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# *Ben Franklin Transit*

## *Budget in Brief*

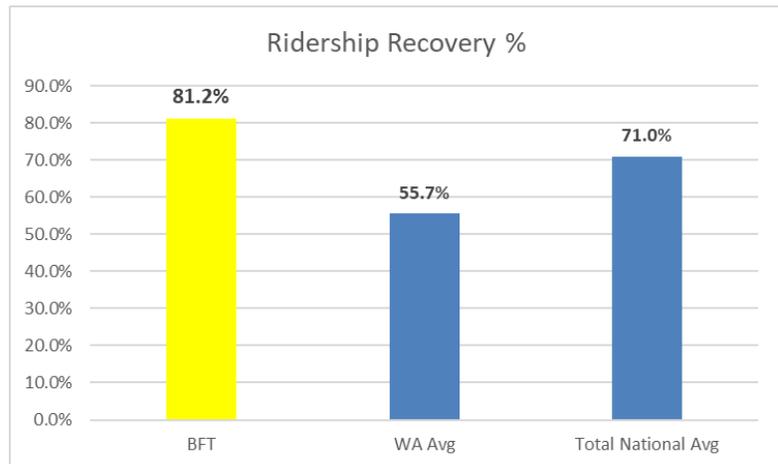
### *2023 – “Driving for Innovation and Efficiency”*

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2022 marks the 40<sup>th</sup> year of operation for Ben Franklin Transit (BFT). The communities served by BFT have grown and changed over the years and BFT looks forward to providing quality service in the years to come. The 2023 proposed budget includes modest increases in service levels at a lower cost despite record high levels of inflation.

BFT expects ridership levels to return to pre-pandemic levels in 2023, at a faster recovery rate than other agencies in Washington state as well as ahead of national averages.

Throughout 2023, BFT management will be placing a special emphasis on innovation and efficiencies. This will take the form of testing new vehicle types and sizes and well as implementing streamlined business processes. This results in a budget that supports increased service levels while lowering the cost to provide that service and gaining administrative efficiencies as well.



This document is intended to provide an overview of the proposed 2023 Operating and Capital budgets in a summary format. Additional details can be found in the budget document which has been made publicly available.



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## Executive Summary

The following table summarizes the major changes in the 2023 Budget Compared to the 2022 Budget.

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

### Summary of Primary Changes in 2023

*In short, fuel and purchased transportation increased by \$2.5M. All other expenses decreased by \$1.3M resulting in a net increase of \$1.2M.*

- Decrease in labor expense through the reduction of 18 positions. This represents a 4.1% reduction in headcount (there were no layoffs of permanent BFT staff).
- Fuel is expected to be significantly higher in 2023. Budgeted prices for 2023 are 41% higher than what was budgeted for 2022.
- Purchased Transportation is expected to increase significantly as the Connect Service continues to grow.
- Professional Outside Services has been decreased by \$500,000. This is primarily due to projects budgeted for 2022 that are getting completed in 2022 along with the elimination of other services that are not needed in 2023.
- All other expenses increased \$500,000. This is primarily due to an increase in parts and materials costs used to maintain vehicles and facilities, increased software licenses and cost of software, as well as an increase in planned training and staff development.
- No significant changes in service levels planned for 2023. Fixed Route service will expand slightly while Dial-A-Ride is expected to continue a slower recovery to pre-pandemic levels.



## Budget Overview

The following table summarizes the Revenues, Expenses and Capital Projects for 2023.

	Total	Operating	Capital
<b>Revenues:</b>			
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	-
<b>Total Local</b>	<b>55,125,000</b>	<b>41,171,942</b>	<b>13,953,058</b>
<b>Total State</b>	<b>17,409,388</b>	<b>4,538,276</b>	<b>12,871,112</b>
Federal Grants	7,275,970	-	7,275,970
CARES/CRRSSA/ARP Grants	13,328,300	13,328,300	-
<b>Total Federal</b>	<b>20,604,270</b>	<b>13,328,300</b>	<b>7,275,970</b>
<b>Total Revenues</b>	<b>93,138,658</b>	<b>59,038,518</b>	<b>34,100,140</b>
<b>Expenditures:</b>			
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	-
<b>Total Operating Expenditures</b>	<b>59,038,518</b>	<b>59,038,518</b>	<b>-</b>
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
<b>Total Capital Expenditures</b>	<b>34,100,140</b>	<b>-</b>	<b>34,100,140</b>
<b>Total Expenditures</b>	<b>93,138,658</b>	<b>59,038,518</b>	<b>34,100,140</b>

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## Service Levels

Following is a brief summary of the anticipated changes in service levels by mode expected for 2023. These levels of estimated services are the primary drivers for the rest of the budget. The service levels determine the amount of operator and support staffing needed, fuel and maintenance costs, etc.

- **Fixed Route**
  - Planning for modest increases in miles/hours for 2023.
  - Developing plans for service in the Hanford area. Nothing firm yet in terms of level of service or start date. Have budgeted some level of service beginning in 2023.
  - Boardings are expected to return to 2019 pre-pandemic levels.
  - Major expansion in 2021 and more substantial expansion being developed for 2024.
- **Dial-A-Ride (DAR)**
  - DAR saw big reductions due to the pandemic and is slower to return.
  - Recent growth in this mode is indicating continued recovery.
  - Actuals for 2022 is still trending below the budget, but recovery is gaining momentum.
  - Budget for 2023 will be slightly lower than the budget for 2022 (a 2.7% decrease in total miles).
  - 2023 budget is projecting a return to the 2019 pre-pandemic levels.
- **Vanpool**
  - Vanpool continues to a longer, slower path to recovery.
  - The budget for 2023 is estimated to be 32% higher than the current forecast for 2022.
  - Vanpool growth will be limited by the number of vans available and how quickly new vans can be ordered.
    - Severe supply chain issues are affecting the availability of new van purchases.
- **ARC**
  - ARC was slow to recover in 2022 with the forecast being 70% below the budget for the year.
  - Recent growth in ARC plus ARC's plans to increase their service levels in 2023 have led us to budget 2023 to return to the pre-pandemic levels of 2019.
- **CONNECT**
  - Connect service was first introduced in 2020 and initially grew slowly due to the service being started in the early phase of the COVID-19 pandemic.
  - The service grew much faster than anticipated in 2022.
    - Service in 2022 grew by 220% over the 2021 service levels.
  - High growth in this mode is expected to continue but will be at a slower pace through management of the service.
  - 2023 is being budgeted at 25% higher than the current forecast for 2022.



## Revenues

	Actual 2020	Actual 2021	Straight-Lined Forecast 2022	Budget 2022	2022F vs. 2022B	Proposed Budget 2023	2022B vs. 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%
<b>Operating Revenues</b>	<b>47,496,032</b>	<b>57,406,172</b>	<b>58,175,533</b>	<b>57,786,200</b>	<b>0.67%</b>	<b>59,038,518</b>	<b>2.17%</b>

- **Sales tax**

- Total sales tax 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%.
  - We believe that the 2% increase represents a conservative estimate given the general concerns of a potential recession.
- There are significant concerns of a recession starting soon, but sales tax collections through July 2022 (most current data available) continues to be strong.
- 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.
- Therefore, due to the overall economic uncertainty, a lower-than-normal sales tax growth rate of 2% will be used for 2023.

- **Grants**

- The remaining CARES/CRRSAA/ARP grant funding of \$13.3M will be used for Operations in 2023. This will fully utilize all the CARES-related grant funding awarded to BFT.
  - This will be lower than the grant funding of \$18.9M used in 2022.
- The new Washington State Transit Support Grant (TSG) is available, and year 1 funding will be just under \$1.4M.

- **Fares (all modes excluding Vanpool)**

- BFT is nearly complete with a full update of the fare and rate structures for all modes.
  - The final fare structure will not be completed in 2022.
- Fares for Fixed Route and Dial-A-Ride are expected to be reduced drastically.
  - Low fares are desired to give back and support the community.
  - Low fares are intended to accelerate ridership growth.
  - Low fares will be targeted to cover the cost of new fare collection technology of around \$500,000 per year.

