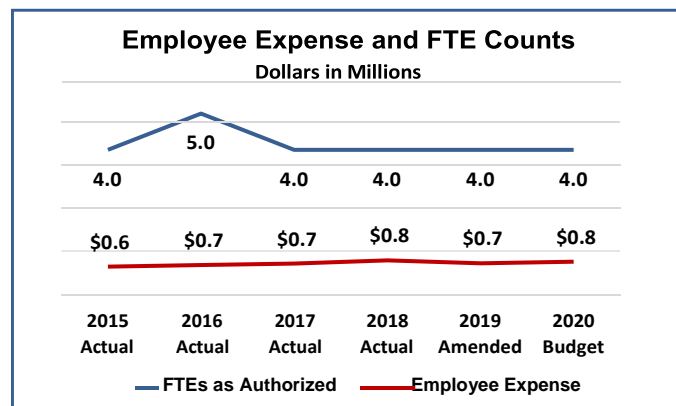
Executive Department 2020 Budget

The Executive Department supports the mission of Community Transit by (1) providing oversight for the administrative affairs of the agency, (2) advocating for the agency to legislative and community leaders and the general public, and (3) developing and implementing policies and procedures to ensure compliance with state and federal laws and regulations.

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	561,515	521,928	555,907	33,979	7%
Benefits	223,637	195,351	199,090	3,739	2%
<i>Subtotal: Employee Expense</i>	<i>785,152</i>	<i>717,279</i>	<i>754,997</i>	<i>37,718</i>	<i>5%</i>
Services	181,301	188,625	201,425	12,800	7%
Supplies	819	3,500	3,500	0	0%
<i>Total Operating Expense</i>	<i>967,272</i>	<i>909,404</i>	<i>959,922</i>	<i>50,518</i>	<i>6%</i>

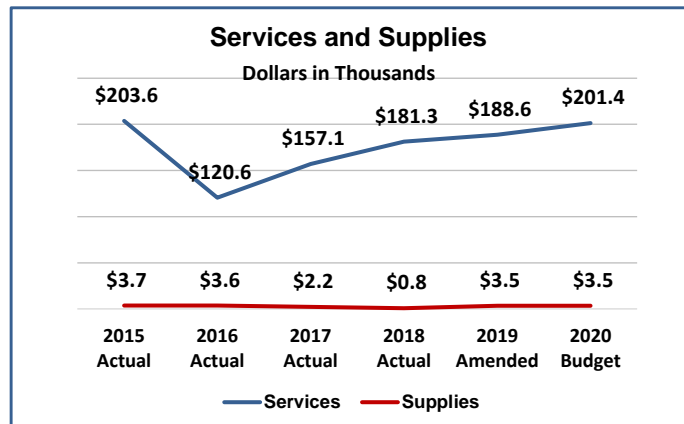
Salaries, Wages, and Benefits

No additional staff have been budgeted for this department in the 2020 budget.



Services

Agency memberships are budgeted in the Executive Department services expenditure category. Memberships in the American Public Transportation Association (APTA); Puget Sound Regional Council (PSRC); and the Washington State Transit Association (WSTA) total \$136,500 and comprise 68 percent of the services budget. The remainder of this budget consists of costs for executive participation at industry conferences, expenditures associated with the agency's records program, and costs associated with development of the agency's 2024 design and performance plans.



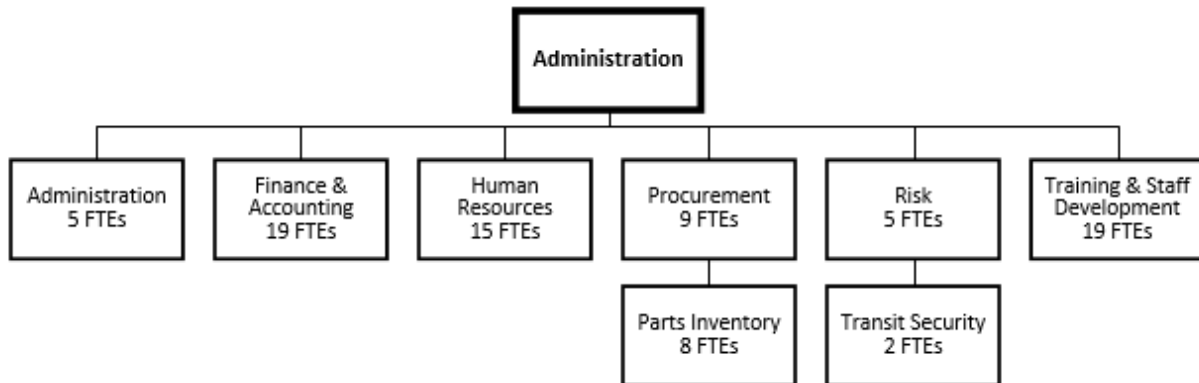
Supplies

No change from prior year.

Executive Department 2020 Priorities

- Continue to build on Community Transit's favorable reputation with the public, key stakeholders, and business and government leaders. Work in tandem with local, regional and national partners to effectively position Community Transit as a world-class transportation service provider.
- Evolve relationships with local jurisdictions and transit partners to provide a safe, sustainable, integrated and efficient transportation system, and a seamless experience for our shared customers.
- Guide the Executive Leadership Team in its work to communicate and implement the agency's strategic priorities and goals, and to deliver on our commitments to customers and the communities we serve.
- Provide support for Board activities including meeting preparation, adherence to open public meeting regulations, travel assistance, and research. In coordination with legal counsel, manage the selection and orientation of new Board members selected in January 2020.
- Manage the agency's records center and public disclosure process in accordance with all applicable laws and regulations.
- Maintain relationships with local elected officials, state legislators and the federal congressional delegation, leveraging trips to Olympia and Washington, D.C. to advocate for the agency and the needs of public transportation.

Administration Department



The Administration Department is focused on implementing the highest levels of financial stewardship, operational accountability, and employee engagement. Training and engagement of employees and the effective use of financial resources are key to the agency's success.

Compliance with safety, environmental, government, and contracting regulations are also essential. Department employees perform their duties in an environment subject to recurring regulatory review by local, state, and federal agencies, including the Federal Transit Administration (FTA) and the Office of the Washington State Auditor. As a result, this department places a strong emphasis on implementing policies, procedures, internal controls, and guidelines that help the agency excel at the highest level of effectiveness.

The agency's six divisions include: Administration, Finance and Accounting, Human Resources, Procurement, Risk Management, and Training and Staff Development.

Major Department Accomplishments for 2019

Administration

- Updated internal processes to improve effectiveness in all areas, with a focus on front desk services, cross-training staff and streamlining procedures, agencywide programs, and support for the Board's Finance, Performance, and Oversight Committee.

Finance and Accounting

- Earned the agency's 24th consecutive clean audit from the Washington State Auditor's Office.
- Received 29th consecutive Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 2017 Comprehensive Annual Financial Report. Completed the 2018 Comprehensive Annual Financial Report and submitted it for consideration for the agency's 30th consecutive Government Finance Officers Association award.

- Replaced the existing budgeting system with Prophix, a new system which reduced staff time and simplified the user interface, while significantly improving data analytics and reporting tools.
- Completed a complex NTD reporting cycle which included preparation of three new inventory forms in support of the FTA Transit Asset Management plan and also required a separate, once-every-ten-years, secondary audit to recertify that the agency's accounting system met data collection requirements as set forth by the FTA.

Human Resources

- Recruited and hired 97 coach operator trainees and 42 other employees year-to-date.
- Implemented new recruitment tools including Text Recruit, TalentClick, and SkillSurvey to improve the candidate experience and ease communication during the application process. HR employees have also decreased the time from application to hire. For most coach operators, the result has been a 33 percent reduction in time from application to hire.
- Negotiated a new IAM vehicle maintenance contract.
- Awarded a number of new vendor contracts resulting in cost savings to the agency while also ensuring applicable legal compliance.
- Completed an employee engagement survey and a workplace harassment refresher for all coach operators.

Procurement and Parts

- Eliminated year-end inventory comprehensive count with quarterly cycle counts to seamlessly support continuous maintenance shop activities.
- Ensured full contract compliance and performed timely contract closeout activities on all *Swift* Green Line contracts. Met and exceeded Disadvantaged Business Enterprise utilization goals on FTA-funded projects.
- Rolled out a new Procurement Manual with simplified procurement procedures, provided compliance tools for employees, and increased the micro purchase threshold.

Risk Management and Transit Security

- Completed the development of an agencywide Security and Emergency Preparedness Plan (SEPP). This is a strategic document describing all of the activities associated with security and emergency preparedness, including interaction with regional partners.



- Completed agencywide Emergency Operations Plan that describes the actions Community Transit takes in emergencies (such as the February snow event).
- Created Lock Out / Tag Out procedures for over 150 pieces of equipment to safeguard machinery and equipment from accidental start up and to prevent employee injury.

Training and Staff Development

- Provided 367 coach operators with refresher training in preparation for the *Swift* Green Line opening. This included operations training for the Seaway Transit Center, defensive driver refresher training, and *Swift* Green Line route training. Completed 411 performance evaluations for coach operators.
- Celebrated the graduation of 75 new coach operators from Coach Operator Academy.
- Conducted multiple training sessions for new coach operators, supervisors, mechanics, and dispatchers: developed training for new software programs such as Connections, Prophix, and the Passenger Information Control System; and conducted network security training for most employees.
- Provided growth and enrichment opportunities to employees with classes such as 7 Habits of Highly Successful People, Getting Things Done, and Crucial Accountability. Offered employees access to hundreds of courses for skill and personal development on our Learning Management System.

Department Priorities for 2020

- Develop e-learning programs for maintenance and operations employees to increase access to training. Redesign our Coach Operator Academy by reducing the length of our program while maintaining the high level of skills our coach operators are known for.
- Recruit, screen, test, interview, and hire 123 coach operator trainees and continue recruitment of skilled mechanics to cover turnover and agency service increases.
- Review and revise policies, processes, and the performance management system to align with updated agency values resulting in engaged, productive employees who are more likely to stay at Community Transit and find meaning in the work they do.
- Negotiate new IAM supervisors and ATU contracts.
- Complete implementation of the Public Transit Agency Safety Plan to comply with FTA requirements. Implement a new agencywide emergency operations plan.
- Manage payroll activities for an expanding labor force. Automate integration of payroll data to the general ledger. Implement electronic timesheets.
- Upgrade the PeopleSoft Human Capital Management system.
- Ensure regulatory procurement compliance in a manner that makes doing business with Community Transit easier for internal and external customers.

- Partner with internal customers to improve our support to them by developing integrated procurement methods.
- Collaborate with the Capital Development team on *Swift* Orange Line project development, the *Swift* Blue Line extension, and base renovation projects.

Administration Department 2020 Budget

The Administration Department supports agency priorities of safety and security, operational excellence, financial stewardship, employment experience, partnership and advocacy, and planning for the future.

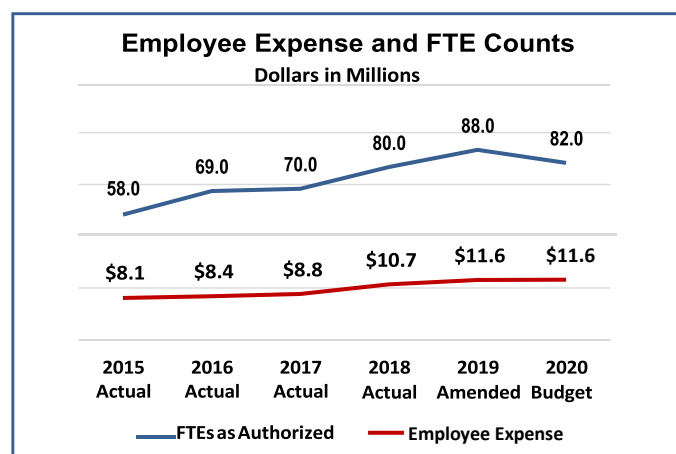
<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	7,461,506	7,942,380	8,020,449	78,069	1%
Benefits	3,211,588	3,610,139	3,572,761	(37,378)	-1%
<i>Subtotal: Employee Expense</i>	<i>10,673,094</i>	<i>11,552,519</i>	<i>11,593,210</i>	<i>40,691</i>	<i>0%</i>
Services	1,898,442	1,834,903	1,759,106	(75,797)	-4%
Intergovernmental Services	2,154,033	3,216,115	3,178,079	(38,036)	-1%
Supplies	143,296	200,700	182,950	(17,750)	-9%
<i>Total Operating Expense</i>	<i>14,868,865</i>	<i>16,804,237</i>	<i>16,713,345</i>	<i>(90,892)</i>	<i>-1%</i>

Salaries, Wages, and Benefits

Employee expense makes up 69 percent of the Administration Department budget.

The Administration Department includes human resources and training staff who hire all employees and train all coach operator candidates. In 2018 the CEO authorized the addition of several term-limited positions to the human resources and training work teams so that the agency would be able to hire and train the staff needed to begin operations of the *Swift* Green Line in March 2019. The employment terms of those positions end effective December 31, 2019. As

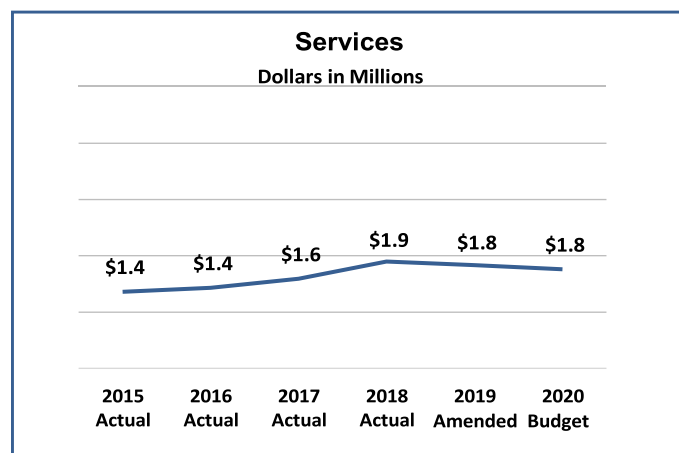
authorized by Resolution No. 9-18, the CEO authorized the addition of two regular full-time positions in mid-2019—one senior accountant and one PeopleSoft Human Capital Management functional analyst—and converted two term-limited position to regular full time.



The 2020 budget converts two additional term-limited FTES to regular full time and ends the terms of any remaining term-limited positions. The net effect in the 2020 budget is a reduction of six FTEs.

Some FTEs in this department are also represented by the ATU bargaining agreement which settled in late 2018. The 2019 amended budget and the 2020 budget both reflect wage increases related to the ATU contract as well as merit increases received in 2019 by other department employees.

Services



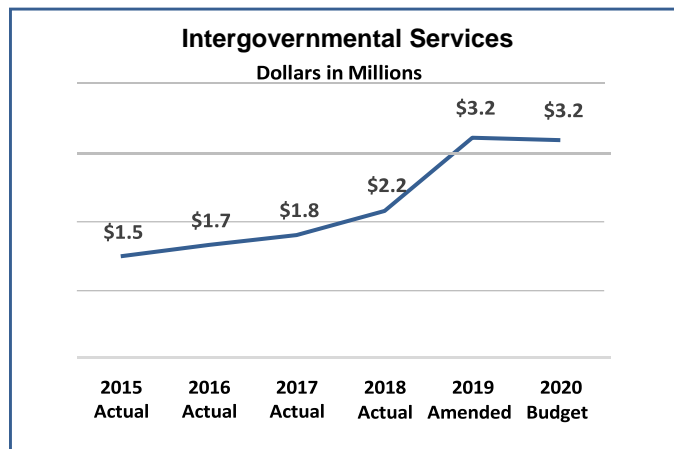
The department services budget remains consistent with 2019 at 11 percent of the total department budget. Expenditures related to employee services, ranging from flu shots to payroll check printing amount to 29 percent of the department services budget.

The employee wellness program, required drug and alcohol testing, and occupational medical services form the bulk of employee services.

Agencywide training is budgeted centrally in this department and amounts to 25 percent of the services budget; banking, audit, and legal fees and armored car service for the *Swift* stations accounts for 26 percent of the services budget; and 11 percent is related to employee recruitment efforts. The remainder of the services budget funds a variety of other necessary business services.

Intergovernmental Services

The contract with the Snohomish County Sheriff's Office for transit police services is the primary cost driver for this budget category. Other items that fall under intergovernmental services include required permits and licenses needed to conduct business and handle items classified as hazardous. Expenses associated with these smaller items fluctuate from year to year.



Supplies

The Administration department budgets for a number of agencywide supply items such as general office supplies and postage. The 2020 supplies budget continues funding supplies needed for employee safety and security programs such as first-aid supplies and building access badges, as well as items needed for hazardous waste disposal and various other maintenance supplies. The 2020 budget also includes funding for a scanner and license to begin implementing paperless personnel files.



Administration Division Summary

This summary compares each budget center's adopted 2020 budget to its 2019 amended budget.

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Training and Staff Development	4,251,950	4,255,460	4,068,399	(187,061)	-4%
Transit Security	2,472,449	3,543,205	3,506,685	(36,520)	-1%
Risk Management	574,059	691,363	677,620	(13,743)	-2%
Human Resources	2,385,556	2,867,457	2,846,539	(20,918)	-1%
Finance and Accounting	2,449,783	2,470,993	2,792,033	321,040	13%
Procurement	1,015,818	1,169,349	1,188,375	19,026	2%
Parts Inventory	907,734	955,250	976,715	21,465	2%
Administration	632,016	663,635	656,979	(6,656)	-1%
Organizational Development	179,500	187,525	0	(187,525)	-100%
<i>Total Operating Expense</i>	<i>14,868,865</i>	<i>16,804,237</i>	<i>16,713,345</i>	<i>(90,892)</i>	<i>-1%</i>

Discussions of each division's budget and 2020 priorities follow.

Administration Division

The Director of Administration leads the six divisions within the Administrative Department and supports a collaborative, cross-functional approach across the agency. The director is the executive liaison for the Board of Directors' Finance, Performance, and Oversight Committee



and is the labor relations contact for the Board of Directors and the Board Executive Committee.

The division's administrative staff provide support throughout the department. In addition to providing professional administrative support to the Director of Administration and the Finance Performance and Oversight Committee, the team works within the department to support the budgeting process, business planning, document retention, and numerous department projects.

On an agency level, the team provides corporate-wide reception, mail delivery, courier and distribution services, as well as monitors travel, contracts, policies and procedures and purchasing.

Administration Division 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	439,282	421,179	418,266	(2,913)	-1%
Benefits	165,377	196,256	191,413	(4,843)	-2%
<i>Subtotal: Employee Expense</i>	<i>604,659</i>	<i>617,435</i>	<i>609,679</i>	<i>(7,756)</i>	<i>-1%</i>
Services	5,710	10,300	10,700	400	4%
Supplies	21,647	35,900	36,600	700	2%
<i>Total Operating Expense</i>	<i>632,016</i>	<i>663,635</i>	<i>656,979</i>	<i>(6,656)</i>	<i>-1%</i>

This budget includes no significant changes and proposes no additional FTEs for 2020.

Administration Division 2020 Priorities

- Provide professional, timely, and effective administrative support for the Director of Administration, the Administration Department, and the agency.
- Assess administrative work on over 25 projects to determine where to increase our effectiveness to meet department needs.

Finance and Accounting Division

The Finance and Accounting Division is responsible for payroll, accounts payable, treasury services, asset management, billing and accounts receivable, grants and projects accounting, budgeting, financial analysis, treasury and investing. This division also prepares quarterly financial reports and two reports which are audited annually: the Comprehensive Annual Financial Report and the Federal Transit Administration National Transit Database report. When long-term financing is required, Finance and Accounting employees lead the process for issuing long-term debt.

Finance and Accounting 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	1,493,288	1,472,316	1,692,565	220,249	15%
Benefits	605,037	638,307	719,598	81,291	13%
<i>Subtotal: Employee Expense</i>	<i>2,098,325</i>	<i>2,110,623</i>	<i>2,412,163</i>	<i>301,540</i>	<i>14%</i>
Services	332,477	341,720	358,870	17,150	5%
Intergovernmental Services	15,070	15,200	17,100	1,900	13%
Supplies	3,911	3,450	3,900	450	13%
<i>Total Operating Expense</i>	<i>2,449,783</i>	<i>2,470,993</i>	<i>2,792,033</i>	<i>321,040</i>	<i>13%</i>

With 19 FTEs, Finance and Accounting is one of the largest divisions in the Administration Department. Employee expense comprises 86 percent of this budget. In mid-2019 and as authorized by Resolution No. No. 9-18, the CEO approved two additional FTEs for this division: one senior accountant and one PeopleSoft Human Capital Management (HCM) functional analyst. The 2020 budget includes the full-year effect of adding these positions as well as merit salary increases existing employees received.

Other than personnel expenses, the largest single expense in the Finance and Accounting budget is \$110,000 for armored car services for the ticket vending machines located on both *Swift* lines. Vault service with armored car pick-up, banking fees, and audit fees contribute \$223,700 to this budget and are the only other significant expenditures.

The Finance and Accounting budget also funds a variety of smaller expenditures for items such as license fees for coaches, vanpool vans, and DART and support vehicles; check stock; W-2 wage and tax statement forms; coin counter maintenance services; and similar items.

Finance and Accounting 2020 Priorities

- Manage payroll activities for an expanding labor force. Automate integration of payroll data to the general ledger. Implement electronic timesheets.
- Complete capitalization of the *Swift Green Line* assets.
- Upgrade the PeopleSoft HCM System.
- Continue automation of financial processes including vanpool billing and payment processing and preparation of quarterly and annual financial reports.

Human Resources Division

The Human Resources Division supports and administers the agency's employment programs including hiring and staffing, labor contract negotiation and administration, employee and labor relations, benefits and compensation, workers' compensation, leave management, and personnel systems and records. These functions include responsibility for the agency's affirmative action program and administration of the drug and alcohol program.

The division acts as an internal consultant to the agency, providing advice and assistance in compliance with labor and employment laws, hiring, performance management, grievance resolution, and investigations of allegations of employee misconduct or violations of agency policies.

Human Resources employees advise management at all levels of the organization on how to reduce risks associated with employment, how to respond to workplace complaints lodged informally or with state or federal administrative agencies, and how to promote a work environment where employees feel satisfied and motivated to meet agency objectives. Division employees manage and coordinate the use of outside resources such as labor and employment attorneys, occupational medicine services, drug testing service providers, and other consultants and benefit providers.

Human Resources also supports and administers Community Transit's workers' compensation program. The budget for workers' compensation (Fund 43) is reported in the Budget Summary section and includes workers' compensation claims, program administration, operation of the employee maintenance center, and ergonomic equipment. It also functions as a reserve to pay future workers' compensation claims and related costs.



Human Resources 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	1,126,602	1,320,137	1,357,519	37,382	3%
Benefits	502,916	660,752	660,323	(429)	0%
<i>Subtotal: Employee Expense</i>	<i>1,629,518</i>	<i>1,980,889</i>	<i>2,017,842</i>	<i>36,953</i>	<i>2%</i>
Services	721,555	855,068	791,497	(63,571)	-7%
Intergovernmental Services	24,865	26,000	30,000	4,000	15%
Supplies	9,618	5,500	7,200	1,700	31%
<i>Total Operating Expense</i>	<i>2,385,556</i>	<i>2,867,457</i>	<i>2,846,539</i>	<i>(20,918)</i>	<i>-1%</i>

Employee expense contributes 71 percent to the Human Resources Division budget. In 2018, as part of the agency's preparations to launch *Swift* Green Line service, three term-limited employees were added to this division, with terms for all three expiring effective December 31, 2019. Based on workload levels anticipated to continue through 2024, the Human Resources manager restructured his division in early 2019 and received approval at that time to convert two term-limited positions to regular full time. The 2020 budget converts one remaining term-limited position to regular full time.

The Human Resources services category is 28 percent of the division budget, and of that, \$338,000 (43 percent) funds employee wellness programs ranging from annual flu shots to occupational medical services, to the employee wellness program and fitness center. Overall, the services category has been reduced by 7 percent as a result of reductions made in a variety of services Human Resources staff use in the normal course of performing their work. Services such as temporary staffing, printing of policies and labor contracts, and employment testing vary from year to year base on business need. Other reductions occurred because staff negotiated more favorable contract rates for services such as the third-party leave administrator.

Human Resources 2020 Priorities

- Recruit, screen, test, interview and hire 123 coach operator trainees to cover driver turnover and agency service increases through 2020. Continue recruitment of mechanics in a tight market for skilled labor.
- Review and revise policies, processes, and the performance management system to align with updated agency values resulting in engaged, productive employees who are more likely to stay at Community Transit and find meaning in the work they do.
- Move toward full equity and inclusion practices (Leadership for Equity). Initiate dialog, promote awareness, and roll out respectful workplace initiatives and training.

- Negotiate new IAM supervisors and ATU contracts.
- Implement Washington Paid Family Medical Leave requirements.

Procurement Division

Parts Inventory

The Parts team purchases, stocks, and maintains inventory to support the agency in maintaining its full vehicle fleet in a safe, timely, and cost-effective manner. Parts inventory contains items needed for buses, vanpool vans, and other service vehicles. The Parts team also stocks new technology equipment and parts and ensures that Community Transit buys quality parts at competitive prices.

Procurement

The Procurement team supports Community Transit with strategic and tactical procurement management to obtain the best value for taxpayer funds. The division ensures full and open competition to all vendors, promotes best-value purchase of desired quality products and services, fosters small business participation, and partners with customers and suppliers in delivering procurements that meet complex laws and regulations.

Procurement 2020 Budget

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Parts Inventory	907,734	955,250	976,715	21,465	2%
Procurement	1,015,818	1,169,349	1,188,375	19,026	2%
<i>Total Operating Expense</i>	<i>1,923,552</i>	<i>2,124,599</i>	<i>2,165,090</i>	<i>40,491</i>	<i>2%</i>

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	1,226,435	1,381,026	1,411,448	30,422	2%
Benefits	575,909	665,273	668,942	3,669	1%
<i>Subtotal: Employee Expense</i>	<i>1,802,344</i>	<i>2,046,299</i>	<i>2,080,390</i>	<i>34,091</i>	<i>2%</i>
Services	77,029	35,300	41,200	5,900	17%
Supplies	44,179	43,000	43,500	500	1%
<i>Total Operating Expense</i>	<i>1,923,552</i>	<i>2,124,599</i>	<i>2,165,090</i>	<i>40,491</i>	<i>2%</i>

Employee expense contributes 96 percent to the total Procurement Division budget. No additional FTEs have been budgeted for 2020 for this division.

The remaining 4 percent of the division budget funds office supplies on an agencywide basis, procurement bid advertising, and Disadvantaged Business Enterprise program events which focus on informing potential contractors of Community Transit's procurement needs. This budget also funds administrative costs associated with job order contracting services used by the Planning and Development Department. The increase in the services budget category is associated primarily with an increase in the allowance for Disadvantaged Business Enterprise program events.

Procurement 2020 Priorities

- Ensure regulatory procurement compliance in a manner that makes doing business with Community Transit easier for internal and external customers.
- Partner with internal customers to improve our support to them by developing integrated procurement methods.
- Utilize Trapeze and Tableau to forecast and match parts stocking levels with preventative maintenance program requirements.
- Meet Disadvantaged Business Enterprise utilization goals on FTA-funded projects.
- Collaborate with the Capital Development team on the *Swift* Orange Line project development, *Swift* Blue Line extension, and base renovations.



Risk Management Division

Risk Management

The Risk Management team manages and provides safety, insurance, motor vehicle accident management, claims management, and environmental compliance services for the organization. Duties are performed in an environment that is subject to recurring regulatory and nonregulatory reviews by local, state, and federal agencies. Additionally, the division manages the agency's Safety Committee and Accident Review Committee; conducts ergonomic assessments, safety inspections, and safety audits; and completes monthly and annual safety reporting required by the FTA.

Transit Security

The Transit Security team is responsible for agencywide physical security, which includes badges, access control, and video camera systems. Staff also develop and implement agencywide security and emergency management plans and policies.

This team manages the agency contract with the Snohomish County Sheriff's Office for law enforcement services dedicated to the agency's service area. The Transit Police Unit consists of fully commissioned deputies who provide vital services to Community Transit's employees and customers. Transit police deputies possess a deep understanding of transit operations and promote a safe and secure environment for all employees and customers through a highly visible police presence and effective patrolling of Community Transit vehicles and properties.

Risk Management 2020 Budget

Description	2018 Actuals	2019 Amended Budget	2020 Budget	2020 Budget Over/Under 2019 Budget	% 2020 Budget Over/Under 2019 Budget
Risk Management	574,059	691,363	677,620	(13,743)	-2%
Transit Security	2,472,449	3,543,205	3,506,685	(36,520)	-1%
Total Operating Expense	3,046,508	4,234,568	4,184,305	(50,263)	-1%

Expense Type	2018 Actuals	2019 Amended Budget	2020 Budget	2020 Budget Over/Under 2019 Budget	% 2020 Budget Over/Under 2019 Budget
Salaries & Wages	518,038	603,461	632,703	29,242	5%
Benefits	201,773	259,392	267,576	8,184	3%
Subtotal: Employee Expense	719,811	862,853	900,279	37,426	4%
Services	152,600	104,550	71,797	(32,753)	-31%
Intergovernmental Services	2,114,098	3,174,915	3,130,979	(43,936)	-1%
Supplies	59,998	92,250	81,250	(11,000)	-12%
Total Operating Expense	3,046,508	4,234,568	4,184,305	(50,263)	-1%

The largest cost element in this division's budget is the contract with the Snohomish County Sheriff's Office for Deputy Sheriffs' services. This contract is budgeted at \$3.1 million for 2020 and is 75 percent of the total division budget and 89 percent of the Transit Security budget center. Employee expenses contribute 22 percent to this division's budget. However, if you consider this budget without the contract with the Snohomish County Sheriff's Office, personnel expense is 84 percent of the budget.

The reduction in the services category of this budget resulted because two larger expenditures budgeted in 2019—professional services to assist in the development of complex lockout/tagout procedures for equipment with multiple energy sources and purchase of defibrillators for the fuel islands and the Kasch Park Operating Base—do not require additional funding in 2020. The supplies portion of this budget also varies from year to year, depending on business need.

Risk Management 2020 Priorities

- Complete implementation of the Public Transit Agency Safety Plan to meet FTA compliance requirements.
- Implement a new agencywide emergency operations plan which includes situational awareness, policy direction, and a road map for future planning.
- Complete development and implementation of a multiyear training and exercise plan to train employees in how to respond to various potential emergencies.
- Create dashboards to display hazard, accident, and claims data. These tools will improve trending and analysis of risks for the prevention and mitigation of hazards.

