



# BEN FRANKLIN TRANSIT

Proposed 2024 Operating and Capital Budgets  
Board of Directors Meeting  
November 9, 2023

CUSTOMER SATISFACTION – COLLABORATION – DIVERSITY  
FISCAL ACCOUNTABILITY – INNOVATION – SUSTAINABILITY - SAFETY



## 2024 Budget Review Process

- November 1, 2023 – Preliminary review with Vice-Chair Bloom and Director Becken
- November 2, 2023 – Executive Committee Meeting
- November 3, 2023 – Release for public comment
  - Releasing on Friday, November 3, 2023 allows for public comment before December 14, 2023 Board meeting
- • November 9, 2023 – Board meeting
  - Briefly review budget PowerPoint with Board
  - Allow Board to make any initial comments or questions
- November 3 – 22, 2023 – Questions/Discussions with BFT management
  - Allow/encourage any Board member to reach out to BFT management to discuss the budget or ask questions
- November 22, 2023 – Finalize budget documents
- December 14, 2023 – Board meeting to approve
  - Allow for public comment
  - Vote on Budget



# 2024 Service Levels

|                             | 2019      | 2020      | 2021      | 2022      | 2023B     | 2023F     | 2023B<br>Variance | 2024B     | Var. to<br>2023F | Var. to<br>2023B | Var. to<br>2022 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------|-----------|------------------|------------------|-----------------|
| <b>Fixed Route</b>          |           |           |           |           |           |           |                   |           |                  |                  |                 |
| Hours                       | 179,227   | 176,010   | 198,901   | 215,815   | 223,000   | 220,156   | -1.3%             | 231,000   | 4.9%             | 3.6%             | 7.0%            |
| Miles                       | 2,822,681 | 2,770,116 | 3,206,006 | 3,456,000 | 3,532,000 | 3,499,247 | -0.9%             | 3,600,000 | 2.9%             | 1.9%             | 4.2%            |
| Boardings                   | 2,096,572 | 1,218,177 | 1,415,305 | 1,781,820 | 2,099,000 | 2,458,712 | 17.1%             | 2,700,000 | 9.8%             | 28.6%            | 51.5%           |
| <b>Dial-A-Ride</b>          |           |           |           |           |           |           |                   |           |                  |                  |                 |
| Hours                       | 123,218   | 73,874    | 80,753    | 98,987    | 123,000   | 102,674   | -16.5%            | 108,000   | 5.2%             | -12.2%           | 9.1%            |
| Miles                       | 1,997,250 | 1,213,395 | 1,371,557 | 1,576,845 | 1,933,000 | 1,713,307 | -11.4%            | 1,800,000 | 5.1%             | -6.9%            | 14.2%           |
| Boardings                   | 299,448   | 153,730   | 173,635   | 217,968   | 269,000   | 233,047   | -13.4%            | 250,000   | 7.3%             | -7.1%            | 14.7%           |
| <b>Vanpool</b>              |           |           |           |           |           |           |                   |           |                  |                  |                 |
| Hours                       | 80,007    | 29,780    | 24,540    | 34,474    | 52,500    | 41,409    | -21.1%            | 53,000    | 28.0%            | 1.0%             | 53.7%           |
| Miles                       | 3,501,627 | 1,345,780 | 1,128,453 | 1,495,493 | 2,215,000 | 1,837,257 | -17.1%            | 2,300,000 | 25.2%            | 3.8%             | 53.8%           |
| Boardings                   | 652,803   | 221,933   | 153,560   | 244,427   | 344,000   | 301,173   | -12.4%            | 370,000   | 22.9%            | 7.6%             | 51.4%           |
| <b>ARC (Contracted)</b>     |           |           |           |           |           |           |                   |           |                  |                  |                 |
| Hours                       | 13,654    | 2,661     | 2,293     | 5,037     | 14,000    | 8,925     | -36.2%            | 14,000    | 56.9%            | 0.0%             | 177.9%          |
| Miles                       | 197,999   | 43,940    | 52,515    | 98,925    | 223,000   | 154,417   | -30.8%            | 200,000   | 29.5%            | -10.3%           | 102.2%          |
| Boardings                   | 77,825    | 13,674    | 18,318    | 35,585    | 78,000    | 48,727    | -37.5%            | 80,000    | 64.2%            | 2.6%             | 124.8%          |
| <b>Connect (Contracted)</b> |           |           |           |           |           |           |                   |           |                  |                  |                 |
| Hours                       | 0         | 8,242     | 19,336    | 46,104    | 61,000    | 49,916    | -18.2%            | 56,000    | 12.2%            | -8.2%            | 21.5%           |
| Miles                       | 0         | 153,730   | 433,438   | 1,004,643 | 1,138,000 | 984,043   | -13.5%            | 1,100,000 | 11.8%            | -3.3%            | 9.5%            |
| Boardings                   | 0         | 5,989     | 44,655    | 123,697   | 205,000   | 133,494   | -34.9%            | 210,000   | 57.3%            | 2.4%             | 69.8%           |

