

2023 Operating & Capital Budget



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Budget Message from the General Manager 2023 – A Year of Innovation and Efficiency



As we wrap up 2022 and continue planning for 2023, I am looking forward to new and exciting opportunities at Ben Franklin Transit. In 2022 we embraced substantial changes; a few of the highlights include:

- I became the General Manager in July 2022 and found an organization poised for growth and transformation.
- An order was placed for minibuses. We will be conducting a pilot program to experiment with vehicles of various sizes as we modernize our fleet with more cost-effective options.
- Federal and state grants were used to order two new electric buses. This trial program will enable us to learn how we can best incorporate low-/no-emission vehicles into our fleet while minimizing our financial risk.

While we made significant changes in service in 2021 by adding Sunday service and more frequent service on our Metro routes, we are planning for very modest service changes in 2023. This will enable us to focus on two important areas that will lay the foundation for the future:

- First, we will begin work on a long-range strategic plan which will help us continue to adjust to meet the transportation needs of our growing and diverse community.
- Secondly, we will focus on innovation and efficiency – both in the services we offer to our customers as well as how we execute our internal business processes.

I am thankful for the Board of Directors and the Tri-Cities community that continue to provide the guidance and financial resources that allow us to deliver the best service possible.

I look forward to 2023 – [A Year of Innovation and Efficiency](#).

A handwritten signature in black ink that reads "Rachelle Glazier".

Rachelle Glazier
General Manager

Budget Planning & Guidance

Each year, extensive planning takes place to identify operational service levels as well as organizational needs for the following year. This process begins later in the second quarter to best manage the expectations and service levels leading into the fall budget planning process.

As we developed the 2023 budget, we have identified the following as our key challenges and opportunities that have impacted our plans for 2023.

Challenges in 2023

- **General economic uncertainty**
 - While the general local economy remains strong, there is increasing concern regarding the likelihood of a recession. This could have the impact of lowering sales tax revenues as well as future grant levels. To offset this risk, BFT has forecasted a much lower growth in sales tax revenues than normally used and has implemented cost management adjustments to reduce operating costs.
 - High inflation levels continue to put pressure on the overall budget by increasing estimated costs for labor, goods, and services. Higher than normal inflation has been anticipated and included in the estimated costs for the 2023 budget, including a 40% increase in estimated fuel cost per gallon.
- **Continuing impacts of COVID-19 virus**
 - As variants of the COVID-19 continue to spread, BFT is not budgeting significant response costs to continue. Vehicles have been outfitted with protective barriers for drivers and reasonable health and safety measures are now part of normal ongoing operations. Should a significant increase in the spread of COVID occur requiring a considerable increase in the amount of facility and vehicle cleaning, these costs would be in excess of what was budgeted.
- **Finding and keeping qualified talent is a challenge for many businesses**
 - Competition for talent in the local area makes retention and recruiting a significant challenge. BFT continues to evaluate its pay and benefits structure compared to other transits as well as the local market to ensure competitiveness to attract and retain employees.
 - Training and development programs that were paused in 2020 - 2022 will be resumed and investment in growing and developing BFT talent to help with staff retention.
- **Managing and executing multiple capital improvement projects**
 - Multiple facility constructions projects will be in progress.
 - Multiple technology improvement projects and initiatives will be in progress.
 - Constant change can be both exciting and challenging.

Opportunities in 2023

- **Ridership Growth Continues**
 - Although ridership has not fully recovered to pre-COVID levels yet, ridership does continue to grow, and BFT is returning riders at a faster rate than other transits.
 - At recent growth rates, we expect that ridership levels will return to pre-COVID levels in 2023.
 - A Ridership Task Force was created in mid-2022 to identify, evaluate and implement ideas for growing ridership.
- **Solid funding to support transit operations**
 - New Transit Support Grants (TSG) from the State of Washington’s Move Ahead legislation begins in 2023. These grants are designed to be very flexible and enables BFT to use the funding where needed in order to supplement other revenue sources.
 - CARES/CRRSAA/ARP COVID Relief grant funding is available and will be used in 2023 to support ongoing operations, allowing local dollars to be used for planned and needed capital projects. 2023 will be the last year that these grant monies will be available.
- **Innovation and Efficiency**
 - Both the Board of Directors and BFT management are placing an emphasis on identifying and implementing initiatives, projects and ideas that prioritize innovation and efficiency.
 - Innovation and efficiency will be both customer-facing as well as improving internal operations and processes.

2023 Goals & Initiatives

The overall emphasis for 2023 is “Driving for Innovation & Efficiency”. When developing the 2023 operating and financial plan, this was used to guide the development of the overall objectives and to provide framework and guidance in the planning process.

The following chart shows what BFT has established as the three areas and the primary areas of emphasis for 2023, along with specific activities and initiatives to address these areas.

Customer Experience

- Implement new, simplified fare structure
- Improve fare collection and payment technology
- Upgrade aging vehicle fleet, including incorporating new, smaller buses
- Audit preventative maintenance program to improve reliability
- Maintain 92% on-time performance on fixed route; 95% on DAR
- Re-evaluate approach to micro transit
- Expand special event service and develop a policy/standard operating procedure for service requests
- Ridership growth—evaluate pilot programs to enhance customer experience and for potential cost savings; continue Ridership Task Force; evaluate peak service demand

Employee Experience

- Leadership – Develop personalized training plan for each manager
- Revisit safety: Set safety goals for 2023, develop a marketing campaign internally, and outsource workers' compensation
- Develop and implement an agency-wide training program
- Communication – Monthly town hall meetings and provide monthly feedback
- BFT manager-to-manager monthly meetings
- In-person employee relations/employee engagement field visits
- Develop a formal recognition plan in 2023 and communicate, including peer-to-peer program
- Evaluate and improve onboarding process

Fiscal Responsibility

- Headcount management/position control
- Evaluate our compensation package to attract and retain talent
- Deliver more efficient service and equipment allocations
- Implement efficiencies through technology and business processes
- Timekeeping process and technology improvements
- KPI/dashboard/data-driven decision making
- Quarterly budget reviews/analytics
- Proactive, aggressive approach to securing grant funds
- Fully implement Track-It! across the agency

Significant Contractual/Compliance Activities

Federal COVID Grant Funding through the Federal Transit Authority (FTA)

BFT has received three separate FTA special grant awards through separate COVID-19 funding acts issued by the Federal government. These grants were provided through the Coronavirus Aid, Relief, and Economic Security Act (CARES), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARP), and provide for the reimbursement of eligible operating expenses and capital projects. These grants are being used from 2020 through the end of 2023.

These amounts have allowed the agency to respond to increased costs associated with responding to COVID, supporting the agency to go fare-free for a year and a half, and to continue putting service on the streets.

The remaining funding of \$13,328,300 will be utilized to support operations throughout 2023.

Collective Bargaining Agreements (CBAs)

The 2023 proposed budget accounts for normal step progressions through the salary scales for the following bargaining unit employees, increasing each year in accordance with the recently signed CBAs.

DAR Dispatchers converted from a non-represented salary progression to a standard Union step progression with annual increase adjustments of 2.25% for 2021 and 2.5% for 2022. The overall annual percentage change in labor cost for this group is 2.9% for the four-year period covering their last non-represented increase on January 1, 2019 to March 14, 2023, the term of the agreement.

Mechanics renewed their contract in 2022. Four of the nine classifications in the unit will receive an annual adjustment of 3.5% effective June 1, 2022, and 3.5% each year until expirations of contract on May 31, 2025. Four of the nine classifications in the unit will receive an annual adjustment of 3.25% effective June 1, 2022, and 3.25% each year until expirations of contract on May 31, 2025. Vehicle Service Workers will receive a 2% annual increase annually until the contract expires on May 31, 2025.

Fixed Route Operators and Dial-A-Ride Drivers renewed their respected contracts in 2021. Each bargaining group will receive an annual adjustment of 3% effective June, 1 on the following years: 2021, 2022, 2023. These contracts will expire May 31, 2024.

Administrative Assistants contract was ratified on July 8, 2021. This group converted from a non-represented salary progression to a standard Union step progression with annual increase adjustments of 2% for 2022, 2% for 2023. There is a wage only reopener for the years of 2024 and 2025. This agreement expires June 30, 2026. The overall annual percentage change in labor cost for this group is 2.44% for the three-year period covering June 1, 2021 to May 31, 2024.

Transportation Supervisor contract was ratified in 2022. The group converted from a non-represented salary progression to a standard Union step progression with annual increase adjustment of 3% on January 1, 2023 and an annual increase of 3.25% on January 1, 2024. The overall annual percentage change in labor cost for this group is 2.0% for the three-year period covering September 08, 2022 to December 31, 2024.

Federal/State Compliance

BFT maintained compliance with all federal and state audits and program requirements. The FTA also conducted a special review of BFT's use of COVID-19 related grant funding covering the timeframe of January 20, 2020 through May 11, 2022. This review was completed successfully with no findings, comments, or recommendations.

In addition to receiving clean audit reports, BFT was awarded its 10th consecutive award for excellence in financial reporting as awarded by the Government Finance Officers Association for BFT's Annual Comprehensive Financial Report.

Overview of 2023 Operating Budget

For 2023, BFT management is proposing an Operating Revenue and Expense budget of \$59.0M, which is \$1.2M, or 2.2%, higher than the 2022 budget of \$57.8M. This is a balanced budget with expenditures totaling operating revenues.

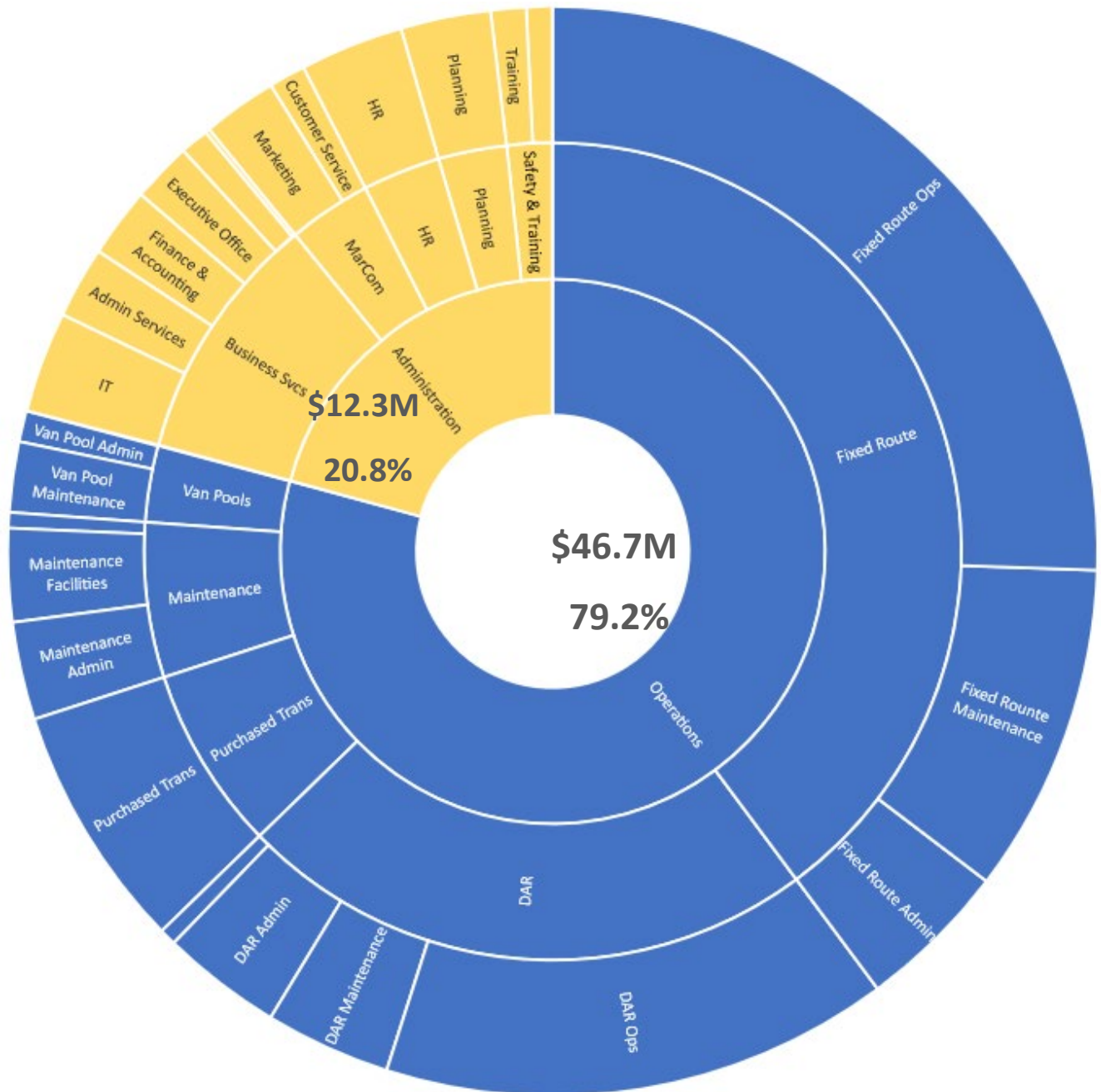
The following table provides a high-level summary of the primary changes from 2022 to 2023.

2022 Budget	\$57,786,200
Changes for 2023	
Labor	(1,304,973)
Fuel	1,456,338
Purchased Transportation	1,045,000
Professional Services	(470,390)
All Else	526,343
Net Changes for 2023	1,252,318
2023 Proposed Budget	\$59,038,518

The primary drivers for these changes are summarized below:

- Reduced labor cost due to a reorganization implemented in October 2022. This reorganization streamlined several departments and eliminated some open positions. No permanent BFT staff are being terminated because of this reorganization.
- Significant increase in estimated fuel prices, increasing by over 40% compared to the 2022 budget.
- Increase in Purchased Transportation Services attributed to continued growth in the Connect service that was introduced in 2020.
- Professional Outside Services decreased primarily due to projects budgeted for 2022 that are being completed, or at least substantially completed, in 2022 along with the elimination of other services that will not be utilized in 2023.

The following chart provides a general overview of the use of 2023 proposed Operating Expenses, with 79.2% for Operations and 20.8% directed towards overall Administration (using the classification of Administration Costs as required by the Federal Transit Administration (FTA)). Cost reductions implemented in 2022 and planned for 2023 has decreased the percentage being spent on Administration, going from 22.7% in 2022 to 20.8% for 2023.

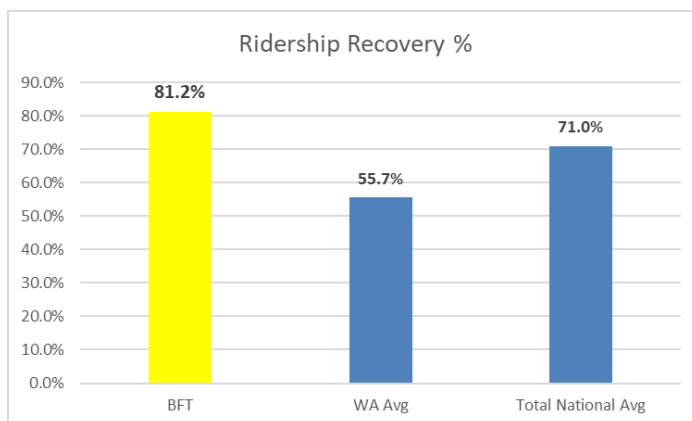


Ridership and Service Level Plans

Ridership

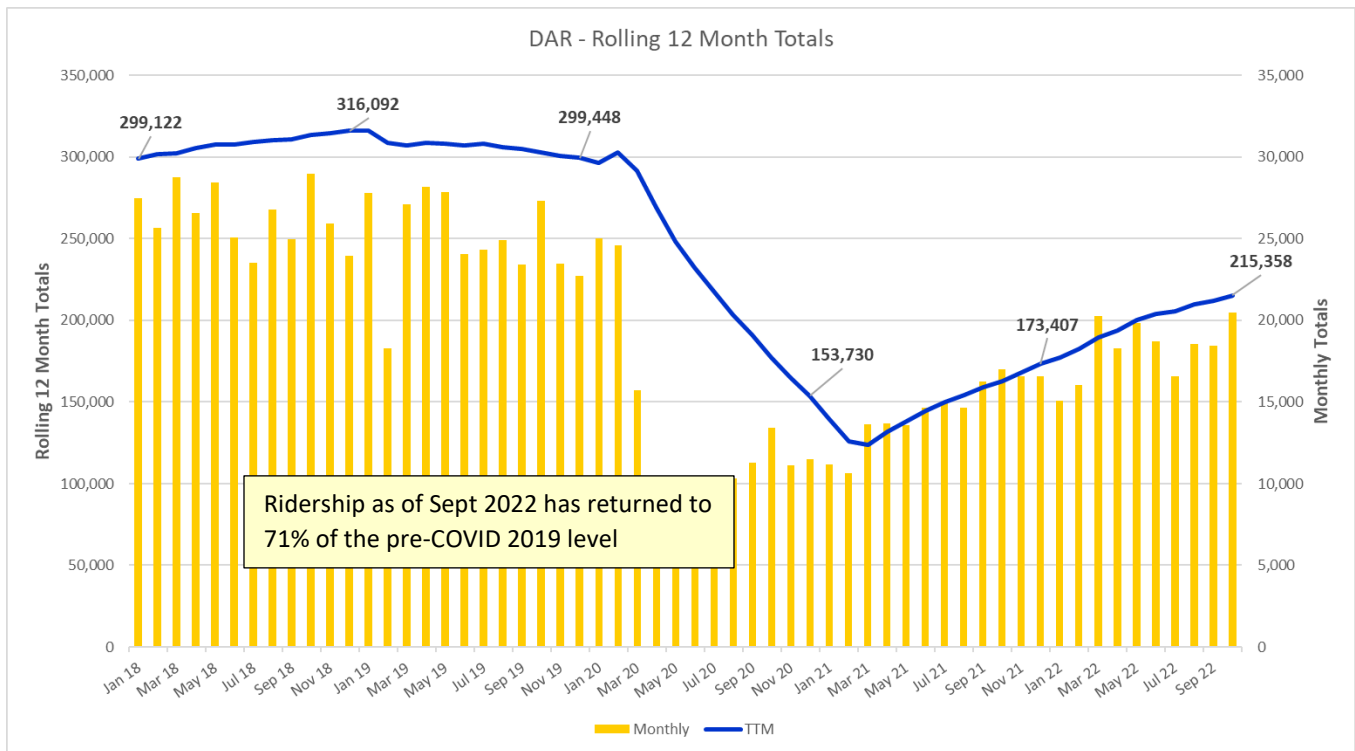
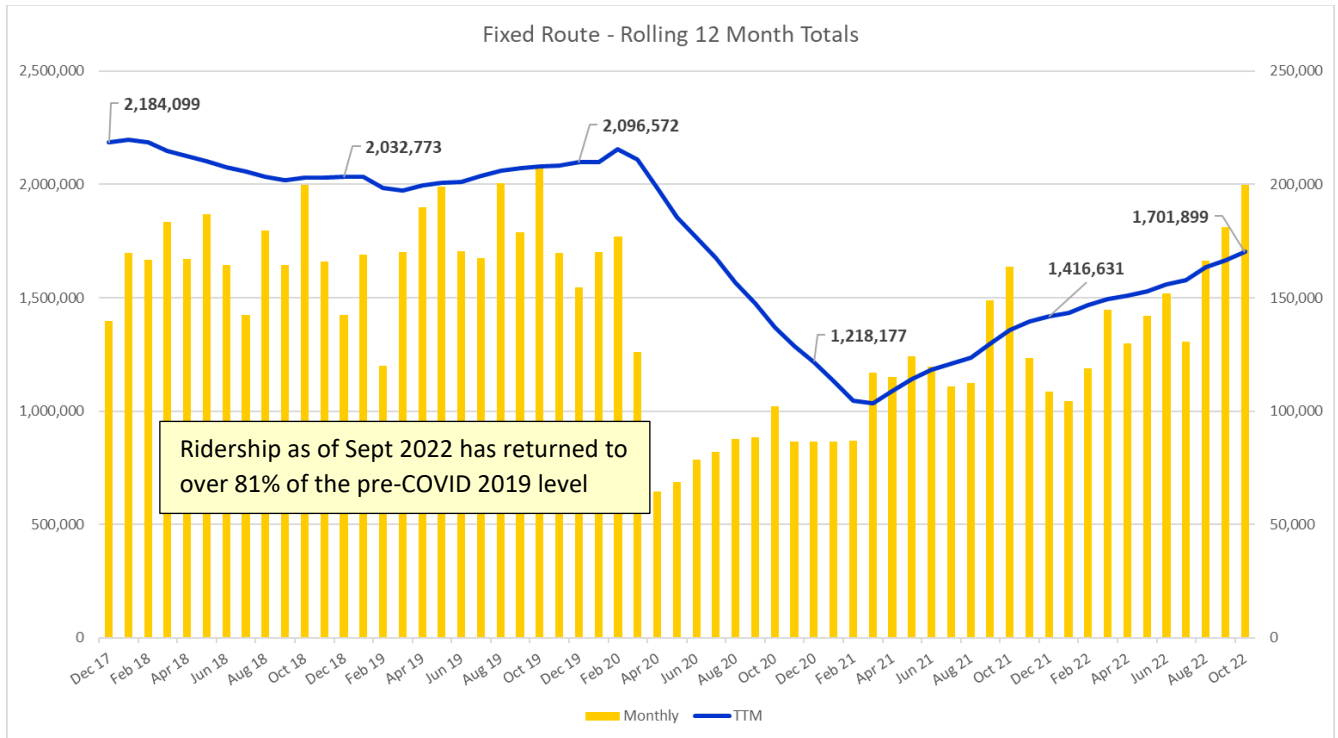
Recent trends show that ridership levels continue to grow from the low levels experienced in 2020 as a result of the COVID pandemic. Although ridership continues a slow recovery from those lows, BFT has experienced a higher-than-average recovery in service. Fixed route boardings are currently at over 81% of the pre-COVID levels in 2019. The following table compares BFT recovery rate to other transits of similar size in Washington State as well as compared to national recovery averages.