Training and Staff Development Division

This team supports the agency by providing a variety of training and staff development opportunities. Training staff operate the agency's in-house, ten-week coach operator training program. They provide annual refresher training and annual evaluations to incumbent coach operators along with return-to-work training for coach operators who have been away from the job for periods specified in the standard operating procedures and labor contracts.

Training staff also provide transportation supervisors and dispatchers with an internally developed, new-hire training program and with annual refresher trainings.

The division designs and provides in-house training for the Maintenance Department on safety-critical components as well as for the maintenance apprentice program.



This division, in partnership with Human Resources, plays a critical role in hiring, particularly for new coach operators. They also provide new employee orientation to all new hires and administer the agencywide training budget and program.

Training and Staff Development 2020 Budget

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Organizational Development	179,500	187,525	0	(187,525)	-100%
Training and Staff Development	4,251,950	4,255,460	4,068,399	(187,061)	-4%
<i>Total Operating Expense</i>	<i>4,431,450</i>	<i>4,442,985</i>	<i>4,068,399</i>	<i>(374,586)</i>	<i>-8%</i>

As demonstrated by the table above, no funding has been budgeted in 2020 for the Organizational Development budget center. The FTE formerly associated with this budget center has been transferred to the Training and Staff Development budget center and repurposed into a different position that better suits the needs of the agency. The organizational development programs that were retained and were formerly included in this budget have been moved to the Human Resources budget.

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	2,657,860	2,744,261	2,507,948	(236,313)	-9%
Benefits	1,160,576	1,190,159	1,064,909	(125,250)	-11%
<i>Subtotal: Employee Expense</i>	<i>3,818,436</i>	<i>3,934,420</i>	<i>3,572,857</i>	<i>(361,563)</i>	<i>-9%</i>
Services	609,071	487,965	485,042	(2,923)	-1%
Supplies	3,943	20,600	10,500	(10,100)	-49%
<i>Total Operating Expense</i>	<i>4,431,450</i>	<i>4,442,985</i>	<i>4,068,399</i>	<i>(374,586)</i>	<i>-8%</i>

Employee expense comprises 88 percent of this budget at \$3.6 million. Of that \$943,000 (26 percent) is wages and benefits for coach operator trainees. In 2018, several term-limited positions were added, all with terms expiring December 31, 2019. None of these term-limited positions carries forward to the 2020 budget, and some terms were ended before December 31. The position formerly budgeted in Organizational Development was moved into Training and Staff Development, resulting in a current complement of 19 FTEs in the 2020 budget.

Agencywide training makes up 11 percent of this division's total budget and nearly all of the services category of this budget. Agencywide training expenditures include registration fees and travel expenses associated with trainings. Agencywide training is budgeted at \$448,400 for 2020, which is a 6 percent increase over the 2019 budget. The training budget is calculated based on per employee standards established by the American Society for Training and Development.

The remaining 4 percent of the division budget primarily funds supplies associated with coach operator training activities. General agencywide training, professional memberships, and the agency membership in the Evergreen Safety Council are also funded in this budget.

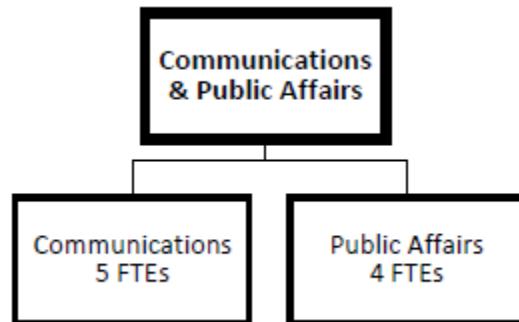
Training and Staff Development 2020 Priorities

- Develop e-learning programs for maintenance and operations employees to increase access to training and to provide opportunities for just-in-time learning.
- Redesign our Coach Operator Academy by reducing the length of our program while maintaining the high level of skills our coach operators are known for.

Communications and Public Affairs Department

The Communications and Public Affairs Department is responsible for creating messages that reach employees, our customers and the general public, and also enhancing relationships with our community and its business and elected leaders.

The Communications and Public Affairs Department consists of two divisions: Public Affairs and Communications. Communications staff are responsible for internal and external agency communications including the majority of Community Transit's website, social media, and overall agency messaging. Public Affairs staff are responsible for the agency's government and community relations programs and corporate positioning activities. Together, these divisions work to maintain the agency's reputation and positively impact our ability to deliver high-quality public transportation services.



Major Department Accomplishments for 2019

- Supported the Seaway Transit Center dedication and *Swift* Green Line launch events. Coordinated media relations and participation of elected officials and other key influencers, and provided a live-stream of the inaugural ride.
- Planned and supported the rollout of the agency's updated Vision and Mission.
- Launched an updated electronic rider alert system in partnership with Customer Experience and Transit Technology. The new alert system gives bus riders more timely information about service delays.
- Partnered with Sound Transit to develop plans for informing customers about the impacts of Link light rail construction at the Lynnwood and Mountlake Terrace Transit centers.
- Expanded the use of live video on social media to reach riders and the general public. The monthly Community Transit Live webcast reaches more people than other social media posts or live outreach events that Community Transit has implemented.
- Coordinated the media launch for the ORCA LIFT program in Snohomish County in partnership with agencies such as the State Department of Social and Health Services, King County Department of Health, Everett Transit and King County Metro Transit.
- Briefed congressional delegates on the agency's ongoing service expansion, with emphasis on the *Swift* bus rapid transit network. Hosted the acting administrator of the Federal Transit Administration (FTA) and other FTA staff members. Coordinated with Executive and

Planning staff to provide information and tours of the *Swift* Green Line and the Seaway Transit Center.

- Maintained strategic state and local-level partnerships with various jurisdictions served by the agency. Coordinated with Planning, Executive, and other departments to ensure council members from Bothell, Mill Creek, and Lynnwood were updated on *Swift* Green Line milestones post launch.

Department Priorities for 2020

- Create impactful messages to communicate the agency's updated strategic plan across audiences. Generate awareness, and seek opportunities to educate and engage stakeholders.
- Continue to develop and foster relationships with government representatives at the local, state, and federal level.
- Identify and leverage the most effective communication methods and channels for each audience, with a focus on ensuring customers receive timely information on service impacts and increasing employee engagement.

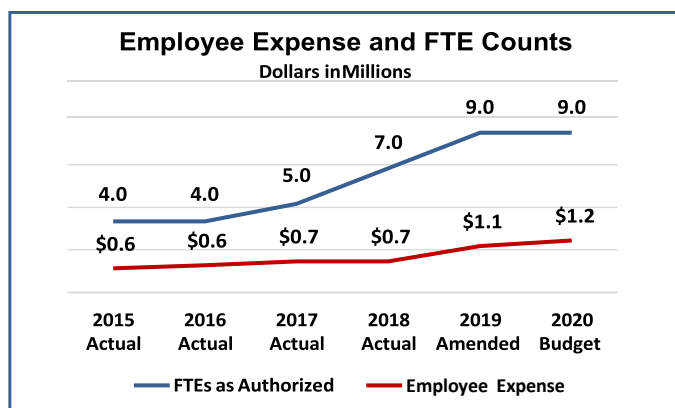
Communications and Public Affairs Department 2020 Budget

Community Transit's mission is to provide quality service, increase ridership, and assure a safe and comfortable experience for our riders. The Communications and Public Affairs budget supports the agency's mission by strengthening the image and position of the agency with key stakeholders and the public; securing local, state, and federal funding and legislation; providing education about the use of agency services; and sharing timely and relevant information with employees.

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	467,303	758,133	857,778	99,645	13%
Benefits	262,540	330,640	361,352	30,712	9%
<i>Subtotal: Employee Expense</i>	<i>729,843</i>	<i>1,088,773</i>	<i>1,219,130</i>	<i>130,357</i>	<i>12%</i>
Services	211,795	254,001	249,031	(4,970)	-2%
Supplies	1,738	2,000	2,700	700	35%
<i>Total Operating Expense</i>	<i>943,376</i>	<i>1,344,774</i>	<i>1,470,861</i>	<i>126,087</i>	<i>9%</i>

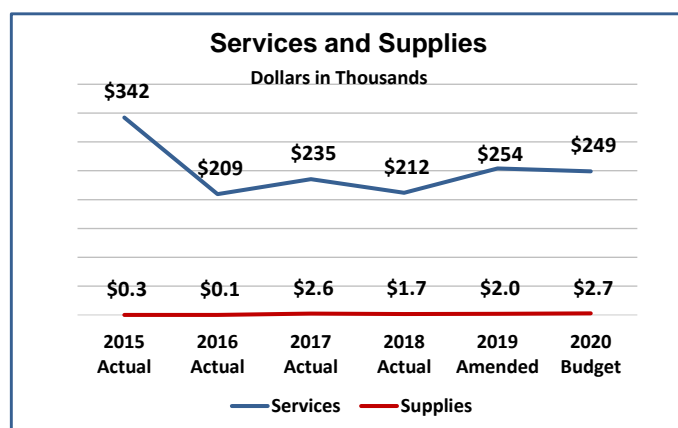
Salaries, Wages, and Benefits

Employee expense is the largest cost driver for this department, representing 83 percent of the budget. No additional employees have been included in the 2020 budget. The increase in employee expense results from filling vacant positions.



Services

The services category comprises 17 percent of the department's total budget. The services budget funds lobbying efforts to ensure that the state legislature is informed of agency interests. Memberships in various city and county Chambers of Commerce organizations are funded in this budget; these memberships provide Community Transit with forums to discuss transit issues and learn more about how we can partner with businesses and communities in our service area. This budget also includes funding for travel to industry conferences and to



Washington, D.C. to meet with federal legislators on transit issues.

Supplies

The supplies budget provides funding for office supplies not otherwise included in the general agency office supply budget. Such supplies are used primarily in conjunction with the agency's sponsorships.

Communications and Public Affairs Division Summary

This summary compares each budget center's 2020 budget to its 2019 amended budget.

Description	2018 Actuals	2019 Amended Budget	2020 Budget	2020 Budget Over/Under 2019 Budget	% 2020 Budget Over/Under 2019 Budget
Communications	459,675	654,117	689,060	34,943	5%
Public Affairs	483,701	690,657	781,801	91,144	13%
Total Operating Expense	943,376	1,344,774	1,470,861	126,087	9%

Communications Division

The Communications Division is responsible for internal and external agency communications and overall agency messaging. Communications team members provide advice to the CEO, the Director of Communications and Public Affairs, the Executive team and other key internal project leaders on strategic messaging and communications issues to preserve and enhance the agency's reputation.

Internally, the division produces an employee newsletter, plans and coordinates agency-wide employee meetings, and works with the CEO and Executive team to convey corporate messages and other news to employees to maintain an informed workforce. With the recent growth of the workforce, internal communications are becoming increasingly important to keep those employees informed and excited about agency initiatives, and also to create ambassadors to carry agency information into the community.

Externally, the division manages relationships with the news media, social media followers, and other key audiences. The division creates public information for dissemination via the agency's website and social media, electronic alerts to riders, news advisories and releases to traditional media, and rider alerts and printed brochures that are distributed on agency buses.



Communications staff draft speeches and presentations for local, regional, and national audiences; develop fact sheets and talking points for business leaders and elected officials; and create and distribute a monthly newsletter for the public. This team also takes a lead role in crisis communications and participates in agencywide and countywide disaster training exercises.

The division produces a monthly live webcast that regularly engages more than 7,000 people each month. This has proven to be a more effective mass communication tool than in-person outreach. Live video is used on remote locations to inform people about service expansion, fare changes, driver recruitment, and other issues, including the inaugural ride of the *Swift* Green Line.

Communications 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	317,904	432,712	463,249	30,537	7%
Benefits	125,336	184,235	193,071	8,836	5%
<i>Subtotal: Employee Expense</i>	<i>443,240</i>	<i>616,947</i>	<i>656,320</i>	<i>39,373</i>	<i>6%</i>
Services	14,742	35,470	31,040	(4,430)	-12%
Supplies	1,693	1,700	1,700	-	0%
<i>Total Operating Expense</i>	<i>459,675</i>	<i>654,117</i>	<i>689,060</i>	<i>34,943</i>	<i>5%</i>

There are no additional staff included in this budget in 2020. Employee expense comprises 95 percent of this cost center's budget. The remainder of this budget funds online news resources, travel to industry conferences, all-employee informational meetings, and analytical tools for monitoring web and social media activity.

Communications 2020 Priorities

- Launch a new, web-accessible intranet to improve availability of news and information to all employees.
- Work with Marketing and Customer Experience on a redesign of the public website.
- Raise public awareness of Community Transit services and expansion plans by increasing engagement with local and regional media.
- Work with the Planning and Marketing departments to increase public engagement on future transit restructure plans leading up to integration with Link light rail in 2021 and 2024. Ensure continued outreach and engagement with the community and customers on service changes and major projects as appropriate.

Public Affairs Division

The Public Affairs Division works to improve the agency's funding and regulatory environment at the federal, state, regional, and local levels; to raise awareness of Community Transit's accomplishments and activities; and to maintain a positive agency reputation. These goals are achieved by building relationships and awareness with business and key thought leaders as well as elected officials. Other employees, community members, the Board of Directors, and the CEO assist in this work. A state contract lobbyist assists with portions of this work.

Public Affairs staff focus on two key tasks: strengthening the image and position of the agency (corporate positioning) and securing local, state, and federal funding and legislation. The

corporate positioning work is accomplished through membership, participation, and leadership in key organizations including Economic Alliance Snohomish County; the Bothell, Edmonds, Lynnwood, Monroe, and Marysville chambers of commerce; Snohomish County Committee for Improved Transportation; Washington State Transit Association; The Bus Coalition; and the American Public Transportation Association, among others.

Public Affairs staff are also involved in several community service organizations, attend many community events on behalf of the agency, and support the CEO in his local and regional outreach. Advocacy work is accomplished through presentations to city and county councils; visits with elected officials locally, in Olympia, and in Washington, D.C.; and also through special events and programs that leverage the good will of local partners.

The agency does not have a federal contract lobbyist. Instead, that work is done directly by Communications and Public Affairs Department staff assisted by members of the Board of Directors, the CEO, and other agency staff. A cross-functional team assists in developing the strategy for all of these efforts. A contract lobbyist in Olympia performs the majority of the agency's state legislative work.

Public Affairs 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	149,399	325,421	394,529	69,108	21%
Benefits	137,205	146,405	168,281	21,876	15%
<i>Subtotal: Employee Expense</i>	<i>286,604</i>	<i>471,826</i>	<i>562,810</i>	<i>90,984</i>	<i>19%</i>
Services	197,053	218,531	217,991	(540)	0%
Supplies	45	300	1,000	700	233%
<i>Total Operating Expense</i>	<i>483,701</i>	<i>690,657</i>	<i>781,801</i>	<i>91,144</i>	<i>13%</i>

Employee expense comprises 72 percent of this budget. The 2020 budget adds no additional staff.

This budget funds the state lobbyist, travel to Olympia and Washington, D.C. to advocate for the agency, memberships in local chambers of commerce, attendance at industry conferences, and special events such as the CEO roundtables, which provide the CEO with an opportunity to build relationships and awareness with businesses and key thought leaders.

Public Affairs 2020 Priorities

- Engage with and educate local jurisdictions about service changes and agency goals as Community Transit continues to expand service and prepare for Link light rail's arrival in Snohomish County in 2024.
- Continue outreach to build local, state and federal support for the agency, the *Swift Orange Line* project, and Vision 2024.
- Explore strategic sponsorship opportunities that meet agency goals for community involvement and outreach.
- Protect federal and local funding and funding levels through advocating and outreach with legislators.



Customer Experience Department



The Customer Experience Department is focused on listening to, understanding, and advocating for customers and their needs. The department consists of four major divisions: Customer Care, Vanpool, Marketing, and Customer Experience Administration.

Department services are aligned with agency objectives and goals. Department staff work with major employers within our service area to encourage their employees to consider transportation options other than driving alone, helping to reduce congestion and greenhouse gas emissions. Department staff also work with residents and housing developments along major transportation corridors in our service area to promote transportation options to reduce congestion.

This department provides the agency executive team with data, plans, and programs to ensure that customer input is considered when decisions are made. Department staff create awareness of Community Transit's services, connect customers to compelling brand messages through multichannel marketing strategies, and inspire customer action to increase ridership and change travel behaviors.

Major Department Accomplishments for 2019

- Completed hiring and training of the new service ambassadors to help support the Green Line. The service ambassador team currently has a full complement of eight full-time equivalents (FTEs).
- Supported ORCA Low Income Fare Ticket (LIFT) program launch. Coordinated agency efforts to develop materials and promote this program.
- Implemented the *Swift* Green Line marketing campaign which included extensive integrated outreach and education effort across six well-defined target audiences (on-site outreach, commute behavior research, targeted social media, support materials for area employers and partnerships, print collateral and targeted direct mailings), launch events (Seaway

Transit Center dedication and *Swift* Green Line launch), and comprehensive advertising (out-of-home, print, digital, and ORCA promotions).

- Developed and implemented strategic marketing plan for services, products, and programs, integrating the customer into the marketing process.
- Based on customer research, led implementation of a number of customer experience improvements including:
 - Way-finding signs for customers taking the *Swift* Green Line to Paine Field airport.
 - Newly designed bay numbers at transit centers.
 - Sign wraps to make *Swift* stations more distinguishable and visible at Highway 99/Airport Road.
 - Improved signage at Seaway Transit.
 - Developed, implemented, and lead on a quarterly basis, Walk in A Customer's Shoes exercise agencywide.
- Obtained approval for a digital strategy program to include:
 - Website satisfaction survey.
 - New BusFinder beta.
 - Open data portal.
 - Google Tag Manager.
 - Search engine optimization enhancements.



Customer Experience Administration

- Developed and implemented digital KPIs to measure success.

Customer Care

- Completed integration of the Service Ambassador team into the CT-ATU collective bargaining agreement.
- Completed a successful rollout of Connections with all Customer Care employees, and continued the roll out of Connections across the company.

Marketing

- Implemented targeted *Swift* Green Line ORCA promotion: 722 commemorative cards were distributed to key audiences to promote the launch. As of June 2019, 57 percent of the

cards have been used, generating 8,696 total boardings, with further ORCA promotions continuing through 2019.

- Implemented Transit Coordination Grant ORCA Youth promotion: 8,723 ORCA cards were distributed to high school students across Snohomish County with key transit access.
- Continued marketing and advertising campaigns for recruitment initiatives resulting in significantly increased applications, approximately 100 coach operator applications per week. This effort will continue through 2020.

Transit Demand Management (TDM):

- Coordinated with employers and stakeholders in Canyon Park to assess transportation needs and improve TDM programs that increase the use of transportation options other than driving alone by employees, including last-mile connections to the new *Swift Green Line*.
- Optimized our Commute Trip Reduction program to better serve the needs of employers and employees, developing a worksite enhancement project with Allstate Insurance to reduce single-occupant vehicle travel.
- Continued the Curb the Congestion program along five congested corridors in Southwest Snohomish County, working with residential properties to encourage the use of commute alternatives and promoting *Swift Green Line*.
- Conducted customer testing in the development of Travel Option Guides that provide information on bike, walk, and transit resources within seven neighborhoods along our Curb the Congestion corridors.



Vanpool

- Developed a Vanpool Strategy, accompanied by a three-year strategic roadmap defining program growth and innovation.
- Transformed key business processes to improve customer experience and efficiency, which is the start of a continuous process improvement focus in Vanpool. Results to date include standardized electronic customer-facing forms and tools, improved data accuracy, and increased staff capacity.
- Automated internal financial processes and controls to streamline workflow.
- (Fall 2019) Study the vanpool market and customer needs to identify opportunities to implement new mobility strategies within the program.

Department Priorities for 2020

- Understand our customers by gathering actionable customer feedback and analyzing the results, then addressing customer needs with new programs and features.



- Based on market demand, grow the Vanpool program to increase boardings by 5 percent year-over-year.
- Develop and implement a world class customer service training program. Communities rely on transit to get residents from here to there. It is important that we, as an agency, acknowledge how important that responsibility is, and one of the ways we can do that is by providing world-class customer service.
- Participate in customer engagement as local and commuter services alike are impacted by advancement of Link light rail.
- Develop a Rider Foundations program: materials designed to empower potential customers with the

knowledge and tools they need to successfully use our transit system.

- Continue customer research to gain insights as to how to improve Community Transit's service and customer experience.

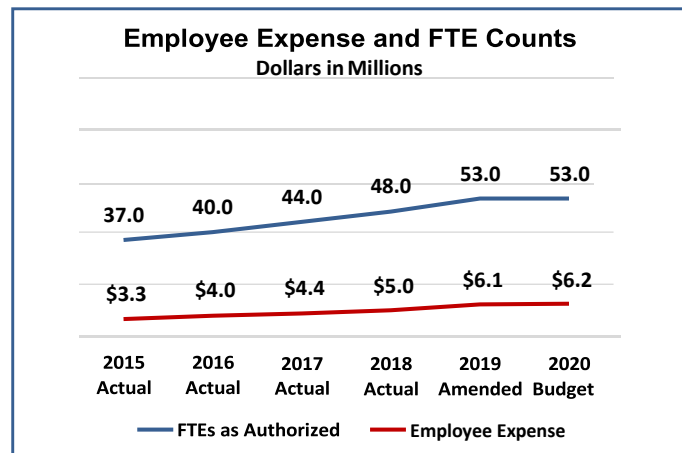
Customer Experience 2020 Budget

Customers value what we do and trust we will do it well. We work with our customers and the communities we serve to provide outstanding service and remain a trusted partner of choice. We will use the newly implemented Connections system to provide data-driven information for service improvements. We plan for sustainable growth and development in Snohomish County and the region by improving and expanding our vanpool program.

Expense Type	2018 Actuals	2019 Amended Budget	2020 Budget	2020 Budget Over/Under 2019 Budget	% 2020 Budget Over/Under 2019 Budget
Salaries & Wages	3,532,582	4,161,421	4,263,435	102,014	2%
Benefits	1,454,144	1,944,679	1,966,293	21,614	1%
Subtotal: Employee Expense	4,986,726	6,106,100	6,229,728	123,628	2%
Services	1,309,356	1,974,733	1,803,390	(171,343)	-9%
Supplies	738,127	1,472,380	1,099,265	(373,115)	-25%
Total Operating Expense	7,034,209	9,553,213	9,132,383	(420,830)	-4%

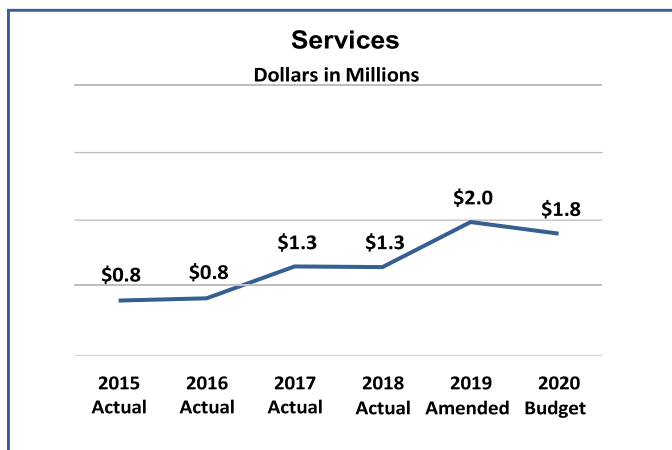
Salaries, Wages, and Benefits

Employee expense is the largest cost factor in this department budget, representing 68 percent of the 2020 budget. Although the number of FTEs remains the same from 2019 to 2020, the 2020 FTE count reflects the end of one term-limited position and the addition of one new position, a digital business analyst.



Services

Services comprise 20 percent of the department's budget. Significant service expenses include \$756,000 for advertising, \$319,700 for professional services, \$317,500 for printing services, and



\$177,000 for ridership promotion. More than half of the ridership promotions budget supports the state-mandated Commute Trip Reduction Act and Community Transit's transportation demand management (TDM) program. The agency receives grant funding from Snohomish County in support of this program. Community Transit manages the TDM program on behalf of the county.

The largest part of the printing budget, 47 percent, is for *Bus Plus* books. Other items in this budget include general marketing materials; job recruitment mailers; ridership and targeted route mailers; bike maps, trail maps, and related brochures; STEP education program materials; ticket books; fare enforcement cards; and Million Mile Driver decals.

The professional services budget includes \$157,000 for customer and market research, surveys, and user testing in support of the department's customer experience initiatives as well as \$100,000 in funding for a ridership campaign. Translation services and interpreters to assist customers with limited English skills or other special needs are also funded through the professional services budget.

Most of the advertising budget (\$400,000) is planned for employee recruitment efforts. According to the Washington State Employment Security Department¹, the August 2019 unemployment rate for Snohomish County was 3.3 percent (0.2 percent lower than 2018), and the unemployment rate for King County was 3.0 percent. These low unemployment rates continue trends begun in 2017 and make it more difficult to recruit quality employees. Media buys for a ridership campaign planned for 2020 comprise the next largest element in the advertising budget at \$245,000. The remainder of this budget funds a variety of programs including targeted vanpool campaigns, service change rider education, and industry-related campaigns for bike month, transit month, and the like.

Supplies

Fuel alone accounts for 90 percent of the Customer Experience Department's supply budget. Vanpool fuel was budgeted at \$3.35 per gallon for 412,800 gallons of gasoline in 2019. For the 2020 budget, fuel is budgeted at \$3.50 per gallon for 282,000 gallons for 480 vans. Vanpool fuel is not purchased directly from the state contract. Vanpool drivers buy fuel from local sources who accept the Voyager fuel card. The Voyager fuel card is authorized by the state contract.

Customer Experience Budget Center Summary

This summary compares each budget center's 2020 budget to its 2019 amended budget.

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Vanpool Program	1,356,829	2,234,452	1,749,703	(484,749)	-22%
Fare Media	14,898	10,000	2,500	(7,500)	-75%
Sales and Distribution	720,479	696,376	728,686	32,310	5%
Service Ambassadors	316,129	681,192	709,227	28,035	4%
Customer Care	703,957	766,116	779,475	13,359	2%
Marketing	2,364,555	3,227,773	3,398,803	171,030	5%
TDM and Customer Outreach	734,616	927,050	752,306	(174,744)	-19%
Customer Experience Admin	822,748	1,010,254	1,011,683	1,429	0%
<i>Total Operating Expense</i>	<i>7,034,209</i>	<i>9,553,213</i>	<i>9,132,383</i>	<i>(420,830)</i>	<i>-4%</i>

Discussions of each division's budget and 2020 priorities follow.

¹ <https://www.esd.wa.gov/labormarketinfo/monthly-employment-report>

Customer Experience Administration Division

The Customer Experience Department continues to grow to meet the needs of our customers, and its Administrative Division will expand to support the new staff, programs, and processes. Currently, the division consists of the Director of Customer Experience, a Customer Experience Improvement Specialist, a Digital Product Owner, a Digital Analyst, and a Customer Experience Support Specialist.

The Customer Experience Improvement Specialist is responsible for gathering data to identify areas throughout our service where there is room to improve our customer experience and then working with departments throughout the agency to make improvements. The Customer Experience Support Specialist provides administrative support for the entire Customer Experience Department as well as manages special projects at the direction of the department director.

The Digital Product Owner is responsible for all digital products our customers use for our service and for developing and making improvements to those products. The Digital Analyst assists the Digital Product Owner by gathering and analyzing data regarding the digital tools our customers use to better understand how to improve these to enhance our customers' digital experience. In 2020, we will hire one more Digital Analyst for additional resources to improve the digital experience for our customers.

The Director of Customer Experience is responsible for integrating and coordinating the diverse functions of the department including Marketing, Vanpool Operations, Transportation Demand Management, Service Ambassadors, Customer Information Services, Sales and Distribution, the ORCA call center, the walk-in center, retail accounts, business account functions, and Fare Media. The department director also oversees the development and implementation of programs to ensure customer input is considered when decisions are made and works with the CEO and the entire Executive team to ensure that department services are aligned with agency objectives and goals.

Customer Experience Administration 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	402,326	523,044	610,568	87,524	17%
Benefits	165,420	218,820	252,215	33,395	15%
<i>Subtotal: Employee Expense</i>	<i>567,746</i>	<i>741,864</i>	<i>862,783</i>	<i>120,919</i>	<i>16%</i>
Services	246,707	256,140	137,900	(118,240)	-46%
Supplies	8,294	12,250	11,000	(1,250)	-10%
<i>Total Operating Expense</i>	<i>822,748</i>	<i>1,010,254</i>	<i>1,011,683</i>	<i>1,429</i>	<i>0%</i>

Employee expense represents 85 percent of the division budget. As noted in the division description, the 2020 budget adds one FTE to the employee complement of this division. The services and supplies elements of this budget fund customer research related to improving the customer experience, design of an email template, user testing for review of website design and mobile tools usability as well as a vanpool survey, and employee service award recognition materials.

Customer Experience Administration 2020 Priorities

- Conduct surveys and focus groups with customers, as well as employ other forms of customer research, to gain insights as to how to improve Community Transit's service and customer experience. Use that data to develop, redesign, improve, and implement projects and digital tools to improve customer experience.
- Actively participate on teams within the agency to bring the voice of the customer to all aspects of the agency with the goal of improving the customer experience for new projects going forward.
- Implement Digital Strategy Phase 1 Tactics.
- Begin to implement Digital Strategy Phase 2 Tactics.

Customer Care Division

Fare Media

This budget center captures expenditures for printing and binding fare media. Fare media includes Dial-a-Ride Transportation (DART) passes and ticket books, regular fare tickets, and free-ride coupons for human services agencies.

Sales and Distribution

The Sales and Distribution team distributes all rider information to outlets in Snohomish County including grocery stores, libraries, post offices, Alderwood Mall, and other similar locations. Materials distributed include *Bus Plus* books, Sound Transit schedule books, system maps, ORCA retail information, park-and-ride kiosk panels, *Swift* kiosk panels, and informational and promotional brochures. The team also posts route schedules and map information at over 1,500 bus stops in the system.

RideStore employees sell and reload ORCA fare media, DART passes and ticket books, regional reduced fare permits, and a selection of retail items to make the rider's trip more pleasant. DART fare media may also be purchased online or by mail. RideStore employees staff the ORCA



call center and assist callers not only for Community Transit but also for Sound Transit. RideStore employees also provide information to our customers and manage the lost-and-found function for all Community Transit and Sound Transit routes originating in Snohomish County.