- Increase to Fixed Route inline with Service Expansion
- Vanpool growth with new vehicles
- ARC full recovery to 2019 levels



# 2024 Budget Overview

- Service – modest changes for 2024
- Revenue
  - Budgeting lower than historical sales tax growth to be conservative amid ongoing recession concerns (2.5% over 2023 forecast)
- Labor
  - Labor is single biggest expense in budget
  - Budgeted positions remain at 418
- Expenses
  - High inflation continues, fuel prices continue to increase
  - Cost management measures in place
- Capital Plan execution
  - Requesting budget authority for existing projects and Mechanical Overhauls to extend Fleet useful life
  - Updating prices for existing projects

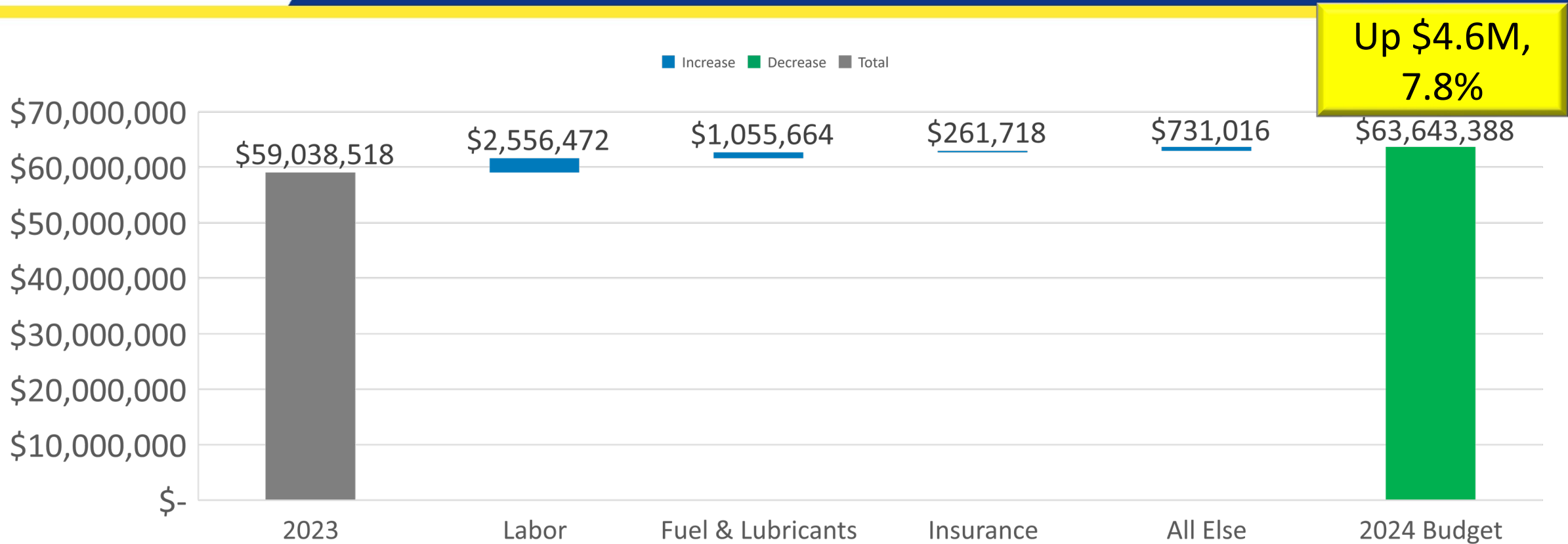


# 2024 Budget Overview

|                                     | Total                | Operating            | Capital              |
|-------------------------------------|----------------------|----------------------|----------------------|
| <b>Revenues:</b>                    |                      |                      |                      |
| Contracted Services Fares           | \$ 1,225,000         | \$ 1,225,000         | \$ -                 |
| Sales Tax Revenue                   | 53,164,000           | 43,809,548           | 9,354,452            |
| Miscellaneous                       | 1,808,840            | 1,808,840            | -                    |
| <b>Total Local</b>                  | <b>56,197,840</b>    | <b>46,843,388</b>    | <b>9,354,452</b>     |
| <b>Total State</b>                  | <b>13,432,966</b>    | <b>7,000,000</b>     | <b>6,432,966</b>     |
| Federal Grants                      | 16,668,557           | 9,800,000            | 6,868,557            |
| CARES/CRRSSA/ARP Grants             | -                    | -                    | -                    |
| <b>Total Federal</b>                | <b>16,668,557</b>    | <b>9,800,000</b>     | <b>6,868,557</b>     |
| <b>Total Revenues</b>               | <b>\$ 86,299,363</b> | <b>\$ 63,643,388</b> | <b>\$ 22,655,975</b> |
| <b>Expenditures:</b>                |                      |                      |                      |