Ridership levels for Fixed Route and Dial-A-Ride are expected to return to 2019 pre-pandemic levels in 2023. However, Vanpool does continue a slower recovery rate. The amount of Vanpool service is somewhat limited though by the number of vans available and the current inability to order replacement vans due to continuing supply chain issues.



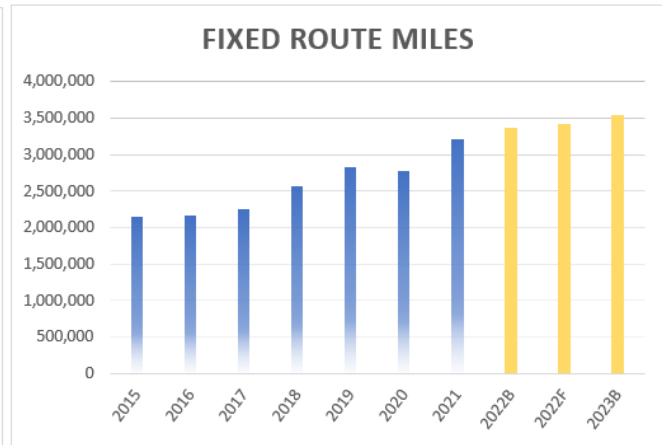
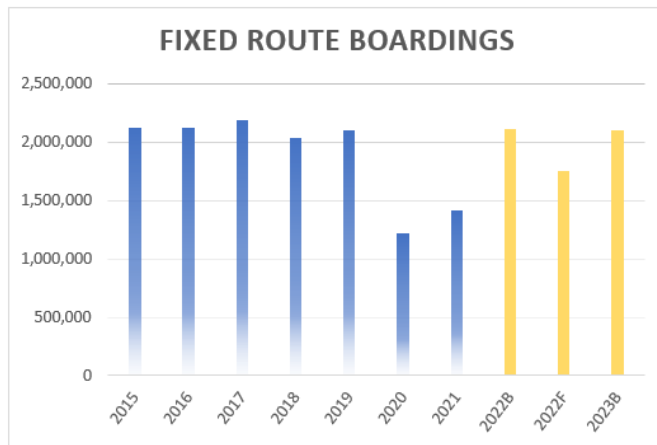
BFT's Youth Ride Free initiative, which began on June 1st, 2022, has had a remarkable positive impact on ridership on both the fixed route and CONNECT modes. Youth customers are estimated to make up roughly 40% of those riding the system on weekdays, and the widespread adoption and usage of the pass has accelerated recovery from the ridership downturn associated with the COVID-19 pandemic.

The following two charts show the trending 12-month ridership levels for Fixed Route and Dial-A-Ride (DAR) along with the monthly boardings. It should be noted that the boarding for October 2022 was the 3rd highest month over the past 5 years, with October 2017 and October 2018 being the only months with higher boardings.

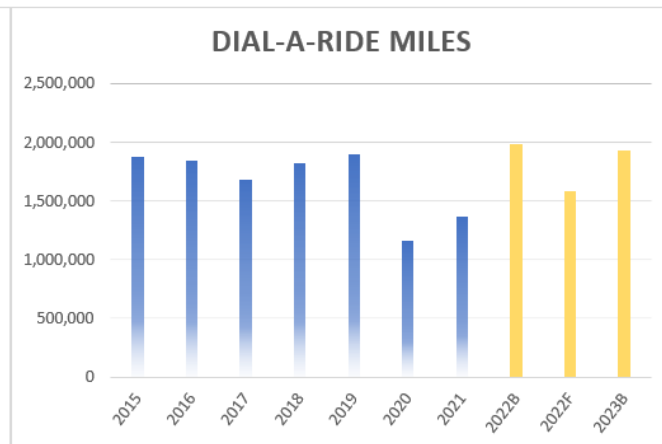
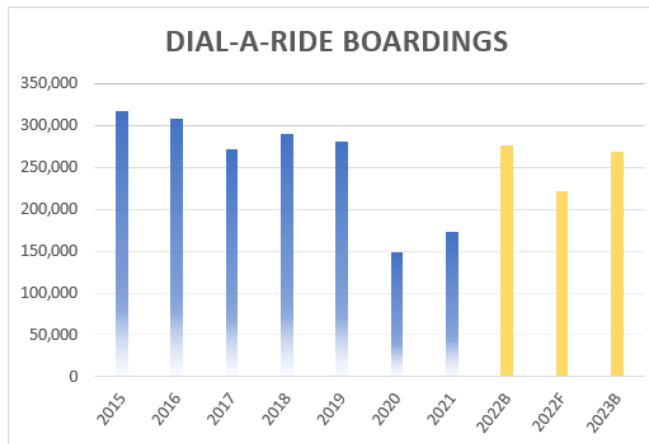


The following tables provide a detailed breakdown of the historical and budgeted boardings and miles of service for each primary mode of service.

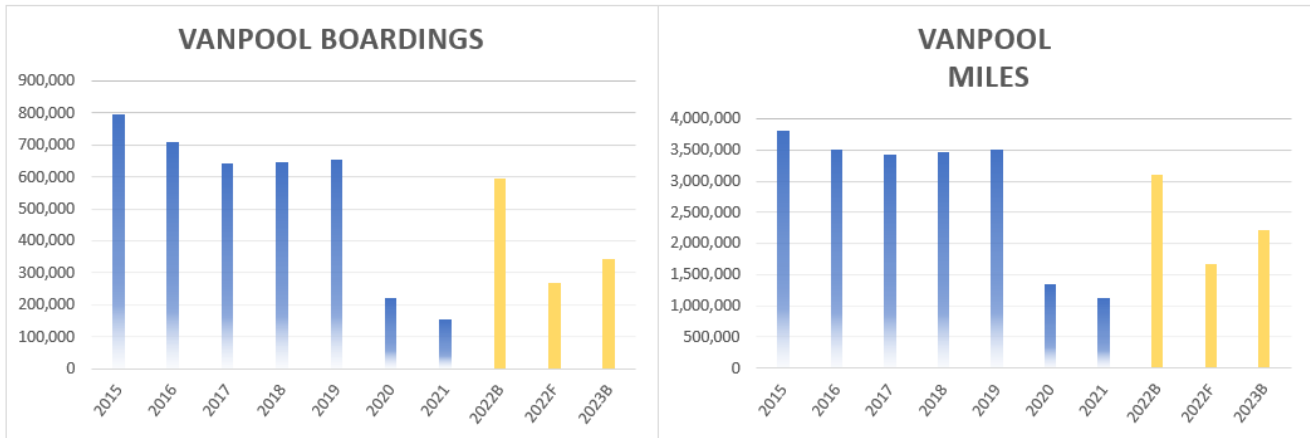
	Fixed Route										% Change	
	2015	2016	2017	2018	2019	2020	2021	2022B	2022F	2023B	to 2022F	to 2022B
Boardings	2,120,371	2,120,371	2,184,099	2,032,773	2,096,572	1,218,177	1,415,305	2,113,000	1,754,000	2,099,000	20%	-1%
Miles	2,148,656	2,161,030	2,245,140	2,558,423	2,822,681	2,770,116	3,205,722	3,368,000	3,421,000	3,532,000	3%	5%



Dial-A-Ride												
	2015	2016	2017	2018	2019	2020	2021	2022B	2022F	2023F	to 2022F	to 2022B
Boardings	317,079	308,165	271,790	289,563	280,766	148,200	173,407	276,000	221,000	269,000	22%	-3%
Miles	1,877,660	1,849,758	1,679,757	1,818,271	1,903,346	1,157,544	1,370,312	1,986,000	1,585,000	1,933,000	22%	-3%



Vanpool												
	2015	2016	2017	2018	2019	2020	2021	2022B	2022F	2023F	to 2022F	to 2022B
Boardings	794,579	709,319	643,216	646,186	652,803	221,933	153,560	595,000	268,000	344,000	28%	-42%
Miles	3,804,373	3,516,347	3,420,782	3,470,690	3,501,626	1,345,779	1,129,064	3,100,000	1,673,000	2,215,000	32%	-29%



Service Levels

No significant changes are budgeted for 2023 level of service, with only minor route and schedule adjustments being planned. Fixed Route service for the Hanford area is currently being explored and the 2023 service plan does allow for a pilot program to test preliminary service for the site. At the time of the development of the 2023 budget, the level of service is still to be determined. If the service proves to be highly successful, a supplemental budget to support expanded services in 2023 may be necessary.

More substantial fixed route service changes are expected in 2024. These future service changes are related to the completion of the Queensgate Transit Hub and fulfilling recommendations made in the recent WSDOT-funded Prosser and Benton City service analysis.

The table below summarizes the proposed 2023 service levels for each mode of service.

	2019	2020	2021	2022B	2022F	2022B Variance	2023B	Var. to 2022F	Var. to 2022B	Var. to 2021
Fixed Route										
Miles	2,822,681	2,770,116	3,205,722	3,368,000	3,421,000	1.6%	3,532,000	3.2%	4.9%	10.2%
Hours	179,227	176,010	200,426	214,000	217,000	1.4%	223,000	2.8%	4.2%	11.3%
Boardings	2,096,572	1,218,177	1,415,305	2,113,000	1,754,000	-17.0%	2,099,000	19.7%	-0.7%	48.3%
Dial-A-Ride										
Miles	1,903,346	1,157,544	1,370,312	1,986,000	1,585,000	-20.2%	1,933,000	22.0%	-2.7%	41.1%
Hours	123,218	73,874	83,279	124,000	101,000	-18.5%	123,000	21.8%	-0.8%	47.7%
Boardings	280,766	148,200	173,407	276,000	221,000	-19.9%	269,000	21.7%	-2.5%	55.1%
Vanpool										
Miles	3,501,626	1,345,779	1,129,064	3,100,000	1,673,000	-46.0%	2,215,000	32.4%	-28.5%	96.2%
Hours	80,007	29,782	24,512	75,000	41,000	-45.3%	52,500	28.0%	-30.0%	114.2%
Boardings	652,803	221,933	153,560	595,000	268,000	-55.0%	344,000	28.4%	-42.2%	124.0%
ARC (Contracted)										
Miles	222,983	43,663	240,000	223,000	68,000	-69.5%	223,000	227.9%	0.0%	-7.1%
Hours	13,904	3,854	15,000	14,000	4,000	-71.4%	14,000	250.0%	0.0%	-6.7%
Boardings	77,866	13,674	73,000	78,000	31,000	-60.3%	78,000	151.6%	0.0%	6.8%
Connect (Contracted)										
Miles	0	86,138	491,595	376,000	913,000	142.8%	1,138,000	24.6%	202.7%	131.5%
Hours	0	8,244	22,065	36,000	50,000	38.9%	61,000	22.0%	69.4%	176.5%
Boardings	0	5,972	44,643	31,000	123,000	296.8%	205,000	66.7%	561.3%	359.2%

Proposed 2023 Budget

The following table represents the shows the breakdown of the proposed 2023 Revenue by source, Operating Expense and Capital Budgets.

	Total	Operating	Capital
Revenues:			
Contracted Services	25,000	25,000	-
Fares	1,200,000	1,200,000	-
Sales Tax Revenue	53,400,000	39,446,942	13,953,058
Miscellaneous	500,000	500,000	-
Total Local	55,125,000	41,171,942	13,953,058
Total State	17,409,388	4,538,276	12,871,112
Federal Grants	7,275,970	-	7,275,970
CARES/CRRSSA/ARP Grants	13,328,300	13,328,300	-
Total Federal	20,604,270	13,328,300	7,275,970
Total Revenues	93,138,658	59,038,518	34,100,140
Expenditures:			
Fixed Route	23,515,686	23,515,686	-
DAR	13,523,514	13,523,514	-
Vanpool	1,784,291	1,784,291	-
Maintenance	3,617,484	3,617,484	-
Purchased Transportation - Connect	2,774,800	2,774,800	-
Purchased Transportation - ARC	1,522,515	1,522,515	-
Human Resources	1,827,956	1,827,956	-
Customer Service/Marketing	1,938,559	1,938,559	-
Safety & Security/Training	1,070,397	1,070,397	-
Planning & Service Development	1,580,217	1,580,217	-
Executive/Administrative Services	5,883,097	5,883,097	-
Total Operating Expenditures	59,038,518	59,038,518	-
Fleet Program	19,202,449	-	19,202,449
Facilities Program	8,692,267	-	8,692,267
Transit Technologies Program	2,280,424	-	2,280,424
Other	3,925,000	-	3,925,000
Total Capital Expenditures	34,100,140	-	34,100,140
Total Expenditures	93,138,658	59,038,518	34,100,140

Revenue and Expense Trends

The following table compares the proposed 2023 Revenue and Expense budget to the 2022 budget as well as actuals for 2020 and 2021.

	Actual 2020	Actual 2021	Straight-Lined Forecast 2022	Budget 2022	Variance % 2022F vs. 2022B	Proposed Budget 2023	Change % 2022B to 2023B
Fares	1,028,519	735,032	1,674,826	1,946,400	-13.95%	1,200,000	-38.35%
Contracted Services		2,526	21,096	200,000	-89.45%	25,000	-87.50%
Sales Tax - Operating	36,996,140	45,825,506	38,064,669	35,009,550	4.47%	39,446,942	12.67%
State Operating Grants	22,275	178,352	1,426,031	1,370,697	45.97%	4,538,276	231.09%
CARES/CRRSSA/ARP Grants	8,905,722	10,067,355	15,981,913	18,885,353	-18.87%	13,328,300	-29.43%
Miscellaneous	543,376	597,402	1,006,998	374,200	169.11%	500,000	33.62%
Operating Revenues	47,496,032	57,406,172	58,175,533	57,786,200	0.67%	59,038,518	2.17%
Total Labor	30,315,209	26,332,926	34,485,878	40,427,800	-14.70%	39,122,827	-3.23%
Services	2,523,286	2,420,211	2,606,076	4,431,000	-41.19%	3,960,610	-10.62%
Fuel & Lubricants	1,394,706	2,333,764	4,236,424	3,639,300	16.41%	5,095,638	40.02%
Tires & Tubes	217,991	231,921	265,947	300,400	-11.47%	310,089	3.23%
Materials/Supplies	2,807,676	2,696,606	2,881,430	3,104,900	-7.20%	3,606,780	16.16%
Utilities	415,577	434,019	434,971	448,700	-3.06%	409,944	-8.64%
Insurance	1,381,228	787,309	634,001	1,307,100	-51.50%	1,141,880	-12.64%
Contracted Services	571,798	1,233,971	2,902,956	2,950,000	-1.59%	3,995,000	35.42%
Rentals	97,561	64,578	97,127	155,100	-37.38%	84,189	-45.72%
Miscellaneous	297,446	333,409	483,559	1,021,900	-52.68%	1,311,560	28.35%
Total Non-Labor	9,707,268	10,535,788	14,542,491	17,358,400	-16.22%	19,915,691	14.73%
Operating Expenses Total	40,022,477	36,868,714	49,028,370	57,786,200	-15.16%	59,038,518	2.17%
Operating Revenue Over/(Under)	7,473,555	20,537,458	9,147,163	0		0	

Revenue Assumptions

Fare Revenues

Throughout 2022, BFT has been conducting a Fare Study, which has analyzed and assessed BFT's Fare Policy and Fare Rates for all modes of service. This study is also evaluating fare collection technology with tentative plans to implement new technology to ease and simplify the fare collection process for both riders and BFT administration.

Although this study will not be fully completed by the end of 2022, a general philosophy regarding fares has been established. For 2023, these fares will be structured for Fixed Route and Dial-A-Ride that will incentivize and maximize ridership over fare revenues. The Fare Policy, when adopted, will allow for review of the Fare Structure so that adjustments can be made to ensure that intended results are being obtained. As a result, fare revenues for these modes of service are being budgeted at \$500,000, which is intended to cover the cost of the new fare collection technology while growing ridership. Vanpool revenue is budgeted to be \$700,000, which is consistent with the forecasted actual Vanpool revenues for 2022. Growth in Vanpool will be limited by BFT's ability to order and receive new vans since general manufacturing supply chain issues are significantly impacting delivery schedules.

Sales Tax Revenue

Sales tax revenue is budgeted to be \$53.4M in total. Of this amount, \$39.4M (74%) of sales tax will be used for Operating Expenses while the remaining \$14.0M (26%) will be used for Capital Projects. This represents a conservative 2% growth over the forecast of \$52.3M for 2022.