- Vanpool.
  - Fares for Vanpool are estimated to be \$1M, or about 43% higher than the current 2022 forecast of \$700,000.
  - Vanpool continues a slower recovery but has increased recently with the surge in fuel prices.
  - The Vanpool Fare Structure is being simplified with the goal of maintaining roughly the same revenue level.



## 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

	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%
<b>Total Labor</b>	<b>26,332,926</b>	<b>32,802,200</b>	<b>34,485,878</b>	<b>40,427,800</b>	<b>39,122,827</b>	<b>(1,304,973)</b>	<b>-3.23%</b>
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%
<b>Total Non-Labor</b>	<b>10,535,788</b>	<b>15,709,082</b>	<b>14,542,491</b>	<b>17,358,400</b>	<b>19,915,691</b>	<b>2,557,291</b>	<b>14.73%</b>
<b>Operating Expenses Total</b>	<b>36,868,714</b>	<b>48,511,282</b>	<b>49,028,370</b>	<b>57,786,200</b>	<b>59,038,518</b>	<b>1,252,318</b>	<b>2.17%</b>

### Expense Summary by Department Cost

	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%
<b>Directly Operated Transportation</b>	<b>27,712,456</b>	<b>33,839,444</b>	<b>35,298,944</b>	<b>41,480,970</b>	<b>42,440,976</b>	<b>960,006</b>	<b>2.31%</b>
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%
<b>Purchased Transportation</b>	<b>1,358,667</b>	<b>3,523,400</b>	<b>3,093,280</b>	<b>3,187,600</b>	<b>4,297,315</b>	<b>1,109,715</b>	<b>34.81%</b>
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%
<b>Administration</b>	<b>7,797,591</b>	<b>11,148,438</b>	<b>10,636,145</b>	<b>13,117,630</b>	<b>12,300,227</b>	<b>(817,403)</b>	<b>-6.23%</b>
<b>Total Operating Expenditures</b>	<b>36,868,714</b>	<b>48,511,282</b>	<b>49,028,370</b>	<b>57,786,200</b>	<b>59,038,518</b>	<b>1,252,318</b>	<b>2.17%</b>

The following is a review of the significant changes or events impacting each of the various major classifications of expenses.

## Labor

	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
<b>Total Workforce</b>	<b>427.0</b>	<b>9.0</b>	<b>436.0</b>	<b>(18.0)</b>	<b>418.0</b>	<b>-</b>	<b>418.0</b>

- Total Labor is budgeted to decrease by \$1.3M.
- Total positions are being reduced by 18 (4%), going from 436 to 418.
  - No permanent BFT staff are being terminated to accomplish this. This comes through the elimination of LTD positions and the elimination of certain positions that are currently open.
  - Headcount for General Demand is being combined with Dial-A-Ride as a result of a department realignment.
- No new headcount is being requested for 2023.
  - A request to increase headcount may be necessary in 2023 as the level of Hanford service becomes better defined and becomes larger than an initial test program.
- 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).
    - This 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.
- Represented staff will receive COLA and step increases in accordance with the negotiated contracts.
  - COLAs range from 2% - 3.5% depending on when each contract was previously negotiated.

## Outside Professional Services

- Budgeted services are going down by \$500,000, or 11% lower than the 2022 Budget.
- A few 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.

- Other projects/services that were budgeted in 2022 that will not be budgeted in 2023 include:
  - Gallup annual employee survey. This will be brought in-house for 2023.
  - Agency-wide Franklin Covey Training. This training will be re-evaluated in 2023.
  - Records management will be deferred and addressed as part of the overall EBS system evaluation and potential upgrade or simply deferred until 2024.
- New projects/initiatives that are being added in 2023 include:
  - Strategic planning for both short-term (next 5 years) and longer-range planning (5 – 20 years) will be started in 2023 at an estimated cost of \$175,000.
  - Development of a data dashboard and reporting capability. Advanced technical expertise is needed to assist with the initial coding and development of a data dashboard, including data analysis and is budgeted for an estimated \$100,000.
  - Support from a marketing consultant budgeted at \$50,000. With the reduction in marketing staff, this service will augment existing staff with skills needed, but not necessarily on a full-time basis.

## Fuel

- Budgeted fuel and lubricants are estimated to increase by \$1.5M, or 40%.
- Budgeted fuel prices are based on the October 12, 2022 Short-Term fuel price forecast as published by the *U.S. Energy Information Administration* plus 5% for potential additional volatility.
- Analysis of budgeted price per gallon is below:

	2022		
	2022 Budget	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%

- This results in a fuel price approximately 41% higher compared to the 2022 budget.
- This results in a budgeted fuel cost 12% higher than the average actual cost over the 3-month period of July – September 2022.

## Tires & Tubes

- Immaterial budget change of \$10,000 is anticipated. Savings from decreased expected mileage is offset by expected price increases.

## Materials & Supplies (includes Software)

- Materials & Supplies is budgeted to increase by \$500,000, or 16%. This is primarily due to increases in the following two items.
  - \$233,000 increase for parts costs and collision repairs. Supply chain and general inflation has dramatically increased the cost of parts and materials.
  - \$300,000 due to software increases – this includes full year licenses for software acquired in 2022 along with increased software costs due to increases in usage as well as license fees.

## Utilities

- Utilities are expected to decrease slightly in 2023 primarily due to the demolition of the existing Operations building. Staff from this facility will be assigned to other buildings, which will put more of a load on those facilities. Overall, a slight reduction is expected during 2023.

## Insurance

- Insurance is budgeted to go down by \$165,000, or 13%, for 2023.
- This is primarily driven by a reduced budgeted number of miles for Vanpool.
  - The 2022 budgeted miles for vanpool ended up being much higher than actual.
  - The 2023 budget is more in line with the forecast for 2022 with moderate growth that can be supported.

## Contracted Services

- Contracted services are for BFT to acquire additional service through the Connect provider as well as the contract with ARC.
- ARC is expected to remain flat when comparing the 2023 budget to the 2022 budget.
  - ARC is running under budget for 2022.
  - The budget for 2023 represents a decrease of approximately 7% compared to the 2022 budget.
- Connect services continue to be extremely popular.
  - The forecast for 2023 is to be more than double the budgeted amount for 2022.
  - The 2023 budget represents a growth of 25% over the 2022 forecast.

## Rentals (which includes facility and equipment leases)

- Rentals are relatively immaterial and are budgeted to decrease by \$71,000, or 46%, going from \$155,000 in the 2022 budget to \$84,000 in the 2023 budget.
- This is primarily due to no longer leasing space in Prosser as well as several pieces of office equipment coming off leases in 2022 that will not be renewed in 2023.

## Miscellaneous

Miscellaneous includes a wide variety of expenses such as travel, training, telecommunications, dues, subscriptions, relocation, employee appreciation, etc.

- Miscellaneous is budgeted to increase by \$290,000, going from \$1.0M to \$1.3M.
- Primary reason for increase is anticipated relocation expenses expected in 2023 that was not budgeted in 2022 (\$80,000) due to vacancies in key management positions.
  - Several key management positions are currently vacant that need to get filled.
- Increase in travel and training (none done in 2020, 2021 and minimal budgeted in 2022)

