

RESOLUTION NO. 2018-17

**A RESOLUTION OF THE MASON TRANSIT AUTHORITY BOARD
ADOPTING A BUDGET FOR THE MASON COUNTY PUBLIC
TRANSPORTATION BENEFIT AREA FOR THE CALENDAR YEAR
BEGINNING JANUARY 1, 2019.**

WHEREAS, the Mason County Public Transportation Benefit Area dba Mason Transit Authority (MTA) has prepared a budget for the 2019 calendar year; and

WHEREAS, the governing authority of Mason County Public Transportation Benefit Area did hold pursuant to law, two duly advertised public hearings on the preliminary budget; and

WHEREAS, management has recommended the 2019 Budget, a copy of which is attached hereto and incorporated herein by this reference.

NOW THEREFORE, BE IT RESOLVED BY THE MASON TRANSIT PUBLIC TRANSPORTATION AREA AUTHORITY BOARD that the attached budget for Mason Transit for the year 2019 is hereby adopted.

Adopted this 18th day of December, 2018.



Kevin Shutty, Chair

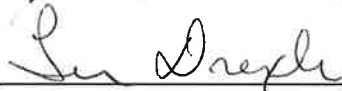


Wes Martin, Vice-Chair



John Campbell, Authority Member

Kevin Dorcy, Authority Member



Terri Drexler, Authority Member



Randy Neatherlin, Authority Member



Deborah Petersen, Authority Member



Don Pogreba, Authority Member



Sandy Tarzwell, Authority Member

APPROVED AS TO CONTENT:



Danette Brannin, General Manager

APPROVED AS TO FORM:



Robert W. Johnson, Legal Counsel

ATTEST:



Tracy Becht, Clerk of the Board

DATE:

December 18, 2018



2019 Annual Budget

Approved

December 18, 2018

Objective

The purpose of the 2019 Budget is to ensure that Mason Transit Authority (MTA) continues to meet the needs of its community and operate effectively with its available financial resources.

Goals

1. Maintain a 4-month Operating reserve fund
2. Focus on long-term sustainability within current funding limits
3. Grow reserves for capital projects and vehicle replacement
4. Ensure fiscal responsibility
5. Review current service levels and community needs

2019 Budget Overview

Current economic outlook remains positive, as sales tax continues to grow. Operating grant awards for all services through June 2023 were favorable and highly ranked through the Peninsula Regional Transportation Planning Organization. These increased sources of funds provide more than enough revenue to cover for increasing employee wages and benefits expenses.

2019 Budget Highlights

1. Budgeted revenues are projected to increase by 1% due to increasing sales tax and operating grant awards.
2. Budgeted expenses are anticipated to increase by 1% as well due to continuing wage increases. However, costs have been minimized elsewhere within the budget to accommodate for the increased wages.
3. Budgeted net income remains comparable to 2018.
4. Operating reserves are expected to remain unchanged in 2019.
5. Pooled reserves are projected to increase in 2019 by \$120k.
6. Minimal changes are anticipated to occur within department team structure in 2019. As such, FTEs are budgeted to decrease from 82 in 2018 to 81 in 2019
7. Most notable capital projects planned for 2019 are the internal IT infrastructure upgrade and the replacement of 15 vehicles.
8. T-CC's separate operating budget's net loss is projected to double in 2019 due to upcoming repairs and maintenance to the building to maintain its safety and appearance.
9. The Mason County Transit Advisory Board has been dissolved, see Resolution No. 2018-16 for details.

2019 Proposed Operating Budget

The Operating Budget does not include Capital expenditures (see Capital Budget on page 9).

| | 2016 | 2017 | 2018 Projection | 2018 Budget | 2019 Budget | | % Change in Budget YoY |
|---------------------------------------|-------------------|---------------------|--------------------|------------------|------------------|-----------|---------------------------|
| Operating Revenue (Fares) | | | | | | | |
| Passenger Fares | \$ 97,645 | \$ 98,224 | \$ 102,525 | \$ 101,600 | \$ 103,500 | 1 | 2% |
| WD/VP | 293,538 | 265,129 | 264,089 | 265,000 | 265,000 | 2 | 0% |
| Special Contract | 101,631 | - | - | - | - | | - |
| | 492,814 | 363,353 | 366,614 | 366,600 | 368,500 | | 1% |
| Non-Operating Revenue | | | | | | | |
| Sales Tax | 4,070,658 | 4,258,175 | 4,466,024 | 3,897,207 | 3,936,179 | 3 | 1% |
| Operating Grants | 2,787,014 | 2,913,315 | 3,074,474 | 3,046,116 | 3,189,554 | 4 | 5% |
| Rental Income | 135,096 | 181,205 | 192,526 | 183,418 | 143,227 | 5 | -22% |
| Investment Income | 16,218 | 44,156 | 103,183 | 20,000 | 45,000 | 6 | 125% |
| Other income | 217,055 | 277,418 | 349,303 | 300,400 | 199,233 | 7 | -34% |
| | 7,226,041 | 7,674,269 | 8,185,510 | 7,447,141 | 7,513,193 | | 1% |
| Total Revenue | 7,718,855 | 8,037,622 | 8,552,124 | 7,813,741 | 7,881,693 | | 1% |
| Expenses | | | | | | | |
| Wages & Benefits | 5,385,066 | 5,127,618 | 5,208,443 | 5,677,315 | 5,919,743 | 8 | 4% |
| Contracted Services | 254,963 | 254,849 | 325,566 | 423,608 | 208,223 | 9 | -51% |
| Purchased Transportation | 1,794 | - | - | - | - | | - |
| Fuel | 279,867 | 331,502 | 389,280 | 336,000 | 400,250 | 10 | 19% |
| Vehicle/Facility Repair & Maintenance | 321,344 | 268,631 | 320,201 | 308,200 | 351,750 | 11 | 14% |
| Insurance Premium | 194,978 | 238,034 | 236,796 | 238,506 | 235,477 | 12 | -1% |
| Intergovernmental - Audit Fees | 27,468 | 26,604 | 29,411 | 29,000 | 31,000 | 13 | 7% |
| Facility Rent and Park & Ride | 20,145 | 27,662 | 30,738 | 30,800 | 32,000 | 14 | 4% |
| Utilities | 125,080 | 117,810 | 130,187 | 131,140 | 139,781 | 15 | 7% |
| Supplies | 136,327 | 93,803 | 106,562 | 118,735 | 132,220 | 16 | 11% |
| Training & Meetings | 34,950 | 26,433 | 31,120 | 55,185 | 74,705 | 17 | 35% |
| Other Operating Expenses | 120,369 | 131,733 | 260,617 | 169,512 | 174,363 | 18 | 3% |
| Pooled Reserves | - | - | 589,926 | 240,000 | 120,000 | 19 | -50% |
| Total Expense | 6,902,351 | 6,644,679 | 7,658,847 | 7,758,001 | 7,819,512 | | 1% |
| Net Income (Loss) | \$ 816,504 | \$ 1,392,943 | \$ 893,277 | \$ 55,740 | \$ 62,181 | | 12% |