| Fixed Route                         | \$ 25,532,578        | \$ 25,532,578        | \$ -                 |
| DAR                                 | 13,759,157           | 13,759,157           | -                    |
| Van Pool                            | 1,900,209            | 1,900,209            | -                    |
| Maintenance                         | 4,029,968            | 4,029,968            | -                    |
| Purchased Transportation - VIA      | 3,123,468            | 3,123,468            | -                    |
| Purchased Transportation - ARC      | 1,206,280            | 1,206,280            | -                    |
| Human Resources                     | 2,290,034            | 2,290,034            | -                    |
| Planning & Service Development      | 1,878,083            | 1,878,083            | -                    |
| Customer Service/Marketing          | 2,119,687            | 2,119,687            | -                    |
| Safety& Security/Training           | 967,295              | 967,295              | -                    |
| Executive/Administrative Services   | 6,836,629            | 6,836,629            | -                    |
| <b>Total Operating Expenditures</b> | <b>63,643,388</b>    | <b>63,643,388</b>    | <b>-</b>             |
| Fleet Program                       | 15,628,720           | -                    | 15,628,720           |
| Facilities Program                  | 4,645,642            | -                    | 4,645,642            |
| Transit Technologies Program        | 2,234,348            | -                    | 2,234,348            |
| Other                               | 147,265              | -                    | 147,265              |
| <b>Total Capital Expenditures</b>   | <b>22,655,975</b>    | <b>-</b>             | <b>22,655,975</b>    |
| <b>Total Expenditures</b>           | <b>\$ 86,299,363</b> | <b>\$ 63,643,388</b> | <b>\$ 22,655,975</b> |



# 2024 Budget vs 2023 Budget - Summary



- Labor and benefits increased by \$2.6M (6.5%)
- Fuel increased cost combined with service expansion
- All other expenses increased by \$1M
- Net increase of \$4.6M