## Capital Improvement Plan and Capital Budget

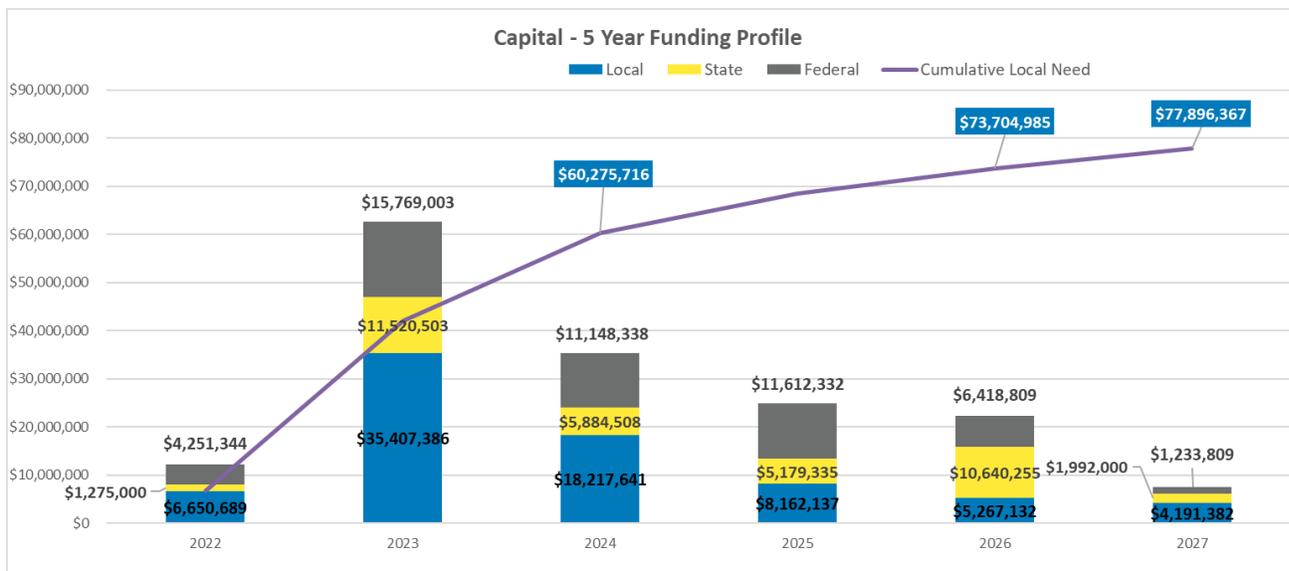
The Capital Improvement Plan (CIP) for 2022 – 2027 was approved by the Board of Directors in December 2021 and revised November 2022 with project values totaling \$165,017,566 and an approved budget of \$95,484,005.

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:

	<b>Project Value</b>	<b>Budget</b>
November 2022 Board Approved CIP	\$165,017,566	\$95,484,005
<b>Proposed Changes</b>		
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
<b>Net Change</b>	<b>\$10,302,732</b>	<b>\$33,610,465</b>
<b>Proposed 2023 Capital Budget</b>	<b>\$175,320,298</b>	<b>\$129,094,470</b>

The table below shows the five-year projected capital needs by funding source.



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

				Current Project Value	Current Approved Budget	Proposed Project Value Change	Proposed Budget Change	Adjusted Project Value	Adjusted Budget
<b>Fleet</b>									
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
<b>Fleet Totals</b>				<b>\$29,244,404</b>	<b>\$11,901,539</b>	<b>\$9,670,107</b>	<b>\$19,202,449</b>	<b>\$38,914,511</b>	<b>\$31,103,988</b>
<b>Facilities</b>									
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
<b>Facilities Totals</b>				<b>\$23,366,161</b>	<b>\$10,159,851</b>	<b>\$0</b>	<b>\$7,692,267</b>	<b>\$23,366,161</b>	<b>\$17,852,118</b>
<b>Equipment</b>									
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
<b>Equipment Totals</b>				<b>\$1,442,000</b>	<b>\$1,442,000</b>	<b>(\$339,675)</b>	<b>(\$339,675)</b>	<b>\$1,102,325</b>	<b>\$1,102,325</b>
<b>Transit Technologies</b>									
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
<b>Transit Technology Totals</b>				<b>\$4,383,551</b>	<b>\$1,886,865</b>	<b>\$0</b>	<b>\$2,280,424</b>	<b>\$4,383,551</b>	<b>\$4,167,289</b>
<b>Other</b>									
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
<b>Other Totals</b>				<b>\$3,027,700</b>	<b>\$225,000</b>	<b>\$972,300</b>	<b>\$3,775,000</b>	<b>\$4,000,000</b>	<b>\$4,000,000</b>
<b>MOA Campus</b>									
FAC0005	Campus Improvements			\$2,290,000	\$1,090,000	\$0	\$1,000,000	\$2,290,000	\$2,090,000
<b>MOA Totals</b>				<b>\$2,290,000</b>	<b>\$1,090,000</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$2,290,000</b>	<b>\$2,090,000</b>
<b>CIP Totals for Items with Changes</b>						<b>\$10,302,732</b>	<b>\$33,610,465</b>		
<b>Projects Being Removed</b>						<b>(\$11,080,400)</b>	<b>(\$5,111,250)</b>		
<b>Completed Projects Removed</b>						<b>(\$1,000,000)</b>	<b>(\$1,000,000)</b>		
<b>New Project Additions</b>						<b>\$0</b>	<b>\$0</b>		
<b>Project Increases for Existing Projects</b>						<b>\$22,383,132</b>	<b>\$39,721,715</b>		
<b>Net Change</b>						<b>\$10,302,732</b>	<b>\$33,610,465</b>		

## 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 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 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, 22<sup>nd</sup> 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

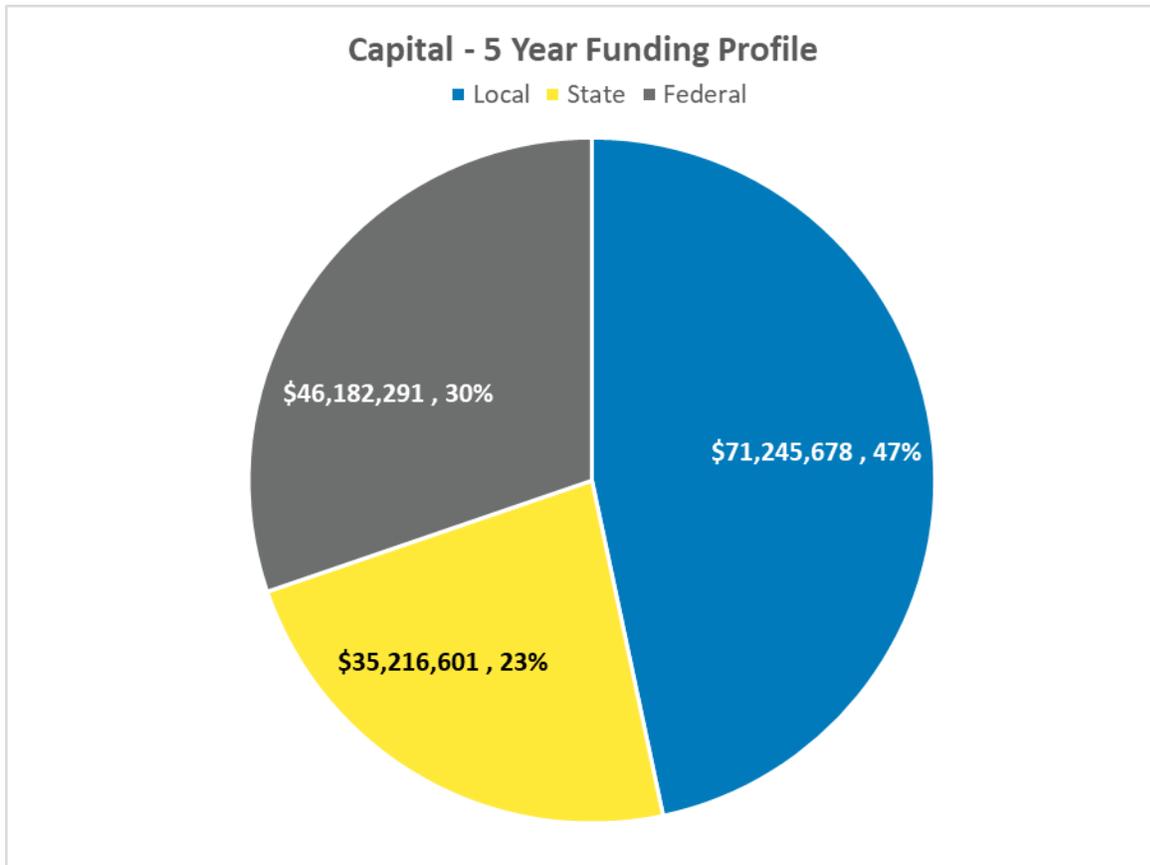
procurement and implementation of hardware and software for fare a ridership data collection technology.

