2021 Budget Presentation

RFTA Board Meeting

December 10, 2020

Agenda

- Budget Highlights
- Consolidated Financial Overview
- Revenues
- Expenditures
- Fund Balance

2021 Budget Highlights

- Major Goals funded:
  - Operations
    - Continue to provide the essential transit services to support the regional workforce and economy during the COVID-19 pandemic
    - Increased 20/21 winter season service (BC PNR-RP and BC PNR-Snowmass)
    - Operations Dept. Reorganization
  - Destination 2040 Plan:
    - 9 Bus Replacements (ordered in 2021, est. delivery in 2022)
    - Provide on-going support for WE-Cycle
    - Rio Grande Trail improvements
  - Contribution to Brush Creek PNR Improvement Project (EOTC)
  - Contribution to Paepcke Transit Hub Project (COA)
  - HCE purchase of RFTA Solar Array and Paydown of Lease
  - $1.2M to fund multiple Strategic Initiatives

2021 Budget Highlights (Continued)

- Items not reflected in the budget at this time:
  - Replacement Vehicles for the Traveler Program
  - 2021 bond issuance is planned for Spring 2021; additional Destination 2040 Projects funded using bond proceeds include:
    - GMF Expansion Project – Phase 3, 4, 5, and 7
    - Grade Separated Pedestrian Crossings of Hwy 82 and 27th Street
    - 27th Street BRT Station Parking Expansion – property acquisition

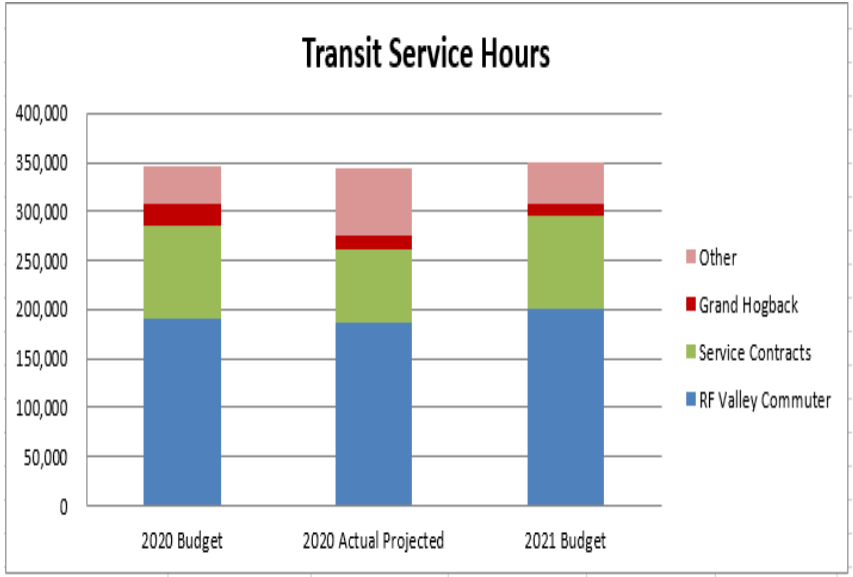
2021 Budget Highlights (Continued)

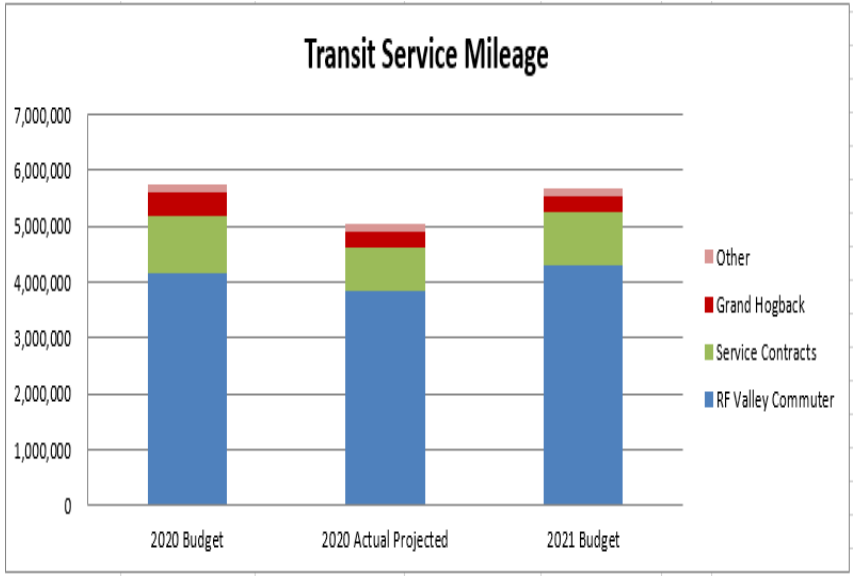
- $60.2 million total budget (-28%)
  - $46.6 million Operating (+5%)
  - $8.0 million Capital (-78%)
  - $5.5 million Debt Service (+42%) – includes paydown of $1.2M due to Solar Array sale to HCE
- Revenue Estimates
  - -1.0% sales and use tax
  - -0.5% property tax (reassessment in 2021)
  - +22% service contracts
  - -8.6% fare revenue (constrained by max. capacity limits & demand)
  - -86% operating grant (no CARES Act funds in 2021; status quo for FTA 5311 and CDOT FASTER)
  - -9% local government contributions (EOTC increase, GarCo decrease)
- $2.5 million increase to General Fund's fund balance
  - Timing of D2040 service enhancements & capital projects