Service Ambassadors

The service ambassadors interface with customers on board and at the stations of the *Swift* bus rapid transit lines. They help educate customers on fares and fare policy and provide instruction on how to use the ticket vending machines and ORCA card readers and how to read general route and schedule information. The ambassadors encourage fare payment, keep a record of customers who do not pay their fares, and alert the Snohomish County Sheriff's Office transit police deputies if they identify any repeat nonpaying customers. The ambassadors also inspect all *Swift* stations. They document and photograph graffiti and notify Facilities Maintenance or IT staff of any damage to the stations or station technology so that it can be promptly repaired.

Customer Care

Customer Care benefits from a dedicated team of employees who engage with customers via telephone, email, and written letters. They have access to more than 150 translators to help non-English speaking customers. They use a state-of-the-art trip-planning information system to take customer comments and help riders plan trips using routes offered by any transit provider in the central Puget Sound area. The team provides information about bus stop locations, the ORCA program, fares, current reroutes, and all information regarding Community Transit and Sound Transit services.

As a front-line team, Customer Information Services employees collect commendations, complaints, and suggestions from the public; route requests to the proper department in the agency for resolution; and then provides responses to customers as needed. Sharing these customer insights across the company is the first step towards creating positive change for our customers.

Customer Care 2020 Budget

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Customer Care	703,957	766,116	779,475	13,359	2%
Fare Media	14,898	10,000	2,500	(7,500)	-75%
Sales and Distribution	720,479	696,376	728,686	32,310	5%
Service Ambassadors	316,129	681,192	709,227	28,035	4%
<i>Total Operating Expense</i>	<i>1,755,463</i>	<i>2,153,684</i>	<i>2,219,888</i>	<i>66,204</i>	<i>3%</i>

Expense Type	2018 Actuals	2019 Amended Budget	2020 Budget	2020 Budget Over/Under 2019 Budget	% 2020 Budget Over/Under 2019 Budget
Salaries & Wages	1,211,741	1,365,362	1,436,060	70,698	5%
Benefits	521,594	739,207	767,438	28,231	4%
Subtotal: Employee Expense	1,733,335	2,104,569	2,203,498	98,929	5%
Services	17,711	37,365	8,590	(28,775)	-77%
Supplies	4,417	11,750	7,800	(3,950)	-34%
Total Operating Expense	1,755,463	2,153,684	2,219,888	66,204	3%

Employee expense is the main expense in the division and represents 99 percent of the entire division budget. No additional staff are planned for 2020. The fare media budget center consists entirely of printing expenses. The small services and supplies budget categories fund translation services, ORCA supplies, bus stop signage tools, and other minor supply items.

Customer Care 2020 Priorities

- Participate in customer engagement as local and commuter services alike are impacted by advancement of Link light rail.
- Refine lost and found so that a greater number of customers retrieve lost property.
- Complete the roll out of the new customer comment system, Connections to other departments and explore the next step for Connections. How can we use it for DART, and how can we leverage the information that is being gathered to make our services better?
- Focus on standardizing work processes and developing a department-wide customer service training program. Our goal is to provide terrific, consistent, and accurate service for all of our customers. Standardizing our work flow and resources will help ensure that we provide consistent and accurate service to our customers, while implementing a transit-specific



customer service training program will give us the skills we need to deliver world class customer service.

- Identify departmental process improvement opportunities. As an agency that works for and with the public, it is important that we are continuously looking for opportunities to improve and streamline our work flows.

Marketing/TDM Division

The Marketing/TDM Division is undergoing a restructure to create more functional work groups, to build and develop a strategic Marketing team, and to ensure dynamic team structures whose employees have the necessary skills and tactical foundations to support agency growth and future service vision.



As part of the restructure, Transportation Demand Management (TDM) is moving to the Marketing Division in 2019. TDM employees administer the state-mandated Commute Trip Reduction program for eight jurisdictions within Snohomish County and the City of Bothell, effectively helping 65 employers with over 30,000 employees reach their Washington State Commute Trip Reduction goals. The group also administers a residential, corridor-based TDM program that

encourages transportation options other than driving alone along the busiest roadways in Southwest Snohomish County (128th Street, 164th Street, 196th Street, Highway 99, and Highway 527). The TDM group also manages ORCA business account operations for companies in Snohomish County. This work will be integrated into the new Marketing team structure.

The Marketing/TDM Division will consist of these work groups:

- Marketing Management: Provide overall strategic direction for the Marketing/TDM Division.
- Marketing Strategy and Implementation: Create and implement strategic project plans and campaigns; coordinate advertising tactics; produce content for web and social media as well as customer information; and report on metrics.
- Creative Services: Produce professional print, video, and digital communication products to support internal and external stakeholders.
- Field Marketing and Business Development: Communicate and market in the field to customers, businesses, and schools; develop leads; and sell the benefits of our services with the purpose of providing programs, products, and strategies that result in individual travel behavior change.

- Marketing Logistics: Plan and project manage large, complex programs, projects, contracts, and events.

Marketing/TDM 2020 Budget

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Marketing	2,364,555	3,227,773	3,398,803	171,030	5%
TDM and Customer Outreach	734,616	927,050	752,306	(174,744)	-19%
<i>Total Operating Expense</i>	<i>3,099,171</i>	<i>4,154,823</i>	<i>4,151,109</i>	<i>(3,714)</i>	<i>0%</i>

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	1,472,926	1,771,535	1,724,001	(47,534)	-3%
Benefits	589,373	763,188	728,208	(34,980)	-5%
<i>Subtotal: Employee Expense</i>	<i>2,062,300</i>	<i>2,534,723</i>	<i>2,452,209</i>	<i>(82,514)</i>	<i>-3%</i>
Services	1,006,774	1,576,600	1,605,400	28,800	2%
Supplies	30,097	43,500	93,500	50,000	115%
<i>Total Operating Expense</i>	<i>3,099,171</i>	<i>4,154,823</i>	<i>4,151,109</i>	<i>(3,714)</i>	<i>0%</i>

Personnel expenses comprise 59 percent of this budget. In 2019, the Marketing budget center added one FTE, and the 2020 budget includes the full-year effect of that addition. The 2020 budget includes a reduction of one term-limited FTE in the TDM and Customer Outreach budget center, thus reducing overall personnel expense.

Significant expenditures in this budget include \$756,000 for advertising (18 percent of the total Marketing/TDM budget) mostly supporting employee recruitment efforts and ridership media buys, \$227,800 in support of the state-mandated TDM program, \$77,000 supporting special events such as the bus shelter art program and a number of employee awards and recognition programs. The remainder of the budget includes professional services related to the planned ridership campaign, mail house fees for targeted informational mailings, uniforms for employees involved in public outreach, and a number of miscellaneous supply items such as Million Mile coach decals.

Marketing/TDM 2020 Priorities

- **Brand Elevation**: Create a positive feedback loop based on our core brand values, making our brand more memorable and relevant to our audience. Tactics include conducting a

brand internal audit, creating brand attributes and brand/channel guidelines, implementing brand internal education, and integrating brand into creative and identity materials.

- Annual Ridership Campaign: Develop and implement a multitiered ridership campaign meant to increase brand awareness and increase interest in our services, with the end goal of increasing use of our services. Tactics include market research and targeted promotions (route, service/ feature/ tool, community, audience, event).
- Residential and Business Program: Develop and implement a residential program to fulfill grant requirements while also creating more opportunities to promote our services. Tactics include researching and developing toolkits and developing a commuter/rider incentive program.
- Refresh the existing Recruitment Campaign to better align with the refined brand elements and to focus on the most effective tactics from the existing campaign.
- Establish new Digital & Content Marketing channels to engage with untapped potential audiences and connect more efficiently with those interested in the benefits of our services.
- Implement a Creative Services Project Management Solution to improve the creative design process and reduce manual tracking.



Vanpool Program

The vanpool program is currently staffed by five vanpool coordinators who handle one of the largest vanpool programs in the United States and the second largest in Washington State. Community Transit's vanpool fleet contains minivans and larger capacity 12- and 15- passenger vans. As of September 2019, the vanpool fleet consisted of 499 vehicles of which 472 were in active service and 27 were used as loaner vans. Loaner vans are used when an assigned van is in the shop for routine maintenance or other service reasons.

The program serves commuter groups with an origin or destination in Snohomish County. Vanpool groups pay a fare each month based on the size of their van and round-trip mileage. Vanpool coordinators provide personalized customer service to their groups, manage maintenance scheduling and monthly bookkeeping, and promote ridership. A staff person is on call 24 hours a day to respond to vanpool emergencies such as accidents or breakdowns.

Vanpool 2020 Budget

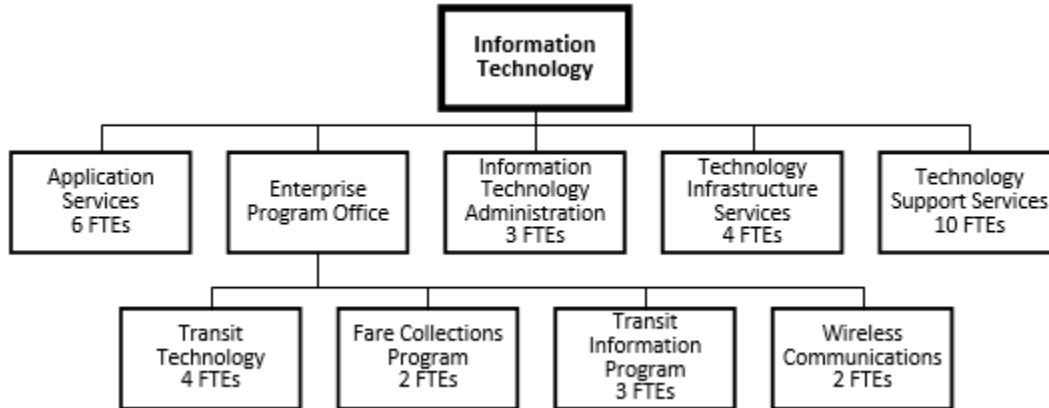
<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	445,589	501,480	492,806	(8,674)	-2%
Benefits	177,758	223,464	218,432	(5,032)	-2%
<i>Subtotal: Employee Expense</i>	<i>623,347</i>	<i>724,944</i>	<i>711,238</i>	<i>(13,706)</i>	<i>-2%</i>
Services	38,164	104,628	51,500	(53,128)	-51%
Supplies	695,318	1,404,880	986,965	(417,915)	-30%
<i>Total Operating Expense</i>	<i>1,356,829</i>	<i>2,234,452</i>	<i>1,749,703</i>	<i>(484,749)</i>	<i>-22%</i>

Employee expense makes up 41 percent of the Vanpool budget. The 2020 budget adds no additional FTEs. At 56 percent, fuel is the largest expenditure in the Vanpool budget and represents almost the entire supplies category in this budget. The 2020 budget estimates fuel at \$3.50 per gallon (282,000 gallons for 480 vans). The estimated usage methodology was updated to reflect more current mileage (mileage estimates vary from year to year based on the actual trip distances for each vanpool group). The end result is a 29 percent (\$396,000) reduction in the 2020 fuel budget as compared to 2019. The remaining 3 percent of this budget funds services and supplies in support of the Vanpool program, such as van graphics, Vanpool driver training materials, and an after-hours answering service to maintain 24/7/365 accessibility for Vanpool drivers.

Vanpool 2020 Priorities

- **Operational Improvements and Efficiencies:** The priority for 2020 will be continuing to develop solutions to optimize workflow through process improvement and digital self-service. Improvements in business process have already created capacity in the Vanpool program, allowing our fleet to increase by 30 vans in 2018-19 without adding staff resources. Through digital technologies, customers can benefit from online trip reporting, payment, and registration, allowing staff to focus on customer relationships, retention, growth and program innovation.
- **Innovate:** Customers around Puget Sound have an increasing range of innovative options for commuting. Neighboring communities, agencies, and private businesses offer attractive alternatives to driving alone. Community Transit's Vanpool program must innovate to continue meeting our customers' needs for alternatives. A small number of electric/hybrid vanpool vehicles will be evaluated for purchase in 2020, based on customer demand and identified business savings.
- **Grow:** Based on market demand, increase boardings by 5 percent year-over-year.
- **Improve cost recovery:** Generate increased revenue for the vanpool program, while reducing expenses.

Information Technology Department



The Information Technology Department consists of five divisions: Information Technology Administration, Application Services, Technology Infrastructure Services, Technology Support Services, and Transit Technology.

The department's primary mission is to identify, evaluate, implement, and maintain technical solutions for Community Transit's current and future requirements with a focus on enhancing the customer experience and improving operational efficiency. The work of this department impacts all agency computing including transit application systems, internal business systems, fare collection (ORCA), and a transitioning voice and data radio communications system. In



addition, Information Technology employees support the agency's public-facing website (with popular features such as Trip Planner), our real-time transit signs indicating next departure status, automatic stop annunciation on the coaches, and our BusFinder applications for mobile, desktop, and phone.

Currently, staff are working on improving current and future intelligent transportation systems¹ on Community Transit's coaches.

¹ Intelligent transportation systems applications include advanced public transportation systems (APTS), *Swift* operations, fare collection [ORCA], service alerts, and open data.

Advanced public transportation systems (APTS) refers to a group of technologies that includes automatic vehicle location, automatic passenger counters, automated stop annunciation, computer-aided dispatch, advanced traveler information systems, open data, and driver display units.

Intelligent transportation systems applications demand a real-time, 24/7/365 communications and operating platform with high availability, high performance, industrial-strength security, and proactive system management.

This is a very purposeful expansion of technology-based services to meet the emerging expectations of an increasingly tech-savvy ridership. This growing contingent of riders are web-based, mobile, and expect integrated trip planning and real-time information when making travel choices. Riders want this information to be accurate, at their fingertips, and consistent when accessing it through popular national transit channels, regional partners, and any number of commercially available transit mobile apps. The goal is to make riding transit easy, convenient, and safe.

Major Department Accomplishments for 2019

Information Technology Administration

- Led efforts to reduce the compliance scope for payment card industry data security standards by implementing new credit card readers and payment processing applications.
- Provided annual security training agencywide in partnership with the Training division.
- Implemented a process for periodically assessing the strength of user passwords.
- Implemented automated vulnerability assessments for all production Windows systems to identify potential security weaknesses.
- Made significant progress on the development of our disaster recovery plans.

Application Services

- Launched a new version of BusFinder in partnership with Customer Experience with enhanced accuracy and a new Customer Alerts capability.
- Implemented the agency's first data mart, including governance for the ongoing management and use of the agency's data assets.
- In partnership with Customer Experience, implemented Connections agencywide, replacing the end-of-life Customer Comments system.
- In cooperation with the Finance Division, implemented a new budgeting system to replace the end-of-life PeopleSoft EPM system.
- Implemented systems changes and updates that allowed for implementation of regulatory reporting requirements, including the Washington State Family and Medical Leave Act, Department of Retirements Systems, flexible spending accounts, and federal withholding allowance (W-4).

Technology Infrastructure Services

- Completed replacement of end-of-life primary storage, which houses all Community Transit data and virtual servers with new high-speed technology. This resulted in a 75 percent increase in performance.
- Completed primary disaster recovery strategies by replicating all physical backups, data, and virtual servers into the cloud.
- Renegotiated a five-year agreement with Snohomish County for Internet services that include a faster connection to the Internet for Community Transit.
- Completed replacement of agency firewalls, which facilitates a faster connection to the Internet and reduces costs by going from six firewalls to two.
- Implemented primary physical and cloud-based server and network infrastructure in support of the Voice over Internet Protocol (VoIP) project.
- Retired or mitigated the bulk of servers with old operating systems that presented a security risk to the agency.

Technology Support Services

- Completed the three-year contract renewal process for Community Transit's Microsoft Enterprise Software agreement.
- Assumed operational responsibility for the passenger information control system.
- Upgraded all Community Transit desktops, laptops, and workstations to Windows 10 and Office 2016.
- Assumed agencywide responsibility for base map currency to improve the consistency of our maps and data across many customer-facing platforms.
- Provided agencywide service (help desk) support and network operations center monitoring, including 24/7/365 support for urgent issues.
- Completed Merrill Creek Operations Base Training Rooms 1 and 2 audio/visual upgrade.
- Provided key expertise for several efforts aimed toward improving our overall service delivery and data accuracy, including service change process improvement, the base map project, and the stop location corrections project.



Transit Technology

- Completed the VoIP final system design documentation and operational system integration testing.
- Procured all central system, dispatch station, and onboard vehicle equipment for the VoIP in-service minifleet testing and full-fleet installation.
- Launched a land mobile radio feasibility project for decommissioning the existing analog radio system in the most cost-effective way.
- Launched a new, real-time service alerts system to dramatically improve the customer experience.
- Completed a feasibility study to provide timely and consistent maps for our application systems and customers.
- Complete replacement of 148th Street queue jump equipment needed to maintain operational reliability of the *Swift* Blue Line.
- Completed a light detection and ranging (LIDAR) survey of all served bus stops and produced a rich dataset of highly accurate (<1ft) bus stop locations and 3D pictures.
- Finalized conceptual and preliminary design phases for Next Generation ORCA.
- Reduced email storage by 30 percent and educated users on best practices.

Department Priorities for 2020

- Launch our VoIP program (including a back-up system) to fully utilize cellular capabilities and performance.
- Grow and mature our business intelligence capabilities across the agency with greater access to data and data marts.
- Increase our real-time accuracy through implementation of new bus stop location information and new base maps.



- Complete final design phase and begin development of the Next Generation ORCA system.
- Implement new service management process roadmaps, methodologies, and best practices as part of the Information Technology Department's transformation process re- engineering strategy.

Information Technology Department 2020 Budget

The 2020 Information Technology budget fully supports the agency's vision and mission as well as the significant need to replace an aging radio system, launch new customer-facing innovations, significantly enhance passenger safety, and move to the cloud. This budget also supports the agency's growing ability to analyze large-system datasets from sources such as APTS, ORCA, Trapeze OPS, and Connections. These provide ongoing operational efficiencies and important enhancements for our customers and to our service planning capabilities. We also expect to make important progress on a new, more customer friendly corporate website.

For a number of years the Information Technology Department has run the agency's computing needs in datacenters that were on our premises. In 2019 and continuing in 2020 we will be moving many of our applications to the cloud. The cloud services market has now stabilized and offers better disaster recovery, back-up, and security options. While this move to the cloud will drive up operational costs (licensing, network capacity, etc.), it will lessen our need for large capital purchases of technology as the agency grows. There will continue to be some systems and networks that remain onsite, but we would expect the majority of our systems to be cloud-based by the end of 2021.

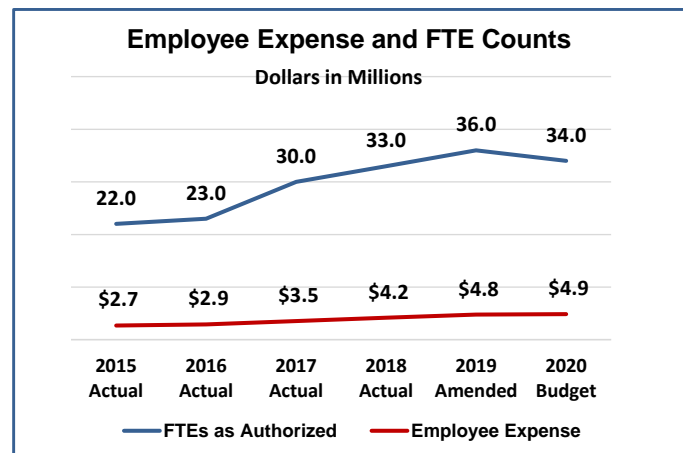


Information Technology 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>%2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	3,007,332	3,385,998	3,481,497	95,499	3%
Benefits	1,152,016	1,385,929	1,389,604	3,675	0%
<i>Subtotal: Employee Expense</i>	<i>4,159,348</i>	<i>4,771,927</i>	<i>4,871,101</i>	<i>99,174</i>	<i>2%</i>
Services	3,170,564	4,038,779	4,281,184	242,405	6%
Intergovernmental Services	333,392	601,605	663,354	61,749	10%
Supplies	148,049	237,380	203,710	(33,670)	-14%
<i>Total Operating Expense</i>	<i>7,811,353</i>	<i>9,649,691</i>	<i>10,019,349</i>	<i>369,658</i>	<i>4%</i>

Salaries, Wages, and Benefits

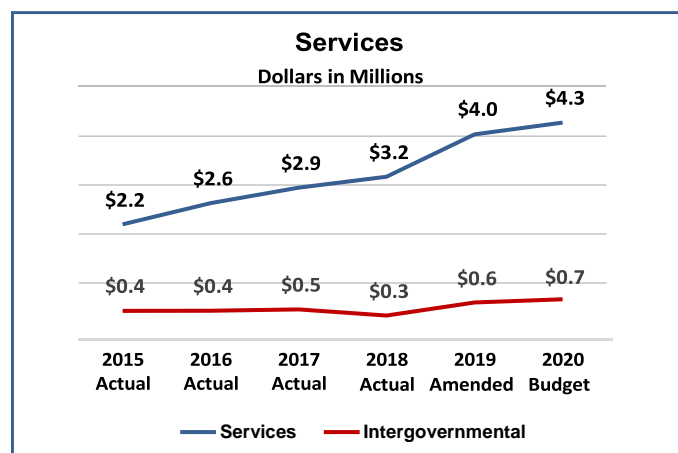
Employee expense makes up 49 percent of this department's budget. As allowed by Resolution No. 30-17, the CEO authorized the addition of one senior project manager in late September 2018. Because the position was added after the 2019 budget was prepared, the position was not included in the original 2019 budget, but does constitute one of the 36 FTEs for 2019 shown in the chart at right.



As allowed by Resolution No. 9-18, the CEO authorized one spatial data coordinator with an estimated start date of fourth quarter 2019. That position is also included in the 2019 FTE count. The 2020 budget does not add additional staff; rather the 2020 budget reduces department staffing by two positions: one term-limited project assistant with a term end effective December 31, 2019, and one information technology architect who plans to retire in early 2020.

Services

Total services (general services and intergovernmental services) comprise 43 percent of this department's budget and reflect the agency's increasing reliance on data-driven business decision making. Within the Services budget category, the five largest contract maintenance services are for INIT and APTS used for fixed-route and paratransit services, radio system management, Microsoft Enterprise software fees, PeopleSoft Financials maintenance and support, and Parkeon maintenance fees for alarms and credit card processing. These five items account for \$883,300 in contract maintenance services and comprise 46 percent of all Information Technology contract maintenance expenses. The remainder of the contract maintenance budget funds a diverse assortment of software and hardware necessary to operate the agency.



Software leasing services make up 22 percent of the Information Technology services budget. As noted in the 2019 budget notebook, the software industry trend is to offer more cloud-based software subscription services. The estimated spend for these services is about \$382,000 in 2019 compared to \$960,000 in 2020. A recent example is the transition of the

budgeting system software in 2019 from an on-premises model to a cloud-based model.



Telephone and data services account for 10 percent of this department's services budget. These services support network fleet monitoring, cellular and land-line services, fiber services to our DART contractor, web-conferencing services, and underground tank monitoring services. Professional services account for slightly more than 9 percent of the services budget and fund work on radio towers, migration to Office 365, and server feasibility planning among other requirements.

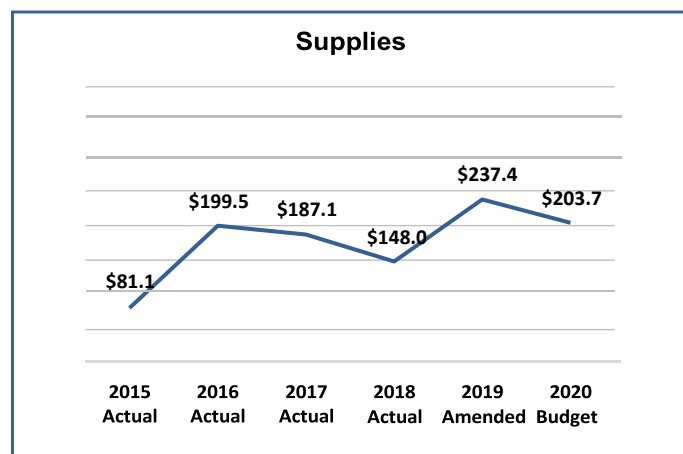
Intergovernmental Services

This budget reflects expenses related to ORCA operations that are paid to Sound Transit

(Sound Transit acts as the ORCA fiscal agent) and to Snohomish County for internet service provider fees.

Supplies

Supplies contribute slightly more than 2 percent to the overall department budget and primarily fund technology-related equipment such as phones, monitors, tablets, laptops and printers, conference room and presentation equipment, and fleet management equipment. The change in this budget reflects the normal fluctuation in anticipated expenses associated with these items.



Information Technology Division Summary

This summary compares each budget center's 2020 budget to its 2019 amended budget.

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Wireless Communications	116,705	198,691	222,861	24,170	12%
Radio Operations	486,333	489,310	492,250	2,940	1%
Fare Collections Program	882,391	1,250,085	1,208,591	(41,494)	-3%
Technology Support Services	2,177,437	2,601,328	2,783,406	182,078	7%
Transit Information Program	322,884	447,401	453,673	6,272	1%
Enterprise Program Office	367,605	444,878	621,242	176,364	40%
Technology Infrastructure Services	816,195	1,199,371	1,169,289	(30,082)	-3%
Application Services	1,813,888	2,116,084	2,363,923	247,839	12%
Information Technology Admin	827,915	902,543	704,114	(198,429)	-22%
<i>Total Operating Expense</i>	<i>7,811,353</i>	<i>9,649,691</i>	<i>10,019,349</i>	<i>369,658</i>	<i>4%</i>

Discussions of each division's budget and 2020 priorities follow.

Information Technology Administration Division

The Information Technology Administrative Division includes the Chief Technology Officer, the Information Technology Security Architect, radio operations, and administrative staff who provide support for the entire department.

As head of the department, the Chief Technology Officer guides and integrates the different functions of the department—project management, information technology governance and security, system development, network administration, application maintenance, 24/7/365 real-time logistical support, and customer support—so the department can support all aspects of business operations.

The Information Technology Administration Division establishes policies and standards for payment card industry security technology acquisition and use within the agency, formulates department strategies and architectural alternatives to meet current and long-term agency needs, and provides leadership and direction for the department.



The Administration Division contains two budget centers: Information Technology Administration and Radio Operations.

Information Technology Administration

The Administration budget center is responsible for the day-to-day administrative support of the department. It is also, under the direction of the information technology architect, responsible for ensuring that required compliance standards are met (e.g. payment card industry data security standards), that business continuity/disaster recovery plans are in place, and that effective and appropriate security controls are in place and are verified via periodic vulnerability assessments and risk management processes.

Radio Operations

The information technology architect also serves a dual role as radio operations manager and is responsible for the day-to-day operational maintenance of the land mobile radio system which delivers fleet-wide voice communications to dispatch, vehicles, and operations staff.

Information Technology Administration 2020 Budget

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Information Technology Admin	827,915	902,543	704,114	(198,429)	-22%
Radio Operations	486,333	489,310	492,250	2,940	1%
<i>Total Operating Expense</i>	<i>1,314,248</i>	<i>1,391,853</i>	<i>1,196,364</i>	<i>(195,489)</i>	<i>-14%</i>

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	517,259	533,019	399,044	(133,975)	-25%
Benefits	198,261	200,239	149,210	(51,029)	-25%
<i>Subtotal: Employee Expense</i>	<i>715,520</i>	<i>733,258</i>	<i>548,254</i>	<i>(185,004)</i>	<i>-25%</i>
Services	598,167	642,945	637,460	(5,485)	-1%
Supplies	561	15,650	10,650	(5,000)	-32%
<i>Total Operating Expense</i>	<i>1,314,248</i>	<i>1,391,853</i>	<i>1,196,364</i>	<i>(195,489)</i>	<i>-14%</i>

Personnel expense accounts for 46 percent of this division's budget. No additional staff have been budgeted for this division in 2020. Instead, one information technology architect position will be eliminated in 2020. There were two information technology architect positions for a

period of time to ensure knowledge transfer of complex security systems between an incumbent who planned retirement and his successor.

Services comprise 53 percent of the division's 2020 budget. Programs funded under this budget include security control testing and remediation efforts begin in 2019; payment card industry compliance management; and ongoing fleet radio system maintenance and management, including tower and site leases. Based on actual expenses year to date in 2019, ongoing expenditures for digital forensics and incident management in the professional services component of the services budget were reduced.

Supplies account for the remainder of the budget and consist primarily of items used to support the fleet radio system.

Information Technology Administration 2020 Priorities

- Lead the effort to implement more advanced identity and access management technologies with the goal of making our systems easier to use while increasing our security posture.
- Develop more robust risk management processes for addressing vulnerabilities found in technology systems.
- Maintain and support the land mobile radio system until fully replaced.
- Reduce the agency's payment card industry compliance responsibilities through implementation of new technologies that will shift the burden of compliance away from the agency.

Application Services Division

The Application Services Division provides operational services and support of the agency's application and data assets, including vital transit-oriented information systems such as parts inventory, vehicle maintenance, dispatch, and scheduling (routes, crew, and vehicles). Additionally, Application Services staff improve and maintain agencywide financial, human resources, budgeting, and business intelligence systems. Underlying these systems is the agency's database management systems (Oracle and Microsoft) which are also managed by Application Services Division employees. This division is responsible for developing the agency website and designing and implementing Internet- and intranet-based applications in partnership with the Customer Experience Department. The Application Services Division provides technical services, support, and project management for a number of capital projects.

Application Services 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget % Over/Under 2019 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	632,635	645,302	709,905	64,603	10%
Benefits	247,146	255,012	266,078	11,066	4%
<i>Subtotal: Employee Expense</i>	<i>879,781</i>	<i>900,314</i>	<i>975,983</i>	<i>75,669</i>	<i>8%</i>
Services	932,435	1,215,270	1,387,440	172,170	14%
Supplies	1,672	500	500	0	0%
<i>Total Operating Expense</i>	<i>1,813,888</i>	<i>2,116,084</i>	<i>2,363,923</i>	<i>247,839</i>	<i>12%</i>

Personnel expenses account for 41 percent of this division’s budget, and no additional staff are added in the 2020 budget. The increase in personnel expense is due primarily to the reevaluation of two existing positions which resulted in higher compensation rates.

At 59 percent, services are the main expense in this budget and provide funding for two critical agencywide software needs: software leases totaling nearly \$700,000 (50 percent of the services budget) and contract maintenance for much of the agency’s business software—both on-premises and cloud based—amounting to \$600,000 (43 percent of the services budget).



Industry trends are for software to be leased or purchased on a subscription basis with the actual software accessed via the cloud, rather than the more traditional model of purchasing the software outright and housing the software on internal servers. The remaining 7 percent of the services budget is primarily for software consulting services.