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.

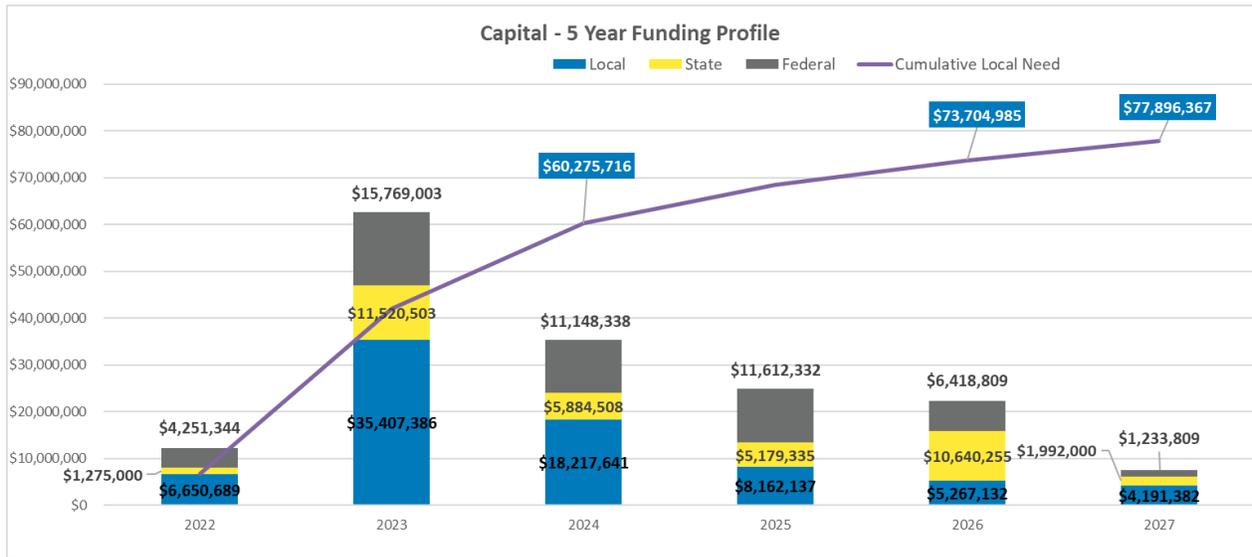
### Capital Project Funding

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 to build projects or issue bonds for funding. As such, adequate cash reserves must be maintained in advance of projects starting to ensure they can be funded and completed.

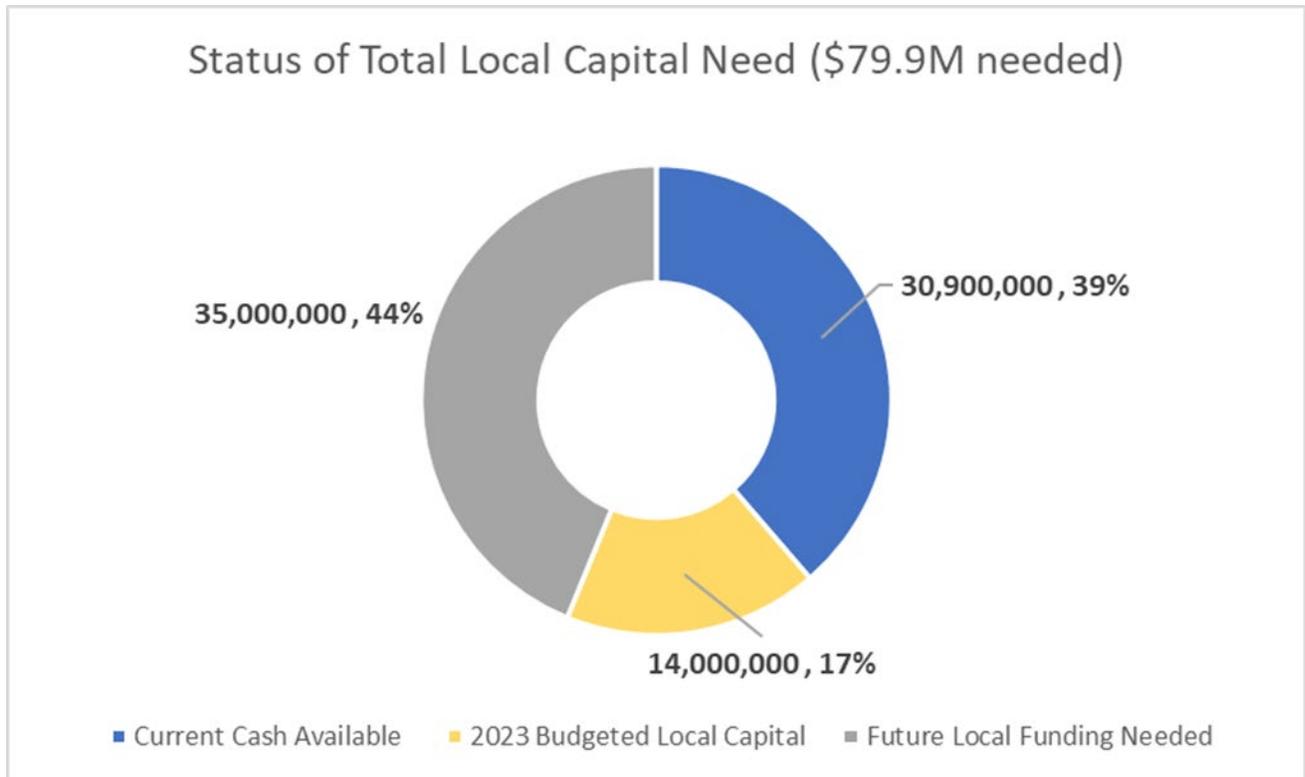
For projects anticipated over the next five are estimated to be funded as follows:



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.



## Supplemental Charts and Tables

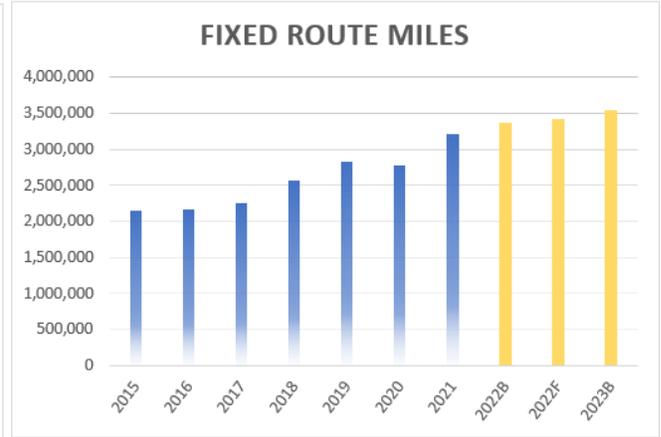
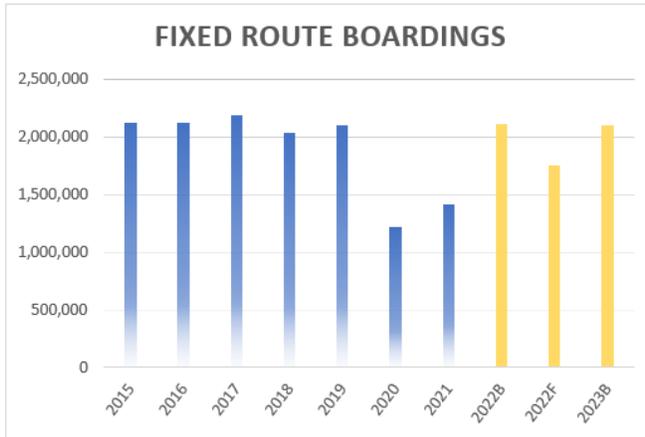
### Service Levels

The following tables shows the historical and budgeted 2023 levels of service by mode.