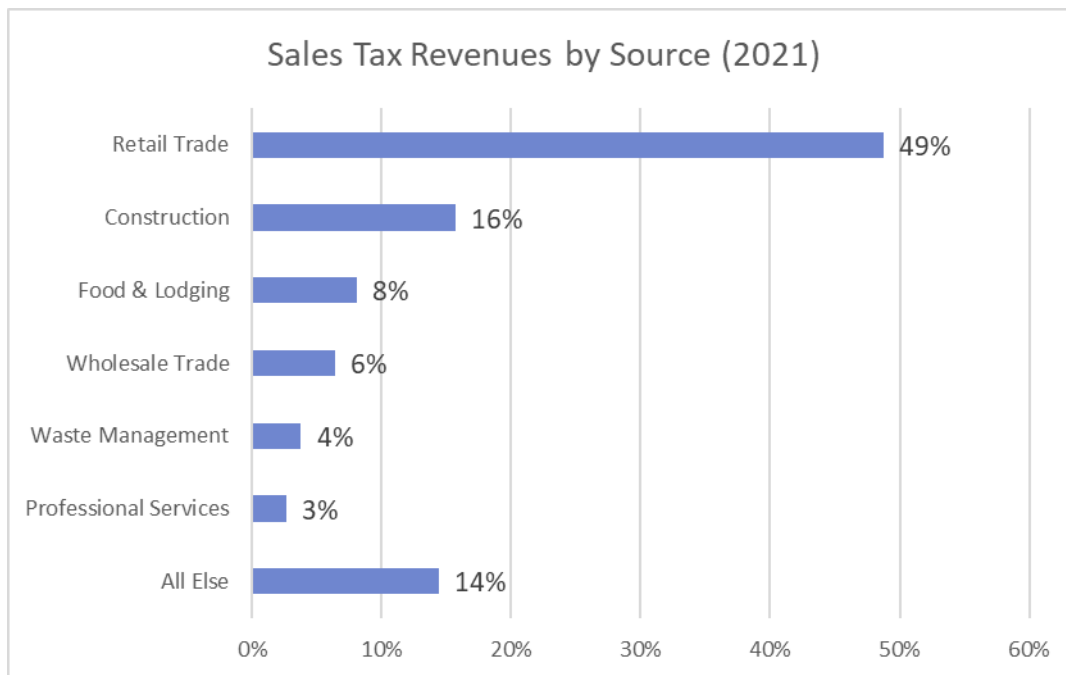
2023 will be a rod change-out year at the Energy Northwest nuclear facilities. This generally increases sales tax activity for the year. Historically, BFT has budgeted rod-change out years with a 4% increase over the current year. The actual increase over the past 5 rod change-out years (covering a 10-year period) is 7.5%.

Local sales tax collections through August 2022 (most current data available) continues to be strong, but there are significant concerns of a recession starting soon. Actual historical growth rates are as follows:

- 2022 is forecasted to be 8.4% higher than 2021.
- The five-year annual growth rate has averaged 7.8% per year.
- The ten-year annual growth rate has averaged 6.2% per year.

However, due to the overall economic uncertainty, a lower-than-normal sales tax growth rate of 2% will be used for developing the 2023 revenue and expense budget. By lowering revenue forecasts, this will help ensure that the planned expenses are also kept at lower levels in order to maintain a balanced budget.

The following chart identifies the primary sources of sales tax revenues for 2021 (the most recent full year) as received by BFT.



Miscellaneous Revenue

Miscellaneous Revenue is projected at \$500K and is primarily comprised of interest income and proceeds from the sale of surplus assets.

State Grants

State Grants are budgeted in the amount of \$17.4M. State Grants consist of Department of Ecology grants for all-electric buses, regional commute trip reduction efforts, as well as the biennial Special Needs grant. In addition, as a result of the State of Washington Move Ahead legislation, BFT will receive \$1.4M through a new Transit Support Grant (TSG) program. In order to be eligible for this new grant program, BFT was implement permanent Fare Free service to all youth 18 and under as well as not reduce the sales tax rate collected by the BFT Public Transportation Benefit Area (PTBA). These state grants will be used for both Operating Expenses (\$4.5M) as well as Capital Projects (\$12.9M).

Federal Grants

Federal Grants are budgeted in the amount of \$20.6M and come from CRRSAA and ARP Act funding (\$13.3M) as well as the ongoing FTA grants (\$7.3M). 2023 will be the last year COVID-19 relief funds are available and will be fully utilized. Federal Grant funds will be used for operations (\$13.3M) and capital expenses (\$7.3M). Maximizing Federal grants for Operating Expenses enable sales tax revenues to be utilized for capital projects that have been previously approved but deferred/delayed.

Operating Expense Summary

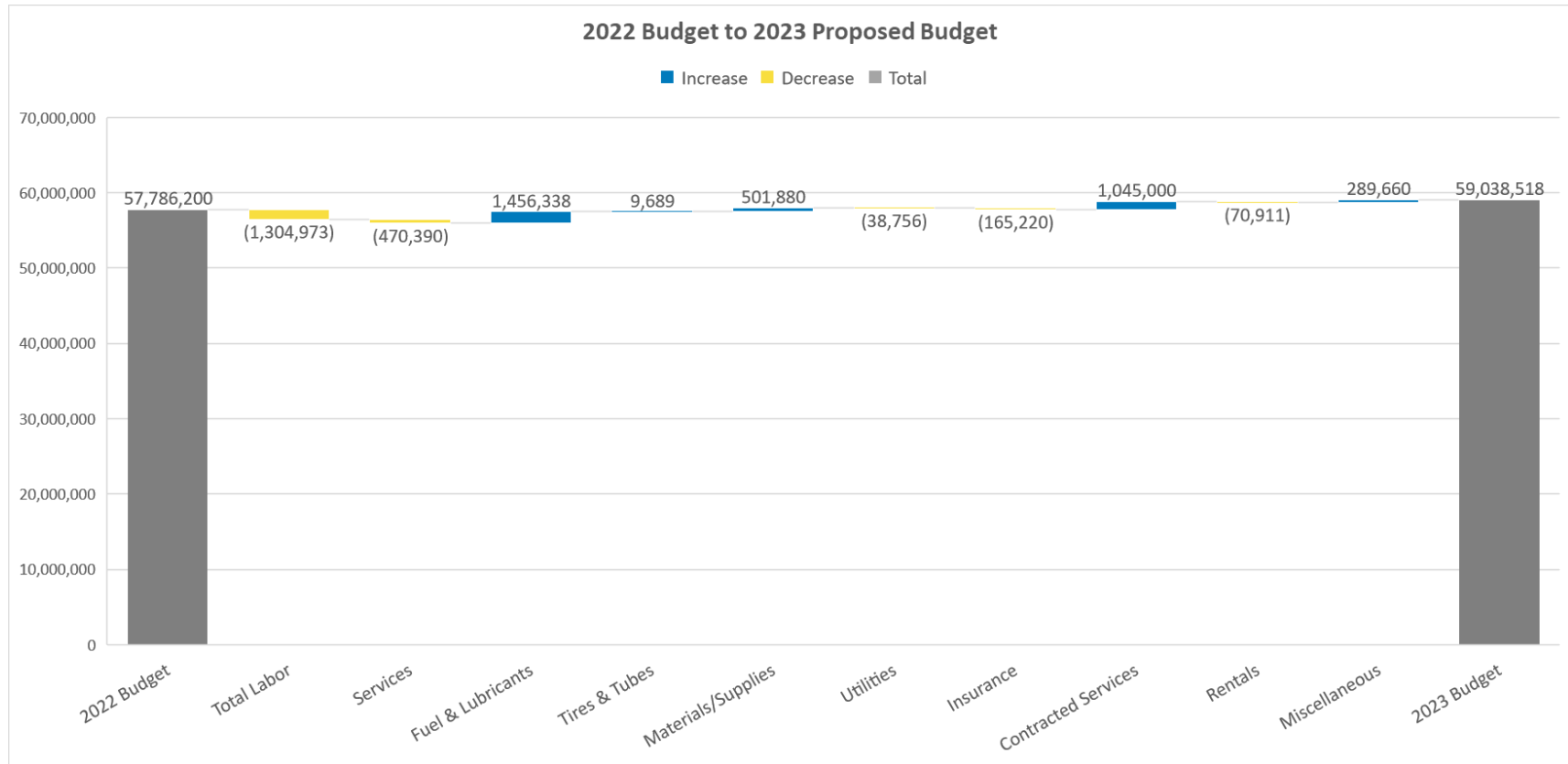
Total Operating Expenses are budgeted at \$59.0M, which is an increase of \$1.2M, or 2.1% over the 2022 budget of \$57.8M. In short, Fuel and Purchased Transportation are budgeted to increase by \$2.5M while all other expenses are budgeted to decrease by \$1.3M.

Expense Summary by Type of Cost

The following table shows the Expense Summary by Type of Cost.

	Actual 2021	Budget 2021	Straight-Lined Forecast 2022	Budget 2022	Budget 2023	Variance 2022B vs. 2023B	Variance %
Salaries & Wages	18,924,805	20,287,000	20,738,363	25,953,100	25,119,316	(833,784)	-3.21%
Benefits	7,408,121	12,515,200	13,747,515	14,474,700	14,003,511	(471,189)	-3.26%
Total Labor	26,332,926	32,802,200	34,485,878	40,427,800	39,122,827	(1,304,973)	-3.23%
Services	2,420,211	3,861,000	2,606,076	4,431,000	3,960,610	(470,390)	-10.62%
Fuel & Lubricants	2,333,764	2,290,700	4,236,424	3,639,300	5,095,638	1,456,338	40.02%
Tires & Tubes	231,921	332,000	265,947	300,400	310,089	9,689	3.23%
Materials/Supplies	2,696,606	3,009,750	2,881,430	3,104,900	3,606,780	501,880	16.16%
Utilities	434,019	408,160	434,971	448,700	409,944	(38,756)	-8.64%
Insurance	787,309	1,234,200	634,001	1,307,100	1,141,880	(165,220)	-12.64%
Contracted Services	1,233,971	3,350,500	2,902,956	2,950,000	3,995,000	1,045,000	35.42%
Rentals	64,578	311,739	97,127	155,100	84,189	(70,911)	-45.72%
Miscellaneous	333,409	911,033	483,559	1,021,900	1,311,560	289,660	28.35%
Total Non-Labor	10,535,788	15,709,082	14,542,491	17,358,400	19,915,691	2,557,291	14.73%
Operating Expenses Total	36,868,714	48,511,282	49,028,370	57,786,200	59,038,518	1,252,318	2.17%

The following chart illustrates the changes in the 2023 budget as compared to the 2022 budget by major cost grouping.

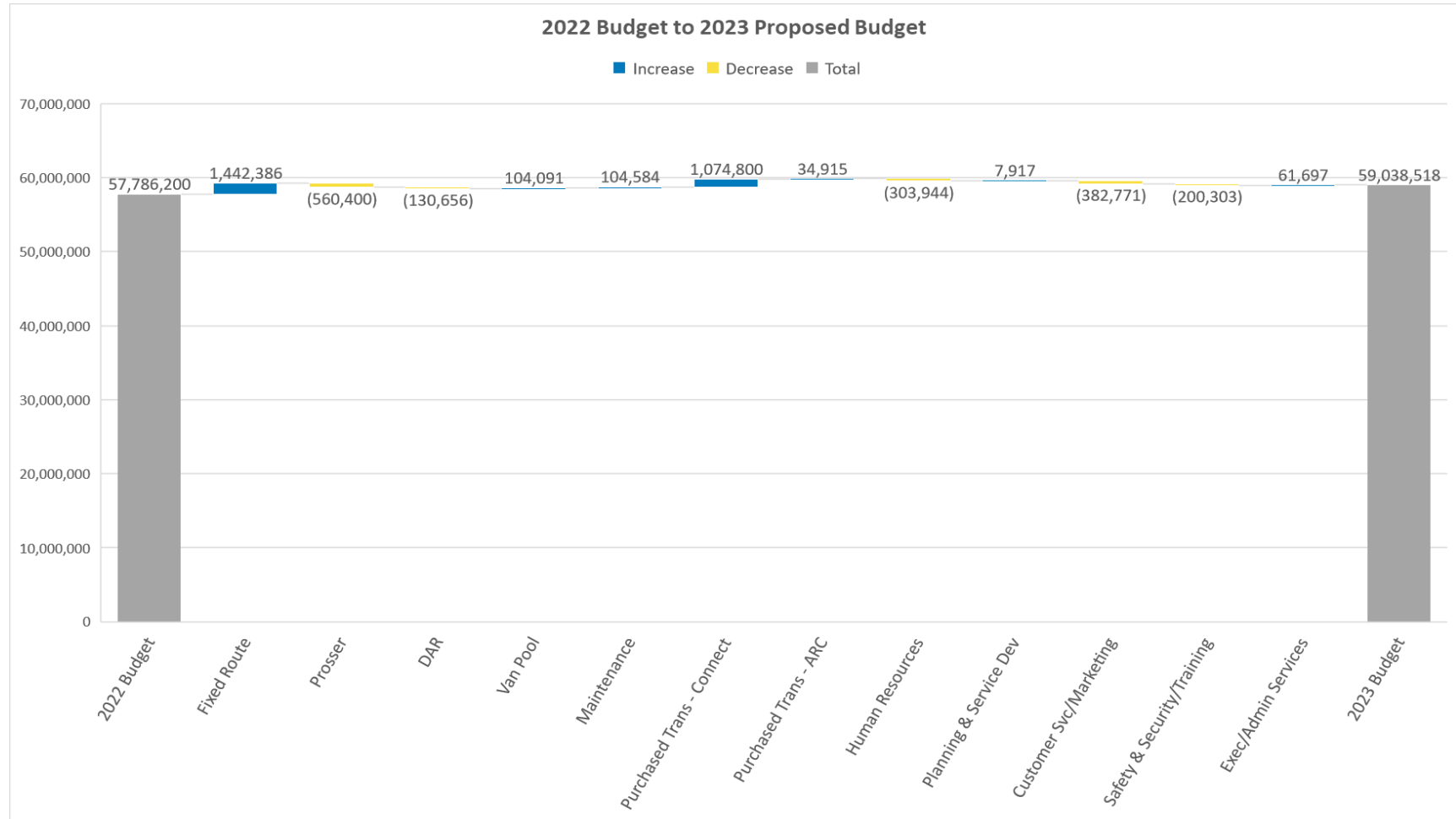


Expense Summary by Functional Area

The following table shows the Expense Summary by Functional Area.

	Actual 2021	Budget 2021	Straight-Lined Forecast 2022	Budget 2022	Proposed Budget 2023	Change 2023B to 2022B	Change % 2023B to 2022B
Fixed Route	15,849,389	17,494,776	20,155,430	22,073,300	23,515,686	1,442,386	6.53%
Prosser	330,969	472,032	348,455	560,400	-	(560,400)	-100.00%
DAR	8,351,376	11,586,605	10,335,078	13,654,170	13,523,514	(130,656)	-0.96%
Van Pool	1,075,103	1,699,830	1,020,323	1,680,200	1,784,291	104,091	6.20%
Maintenance	2,105,619	2,586,201	3,439,658	3,512,900	3,617,484	104,584	2.98%
Directly Operated Transportation	27,712,456	33,839,444	35,298,944	41,480,970	42,440,976	960,006	2.31%
Purchased Transportation - Connect			2,354,673	1,700,000	2,774,800	1,074,800	63.22%
Purchased Transportation - ARC	1,358,667	3,523,400	738,608	1,487,600	1,522,515	34,915	2.35%
Purchased Transportation	1,358,667	3,523,400	3,093,280	3,187,600	4,297,315	1,109,715	34.81%
Human Resources	1,790,461	1,733,895	2,151,421	2,131,900	1,827,956	(303,944)	-14.26%
Planning & Service Development	883,923	1,408,486	1,110,779	1,572,300	1,580,217	7,917	0.50%
Customer Service/Marketing	1,287,947	2,182,317	1,489,884	2,321,330	1,938,559	(382,771)	-16.49%
Safety & Security/Training	874,299	953,076	933,008	1,270,700	1,070,397	(200,303)	-15.76%
Executive/Administrative Services	2,960,962	4,870,664	4,951,053	5,821,400	5,883,097	61,697	1.06%
Administration	7,797,591	11,148,438	10,636,145	13,117,630	12,300,227	(817,403)	-6.23%
Total Operating Expenditures	36,868,714	48,511,282	49,028,370	57,786,200	59,038,518	1,252,318	2.17%

The following chart explains the changes in the 2023 budget as compared to the 2022 budget by major functional area.



Expenses for Fixed Route are due almost entirely to increased fuel costs. Purchased Transportation is also increasing because of higher demand and usage of the Connect service which was launched in 2020.

Nearly every other department/functional area has decreased, primary due to decrease headcount and a reduction in Outside Professional Services.

Workforce, Labor and Benefits Expense

Total workforce headcount is budgeted to decrease by 4% from the 2022 levels, going from 436 positions to 418. An organizational restructuring process that was implemented in October 2022 led to this reduction. Through these changes, certain departments were realigned and streamlined. Additionally, existing vacant positions were evaluated and some of them were eliminated. No permanent BFT staff were terminated because of this restructuring/realignment.

New service to and within the Hanford site area is being evaluated and tested in 2023. If these evaluation programs become highly successful resulting in faster growth than planned, additional headcount may need to be requested in order to support this service.

The table below shows the positions and adjustments. No new headcount is being requested for 2023. It should be noted that the General Demand headcount of 4.5 is not being eliminated but is simply being incorporated into the Dial-A-Ride department.

	2022					2023	
	Budgeted	LTD/Temp/ Contracted	Total 2022 Headcount	Additional Approved & Adjustments	Adjusted Positions	Requested	Proposed
Operations	188.0	-	188.0	(2.0)	186.0	-	186.0
Dial-A-Ride	117.5	-	117.5	3.5	121.0	-	121.0
General Demand	4.5	-	4.5	(4.5)	-	-	-
Vanpool	4.0	-	4.0	-	4.0	-	4.0
Maintenance	49.0	-	49.0	-	49.0	-	49.0
Human Resources	7.0	2.0	9.0	(3.0)	6.0	-	6.0
Safety/Training	10.0	-	10.0	(2.0)	8.0	-	8.0
Executive/Administrative Services	21.0	2.0	23.0	-	23.0	-	23.0
Marketing/Customer Service	17.0	3.0	20.0	(8.0)	12.0	-	12.0
Planning & Service Development	9.0	2.0	11.0	(2.0)	9.0	-	9.0
Total Workforce	427.0	9.0	436.0	(18.0)	418.0	-	418.0

Salaries and Wages for Represented staff will receive COLA and step increases in accordance with the negotiated contracts. These COLAs range from 2% - 3.5% depending on when each contract was previously negotiated.

Non-Represented staff did not receive a COLA adjustment in 2022. The 2023 budget includes the following pay adjustments for non-represented staff:

- COLA of 4% (total of \$270,000), which is in line with, or lower than other local jurisdictions.
- Performance/Merit increase of 4% (total of \$270,000). Actual increase for each person will be determined based on written performance evaluation and reviewed at a management level.