# 2024 Operating Expense by Cost Type

|                                 | Actual<br>2022    | Budget<br>2022    | Straight-Lined<br>Forecast<br>2023 | Budget<br>2023    | Budget<br>2024    | Variance 2024B<br>vs. 2023B | Variance %   |
|---------------------------------|-------------------|-------------------|------------------------------------|-------------------|-------------------|-----------------------------|--------------|
| Salaries & Wages                | 20,461,434        | 25,953,100        | 21,159,167                         | 25,119,316        | 27,864,461        | 2,745,145                   | 10.9%        |
| Benefits                        | 10,197,429        | 14,474,700        | 11,578,988                         | 14,003,511        | 13,814,838        | (188,673)                   | -1.3%        |
| <b>Total Labor</b>              | <b>30,658,863</b> | <b>40,427,800</b> | <b>32,738,155</b>                  | <b>39,122,827</b> | <b>41,679,299</b> | <b>2,556,472</b>            | <b>6.5%</b>  |
| Services                        | 2,909,349         | 4,431,000         | 2,694,827                          | 3,960,610         | 4,498,110         | 537,500                     | 13.6%        |
| Fuel & Lubricants               | 4,183,470         | 3,639,300         | 4,077,736                          | 5,095,638         | 6,151,303         | 1,055,665                   | 20.7%        |
| Tires & Tubes                   | 284,875           | 300,400           | 282,031                            | 310,089           | 322,031           | 11,942                      | 3.9%         |
| Materials/Supplies              | 2,871,606         | 3,104,900         | 3,150,379                          | 3,606,780         | 3,726,780         | 120,000                     | 3.3%         |
| Utilities                       | 453,246           | 448,700           | 373,438                            | 409,944           | 410,764           | 820                         | 0.2%         |
| Insurance                       | 776,988           | 1,307,100         | 1,141,880                          | 1,141,880         | 1,403,598         | 261,718                     | 22.9%        |
| Contracted Services             | 2,663,081         | 2,950,000         | 3,772,986                          | 3,995,000         | 4,043,441         | 48,441                      | 1.2%         |
| Rentals                         | 41,319            | 155,100           | 240,668                            | 84,189            | 245,481           | 161,292                     | 191.6%       |
| Miscellaneous                   | 505,090           | 1,021,900         | 757,596                            | 1,311,561         | 1,162,581         | (148,980)                   | -11.4%       |
| <b>Total Non-Labor</b>          | <b>14,689,024</b> | <b>17,358,400</b> | <b>16,491,541</b>                  | <b>19,915,691</b> | <b>21,964,089</b> | <b>2,048,398</b>            | <b>10.3%</b> |
| <b>Operating Expenses Total</b> | <b>45,347,887</b> | <b>57,786,200</b> | <b>49,229,696</b>                  | <b>59,038,518</b> | <b>63,643,388</b> | <b>4,604,870</b>            | <b>7.8%</b>  |