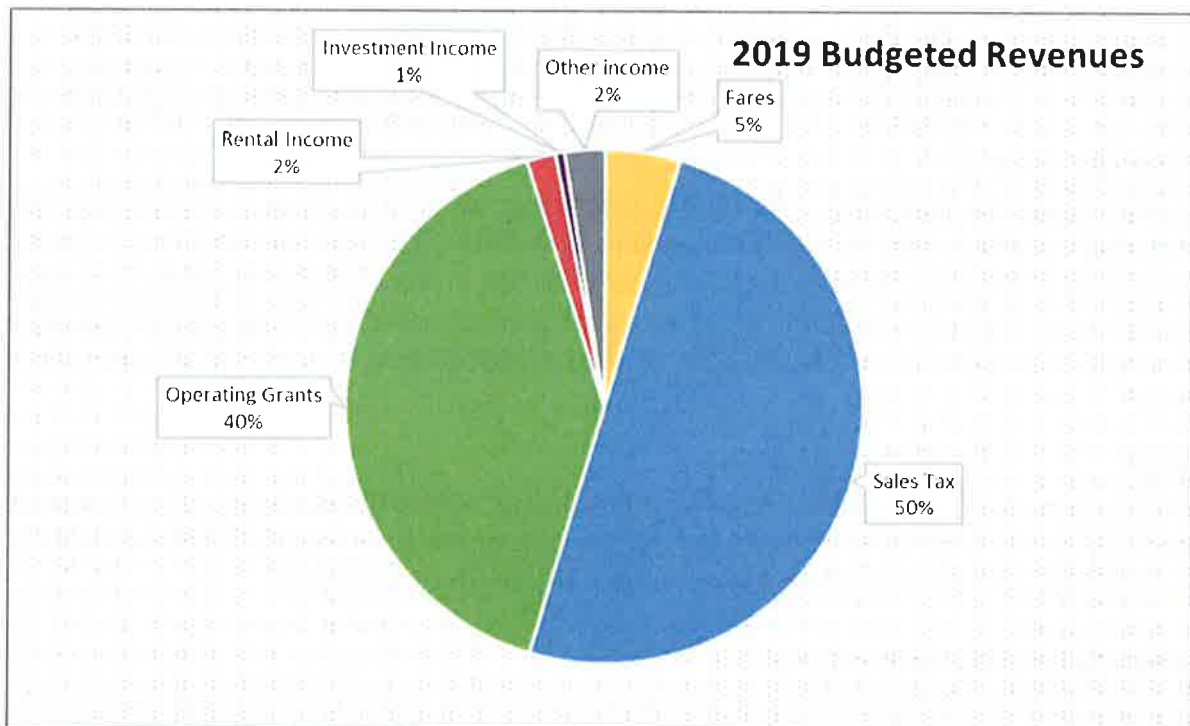
2019 Budget Notes

1. Fares are anticipated to remain consistent with 2018, with some minimal growth to be captured in 2019 with the recommendations and changes to routes based upon Nelson Nygaard's service review.
2. While Vanpool has recently seen a decline, we remain optimistic that it will find an opportunity to grow in 2019. Worker/Driver fares have remained consistent with 2018's budget and are projected to grow by 3% total in 2018, which was used as the growth factor in the 2019 budget.
3. A conservative 1% growth rate on sales tax was assumed. Excess received over the budgeted amount will be set aside to fund future capital projects.
4. Operating grant revenue is anticipated to increase by roughly 5% due to favorable sales tax equalization infusions, as well as claiming from the new biennium operating grant.
5. The rental income is based upon current fixed leases through the majority of 2019. The 22% budgeted decrease can be attributed to no current lease for the kitchen space, as well the potential that Suites A, B, & C will be vacated in 2019.
6. The treasury pool investment account continues to grow as well as interest rates. Budgeted amount for 2019 remained conservative, as interest rates may fluctuate.
7. The Regional Mobility Grant will come to term mid-2019, resulting in the 34% budgeted decrease from last year's budget. However, LMTAAA has provided additional funding this year, bringing up our award to \$38,910 from last year's \$29,100. MTA will continue to commit an additional \$10,000 of our funds to support the program and its increasing demand.
8. Salary and wages have factored in all department union contracts based on their wage matrices. Non-represented employees will expect a 2.25% increase based on the prior year's CPI as of August, 2018. Medical insurance has been quoted to increase by 3.3%, while dental is expected to remain about the same with a 3% decrease in vision insurance cost.
9. The two largest components being factored into the budgeted decrease are the Nelson Nygaard service review having been completed by 2019, and the termination of the Hood Canal IT support contract.
10. Fuel is projected to be over budget in 2018. To combat this issue from arising in 2019, a roughly 20% increase in the budget was made. The new cutaways we will be receiving in 2018 will also run off of unleaded fuel rather than diesel, which will cost more as diesel is less expensive.
11. Large repairs in the form of engine and transmission repairs are anticipated in 2019 as our fleet continues to age.
12. Insurance will decrease in 2019 based on WSTIPs quote. This is due to a reconciliation of mileage exposure units, which have decreased from prior years. Although overall insurance cost has decreased, Vanpool's portion saw a 10% increase due to rising costs of Vanpool claims, in addition to having our own major claim in 2018.
13. Audit fees were quoted to increase by 7%.
14. Facility Rent and Park & Ride costs will remain budgeted through 2019 in case the new Belfair office has not been fully constructed and put into use.

15. Utilities are anticipated to increase by 7% as we continue to add technology to our day-to-day operations.