Depending on workloads, priorities, projects, and budget availability, BFT may use contracted services and/or temporary employees to fill short-term staffing needs.

Employee Benefits

The Health Insurance budget includes a decrease commensurate with the proposed change in headcount as detailed above and an increase in premiums ranging from 2.5% - 11.0% over 2022 rates. Rate adjustments for employees represented by a collective bargaining unit (CBA) have been incorporated.

Based on guidance received from the State of Washington, the employer PERS contribution rate has increased slightly, going from 10.25% for 2021-2022 to 10.89% for 2022-2023.

Other Expense Assumptions

Fuel and Lubricants

Fuel and Lubricant costs are projected to increase 40% or \$1.5M over the 2022 budget. Fuel prices have been increasing substantially throughout 2022. BFT is basing the forecasted fuel price on forecast information from the October 12, 2022 Short-Term fuel price forecast as published by the *U.S. Energy Information Administration* plus 5% for potential additional volatility. The table below provides an analysis of the cost per gallon of fuel compared to the 2022 budget, the actual average cost for July through September 2022, and the cost per gallon used for 2023.

	2022 Budget	2022 3 Month Average	2023 Budget
Unleaded	\$2.43	\$3.48	\$3.75
Diesel	\$3.38	\$3.93	\$4.50
Increase over 2022 Budget		25.8%	40.6%
Increase over 2022 3 Month Avg			11.8%

It should be noted that BFT maintains a fuel reserve of \$1.8M. This reserve provides a cushion to the 2023 budget that would offset an increase in fuel price of up to an additional 35% over and above the budgeted increase of 41%.

Purchased Transportation

Purchased Transportation is being budgeted \$1.1M, or 35%, higher than the 2022 budget. The CONNECT service has grown substantially faster than anticipated in the 2022 budget, with 2022 being 203% higher than budgeted for the year. 2023 is being budgeted to be 25% higher than is being forecasted for 2022. ARC service level is being budgeted as the same level as 2019 actuals, which is significantly higher than 2022 is anticipated to end.

Outside Professional Services

Budgeted Outside Professional Services are going down by \$500,000, or 11% from the 2022 budget. This is because several larger, one-time initiatives were budgeted for 2022 and will be completed, or nearly completed, by the end of 2022 and will not carry forward at the same level into 2023. These larger projects include:

- Fare study and evaluation.
- Enterprise Business System (EBS) evaluation and assessment.
- Fleet Transition Plan.
- Federally mandated (FTA) development and implementation of a Safety Plan.

All Other Expenses

The remaining cost elements are shown below and represent either immaterial dollar amounts or minimal changes from the 2021 budget.

	2022B	2023B	Change	
Tires & Tubes	300,400	310,089	9,689	3.2%
Utilities	448,700	409,944	(38,756)	-8.6%
Insurance	1,307,100	1,141,880	(165,220)	-12.6%
Rentals	155,100	84,189	(70,911)	-45.7%
Miscellaneous	1,021,900	1,311,560	289,660	28.3%
Totals	3,233,200	3,257,663	24,463	0.8%

Utilities are expected to decrease because of the planned demolition of the existing Operations building. There will be no need for heating/cooling, water/sewer, etc. for this building until construction is completed.

Insurance is expected to go down primarily because of lower Vanpool mileage than what was budgeted for 2022.

Miscellaneous includes several cost categories, including training, travel, recruiting and relocation. These expenses are expected to increase as travel and training resume. With several key positions open, it is also expected that recruiting and relocation expense will also be higher than in 2022.

Capital Budget

The Capital Improvement Plan (CIP) for 2022 – 2027 was approved by the Board of Directors in December 2021 and revised November 2022 with project values totaling \$165,017,566 and an approved budget of \$95,484,005.

BFT does not use debt for any capital projects. All capital projects are funded on a pay-as-you-go basis using Federal and State grants to the maximum extent possible. Capital needs not funded with a grant are paid for using reserves from local funds.

This proposed 2023 Capital Budget includes proposed changes to both the project values and approved budget. The table below summarizes the proposed changes:

	Project Value	Budget
November 2022 Board Approved CIP	\$165,017,566	\$95,484,005
Proposed Changes		
Completed Projects	(\$1,000,000)	(\$1,000,000)
Project Removals	(\$11,080,400)	(\$5,111,250)
New Project Additions	\$0	\$0
Project Additions/Increases	\$22,383,132	\$39,721,715
Net Change	\$10,302,732	\$33,610,465
Proposed 2023 Capital Budget	\$175,320,298	\$129,094,470

The detailed list of proposed project and budget changes are as follows:

				Current Project Value	Current Approved Budget	Proposed Project Value Change	Proposed Budget Change	Adjusted Project Value	Adjusted Budget
Fleet									
FLT0024	(2020) BUS - Electric	Up To	6	\$2,835,000	\$2,835,000	\$4,961,250	\$4,961,250	\$7,796,250	\$7,796,250
FLT0027	(2021) VAN	Up To	40	\$1,489,427	\$1,167,925	\$354,133	\$675,635	\$1,843,560	\$1,843,560
FLT0030	(2022) BUS - Electric	Up To	0	\$4,961,250	\$4,961,250	(\$4,961,250)	(\$4,961,250)	\$0	\$0
FLT0031	(2022) DAR	Up To	12	\$1,198,151	\$1,198,151	\$757,849	\$757,849	\$1,956,000	\$1,956,000
FLT0032	(2022) VAN	Up To	40	\$1,519,215	\$0	\$888,925	\$2,408,140	\$2,408,140	\$2,408,140
FLT0033	(2022) Non-Revenue: Service Truck	Up To	1	\$105,000	\$105,000	\$20,983	\$20,983	\$125,983	\$125,983
FLT0034	(2023) DAR	Up To	12	\$1,210,133	\$1,210,133	\$745,867	\$745,867	\$1,956,000	\$1,956,000
FLT0035	(2023) VAN	Up To	40	\$1,549,599	\$0	\$858,541	\$2,408,140	\$2,408,140	\$2,408,140
FLT0036	(2023) Non-Revenue: Service Truck	Up To	1	\$67,531	\$0	\$71,050	\$138,581	\$138,581	\$138,581
FLT0037	(2023) BUS	Up To	7	\$2,297,371	\$0	\$2,635,165	\$4,932,536	\$4,932,536	\$4,932,536
FLT0038	(2024) BUS - Electric	Up To	0	\$4,166,450	\$0	(\$4,166,450)	\$0	\$0	\$0
FLT0039	(2024) DAR	Up To	12	\$1,222,234	\$0	\$1,101,494	\$2,323,728	\$2,323,728	\$2,323,728
FLT0040	(2024) VAN	Up To	40	\$1,580,591	\$0	\$1,020,189	\$2,600,780	\$2,600,780	\$2,600,780
FLT0041	(2024) Non-Revenue: Service Truck	Up To	1	\$69,557	\$0	\$80,111	\$149,668	\$149,668	\$149,668
FLT0042	(2025) DAR	Up To	8	\$822,971	\$0	\$803,637	\$1,626,608	\$1,626,608	\$1,626,608
FLT0043	(2025) Non-Revenue: Service Truck	Up To	1	\$71,644	\$0	\$85,507	\$157,151	\$157,151	\$157,151
FLT0045	(2021) DAR - 5310 Funds	Up To	5	\$424,080	\$424,080	\$256,783	\$256,783	\$680,863	\$680,863
FLT0047	(2026) DAR	Up To	35	\$3,500,000	\$0	\$3,972,255	\$0	\$7,472,255	\$0
FLT0048	(2026) Non-Revenue Vehicle	Up To	1	\$75,200	\$0	\$89,809	\$0	\$165,009	\$0
FLT0049	(2027) Non-Revenue Vehicle	Up To	1	\$79,000	\$0	\$94,259	\$0	\$173,259	\$0
Fleet Totals				\$29,244,404	\$11,901,539	\$9,670,107	\$19,202,449	\$38,914,511	\$31,103,988
Facilities									
FAC0002	Maint Facility Upgrades			\$2,774,235	\$1,599,235	\$0	\$1,175,000	\$2,774,235	\$2,774,235
FAC0015	Passenger Amenities Improvements			\$8,841,926	\$6,591,926	\$0	\$2,250,000	\$8,841,926	\$8,841,926
FAC0023	Facility Maintenance Building			\$2,250,000	\$1,168,690	\$0	\$1,081,310	\$2,250,000	\$2,250,000
FAC0031	22nd Street Transit Center Renovation			\$2,500,000	\$0	\$0	\$2,500,000	\$2,500,000	\$2,500,000
PLN0005	Long Range Service Corridor & Infrastructure			\$7,000,000	\$800,000	\$0	\$685,957	\$7,000,000	\$1,485,957
Facilities Totals				\$23,366,161	\$10,159,851	\$0	\$7,692,267	\$23,366,161	\$17,852,118
Equipment									
EQP0013	Bus Equipment			\$442,000	\$442,000	\$660,325	\$660,325	\$1,102,325	\$1,102,325
EQP0013A/B	Bus Equipment: Protective Barriers			\$1,000,000	\$1,000,000	(\$1,000,000)	(\$1,000,000)	\$0	\$0
Equipment Totals				\$1,442,000	\$1,442,000	(\$339,675)	(\$339,675)	\$1,102,325	\$1,102,325
Transit Technologies									
TEC0010	IT Related Projects			\$3,383,551	\$1,761,865	\$0	\$1,405,424	\$3,383,551	\$3,167,289
TEC0013	Fare Collection Program			\$1,000,000	\$125,000	\$0	\$875,000	\$1,000,000	\$1,000,000
Transit Technology Totals				\$4,383,551	\$1,886,865	\$0	\$2,280,424	\$4,383,551	\$4,167,289
Other									
OTH0001	Enterprise Business Systems (EBS)			\$1,075,000	\$75,000	\$2,925,000	\$3,925,000	\$4,000,000	\$4,000,000
OTH0006	Human Resources Information System (HRIS)			\$1,952,700	\$0	(\$1,952,700)	\$0	\$0	\$0
Contingency				\$0	\$150,000	\$0	(\$150,000)	\$0	\$0
Other Totals				\$3,027,700	\$225,000	\$972,300	\$3,775,000	\$4,000,000	\$4,000,000
MOA Campus									
FAC0005	Campus Improvements			\$2,290,000	\$1,090,000	\$0	\$1,000,000	\$2,290,000	\$2,090,000
MOA Totals				\$2,290,000	\$1,090,000	\$0	\$1,000,000	\$2,290,000	\$2,090,000
CIP Totals for Items with Changes						\$10,302,732	\$33,610,465		
Projects Being Removed						(\$11,080,400)	(\$5,111,250)		
Completed Projects Removed						(\$1,000,000)	(\$1,000,000)		
New Project Additions						\$0	\$0		
Project Increases for Existing Projects						\$22,383,132	\$39,721,715		
Net Change						\$10,302,732	\$33,610,465		

Removal of Closed/Completed Projects

Project EQP0013A/B Bus Equipment: Protective Barriers is complete and ready to close and remove from the CIP. The remaining project value and budget authority is being moved to EQP0013 Bus Equipment to allow for equipment needs that may arise.

Project FLT0038 (2024) Bus – Electric is being removed from the CIP to allow for further analysis of alternative fuels.

A line item for “Contingency” has had an approved budget of \$150,000. This line item is being closed as it has never been used. Contingency/emergency projects can be taken care of through projects FAC0002, EQP0013 or TEC0010, which are generic projects that can support emergency needs.

New Projects Being Added to the 2023 Capital Budget

There are no new projects being added to the CIP.

Proposed Changes to Existing Projects

FLT0030 for the purchase of electric buses is being combined with FLT0024 to reflect the six (6) all-electric buses that are partially funded with Department of Ecology funds.

The fleet needs of all modes were assessed, and changes were made to approved projects to better align with established replacement guidelines. Project amounts are revised to reflect increases in cost of vehicles, and budget authority is being requested for multiple fleet projects with planned replacements in 2023 through 2025. Although some of these projects are scheduled for 2024 and 2025, the vehicles will need to be ordered in 2023 and early 2024 to ensure delivery within the state biennium before the associated grant funds expire.

An increase in budget authority is being requested to fully fund project FAC0002 to continue to allow for upgrades throughout the aging Maintenance facility.

Budget authority is being requested for project FAC0005 to allow for furnishing and remodeling needs of the Administrative Building during the Operations Building project.

Budget authority is being requested for project FAC0015 to fully fund this project to continue with passenger amenity improvements and upgrades.

Budget authority is being requested for project FAC0023 to fully fund this project to continue with Maintenance facility improvements and upgrades.

Budget authority is being requested for project FAC0031, 22nd Street Center Renovation, for preliminary engineering and design work to begin in 2023.

Budget authority is being requested for project PLN0005 to add funding to the Long-Range Service Corridor and Infrastructure improvements project.

Budget authority is being requested for project TEC0010, IT Related Projects, to support the planned activities for 2023.

The fare study will be complete in early 2023 which will provide recommendations on fare types and collections of fares. Budget authority is requested for project TEC0013, Fare Collection Program, for the

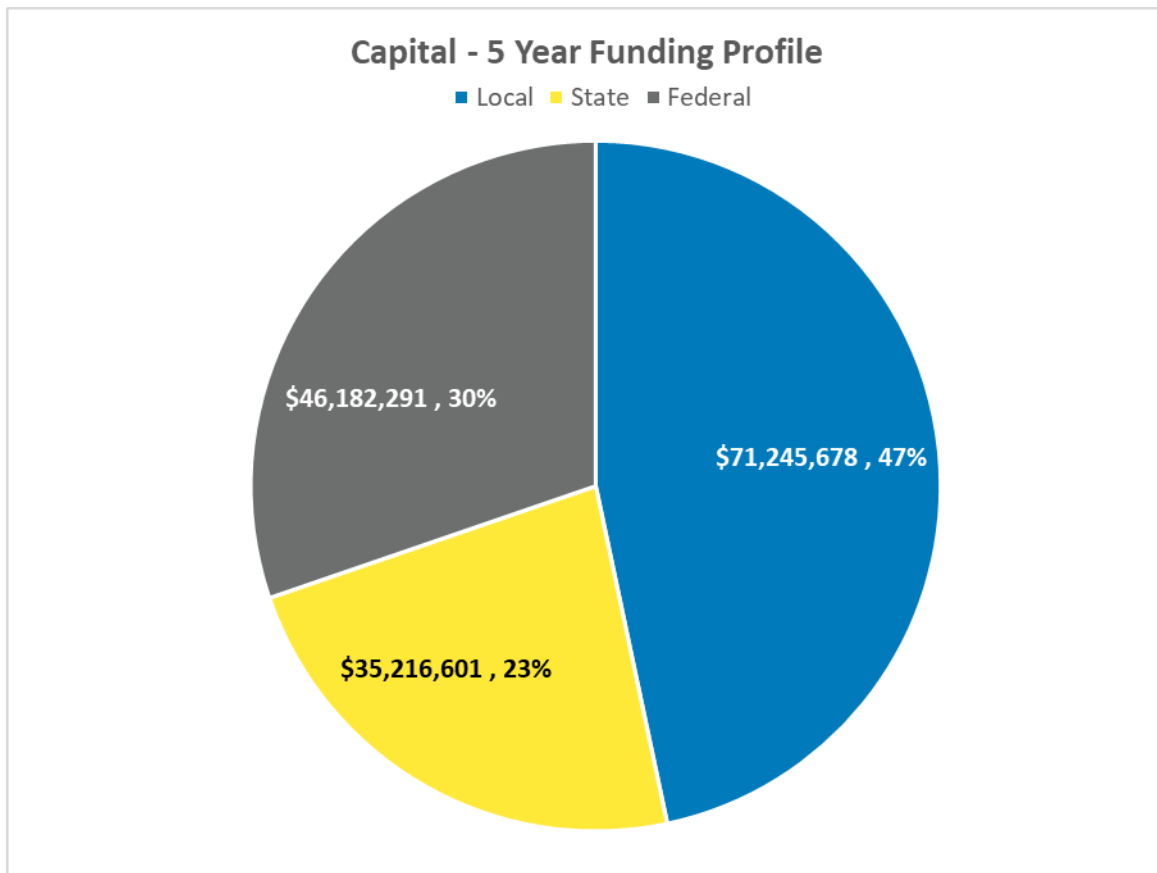
procurement and implementation of hardware and software for fare a ridership data collection technology.

Project OTH0006, Human Resources Information System (HRIS), is being combined with OTH0001, Enterprise Business Systems (EBS), to ensure that a fully integrated system meeting agency-wide needs is selected and implemented. An increase to the project is also being requested based on estimated project values as recommended by the EBS consultant that BFT is using to support this project.

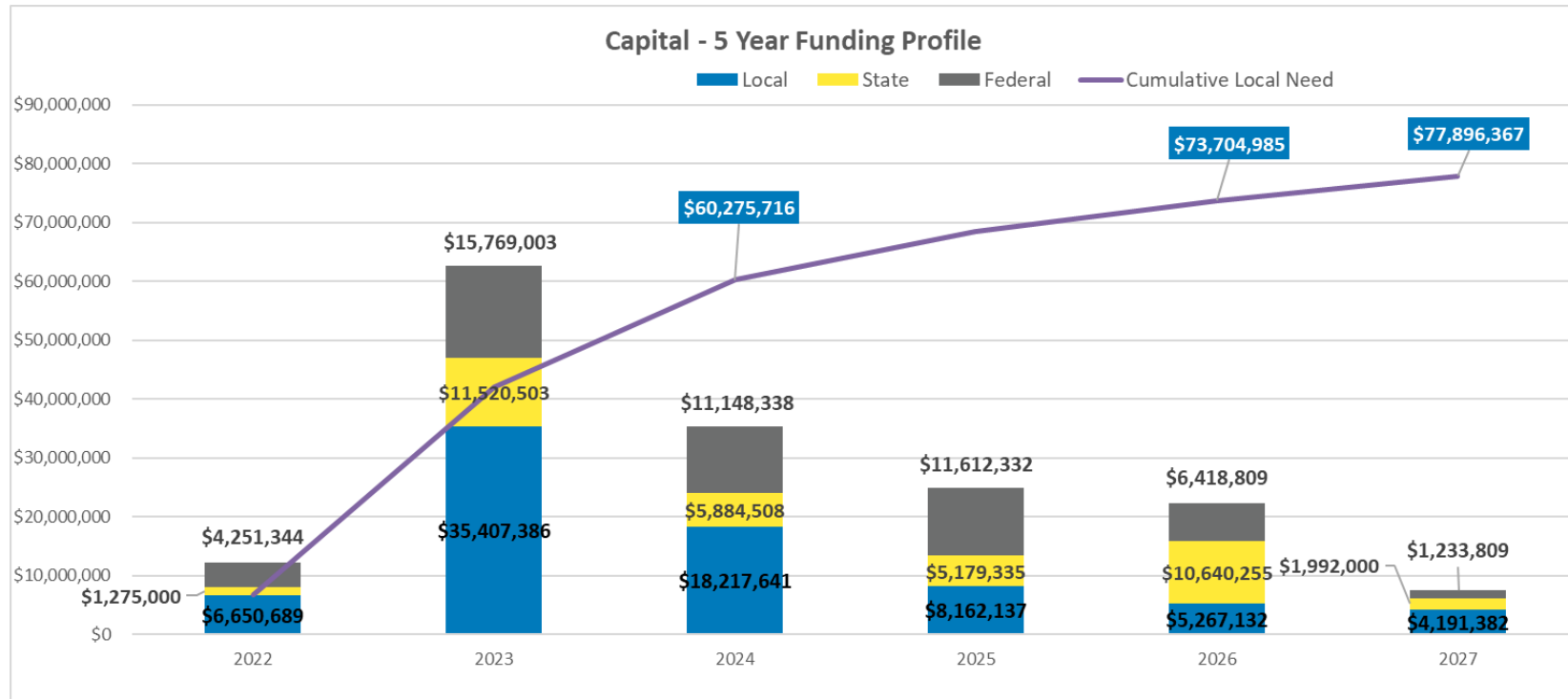
Capital Project Funding

Capital projects at BFT are funded by Federal and State grants as well as local funding through sales tax. BFT pays for capital projects on a pay-as-you go basis and does not have the ability to borrow money or issue bonds to fund projects. As such, adequate cash reserves must be maintained in advance of projects starting to ensure they can be funded and completed.