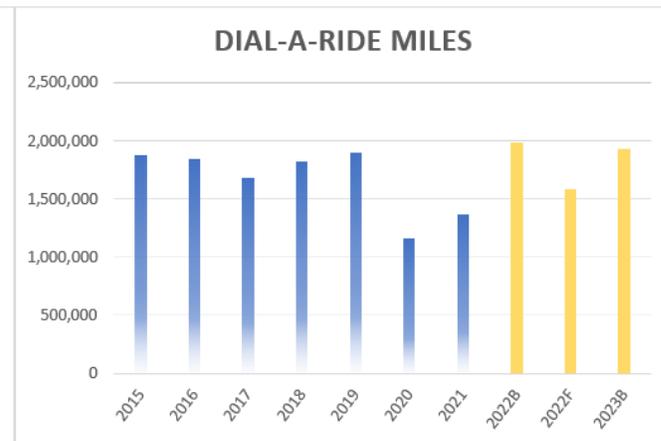
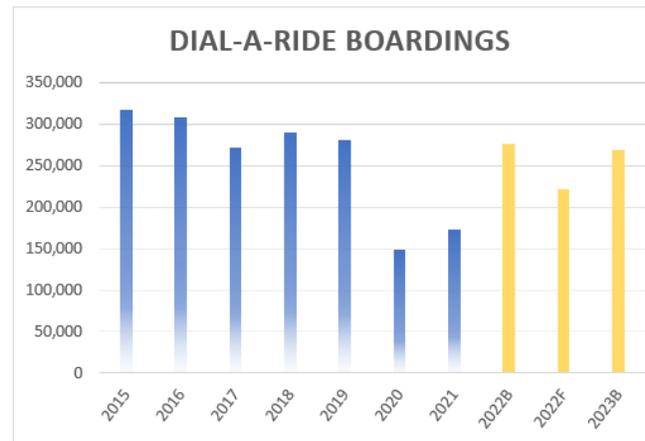
	2019	2020	2021	2022B	2022F	2022B Variance	2023B	Var. to 2022F	Var. to 2022B
<b>Fixed Route</b>									
Miles	2,822,681	2,770,116	3,205,722	3,368,000	3,421,000	1.6%	<b>3,532,000</b>	3.2%	4.9%
Hours	179,227	176,010	200,426	214,000	217,000	1.4%	<b>223,000</b>	2.8%	4.2%
Boardings	2,096,572	1,218,177	1,415,305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

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

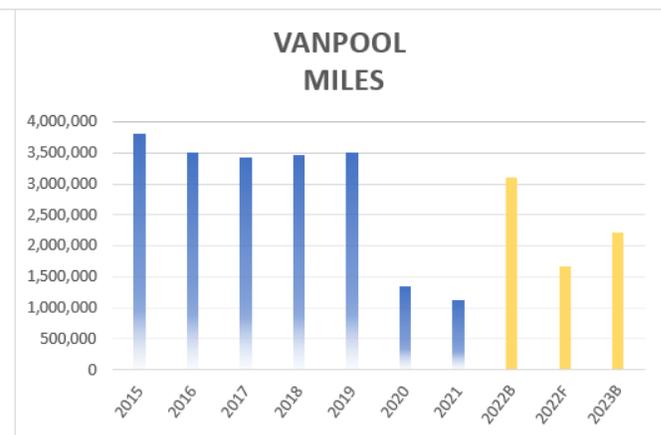
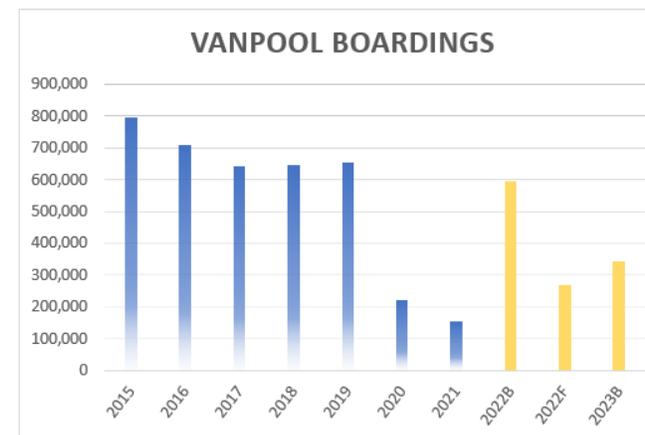
	Fixed Route										% Change	
	2015	2016	2017	2018	2019	2020	2021	2022B	2022F	2023B	to 2022F	to 2022B
<b>Boardings</b>	2,120,371	2,120,371	2,184,099	2,032,773	2,096,572	1,218,177	1,415,305	2,113,000	1,754,000	2,099,000	20%	-1%
<b>Miles</b>	2,148,656	2,161,030	2,245,140	2,558,423	2,822,681	2,770,116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



	Dial-A-Ride										% Change	
	2015	2016	2017	2018	2019	2020	2021	2022B	2022F	2023F	to 2022F	to 2022B
<b>Boardings</b>	317,079	308,165	271,790	289,563	280,766	148,200	173,407	276,000	221,000	269,000	22%	-3%
<b>Miles</b>	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										% Change	
	2015	2016	2017	2018	2019	2020	2021	2022B	2022F	2023F	to 2022F	to 2022B
<b>Boardings</b>	794,579	709,319	643,216	646,186	652,803	221,933	153,560	595,000	268,000	344,000	28%	-42%
<b>Miles</b>	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%