16. TCC supplies are expected to increase from 2018 as the building ages and events remain consistent. Additional tools and equipment are required for building maintenance and upgrading our information system infrastructure.
17. Trainings and meetings have increased from prior year as we continue to provide learning opportunities to each of our teams. Each department head reviewed their team's anticipated meetings and trainings to ensure that those that need additional training to achieve success within the agency will be provided the opportunity.
18. Other Operating Expenses are anticipated to decrease. The high projection for 2018 is due to the library project bus pullout being lumped into Other Operating expense account.
19. We also estimate \$120k excess sales tax revenue over the 2019 budgeted amount to set aside for capital projects.

Operating Revenues

Total operating revenue budgeted is projected to increase from \$7,813,741 in 2018 to \$7,881,693 in 2019; which is roughly a 1% increase from 2018. Major revenue sources include sales taxes, collected in Mason County, and grant funding.



Sales Tax

Sales tax revenue continues to remain the largest source of funding - projected to be 50% of revenue for 2019. Sales tax revenues were approximately \$3.22m and \$4.26m for 2013

and 2017, respectively. This shows a growth of roughly 32% over the course of those 5 years, and 2018 revenues are looking just as strong, as it is currently projected to be higher than 2017 by approximately 4%.

Historical and Projected Sales Tax Revenue

The following table shows actual sales tax revenue for 2015 through September 2018, along with the 2018 projections for October through December (based on 2018 budget).

| | 2015 Actual | 2016 Actual | 2017 Actual | 2018 Actual | 2018 Budget | 2019 Budget |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|
| January | 279,122 | 246,415 | 279,777 | 310,547 | 240,808 | 243,216 |
| February | 281,559 | 262,925 | 276,310 | 292,604 | 256,943 | 259,512 |
| March | 307,482 | 328,665 | 356,214 | 394,293 | 321,188 | 324,400 |
| April | 286,903 | 312,635 | 320,241 | 350,586 | 305,522 | 308,577 |
| May | 347,236 | 332,428 | 357,049 | 391,052 | 324,865 | 328,114 |
| June | 354,920 | 391,485 | 435,445 | 440,606 | 382,579 | 386,404 |
| July | 350,290 | 360,375 | 386,531 | 449,080 | 352,176 | 355,698 |
| August | 336,521 | 389,222 | 397,061 | 462,622 | 380,367 | 384,171 |
| September | 348,804 | 426,039 | 388,845 | 443,327 | 380,343 | 384,146 |
| October | 309,042 | 324,125 | 319,477 | 321,964 | 321,964 | 325,184 |
| November | 261,713 | 314,996 | 325,586 | 271,390 | 271,390 | 274,104 |
| December | 367,053 | 381,623 | 416,254 | 359,063 | 359,063 | 362,653 |
| | 3,830,645 | 4,070,933 | 4,258,790 | 4,487,134 | 3,897,208 | 3,936,179 |

Grant Revenues

Operating grants comprise 40% of the operating revenues. Grant funding will be received from both the 2017-2019 biennium and 2019-2021 biennium operating grant awards. In addition to those awards, roughly \$770,000 of sales tax equalization has been infused into the 2017-2019 contract, while we remain optimistic that next year will present an additional \$500,000 in equalization money to infuse into the 2019-2021 operating grant.