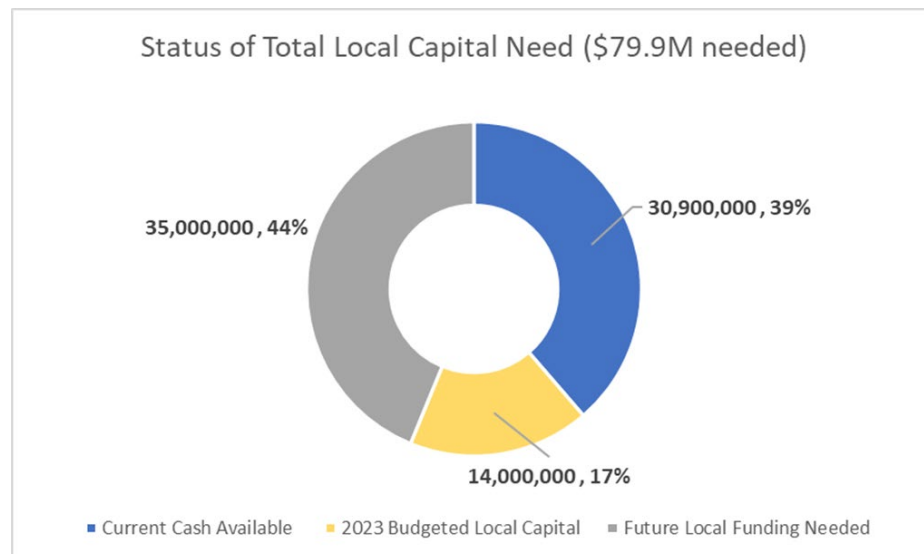
For projects anticipated over the next five are estimated to be funded as follows:



The following table shows how the projects will be funded on a yearly basis.



As previously mentioned, projects requiring local funding can only be paid for from existing cash reserves and are not funded through debt. Planned local capital needs over the next 6 years total nearly \$80M. The chart below shows the current cash available, the planned additions through the 2023 budget, and the remaining cash needs that will need to be generated over the next five years to fully fund the current planned projects.



Appendix 1 – Operating & Capital Budget Details

	2023 Budget		
	Total	Operating	Capital
Revenues:			
Contracted Services	25,000	25,000	-
Fares	1,200,000	1,200,000	-
Sales Tax Revenue	53,400,000	39,446,942	13,953,058
Miscellaneous	500,000	500,000	-
Total Local	55,125,000	41,171,942	13,953,058
Total State	17,409,388	4,538,276	12,871,112
Federal Grants	4,810,922	-	4,810,922
CARES/CRRSSA/ARP Grants	13,328,300	13,328,300	-
Total Federal	18,139,222	13,328,300	4,810,922
Total Revenues	90,673,610	59,038,518	31,635,092
Expenditures:			
Fixed Route	23,515,686	23,515,686	-
DAR	13,523,514	13,523,514	-
Vanpool	1,784,291	1,784,291	-
Maintenance	3,617,484	3,617,484	-
Purchased Transportation - Connect	2,774,800	2,774,800	-
Purchased Transportation - ARC	1,522,515	1,522,515	-
Human Resources	1,827,956	1,827,956	-
Customer Service/Marketing	1,938,559	1,938,559	-
Safety & Security/Training	1,070,397	1,070,397	-
Planning & Service Development	1,580,217	1,580,217	-
Executive/Administrative Services	5,883,097	5,883,097	-
Total Operating Expenditures	59,038,518	59,038,518	-
Fleet Program	19,202,449	-	19,202,449
Facilities Program	2,175,000	-	2,175,000
Transit Technologies Program	1,225,000	-	1,225,000
Other	3,925,000	-	3,925,000
Total Capital Expenditures	26,527,449	-	26,527,449
Total Expenditures	85,565,967	59,038,518	26,527,449

The following tables indicates the proposed sources of funding for the 2023 Budget along with the capital projects that will funded with the 2023 revenues. Please note that this only addresses 2023 budget changes and does not include previously budgeted projects.

2023 Capital Budget - Details Funding Sources				
Source	Local	State	Federal	Total
Local				
Sales Tax	12,569,380	-	-	12,569,380
Other		-	-	-
Reserves		-	-	-
Local	12,569,380	-	-	12,569,380
State				
Special Needs Funding	-	5,454,052	-	5,454,052
Transit Support Funding	-	7,417,060	-	7,417,060
State	-	12,871,112	-	12,871,112
Federal				
Section 5307 Formula	1,228,910	-	6,282,704	7,511,614
Section 5310 Formula	38,517	-	218,266	256,783
Section 5339 Formula	116,250	-	775,000	891,250
Federal	1,383,678	-	7,275,970	8,659,647
Total	\$ 13,953,058	\$ 12,871,112	\$ 7,275,970	\$ 34,100,140

2023 Capital Budget - Details Project Details				
Capital Project	Local	State	Federal	Total
Fleet				
Fixed Route	739,880	-	4,192,656	4,932,536
Fixed Route Electric	-	-	-	-
DAR	-	5,454,052	-	5,454,052
DAR (5310 funds)	38,517	-	218,266	256,783
Vanpool	675,635	7,417,060	-	8,092,695
Non-Revenue Service Vehicle	466,383	-	-	466,383
Fleet Program	1,920,415	12,871,112	4,410,922	19,202,449
Facilities				
Campus Improvements	1,000,000	-	-	1,000,000
Facility Maintenance Building	216,262	-	865,048	1,081,310
Maint Facility Upgrades	1,175,000	-	-	1,175,000
Long Range Service Corridor & Infrastructure	685,957	-	-	685,957
Passenger Amenities Improvements/Construction	2,250,000	-	-	2,250,000
22nd Street Transit Center Renovation	500,000	-	2,000,000	2,500,000
Facilities Program	5,827,219	-	2,865,048	8,692,267
Transit Technology				
IT Related Projects	1,405,424	-	-	1,405,424
Fare Collection Program	875,000	-	-	875,000
Transit Technologies Program	2,280,424	-	-	2,280,424
Other				
Enterprise Business Systems (EBS)	3,925,000	-	-	3,925,000
Other	3,925,000	-	-	3,925,000
Total	\$ 13,953,058	\$ 12,871,112	\$ 7,275,970	\$ 34,100,140

Cost to Provide Service

The following table shows the direct and indirect costs of providing each mode of service along with the cost per Boarding, Mile and Hour to provide these services.

	Directly Operated Transportation			Purchased Transportation		Total
	Fixed Route	DAR	Van Pool	Purchased Trans - ARC	Purchased Trans - Connect	
Fares	300,000	200,000	700,000	-	25,000	1,225,000
Operating Expenses	23,515,686	13,523,514	1,784,291	1,522,515	2,774,800	43,120,807
Allocated Cost %	60.57%	34.83%	4.60%	0.00%	0.00%	
Allocated Cost	9,641,480	5,544,669	731,563	-	0	15,917,711
Depreciation - Local (Vehicle Only)	428,321	105,925	147,243	7,216	-	688,705
Total Cost	33,585,487	19,174,107	2,663,097	1,529,731	2,774,800	59,727,223
Boarding	2,099,000	269,000	344,000	78,000	205,000	2,995,000
Revenue Miles	3,532,000	1,933,000	2,215,000	223,000	1,138,000	9,041,000
Revenue Hours	223,000	123,000	52,500	14,000	61,000	473,500
Cost Per Boarding	\$ 16.00	\$ 71.28	\$ 7.74	\$ 19.61	\$ 13.54	\$ 19.94
Cost Per Revenue Mile	\$ 9.51	\$ 9.92	\$ 1.20	\$ 6.86	\$ 2.44	\$ 6.61
Cost Per Revenue Hour	\$ 150.61	\$ 155.89	\$ 50.73	\$ 109.27	\$ 45.49	\$ 126.14
Farebox Recovery	0.89%	1.04%	26.29%	0.00%	0.90%	2.05%

The following charts provides a cost breakdown of the direct costs associated with providing Fixed Route and Dial-A-Ride service.

Fixed Route			
Expense	Boarding	Revenue Miles	Revenue Hours
Total Labor	\$7.87	\$4.68	\$74.10
Fuel & Lubricants	1.50	0.89	14.16
Tires & Tubes	0.09	0.05	0.83
Materials/Supplies	0.58	0.34	5.46
Other	1.16	0.69	10.89
Total Direct Cost Pers	\$11.20	\$6.66	\$105.45

Dial-A-Ride			
Expense	Boarding	Revenue Mile	Revenue Hour
Total Labor	\$40.01	\$5.57	\$87.50
Fuel & Lubricants	4.22	0.59	9.24
Tires & Tubes	0.22	0.03	0.48
Materials/Supplies	1.84	0.26	4.03
Other	3.97	0.55	8.69
Total Direct Cost Pers	\$50.27	\$7.00	\$109.95

Cost Efficiencies

This section further breaks down BFT proposed budget expenses into Administrative Costs and cost per mode of service and compares those to agency peers. Lower than average expenses compared to peers indicates that the agency is providing services in a cost-effective manner.

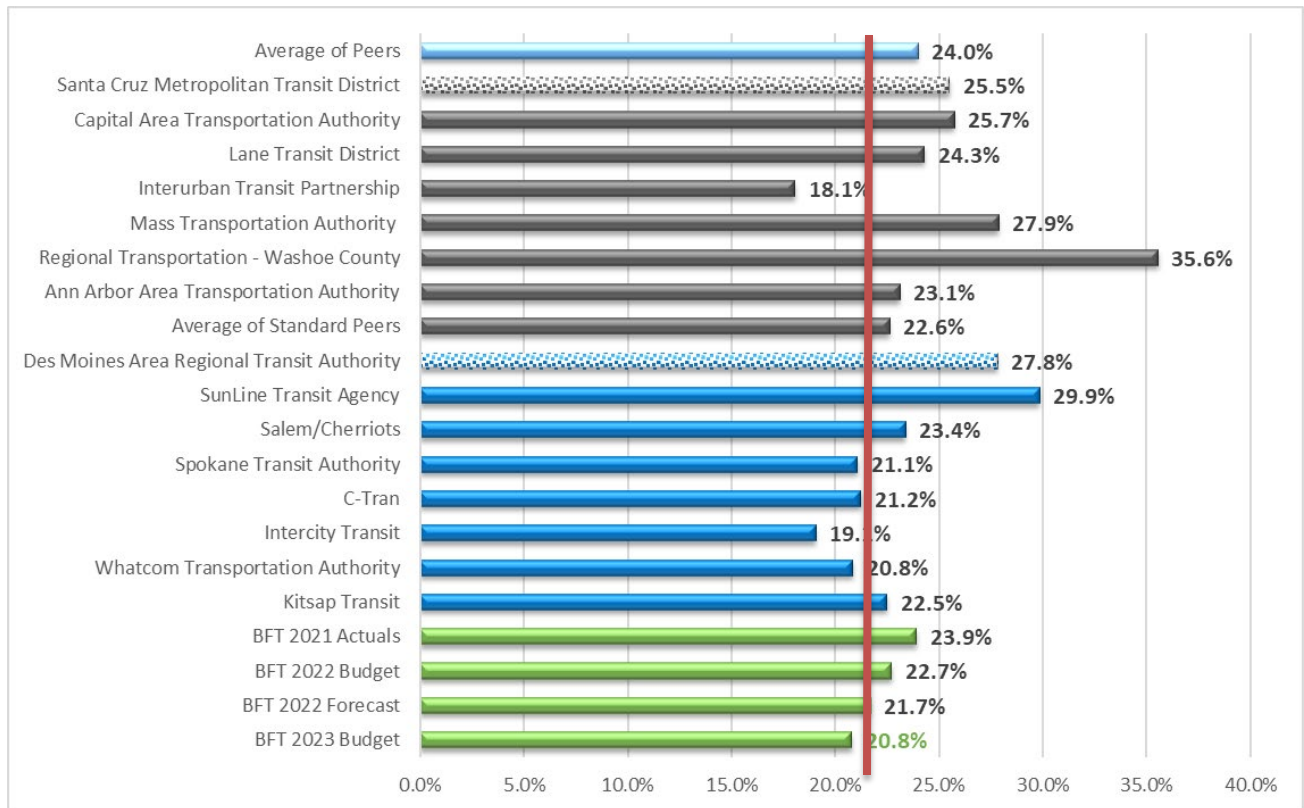
Administrative Expense Ratio

The chart below compares BFT Administrative Expense Ratio to its peers. This illustrates the percentage of expenses spent on “Administrative” expenses as defined by the Federal Transit Authority (FTA). All transits are required to following their guidelines for consistent classification of costs.

It should be noted that some costs are included in administration that are not necessarily administrative in nature. For example, replacement of bus technology (like cameras, mobile data terminals, etc.) are to be included in IT as an administrative cost even though it is for technology on a vehicle. Safety is also considered an administrative expense even though it is primarily focused on vehicles and operators.

Notes on bar chart:

- Green represents BFT.
- Blue bars are transits defined as comparable for use in negotiating CBA’s and/or used by the Fare Study consultants as peers to benchmark performance against.
- Black bars are additional transits that share similar operating characteristics as BFT.
- The vertical orange line indicates the average of all agencies listed excluding BFT.
- BFT’s administrative expense ratio is forecasted to be 9.2% lower in 2022 compared to 2021. The budget for 2023 indicates additional administrative efficiencies are being planned for 2023 with 2023 budgeted to be another 4% lower compared to the forecast for 2022. In total, the budgeted administrative expense ratio for 2023 will be 13% lower than it was in 2021.



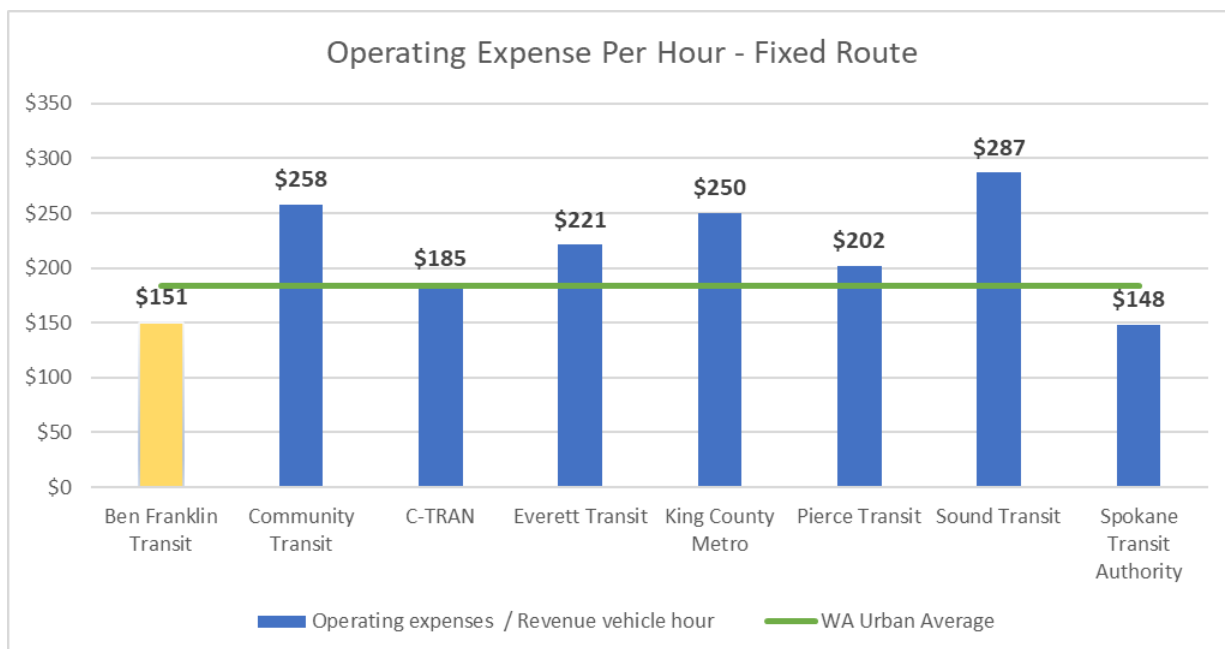
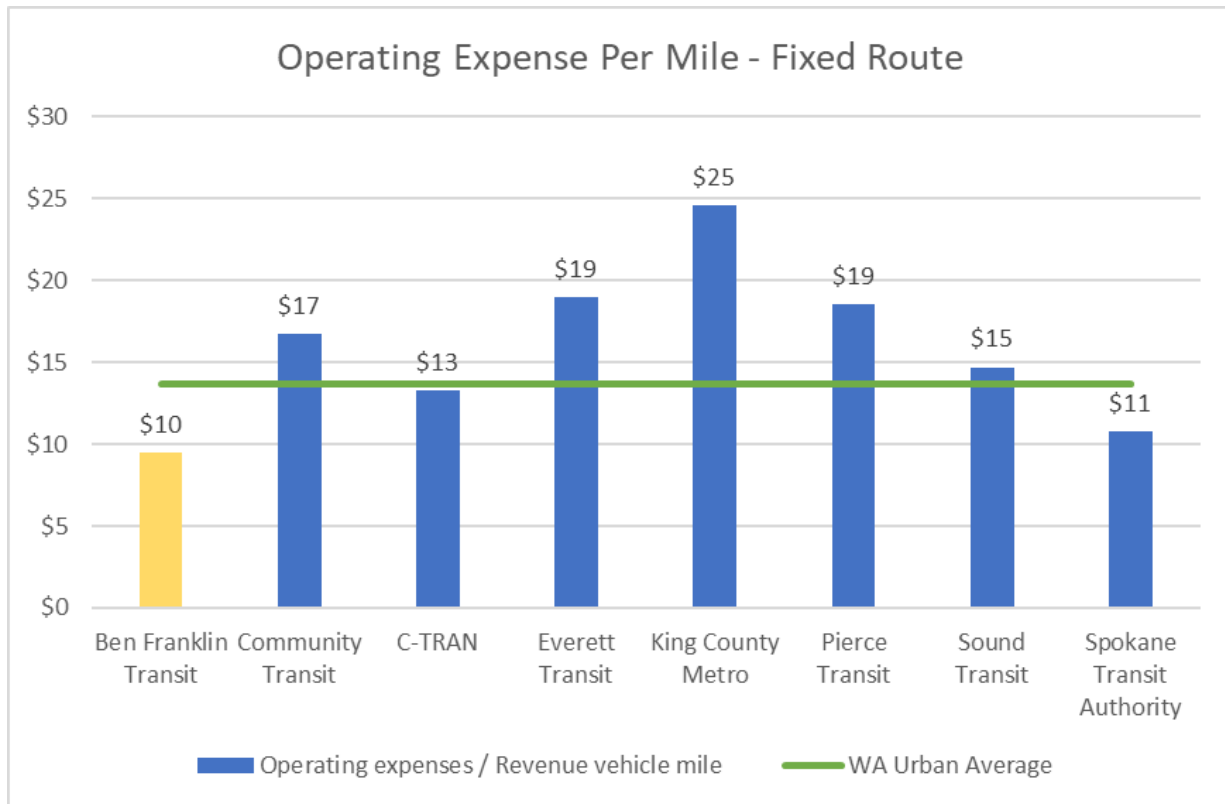
Cost Per Mile and Cost Per Revenue Hour

Every year the Washington State Department of Transportation produces a report entitled “Summary of Public Transportation”. This report provides a variety of information regarding transits across the state, including the operating cost per mile and operating cost per hour. All agencies are required to report costs in a similar manner and, as such, these comparisons provide valuable insight into how agencies compare to each other for the various modes of service.