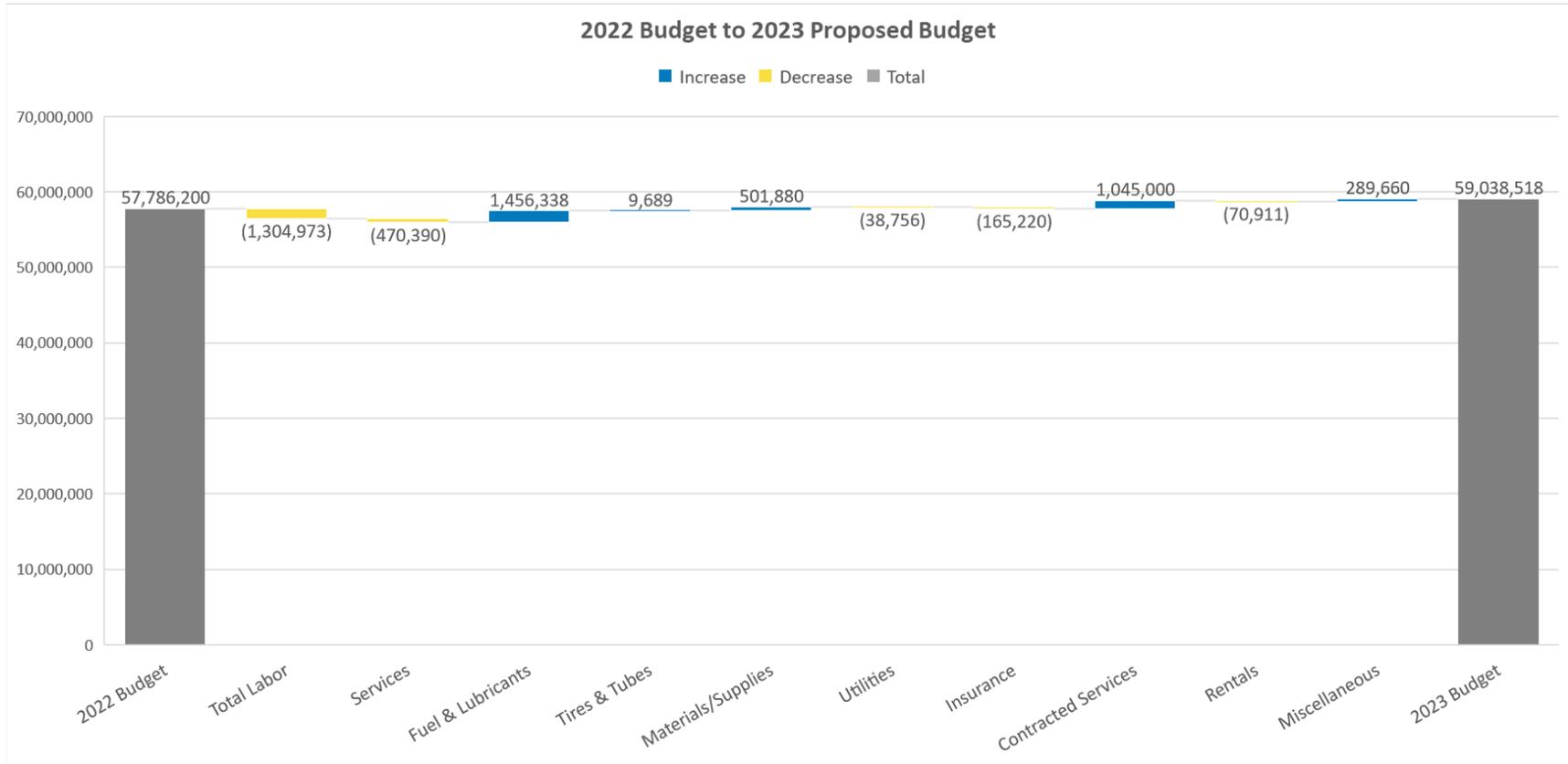


## Revenue & Expense Totals

	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%
<b>Operating Revenues</b>	<b>47,496,032</b>	<b>57,406,172</b>	<b>58,175,533</b>	<b>57,786,200</b>	<b>0.67%</b>	<b>59,038,518</b>	<b>2.17%</b>
<b>Total Labor</b>	<b>30,315,209</b>	<b>26,332,926</b>	<b>34,485,878</b>	<b>40,427,800</b>	<b>-14.70%</b>	<b>39,122,827</b>	<b>-3.23%</b>
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%
<b>Total Non-Labor</b>	<b>9,707,268</b>	<b>10,535,788</b>	<b>14,542,491</b>	<b>17,358,400</b>	<b>-16.22%</b>	<b>19,915,691</b>	<b>14.73%</b>
<b>Operating Expenses Total</b>	<b>40,022,477</b>	<b>36,868,714</b>	<b>49,028,370</b>	<b>57,786,200</b>	<b>-15.16%</b>	<b>59,038,518</b>	<b>2.17%</b>
<b>Operating Revenue Over/(Under)</b>	<b>7,473,555</b>	<b>20,537,458</b>	<b>9,147,163</b>	<b>0</b>		<b>0</b>	

## Budget Changes by Cost Type

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

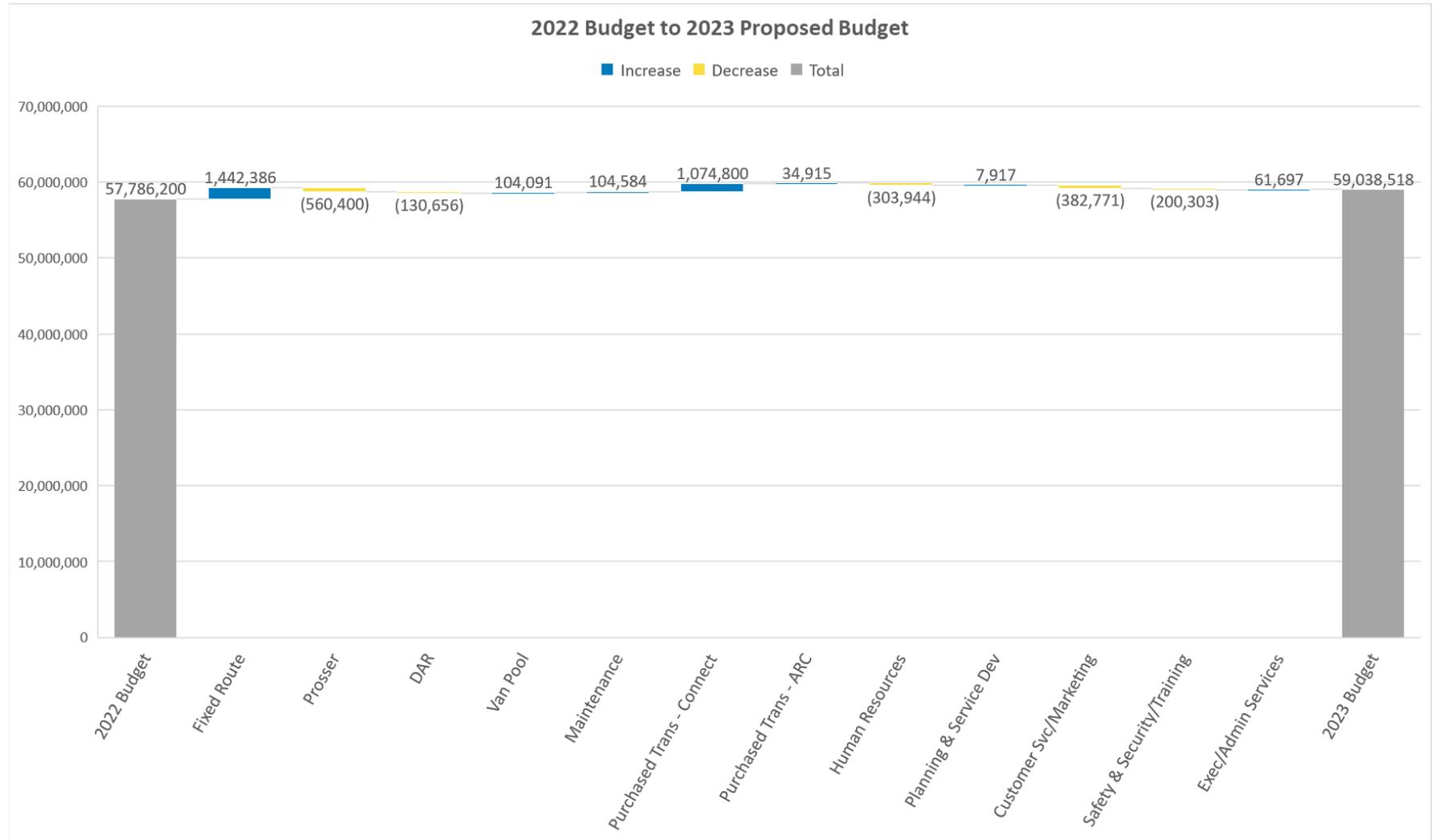


## Expense Totals by Department/Function

	Actual 2020	Actual 2021	Straight-Lined Forecast 2022	Budget 2022	Proposed Budget 2023	Change 2023B to 2022B	Change % 2023B to 2022B
Fixed Route	15,849,726	15,849,389	20,155,430	22,073,300	23,515,686	1,442,386	6.53%
Prosser	415,921	330,969	348,455	560,400	-	(560,400)	-100.00%
DAR	9,908,338	8,351,376	10,335,078	13,654,170	13,523,514	(130,656)	-0.96%
Vanpool	1,423,301	1,075,103	1,020,323	1,680,200	1,784,291	104,091	6.20%
Maintenance	1,912,185	2,105,619	3,439,658	3,512,900	3,617,484	104,584	2.98%
<b>Directly Operated Transportation</b>	<b>29,509,472</b>	<b>27,712,456</b>	<b>35,298,944</b>	<b>41,480,970</b>	<b>42,440,976</b>	<b>960,006</b>	<b>2.31%</b>
Purchased Transportation - Connect			2,354,673	1,700,000	2,774,800	1,074,800	63.22%
Purchased Transportation - ARC	705,310	1,358,667	738,608	1,487,600	1,522,515	34,915	2.35%
<b>Purchased Transportation</b>	<b>705,310</b>	<b>1,358,667</b>	<b>3,093,280</b>	<b>3,187,600</b>	<b>4,297,315</b>	<b>1,109,715</b>	<b>34.81%</b>
Human Resources	1,520,757	1,790,461	2,151,421	2,131,900	1,827,956	(303,944)	-14.26%
Planning & Service Development	863,225	883,923	1,110,779	1,572,300	1,580,217	7,917	0.50%
Customer Service/Marketing	1,326,236	1,287,947	1,489,884	2,321,330	1,938,559	(382,771)	-16.49%
Safety & Security/Training	1,169,029	874,299	933,008	1,270,700	1,070,397	(200,303)	-15.76%
Executive/Administrative Services	4,928,448	2,960,962	4,951,053	5,821,400	5,883,097	61,697	1.06%
<b>Administration</b>	<b>9,807,695</b>	<b>7,797,591</b>	<b>10,636,145</b>	<b>13,117,630</b>	<b>12,300,227</b>	<b>(817,403)</b>	<b>-6.23%</b>
<b>Total Operating Expenditures</b>	<b>40,022,477</b>	<b>36,868,714</b>	<b>49,028,370</b>	<b>57,786,200</b>	<b>59,038,518</b>	<b>1,252,318</b>	<b>2.17%</b>