Application Services 2020 Priorities

- Provide operational support for data agencywide and maintain appropriate governance for the management and use of this data, which is critical to ongoing operations.
- Continue to migrate internal transit information systems to use General Transit Feed Specification² (GTFS) to ensure customers are receiving consistently accurate information.
- Partner with Customer Experience to develop a multiyear, agencywide digital strategy implementation to transform the digital experience of the corporate website and transit tools (i.e. Trip Planner, BusFinder, etc.).
- Maintain software currency. Stay current on application and database management systems and provide operational support for agencywide software systems.

Technology Infrastructure Services Division

Technology Infrastructure Services staff provide a broad range of support and lifecycle management services for network, server, and storage infrastructure for Community Transit. This division is responsible for architecting, designing, deploying, and maintaining the agencywide local- and wide-area networks, physical and virtual application and file servers, and email infrastructure. Supported systems are deployed on premises and in cloud data centers that offer better back-up and disaster recovery capability. The division is constantly exploring innovative solutions to current and future business needs.

Technology Infrastructure Services staff are responsible for managing all data center operations, establishing and maintaining a digital security perimeter to protect agency systems, providing backup and restoration services for systems and files, developing and implementing disaster recovery strategies, and developing standards for technology infrastructure. This division supports wireless data and voice communications for coaches, supervisor vehicles, DART vehicles, and *Swift* stations. Staff in this division respond to security and operational incidents and support needs 24/7/365.

² General Transit Feed Specification (GTFS): A standardized data specification format that allows public transit agencies to publish transit data in a format that can be consumed by a wide variety of software applications. This data format is typically used to supply data for public transit use in multimodal journey planning applications. In most cases, the data is combined with street and pedestrian networks to allow an end user to plan a trip from a preferred starting point to a preferred ending point, rather than from transit stop to transit stop.

GTFS alone indicates static data. GTFS-RT indicates real-time data.

Technology Infrastructure Services 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>%2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	376,147	436,132	443,604	7,472	2%
Benefits	135,288	170,285	169,985	(300)	0%
<i>Subtotal: Employee Expense</i>	<i>511,435</i>	<i>606,417</i>	<i>613,589</i>	<i>7,172</i>	<i>1%</i>
Services	297,414	534,954	508,000	(26,954)	-5%
Intergovernmental Services	4,158	6,000	17,500	11,500	192%
Supplies	3,188	52,000	30,200	(21,800)	-42%
<i>Total Operating Expense</i>	<i>816,195</i>	<i>1,199,371</i>	<i>1,169,289</i>	<i>(30,082)</i>	<i>-3%</i>

No additional staff have been budgeted for this division in 2020. Personnel expenses account for 52 percent of this division's budget.

The services budget category comprises 43 percent of the budget and shows a net reduction of almost \$27,000 as compared to the 2019 amended budget. Expenditures planned for contract maintenance services decreased by 36 percent from \$249,000 to \$160,000, partly because more software is being accessed via the cloud. This means less data storage capacity and fewer firewalls are needed on site. New firewalls were purchased in 2019, but Community Transit did not require as many as were needed in prior years.

Intergovernmental services comprises only 1 percent of this budget but funds Internet access for the agency through a contract with Snohomish County.

The remaining 3 percent of the budget funds supplies. The 2020 budget shows a reduction in the supplies category because fewer servers are needed on site.

Technology Infrastructure Services 2020 Priorities

- Architect the network infrastructure and datacenter necessary for the new Casino Road facility.
- Implement a technology lifecycle refresh of APTServer hardware and software, as they are at end-of-life.
- Continue partnering with the VoIP project team to ensure a successful implementation and smooth transition from the agency's existing voice radio system.
- Continue replacement of primary end-of-life network, server, and storage hardware and operating systems to take advantage of new efficiencies and the latest security features.

- Make additional improvements to the corporate network that will improve redundancy and add bandwidth capacity in anticipation of moving more workload to the cloud.

Technology Support Services Division



Technology Support Services' primary focus is providing high quality, technology-related, operational support for both intelligent transportation system applications and Community Transit end users. This division also operates and manages Community Transit's network operations center and service/help desk.

Technology Support Services is the single point of contact for communications between the Information Technology Department and the user community to satisfy both customer needs and department objectives. The division proactively keeps users informed of all relevant service events, actions, and service changes that are likely to affect them.

Technology Support Services also facilitates the integration of business processes into the information technology service management infrastructure, supports real-time systems, such as *Swift* bus rapid transit, APTS, and GTFS/GTFS-RT on a 24/7/365 basis. Employees in this division also manage and maintain currency of base maps to ensure consistent customer experience across various platforms. In addition, division employees establish and maintain desktop hardware and software standards, track and monitor agency software compliance and licensing, and develop and implement desktop-based solutions to increase agency productivity.

Technology Support Services 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>%2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	707,969	759,638	866,597	106,959	14%
Benefits	289,499	336,631	373,940	37,309	11%
<i>Subtotal: Employee Expense</i>	<i>997,468</i>	<i>1,096,269</i>	<i>1,240,537</i>	<i>144,268</i>	<i>13%</i>
Services	1,037,832	1,337,379	1,381,859	44,480	3%
Supplies	142,137	167,680	161,010	(6,670)	-4%
<i>Total Operating Expense</i>	<i>2,177,437</i>	<i>2,601,328</i>	<i>2,783,406</i>	<i>182,078</i>	<i>7%</i>

There are no additional staff budgeted in this division in 2020. The increase in personnel expense reflects the full-year effect of one FTE added in mid-2019 as authorized by Resolution No. 9-18 and benefit rate increases common to most budget centers. Personnel expense accounts for 45 percent of this division's budget.

Services comprise 50 percent of the Technology Support Services budget, and within the services category, contract maintenance is the largest element and includes almost \$300,000 for the APTS extended warranty for fixed route and paratransit services and \$128,000 for Microsoft Enterprise software annual renewal fees. The 2020 budget for Microsoft Enterprise software is \$64,000 less than was budgeted for 2019 because the move to Office 365 will occur in 2020 rather than in 2019. Contract maintenance also covers maintenance for network printers and copiers and license renewals or other maintenance fees for a wide variety of business software used throughout the agency.



Other services budgeted in this category include telephone and data services, software, copier rentals, and software leases. As noted in other information technology budgets, software is moving away from the on-premises model to a cloud-based model, resulting in increasing expenditures for software leases while decreasing expenditures for agency-owned software. Community Transit has also moved to centralize all software leases in Information Technology Department budgets.

The supplies category of the Technology Support Services budget primarily consists of replacement telephone, printer, and computer equipment for employees and conference rooms. Expenditures fluctuate from year to year depending on business needs.

Technology Support Services 2020 Priorities

- Partner with the Voice over Internet Protocol project team to ensure a successful implementation and smooth operational transition for all system hardware and software.
- Determine migration strategy and execute move from Office 2016 (on premise) to Office 365 (cloud-based).
- Provide agencywide service (help desk) support and network operations center monitoring, including 24/7/365 support for urgent items.
- Process and validate APTS, ORCA, automatic terminal information service, and GTFS/GTFS-RT data for all service changes.
- Establish base map currency strategy and develop standard operating procedures for ongoing maintenance of these maps.

Transit Technology Division

The Transit Technology Division contains four programs: the enterprise program office, fare collections, transit information, and wireless communications.

Enterprise Program Office

Enterprise Program Office staff lead the strategic planning and project efforts critical to the implementation and success of intelligent transportation applications, the agency's business planning process, project management office, and records management program. This budget center includes operational costs for the management and continuous process improvement of agencywide work such as information governance, business planning, project management, and research for future technologies.

Fare Collections Program

The Fare Collections Program includes the operating expenditures related to managing fare collections related projects. The program contains staff support for current ORCA operations, the regional Next Generation ORCA project, ticket vending machine project management (maintenance and capital), and transit signal priority project management. The ORCA function includes working with the Joint Board, ORCA operations, ORCA regional program administration, and the fiscal agent; security and data management; and ensuring compliance with preventive maintenance programs, system operations, and customer services.

Transit Information Program

This budget center supports and improves the agency's customer and internal data, applications, and systems such as the passenger information control system, accuracy of real-time arrival/departure predictions and vehicle locations, a vanpool management systems feasibility study, base map spatial data improvements, and continued improvements to APTS.

Wireless Communications Program

This portion of the Transit Technology Division budget is used for expenditures associated with managing the wireless communications program for the agency. Employees in this budget center manage an estimated \$13 million radio system replacement capital project as well as other projects within the program, such as the redesign of Community Transit's onboard technology architecture.

Transit Technology 2020 Budget

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget % Over/Under 2019 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>
Enterprise Program Office	367,605	444,878	621,242	176,364	40%
Fare Collections Program	882,391	1,250,085	1,208,591	(41,494)	-3%
Transit Information Program	322,884	447,401	453,673	6,272	1%
Wireless Communications	116,705	198,691	222,861	24,170	12%
<i>Total Operating Expense</i>	<i>1,689,585</i>	<i>2,341,055</i>	<i>2,506,367</i>	<i>165,312</i>	<i>7%</i>

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget % Over/Under 2019 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	773,323	1,011,907	1,062,347	50,440	5%
Benefits	281,822	423,762	430,391	6,629	2%
<i>Subtotal: Employee Expense</i>	<i>1,055,145</i>	<i>1,435,669</i>	<i>1,492,738</i>	<i>57,069</i>	<i>4%</i>
Services	304,716	308,231	366,425	58,194	19%
Intergovernmental Services	329,233	595,605	645,854	50,249	8%
Supplies	491	1,550	1,350	(200)	-13%
<i>Total Operating Expense</i>	<i>1,689,585</i>	<i>2,341,055</i>	<i>2,506,367</i>	<i>165,312</i>	<i>7%</i>

In 2018 one term-limited project assistant was added to the Fare Collections Program. The term for this position expires December 31, 2019, and constitutes an FTE reduction. The 2020 budget does not add staff to any of the budget centers in this division; however, personnel expenses reflect the full-year budget impact of a project manager in the Enterprise Program Office authorized in the original 2019 budget with a mid-2019 hire date. Personnel expenses comprise nearly 60 percent of this division's budget.

Intergovernmental services account for almost 26 percent of the budget and consist of Community Transit's operations fees payable to the ORCA fiscal agent (Sound Transit). This budget increase reflects an increase in operational costs approved by the ORCA Joint Board.

The services category accounts for slightly less than 15 percent of this budget and includes Parkeon maintenance for alarms and credit card processing, warranty, and software change fees; consulting for bus rapid transit, open data, business planning, and records management; transit signal priority equipment maintenance, repair, and decommissioning; and Vix intelligent transportation and fare collection technology change requests.

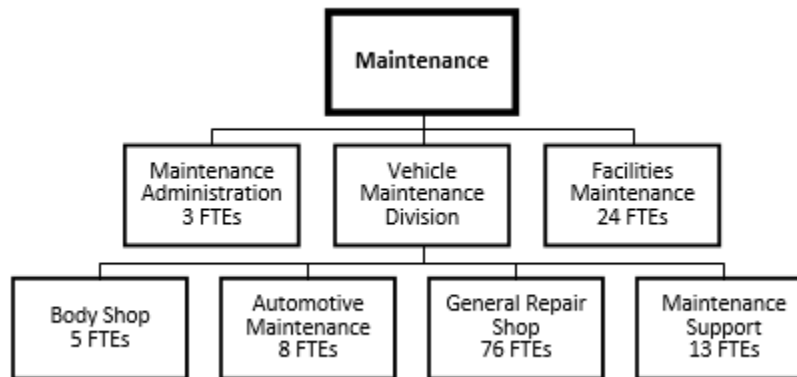
Supply expenses are negligible.

Transit Technology 2020 Priorities

- Complete vehicle Voice over Internet Protocol (VoIP) project including operating procedures and training.
- Improve open data (GTFS and GTF-RT) to increase accuracy, frequency of updates, and provide additional data elements to significantly improve the customer experience.
- Initiate land mobile radio decommissioning plans, after VoIP cutover, for transferring, selling, or surplus the existing agency analog radio assets, leases, and frequencies.
- Initiate the paratransit capital project to implement a new technology solution for increased efficiencies and an improved customer experience with the Dial-a-Ride transit (DART) operations.
- Begin pretransition work on coaches to support new equipment for Next Generation ORCA.
- Provide records-related training, guidance, policies, and procedures for staff. Deliver departmental and divisional retention schedules to support federal, state, and transit-related compliance for records retention.



Maintenance Department



The Maintenance Department includes two divisions plus the administrative section. The Vehicle Maintenance Division includes the General Repair Shop, Maintenance Support, the Body Shop, Contracted Commuter Vehicles, and Automotive Maintenance. The Facilities Maintenance Division handles all Community Transit facility needs.

Community Transit's bus fleet is the agency's most expensive capital investment. The Maintenance Department develops specifications for and orders our bus fleet. Once buses are in service, Maintenance employees repair, clean, and provide corrective and preventive maintenance to ensure that we operate safe and reliable equipment for the entire life of our investment. Staff in this department also maintain our vanpool fleet and an administrative support fleet at the same high standards. In addition to the vehicle fleets, Maintenance Department staff maintain our work buildings, park-and-ride lots, and transit centers.

The goal of the Maintenance Department is to provide safe, clean, and well-maintained vehicles and facilities for our customers and staff. Staff continue to work toward improving our customers' impressions of and experiences with Community Transit.

Major Department Accomplishments for 2019

- Provided support for the development and operation of the *Swift* Green Line. Facilities Maintenance support was expanded by establishing a graveyard shift. This allows the crew to maintain bus rapid transit stations at night, which reduces interference with operations. In addition, the additional support adds evening emergency response capability.
- Continued to support agency efforts to complete the federally mandated Transit Asset Management program. This program requires all recipients of federal grant funds to establish baseline inventories for the maintenance, repair, and replacement of all capital assets. It applies to all rolling stock (support vehicles, revenue vehicles, and equipment), as well as fixed assets such as bus shelters, maintenance facilities, and administrative buildings.

- Continued the purchase and in-service preparation for all vehicles in accordance with the approved transit development plan.
- Directed the delivery of vehicle and facility maintenance services for the company.
- Hired and trained personnel to meet service needs, including developing our own mechanics in an expanded mechanic apprentice program.

Fleet

- Maintained the directly operated coach fleet to reliably operate 10,760,000 miles during the year.
- Managed production of, received, inspected, and prepared for service 8 Double-Tall coaches, 26 sixty-foot coaches, and 15 DART vehicles for directly operated, contracted commuter, and paratransit service.
- Prepared 55 replacement and 5 expansion Vanpool vans for service.
- Ordered 24 forty-foot replacement coaches and 13 replacement DART paratransit vehicles.
- Procured two replacement and one additional support vehicles and prepared them for service.
- Placed a pilot propane-powered DART paratransit van in service to evaluate performance and cost-effectiveness of this alternative fuel.
- Placed a propane-powered support vehicle in service to evaluate performance and cost-effectiveness of this alternative fuel.
- Transitioned retired vehicles to support fleet or contingent fleet as required. Prepared retired vehicles for surplus or disposal as appropriate.

Facilities

- Upgraded *Swift* Blue Line lighting fixtures to LED.
- Completed repairs of McCollum Park & Ride water leak.
- Replaced Canyon Park bus shelters.
- Transferred maintenance responsibilities to Sound Transit for Eastmont, 112th St. Freeway Station, Lynnwood Transit Center, and the Canyon Park Flyer Bridge and stop.
- Refreshed and repainted the *Swift* Blue Line stations.
- Completed interior painting and carpet replacement at the Lynnwood Transit Center RideStore.



Equipment

- Replaced a steam cleaner and a refrigerant recovery and recycling machine to keep shop equipment productive.
- Installed VoIP equipment in a pilot group of coaches for testing of performance and functionality.
- Installed Transit Signal Priority equipment in *Swift* coaches to support the 148th Street queue jump.

Department Priorities for 2020

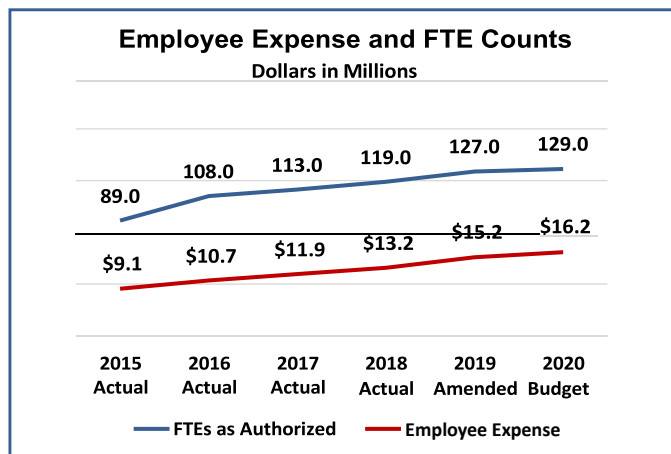
- Provide support for accomplishing the corporate Transit Asset Management (TAM) plan. This includes purchasing, preparing, and maintaining all fixed facilities and vehicles. Specifics are included in the divisional plans.
- Support and install updated and modified voice radios on the entire coach fleet and selected service vehicles.
- Continue to provide safe, clean, and reliable vehicles and facilities for customers and staff.
- Support service, employee, and facility changes as Community Transit grows and provides expanded services.

Maintenance Department 2020 Budget

Community Transit's prime mission is to provide quality service, increase ridership, and assure a safe and comfortable experience for our riders. The Maintenance Department supports this mission by providing safe, well-maintained vehicles and facilities.

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	8,629,733	9,972,462	10,674,530	702,068	7%
Benefits	4,523,425	5,195,594	5,506,458	310,864	6%
<i>Subtotal: Employee Expense</i>	<i>13,153,158</i>	<i>15,168,056</i>	<i>16,180,988</i>	<i>1,012,932</i>	<i>7%</i>
Services	2,512,722	3,120,980	2,917,615	(203,365)	-7%
Intergovernmental Services	48,076	55,000	55,000	0	0%
Supplies	5,283,749	5,996,400	6,239,599	243,199	4%
<i>Total Operating Expense</i>	<i>20,997,705</i>	<i>24,340,436</i>	<i>25,393,202</i>	<i>1,052,766</i>	<i>4%</i>

Salaries, Wages, and Benefits



At 129 full-time equivalent employees (FTEs) funded in the 2020 budget, the Maintenance Department is the second largest department in the agency. Salaries, wages, and benefits are the largest cost factor in this department, comprising 64 percent of the total department budget.

Under the authority of Resolution No. 9-18, the Maintenance Department added one vehicle maintenance assistant

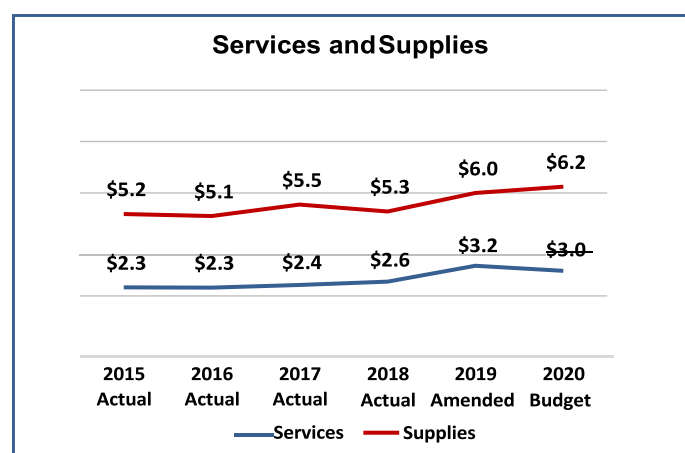
manager and two vehicle service attendants in 2019. The 2020 budget adds two vehicle service workers. Because fleet size has increased, these workers are needed for fleet maintenance.

Services

Utilities and contract maintenance services are the primary cost drivers in the services category for the Maintenance Department. Utility costs comprise 31 percent of the services budget and amount to slightly less than \$900,000, a decrease of about \$17,000 as compared to the 2019 budget. The decrease is the net effect of increases in electricity and garbage fees offset by a \$30,000 reduction in anticipated natural gas expense.

The other large cost driver within the Maintenance Department service budget is contract maintenance, which makes up 65 percent of the department's services budget. The 2020 budget for contract maintenance is \$1.9 million, a decrease of about \$170,000 as compared to the 2019 amended budget. Contract maintenance expenditures include tire rental, coach cleaning, janitorial services for all buildings and passenger facilities, landscape maintenance services, job order contracting for unanticipated repairs, and park-and-ride lot sweeping.

A variety of other services such as hazardous waste disposal, pest control, garage door and elevator inspections, portable toilet maintenance, and pressure washing are also included in contract maintenance services. The Maintenance services budget also includes the lease expense for a satellite Human Resources office used for employee recruitment purposes.



Supplies

The supply category includes motor fuel for support vehicles; oil, lubricants, parts, and tires for all vehicles; and general maintenance supplies. The budget for support vehicle motor fuel was 90,600 gallons at \$3.15 per gallon in 2019; for 2020 the support vehicle fuel budget is \$280,000 for approximately 95,000 gallons of gasoline at \$2.95 per gallon.

The vehicle parts budget comprises 63 percent of the supplies budget and is the largest line item in that category. Parts are budgeted at \$3.9 million, an increase of about \$275,000 as compared to the 2019 budget.



Intergovernmental Services

The Maintenance Department includes a small intergovernmental services budget that covers expenditures associated with permits, other government fees, and surface water management assessments. This budget tends to remain constant over time at about \$50,000 per year.

Maintenance Department Budget Center Summary

This summary compares each budget center's 2020 budget to its 2019 amended budget.

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
General Repair Shop	12,193,160	13,955,188	15,018,525	1,063,337	8%
Maintenance Support	1,551,926	1,716,289	1,747,037	30,748	2%
Body Shop	684,762	732,487	757,001	24,514	3%
Contracted Commuter Vehicles	158,920	229,400	218,100	(11,300)	-5%
Automotive Maintenance	1,331,379	1,467,853	1,567,959	100,106	7%
Maintenance Administration	509,795	543,559	541,627	(1,932)	0%
Facilities Maintenance	4,567,763	5,695,660	5,542,953	(152,707)	-3%
<i>Total Operating Expense</i>	<i>20,997,705</i>	<i>24,340,436</i>	<i>25,393,202</i>	<i>1,052,766</i>	<i>4%</i>

Discussions of each division's budget and 2020 priorities follow.

Maintenance Administration Division

The Maintenance Administration Division supports the day-to-day operations of Community Transit. The maintenance of all vehicles and facilities is a continuous and challenging endeavor, and the division's efforts focus on providing staff and customers with a quality product each and every day. The Maintenance Administration Division provides general management and guidance for the department, major project and vehicle purchase management, and administrative support.

Maintenance Administration 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	342,845	360,626	365,236	4,610	1%
Benefits	136,538	143,888	142,326	(1,562)	-1%
<i>Subtotal: Employee Expense</i>	<i>479,383</i>	<i>504,514</i>	<i>507,562</i>	<i>3,048</i>	<i>1%</i>
Services	30,401	38,445	33,365	(5,080)	-13%
Supplies	11	600	700	100	17%
<i>Total Operating Expense</i>	<i>509,795</i>	<i>543,559</i>	<i>541,627</i>	<i>(1,932)</i>	<i>0%</i>

Personnel expense constitutes 94 percent of this budget. The 2020 budget adds no additional staff. Decreases in some services expenditures result in the slight budget decrease.

Maintenance Administration 2020 Priorities

- Prepare and organize for *Swift* Orange Line activities.
- Plan for organizational requirements and changes to accommodate *Swift* Orange Line at the maintenance facilities.
- Direct the integration of the INIT Copilot pc2 system into the fleet.
- Coordinate the appropriate replacement of coaches and support vehicles.
- Direct the purchase and delivery of buses, support vehicles, and facility maintenance services for the company.
- Order 22 forty-foot coaches, 16 sixty-foot coaches and 13 DART coaches.
- Manage the production and place into service 13 DART vehicles and 24 forty-foot coaches.

Facilities Maintenance Division

Facilities Maintenance staff maintain and repair Community Transit assets such as property, buildings, major equipment, park-and-ride lots, bus shelters, and bus stops. The Facilities Maintenance Division delivers on the core values of the agency by providing employees and customers with a clean and safe environment while working at or using Community Transit services.

Facilities Maintenance 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	1,453,281	1,718,118	1,831,425	113,307	7%
Benefits	715,288	852,707	893,578	40,871	5%
<i>Subtotal: Employee Expense</i>	<i>2,168,569</i>	<i>2,570,825</i>	<i>2,725,003</i>	<i>154,178</i>	<i>6%</i>
Contract Maintenance Services	1,250,180	1,567,500	1,400,000	(167,500)	-11%
Utilities	762,084	910,000	895,000	(15,000)	-2%
Other Services	23,477	61,335	51,750	(9,585)	-16%
Intergovernmental Services	48,076	55,000	55,000	0	0%
Maintenance Supplies	300,918	517,000	400,000	(117,000)	-23%
Other Supplies	14,457	14,000	16,200	2,200	16%
<i>Total Operating Expense</i>	<i>4,567,761</i>	<i>5,695,660</i>	<i>5,542,953</i>	<i>(152,707)</i>	<i>-3%</i>

Personnel expenses in this budget center increased by \$154,000 due to several factors. The 2020 budget shows the full-year effect of five additional workers hired in 2019 to support the *Swift* Green Line. The contract settlement with the ATU increased wage rates for Facilities Maintenance employees who are covered by that collective bargaining agreement. In addition, most of the workers in this budget center also received step increases that resulted in individual increases ranging from 6 percent to 12 percent. Decreases in other budget categories more than offset the increase in personnel expenses, with the net effect resulting in an overall reduction in this budget.

Facilities Maintenance 2020 Priorities

- Provide support to various departments for the planned remodel of the KPCR property.
- Participate in the planning and implementation of the *Swift* Orange Line.
- Complete exterior painting of Kasch Park Building C, bus wash and steam bay.
- Execute unanticipated job order contracting projects.

Vehicle Maintenance Division

The Vehicle Maintenance Division contains five budget centers.

Automotive Maintenance

Automotive Maintenance staff perform preventive and corrective maintenance on all vehicles other than coaches, including vanpool vehicles and equipment. This includes oil changes, brakes, transmission overhauls, and other minor engine repairs. They also oversee maintenance performed by our contracted paratransit service provider.

Body Shop

Employees in the Body Shop perform bodywork and painting for all Community Transit vans, buses, and service vehicles.

Contracted Commuter Vehicles

Contracted Commuter Vehicles budget provides funds for oil and special coach parts for our contracted commuter coach service.

General Repair Shop

Employees in the General Repair Shop perform preventive and corrective maintenance on all coaches and oversee maintenance performed by our contracted services provider.

Maintenance Support

Maintenance Support employees provide fleet project support, electronic maintenance, and rebuild of major and minor coach components, from fans to engines and transmissions.

Vehicle Maintenance 2020 Budget

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Automotive Maintenance	1,331,379	1,467,853	1,567,959	100,106	7%
Body Shop	684,762	732,487	757,001	24,514	3%
Contracted Commuter Vehicles	158,920	229,400	218,100	(11,300)	-5%
General Repair Shop	12,193,160	13,955,188	15,018,525	1,063,337	8%
Maintenance Support	1,551,926	1,716,289	1,747,037	30,748	2%
<i>Total Operating Expense</i>	<i>15,920,147</i>	<i>18,101,217</i>	<i>19,308,622</i>	<i>1,207,405</i>	<i>7%</i>

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	6,833,606	7,893,718	8,477,869	584,151	7%
Benefits	3,671,599	4,198,999	4,470,554	271,555	6%
<i>Subtotal: Employee Expense</i>	<i>10,505,205</i>	<i>12,092,717</i>	<i>12,948,423</i>	<i>855,706</i>	<i>7%</i>
Contract Maintenance Services	422,361	490,300	489,500	(800)	0%
Other Services	24,218	53,400	48,000	(5,400)	-10%
Motor Fuel - Support Vehicles	258,105	285,400	285,999	599	0%
Maintenance Supplies	273,167	308,700	331,700	23,000	7%
Parts	3,464,444	3,629,700	3,905,000	275,300	8%
Other Supplies	972,647	1,241,000	1,300,000	59,000	5%
<i>Total Operating Expense</i>	<i>15,920,147</i>	<i>18,101,217</i>	<i>19,308,622</i>	<i>1,207,405</i>	<i>7%</i>

This budget reflects the full-year effect of three FTEs added in mid-2019: one vehicle maintenance assistant manager and two vehicle service attendants. The 2020 budget also adds two vehicle service workers. Salaries, wages, and benefits comprise 67 percent of the budget in this division. The remaining 33 percent of the budget (\$6.4 million) covers parts and services. The budget for bus and other vehicle parts is the largest non-employee expense in the Vehicle Maintenance Division. Tire leases, oil and lubricants, chemicals and other supplies and services necessary to maintain the fleet represent the remainder of the Vehicle Maintenance budget. Diesel fuel is budgeted separately and not included in this division.



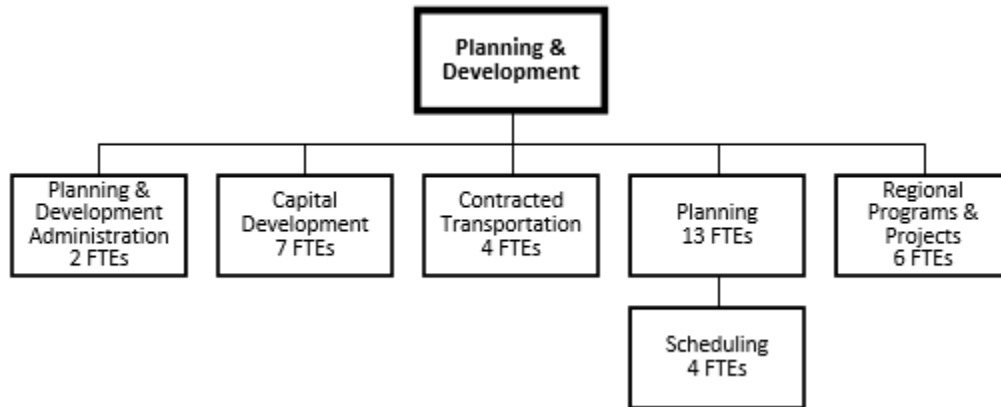
Vehicle Maintenance 2020 Priorities

- Improve employee safety by implementing three projects to reduce risk of injury: fuel island vacuum hose reels, electric torque wrenches, and brake component handling equipment.
- Maintain the directly operated coach fleet to reliably operate 11,600,000 miles during the year.
- Receive, inspect, and prepare for service 24 forty-foot coaches for directly operated service, 13 replacement DART vehicles for paratransit service, and 13 double-decker coaches for Sound Transit.
- Prepare 56 replacement and 15 expansion Vanpool vans for service.