Fares

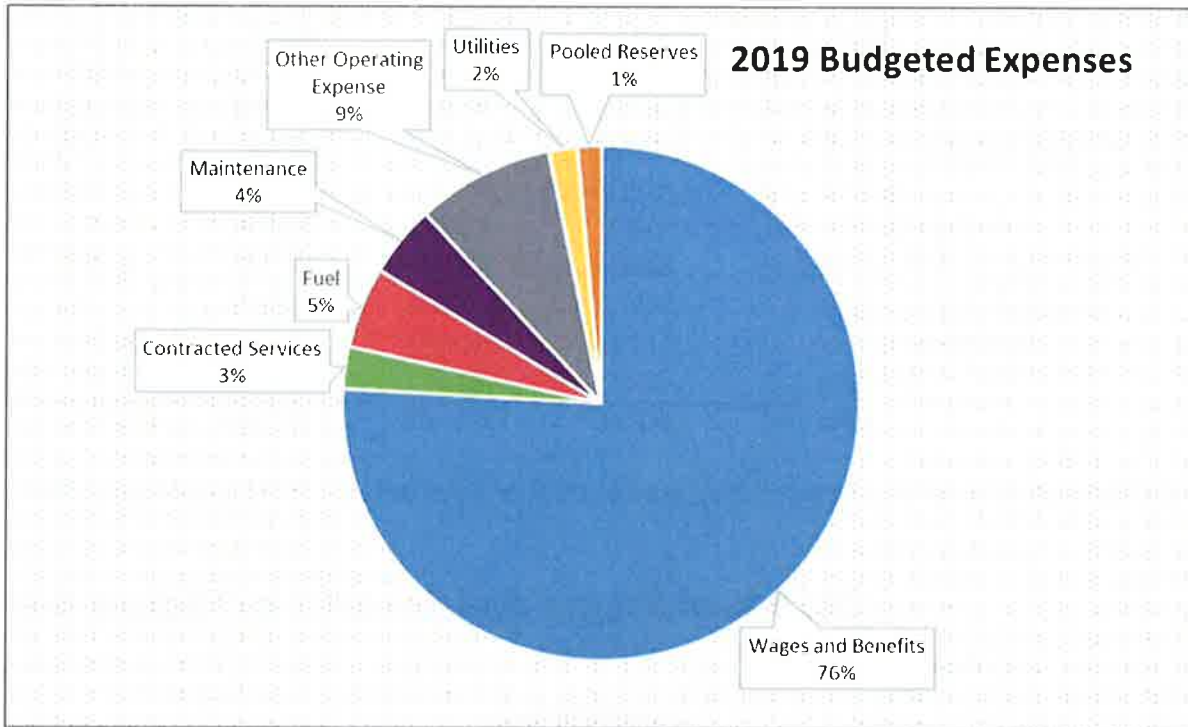
Fares consist of three sources: out-of-county fares, Worker/Driver fares, and Vanpool fares. The out-of-county fares make up roughly 30% of the total, Worker/Driver makes up roughly 50%, and the remaining 20% of fares is made up of Vanpool.

Transit-Community Center Revenues

The T-CC provides revenue through leases and providing event space in the gym, conference room, kitchen, and atrium. Full capacity of the available space to lease is uncertain at this time; one of our larger tenants may choose to vacate in 2019. Of the roughly \$125,000 budgeted T-CC revenue, 80% pertains to tenant leases, and the remaining 20% is attributed to event use throughout the year.

Operating Expenses

Total operating expense budgeted is projected to increase from \$7,758,001 in 2018 to \$7,819,512 for 2019; which is roughly a 1% increase from 2018. The largest operating expense is employee wages and benefits, accounting for nearly 76% of total operating expense, with the second highest expense category being Other Operating Expense at about 9%.



Other Operating Expense

Other operating expense consist of CDL testing, Dues, Memberships, Subscriptions, Meeting and Travel, Advertising, Credit Card Fees for online payments, and Office Equipment Lease, plus an allowance for graphic design work to support the agency branding initiative.

Salaries, Wages, and Benefits

Salaries, Wages, and Benefits are projected to increase by 4% from 2018's budget. The largest factors driving this increase are:

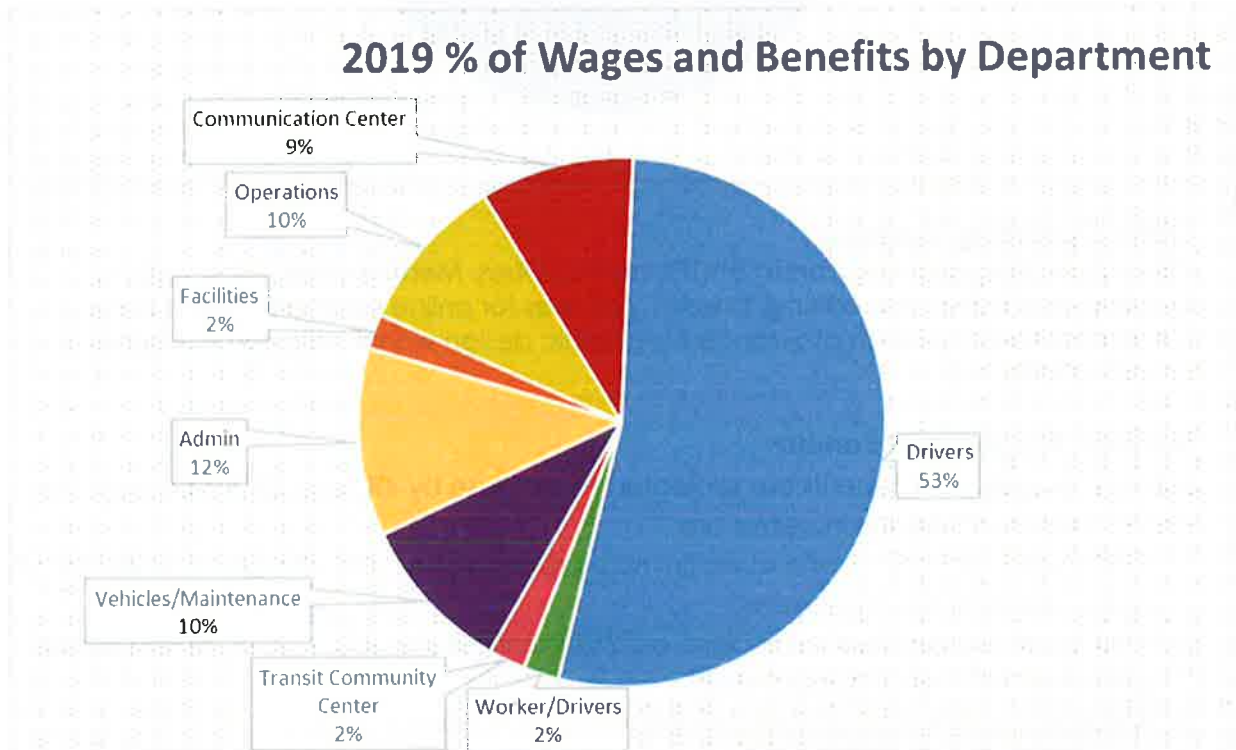
1. Continued January 1 general wage increases as well as annual step increases for all union-represented employees.
2. Non-union represented will receive a 2.25% increase January 1, 2019, based on the prior year's CPI as of August, 2018.
3. Medical insurance rates have been quoted to increase by 3.3%.
4. PERS rates have increased in both 2017 and 2018. To accommodate for the potential increase, PERS rates are estimated to grow again by another 1.5% in 2019 from the current 12.83%
5. L&I rates are quoted to increase in 2019 by 9.25%.

Wages and Benefits by Department

The following table below breaks out FTEs, wages, and benefits for each department.

| Department | 2019 Budget | | | | 2018 Budget |
|--------------------------|-------------|------------------|------------------|------------------|------------------|
| | FTEs | Wages | Benefits | Totals | |
| Admin | 8 | 444,475 | 226,350 | 670,825 | 582,958 |
| Board | 0 | 4,320 | 330 | 4,650 | 4,650 |
| Facilities | 2 | 72,682 | 52,641 | 125,323 | 109,898 |
| Operations | 6 | 364,354 | 199,724 | 564,078 | 560,468 |
| Communication Center | 7 | 350,501 | 199,472 | 549,973 | 570,430 |
| Drivers | 42 | 1,819,360 | 1,284,215 | 3,103,575 | 2,979,510 |
| Worker/Drivers | 8 | 95,952 | 30,852 | 126,804 | 116,921 |
| Transit Community Center | 2 | 82,065 | 50,278 | 132,343 | 133,243 |
| Vehicles/Maintenance | 6 | 347,756 | 218,092 | 565,848 | 542,163 |
| Volunteer Driver | 0 | 17,627 | 10,494 | 28,121 | 20,291 |
| Vanpool | 0 | 8,159 | 4,164 | 12,323 | 4,353 |
| Total | 81 | 3,607,251 | 2,276,612 | 5,883,863 | 5,624,885 |

The following chart shows each department's % of total wages and benefit expense.



The following chart shows the staff position and Full-Time Equivalent (FTE) changes with explanations describing each change.

| Department | 2018 | | 2019 | | 2018 | | 2019 | |
|---|--------------------|-------------|--------------------|--------|-------------|------------|-------------|--------|
| | Budget - Positions | Change | Budget - Positions | Change | Budget FTEs | Change | Budget FTEs | Change |
| Administration | | | | | | | | |
| General Manager | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| Administrative Services Manager | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| Executive Assistant | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| Accounting Assistant | 2.0 | 0.0 | 2.0 | | 2.0 | 0.0 | 2.0 | |
| Staff Accountant | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| Technical Support Analyst | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| Technical Support Analyst Intern ¹ | 0.0 | 1.0 | 1.0 | | 0.0 | 0.5 | 0.5 | |
| <i>Total Administration</i> | 7.0 | 1.0 | 8.0 | | 7.0 | 0.5 | 7.5 | |
| Maintenance/Facilities | | | | | | | | |
| Maintenance Manager | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| Lead Mechanic ² | 0.0 | 1.0 | 1.0 | | 0.0 | 1.0 | 1.0 | |
| Mechanic ² | 1.0 | -1.0 | 0.0 | | 1.0 | -1.0 | 0.0 | |
| Service Mechanics | 3.0 | 0.0 | 3.0 | | 3.0 | 0.0 | 3.0 | |
| Fueler/Detailer | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| Facilities Technician | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| Custodian/Detailer | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| <i>Total Maintenance/Facilities</i> | 8.0 | 0.0 | 8.0 | | 8.0 | 0.0 | 8.0 | |
| Operations | | | | | | | | |
| Operations Manager | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| Assistant Operations Manager ³ | 0.0 | 1.0 | 1.0 | | 0.0 | 1.0 | 1.0 | |
| Operations Supervisor ³ | 4.0 | -1.0 | 3.0 | | 3.7 | -0.7 | 3.0 | |
| Dispatcher/Scheduler/CSR | 8.0 | -1.0 | 7.0 | | 8.0 | -1.0 | 7.0 | |
| Drivers | 43.0 | -1.0 | 42.0 | | 41.8 | 0.2 | 42.0 | |
| Worker/Drivers | 8.0 | 0.0 | 8.0 | | 8.0 | 0.0 | 8.0 | |
| Outreach/Transit Planner | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| <i>Total Operations</i> | 65.0 | -2.0 | 63.0 | | 63.5 | -0.5 | 63.0 | |
| Transit-Community Center | | | | | | | | |
| T-CC Assistant/Custodian | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| T-CC Building Superintendent | 1.0 | 0.0 | 1.0 | | 1.0 | 0.0 | 1.0 | |
| <i>Total Transit-Community Center</i> | 2.0 | 0.0 | 2.0 | | 2.0 | 0.0 | 2.0 | |
| TOTAL | 82.0 | -1.0 | 81.0 | | 80.5 | 0.0 | 80.5 | |