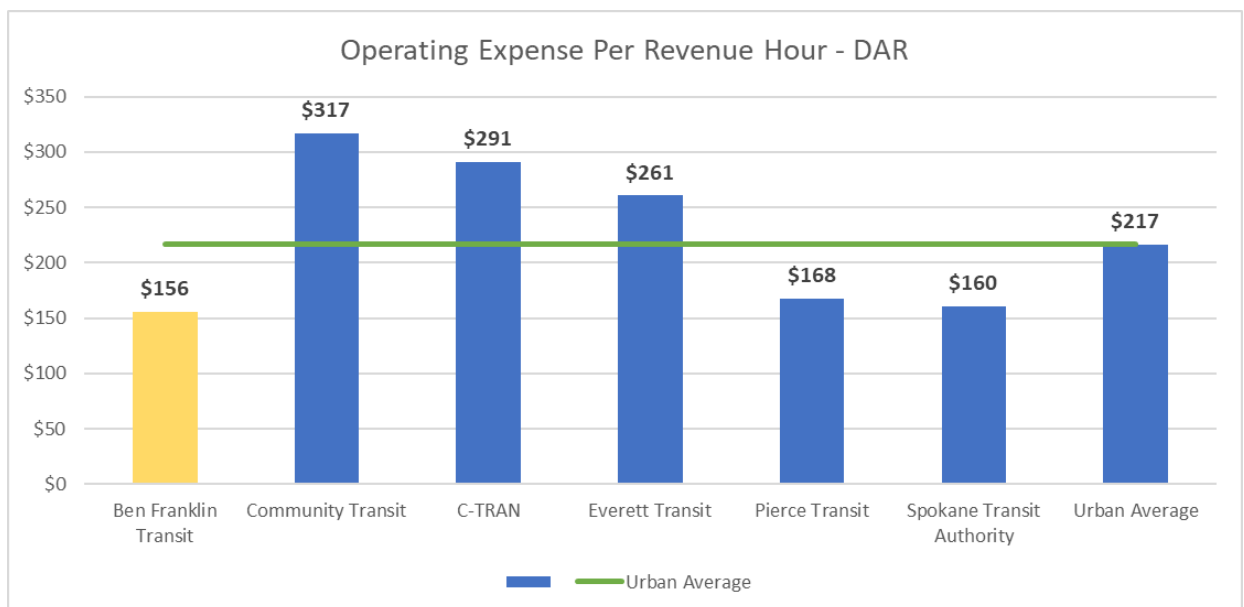
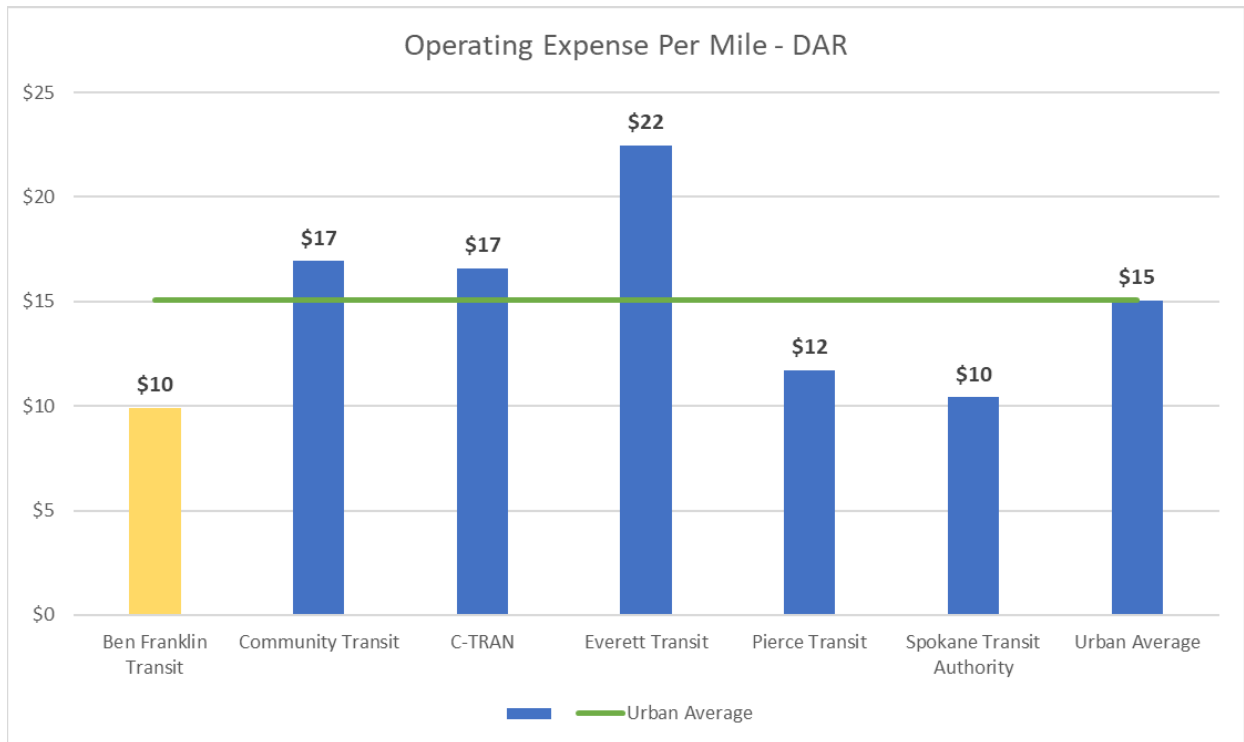
The following charts compare BFT’s operating costs to the operating costs of comparable larger agencies in the state. It should be noted that for purposes of this comparison, the costs for BFT are the budgeted costs for 2023. The data for the other transits represents their 2020 actuals, which is the most current data available and has been adjusted for inflation using the CPI Western Index for 2021 (7.1%) and 2022 (8.2% through September 2022).

As these charts illustrate, BFT continues to be one of the most cost-efficient providers of service among its peers in the state for all modes of service.

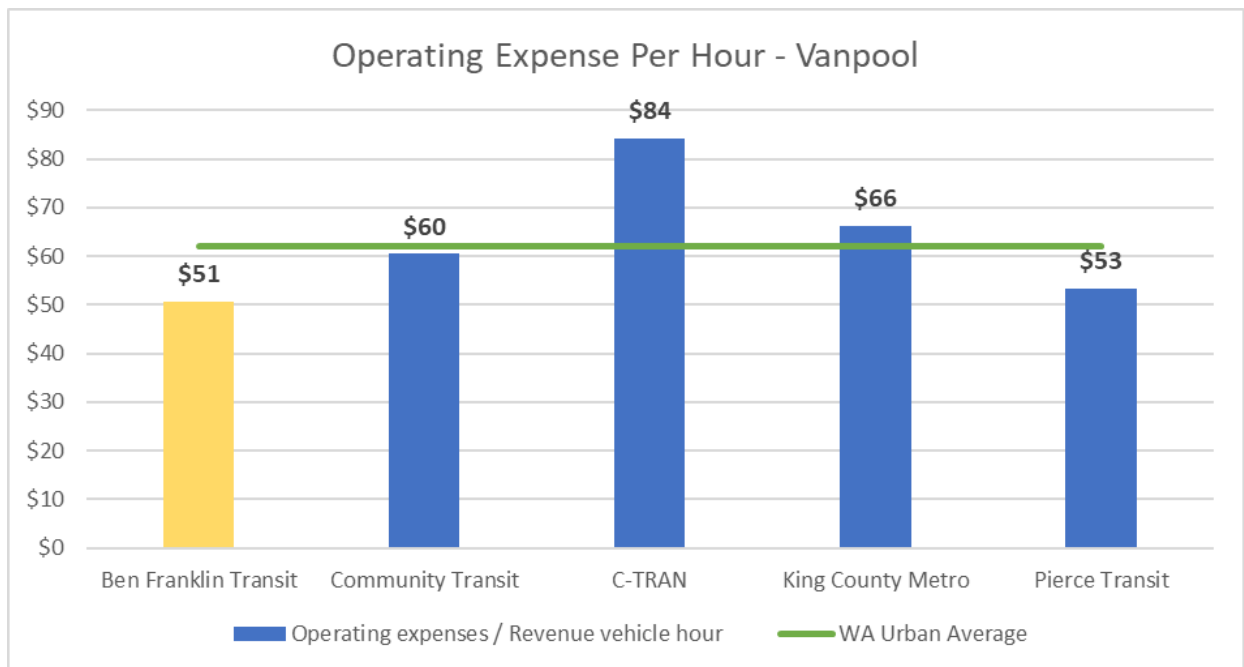
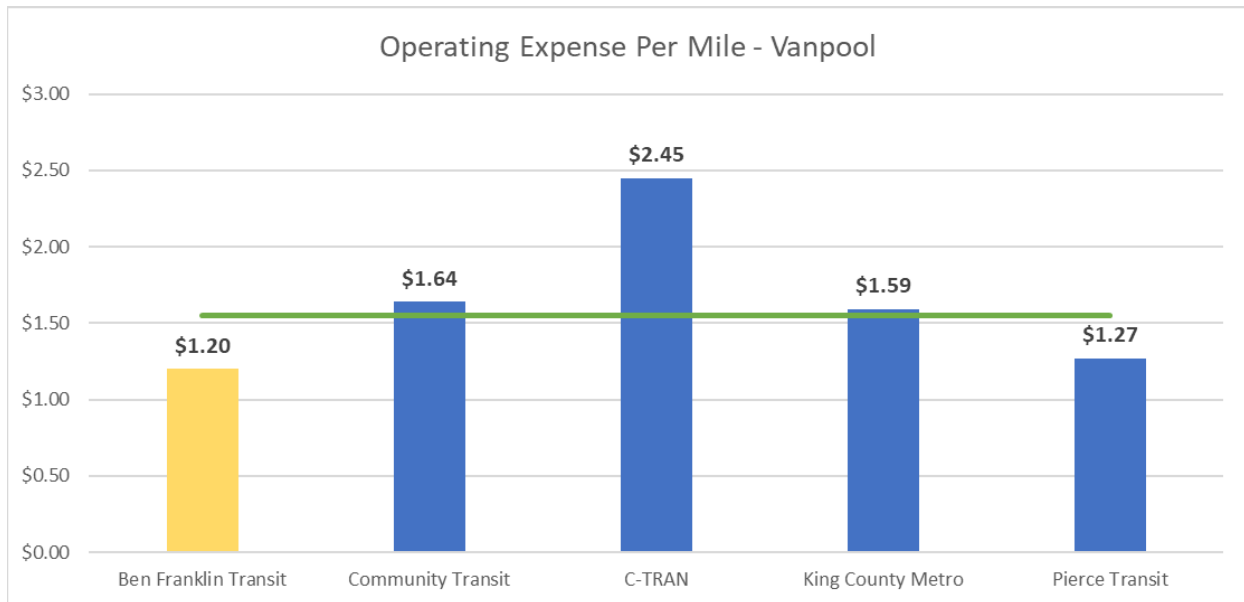
Fixed Route



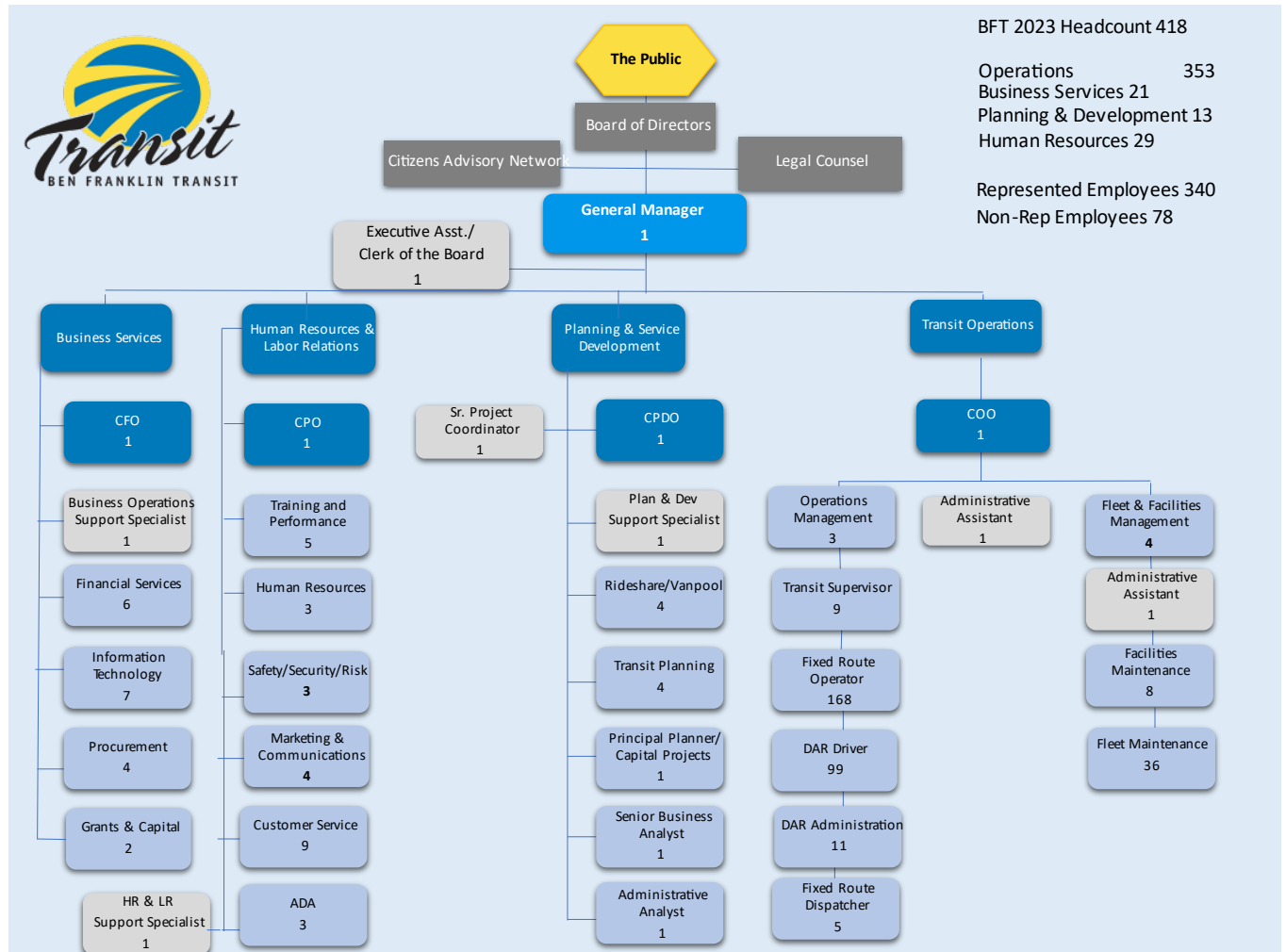
Dial-A-Ride



Vanpool



Appendix 2 – Organization Charts, Department Descriptions and Proposed 2023 Departmental Budgets



Business Services Department

The Business Services Department is comprised of several functional areas.

- Business Services is responsible for responding to public records requests; overseeing the administration and policies regarding agency travel as well as general support and guidance on a variety of special projects. This department is also responsible for the overall development and coordination of the Technology Roadmap for BFT.
- Executive Office/General Manager carries out the Board's policies and ordinances, coordinates inter-agency activities, oversees BFT's day-to-day operations, and appoints and manages the executives of BFT's operating departments. This also includes activities such as all Board of Directors interactions, including Board Resolutions; and providing guidance and direction for all activities of BFT, and advisory services to staff and management.
- Finance and Accounting is responsible for all management and oversight relating to BFT's finances. This includes activities such as accounting, audit, and compliance; financial reporting, budgeting and planning; and payroll.
- Grants Management is responsible for all management and oversight relating to BFT's grants and capital budget. This includes activities such as capital budgeting and planning; oversight of the Capital Improvement Plan (CIP); provides administration of all Federal, State and local grants; grant compliance to include audits; and grant specific reporting.
- Information Technology manages and oversees the deployment and support of agency hardware and software; establishes agency-wide technology policies and procedures; serves as subject matter experts for Information Technology (IT) and Intelligent Transportation Systems (ITS); serves as liaisons with outside agencies and vendors on behalf of the agency for technology and systems issues; influences technology direction, selection, and procurements for the agency; and directly supports projects and special operations.
- Procurement manages and oversees the acquisition and contract administration functions related to construction, professional and non-professional services, vehicles, and equipment/supply contracts; and reviews, analyzes, and applies all agency policies and applicable Federal, State, and local contracting regulations.