## Budget Changes by Department Cost

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



## Cost Efficiencies

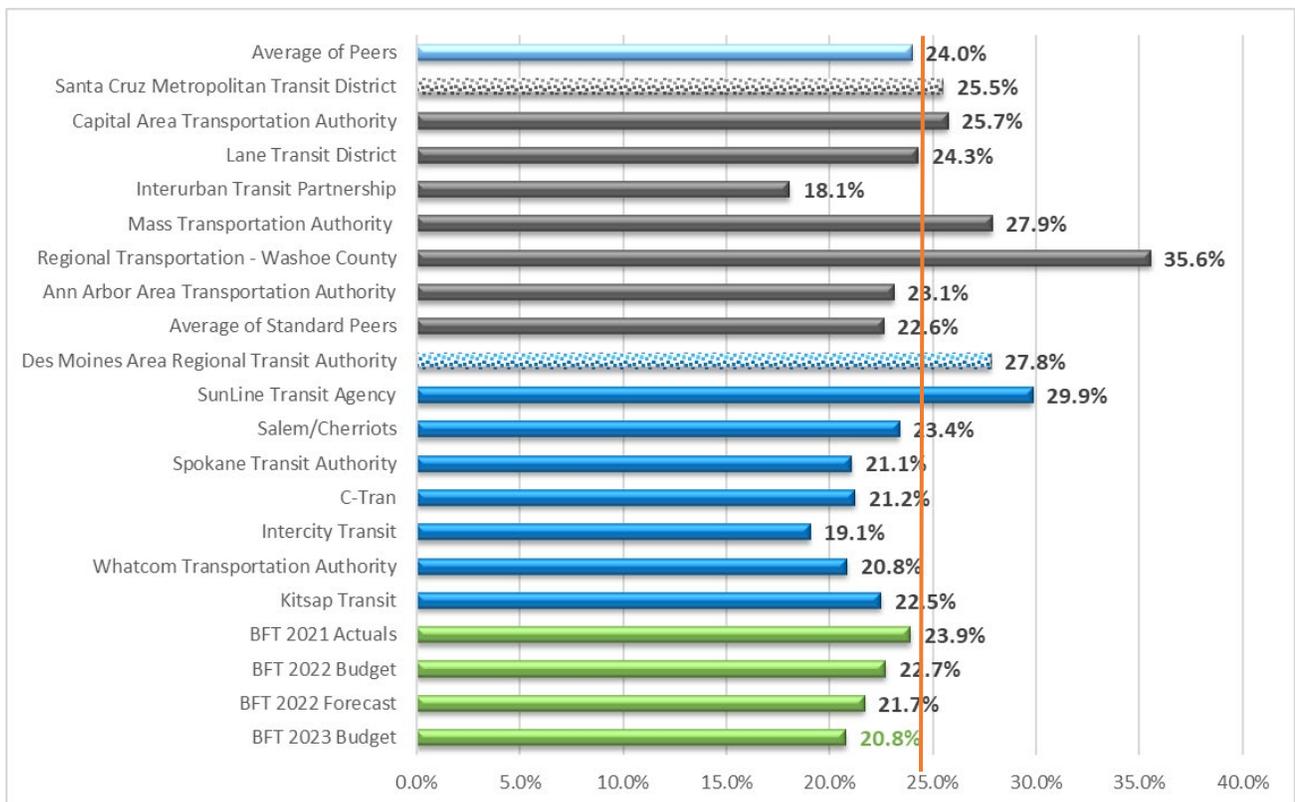
### Administrative Expense Ratio

The chart below compares BFT Administrative Expense Ratio to its peers. This illustrates the percentage of expenses spent on “Administrative” expenses and defined by the Federal Transit Authority (FTA). All transits are required to following this format.

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.



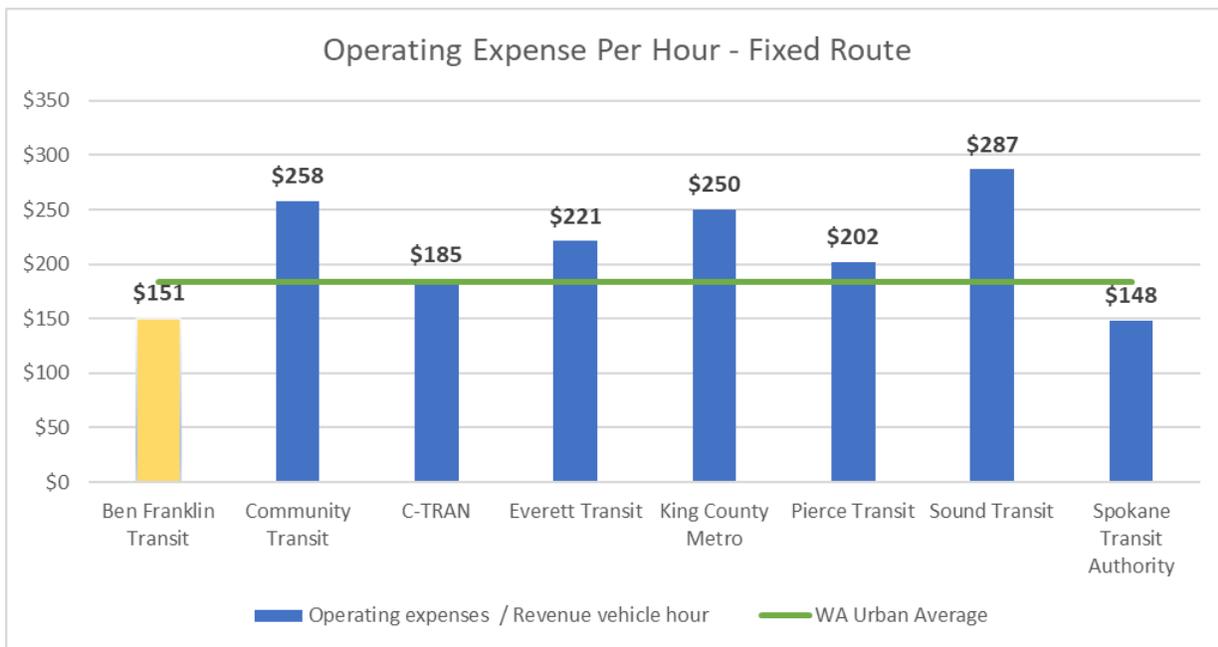
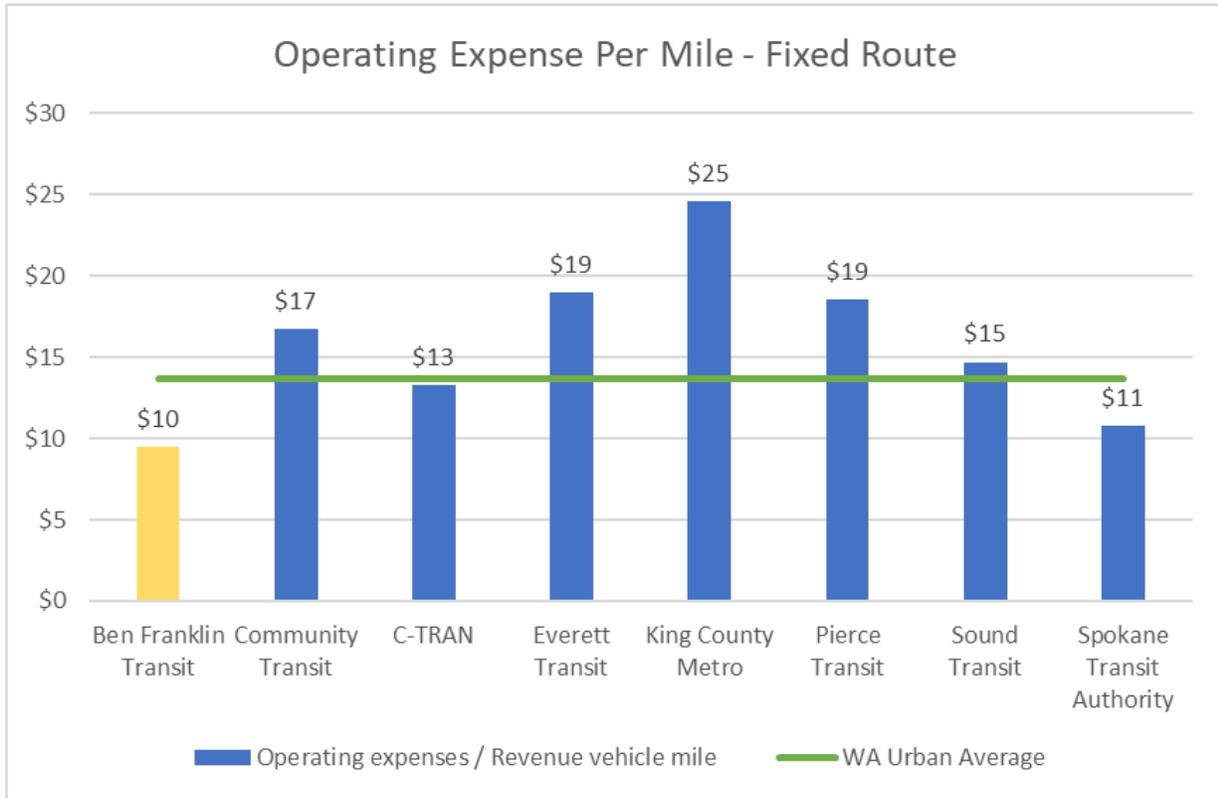
## Cost Per Mile and Cost Per Revenue Hour