FTE Notes

1. Due to all the new IT equipment and advances within our organization, it'll be valuable to have a second person working with our current Technical Support Analyst to maintain and continue to improve our IT infrastructure.
2. The Lead Mechanic position was reinstated in 2018 as part of succession planning for the Maintenance Manager position.
3. The Assistant Operations Manager will provide support to the Operations Manager by relieving some of the current day-to-day workload. This will give the Operations Manager additional time and capacity to focus on the overall management of operations.

CAPITAL BUDGET

| CAPITAL PROJECTS | Budget | Grants | MTA Funding | Project Costs to Date | Purpose |
|---|------------------|------------------|------------------|-----------------------|--|
| IT Items | 125,000 | 125,000 | - | - | Server/desk top replacements @ \$125,000 |
| T-CC Parking Lot | 302,500 | 250,000 | 52,500 | 3,284 | Parking lot behind T-CC |
| Park & Ride Development - 2015-2019 RMG Funds | 6,371,134 | 5,617,000 | 950,000 | 1,558,929 | Purchase property (\$687,059) in North Mason for P&R; upgrade other P&R |
| Scissor Lift - T-CC | 15,000 | - | 15,000 | - | Lift needed to maintain atrium and gymnasium in house - verses hiring out. |
| TCC Sound System | 10,000 | - | 10,000 | - | Improve sound system in gym, currently a deterrent to event leasing |
| HVAC Units | 50,000 | - | 50,000 | - | Replace units Buildings 1 & 2 |
| Brake Caliper tool | 20,000 | - | 20,000 | - | Support tool for coaches |
| Roof replacement | 250,000 | 250,000 | - | - | Replace roofs building 3 & 4 |
| Paint Exterior - JP Buildings | 120,000 | 120,000 | - | - | Contingent on excess 2019 Sales Tax Equalization |
| TCC Transit Office Remodel | 150,000 | 150,000 | - | - | Contingent on excess 2019 Sales Tax Equalization |
| Passenger Amenities & Signage at Stops | 80,000 | 69,200 | 10,800 | 46,746 | Balance of 2015 TAP Grant. Initial spend T-CC start up. Must expend by June 30, 2019 |
| Video Storage Upgrade | 68,000 | - | - | - | Upgrade Angeltrax to newest available system. Contingent Sales Tax Equalization. |
| TOTAL CAPITAL PROJECTS | 7,493,634 | 6,581,200 | 1,108,300 | 1,608,959 | |

| Project | Budget | Grants | MTA Funding | Project Costs to Date | Purpose |
|-----------------------------------|------------------|------------------|----------------|-----------------------|--|
| 2 Worker Driver Coaches | 1,779,228 | 1,482,690 | 296,538 | - | Replacement inventory. |
| 2 40' Coaches, 9 Cutaways | 1,902,736 | 1,427,052 | 475,684 | - | Replacement inventory. Contingent on successful grant application. |
| Staff Vehicles | 105,000 | 105,000 | - | - | Replace staff car, 2 Maintenance pickups |
| TOTAL VEHICLE REPLACEMENTS | 3,786,964 | 3,014,742 | 772,222 | - | |

Transit – Community Center

2019 Proposed T-CC Operating Budget

The on-going operating costs for the T-CC are allocated between Transit-related functions and Community Center-related functions based upon the square footage associated with each, except for salaries and benefits.