# 2024 Operating Expense – By Function

|   | Actual 2022       | Budget 2022       | Straight-Lined Forecast 2023 | Budget 2023       | Budget 2024       | Variance 2024B vs. 2023B | Variance %   |
|---|-------------------|-------------------|------------------------------|-------------------|-------------------|--------------------------|--------------|
| Fixed Route                             | 19,336,384        | 22,073,300        | 20,108,200                   | 23,515,686        | 25,532,578        | 2,016,892                | 8.6%         |
| DAR                                     | 10,000,519        | 14,214,570        | 10,169,415                   | 13,523,514        | 13,759,157        | 235,643                  | 1.7%         |
| Van Pool                                | 1,128,892         | 1,680,200         | 1,423,241                    | 1,784,291         | 1,900,209         | 115,918                  | 6.5%         |
| Maintenance                             | 3,082,848         | 3,512,900         | 3,073,964                    | 3,617,484         | 4,029,968         | 412,484                  | 11.4%        |
| <b>Directly Operated Transportation</b> | <b>33,548,643</b> | <b>41,480,970</b> | <b>34,774,820</b>            | <b>42,440,975</b> | <b>45,221,912</b> | <b>2,780,937</b>         | <b>6.6%</b>  |
| Purchased Transportation - VIA          | 2,154,532         | 1,700,000         | 2,961,482                    | 2,774,800         | 3,123,468         | 348,668                  | 12.6%        |
| Purchased Transportation - ARC          | 691,260           | 1,487,600         | 1,033,692                    | 1,522,515         | 1,206,280         | (316,235)                | -20.8%       |
| <b>Purchased Transportation</b>         | <b>2,845,792</b>  | <b>3,187,600</b>  | <b>3,995,174</b>             | <b>4,297,315</b>  | <b>4,329,748</b>  | <b>32,433</b>            | <b>0.8%</b>  |
| Human Resources                         | 2,058,325         | 2,131,900         | 1,653,061                    | 1,827,956         | 2,290,034         | 462,078                  | 25.3%        |
| Planning & Service Development          | 1,105,644         | 1,572,300         | 1,099,226                    | 1,580,217         | 1,878,083         | 297,866                  | 18.8%        |
| Customer Service/Marketing              | 1,375,825         | 2,321,330         | 1,579,610                    | 1,938,559         | 2,119,687         | 181,128                  | 9.3%         |
| Safety & Security/Training              | 847,239           | 1,270,700         | 958,895                      | 1,070,397         | 967,295           | (103,102)                | -9.6%        |
| Executive/Administrative Services       | 3,566,419         | 5,821,400         | 5,168,910                    | 5,883,097         | 6,836,629         | 953,532                  | 16.2%        |
| <b>Administration</b>                   | <b>8,953,452</b>  | <b>13,117,630</b> | <b>10,459,702</b>            | <b>12,300,226</b> | <b>14,091,728</b> | <b>1,791,502</b>         | <b>14.6%</b> |
| <b>Total Operating Expenditures</b>     | <b>45,347,887</b> | <b>57,786,200</b> | <b>49,229,696</b>            | <b>59,038,516</b> | <b>63,643,388</b> | <b>4,604,872</b>         | <b>7.8%</b>  |