- Procure five replacement and two additional support vehicles and prepare them for service.
- Transition retiring vehicles to contingent fleet, surplus, or transfer as appropriate.
- Prepare retired vehicles for disposal.
- Evaluate the integration of propane-powered DART vans into the fleet and purchase if appropriate.
- Evaluate cost-effectiveness of propane support vehicles and propose added infrastructure if appropriate.
- Install VoIP equipment in coaches and support vehicles as the project proceeds.



Planning and Development Department



Planning and Development Department staff provide planning, service development, regional integration, capital development, and contracted transportation services for the agency. The department contains five divisions: Capital Development, Contracted Transportation, Development Administration, Planning, and Regional Programs and Projects.

Major Department Accomplishments for 2019

Bus Rapid Transit System Expansion

- Substantially completed all *Swift* Green projects including Seaway Transit Center, *Swift* Green Line corridor, and 128th Street widening project. Grand Opening of the *Swift* Green Line for revenue service took place on March 24, 2019. After six months of *Swift* Green Line service, bus boardings on the corridor have doubled, indicating considerable new ridership.
- Submitted the *Swift* Orange line application for federal Capital Investment Grant Rating in August 2019. Completed *Swift* Orange Line 30 percent design; began 60 percent design and engineering efforts.
- Initiated *Swift* Blue Line extension scoping study.



Fares

- Implemented the ORCA LIFT low-income fare program. Conducted public outreach, secured Board adoption and partner agency participation for income-verification and card distribution.

Facilities

- Finalized the Facility Master Plan and commenced design of Phase I: the Casino Road building.
- Surveyed the condition of the agency's facilities and reported facility asset information to the NTD for the first time.
- Completed the MCOB paving and the KPOB roof repair and restoration projects.
- Completed Ash Way Transit Center loop repair project.

Planning and Reporting

- Developed the 2019-2024 Transit Development Plan with updated service, capital, and financial forecasts. Conducted public outreach and secured Board adoption.
- Completed required state and federal reporting.
- Implemented new staff roles and work structure to improve design input and operational coordination with Link light rail.
- Supported improvement of digital transit data sources for operations and delivery of customer information.
- Promoted 2024 planning initiatives throughout agency and region.

Regional Transit Support

- Coordinated with Sound Transit, WSDOT and local jurisdictions in design and implementation of the ST2 and ST3 regional transit system.
- Presented 2024 service vision related to Link light rail implementation to partner agencies and elected leaders.
- Completed advanced coordination of Sound Transit's Lynnwood Link extension design phase. The project has now entered the construction phase.
- Ongoing coordination with WSDOT, Sound Transit, and local jurisdictions to communicate and coordinate transit priorities and impacts.

Service

- Developed service proposals for September 2019.
- Created schedule and run-cut of driver work assignments for March 2019 and September 2019.
- Supported service change process improvement to improve work flow and delivery of service change.
- Delivered planned commuter, paratransit, and Sound Transit ST Express bus service within budget.
- Assisted Sound Transit by providing an additional transit route for six months.
- Provided high quality travel training information to our customers and our school partners and featured program graduates in a series of videos.

Department Priorities for 2020

Bus Rapid Transit System Expansion

- Complete advanced design and engineering, including the National Environmental Policy Act (NEPA) environmental review process. This will conclude the project development phase for the *Swift* Orange Line.
- Pursue state and other federal funds for continued build out of the *Swift* bus rapid transit program and other agency initiatives.
- Complete scoping study for the *Swift* Blue Line extension.

Facilities

- Oversee Master Plan expansion to provide the capacity for growth of fleet, staff and services. Complete design of Casino Road.

Planning and Reporting

- Ensure strategic alignment of work plans with agency vision and priorities.
- Develop 2020-2025 Transit Development Plan, including multimodal service vision for 2024. Conduct public outreach and secure Board adoption.
- Review six-year and twenty-year financial models.

Regional Transit Support

- Champion partnerships and integration opportunities that deliver the best outcomes for our region. Ensure transit is a priority in all regional transportation projects.

- Ensure development of sustainable and integrated service plans that leverage *Swift* and Link light rail implementations and prepare the agency for 2024.
- Collaborate in minimizing construction impacts to customers during Sound Transit construction activities at Mountlake Terrance and Lynnwood Transit Centers.

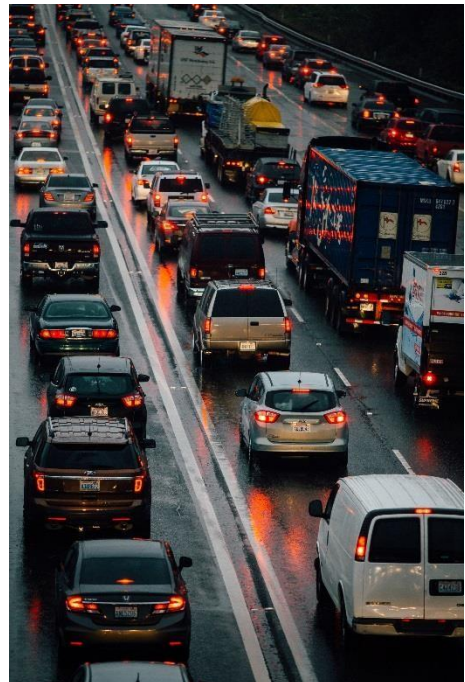
Service

- Develop service proposals for the September 2020 and March 2021 service changes as well as for Northgate Link bus-light rail Integration. Conduct public outreach and secure Board adoption.
- Deliver reliable service for our customers including:
 - 89,000 hours of paratransit service
 - 51,886 hours of Community Transit commuter service
 - 100,871 hours of Sound Transit ST Express bus service

Planning and Development Department 2020 Budget

The Planning and Development Department budget and work programs support agency priorities by:

- Developing sustainable service and capital plans that look to the future, addressing growth and changing needs.
- Integrating agency plans, services and projects with those of local jurisdictions and regional agencies. Demonstrating good partnership and seeking the best solution for customers and communities.
- Ensuring the transit development plan is sustainable and resilient to economic changes. Advising the Board on sustainable fare policies. Ensuring an effective and successful grant program. Managing the cost effectiveness of major service contracts.
- Developing and delivering quality plans and schedules. Overseeing delivery of more than 200,000 hours of contracted regional bus and paratransit service. Striving for improved customer experience in all functions.



This table shows the complete department budget, including contracted transportation services. The contracted transportation budget is based on negotiated contract rates and is the largest element in this department's budget.

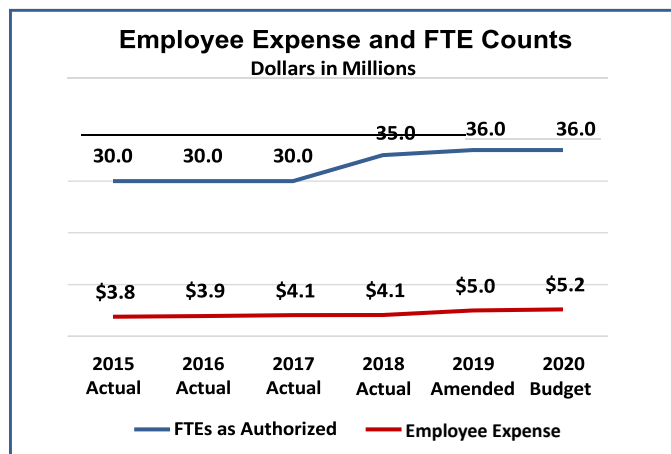
<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	2,999,616	3,540,170	3,722,045	181,875	5%
Benefits	1,130,977	1,452,010	1,490,836	38,826	3%
<i>Subtotal: Employee Expense</i>	<i>4,130,593</i>	<i>4,992,180</i>	<i>5,212,881</i>	<i>220,701</i>	<i>4%</i>
Services	134,764	441,635	606,200	164,565	37%
Contracted Transportation	28,157,122	30,055,270	30,908,387	853,117	3%
Intergovernmental Services	10,000	10,000	10,000	0	0%
Supplies	4,212	950	950	0	0%
<i>Total Operating Expense</i>	<i>32,436,691</i>	<i>35,500,035</i>	<i>36,738,418</i>	<i>1,238,383</i>	<i>3%</i>

The next table shows the department's budget without the contracted transportation portion of the budget. Discussions concerning employee expense, services, intergovernmental services, and supplies exclude paratransit and contracted commuter services costs. This enables the analysis of changes to this department's budget year over year.

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	2,999,616	3,540,170	3,722,045	181,875	5%
Benefits	1,130,977	1,452,010	1,490,836	38,826	3%
<i>Subtotal: Employee Expense</i>	<i>4,130,593</i>	<i>4,992,180</i>	<i>5,212,881</i>	<i>220,701</i>	<i>4%</i>
Services	134,764	441,635	606,200	164,565	37%
Intergovernmental Services	10,000	10,000	10,000	0	0%
Supplies	4,212	950	950	0	0%
<i>Total Operating Expense</i>	<i>4,279,569</i>	<i>5,444,765</i>	<i>5,830,031</i>	<i>385,266</i>	<i>7%</i>

Salaries, Wages, and Benefits

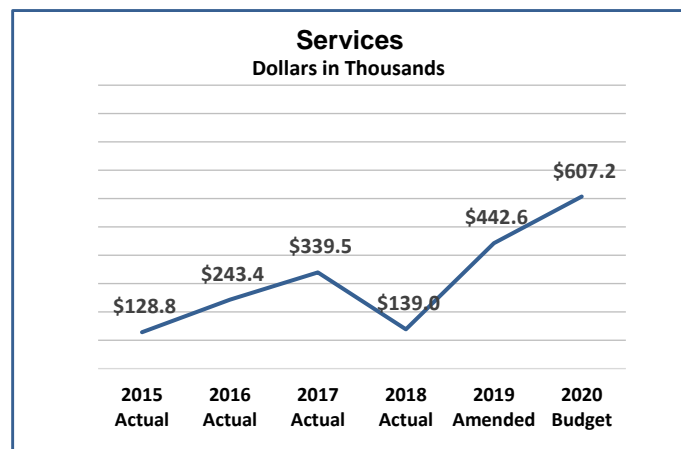
After excluding paratransit and contracted commuter service expenses, employee expense



comprises 89 percent of the Planning and Development Department budget. There are two components that contribute to the increase in employee expense: (1) the 2020 budget reflects the full-year expense of four positions that were added in mid-2018 but, due to the tight labor market, were not filled until mid-2019, and (2) under the authority of Resolution No. 9-18, one position was added in mid-2019 with an anticipated fill date of fourth quarter of 2019.

Services

The services category comprises about 10 percent of the department budget. The largest element of this budget is professional services used for several purposes: planning for Link light rail integration, the build out of Community Transit's bus system network, real estate services, financial modeling, and travel training and eligibility assessments for customers who may need DART services.

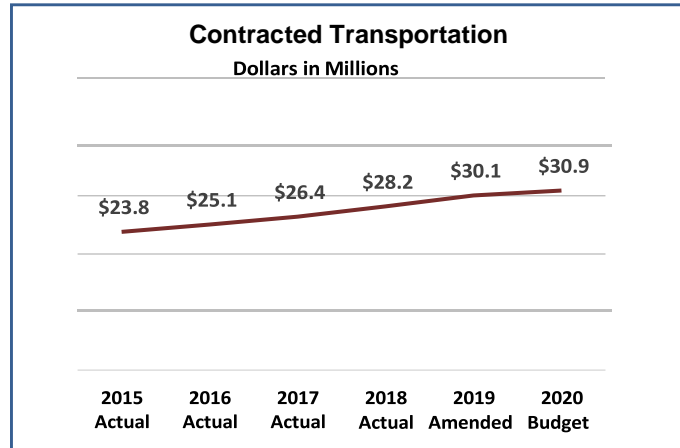


Intergovernmental Services

A small intergovernmental services budget (included in the Services chart) of \$10,000 covers expenditures associated with the Snohomish County Transportation Coalition agreement. This budget tends to remain constant over time.

Contracted Transportation

Contracted transportation is the largest expense in the Planning and Development budget. Community Transit contracts with First Transit to provide most commuter services, and with Homage Senior Services to provide DART services. In addition, Sound Transit contracts with Community Transit to provide Sound Transit's ST Express bus service. Community Transit further contracts this service out to First Transit.



Community Transit's 2020 commuter service contract amounts to approximately \$7.3 million; for DART service, the 2020 contract is valued at \$8.6 million; and for Sound Transit ST Express bus service, the contract is valued at \$14.9 million, for a total contracted services budget of \$30.9 million. The contracted transportation budget reflects negotiated increases in contract rates as well as any increases in the number of service hours operated.

Supplies

The items budgeted for in the supply category include cost, code, and industry standard publications used in construction projects as well for general transit planning.

Planning and Development Division Summary

This summary compares each budget center's 2020 budget to its 2019 amended budget.

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Contract Transportation Admin	557,168	597,076	599,709	2,633	0%
Scheduling	913,282	533,861	577,448	43,587	8%
Contracted Commuter Service	20,333,295	21,796,775	22,285,829	489,054	2%
Paratransit Service	7,865,575	8,318,495	8,682,558	364,063	4%
Regional Programs and Projects	0	892,991	1,046,675	153,684	17%
Strategic Planning and Grants	1,462,162	0	0	0	n/a
Capital Development	973,733	1,242,512	1,224,415	(18,097)	-1%
Planning	0	1,744,896	1,974,627	229,731	13%
Development Administration	331,476	373,429	347,157	(26,272)	-7%
<i>Total Operating Expense</i>	<i>32,436,691</i>	<i>35,500,035</i>	<i>36,738,418</i>	<i>1,238,383</i>	<i>3%</i>

Discussions of each division's budget and 2020 priorities follow.

Planning and Development Administration Division

The Planning and Development Administration Division provides executive management direction to the department and its division managers. Staff direct the work program and ensure appropriate staffing, budgets, and strategic alignment; they also provide support to the CEO with specific emphasis on matters of planning, service contracts, and regional coordination. The division head serves as executive sponsor for the Strategic Alignment & Capital Development Committee, the Snohomish County Transportation Coalition, the development of the *Swift* program, and the Master Plan expansion.

Planning and Development Administration 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	243,405	258,316	238,022	(20,294)	-8%
Benefits	77,765	103,013	96,885	(6,128)	-6%
<i>Subtotal: Employee Expense</i>	<i>321,170</i>	<i>361,329</i>	<i>334,907</i>	<i>(26,422)</i>	<i>-7%</i>
Services	306	2,100	2,250	150	7%
Intergovernmental Services	10,000	10,000	10,000	0	0%
<i>Total Operating Expense</i>	<i>331,476</i>	<i>373,429</i>	<i>347,157</i>	<i>(26,272)</i>	<i>-7%</i>

Employee costs represent 96 percent of this budget. Budgeted salaries and benefits are anticipated to decline slightly in 2020 due to the planned retirement of an existing staff member. No additional staff are funded in the 2020 budget.

Planning and Development Administration 2020 Priorities

- Ensure development of sustainable and integrated service plans that leverage *Swift* and Link light rail implementations and prepare the agency for 2024.
- Oversee the Master Plan expansion to provide the capacity for growth of fleet, staff, and services. Complete design of Casino Road.
- Ensure strategic alignment of work plans with agency vision and priorities.
- Champion partnerships and integration opportunities that deliver the best outcomes for our region.
- Advance development of *Swift* Orange and Blue Lines to feed Link light rail by 2024.



Capital Development Division

The Capital Development Division is responsible for the development and delivery of park-and-ride facilities, transit centers, bus rapid transit corridors, transit base facilities, and improvements related to updating these facilities. The division evaluates, prioritizes, and manages capital projects; refurbishes and carries out upgrades necessary to preserve existing facilities; assesses and reports on current facility conditions and future agency needs; and facilitates engineering assistance within the agency. Division staff manage the locations of bus stops, shelters, and leased parking facilities and maintain data associated with these locations to ensure safe, convenient, and cost-effective access to services. Additionally, division staff interact with other agencies and jurisdictions to collaborate, review, and partner on infrastructure projects.

Capital Development 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	680,371	756,781	789,174	32,393	4%
Benefits	251,171	298,421	301,691	3,270	1%
<i>Subtotal: Employee Expense</i>	<i>931,542</i>	<i>1,055,202</i>	<i>1,090,865</i>	<i>35,663</i>	<i>3%</i>
Services	41,785	186,360	132,600	(53,760)	-29%
Supplies	406	950	950	0	0%
<i>Total Operating Expense</i>	<i>973,733</i>	<i>1,242,512</i>	<i>1,224,415</i>	<i>(18,097)</i>	<i>-1%</i>

Seven employees staff this division. No additional staff are included in the 2020 budget. Employee costs represent 89 percent of the budget. Increases in employee salary and benefit

expenses result from performance-based salary increases earned by existing staff, and changes in rates that affect all budgets. The services portion of the budget declined because some professional services expenses related to coordination and integration with Link light rail were transferred from this budget center to the Regional Programs and Projects budget center.

Capital Development 2020 Priorities

- Complete 100 percent design on Master Plan Phase I (Casino Road) and begin construction.
- Begin Master Plan Phase II and Phase III design.
- Complete advance design and engineering for the *Swift* Orange Line, including the National Environmental Policy Act (NEPA) environmental review process. This will finalize the project development phase.

Contracted Transportation Division

Contracted Transportation consists of three budget centers: Contracted Transportation Administration, Contracted Commuter Service, and Paratransit Service.

Contracted Transportation Administration

The Contracted Transportation Division is responsible for development, administration, and oversight of Community Transit's major transportation contracts including intercounty commuter bus service, paratransit service, and Sound Transit ST Express bus service.

The team provides and contracts for travel training for seniors and persons with disabilities. They work closely with schools, senior centers, colleges, and individuals within Snohomish County, both with and without special needs, to educate individuals on how to ride transit. The division also works with the Snohomish County Transportation Coalition to develop a more coordinated transportation system.

Contracted Commuter Service

Contracted Commuter Services operates Community Transit commuter bus service and Sound Transit's ST Express bus services through a contract with First Transit.

Paratransit Service

In compliance with the Americans with Disabilities Act (ADA), division staff provide DART paratransit service operated through a contract with Homage Senior Services of Snohomish County. The budget includes fuel and service delivery, as well as eligibility determination and travel instruction. Travel instruction is designed to enable customers with special needs to use the fixed-route network to the greatest extent possible with the goal of reducing their reliance on DART service.

Contracted Transportation 2020 Budget

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Contract Transportation Admin	557,168	597,076	599,709	2,633	0%
Contracted Commuter Service	20,333,295	21,796,775	22,285,829	489,054	2%
Paratransit Service	7,865,575	8,318,495	8,682,558	364,063	4%
<i>Total Operating Expense</i>	<i>28,756,038</i>	<i>30,712,346</i>	<i>31,568,096</i>	<i>855,750</i>	<i>3%</i>

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	402,547	422,332	426,366	4,034	1%
Benefits	153,777	167,994	167,193	(801)	0%
<i>Subtotal: Employee Expense</i>	<i>556,324</i>	<i>590,326</i>	<i>593,559</i>	<i>3,233</i>	<i>1%</i>
Services	39,059	66,750	66,150	(600)	-1%
Contracted Transportation	28,157,122	30,055,270	30,908,387	853,117	3%
Supplies	3,533	0	0	0	n/a
<i>Total Operating Expense</i>	<i>28,756,038</i>	<i>30,712,346</i>	<i>31,568,096</i>	<i>855,750</i>	<i>3%</i>

The Contracted Commuter Services budget center includes costs associated with administering three contracted services contracts, 99 percent of which is employee expense. The current staffing complement for this division is four full-time equivalent employees (FTEs). Staffing levels in the 2020 budget remain the same.

The Contracted Commuter Services budget center includes the contract cost of \$7.3 million for Community Transit's contracted commuter service. Sound Transit contracts with Community Transit to operate Sound Transit's ST Express bus service. That contract amounts to \$14.9 million in 2020. Both contracts include a 3.3 percent increase in the base hour rate, an increase in service hours because 2020 is a leap year, and an increase in the estimated delay hours. The contract for ST Express bus service also shows the full year effect of eliminating route 540 in September 2019.

Community Transit's contracted commuter service hours remain essentially the same in 2020 as in 2019 with only 378 more hours of service projected. Sound Transit ST Express bus service is estimated to increase by 3,500 hours. The 2020 budget for both services estimates diesel fuel as \$2.25 per gallon versus \$2.60 per gallon in the 2019 budget.

Community Transit anticipates purchasing a total of about 3.8 million gallons of diesel fuel amounting to \$8.6 million for all bus services including contracted transportation. Diesel fuel for contracted commuter services is purchased from the state contract and budgeted separately in the Purchased Transportation Fuel budget center. The Sound Transit portion amounts to about \$1.4 million gallons at an estimated cost of \$3.2 million.



The Paratransit Service budget center includes the service contract cost of \$8.6 million as well as \$60,000 for travel training services designed to teach people how to use both fixed-route and paratransit services.

The 2020 contract represents a 4.4 percent increase over the 2019 contract with approximately 89,000 hours of service budgeted. The increase results from a 2.5 percent increase in the base hour rate, an increase of about 1,000

estimated service hours because 2020 is a leap year, and a contingency to meet the impact of service demand or other requirements. The paratransit services contract includes the cost of fuel which represents a 30 percent reduction over the 2019 budget. In 2019 fuel was budgeted a \$3.15 per gallon whereas the 2020 budget estimates fuel at \$2.95 per gallon.

Contracted Transportation 2020 Priorities

- Ensure reliable delivery of service for our customers including:
 - 89,000 hours of paratransit service
 - 51,800 hours of Community Transit commuter service
 - 100,800 hours of Sound Transit ST Express service
- Find ways to improve the customer journey including helping those with special needs learn to ride transit through the Travel Training program.
- Continue to improve our partnerships within the industry and our community.

Planning Division

Planning

The Planning team is responsible for near-term and long-term plans for market development, service design, fare policy, and transit asset management. This division coordinates agency service plans with other jurisdictions, transit authorities, and large employment and education sites such as the University of Washington, Edmonds Community College, and Boeing. Planning provides research, analysis, financial modeling, and reporting support for the agency.

Scheduling

The Scheduling team develops transit route schedules, analyzes service performance, develops the run-cut of driver work assignments, and assures efficient use of the agency's service assets, including buses.

Planning Division 2020 Budget

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Proposed Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Scheduling	913,282	533,861	577,448	43,587	8%
Strategic Planning and Grants	1,462,162	0	0	0	n/a
Planning	0	1,744,896	1,974,627	229,731	13%
<i>Total Operating Expense</i>	<i>2,375,444</i>	<i>2,278,757</i>	<i>2,552,075</i>	<i>273,318</i>	<i>12%</i>

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	1,673,292	1,487,950	1,632,097	144,147	10%
Benefits	648,265	634,407	675,778	41,371	7%
<i>Subtotal: Employee Expense</i>	<i>2,321,557</i>	<i>2,122,357</i>	<i>2,307,875</i>	<i>185,518</i>	<i>9%</i>
Services	53,614	156,400	244,200	87,800	56%
Supplies	273	-	-	-	n/a
<i>Total Operating Expense</i>	<i>2,375,444</i>	<i>2,278,757</i>	<i>2,552,075</i>	<i>273,318</i>	<i>12%</i>

The Planning Division was created as part of a 2018 departmental reorganization. Most employees in the former Strategic Planning and Grants Division, as well as three service planners, became part of the new Planning team. The scheduling portion of the former Service Development Division became the Scheduling team. The Scheduling team includes 4 FTEs; 13 FTEs are assigned to the Planning team. Of the 13 Planning team members, one was added

midyear 2019 as allowed by Resolution No. 9-18. The 2020 budget does not add any additional staffing to either team. Employee expense comprises 90 percent of this budget.

The increase in services expense results from the need to prepare Community Transit's system to integrate with Sound Transit Link light rail in 2024. Staff will work with consultants to gather the data needed to understand regional travel patterns, develop ridership estimates and fare policy recommendations, and develop network design elements to further regional transit integrations.

Planning Division 2020 Priorities

- Develop service proposals for September 2020 and March 2021, as well as for Northgate Link bus-light rail Integration. Conduct public outreach and secure Board adoption. Create schedule and run-cut of driver work assignments for March 2020 and September 2020 service changes.
- Develop 2020-2025 Transit Development Plan, including a multimodal service vision for 2024. Conduct public outreach and secure Board adoption.
- Conduct consultant review of six-year and twenty-year financial models.
- Conduct fixed-route operational analysis to inform improvements to schedules and operational design.
- Implement research program to inform service planning and development.
- Conduct consultant-led fare study to inform fare policy changes related to Lynnwood Link bus-light rail integration.
- Support improvement of digital transit data sources for operations and delivery of customer information.
- Coordinate with other agencies in design and implementation of the ST2 and ST3 regional transit system.



Regional Programs and Projects Division

This division is responsible for regional integration with external partners, build-out of the *Swift* bus rapid transit network, and the pursuit and administration of the agency's grant program. In the coordination of major initiatives affecting Community Transit, division staff work closely with regional partners to maximize integration of efforts such as Sound Transit's Link light rail project and WSDOT construction initiatives. Division staff facilitate internal communication and coordination to reduce impacts on our customers and enhance transit usage. The division also manages the planning, development, and buildout of the *Swift* bus rapid transit network. The third aspect of the division's mission is to develop and pursue grant strategies and manage the agency's grant program to maximize opportunities to fund major projects and initiatives.

Regional Programs and Projects 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	1,673,292	1,487,950	1,632,097	144,147	10%
Benefits	648,265	634,407	675,778	41,371	7%
<i>Subtotal: Employee Expense</i>	<i>2,321,557</i>	<i>2,122,357</i>	<i>2,307,875</i>	<i>185,518</i>	<i>9%</i>
Services	53,614	156,400	244,200	87,800	56%
Supplies	273	-	-	-	n/a
<i>Total Operating Expense</i>	<i>2,375,444</i>	<i>2,278,757</i>	<i>2,552,075</i>	<i>273,318</i>	<i>12%</i>

The Regional Programs and Projects Division was created as part of a 2018 departmental reorganization. Four employees from other divisions were moved into this new division and two new positions were authorized by the CEO as allowed by Resolution No. 30-17, for a total of six positions. Although authorized in 2018, the two additional positions were not filled until 2019. The 2020 budget does not add any additional positions, but it does reflect the full-year effect of the two employees hired in mid-2019. Personnel expense constitutes 85 percent of this budget.

The services element of this budget consists primarily of a contract to provide construction coordination support to Community Transit to ensure continued operations with minimal customer impact during Link light rail construction at the Mountlake Terrace and Lynnwood Transit Centers.

Regional Programs and Projects 2020 Priorities

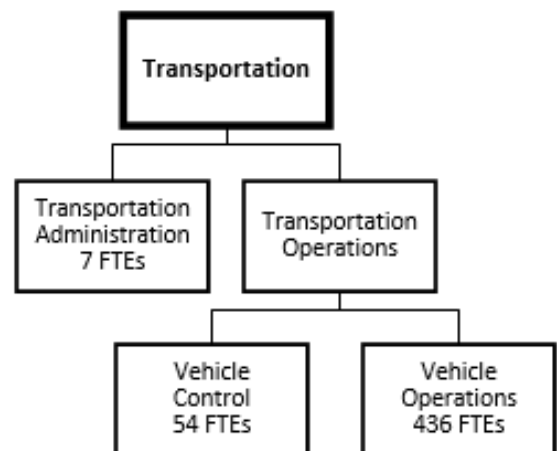
- Continue process to obtain federal Capital Investment Grant (Small Starts) funding for the *Swift Orange* line.
- Complete advance design and engineering, including the NEPA environmental review process, to complete the project development phase for the *Swift Orange* Line.
- Complete the *Swift* Blue Line extension scoping study.
- Mitigate impacts of light rail construction on our operations and customers.
- Ensure transit is a priority in all regional transportation projects.
- Pursue state and other federal funds for continued build-out of the *Swift* bus rapid transit program and other agency initiatives.





Transportation Department

The Transportation Department manages and supervises all Community Transit directly operated bus services. The department includes Transportation Administration and Transportation Operations. Transportation Administration provides administrative support to the department, while Transportation Operations provides direct services. Transportation Operations is subdivided into Vehicle Control and Vehicle Operations. Vehicle Control staff manage, schedule, and dispatch all operations service, while Vehicle Operations consists of the coach operators who provide the service.



Major Department Accomplishments for 2019

- Welcomed 63 coach operator graduates to the department as of August 9, 2019. An additional 22 coach operators are expected to have joined the department by the end of December 2019 for a total of 419 operators.
- Welcomed a new Director of Transportation, Steve Kim, and one new Administrative Assistant II, Christina Strand. Anticipate the hiring of the Manager of Operations Support by the end of the 4th Quarter.
- Promoted Transportation Supervisor Josh Gutierrez to Assistant Transportation Manager and welcomed transfer Jessica Hawkinson from Assistant Training Manager to Assistant Transportation Manager.
- Promoted six employees to Transportation Supervision and two employees to Dispatch.
- Provided an average of 99.78 percent completed service to our customers (YTD).
- Implemented new key performance indicators for the department.
 - Developed and reported on nine new departmental monthly key performance indicators with focus on safety and service:
 - Accidents/100,000 Platform Miles (Safety)
 - Passenger Events/100,000 Revenue Miles (Safety)
 - Hazardous Driving Events (Safety)
 - Employee Injuries/100 FT Workers (Safety)
 - Percentage of Completed Trips (Service)
 - Customer Comments/10,000 Boardings (Service)
 - Services Operated On-Time for Arrival (Service)
 - Coach Operator Staffing (Service)
 - Unscheduled Overtime Hours (Service)
 - As of July 2019, seven of the nine key performance indicators showed improvement compared to July 2018. Unscheduled overtime and operator staffing continue to be challenges.
- Continued improvements to automate departmental data reporting analysis.
- Successfully managed the logistics of operating the *Swift* Seaway Transit Center grand opening and the inaugural *Swift* Green Line service.
- Celebrated numerous department team and individual awards, including the following:
 - Million Mile Operators (9): Amarjit Manhas, Don Smith, Ernie Fleming, Andrey Kulik, Don Harden, Mark Hodson, Joe Kellen, Rebecca May, and Andrew Kirkaldie.
 - Two Million Mile Operators (3): Shelly Schweigert, Bruce Bergman, David Gibson.