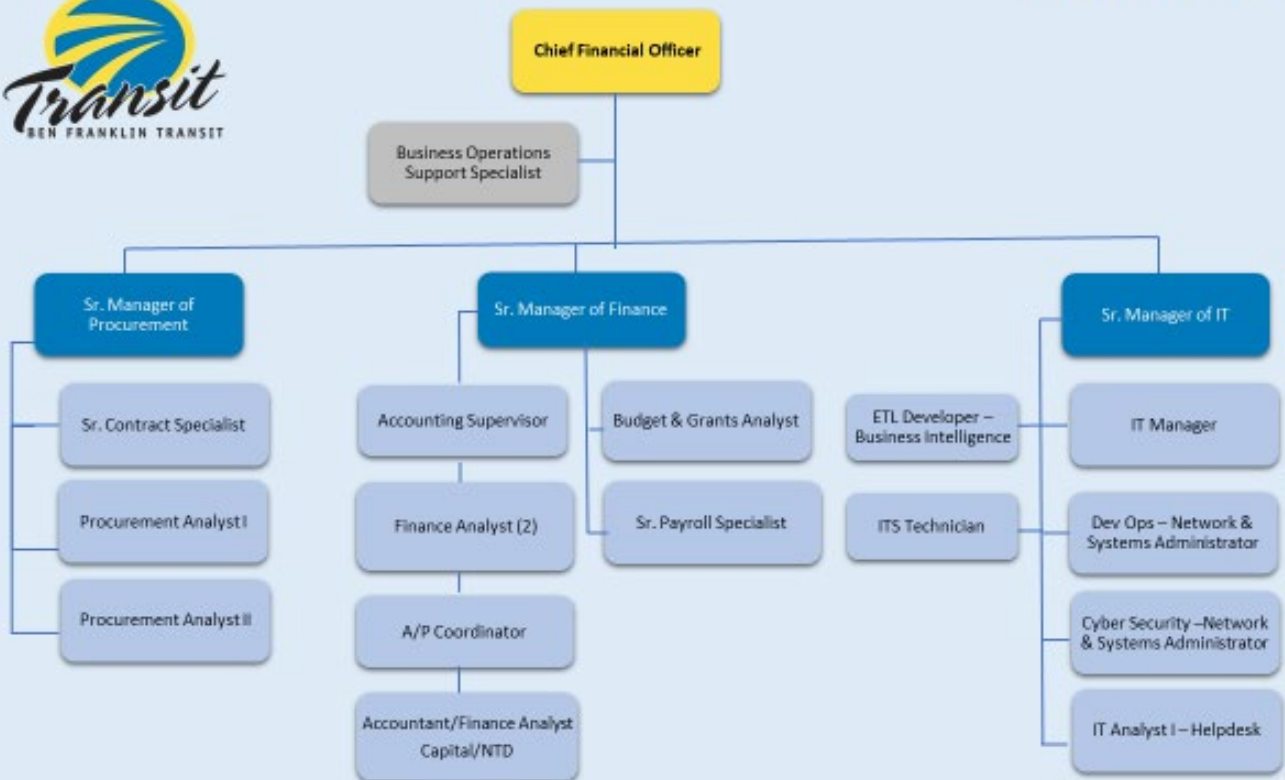
Business Services Department	
Department	Department Name
70	Board of Directors
71	Executive Office
72	Administrative Services
73	Finance and Accounting
74	Information Technology
75	Contracts and Purchasing



Executive Office



Business Services



Proposed Business Services and Executive Office Budget

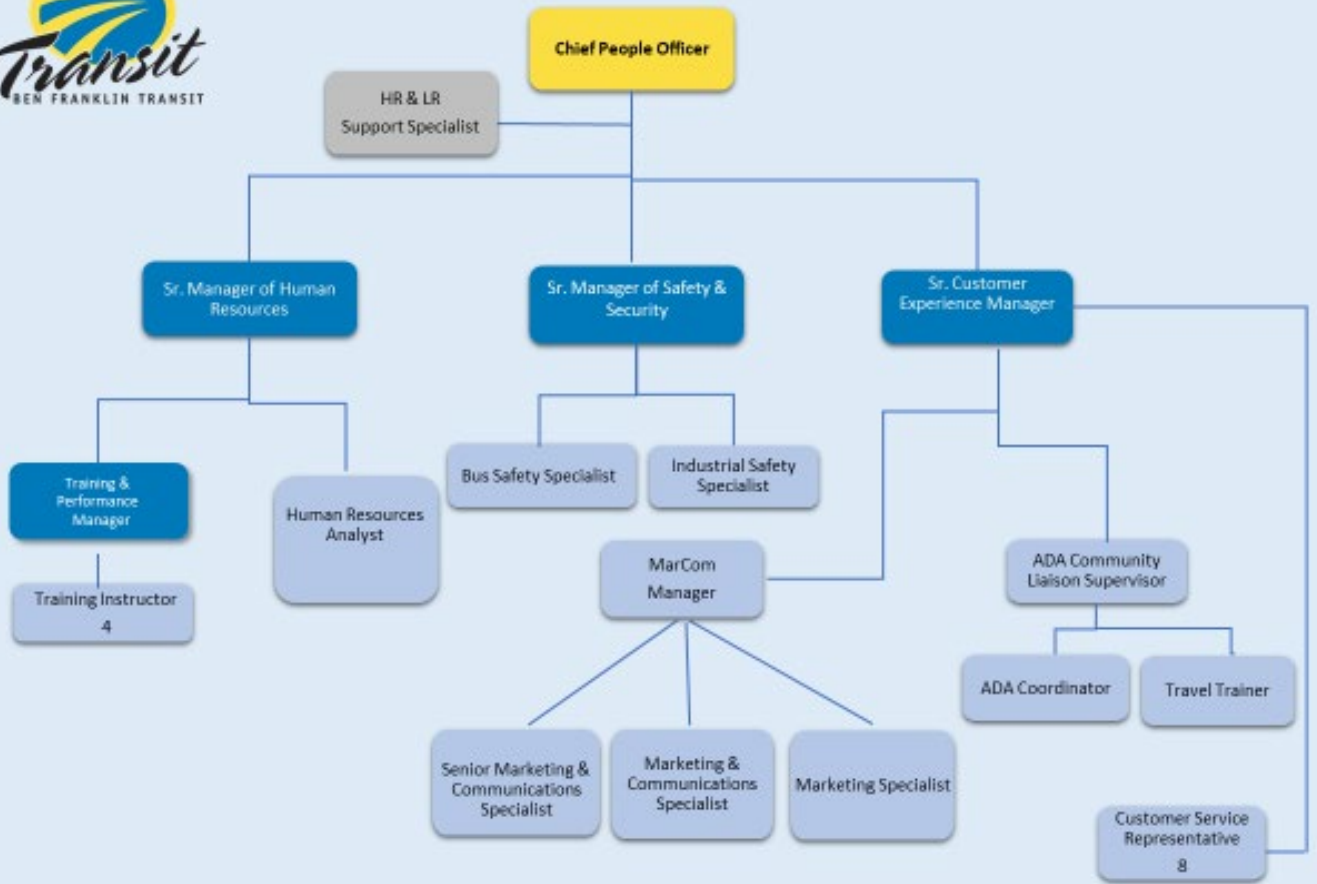
	Actual	Actual	Straight-Lined Forecast	Budget	Variance %	Proposed Budget	Change %
	2020	2021	2022	2022	2022F vs. 2022B	2023	2022B vs. 2023B
Salaries & Wages	1,252,316	1,440,786	1,791,437	1,753,100	2.19%	1,927,195	9.93%
Benefits	1,854,169	(309,449)	1,032,446	893,700	15.52%	935,257	4.65%
Total Labor	3,106,484	1,131,337	2,823,883	2,646,800	6.69%	2,862,452	8.15%
Services	562,251	620,684	682,872	1,431,300	-52.29%	1,151,380	-19.56%
Materials/Supplies	572,295	564,275	652,338	708,700	-7.95%	842,600	18.89%
Utilities	287,750	298,393	294,382	302,300	-2.62%	293,728	-2.84%
Insurance	227,287	165,187	269,193	318,200	-15.40%	280,910	-11.72%
Rentals	23,245	18,365	23,246	32,800	-29.13%	22,160	-32.44%
Miscellaneous	149,135	162,721	205,139	381,300	-46.20%	429,867	12.74%
Total Non-Labor	1,821,963	1,829,625	2,127,170	3,174,600	-32.99%	3,020,645	-4.85%
Operating Expenses Total	4,928,448	2,960,962	4,951,053	5,821,400	-14.95%	5,883,097	1.06%

Human Resources Department

- The Human Resources and Labor Relations Department manages all employee life-cycle activities related to employment such as recruiting and hiring, benefits and compensation, performance management, training and development, culture and engagement, diversity and inclusion, organizational design, workforce planning, labor relations and union negotiations, worker health and safety, and employment law compliance. This department develops and administers policies and programs for the workforce and agency compliance such as Equal Employment Opportunity and Drug and Alcohol.
- The Marketing and Communications Department consists of two functions: customer service and marketing. Customer Service is responsible for covering the BFT main phone line, answering service questions such as routing information, detours, service alerts, and route changes. They are also responsible for lost and found, transit pass sales, and ADA assessments for Dial-A-Ride and support with community events. Marketing responsibilities consist of community events and outreach, media relations, internal communications such as flyers, electronic displays, e-newsletter, etc. Marketing is also responsible for advertising and external communications which includes social media and route signage.
- The Safety and Security Department consist of two functions: Safety and Security. Safety function has a direct impact on the safety and health of workers, the public, or protection of the environment. Safety function provide a formal, organized process whereby employees plan, perform, assess, and improve the safe conduct of work. Security function develops and enforces our policies to mitigate risk including, but not limited to, property, health, and privacy of our workers and the public.
- The Training Department's primary responsibility is to prepare employees with the required certifications, tools, and skills needed to be safe, efficient, and effective while in control of any BFT vehicle. As a secondary responsibility, the training department is to evaluate on an ongoing basis the need for retraining to ensure each employee is maintaining a satisfactory level of required certifications, skills, and abilities to best represent BFT in serving our community with transportation needs



Human Resources & Labor Relations



Human Resources, MarCom & Safety/Training	
Department	Department Name
60	Human Resources
66	Customer Experience
67	Marketing
68	Safety & Security
69	Training

Proposed Human Resources Budget

	Actual 2020	Actual 2021	Straight-Lined Forecast 2022	Budget 2022	Variance % 2022F vs. 2022B	Proposed Budget 2023	Change % 2022B vs. 2023B
	Actual	Actual	Straight-Lined For Budget		CY Budget to CY Budget		Current Year Bud
Salaries & Wages	516,420	609,018	916,159	728,300	25.79%	529,035	-27.36%
Benefits	213,586	171,701	368,563	322,800	14.18%	187,795	-41.82%
Total Labor	730,006	780,719	1,284,722	1,051,100	22.23%	716,830	-31.80%
Services	688,887	886,319	670,388	832,300	-19.45%	759,227	-8.78%
Materials/Supplies	49,510	43,274	53,316	74,100	-28.05%	58,300	-21.32%
Utilities	2,362	3,894	5,172	4,800	7.74%	4,608	-4.00%
Miscellaneous	49,992	76,255	137,824	169,600	-18.74%	288,992	70.40%
Total Non-Labor	790,751	1,009,742	866,699	1,080,800	-19.81%	1,111,127	2.81%
Operating Expenses Total	1,520,757	1,790,461	2,151,421	2,131,900	0.92%	1,827,956	-14.26%

Proposed Customer Service & Marketing Budget

	Actual 2020	Actual 2021	Straight-Lined Forecast 2022	Budget 2022	Variance % 2022F vs. 2022B	Proposed Budget 2023	Change % 2022B vs. 2023B
Salaries & Wages	703,007	697,558	672,003	1,027,500	-34.60%	760,622	-25.97%
Benefits	413,872	293,351	424,201	584,630	-27.44%	377,576	-35.42%
Total Labor	1,116,878	990,909	1,096,204	1,612,130	-32.00%	1,138,198	-29.40%
Services	153,052	256,150	282,761	602,600	-53.08%	698,400	15.90%
Materials/Supplies	12,055	7,584	22,835	26,000	-12.17%	44,180	69.92%
Utilities	12,596	17,042	15,858	15,000	5.72%	4,608	-69.28%
Rentals	12,391	6,351	16,832	19,500	-13.68%	6,179	-68.31%
Miscellaneous	19,263	9,910	55,393	46,100	20.16%	46,993	1.94%
Total Non-Labor	209,358	297,037	393,679	709,200	-44.49%	800,361	12.85%
Operating Expenses Total	1,326,236	1,287,947	1,489,884	2,321,330	-35.82%	1,938,559	-16.49%

Proposed Safety & Training Budget

	Actual 2020	Actual 2021	Straight-Lined Forecast 2022	Budget 2022	Variance % 2022F vs. 2022B	Proposed Budget 2023	Change % 2022B vs. 2023B
Salaries & Wages	622,760	430,969	465,260	683,600	-31.94%	589,483	-13.77%
Benefits	331,217	192,457	293,745	380,200	-22.74%	272,343	-28.37%
Total Labor	953,977	623,426	759,004	1,063,800	-28.65%	861,826	-18.99%
Services	28,542	450	68,244	48,200	41.59%	25,000	-48.13%
Materials/Supplies	133,668	197,865	69,316	75,000	-7.58%	65,500	-12.67%
Utilities	10,927	12,656	12,162	16,000	-23.99%	6,912	-56.80%
Rentals	11,315	5,917	13,344	21,900	-39.07%	10,349	-52.74%
Miscellaneous	30,599	33,985	10,938	45,800	-76.12%	100,810	120.11%
Total Non-Labor	215,052	250,873	174,004	206,900	-15.90%	208,571	0.81%
Operating Expenses Total	1,169,029	874,299	933,008	1,270,700	-26.58%	1,070,397	-15.76%

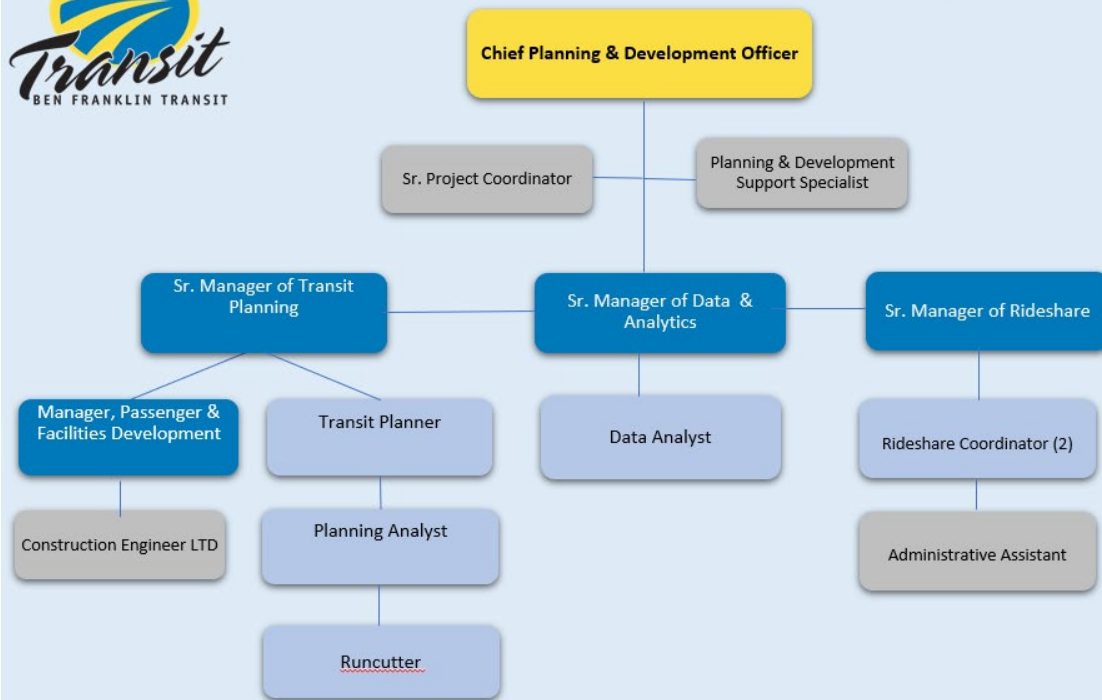
Planning Department

The Planning and Service Development Department consists of six major functions: fixed-route service planning and scheduling, contracted services oversight, vanpool and rideshare program administration, data analysis and reporting, capital project delivery, and facilitating interdepartmental communication.

- Service planning and scheduling includes route design for fixed-route route alignments, service frequency, and route scheduling. Service planning staff also lead service-related studies, such as the WSDOT-funded Prosser/Benton City Service Analysis.
- Contracted services oversight includes developing scopes of work, assisting with contract procurement, and leading oversight of contracted service operators, such as CONNECT (first-mile/last-mile on-demand service).
- The vanpool and rideshare program includes matching users to existing vanpool groups, supporting the formation of new vanpool groups, rideshare software oversight, and vanpool fleet oversight, operations, maintenance, and insurance. The department also oversees the Community Van and Van-me-Down programs. Under an expanded commute options program funded through the Department of Ecology, an expanded rideshare program includes support for commuter carpools and active transportation and with quarterly emissions reduction reporting.
- Data analysis and reporting includes weekly ridership data analysis, quarterly ridership performance reporting, reporting to the National Transit Database (NTD) and related audits, Title VI program updates and compliance reporting, and the FTA Triennial Review. This function responds to a range of internal and external stakeholder and public requests related to historical ridership and ridership forecasts, service productivity, and data required for service analyses.
- Capital project delivery includes project, asset, and construction management for BFT's ongoing ADA compliant bus stop improvement program and planning, design, land acquisition, environmental permitting, and construction management for BFT's transit center renovations, new transit centers, and administrative facilities. For those projects with state or federal grant funding, this function includes submittal of quarterly grant progress reports. BFT has an unprecedented amount of federal and state grant funding for capital projects in the coming years. Capital project delivery will be a major area of focus for the Planning Department for the foreseeable future.
- Planning leads multiple internal committees that were established to foster interdepartmental communication and encourage feedback on agency initiatives and the service planning process. These committees include the Service Enhancement Committee, the Joint Planning Advisory Committee, and the Ridership Task Force. Each of these groups serves a distinct function that bolsters transparency and inclusions within the agency, which ultimately leads to improved service delivery to BFT customers.