# 2024 Headcount & Labor Expense

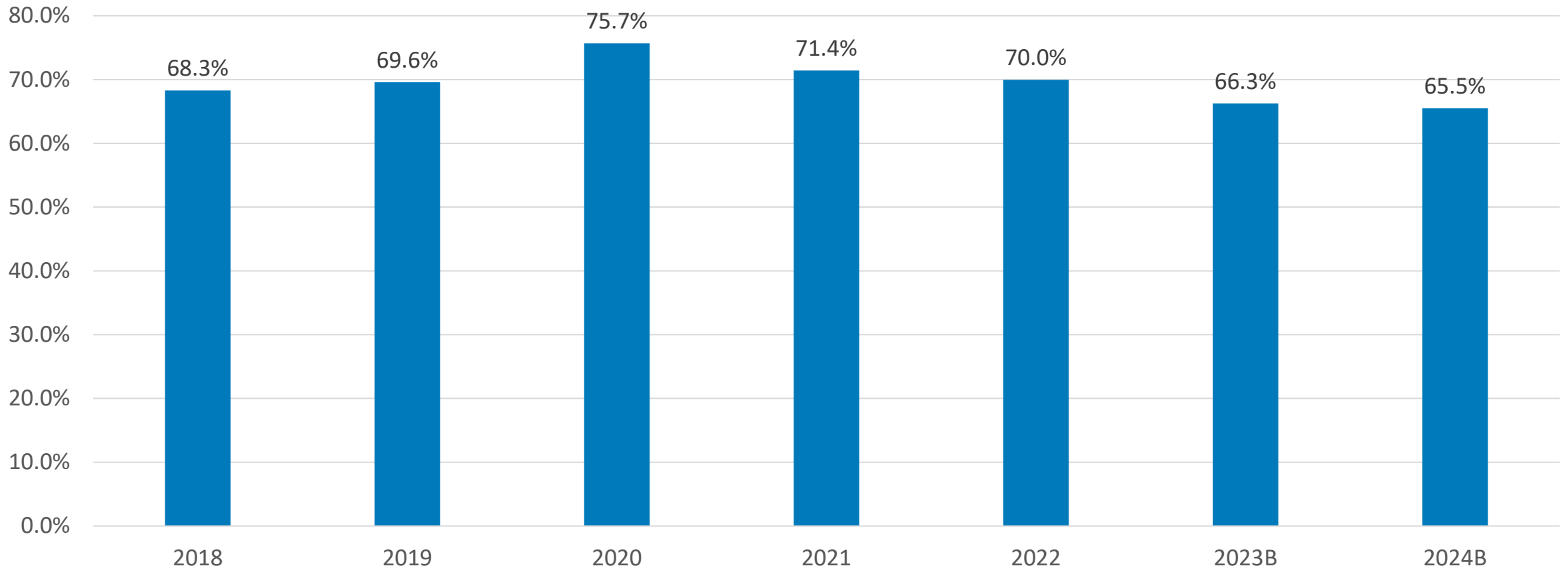
|                                   | 2022         |                         |                         |   |                       | 2023      |              | 2024        |              |
|-----------------------------------|--------------|-------------------------|-------------------------|---|-----------------------|-----------|--------------|-------------|--------------|
|                                   | Budgeted     | LTD/Temp/<br>Contracted | Total 2022<br>Headcount | Additional<br>Approved &<br>Adjustments | Adjusted<br>Positions | Requested | Budgeted     | Adjustments | Proposed     |
| Operations                        | 188.0        | -                       | <b>188.0</b>            | (2.0)                                   | <b>186.0</b>          | -         | <b>186.0</b> | (1.0)       | <b>185.0</b> |
| Dial-A-Ride                       | 117.5        | -                       | <b>117.5</b>            | 3.5                                     | <b>121.0</b>          | -         | <b>121.0</b> | -           | <b>121.0</b> |
| General Demand                    | 4.5          | -                       | <b>4.5</b>              | (4.5)                                   | -                     | -         | -            | -           | -            |
| Vanpool                           | 4.0          | -                       | <b>4.0</b>              | -                                       | <b>4.0</b>            | -         | <b>4.0</b>   | -           | <b>4.0</b>   |
| Maintenance                       | 49.0         | -                       | <b>49.0</b>             | -                                       | <b>49.0</b>           | -         | <b>49.0</b>  | -           | <b>49.0</b>  |
| Human Resources                   | 7.0          | 2.0                     | <b>9.0</b>              | (3.0)                                   | <b>6.0</b>            | -         | <b>6.0</b>   | -           | <b>6.0</b>   |
| Safety/Training                   | 10.0         | -                       | <b>10.0</b>             | (2.0)                                   | <b>8.0</b>            | -         | <b>8.0</b>   | (1.0)       | <b>7.0</b>   |
| Executive/Administrative Services | 21.0         | 2.0                     | <b>23.0</b>             | -                                       | <b>23.0</b>           | -         | <b>23.0</b>  | -           | <b>23.0</b>  |
| Marketing/Customer Service        | 17.0         | 3.0                     | <b>20.0</b>             | (8.0)                                   | <b>12.0</b>           | -         | <b>12.0</b>  | 2.0         | <b>14.0</b>  |
| Planning & Service Development    | 9.0          | 2.0                     | <b>11.0</b>             | (2.0)                                   | <b>9.0</b>            | -         | <b>9.0</b>   | -           | <b>9.0</b>   |
| <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>418.0</b> | -           | <b>418.0</b> |

- Budgeted labor and benefits increased by \$2.6M (6.5%)
- Budgeted wage adjustments
  - 4% for Represented Employees
  - 3% COLA for non-represented staff
  - Up to 3% performance review for non-represented staff