| Budget | TCC 2018 | Ops 2018 | TCC 2019 | Ops 2019 | Total 2018 | Total 2019 | % Change |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------|
| T-CC Event Rental | \$ 30,000 | \$ - | \$ 25,000 | \$ - | \$ 30,000 | \$ 25,000 | -17% |
| T-CC Tenant Rental | 135,821 | - | 100,630 | - | 135,821 | 100,630 | -26% |
| Total Revenue | 165,821 | - | 125,630 | - | 165,821 | 125,630 | -24% |
| Salaries and Benefits | 133,483 | - | 132,383 | - | 133,483 | 132,383 | -1% |
| Repair/Maintenance by Other ¹ | 1,420 | 580 | 5,500 | 1,000 | 2,000 | 6,500 | 225% |
| Professional and Technical Services | 3,900 | - | 4,500 | - | 3,900 | 4,500 | 15% |
| Contract Services ¹ | 2,100 | - | 4,615 | 1,885 | 2,100 | 6,500 | 210% |
| Printing | 500 | - | 200 | - | 500 | 200 | -60% |
| Security Services | - | - | 200 | - | - | 200 | - |
| Facility Repair/Maintenance ¹ | 2,059 | 841 | 5,000 | 3,000 | 2,900 | 8,000 | 176% |
| Office Supplies ² | 150 | 75 | 2,400 | 75 | 225 | 2,475 | 1000% |
| Cleaning/Sanitation Supplies ³ | 1,420 | 580 | 4,500 | 2,000 | 2,000 | 6,500 | 225% |
| Small Tools & Equipment ¹ | 100 | - | 1,500 | 600 | 100 | 2,100 | 2000% |
| Small Equipment & Furniture | - | - | 2,750 | 220 | - | 2,970 | - |
| Water and Sewer | 3,900 | 1,550 | 4,000 | 1,400 | 5,450 | 5,400 | -1% |
| Garbage ³ | 2,000 | 900 | 3,000 | 1,000 | 2,900 | 4,000 | 38% |
| Gas | 2,100 | 800 | 2,500 | 850 | 2,900 | 3,350 | 16% |
| Electric | 24,000 | 9,500 | 24,000 | 9,500 | 33,500 | 33,500 | 0% |
| Telephone Service | 1,190 | 500 | 1,620 | 500 | 1,690 | 2,120 | 25% |
| Insurance Premium | 15,409 | - | 15,673 | - | 15,409 | 15,673 | 2% |
| Dues, Memberships, Subscriptions | 643 | - | 900 | - | 643 | 900 | 40% |
| Travel & Meeting Expense MTA | 355 | - | 100 | - | 355 | 100 | -72% |
| Conference Registration | 355 | - | - | - | 355 | - | -100% |
| Training / Seminars | 150 | - | 350 | - | 150 | 350 | 133% |
| Advertising/Promotion Media | 2,500 | - | 1,700 | - | 2,500 | 1,700 | -32% |
| Other Misc Expenses | 800 | 200 | 750 | - | 1,000 | 750 | -25% |
| Office Equipment Lease ⁴ | 1,260 | 700 | - | - | 1,960 | - | -100% |
| Total Expense | 199,794 | 16,226 | 218,141 | 22,030 | 216,020 | 240,171 | 11% |
| Net Income (Loss) | \$(33,973) | \$(16,226) | \$(92,511) | \$(22,030) | \$(50,199) | \$(114,541) | 128% |

T-CC Budget Notes

1. As the T-CC has started to age, more repairs and maintenance is required to keep the building safe and visually appealing.
2. Printer ink is anticipated to run-out. A restocking purchase will be made in 2019.
3. The T-CC has increasing foot traffic, so as to keep the facilities clean, more cleaning supplies will be budgeted for 2019.
4. The copy machine lease has been terminated, replacement equipment has been purchased according to needs.

TEAM GOALS FOR 2019

Administrative Services

Team Mission Statement

Provide administrative support in Finance and Human Resource to all MTA teams, ensuring internal controls, financial stability, and compliance in all financial and human resource related regulations.

Administrative Services Goals for 2019

- Update Employee Handbook to be in line with union contracts.
- Develop Employee Engagement Plan
- Perform wage analysis.
- Implement agency key performance indicator (KPI) dashboard reporting
- Prepare a Financial Policy Manual.
- Continue refinement of long-term financial projections ensuring sustainability and alignment with the strategic plan.
- Continue streamlining administrative processes to promote efficiency and keep costs down.

Revenue Sources and Cost Drivers

- No revenue sources
- Wages/benefits
- Audit costs

Budget Changes from 2018 to 2019

- Additional cost of \$2,772 to streamline the recruiting and onboarding process.

Information Technology (IT)

Team Mission Statement

Provide excellent customer service through prompt and efficient response to technology needs. Keep MTA safe from cyber vulnerabilities.

IT Team Goals for 2019

- Review current network structure and ensure stabilization and modernization
- Redesign the file structure of our file server
- Redesign the file permissions on our file server
- Modernize the look of our website
- Incorporate enterprise level management and deployment of domain infrastructure
- Continue the development and implementation of our anti phishing training campaign
- Surplus all old equipment

Revenue Sources and Cost Drivers

- Capital Grant from 2018 Sales Tax Equalization Revenues
- Wages
- Contracted Telecommunications

Budget Changes from 2018 to 2019

- \$125,000 IT Infrastructure modernization
- Increase cost of annual technology implementation and licensing to stay current and be effective with lean processes
- Move IT support in house by the implementation of an internship program to provide assistance and the cancelation of outsourced tech support

Maintenance Team

Team Mission Statement

The Maintenance Team's mission is to effectively and efficiently provide safe, clean, reliable and comfortable vehicles, facilities and amenities for use by its customers and to ensure that such resources are available to deliver on the agency vision of Driving our Community Forward.

Maintenance Team Goals for 2019

- Continue to explore maintenance processes & parts purchasing to increase cost savings without sacrificing quality.
- Partnering with other transit systems for low-cost or no-cost training opportunities.
- Sharing resources with the City of Shelton and Mason County Maintenance Departments to reduce costs and better utilize our equipment.
- Continue with bus stop and shelter installation and amenities.
- Perform in depth vehicle maintenance program analysis for cost savings to include fuel mileage, oil consumption and prolonged tire life.
- Complete procurement for 2 shop trucks, one staff vehicle and place them in service.
- Complete roof replacement project for buildings 3 and 4.