- Transportation Supervisor Dana Osborn was awarded the 2018 CEO Award.
- Administrative Assistant II Cathy Jackson was named to the 2018 Transit Team.
- Transportation Supervisor Donna Irby received the Citizen Medal of Valor by Snohomish County Sheriff's Office for her actions while on duty of coaxing a mentally unstable person off the side of a bridge.
- Held the first Rodeo in ten years with six participants: David Gibson (first place), Tadesse Yeglatsu (second place), Alva Lissner (third place), Kyle Gillette, Doug Hall, and Kris Shannon.
- Provided new focus on safety programs and training to align with department and agency strategic priorities.

Department Priorities for 2020

- Coordinate with Information Technology through passenger information control system integration and replacement of the agency's existing voice radio system with a new VoIP system on the coaches.
- Refine new department key performance indicators and adjusting focus areas to achieve results by continuing to review rolling 12-month average, determining root causes for poor performance, and developing short and long-term actions for improvement.
- Redefine the roles of the division to align with the strategic goals.
- Continue to focus on the reduction of unscheduled overtime and determination of the root causes by looking at how the work is scheduled for on-time performance and addressing employee absenteeism.
- Continue to focus on operator recruitment by finding new ways to promote the position and the agency.
- Continue to focus on operator recruitment and the reduction of unscheduled overtime.
- Enhance safety programs for driver training and education.
- Increase employee engagement and employee involvement in programs.
- Finalize accident review process improvements.
- Develop a program to address driver maintenance/rest areas throughout the system.
- Develop continuity books for each Transportation leadership position.
- Separate support functions from operational functions with department reorganization. Repurpose vacant position to the new Manager of Operations Support position.

Transportation Department 2020 Budget

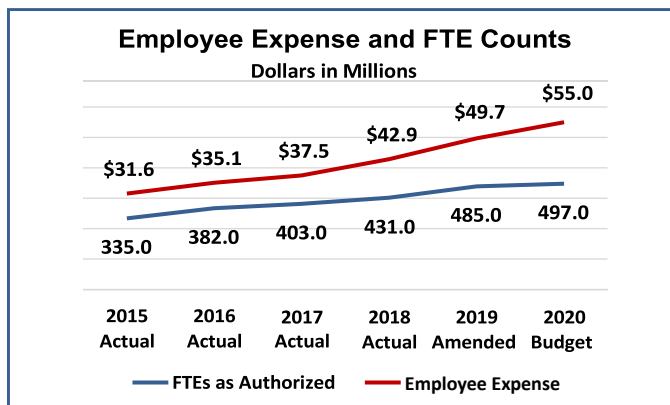
Community Transit's mission is to provide quality service, increase ridership, and assure a safe and comfortable experience for our riders. The Transportation Department supports this mission by delivering reliable, safe, courteous service to Community Transit customers. The Transportation Department budget reflects the resources needed to support the 2020 service plan, which includes upcoming service expansions, service reliability and customer experience.

Expense Type	2018 Actuals	2019 Amended Budget	2020 Budget	2020 Budget Over/Under 2019 Budget	% 2020 Budget Over/Under 2019 Budget
Salaries & Wages	29,472,065	33,453,476	37,128,360	3,674,884	11%
Benefits	13,448,651	16,251,037	17,915,390	1,664,353	10%
Subtotal: Employee Expense	42,920,716	49,704,513	55,043,750	5,339,237	11%
Services	46,154	44,605	61,440	16,835	38%
Supplies	18,886	11,400	16,250	4,850	43%
Total Operating Expense	42,985,756	49,760,518	55,121,440	5,360,922	11%

Salaries, Wages, and Benefits

Salaries, wages, and benefits are the primary cost driver in the Transportation budget, comprising 99.9 percent of the department budget. Coach operator staffing was authorized at 406 FTEs in the original 2019 budget; 20 additional coach operators were added midyear, bringing the coach operator complement to a total of 426 FTEs (10 FTEs are part-time positions). The 2020 budget adds 10 more coach operators, for a total of 426 FTEs.

The Washington State Paid Sick Leave legislation went into effective January 1, 2018. Implementation of this legislation increased unscheduled staff absenteeism and that affects the



agency's ability to complete scheduled service. Coach operator FTEs were increased midyear 2019 partly in response to this legislation and partly to prepare for the Washington State Paid Family and Medical Leave Act, which goes into effect January 1, 2020, and is also anticipated to affect employee absenteeism rates.

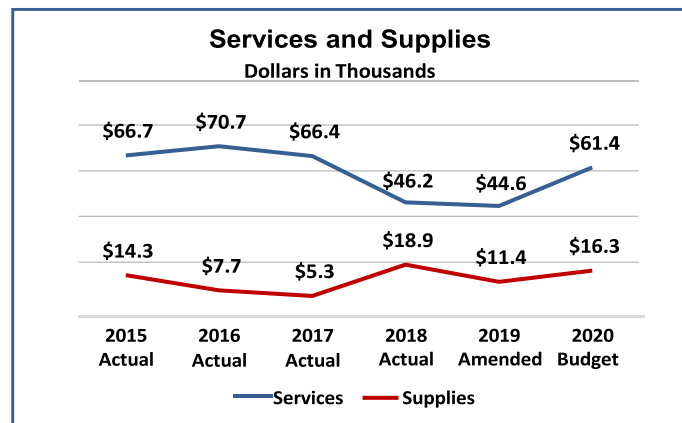
The 10 coach operators added in the 2020 budget will cover for vacancies when employees retire, are promote to other positions, or leave the agency. During 2019, two dispatchers and three coach operators were promoted to transportation supervisor positions or other positions within the agency. The 2020 budget also

includes one additional transportation supervisor for a total of 33 transportation supervisors and one additional dispatcher for a total of 14 dispatchers.

The supervisor and dispatcher positions are needed to manage existing service. Community Transit will operate the most service hours in agency history in 2019 and the 2020 budget funds more than 27,000 additional service hours. This represents a 4 percent increase compared to 2019 and an increase of over 53,000 service hours compared to 2008, the year with peak service prior to 2019.

Services

Services amount to 0.1 percent of the total Transportation budget and include expenses such as contract maintenance for satellite phones, printing for standard operating procedures manuals, subscriptions to industry-related publication, and travel. Beginning in 2019, Community Transit renewed participation in the state and national coach operator Roadeos. These events are skills tests for coach operators and require travel to the event location. Community Transit boasts one national Rodeo champion among its coach operator employees.



Supplies

Supplies represent 0.03 percent of the entire Transportation budget and reflect supply items needed for a specific year. The increase in the 2020 supplies budget reflects the variable nature of supply requirements. The minor increase in this budget results from an increased need for biohazard supplies and hand sanitizer as well as routine minor equipment replacement needs.

Transportation Department Budget Center Summary

This summary compares each budget center's 2020 budget to its 2019 amended budget.

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Transportation Administration	964,111	902,762	977,518	74,756	8%
Vehicle Control	6,631,289	7,246,538	7,544,376	297,838	4%
Vehicle Operations	35,390,356	41,611,218	46,599,546	4,988,328	12%
<i>Total Operating Expense</i>	<i>42,985,756</i>	<i>49,760,518</i>	<i>55,121,440</i>	<i>5,360,922</i>	<i>11%</i>

Transportation Administration Division

The Transportation Administration Division provides operational support to several work teams, both within the Transportation Department and for other departments. The team develops and implements department policies, procedures, and training manuals; provides support services for coach operators, supervisors, dispatchers, and operations management; manages the department's contracts and projects; provides reporting and statistical analysis of daily operations; and participates in labor contract negotiations.

Transportation Administration 2020 Budget

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	657,743	581,570	626,149	44,579	8%
Benefits	241,328	270,187	273,679	3,492	1%
<i>Subtotal: Employee Expense</i>	<i>899,071</i>	<i>851,757</i>	<i>899,828</i>	<i>48,071</i>	<i>6%</i>
Services	46,154	39,605	61,440	21,835	55%
Supplies	18,886	11,400	16,250	4,850	43%
<i>Total Operating Expense</i>	<i>964,111</i>	<i>902,762</i>	<i>977,518</i>	<i>74,756</i>	<i>8%</i>

Personnel expense accounts for 92 percent of this budget. The 2020 budget adds no additional staff. The budget increase results from a filled vacancy, benefits expense increases, and the services and supplies increases previously discussed. In the Transportation department, almost all service and supply expenses are budgeted in the Transportation Administration budget center. Services funded by this budget include printing for standard operating procedures and a variety of forms, satellite phone service, television service for the maintenance and operations break rooms, and other like items. As well as routine office supplies, the supplies category funds safety and biohazard items, rider alert boards, as well as safe driving and Million Mile recognition items. This budget also includes funding for coach operators to participate in the state and national Rodeos, which are competitive events designed to test driver skills.

Transportation Administration 2020 Priorities

- Continue reporting improvements to automate data collection and increase efficiency of performance analysis.
- Provide project coordination to IT for the Trapeze OPS SQL Server Conversion project.
- Provide project oversight and management of Transportation tasks and process development/documentation.
- Negotiate ATU and IAM contracts in coordination with Labor Relations.
- Develop processes and implement new Washington State Paid Family and Medical Leave.

Transportation Operations



Vehicle Control

Vehicle Control Division staff are responsible for operations management; the efficient scheduling and dispatching of operations service; the monitoring and enforcement of policies and procedures; and the resolution of service problems and emergencies. This division is also responsible for obtaining video recordings from coaches as requested.

Vehicle Operations

The Vehicle Operations Division is composed of coach operators. Coach operators are responsible for delivering reliable, safe, courteous service to Community Transit customers by following published routes and schedules. They are the core of the department's daily operations.

Transportation Operations 2020 Budget

<i>Description</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Vehicle Control	6,631,289	7,246,538	7,544,376	297,838	4%
Vehicle Operations	35,390,356	41,611,218	46,599,546	4,988,328	12%
<i>Total Operating Expense</i>	<i>42,021,645</i>	<i>48,857,756</i>	<i>54,143,922</i>	<i>5,286,166</i>	<i>11%</i>

The Vehicle Control 2020 budget adds one transportation supervisor and one dispatcher. As in prior years, this budget includes only direct employee expenses except for a \$5,000 line item for temporary services for service evaluators.

The Vehicle Operations budget includes 10 additional coach operator FTEs in 2020. Wages and benefits are the only expenses in this budget center.

<i>Expense Type</i>	<i>2018 Actuals</i>	<i>2019 Amended Budget</i>	<i>2020 Budget</i>	<i>2020 Budget Over/Under 2019 Budget</i>	<i>% 2020 Budget Over/Under 2019 Budget</i>
Salaries & Wages	28,814,322	32,871,906	36,502,211	3,630,305	11%
Benefits	13,207,323	15,980,850	17,641,711	1,660,861	10%
<i>Subtotal: Employee Expense</i>	<i>42,021,645</i>	<i>48,852,756</i>	<i>54,143,922</i>	<i>5,291,166</i>	<i>11%</i>
Services	0	5,000	0	(5,000)	-100%
<i>Total Operating Expense</i>	<i>42,021,645</i>	<i>48,857,756</i>	<i>54,143,922</i>	<i>5,286,166</i>	<i>11%</i>

As demonstrated by this budget category breakout, the budget in this division is entirely employee expense.

Transportation Operation 2020 Priorities

- Achieve adequate coach operator staffing levels to ensure the successful delivery of service.
- Monitor key performance indicators and provide opportunities for improvement.
- Engage with customers and employees to enhance the Community Transit experience.

Agency Profile

Community Transit, a special purpose municipal corporation providing public transportation services, began operations on October 4, 1976. The agency's original service area consisted of Edmonds, Lynnwood, Marysville, Mountlake Terrace, Brier, Snohomish, and Woodway. The following table shows when residents of other Snohomish County communities approved annexation into Community Transit's service area.

<u>Year</u>	<u>Communities Added to Community Transit's Service Area</u>
1977	Lake Stevens and Monroe
1979	Granite Falls, Mukilteo, Stanwood, and Sultan
1980	Arlington
1981	Goldbar, Index, and Startup
1982	Oso and Darrington
1983	Mill Creek
1992	Snohomish County portion of Bothell
1997	Silver Firs and the Tulalip Indian Reservation

Today, Community Transit's boundaries encompass a land area of 1,308.9 square miles, including most of urbanized Snohomish County, except for the city of Everett. On the south, Community Transit borders King County, which includes the cities of Seattle and Bellevue. As of April 1, 2018, Community Transit served more than 587,000 residents, about 73 percent of Snohomish County's population. The remainder of the county's population resides in the city of Everett and in less populated areas in north and east Snohomish County. Snohomish County is one of the fastest growing counties in the nation.

Although the city of Everett is not part of Community Transit's service area and taxing authority, Community Transit provides *Swift* Blue Line bus rapid transit service to Everett Station and receives payment from the City of Everett for this service.

Governing Body

Community Transit is governed by a Board of Directors consisting of nine voting members from within the PTBA and one nonvoting member. Voting board members are elected officials appointed by their respective jurisdictions and elected to two-year terms by representatives from similarly sized cities. Voting board members include:

- Two members and their alternate from the governing body of the county.
- Two members and an alternate from cities with populations of more than 35,000.

- Three members and two alternates from cities with populations between 15,000 and 35,000.
- Two members and an alternate from cities with populations less than 15,000.

The nonvoting board member is a labor representative selected as specified in the Revised Code of Washington (RCW) 36.57A.050 by the bargaining units who represent approximately 75 percent of Community Transit's workforce.

The Chair, Vice-Chair, and Secretary are elected from among the voting Board members. During 2019, Mayor Dave Earling from the City of Edmonds served as Board Chair, Council Member Terry Ryan from Snohomish County served as Board Vice Chair, and Mayor Jon Nehring from the City of Marysville served as Board Secretary.

Community Transit's Chief Executive Officer (CEO), Emmett Heath, is responsible for overall administration of the agency as directed through policy guidance issued from the Board of Directors. In addition to the CEO, the agency's principal officers in 2019 were the Director of Administration (Geri Beardsley), Director of Communications and Public Affairs (Mary Beth Lowell), Director of Customer Experience (Molly Marsicek), Director of Planning and Development (Joy Munkers), Director of Maintenance (Dave Richards), Director of Transportation (Steve Kim), and Chief Technology Officer (Tim Chrobuck).

Services

Community Transit's local, commuter, paratransit, and vanpool services provide customers with a variety of options to meet their transportation needs. Local fixed-route service provides all-day coverage which links most communities in Snohomish County. The agency provides commuter service within Snohomish County and to major destinations in King County. The Everett Boeing facility is the primary destination for Snohomish County commuter routes, while commuter routes to King County serve the Seattle central business district and the University of Washington. Both local and commuter services allow riders to connect with services provided by King County Metro, Sound Transit, Everett Transit, Skagit Transit, Amtrak, and the Washington State Ferry System.

Community Transit's DART paratransit program serves those customers unable to use fixed-route service. Vanpool and ride-matching services enable commuter groups to use vanpools and carpools to travel to and from Snohomish and King County destinations that are less accessible by local or commuter bus routes. Community Transit also provides information and technical support to employers affected by the state's commute trip reduction legislation.

Sound Transit contracts with Community Transit to operate its Snohomish County Express bus service. In the Statistics and Demographics section, if Sound Transit data is reported, it has been broken out separately. Community Transit contracts with Homage Senior Services to operate all

paratransit services. Community Transit also contracts with First Transit to operate most of its commuter bus service, including Sound Transit's Snohomish County Express bus service.

Much of the data provided in the following sections covers the year ending December 31, 2018, which, at the time this document was drafted, was the last complete year of actual service and fiscal results.

Ridership

As reported in the Federal Transit Administration's National Transit Database Report, Community Transit provided over 10.6 million passenger trips in 2018 on bus, DART paratransit, and vanpool services. Overall ridership increased slightly, by about 2.8 percent as compared to 2017 (288 thousand riders). Bus boardings increased from 9.3 to 9.6 million accounting for the increase in overall ridership. Vanpool boardings of 0.9 million and DART boardings of 0.2 million remained static as compared to the prior year.

Community Transit's 2018 bus ridership averaged 33,400 weekday boardings (a 2.8 percent increase), 11,800 Saturday boardings (no increase), and 7,700 Sunday boardings (a 4.1 percent increase), as described in Community Transit's year-end System Performance Reports. The key performance indicators in this budget document contain additional ridership information.

The agency anticipates adding about 6,000 service hours in spring 2020, which will focus on improving reliability and connection quality, including new trips on routes with high ridership demand. In September 2020, an additional 12,000 service hours will be added. These service additions restructure several local routes to better complement the *Swift* Green Line, as well as add new routes in high demand South Snohomish County areas where current bus stops are beyond walking distance.

The statistical section of this report contains additional detailed operating information including ridership, service hours, and fares.

Agency Summary

General Information

Date of Incorporation	1976
Form of Government	Public Transportation Benefit Area Corporation (PTBA)
Began Operation	October 4, 1976
Number of Board of Directors	10—nine voting and one nonvoting
Type of Tax Support	Local sales tax 1.2 percent
County in Which PTBA Operates	Snohomish County
Population - County	805,120
Population of PTBA	587,366
Park-and-Ride Lots	22

Employees

Operations	493
Maintenance	114
General and Administrative	141
Total	748

Active Revenue Vehicles

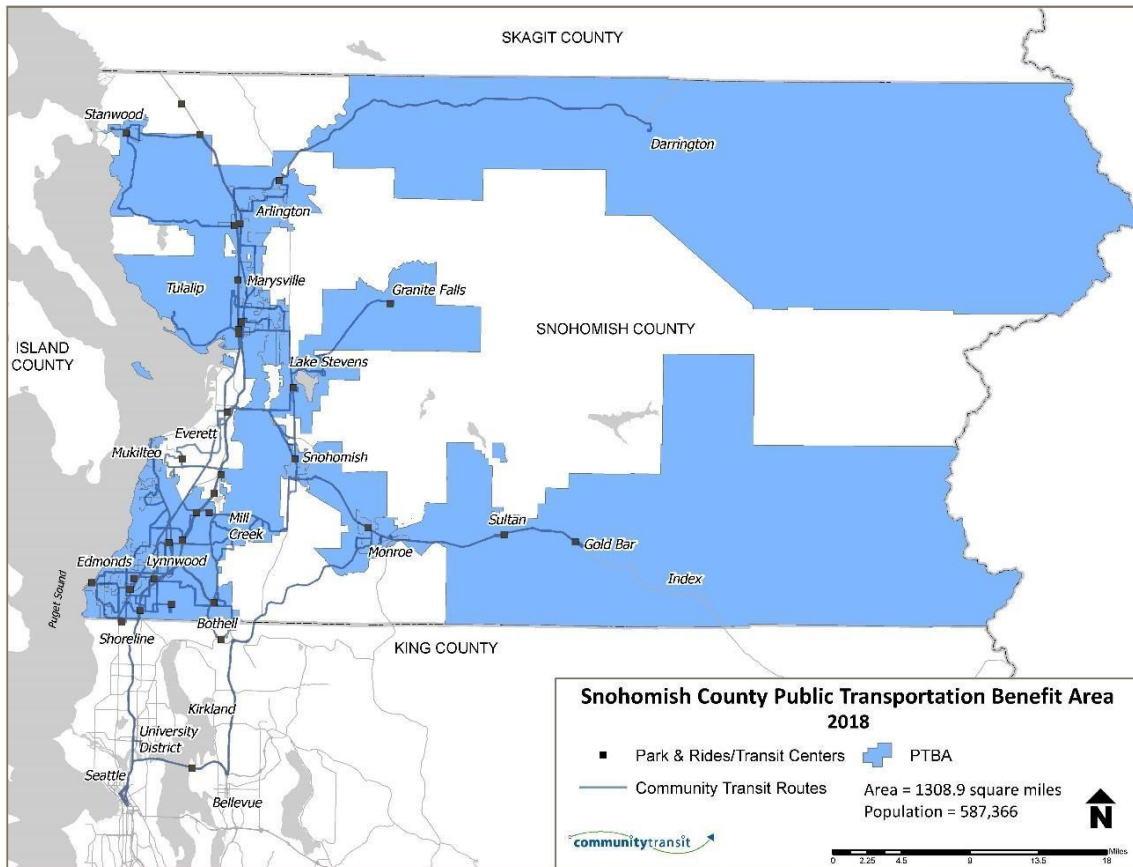
Directly Operated	111
Commuter Service	91
Vanpool Vans	469
Contract Commuter	84
DART/Paratransit	52
Total	807

Number of Scheduled Routes

<i>Swift</i> Bus Rapid Transit Routes	1
Local Snohomish County Routes	23
Boeing Commuter Routes	3
University of Washington Routes	6
Intercounty Commuter Routes	13
Total	46

*Information is as of 12/31/2018, which was the last completed fiscal year as of the drafting of this document.

Snohomish County Public Transportation Benefit Area Map



*Information is as of 9/18/2019, from the Final Draft of Community Transit's Transit Development Plan.

Economy

Local Economy—Snohomish County¹

Snohomish County is the third most populous county in the state, with an estimated population of 805,000 in 2018. Over the past ten years, the county's population has grown an average of 1.7 percent per year.

Snohomish County is home to over 20,500 businesses, ranging from small family farms to the world's largest advanced manufacturing facility producing state-of-the-art aerospace equipment. The county boasts a labor force of over 400,000 workers, and the median household income is \$80,579.

Northern Snohomish County is the manufacturing center of Washington State with 20 percent of the county's workforce engaged in manufacturing jobs. The aerospace industry accounts for about 37,000 jobs in the county. South Snohomish County includes a cluster of medical device, research and biopharmaceutical companies. Boeing, Providence Regional Medical Center, Edmonds School District, the Tulalip Tribes Enterprises, and Washington State government are the top five employers in the county.

Community Transit's primary operating revenue source is retail sales tax, which is driven by personal income, consumer confidence, local business purchases, and construction projects.

Economic Outlook—Regional and Statewide Factors

The Washington State Economic and Revenue Forecast Council measures changes in the state's economy. The following table provides a summary of key statewide economic indicators from the Council's March 2019 forecast.

<u>Washington State Economic Indicators</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Unemployment	4.6%	4.4%	4.4%	4.6%	4.8%	4.9%
Percent Change in Real Per Capita Income	2.9%	2.0%	1.2%	1.3%	1.3%	1.5%
Percent Change in Personal Income	4.7%	3.7%	2.7%	2.7%	2.7%	2.8%

The economy of the Puget Sound region of Washington State remains stable. Overall, Washington State's economy continues to be one of the top ten in the nation with a number 1 ranking for 2019 according to U.S. News².

¹ This section contains data provided by the Economic Alliance of Snohomish County.

² <https://www.usnews.com/news/best-states/washington>

Statistics and Demographics

Snohomish County Demographic and Economic Statistics

Year	County Population (1)	Household Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2009	704,300	\$ 63,297	\$ 43,616	10.1%
2010	711,100	62,034	42,391	9.8%
2011	717,000	62,687	43,281	8.6%
2012	722,900	64,033	45,796	7.5%
2013	730,500	64,391	46,733	6.7%
2014	741,000	68,637	44,967	4.6%
2015	757,600	75,292	47,713	5.0%
2016	772,860	77,985	49,511	3.9%
2017	789,400	80,579	52,405	4.0%
2018	805,120	85,758	Not Available	3.6%

Data Sources:

- (1) Washington State Employment Security Department
- (2) Washington State Office of Financial Management
- (3) US Bureau of Economic Analysis
- (4) Employment Security Department

***Snohomish County Principal Employers
Fiscal Years Ending December 31, 2018 and 2009***

2018				2009		
<i>Employer</i>	<i>Employees</i>	<i>Rank</i>	<i>Percent of Total County Employment</i>	<i>Employees</i>	<i>Rank</i>	<i>Percent of Total County Employment</i>
Boeing	35,000	1	11.96%	32,000	1	9.30%
Providence Regional Med. Ctr.	4,906	2	1.68%	3,200	3	0.93%
Edmonds School District	3,616	3	1.24%	-	-	n/a
Tulalip Tribes Enterprises	3,500	4	1.20%	3,020	5	0.88%
Washington State Government	3,000	5	1.03%	2,800	7	0.81%
Everett Naval Station	2,900	6	0.99%	6,000	2	1.74%
The Everett Clinic	2,871	7	0.98%	-	-	n/a
Snohomish County Government	2,759	8	0.94%	2,965	6	0.86%
Everett School District	2,443	9	0.83%	1700	8	0.49%
Premiera Blue Cross	2,200	10	0.75%	3200	4	0.93%
Phillips Medical Systems	-	-	n/a	1,600	9	0.47%
Verizon	-	-	n/a	1,500	10	0.44%
Total, Principal Employers	63,195			57,985		
Total County Employment	292,600			343,940		
Percentage of Principal Employers to Total County Employment	21.60%			16.86%		

Data Source:

Snohomish County Economic Alliance

***Snohomish County Population Demographic Statistics
Ten-Year Comparison***

<i>Year</i>	<i>County Population</i>	<i>PTBA Population</i>	<i>Age Distribution for Snohomish County</i>		
			<i>0-19</i>	<i>20-64</i>	<i>65+</i>
2009	704,300	498,815	28.2%	61.9%	9.9%
2010	711,100	516,099	28.0%	61.9%	10.1%
2011	717,000	524,954	26.8%	62.7%	10.5%
2012	722,900	528,849	26.0%	62.9%	11.1%
2013	730,500	533,746	25.7%	62.7%	11.6%
2014	741,000	542,727	25.3%	62.6%	12.1%
2015	757,600	555,637	25.0%	62.4%	12.6%
2016	772,860	565,244	24.9%	61.9%	13.2%
2017	789,400	576,493	24.8%	61.5%	13.7%
2018	805,120	587,366	25.0%	61.6%	13.4%

Data Source:

Washington State Office of Financial Management

County population by age and gender: <http://www.ofm.wa.gov/pop/default.asp>

Service and Operating Information

Service Statistical Data: Ten-Year Comparison

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Directly Operated Service										
Average Weekly Ridership	163,867	141,105	133,676	124,481						
Passengers per Hour	18.95	16.50	17.10	19.94						
Fare Revenue per Passenger	\$ 1.08	\$ 1.33	\$ 1.38	\$ 1.50						
Cost per Passenger	\$ 8.06	\$ 9.09	\$ 9.38	\$ 9.19						
Cost per Mile	\$ 9.73	\$ 9.33	\$ 10.13	\$ 11.42						
Farebox Return	13.3%	14.6%	14.7%	16.3%						
Motor Bus Directly Operated										
Average Weekly Ridership					102,143	112,920	117,368	121,575	123,343	126,618
Passengers per Hour					18.53	19.77	18.43	17.16	15.61	15.33
Fare Revenue per Passenger					\$ 1.41	\$ 1.28	\$ 1.27	\$ 1.26	\$ 1.27	\$ 1.26
Cost per Passenger					\$ 9.10	\$ 8.56	\$ 9.48	\$ 9.89	\$ 11.19	\$ 11.67
Cost per Mile					\$ 11.12	\$ 11.37	\$ 11.68	\$ 11.65	\$ 12.34	\$ 12.62
Farebox Return					15.4%	15.0%	13.4%	12.8%	11.3%	10.8%
Commuter Bus Directly Operated										
Average Weekly Ridership					22,489	22,980	22,613	22,784	22,463	23,526
Passengers per Hour					34.03	30.10	29.38	28.02	26.30	26.30
Fare Revenue per Passenger					\$ 2.97	\$ 3.20	\$ 3.44	\$ 3.80	\$ 3.72	\$ 3.60
Cost per Passenger					\$ 9.76	\$ 10.83	\$ 11.82	\$ 11.79	\$ 11.50	\$ 12.30
Cost per Mile					\$ 15.65	\$ 16.53	\$ 17.62	\$ 17.19	\$ 16.08	\$ 17.35
Farebox Return					30.5%	29.5%	29.1%	32.2%	32.3%	29.3%
Contract Commuter Service										
Average Weekly Ridership	34,061	31,586	30,899	28,951	28,838	31,269	31,851	32,373	33,111	34,052
Passengers per Hour	27.71	30.18	37.57	46.15	41.95	40.01	40.00	38.02	36.80	34.99
Fare Revenue per Passenger	\$ 3.30	\$ 4.04	\$ 3.74	\$ 3.36	\$ 3.54	\$ 3.26	\$ 3.45	\$ 3.70	\$ 3.61	\$ 3.57
Cost per Passenger	\$ 7.65	\$ 7.77	\$ 7.31	\$ 6.71	\$ 5.95	\$ 5.60	\$ 5.33	\$ 5.29	\$ 5.62	\$ 6.12
Cost per Mile	\$ 9.27	\$ 10.03	\$ 11.43	\$ 12.59	\$ 10.25	\$ 10.18	\$ 9.87	\$ 9.67	\$ 9.99	\$ 10.19
Farebox Return	43.1%	52.0%	51.1%	50.0%	59.6%	58.3%	64.7%	69.9%	64.2%	58.3%
DART/Paratransit										
Average Weekly Ridership	4,191	4,186	3,929	3,747	3,620	3,704	3,661	3,734	3,740	3,846
Passengers per Hour	2.11	2.20	2.31	2.28	2.27	2.28	2.24	2.35	2.39	2.29
Fare Revenue per Passenger	\$ 1.05	\$ 1.29	\$ 1.42	\$ 1.43	\$ 1.69	\$ 1.67	\$ 1.86	\$ 1.95	\$ 1.98	\$ 2.04
Cost per Passenger	\$ 38.28	\$ 39.16	\$ 41.33	\$ 37.60	\$ 38.48	\$ 39.22	\$ 38.93	\$ 39.49	\$ 42.15	\$ 44.16
Cost per Mile	\$ 4.57	\$ 4.79	\$ 5.28	\$ 4.62	\$ 4.64	\$ 4.83	\$ 4.73	\$ 4.99	\$ 5.41	\$ 5.48
Farebox Return	2.7%	3.3%	3.4%	3.8%	4.4%	4.3%	4.8%	4.9%	4.7%	4.6%
Vanpool										
Average Weekly Ridership	16,583	16,222	17,172	17,697	17,840	17,787	17,551	16,688	16,565	16,719
Passengers per Hour	10.23	10.32	5.76	6.13	6.25	6.26	6.37	6.13	6.13	6.02
Fare Revenue per Passenger	\$ 2.99	\$ 3.09	\$ 3.30	\$ 2.85	\$ 2.97	\$ 3.02	\$ 3.21	\$ 3.22	\$ 3.22	\$ 3.45
Cost per Passenger	\$ 4.26	\$ 4.38	\$ 4.44	\$ 4.17	\$ 4.27	\$ 4.65	\$ 4.39	\$ 4.93	\$ 5.09	\$ 5.20
Cost per Mile	\$ 0.77	\$ 0.79	\$ 0.82	\$ 0.78	\$ 0.82	\$ 0.89	\$ 0.85	\$ 0.93	\$ 0.96	\$ 0.98
Farebox Return	70.2%	70.5%	74.4%	68.4%	69.4%	64.9%	73.2%	65.3%	63.2%	66.3%

Data Source: FTA National Transit Database Report

Notes:

- Service hours are defined as active vehicle revenue hours per the FTA National Transit Database.