# 2024 Labor Expense

Labor as % of Total Budget





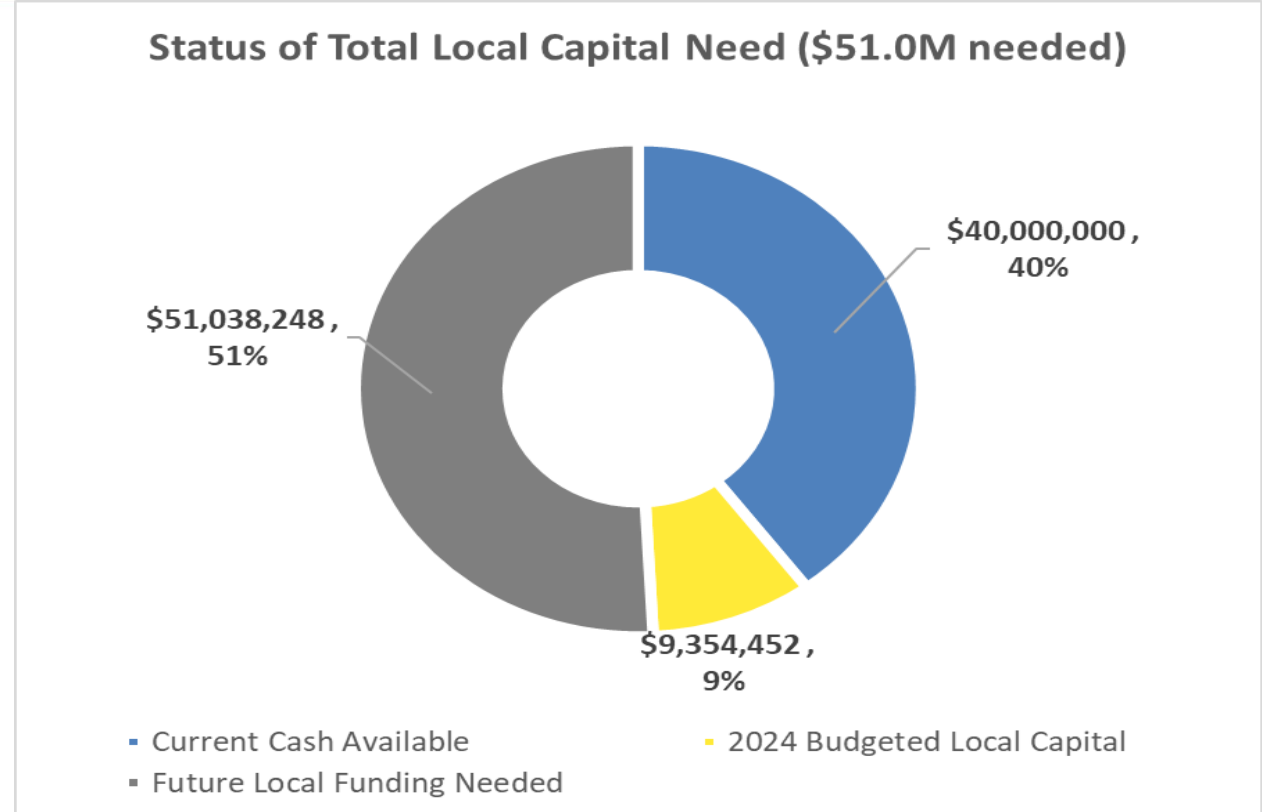
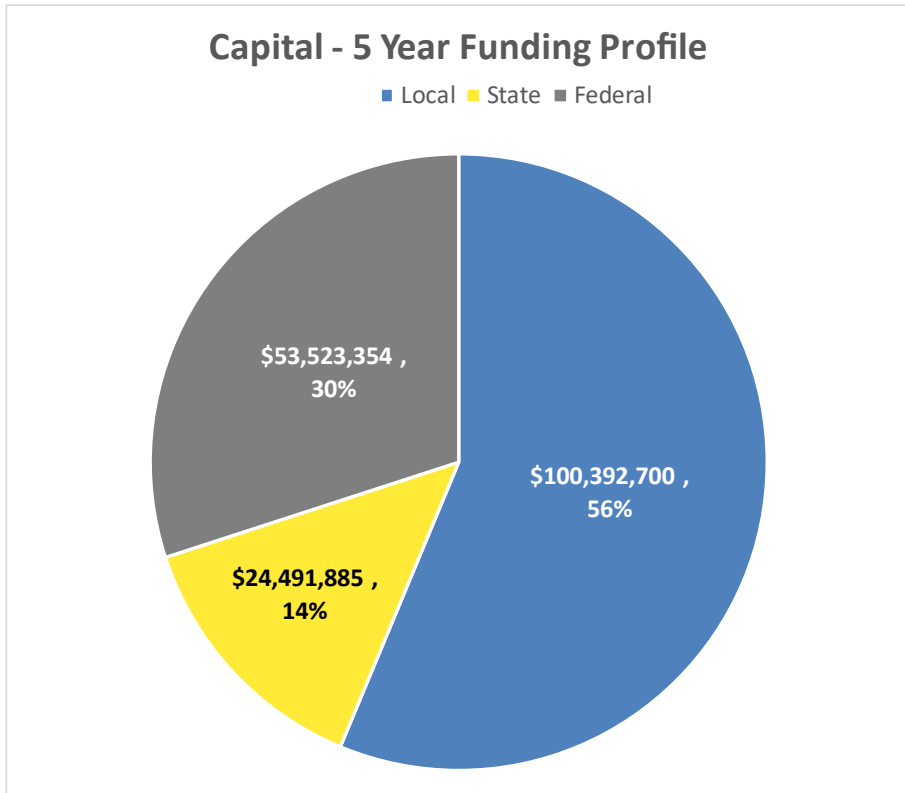
# 2024 Capital