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.

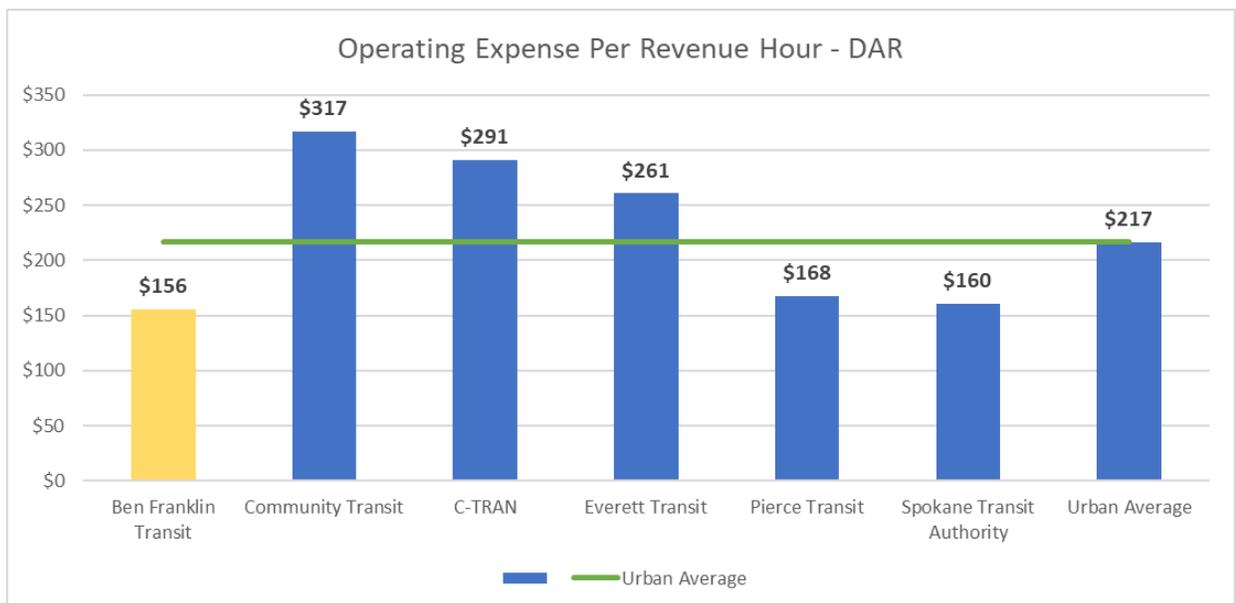
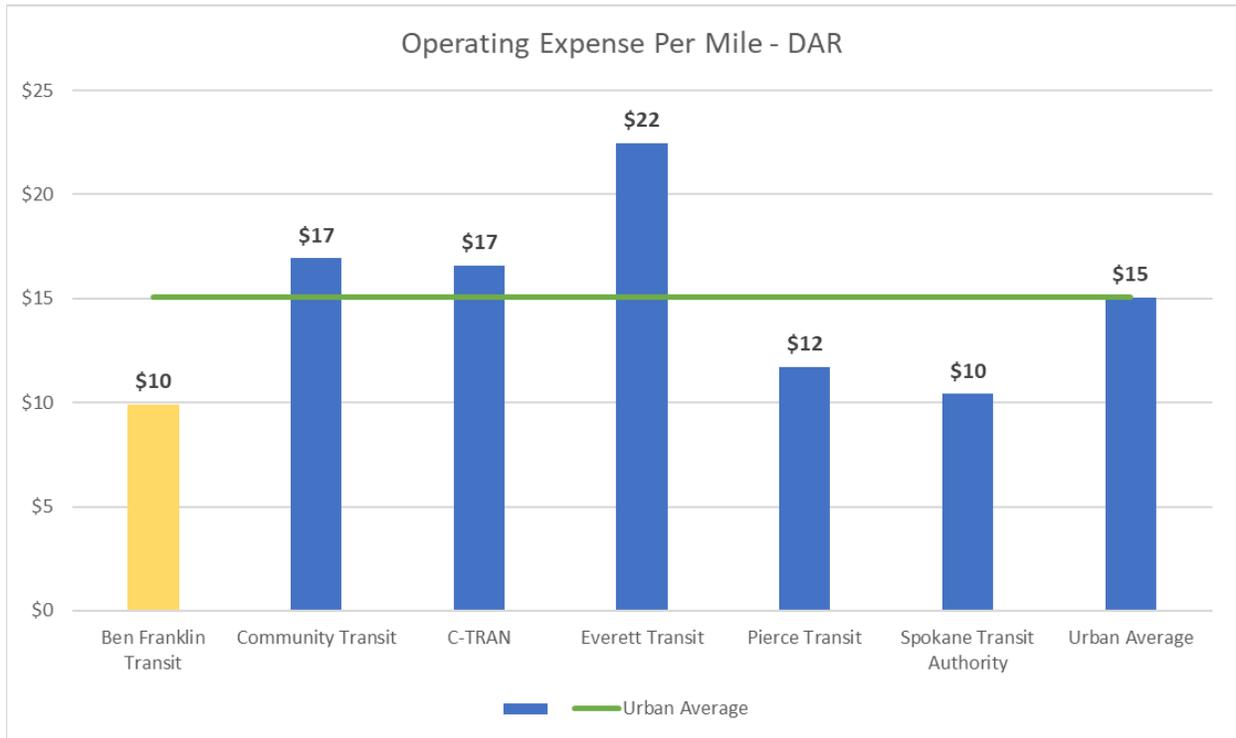
The following charts compare BFT’s operating costs to the operating costs of comparable larger agencies in the state. It should be noted that for purposes of this comparison, the costs for BFT are the budgeted costs for 2023. The data for the other transits represents their 2020 actuals, which is the most current data available and have 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