2021 Budget Highlights (Continued)

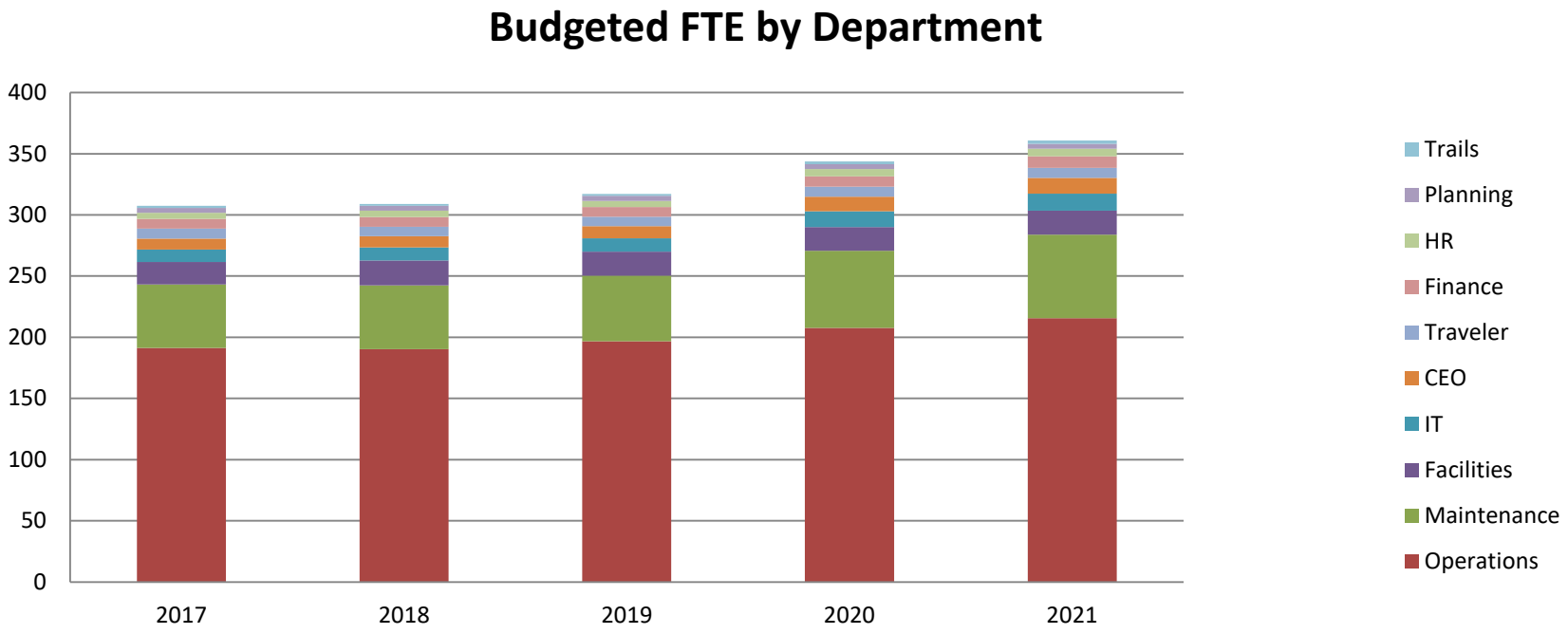
Destination 2040 Funding and Uses included in General Fund:	
Description (1,000's)	**2021 Final Budget**
Net Property Tax Revenues	$ 10,448
Less: Estimated Costs for Service Enhancements	$ (2,060)
Less: Estimated Debt Service for Capital Lease (bus)	$ (320)
Less: Amount used to offset estimated revenue shortfalls (sales tax/fares)	$ (4,285)
Less: Estimated Costs for Strategic Initiatives	$ (1,219)
Remaining Available Funds	**$ 2,564**
Less: Placeholder for Estimated Annual DS for 2021 Bond Issuance	$ (1,678)
Anticipated Remaining Available Funds	**$ 886**