|                                     | <u>Project Value</u> | <u>Budget</u>        |
|-------------------------------------|----------------------|----------------------|
| December 2023 Board Approved CIP    | \$175,323,798        | \$129,097,970        |
| Proposed Changes                    |                      |                      |
| Completed Projects                  | (\$20,601,913)       | (\$20,601,913)       |
| Project Removals                    | (\$9,570,000)        | (\$1,740,957)        |
| New Project Additions               | \$2,520,000          | \$2,520,000          |
| Project Additions/Increases         | \$30,736,055         | \$24,751,531         |
| <b>Net Change</b>                   | <u>\$3,084,142</u>   | <u>\$4,928,661</u>   |
| <b>Proposed 2024 Capital Budget</b> | <u>\$178,407,940</u> | <u>\$134,026,631</u> |

- Mechanical Overhauls \$1.5m added in 2024 to extend Fleet useful life
- Additions/increases in existing projects almost entirely due to updated pricing for Fleet vehicles over next 5 years
  - Substantial price increases seen in 2023



# Capital Projects – Local Funding Requirements



- Proposed Local Capital Budget would fund 56% of local capital needed over next 5 years
- Would fund projects through 2024 and into 2025, but not all of 2025 as currently planned



# Revenue Trends

|                                 | Actual<br>2020    | Actual<br>2021    | Actual<br>2022    | Budget<br>2022    | Straight-Lined<br>Forecast<br>2023 | Budget<br>2023    | 2023F vs.<br>2023B | Proposed<br>Budget<br>2024 | 2023B vs.<br>2024B |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|------------------------------------|-------------------|--------------------|----------------------------|--------------------|
| Fares                           | \$1,028,519       | \$735,032         | \$1,680,027       | \$1,946,400       | \$1,822,433                        | \$1,200,000       | 51.87%             | \$1,200,000                | 0.00%              |
| Contracted Services             |                   | 2,526             | 20,728            | 200,000           | 6,934                              | 25,000            | -72.26%            | 25,000                     | 0.00%              |
| Sales Tax - Operating           | 36,996,140        | 45,825,506        | 48,366,852        | 35,009,550        | 38,251,193                         | 39,446,942        | -3.03%             | 43,809,548 *               | 11.1%              |
| State Operating Grants          | 22,275            | 178,352           | 1,328,095         | 1,370,697         | 4,616,877                          | 4,538,276         | 1.73%              | 7,000,000                  | 54.24%             |
| <b>Federal Operating Grants</b> |                   |                   |                   |                   |                                    |                   |                    | <b>9,800,000</b>           |                    |
| CARES/CRRSSA/ARP<br>Grants      | 8,905,722         | 10,067,355        | 14,047,498        | 18,885,353        | 15,213,000                         | 13,328,300        | 14.14%             | -                          | -100.00%           |
| Miscellaneous                   | 543,376           | 597,402           | 1,368,539         | 374,200           | 2,906,129                          | 500,000           | 481.23%            | 1,808,840                  | 261.77%            |
| <b>Operating Revenues</b>       | <b>47,496,032</b> | <b>57,406,173</b> | <b>66,811,739</b> | <b>57,786,200</b> | <b>62,816,566</b>                  | <b>59,038,518</b> | <b>6.40%</b>       | <b>63,643,388</b>          | <b>-3.02%</b>      |

- = This represents the amount of Sales Tax being used for Operating Expenses, not total Sales Tax expected.
- No further COVID funding 2024 forward



## 2024 Operating Revenue