Planning & Service Development



Planning and Service Development Department	
Department	Department Name
41	Van Pool Administration
42	Van Pool Maintenance
44	Community Van Program
63	Purchased Transportation
64	Planning and Service Development

Proposed Planning & Service Development Budget

	Actual	Actual	Straight-Lined Forecast	Budget	Variance %	Proposed Budget	Change %
	2020	2021	2022	2022	2022F vs. 2022B	2023	2022B vs. 2023B
Salaries & Wages	437,136	549,684	661,587	755,500	-12.43%	728,939	-3.52%
Benefits	224,879	199,886	340,296	376,700	-9.66%	348,301	-7.54%
Total Labor	662,015	749,570	1,001,883	1,132,200	-11.51%	1,077,240	-4.85%
Services	129,681	52,927	23,278	335,000	-93.05%	380,000	13.43%
Materials/Supplies	35,113	38,992	41,084	37,100	10.74%	74,800	101.62%
Utilities	11,545	16,428	13,997	14,700	-4.79%	6,912	-52.98%
Rentals	11,524	6,581	14,691	17,100	-14.09%	5,365	-68.62%
Miscellaneous	13,347	19,425	15,847	36,200	-56.22%	35,900	-0.83%
Total Non-Labor	201,210	134,353	108,896	440,100	-75.26%	502,977	14.29%
Operating Expenses Total	863,225	883,923	1,110,779	1,572,300	-29.35%	1,580,217	0.50%

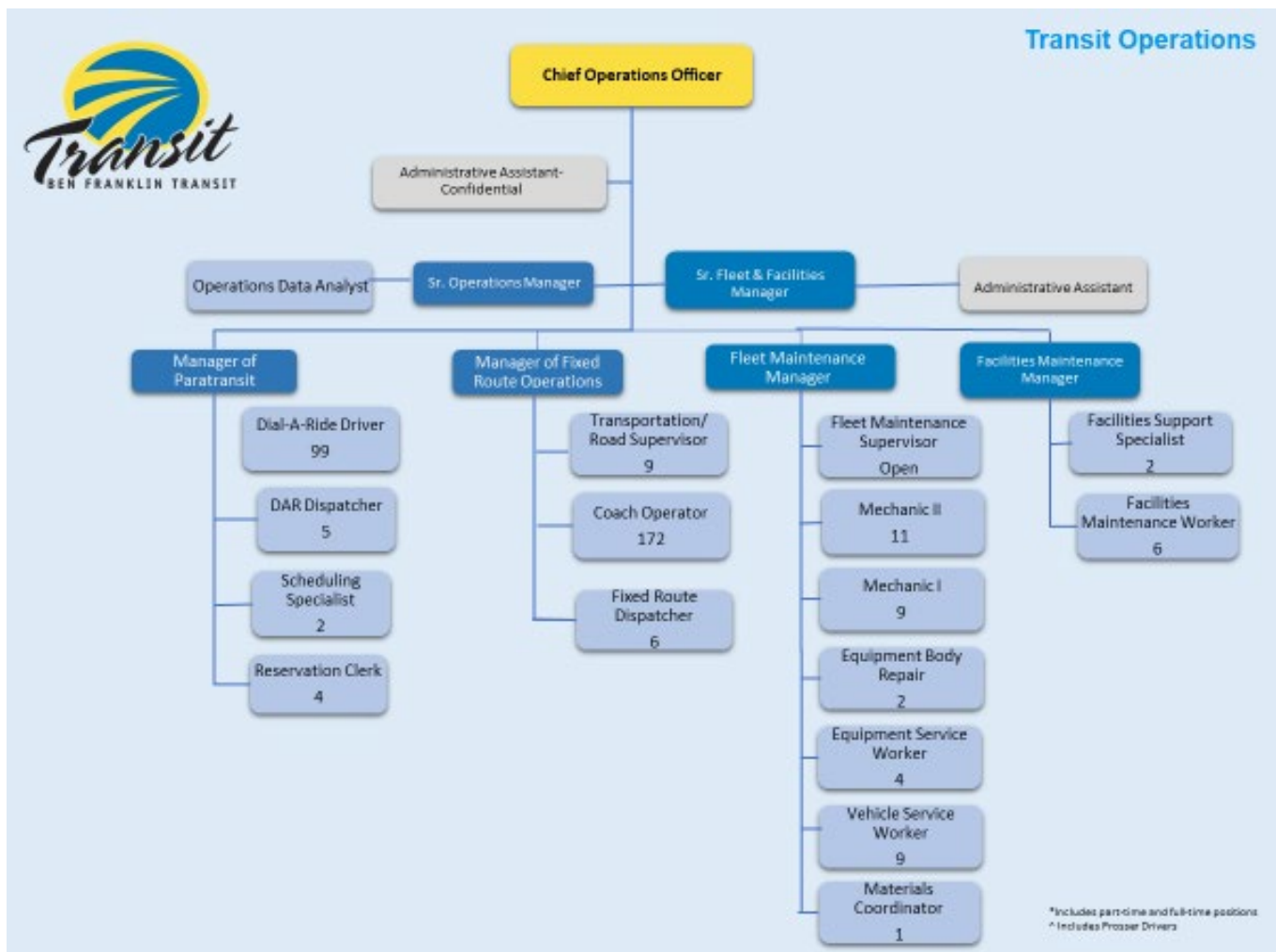
Proposed Vanpool Budget

	Actual	Actual	Straight-Lined Forecast	Budget	Variance %	Proposed Budget	Change %
	2020	2021	2022	2022	2022F vs. 2022B	2023	2022B vs. 2023B
Salaries & Wages	198,527	178,850	235,895	268,600	-12.18%	283,815	5.66%
Benefits	135,564	77,282	141,059	132,600	6.38%	142,144	7.20%
Total Labor	334,091	256,132	376,954	401,200	-6.04%	425,959	6.17%
Services	304,392	275,638	283,169	317,800	-10.90%	343,263	8.01%
Fuel & Lubricants	170,325	187,671	354,933	407,800	-12.96%	533,716	30.88%
Tires & Tubes	64,643	34,153	44,875	65,000	-30.96%	50,000	-23.08%
Materials/Supplies	98,016	84,417	101,552	133,200	-23.76%	165,200	24.02%
Utilities	5,898	5,535	7,722	5,600	37.89%	5,904	5.43%
Insurance	437,665	226,629	(156,657)	329,200	-147.59%	248,150	-24.62%
Rentals	7,319	2,519	5,563	9,200	-39.53%	1,949	-78.82%
Miscellaneous	953	2,409	2,211	11,200	-80.25%	10,150	-9.38%
Total Non-Labor	1,089,210	818,971	643,369	1,279,000	-49.70%	1,358,332	6.20%
Operating Expenses Total	1,423,301	1,075,103	1,020,323	1,680,200	-39.27%	1,784,291	6.20%

Operations Department

The Operations Department is tasked with providing safe, reliable transportation for all our customers. This includes fixed route, Dial-A-Ride (DAR) paratransit, and general demand response (GDR) services provided by BFT. This department oversees the operation, supervision, maintenance, and administrative functions associated with providing service. Responsibilities of the Operations Department consist of fixed route, DAR, and GDR service management such as reservations, scheduling, dispatching, route monitoring, on-road management including service detours, on-time performance, special events, and passenger management. Training and maintenance costs, such as labor, parts, fuel, tires, and outside repairs associated with maintaining and repairing BFT vehicles are allocated from those departments.

Fleet and Facilities Maintenance also falls under the Operations Department. This function is responsible for maintaining the fleet and facility assets of BFT. Maintenance of Agency assets is a Federal requirement and is reported quadrennial by submission of a Transit Asset Management Plan (TAM). Current assets include 71 buses, 102 Dial-A-Ride vehicles, 178 Vanpool Vans, 17 vehicles contracted to ARC of Tri-Cities, and a mixture of support equipment and vehicles totaling 77. Additionally, multiple Agency buildings, transfer centers, bus stops and amenities are maintained by the department. The Fleet and Facilities staff works near 24/7 in support of Agency operations.



Transit Operations Department	
Department	Department Name
11	Fixed Route Administration
12	Fixed Route Operations/Service Supervision
13	Fixed Route Maintenance
21	DAR Administration
22	DAR Operations/Service Supervision
23	DAR Maintenance
69	Training

Fleet and Facilities Departments	
Department	Department Name
50	Maintenance Administration
51	Maintenance Fleet
59	Maintenance Facilities

Proposed Fixed Route Operations Budget

	Actual 2020	Actual 2021	Straight-Lined Forecast 2022	Budget 2022	Variance % 2022F vs. 2022B	Proposed Budget 2023	Change % 2022B vs. 2023B
Salaries & Wages	6,768,917	7,779,146	8,408,279	10,505,700	-19.96%	10,488,289	-0.17%
Benefits	4,680,968	3,494,599	5,877,045	6,069,900	-3.18%	6,036,264	-0.55%
Total Labor	11,449,886	11,273,744	14,285,323	16,575,600	-13.82%	16,524,554	-0.31%
Services	1,988,154	1,616,042	1,547,150	2,009,900	-23.02%	1,894,000	-5.77%
Fuel & Lubricants	820,316	1,499,476	2,767,047	1,856,300	49.06%	3,158,014	70.12%
Tires & Tubes	129,307	151,877	170,766	158,000	8.08%	186,135	17.81%
Materials/Supplies	1,025,041	1,020,798	974,640	932,300	4.54%	1,218,450	30.69%
Utilities	46,558	40,711	46,759	48,900	-4.38%	45,276	-7.41%
Insurance	379,091	238,596	338,786	365,500	-7.31%	351,935	-3.71%
Rentals	5,816	5,612	5,860	8,500	-31.06%	8,608	1.28%
Miscellaneous	5,557	2,532	19,098	118,300	-83.86%	128,714	8.80%
Total Non-Labor	4,399,841	4,575,645	5,870,106	5,497,700	6.77%	6,991,133	27.16%
Operating Expenses Total	15,849,726	15,849,389	20,155,430	22,073,300	-8.69%	23,515,686	6.53%

Proposed DAR Operations Budget

	Actual	Actual	Straight-Lined Forecast	Budget	Variance %	Proposed Budget	Change %
	2020	2021	2022	2022	2022F vs. 2022B	2023	2022B vs. 2023B
Salaries & Wages	4,474,982	4,452,253	4,744,223	6,873,800	-30.98%	6,795,459	-1.14%
Benefits	3,579,760	2,120,873	3,460,938	3,887,770	-10.98%	3,967,059	2.04%
Total Labor	8,054,743	6,573,125	8,205,161	10,761,570	-23.75%	10,762,518	0.01%
Services	837,130	758,680	655,183	1,005,200	-34.82%	776,700	-22.73%
Fuel & Lubricants	319,995	492,159	843,956	1,096,100	-23.00%	1,136,113	3.65%
Tires & Tubes	17,935	30,119	40,984	59,400	-31.00%	59,400	0.00%
Materials/Supplies	387,442	353,158	410,521	440,500	-6.81%	496,250	12.66%
Utilities	24,857	24,265	25,725	27,100	-5.07%	28,744	6.07%
Insurance	249,369	109,262	137,831	215,500	-36.04%	200,639	-6.90%
Rentals	11,103	6,891	7,030	17,000	-58.65%	15,086	-11.26%
Miscellaneous	5,764	3,718	8,688	31,800	-72.68%	48,064	51.14%
Total Non-Labor	1,853,596	1,778,251	2,129,918	2,892,600	-26.37%	2,760,996	-4.55%
Operating Expenses Total	9,908,338	8,351,376	10,335,078	13,654,170	-24.31%	13,523,514	-0.96%

Proposed Fleet & Facilities Maintenance Budget

	Actual	Actual	Straight-Lined Forecast	Budget	Variance %	Proposed Budget	Change %
	2020	2021	2022	2022	2022F vs. 2022B	2023	2022B vs. 2023B
Salaries & Wages	2,218,053	2,617,029	2,672,388	3,121,500	-14.39%	3,016,478	-3.36%
Benefits	1,399,537	1,107,375	1,737,298	1,693,700	2.57%	1,736,772	2.54%
Total Labor	3,617,590	3,724,404	4,409,686	4,815,200	-8.42%	4,753,250	-1.29%
Services	(2,255,114)	(2,123,756)	(1,671,249)	(2,273,600)	-26.49%	(2,129,110)	-6.36%
Fuel & Lubricants	51,101	101,501	147,681	115,800	27.53%	142,530	23.08%
Tires & Tubes	6,107	14,153	7,084	12,500	-43.33%	12,500	0.00%
Materials/Supplies	424,023	325,645	476,388	596,500	-20.14%	554,000	-7.12%
Utilities	5,536	7,850	7,263	6,500	11.74%	10,952	68.49%
Insurance	32,280	24,472	24,438	38,600	-36.69%	36,800	-4.66%
Rentals	8,728	9,746	10,526	20,800	-49.39%	14,492	-30.33%
Miscellaneous	21,934	21,603	27,841	180,600	-84.58%	222,070	22.96%
Total Non-Labor	(1,705,404)	(1,618,786)	(970,028)	(1,302,300)	-25.51%	(1,135,766)	-12.79%
Operating Expenses Total	1,912,185	2,105,619	3,439,658	3,512,900	-2.08%	3,617,484	2.98%

Appendix 3 – Capital Improvement Plan

The Capital Improvement Plan (CIP) for 2022 – 2027 was approved by the Board of Directors in December 2021 and revised November 2022 with project values totaling \$165,017,566 and an approved budget of \$95,484,005.

BFT does not use debt for any capital projects. All capital projects are funded on a pay-as-you-go basis using Federal and State grants to the maximum extent possible. Capital needs not funded with a grant are paid for using reserves from local funds.

This proposed 2023 Capital Budget includes proposed changes to both the project values and approved budget. The table below summarizes the proposed changes:

	Project Value	Budget
November 2022 Board Approved CIP	\$165,017,566	\$95,484,005
Proposed Changes		
Completed Projects	(\$1,000,000)	(\$1,000,000)
Project Removals	(\$11,080,400)	(\$5,111,250)
New Project Additions	\$0	\$0
Project Additions/Increases	\$22,383,132	\$39,721,715
Net Change	\$10,302,732	\$33,610,465
Proposed 2023 Capital Budget	\$175,320,298	\$129,094,470

The following tables provide a complete list of each project, the Project Value, and the approved Budget Value assuming the budget is approved as presented. Project numbers with blue shading indicate the projects that have been changed.

2023 - 2028 Capital Improvement Plan (CIP) Details Open and New Projects December 8, 2022				Updated CIP Project Amounts 12-08-22	Updated Budget Authority 12-08-22	Project Expenses Thru 10-03-22	Remaining Budget Authority
Fleet				71,664,223	49,553,700	40,729	49,512,971
FLT0015	BUS	8		4,827,200	4,827,200	40,729	4,786,471
FLT0024	(2020) BUS - Electric	Up To 6		7,796,250	7,796,250	-	7,796,250
FLT0027	(2021) VAN	Up To 40		1,843,560	1,843,560	-	1,843,560
FLT0028	(2021) Non-Revenue: Service Truck	Up To 2		245,000	245,000	-	245,000
FLT0029	(2022) BUS	Up To 19		12,473,888	12,473,888	-	12,473,888
FLT0031	(2022) DAR	Up To 12		1,956,000	1,956,000	-	1,956,000
FLT0032	(2022) VAN	Up To 40		2,408,140	2,408,140	-	2,408,140
FLT0033	(2022) Non-Revenue: Service Truck	Up To 1		125,983	125,983	-	125,983
FLT0034	(2023) DAR	Up To 12		1,956,000	1,956,000	-	1,956,000
FLT0035	(2023) VAN	Up To 40		2,408,140	2,408,140	-	2,408,140
FLT0036	(2023) Non-Revenue: Service Truck	Up To 1		138,581	138,581	-	138,581
FLT0037	(2023) BUS	Up To 7		4,932,536	4,932,536	-	4,932,536
FLT0039	(2024) DAR	Up To 12		2,323,728	2,323,728	-	2,323,728
FLT0040	(2024) VAN	Up To 40		2,600,780	2,600,780	-	2,600,780
FLT0041	(2024) Non-Revenue: Service Truck	Up To 1		149,668	149,668	-	149,668
FLT0042	(2025) DAR	Up To 8		1,626,608	1,626,608	-	1,626,608
FLT0043	(2025) Non-Revenue: Service Truck	Up To 1		157,151	157,151	-	157,151
FLT0045	(2021) DAR - 5310 Funds	Up To 5		680,863	680,863	-	680,863
FLT0046	(2025 - 2026) BUS - Alternative Fuels	Up To 13		14,300,000	-	-	-
FLT0047	(2026) DAR	Up To 35		7,472,255	-	-	-
FLT0048	(2026) Non-Revenue Vehicle	Up To 1		165,009	-	-	-
FLT0049	(2027) Non-Revenue Vehicle	Up To 1		173,259	-	-	-
FLT0050	(2022) BUS - Mini	Up To 3		903,624	903,624	-	903,624
Facilities				54,328,373	36,893,373	5,856,146	31,037,227
FAC0002	Maint Facility Upgrades:			2,774,235	2,774,235	579,637	2,194,598
FAC0007	Transit Centers - Renovation 3 Rivers: Improvements, Parking Lot			522,212	522,212	74,428	447,784
FAC0007A	Transit Centers - Renovation 3 Rivers: Safety & Security Updates			255,000	255,000	-	255,000
FAC0015	Passenger Amenities Improvements/Construction			8,841,926	8,841,926	2,547,666	6,294,260
FAC0022	Transit Hubs (Connection Points)	Up To 3		8,000,000	8,000,000	1,057,583	6,942,417
FAC0025	Transit Center Re-use			1,620,000	-	-	-
FAC0026	Neighborhood Park-and-Ride Facilities			2,315,000	-	-	-
FAC0027	Land Acquisition			11,000,000	11,000,000	1,596,832	9,403,168
FAC0030	West Pasco - Fleet Maintenance Base			6,000,000	-	-	-
FAC0031	22nd Street Transit Center Renovation			2,500,000	2,500,000	-	2,500,000
FAC0032	Benton City Transit Facility			3,500,000	1,000,000	-	1,000,000
FAC0033	Prosser Transit Facility			3,500,000	1,000,000	-	1,000,000
FAC0034	Southridge Transit facility			3,500,000	1,000,000	-	1,000,000

2023 - 2028 Capital Improvement Plan (CIP) Details Open and New Projects December 8, 2022		Updated CIP Project Amounts 12-08-22	Updated Budget Authority 12-08-22	Project Expenses Thru 10-03-22	Remaining Budget Authority
Equipment		1,397,325	1,397,325	316,082	1,081,243
EQP0012	Mobile Dispatch Retrofit/Equipment	250,000	250,000	-	250,000
EQP0013	Bus Equipment	1,102,325	1,102,325	316,082	786,243
EQP0017	Vehicle Rooftop Scraper System (Safety Related)	45,000	45,000	-	45,000
Transit Technologies		11,060,377	10,844,115	2,519,489	8,324,626
TEC0005	Onboard Integrated Technology System	3,018,826	3,018,826	1,565,258	1,453,568
TEC0009	Customer Comment Record (CCR) Replacement	50,000	50,000	-	50,000
TEC0010	IT Related Projects: (Telephone System, ITS Replacement, etc.)	3,383,551	3,167,289	926,316	2,240,973
TEC0011	IT Related Projects: Records Management System	300,000	300,000	-	300,000
TEC0012	IT Related Projects - Operations Software	2,158,000	2,158,000	27,915	2,130,085
TEC0013	Fare Collection Program	1,000,000	1,000,000	-	1,000,000
TEC0014	IT Related Projects - Onboard Transit Signal Priority (TSP)	300,000	300,000	-	300,000
TEC0017	IT Related Projects - Consolidated Transit Reporting	300,000	300,000	-	300,000
TEC0019	Operations Simulator Training Unit	400,000	400,000	-	400,000
TEC0020	Runcutter Software	150,000	150,000	-	150,000
Planning / Studies		7,000,000			
PLN0005	2020-2025 Long Range Service Corridor & Infrastructure Study	7,000,000	1,485,957	-	1,485,957
Other		4,300,000			
OTH0001	Enterprise Business Systems (EBS)	4,000,000	4,000,000	-	4,000,000
OTH0005	Business Continuity IT Equipment & Infrastructure	300,000	300,000	19,495	280,505
MOA Campus		25,570,000			
FAC0005	Campus Improvements	2,290,000	2,090,000	456,219	1,633,781
FAC0005E	MOA Maintenance Facility HVAC Replacement	2,000,000	2,000,000	234,188	1,765,812
FAC0017	Operations Building Renovations	16,000,000	16,000,000	1,765,442	14,234,559
FAC0023	Facility Maintenance Building	2,250,000	2,250,000	-	2,250,000
FAC0024	Alternative Fuel Vehicles Infrastructure & Stations	1,280,000	1,280,000	61,422	1,218,578
TSS0001	Security Plan (consulting, campus imp., equipment)	1,750,000	1,000,000	37,560	962,440
Totals		175,320,298	129,094,470	11,306,772	117,787,698
Notes:					
Indicates increases to project amount and/or budget authority					
Red font indicates changes					
FLT0015	Includes costs associated w/ Sound Transit Buses				

**We're going
your way!**