- Service miles are defined as active vehicle revenue miles per the FTA National Transit Database.
- Beginning in 2013 the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.
- Cost per passenger is not net of fare revenue.
- Cost per Passenger and Cost per Mile for 2017 are different than originally reported because the FTA changed how they wanted cloud software expense reported. This change occurred in July 2018 after the 2017 CAFR was finalized.

Ridership: Ten-Year Comparison

<i>Year</i>	<i>Directly Operated</i>	<i>Motor Bus Directly Operated</i>	<i>Commuter Bus Directly Operated</i>	<i>Contract Commuter</i>	<i>DART Paratransit</i>	<i>Vanpool</i>	<i>Total: Community Transit Service</i>	<i>Sound Transit</i>
2009	8,521,071	-	-	1,771,177	217,909	862,341	11,372,498	2,642,636
2010	7,337,474	-	-	1,642,463	217,648	843,551	10,041,136	2,631,195
2011	6,951,171	-	-	1,606,732	204,291	892,936	9,655,130	3,136,037
2012	6,473,033	-	-	1,505,441	194,862	920,252	9,093,588	3,467,994
2013	-	5,311,451	1,169,446	1,499,566	188,222	927,660	9,096,345	3,226,043
2014	-	5,871,816	1,194,937	1,625,988	192,633	924,912	9,810,286	3,676,480
2015	-	6,103,118	1,175,876	1,656,233	190,366	912,637	10,038,230	3,646,063
2016	-	6,321,906	1,184,766	1,683,375	194,175	867,776	10,251,998	3,645,267
2017	-	6,413,837	1,168,082	1,721,767	194,471	861,372	10,359,529	3,648,400
2018	-	6,584,139	1,223,332	1,770,703	200,010	869,370	10,647,554	3,732,917

Data Source: FTA National Transit Database Report

Note:

- Beginning in 2013 the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.

Service Hours: Ten-Year Comparison

Year	Directly Operated	Motor Bus Directly Operated	Commuter Bus Directly Operated	Contract Commuter	DART Paratransit	Vanpool	Total: Community Transit Service	Sound Transit
2009	449,565	-	-	63,922	103,188	84,326	701,001	80,736
2010	444,619	-	-	54,426	99,012	81,716	679,773	87,210
2011	406,586	-	-	42,766	88,623	155,119	693,094	90,976
2012	324,576	-	-	32,623	85,353	150,057	592,609	91,982
2013	-	286,645	34,365	35,745	82,832	148,411	587,998	89,822
2014	-	297,021	39,699	40,635	84,349	147,749	609,453	113,606
2015	-	331,147	40,022	41,403	85,057	143,209	640,838	114,896
2016	-	368,327	42,286	44,280	82,632	141,557	679,082	114,183
2017	-	410,763	44,419	46,789	81,264	140,624	723,859	115,418
2018	-	429,526	46,519	50,602	87,521	144,352	758,520	117,661

Data Source:

FTA National Transit Database Report

Notes:

- Service hours are defined as active vehicle revenue hours per the FTA National Transit Database.
- Beginning in 2013 the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.

Service Miles: Ten-Year Comparison

Year	Directly Operated	Motor Bus Directly Operated	Commuter Bus Directly Operated	Contract Commuter	DART Paratransit	Vanpool	Total: Community Transit Service	Sound Transit
2009	7,057,907	-	-	1,461,601	1,824,704	4,782,731	15,126,943	2,159,803
2010	7,153,098	-	-	1,272,040	1,778,032	4,664,437	14,867,607	2,347,355
2011	6,433,509	-	-	1,027,925	1,598,833	4,866,450	13,926,717	2,433,091
2012	5,212,202	-	-	802,860	1,587,283	4,906,497	12,508,842	2,444,935
2013	-	4,348,641	729,406	870,208	1,560,027	4,857,847	12,366,129	2,448,842
2014	-	4,422,817	783,031	893,801	1,565,104	4,817,228	12,481,981	2,512,980
2015	-	4,953,326	789,259	894,394	1,566,883	4,711,901	12,915,763	2,510,798
2016	-	5,368,515	812,772	921,961	1,537,407	4,586,434	13,227,089	2,524,196
2017	-	5,817,556	835,800	968,627	1,514,562	4,557,911	13,694,456	2,514,666
2018	-	6,089,771	867,711	1,062,808	1,612,142	4,595,894	14,228,326	2,530,802

Data Source: FTA National Transit Database Report

Notes:

- Service miles are defined as active vehicle revenue miles per the FTA National Transit Database.
- Beginning in 2013 the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.

Fare Structure: Ten-Year Comparison

<i>Local Service</i>				<i>Commuter: South County</i>			<i>Commuter: North & East County</i>			
Year	Regular	Youth	Senior/ Disabled	Regular	Youth	Senior/ Disabled	Regular	Youth	Senior/ Disabled	Paratransit Fares
2009	1.50	1.00	0.50	3.50	2.75	1.50	4.50	3.75	1.75	1.50
Jan–May 2010	1.50	1.00	0.50	3.50	2.75	1.50	4.50	3.75	1.75	1.50
Jun–Dec 2010	1.75	1.25	0.75	3.50	2.75	1.50	4.50	3.75	1.75	1.75
2011	1.75	1.25	0.75	3.50	2.75	1.50	4.50	3.75	1.75	1.75
2012	1.75	1.25	0.75	3.50	2.75	1.50	4.50	3.75	1.75	1.75
Jan 2013	1.75	1.25	0.75	3.50	2.75	1.50	4.50	3.75	1.75	1.75
Feb–Dec 2013	2.00	1.50	1.00	4.00	3.00	2.00	5.25	4.00	2.50	2.00
2014	2.00	1.50	1.00	4.00	3.00	2.00	5.25	4.00	2.50	2.00
Jan–Jun 2015	2.00	1.50	1.00	4.00	3.00	2.00	5.25	4.00	2.50	2.00
July–Dec 2015	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25
2016	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25
2017	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25
Jan–Sep 2018	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25

Effective October 1, 2018, Community Transit eliminated zone-based fares in accordance with a regional fare policy initiative.

<i>Local Service</i>				<i>Commuter</i>			<i>DART</i>
Year	Regular	Youth	Senior/ Disabled	Regular	Youth	Senior/ Disabled	Paratransit Fares
Oct–Dec 2018	2.50	1.75	1.25	4.25	3.00	2.00	2.50

Capital Assets Active Revenue Vehicles: Ten-Year Comparison

<i>Year</i>	<i>Directly Operated</i>	<i>Motor Bus Directly Operated</i>	<i>Commuter Bus Directly Operated</i>	<i>Contract Commuter</i>	<i>DART Paratransit</i>	<i>Vanpool</i>	<i>Total: Community Transit Service</i>
2009	199	-	-	92	54	402	747
2010	178	-	-	88	53	396	715
2011	174	-	-	65	54	396	689
2012	159	-	-	65	54	395	673
2013	-	97	63	65	54	414	693
2014	-	99	63	65	54	412	693
2015	-	124	70	73	52	408	727
2016	-	121	69	73	52	432	747
2017	-	109	91	83	52	437	772
2018	-	111	91	84	52	469	807

Data Source: FTA National Transit Database Report

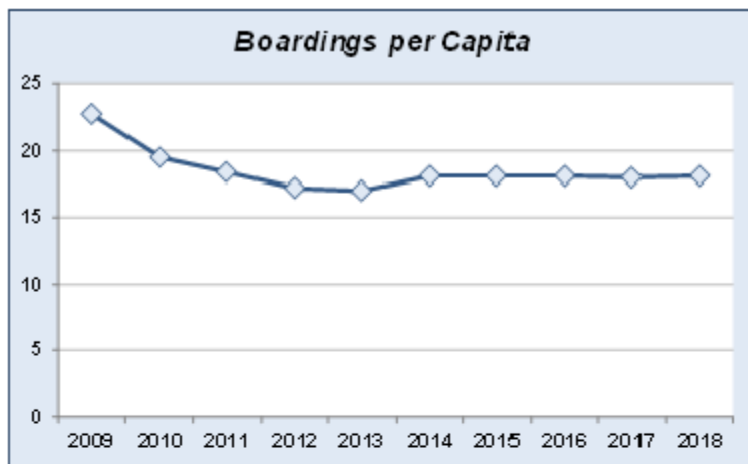
Note:

- Beginning in 2013 the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.

Key Performance Indicators

In 2003, Community Transit developed a series of key performance indicators to measure the agency's performance. Key performance indicators provide a means of evaluating how effectively and efficiently the agency performs over time. The Board of Directors originally adopted nine performance indicators in two categories: Customer Satisfaction/Ridership Growth and Good Stewards of Public Funds. A tenth indicator, cost per rider, was added in 2011. The charts that follow show trends for each performance indicator based on data for ten years (or the number of years we have collected the data if less than ten). These charts exclude Sound Transit service, since Community Transit operates that service on a contract basis.

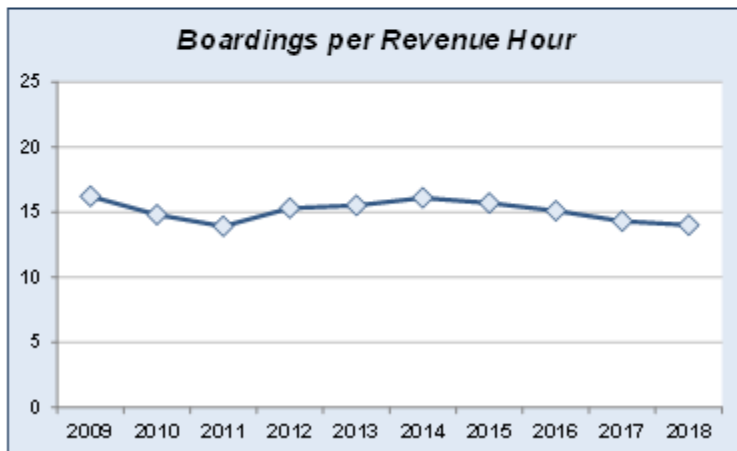
Customer Satisfaction and Ridership Growth



Measures how effectively Community Transit attracts increased ridership in proportion to the population.

Boardings per Capita

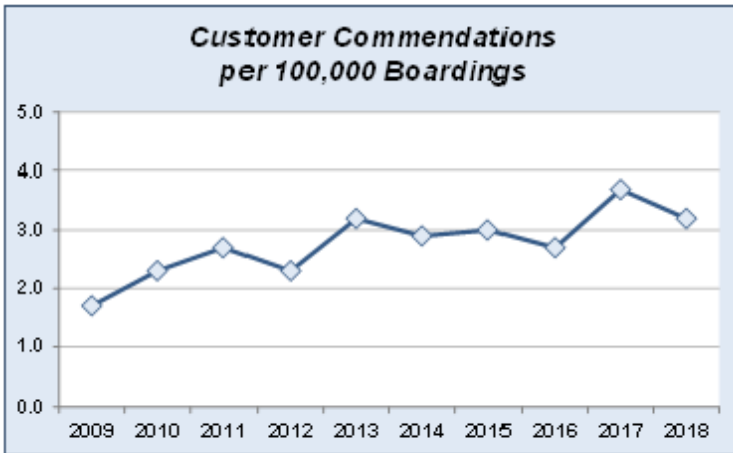
Between 2017 and 2018, the population in Community Transit's taxing authority increased by a relatively steady annual growth rate of 2.0 percent while ridership increased by 2.7 percent. In 2018, as in each year from 2014 onward, the system boardings per capita rate has remained stable at 18, suggesting that as population grows, ridership follows.



Measures use of the service Community Transit operates based on the number of passenger boardings per hour.

Boardings per Revenue Hour

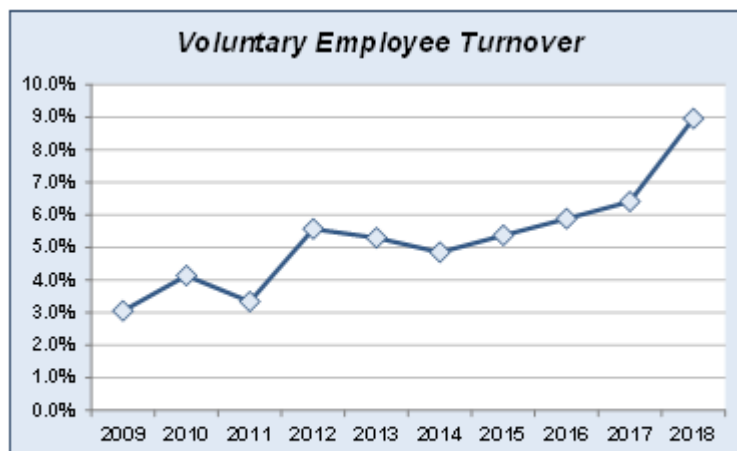
This performance indicator is a ratio of the number of passenger boardings divided by the number of service hours. In 2018, Community Transit added 34,500 service hours across all modes (bus, vanpool, and paratransit), a 4.8 percent increase. Bus mode is the agency's largest service category, and bus service increased by 5.0 percent.



Considered one indicator of customer satisfaction with Community Transit services.



Considered an indicator of customer interest in, concern about, or dissatisfaction with Community Transit services.



The total number of voluntary resignations (including retirements) expressed as a percent of the total number of employees.

Customer Commendations

In 2018, Community Transit received 3.2 commendations per 100,000 boardings, compared to 3.7 commendations per 100,000 boardings in 2017. Customer commendations can fluctuate from year to year depending on many factors such as service changes, inclement weather, and even the number of new bus drivers or new services.

Other Customer Comments

This includes requests for additional service, suggestions for changes in existing service, and customer complaints. In 2018, Community Transit received 33.2 other customer comments per 100,000 boardings as compared to 31.6 per 100,000 boardings in 2017. Comments about operations comprised 38 percent of all comments in 2018 and 32 percent in 2017.

Voluntary Employee Turnover

This tracks the number of employees who voluntarily resign or retire from employment at Community Transit. These separations are influenced by factors such as family relocations, competition in the job market, career changes, job satisfaction, and retirements.

In 2018, voluntary turnovers totaled 67 employees. The voluntary

turnover ratio increased from 6.4 percent in 2017 to 9.0 percent in 2018. Of the employees who voluntarily left Community Transit, 34 percent terminated their employment to retire. Community Transit employees range in age from their twenties to their seventies. In 2018 the average age of a Community Transit employee was 49 years old, but as of December 31, 2018, Community Transit had 137 employees age 60 or older. These employees comprise 18 percent of the agency's workforce.

The other 66 percent of employees who voluntarily terminated their employment with Community Transit did so for a variety of personal reasons including family relocations (Community Transit is located near a major military installation) and for other job opportunities. Based on the expected continuation of the region's tight local employment market and the age of the existing workforce, it is anticipated that voluntary turnover may remain high.

Good Stewards of Public Funds

Cost performance indicators are influenced by factors such as changes in the number of revenue hours (service hours) the agency operates, changes in the cost of operating the services provided, and changes in fare revenue.

Service Changes: In 2018, Community Transit added 35,000 revenue hours¹ of service, continuing the trend of service expansion begun in 2014. The new service hours were spread across local, commuter, paratransit, and vanpool services and amounted to a 4.8 percent increase in total Community Transit revenue hours. Adding service increases operating expense, often in advance of the actual service increase.

Operating Expenses: In 2018, operating costs for all service modes increased by 7.8 percent in support of a service increase of 35,000 hours. As was the case in prior years, the most significant contributor to the increase in operating costs was implementing additional service. In addition, because the new *Swift* Green Line was scheduled to begin operations in March 2019, many of the start-up costs for this new route occurred in 2018. These expenses included recruiting, hiring, and training employees to operate and support 42,000 hours of additional service.

Fare Revenue: Changes in the amount of fare revenue depend on multiple factors which may occur individually or at the same time: a change in the fare rates charged, a change in the number of riders, or a change in the mix of riders by fare type. Effective October 1, 2018, Community Transit increased bus and paratransit fares by \$0.25. Vanpool fares also increased

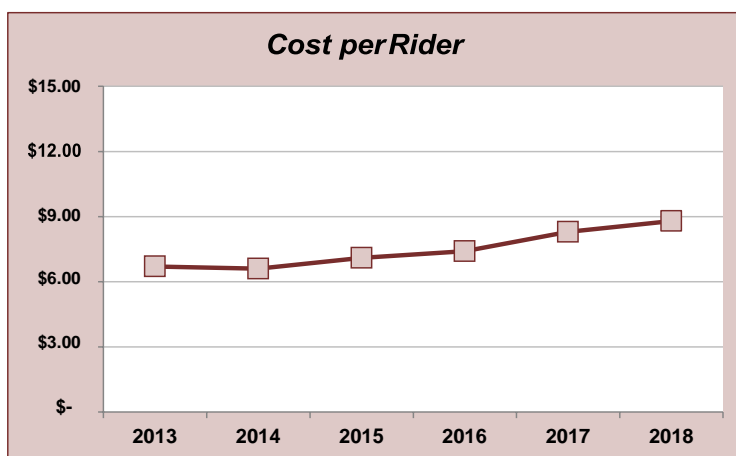
¹One revenue hour is the basic unit of operation as defined in the FTA National Transit Database Report. Revenue hours include all the time that buses operate on a route; revenue hours do not include the time it takes a bus to get to the starting point of a route or to return to base at the end of a route.

by an average of 3 percent, or about \$14 per van per month. The full-year effect of this fare increase will not be reflected until 2019. Fare revenue in 2018 increased by 2.5 percent from \$21.8 million in 2017 to \$22.4 million in 2018. The number of passenger boardings increased by 2.8 percent from 10.4 million in 2017 to 10.6 million in 2018.

The charts that follow show how these factors affected Community Transit's 2018 performance.

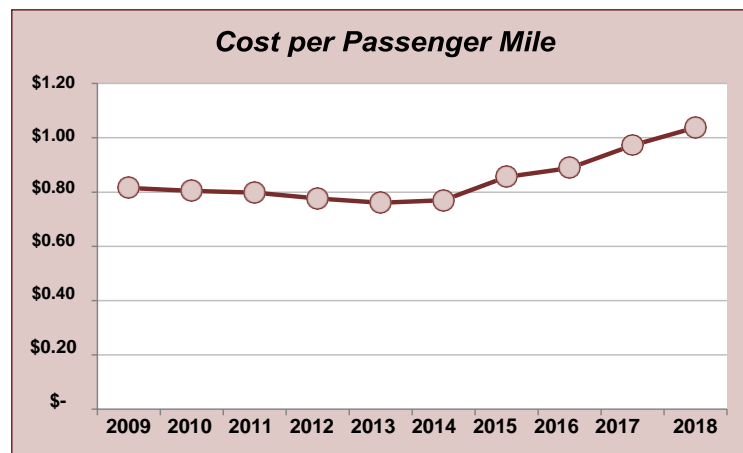
Cost per Rider measures the net cost after fare payment for delivery of one passenger trip. It is an indicator of cost efficiency. Community Transit's 2018 cost per rider was \$8.80, an increase of 6.2 percent as compared to the 2017 cost per rider of \$8.29, which was an increase of 12.5 percent compared to 2016.

The continued increase in cost per rider reflects service increases that began in 2014 and will continue through 2019 and beyond. Between January 2014 and December 2018, Community Transit implemented over 170,000 hours of new service (a 29.0 percent increase) with annual increases averaging over 34,000 service hours per year. These increases included expansion of existing service as well as service to new markets.



Operating expense less fare revenue divided by total ridership (boardings).

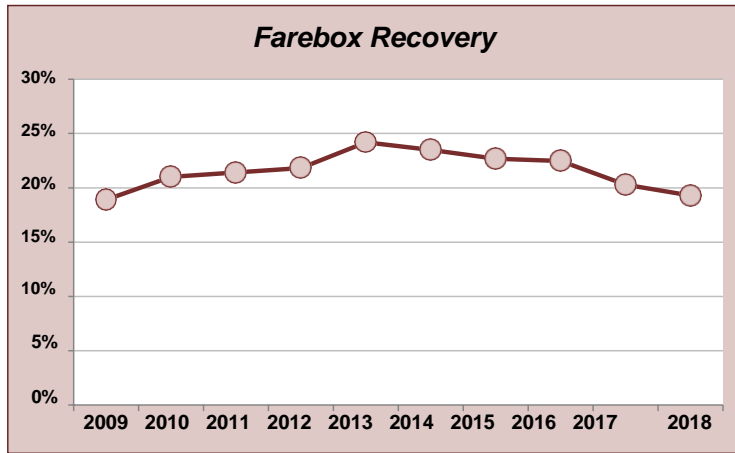
In periods of continuous service expansion, it is expected that the cost per rider will increase over time until ridership matures and reaches optimum productivity. The current trend of higher cost per rider is expected to continue at least through 2019. About 42,000 more service hours were implemented in March 2019 when the *Swift* Green Line went into operation.



Operating cost divided by passenger miles.

Cost per Passenger Mile measures the cost of operations to carry one passenger for one mile. The 2018 cost per passenger mile was 1.04 cents, an increase of 7 cents as compared to the 2017 cost per passenger mile of 97 cents. The increase in cost per passenger mile was an expected outcome for the same reasons that affect cost per rider.

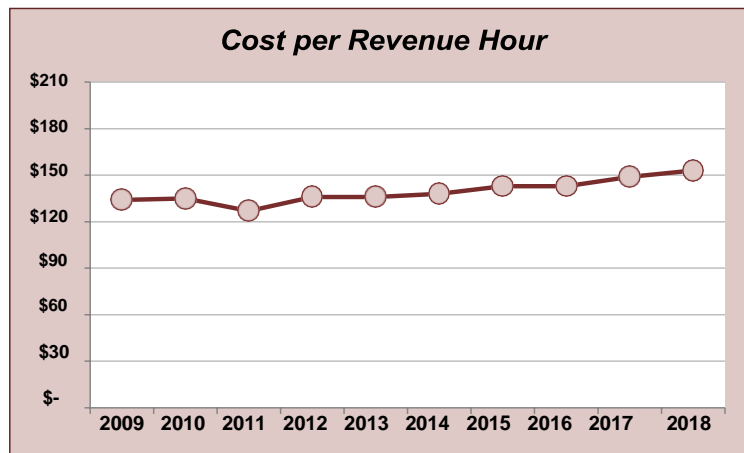
Farebox Recovery measures the proportion of operating costs paid for by passenger fare revenue. It has been Community Transit's goal to maintain a farebox recovery ratio of about 20 percent. The 2018 farebox recovery ratio was 19.3 percent, a 1 percent decrease as compared to the 2017 ratio of 20.3 percent. Any increase in operating cost affects the farebox recovery



Fares divided by operating cost.

rate, and operating expenses for 2018 increased by 7.8 percent as compared to 2017. The increase in operating expense supported 2018 service increases as well as start-up costs associated with a major service increase in March 2019 when the *Swift* Green Line began operations and added about 42,000 hours of new service. The agency expects to maintain a 20 percent farebox recovery rate over the long term as services mature and ridership grows.

Cost per Revenue Hour measures the cost of operations for one revenue hour of service. This performance measure indicates efficiency of the unit cost of operations. The 2018 cost per revenue hour increased by 2.9 percent to \$153.05 as compared to the 2017 cost per revenue hour of \$148.77. The agency continues the growth mode begun in 2014, which means that costs have increased in order to provide additional service hours for our riders. The 2.9 percent cost increase supported 35,000 more revenue hours of services, a 4.8 percent increase in revenue hours as compared to 2017.

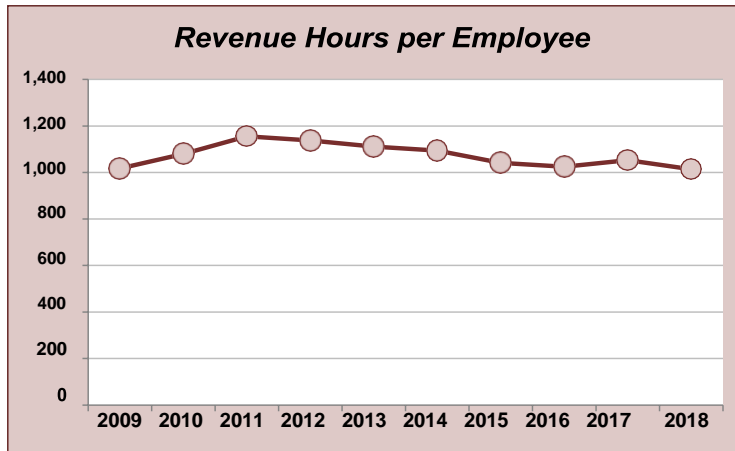


Operating cost divided by revenue hours.

Revenue Hours per Employee

measures how much service Community Transit operates per employee and is one indicator of workforce labor efficiency. Revenue hours per employee increase when the number of employees increases at a slower rate than the rate of change in revenue hours. Revenue hours per employee decrease when the number of employees increases at a greater rate than the rate of change in revenue hours.

In the three-year period beginning January 1, 2016, and ending December 31, 2018, Community Transit implemented nearly 118,000 hours of new service (an 18.4 percent increase in the number of revenue hours) and added 133 employees (a 21.6 percent increase) to support



Revenue hours divided by year-end employee count.

service expansion. The outcome displayed in this chart reflects a period when the agency increased revenue hours and hired more employees to support the additional revenue service.

Budget Process

Community Transit's Board of Directors adopts its annual budget in December preceding the start of a new fiscal year, based on its Board Resolution No. 22-98, which specifies the timeline for presentation of the budget to the Board, and requires that the budget presented be balanced. Furthermore, RCW 36.57.040(1) requires transportation authorities "to prepare, adopt, carry out, and amend a general comprehensive plan for public transportation service."

Staff develop the budget based on agencywide goals and departmental programs and objectives. Budget development consists of a multiphase process beginning in the spring of the current fiscal year and ending with the December Board budget adoption, to create and implement the annual budget for the upcoming fiscal year.

Six-Year Transit Development Plan

On an annual basis, pursuant to RCW 36.57A.060, Community Transit's Strategic Planning staff develops its annual transit development plan, which represents an annual update to the agency's six-year transportation plan. Updates provide a refreshed six-year forecast of agency financials, service levels, and capital projects. The transit development plan represents an important forum for developing strategic goals and helps set the tone for many agency work programs. The Washington State Department of Transportation requires transit agencies to submit an updated plan approved via a public process in the spring each year. The transit development plan also serves as an important communication tool to internal staff, community partners, and citizens. The transit development plan also serves as an important communication tool to internal staff, community partners, and citizens.

The transit development plan is adopted by resolution of the Board of Directors each year, generally preceding the development and adoption of Community Transit's annual budget. The plan contains a six year financial projection that:

- Provides estimates of retail sales growth for the six-year period along with associated revenue projections.
- Estimates cash flows and annual fund balances for all Community Transit funds.
- Plans for reserves required for new and replacement capital.
- Provides a financial roadmap for the delivery of Community Transit's service delivery plan over the next six years.

- Ensures financial stability and continuity to accommodate fluctuating economic conditions, support future growth and expansion needs, to allow the agency to continue to deliver on its mission and vision.

General Fund -- Six Year Forecast

	2019 <i>Forecast</i> ¹	2020 <i>Budget</i>	2021 <i>Transit Development Plan - Financial Plan</i>	2022 <i>Transit Development Plan - Financial Plan</i>	2023 <i>Transit Development Plan - Financial Plan</i>	2024 <i>Transit Development Plan - Financial Plan</i>
Sales Tax	\$ 148,328,028	\$ 154,260,000	\$ 160,431,595	\$ 166,848,859	\$ 173,522,813	\$ 180,463,726
Fares	22,982,000	23,982,000	24,982,000	26,782,000	27,782,000	28,782,000
Other Revenues	34,256,578	35,120,205	32,018,222	32,876,879	33,415,025	33,027,712
Total Revenues	205,566,606	213,362,205	217,431,817	226,507,738	234,719,838	242,273,438
Department Operating Exp ²	158,065,222	167,300,384	180,091,774	189,501,504	199,332,291	220,561,343
Other Operating	3,818,665	3,955,536	3,910,000	3,992,000	4,076,000	4,163,000
Cost Pools	-	2,236,500	-	-	-	-
Total Expenses	161,883,887	173,492,420	184,001,774	193,493,504	203,408,291	224,724,343
Surplus	\$ 43,682,719	\$ 39,869,785	\$ 33,430,043	\$ 33,014,234	\$ 31,311,547	\$ 17,549,095
Interfund Transfers ³	42,349,036	10,045,248	37,687,457	11,938,421	18,448,204	20,641,060
Net Change to Cash Balance	1,333,683	29,824,537	(4,257,414)	21,075,813	12,863,343	(3,091,965)
Projected Ending Cash Balance	\$ 70,342,522	\$ 100,167,059	\$ 95,909,645	\$ 116,985,458	\$ 129,848,801	\$ 126,756,835

¹ The 2019 Forecast was used in this table, in lieu of the amended budget, to more closely approximate the ending cash balance

² Department Operating Expenses include Fuel Expense and Insurance

³ Transfers for Workers' Compensation and Debt Service are included in Other Operating for consistency with Transit Development Plan (TDP)
For purposes of this presentation, interfund revenues, which occur on a variable basis, have been netted against interfund expenditures

The transit development plan, the completion of which is timed, ideally, to coincide with the inception of the budget process, provides a blueprint and guidance for the organization in the creation of its annual budget. Planning and Finance staff then work cooperatively to meld the higher level transit development plan projections with the more specific budget instructions and detailed budget estimates made for the current year's budget process. Consensus, analysis, and best available economic projections drive the projections for the more detailed budget that Finance staff will develop.

Business Planning Process

Annually, staff complete an internal process known as business planning in advance of the annual budget process. Business planning includes mapping out the specific activities and projects for the upcoming year that will be undertaken to achieve the objectives established in the transit development plan or to achieve departmental goals and other business requirements. The business planning process allows for better coordination between

departments and more effective allocation of staff resources. The process encourages staff agencywide to collaborate and communicate regarding priorities, workload, and assistance needed from other departments to support their projects and initiatives.

The business planning process culminates in an agencywide business plan that helps direct departmental budget development. Staff members complete individual business plans for each division and monitor them throughout the year.

Finance and Department Staff

Near the beginning of Community Transit's January to December fiscal year, Finance staff create a calendar to map out the upcoming budget cycle. This calendar starts with budget system preparation in late spring and early summer, and outlines the setting of parameters and assumptions with Planning and Executive staff. It also guides agency departments' budget development and submission timelines as well as review by the CEO and Executive team in late summer.