Revenue & Cost Drivers

- We project receiving \$5,000 for sales of contracted maintenance services in 2019
- Significant cost issues for both vehicle and facility maintenance remain the same. They include labor, fuel, parts and tires. Facility expenses include electricity and natural gas.

Significant Changes from 2018 to 2019

- With the procurement of 5 new cutaways we will experience reduced maintenance cost and increased reliability in this fleet for 2019.
- Following are challenges facing Maintenance:
 - With the coach bus fleet currently averaging 309,432 miles, we are experiencing major component failures that significantly increase parts costs. Examples of these components include: starters, alternators, air-compressors, injectors and diesel emission systems. It is anticipated that at least 50 percent (8) of the coach bus fleet will require some or all of these components requiring replacement within the next year. Repair and maintenance costs continue to rise. With an emphasis on improved fleet appearance and more accurate body damage reporting, we have experienced an increase in body shop repairs. When possible we repair in-house; however, we are not equipped to repair or paint body panels.
 - Facility repair and maintenance is stabilizing. With continued predictive maintenance the Johns Prairie Facility is beginning to become less labor and material intensive. Items of continued concern are plumbing issues, especially waste. Electrical systems are another; we are not equipped or certified to repair high voltage circuitry.

Operations Team

Team Mission Statement

The mission of the Operations team is to provide a range of safe, courteous and on-time transit services to best meet the needs of the riding public in Mason County.

Operations Team Goals for 2019

- Conduct one major Service change from the recommendations from the recent Service Analysis conducted.
- Optimize the newly installed technology on our fleet to improve fleet operations and customer accessibility.
- Provide refresher training to all regular drivers and dispatcher/schedulers.
- Hire and train new drivers as needed (3 classes).
- Reduce overall preventable accidents rate to 1.25 per 100,000 miles, annualized.
- Provide nearly 70,000 hours of directly operated service in 2019, including fixed route, dial-a-ride, and regional express.

Major Revenue and Cost Drivers

- Fare box recovery: Out-of-county fixed route fares, vanpool and worker/driver programs
- Labor, uniforms

Significant Budget Changes from 2018 to 2019:

Impact on wages and benefits as a result of the:

- Promoted one Operations Supervisor to Assistant Operations Manager and hired two new Operations Supervisors.
- Ended 2018 with only one newly hired lead driver because two lead drivers were promoted to Operations Supervisors, however, two additional lead positions are budgeted for 2019.

Transit-Community Center (T-CC)

Team Mission Statement

The T-CC team works to continually go beyond expectations to serve our customers and public through ridership support and information. The T-CC is developing a reputation as a hub for community services and programs, as well as an excellent venue for all types of events due to staff, location, amenities, and cleanliness. We are continually striving to provide our tenants, users, passengers, and visitors with a safe, functional community center.

T-CC Team Goals for 2019

- Maximize T-CC event space usage
- Continue to host community events and forums
- Maintain 100% occupancy of lease spaces at the T-CC
- Continue to reinforce transit code of conduct culture at the T-CC

Major Expenses

- T-CC Employee wages and benefits
- Facility Supplies and Maintenance

Major Revenue

- Tenant leases
- Event fees
- Users fees

Budget Changes from 2018 to 2019

- Increase of supply expenses in 2019 due to increased customers, ridership, and school district programs.
- Income from space use agreements will remain consistent in 2019 through June. Possibility of Suites A, B, and C becoming available for lease in June.
- Increase in Facility Maintenance/Repair expenses expected due to increased throughput and building aging.

- Income from event rentals is expected to increase slightly in 2019 due to new board approved rate adjustments made in May 2018.
- Capital request to improve sound quality in gymnasium via baffles or better audio equipment.
- Capital request to purchase a scissor lift for needed maintenance and repair above 20 feet at the T-CC.

The following details 2019's work items, and when they are anticipated to be completed.

| 2019 Work Items | Completed as of | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|--|-----------------|-------------|-------------|-------------|-------------|
| Strategic Plan Approved | | Δ | | | |
| Employee Handbook Approved | | Δ | | | |
| Create Financial Management Policy Manual | | | Δ | | |
| KPI reporting - dashboard to board beginning 1st quarter | | Δ | Δ | | |
| Develop route deviation, stroller, service animal, no-show policies for Operations | | Δ | Δ | Δ | |
| Develop a light duty and position transition policies for HR | | Δ | | | |
| Develop an Employee Engagement Plan | | Δ | Δ | Δ | |
| Wage analysis | | Δ | Δ | | |
| Union Negotiations | | | Δ | Δ | |
| Quarterly driver training | | Δ | Δ | Δ | Δ |
| Prepare a Welcome package for new DAR riders | | Δ | Δ | | |
| Quarterly ridership analysis and outreach initiative | | Δ | Δ | Δ | Δ |
| Community Conversations | | | Δ | | Δ |
| Public Outreach for service changes | | Δ | Δ | Δ | Δ |
| Service change implementation plan | | Δ | Δ | | |
| Bus builds for coaches and cutaways | | | | Δ | Δ |
| Roof replacement on Building 3 and 4 | | Δ | Δ | | |
| Records Management - Network reorganization | | Δ | Δ | Δ | Δ |
| IT infrastructure improvements and computer replacement | | Δ | Δ | | |
| Park & Ride project (through 2023) | | Δ | Δ | Δ | Δ |
| T-CC parking lot construction | | Δ | Δ | Δ | |