Service hour projections put forth by Planning staff drive, at least in part, staffing and other costs in departments that perform work driven by service or revenue hour volumes. Finance staff estimate budgeted revenues for the coming year in the early part of summer while departments prepare their budgets. Department staff present their FTE requests to the Executive team in early June, prior to the start of the departments' budget preparation. The Executive team reviews and makes tentative approvals by late June.

Finance staff also prepare the budgets for workers' compensation, debt service, insurance, benefits, cost pools, and interfund transfers that cover capital project and nonoperating expenses. Staff host budget labs during the month of July to provide hands-on assistance to agency budget preparers who may need technical assistance when creating and entering data for their departments' budgets. Department budget preparation generally begins around the end of June, with an approximately four-week timeline to complete these budgets.

Capital projects are budgeted on an individual project basis. Department staff submit plans for projects in approximately March for the next budget year. The Business Planning team reviews the capital project proposals for completeness, and the CEO and Executive staff review and approve these by early June, in advance of budget development. Department staff budget for their requested capital projects concurrently with the preparation of their department budgets. Capital projects are budgeted and funded in their entirety when approved, regardless of anticipated expenditure dates. Each year thereafter, the remaining unexpended portion of each project, as well as related grant reimbursements, is included in the next fiscal year's budget.

During early August, Finance staff review and analyze budget submissions to ensure an accurate and complete draft budget. Budget review with the CEO and Executive Team begins in mid-August and continues until approximately early September, depending on the need for multiple rounds of review. Finance and Administrative staff create reports and presentation materials for the Board of Directors from mid-September to mid-October.

The Board of Directors' Role

The Board of Directors adopts the annual budget. The Board of Directors then monitors the annual budget through quarterly financial reports, monthly review of expenditure listings, and authorization of all expenditures exceeding \$150,000. The Board Finance, Performance, and Oversight Committee receives a monthly fund status report for review and discussion with staff.

Budgetary control is maintained at varying levels. Operating expenses are monitored by department heads who are assigned responsibility for controlling their budgeted appropriations. Emphasis is placed on the total appropriation for the department, and for the divisions within each department. Budget overruns at the agency level must be authorized by the Board of Directors; at lower levels they are the responsibility of the CEO.

Presentation to the Finance, Performance, and Oversight Committee and Board of Directors

Community Transit's Director of Administration and Finance staff present an overview of the proposed budget to the Board of Directors in October. The budget is released first to the Finance, Performance, and Oversight Committee members, and then to the Board of Directors at the October Board workshop.

The budget allocates resources among critical and competing interests, efforts, and initiatives on behalf of residents of Community Transit's public transportation benefit area, which includes most of Snohomish County. The proposed budget also includes a CEO message and an Executive Summary explanation of the budget document. Detail concerning budgets specific to each agency department is also provided.

It is management's responsibility to present a preliminary budget that strikes the right balance between any competing interests at Community Transit, and between anticipated resources and planned expenditures.

Community Transit also uses the budget document to share information with members of the community and others who desire information about how Community Transit spends its resources.

Board of Directors' Budget Review Process

The Board of Directors receives a notebook containing Community Transit's proposed budget and related information (such as CEO Message, Executive Summary, and department-specific information) in late October at or before the Board workshop. Board members review the proposed budget and submit questions to the Budget Manager, Controller, or Director of Administration by a date specified in approximately mid-November. The Board holds a public hearing on the budget during the November Board meeting, which gives members an opportunity to take public feedback regarding the budget, further formulate questions, and consider any additional or new information that may surface.










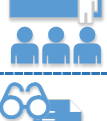

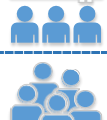


Agency staff answer the Board members' budget questions and provide a document on or before a predetermined date in November, usually during the third week in November prior to the Thanksgiving holiday. During the December Board meeting, the Board of Directors votes on the resolution that adopts the budget. If for some reason the Board cannot adopt the budget at their December board meeting, a special meeting must be held prior to December 31st whereby the Board adopts a budget for Community Transit.

Budget Amendment

During the course of the fiscal year, unanticipated events, including economic and other changes, may occur that warrant changes to Community Transit's Board-adopted budget. At least twice annually, the budget manager works with agency staff to develop amendments to the current year budget, based on agency needs. These include the appropriation of unanticipated revenues, emergency or unexpected operational needs, and capital project requirements.

One amendment is processed in advance of the annual budget process. This amendment usually includes such elements as off-cycle project requests or adjustments to the service plan. A final year-end amendment is processed near the close of the fiscal year. This amendment often includes updates to the revenue budget and/or adjustments needed to existing project budgets. The budget manager compiles items for each amendment and prepares the resolution and associated attachments. The Board of Directors reviews and approves budget amendments. This process occurs at a regular Board of Directors meetings, which are public meetings held on the first Thursday of each month.

Budget Schedule

	Task	Timeline
	Budget kickoff/parameter development occurs	Late April/Early May
	FTE request review process occurs	Early to Mid-June
	Budget workshops held	Mid-June
	Budget system released to department budget preparers	Late June
	Budget labs conducted	July – various dates
	Department Operating and Capital Budgets due	Late July
	Round 1 and 2 budget reviews occur	Round 1 – Mid-Aug Round 2 – Late Aug
	Executive Team approves budget	Early September
	Analysis and report preparation occur	September-October
	Budget preview presented to the Board	First Thursday in October on an as-needed basis.
	Budget presented to the Finance, Performance, and Oversight Committee	Third Thursday in October
	Budget presented to Board of Directors at quarterly workshop	Fourth Thursday in October
	Public hearing on the budget occurs	First Thursday in November
	Board adopts budget	First Thursday in December

Funds List

Community Transit uses a single enterprise fund to account for its operations and prepares its financial statements on the accrual basis of accounting according to generally accepted accounting principles. For budget purposes, as well as for tracking reserves and capital projects, the agency breaks this enterprise fund into multiple funds in its financial system. These budgetary funds include a general operating fund, several reserve funds, funds to cover debt service and the worker compensation program, and multiple capital project funds.

Most revenues and expenditures are budgeted on an accrual basis. Significant differences include sales tax revenue, compensated absences payable, actuarial accrual of future workers' compensation losses, postemployment benefits, debt service, capital projects, and depreciation and amortization.

Fund 40—General Fund

The General Fund accounts for Community Transit's operations. Revenues include retail sales tax, fares, grants and contributions, and other miscellaneous revenues. Operating expenses include salaries and wages, benefits, fuel, purchased transportation, services, utilities, and consumable supplies.

Fund 41—Replacement Reserve

The Replacement Reserve uses local revenues, primarily sales tax collections, to provide for the locally-funded portion of costs for the scheduled replacement of buses, paratransit vehicles, vanpool vans, and support vehicles. Vehicle purchases without grant funding may be recorded in Fund 41 while interfund transfers to other capital funds provide the local match portion required by grants.

Fund 42—Infrastructure Preservation Reserve

The Infrastructure Preservation Reserve sets aside a portion of local revenues, primarily sales tax collections, to accumulate funds for the needed repair and replacement of Community Transit's aging facilities and technology infrastructure.

Fund 43—Workers' Compensation Fund

Community Transit sets aside funds to pay for its workers' compensation program and related costs, including injury prevention. State law requires that all self-insured entities maintain a minimum reserve balance to cover the estimated current and future claims costs. The minimum is determined by actuarial methods utilizing actual loss experience.

Fund 44—State Capital Projects

The State Capital Projects fund was newly created during the 2020 budget process for capital projects paid for, in part, by state grants which usually require Community Transit to contribute a partial match. The local match is usually funded with transfers from other capital reserves or the General Fund.

Fund 45—FTA Capital Projects

This fund includes capital projects paid for primarily by Federal Transit Administration (FTA) grants that require Community Transit to contribute a partial match. The local match is usually funded with transfers from other capital reserves or the General Fund.

Fund 46—Local Capital Projects

Local Capital Projects includes capital projects paid for with locally generated funds, including minor routine capital purchases. It is primarily funded with transfers from capital reserves or the General Fund, with occasional local government contributions. Projects funded with state grants will be budgeted in the newly created Fund 44 beginning in 2020.

Fund 47—Bond Capital Projects

Bond Capital Projects includes capital projects paid for by bond proceeds or proceeds from other forms of public debt, which Community Transit may issue in future years. Once bond proceeds are fully spent, this fund is used for tracking and depreciation accounting; it is inactive for budgeting purposes.

Fund 48—Facility and Technology Expansion

This fund provides for specific facility and technology projects and accumulates a reserve for future facility and technology expansion.

Fund 50—Bond Debt Service

This fund accumulates the minimum necessary funds to cover annual principal and interest payments due on outstanding bonds. Funding is provided by sales tax revenue recorded in the General Fund and transferred to Fund 50. Community Transit's bond resolution requires that the agency set aside a portion of its sales tax revenue to meet bond debt service requirements.

Financial Policies

Significant Accounting Policies

Basis of Accounting

The accounting policies of Community Transit conform to generally accepted accounting principles applicable to governmental units. Community Transit applies all applicable GASB pronouncements. Community Transit uses an enterprise fund to account for its operations and prepares its financial statements on the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded as soon as the benefits are received.

Operating revenues and expenses generally result from providing transportation services. Community Transit's primary operating revenues include: passenger fares (charges to customer for transportation services), reimbursements from Sound Transit for providing regional express bus service, and revenues earned from advertisements posted on buses. Operating expenses consist of service directly operated and service provided under contract, vehicle and facility maintenance, administrative expenses, depreciation and amortization of capital assets.

All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses, and include subsidies such as tax revenues and operating grants, investment income, miscellaneous revenues, interest expense, and gains or losses on the sale of capital assets and maintenance parts inventory.

Community Transit's accounting records are maintained in accordance with methods prescribed by the State Auditor under the authority of Washington State law. Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Budgeting

Community Transit adopts its annual budget in December of the preceding fiscal year. The budget is based on agencywide goals and departmental programs and objectives as well as revenue and service growth assumptions outlined in the Board-adopted six-year transit development plan. After these programs and objectives are developed, revenue for the coming year is estimated. The estimated revenue is used to determine the level of service to be provided the following year.

Most operating revenues and expenditures are budgeted on the accrual basis. Significant differences include sales tax revenue, depreciation and amortization, compensated absences payable, actuarial accrual of future workers' compensation losses, postemployment benefits, and other revenues. Investment income is budgeted without accounting for changes in fair value. Debt service is budgeted on a cash basis.

Capital projects are budgeted on a project basis. Projects are budgeted in their entirety when approved, regardless of anticipated expenditure dates. Each year thereafter, the remaining unexpended portion of each project, as well as related grant reimbursements, is re-budgeted. Community Transit encumbers expenditures for management information. Encumbrances do not constitute a legal reduction of appropriations and are not reported on the financial statements.

Cash and Short-Term Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments purchased with a remaining maturity of three months or less. Community Transit's investment policies are governed by regulations established for public funds by Washington State law.

Investments are reported at fair value except for investments in the Washington State Local Government Investment Pool (LGIP) which is reported at amortized cost. Changes in fair value are included as revenue in the financial statements.

Restricted Assets

Funds are classified as restricted assets when their use is limited by bond covenants, state requirements for workers' compensation, or other legally binding conditions. Currently, the only restricted asset the agency has is for self-insured workers' compensation.

Maintenance Parts Inventory

Vehicle maintenance parts are held for consumption and valued at cost using the weighted average method. The costs of maintenance parts are recorded as an expense when consumed rather than when purchased.

Capital Assets and Depreciation

Assets with a useful life in excess of one year are capitalized if the individual cost is at least \$5,000. Capital assets are recorded at historical cost. Donated assets are measured at acquisition value. Replacements which improve or extend the lives of property are capitalized. Repairs and maintenance are expensed as incurred.

Community Transit participates with the Washington State Department of Transportation in the construction of passenger park-and-ride facilities within the transit service area. Community

Transit contributes funds to provide the local match required under the terms of federal construction grants. The State of Washington retains park-and-ride facility ownership, but Community Transit's contribution allows us to use these facilities. The rights are valued at the amount of the contribution made and are reported under capital assets as site improvements.

Depreciation is computed using the straight-line method (without salvage values) over the estimated useful life of the asset. When used assets are acquired, they are assigned a useful life of one-half the new life.

Newly acquired assets are assigned useful lives as follows:

- Land—not depreciated
- Work in Progress—not depreciated
- Intangible Property—easements not depreciated
- Buildings—5 to 30 years
- Site Improvements—5 to 30 years
- Buses—12 to 15 years
- Other Vehicles—5 to 8 years
- Machinery and Equipment—3 to 10 years
- Computer Equipment—3 to 7 years
- Intangible Property—3 to 10 years

Capital projects are budgeted on a project basis. Projects are budgeted in their entirety when approved, regardless of anticipated expenditure dates. Each year thereafter, the remaining unexpended portion of each project, as well as related grant reimbursements, is re-budgeted.

Community Transit encumbers expenditures for management information. Encumbrances do not constitute a legal reduction of appropriations and are not reported on the financial statements.

Compensated Absences

Policies for the accrual and use of compensated absences vary depending on whether an employee is represented by a labor contract or subject to the personnel policy. All employees are covered in three plans: paid time off, major sick leave, and Washington State sick leave. Paid time off is payable upon an employee's termination. Major sick leave and Washington State sick leave is payable at 25 percent of the hours accrued with the exception of some union employees, who are paid out at 50 percent if retiring. The portion of both sick leave plans payable at termination represents the vested portion of major sick leave earned and is subject to accrual.

Unearned Revenue

Revenues received in advance are recorded as unearned revenue on the Statement of Net Position.

Pensions

Information about the fiduciary net position of all state-sponsored pension plans and additions to or deductions from the fiduciary net position of those plans has been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. This information was used to measure net liability, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Calculating Community Transit's Reserve Balances

Community Transit's finances were significantly impacted by the global recession of 2007-2009 and the slow economic recovery following the recession. Revenues fell short of the agency's planned revenue forecasts. The agency took action to restore its financial strength and continues to respond to economic conditions. One of Community Transit's goals is to preserve service levels and jobs while fully funding reserves and maintaining its existing assets.

With this goal in mind, in 2012 Community Transit engaged Moss Adams Advisory Services to perform a review and analysis of Community Transit's reserve funds. Moss Adams was retained to assess whether specific reserve fund balances were within a reasonable range and funding practices were appropriate. Moss Adams analyzed the following: the operating, replacement, and infrastructure preservation reserves, as well as the agency's aggregate reserves.

The analysis was conducted by evaluating current funding levels and practices versus industry standards and practices. From the analysis, Moss Adams developed recommendations and

suggested steps that might be taken to bridge any gaps between current and recommended funding levels. Reserve calculations were developed as a result of this study.

The Workers' Compensation fund reserves were not addressed by the Moss Adams study. Therefore, GASB pronouncements and Washington State law were reviewed to determine what requirements, if any, would apply to Community Transit's self-insured Workers' Compensation program.

Each year, in partnership with long-range planning, budget staff in the Finance Division calculate the reserve requirements during the annual budget development. The Board of Directors reviews the proposed reserve balances as part of the annual budget process and adopts the budget in December of each year.

Delegating Purchasing and Other Authorities

This policy applies to any employee who has been delegated the authority to make certain financial, contractual, or regulatory transactions on Community Transit's behalf. The policy has nine sections.

Section 1: Authorizing Employees to Make Purchases on Behalf of Community Transit

Section 2: Authorizing Employees to Enter into Contracts on the Agency's Behalf

Section 3: Approving Invoices for Payment

Section 4: Authorizing Release of Payments

Section 5: Authorizing Budget Transfers

Section 6: Authorizing Acceptance of Public Works Projects

Section 7: Authorizing the Release of Surplus Property

Section 8: Delegating Authority for the Annual USDOL1 OSHA2 300 Report

Section 9: Administering this Policy

Controlling Noncapitalized Assets

A noncapitalized asset is defined as any item with a value of at least \$300 and less than \$5,000, meets specific criteria, and is vulnerable to theft, loss, or misuse. These items are referred to as "small and attractive items" per Resolution No. 01-02 and are tracked and verified annually.

Procurement Policy

Resolution No. 05-11 authorizes the Chief Executive Officer or designee to establish and maintain an agencywide procurement program of policies and procedures in compliance with federal, state and local laws.

Procurements that exceed \$150,000 in value or per contract year for multiple year contracts, except exemptions listed in Section 4 of Resolution No. 05-11, are awarded by the Board of Directors. All other procurements are awarded by the Chief Executive Officer, provided they are funded from the Board-approved budget.

Investing Community Transit's Funds

Community Transit's portfolio complies with conditions set forth in its investment policy. This policy applies to all financial assets belonging to Community Transit except that bond proceeds are governed first by any associated bond financing documents. These funds are accounted for in Community Transit's Comprehensive Annual Financial Report.

Community Transit measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles as follows:

- Level 1: Quoted prices in active markets for identical assets.
- Level 2: Quoted market prices for similar assets or other observable inputs.
- Level 3: Unobservable inputs for an asset.

Community Transit's investment policy clearly states that safety and liquidity takes precedence over return on investment. Allowable investments are limited to:

- U.S. Treasury obligations.
- U.S. government agency obligations and U.S. government-sponsored enterprises.
- Banker's acceptances.
- Commercial paper.
- Certificates of deposit.
- Repurchase agreements.
- Bonds of Washington State and any local government in Washington State.
- General obligation bonds of a state other than Washington State.
- Washington State Local Government Investment Pool (LGIP)

Interest Rate Risk: Community Transit's investment guidelines and policies state that safety of funds is the number one priority in all investment decisions. Maturities are generally limited to five years and the weighted average maturity of the portfolio may not exceed three years. Thus, all investments held are considered to have a low interest rate risk.

Credit Risk: Community Transit's credit risk is indirectly controlled via the kind of investment instruments allowed by the investment policy which includes only one direct, credit-risk requirement. The requirement applies to bonds of any state and any local government in Washington State in which the rating must be one of the three highest credit ratings of a nationally organized rating agency. The risk ranges from minimal to none, based on the investment instruments Community Transit holds.

Custodial Credit Risk: According to Community Transit's investment policy, all security transactions are settled on a delivery versus payment basis. This means that payment is made simultaneously with the receipt of the securities to the safekeeping bank. Therefore, custodial credit risk for Community Transit's investments is minimal.

Section 1: Affirming Community Transit's Key Investment Principles. This section outlines Community Transit's investment principles in priority order: safety, then liquidity, then return on investment.

Section 2: Managing Community Transit's Investment Program

Section 3: Selecting Financial Institutions and Brokers/Dealers

Section 4: Evaluating Investment Decisions

Section 5: Developing Community Transit's Investment Strategy

Section 6: Investing in Authorized Securities

Appendices A-E: Appendices include the following topics: the approved securities list, portfolio maximum percentages, and duties of the investment team.

Small and Disadvantaged Business Enterprise Program

Community Transit has established a Small and Disadvantaged Business Enterprise (SBE/DBE) program in accordance with regulations of the US Department of Transportation, Code of Federal Regulations Title 49 Part 26 (49 CFR Part 26). Community Transit has received federal financial assistance from the Department of Transportation/Federal Transit Administration (DOT/FTA), and as a condition of receiving this assistance, Community Transit has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of Community Transit to ensure that SBE/DBEs, as defined in 49 CFR Part 26, have equal opportunity to receive and participate in DOT/FTA-assisted contracts.

Managing Payment Cards

This policy applies to agency employees who perform one or more of the following functions:

- Audit procedures associated with and use of any agency payment card.
- Authorize other employees to perform any activity associated with the agency payment card program.
- Issue payments for purchases made using agency payment cards.
- Serve as a card user and use an agency payment card to purchase goods and services.
- Serve as a card custodian for any agency payment card.

The policy covers the following information:

Section 1: Managing the Agency Payment Card Program

Section 2: Setting Payment Card Limits

Section 3: Managing Employee Access to Payment Cards

Section 4: Using Payment Cards

Section 5: Monitoring and Paying for Purchases Made Using Payment Cards

Section 6: Dealing with Employee Misuse of a Payment Card

Appendices A-F: Appendices include the following topics: payment card custodian responsibilities, payment card user responsibilities, department head responsibilities, payment card administrator responsibilities, director of administration responsibilities, and procurement/contracts manager/DBE liaison responsibilities.

Managing Community Transit's Business Travel Program

This policy applies to any person authorized to travel on behalf of Community Transit and to employees who make or authorize travel arrangements or prepare travel budgets. This policy is authorized by Resolution No. 2-08 and is modeled after the Washington State Office of Financial Management State Administrative and Accounting Manual, Chapter 10. The policy covers the following topics:

Section 1: Managing the Agency Travel Program

Section 2: Making Travel Arrangements

Section 3: Purchasing Transportation for Business Travel

Section 4: Purchasing Lodging for Business Travel

Section 5: Using Per Diems While Traveling on Agency Business

Section 6: Administering Travel Advances

Section 7: Paying, Reconciling, and Reimbursing Travel Expenses

Section 8: Travel Program Tip Guidelines

Section 9: Combining Business and Personal Travel

Section 10: Changing, Transferring, or Cancelling Travel Arrangements

Section 11: Requesting Exceptions to the Agency Travel Program

Section 12: Documenting Agency Travel

Section 13: Purchasing Meals for Agency Activities

Section 14: Determining When Travel Time is Compensable

Appendices A-M: Appendices include the following: approval authority matrix, duties of department heads and the director of administration, duties of designated travel coordinators, guidelines for applying per diems to partial travel days, tip guidelines, nonexempt employee travel compensation, compensable and noncompensable commutes and travel time, compensating nonexempt employees in other travel circumstances, and calculating transportation expense.

Using Staff and Personal Vehicles to Conduct Agency Business

This policy applies to any person who uses a personal vehicle or a Community Transit staff vehicle to conduct agency business. The policy covers the following information:

Section 1: Driving a Staff Vehicle on Behalf of Community Transit

Section 2: Determining Driver Qualification

Section 3: Monitoring Driving Status

Section 4: Monitoring and Scheduling Staff Vehicles

Section 5: Using Staff Vehicles

Section 6: Assigning Staff Vehicles for Long-Term Use

Section 7: Using Personally Owned Vehicles to Conduct Agency Business

Section 8: Administering This Policy

Managing Community Transit's Fixed-Route Free Ride Fare Media

This policy applies to all employees who issue, use, and manage Community Transit's free ride fare media. The policy covers the following information:

Section 1: The Chief Executive Officer Establishes Free Ride Fare Policy.

The Chief Executive Officer is authorized to establish free ride fare media per Resolution No. 2-81 and Resolution No. 12-86. Fixed-route free ride fare media can be used for approved purposes contained within the policy.

Section 2: Customer Service Manager Oversees the Free Ride Fare Media Program.

Customer Service Manager consults with Strategic Planning, Finance, Training, and Transportation before ordering or considering new free ride fare media. The Customer Service Manager determines who is authorized to issue free ride fare media.

Section 3: Marketing Designs Free Ride Fare Media.

Marketing consults with Strategic Planning, Finance, Training, and Transportation when designing new or updating existing free ride fare media.

Section 4: Customer Service Manager Reports on the Use of Free Ride Fare Media.

The Customer Service Manager provides a quarterly report to Strategic Planning summarizing the distribution, use, and collection of free ride fare media.

Completing the Business Planning Process

This policy outlines the annual business planning process at Community Transit. The policy covers the following information:

Section 1: The Executive Team Makes Final Decisions Regarding the Business Planning Process.

The Executive Team serves as a final decision point as determined by the steering committee. Supports and communicates expectations to division managers and staff.

Section 2: Division Staff Monitor and Complete the Business Planning Process.

Division staff complete the business planning process and communicate with other divisions to refine work activities and/or estimates according to information provided by the Enterprise Program Office (EPO).

Section 3: Division Staff Collaborate on Work Activities with Staff in Other Divisions.

Communication is essential for business planning. The result will be better information discovered as a pre-budget activity.

Section 4: Department Subject Matter Experts (SMEs) Support and Advise Division Staff.

The department SMEs are selected by directors and serve as the single contact point for division managers for support and advice regarding overall process, tasks, and timelines.

Section 5: Managers, selected supervisors and department SMEs participate in the “Swap Meet”.

Managers and selected supervisors attend and participate in the meeting to discuss the work activities entered into their division’s business planning form. Department SMEs attend the “swap meet” and provide follow up assistance to division staff.

Section 6: The EPO Administers the Business Planning Process.

The EPO provides information to the agency in order to complete the business planning process. Currently, the EPO utilizes the PeopleSoft module to maintain the data and distribute reports.

Glossary: Finance Terms and Acronyms

<i>Term or Acronym</i>	<i>Definition</i>
Account	A numerical chartfield that describes the nature of an expenditure or revenue.
Accrual Basis of Accounting	Accounting method where transactions are recognized when they occur, regardless of the timing of associated cash receipts and disbursements.
Annual Budget	A financial and operating plan that establishes a budget for a single fiscal year only.
Appropriation	An authorization made by the Board of Directors that allows for the expenditure of agency resources during a given fiscal year.
Asset	Resources or items of value that are owned by an entity.
Balanced Budget	A budget in which revenues exceed expenditures, all reserves are fully funded, and Community Transit's volume adjusted operating costs grow at a rate that is less than the cap set in the six-year transit development plan.
BARS	Budget, Accounting, and Reporting System—the required financial reporting system for government entities in Washington State.
Biennial Budget	A financial and operating plan that establishes a budget for a two-year period.
BRT	Bus Rapid Transit system—a BRT aims to combine the capacity and speed of light rail or metro with the flexibility, lower cost and simplicity of a bus system, and can be described as a "surface subway".
Budget	A plan for revenues and expenditures, according to a set of strategic decisions made by agency leadership, which is approved by the Board of Directors annually. The budget funds initiatives and controls expenditures within boundaries.
Budget Center	A unit within the organization used for tracking actual expenditures and for comparison to its budget to ensure managerial control.
Budget Resolution	The official legal document approved by the Board of Directors that authorizes the expenditure of resources.
Budget Status Report	A report that compares budgeted expenditures with actual expenditures and encumbrances, usually reported by department and/or division as a means of monitoring the actual financial results against the annual approved budget.
Bond	A type of security that is sold by firms or governments as a means to borrow money at specified interest rates.

<i>Term or Acronym</i>	<i>Definition</i>
CAFR	Comprehensive Annual Financial Report—the official financial report of a government.
Capital	Property that is expected to generate value over a long period of time and form the productive base of an organization.
Chartfield	A term used to describe the fields that segregate and categorize a transaction. At Community Transit these include: funds, budget centers (also known as departments), accounts, and projects.
Consumer Price Index (CPI)	A measure of the average change over time in the prices paid by urban consumers for goods and services.
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
CPA	Certified Public Accountant
DART	Dial-a-Ride Transportation, also known as paratransit.
Debt Service	Payment of principal and interest to Community Transit's bondholders.
Department	A major unit of a company, organization, or government entity.
Encumbrance	The commitment of some portion of a budget to purchase an item or service. At Community Transit, an encumbrance is recorded when a purchase order is generated.
Expense	The economic costs a business or government incurs through its operations to earn revenue or provide a service.
Fiscal Year	A twelve-month period to which the annual approved operating budget applies; also the segment of time in which an entity measures its financial results.
Fixed Assets	Items of value which are purchased for long-term use and are not likely to be converted quickly into cash, such as land, buildings, and equipment.
FTA	Federal Transit Administration—the federal agency responsible for transit programs and funding.
FTE	Full Time Equivalent—a measure of staffing in terms of full time hours worked.
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities.
Fund Balance	Modified working capital; in essence, cash and cash equivalents plus accrued revenues and less accrued expenses.
GAAP	Generally Accepted Accounting Principles—used by industry and governments as standards for accounting and reporting financial

<i>Term or Acronym</i>	<i>Definition</i>
	activity. GAAP adherence assures all state and local governments' reports contain the same type of financial statements and disclosure, based on the same measurement and classification criteria.
GASB	Governmental Accounting Standards Boards—the entity that determines GAAP for government entities.
GFOA	Government Finance Officers Association.
Interfund Transfer	A payment made from one fund in a government entity to another for goods or services rendered or to provide funding for another allowable public purpose.
Intergovernmental Services	Purchases made from other governments for specialized services typically performed by those governments.
Investment	An asset or item acquired with the goal of generating income or appreciation.
Liability	The future sacrifices of economic benefits that the entity is obliged to make to other entities as a result of past transactions or other past events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future.
LSTGO Bond	Limited Sales Tax General Obligation Bond—bonds that pledge the full faith and credit of a sales tax-funded government agency for payment.
NTD	National Transit Database—a federal reporting program for transit agencies receiving FTA funding. It serves as a primary repository for all transit-related data and statistics in the United States.
Operating Budget	The primary means by which most of the acquisition, spending, and service delivery activities of a government are controlled.
Operating Expense	Expenses that support the operating budget, such as the government entity's acquisition, spending and service delivery activities.
Performance Measure	A numerical expression documenting some aspect of the output or outcomes of an activity, service, process or program.
PERS	Public Employees Retirement System—retirement benefits provided by the State of Washington, in which Community Transit employees participate.
Project	A temporary endeavor to create a unique product, service or result, which has a defined beginning and end time as well as a defined scope and resources.

<i>Term or Acronym</i>	<i>Definition</i>
RCW	Revised Code of Washington—the laws of the State of Washington.
Reserve	A portion of fund equity that is legally or managerially restricted for a specific purpose.
Revenue	Income received by Community Transit to conduct services that support the mission of organization. Income may be in the form of sales tax, passenger fares, grants, interest earnings, and other sources.
Strategic Plan	A long-range statement of direction for an organization, which identifies vision, mission, goals and strategies, as well as measures which will show progress made in achieving goals.
TDP	Transit Development Plan—a six-year blueprint for developing the agency’s long range transit system. It identifies transit service needs, prioritizes improvements and determines the resources required for implementing modified or new service.
Vanpool	An element of a transit system that allow groups of people to share the ride similar to a carpool, but on a larger scale with concurrent savings in fuel and vehicle operating costs.
WAC	Washington Administrative Code—administrative rules of the State of Washington, which are designed to help the public comply with state laws, processes, and other requirements.
WSDOT	Washington State Department of Transportation—the department that oversees Washington State’s multimodal transportation system and ensures that people and goods move safely and efficiently. In particular, this agency builds, maintains, and operates the state highway system, as well as the state ferry system.
WSTIP	Washington State Transit Insurance Pool—the insurance pool consists of twenty-five Washington State public transit agencies, who combine their resources in order to provide and purchase insurance coverage, manage claims and litigation, and receive risk management assistance and training.