2021 Budget Highlights (Continued)





2021 Budget Highlights (Continued)



2021 Budget Highlights (Continued)

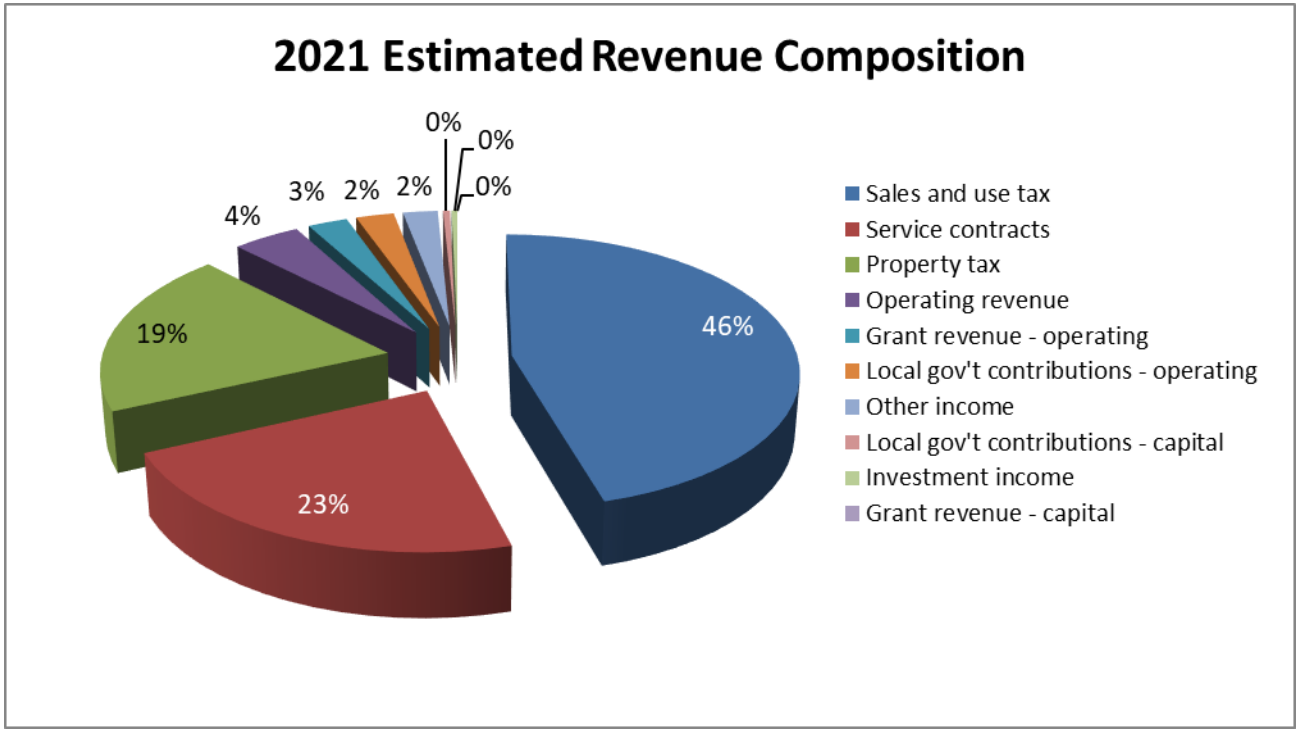
- Capital Budget
  - $7.97 million in General Fund
    - $7.15 million for Transit
    - $822,000 for Trails
  - At this time, staff plans on the following 2021 supplemental budget appropriations:
    - March 2021 – due to project timing, rollfoward unexpended approved project budgets (and capital grants) from 2020 to 2021 (~$16M net)
    - April or May 2021 – appropriate capital projects funded by 2021 bond issuance & debt service
    - May be others, as needed

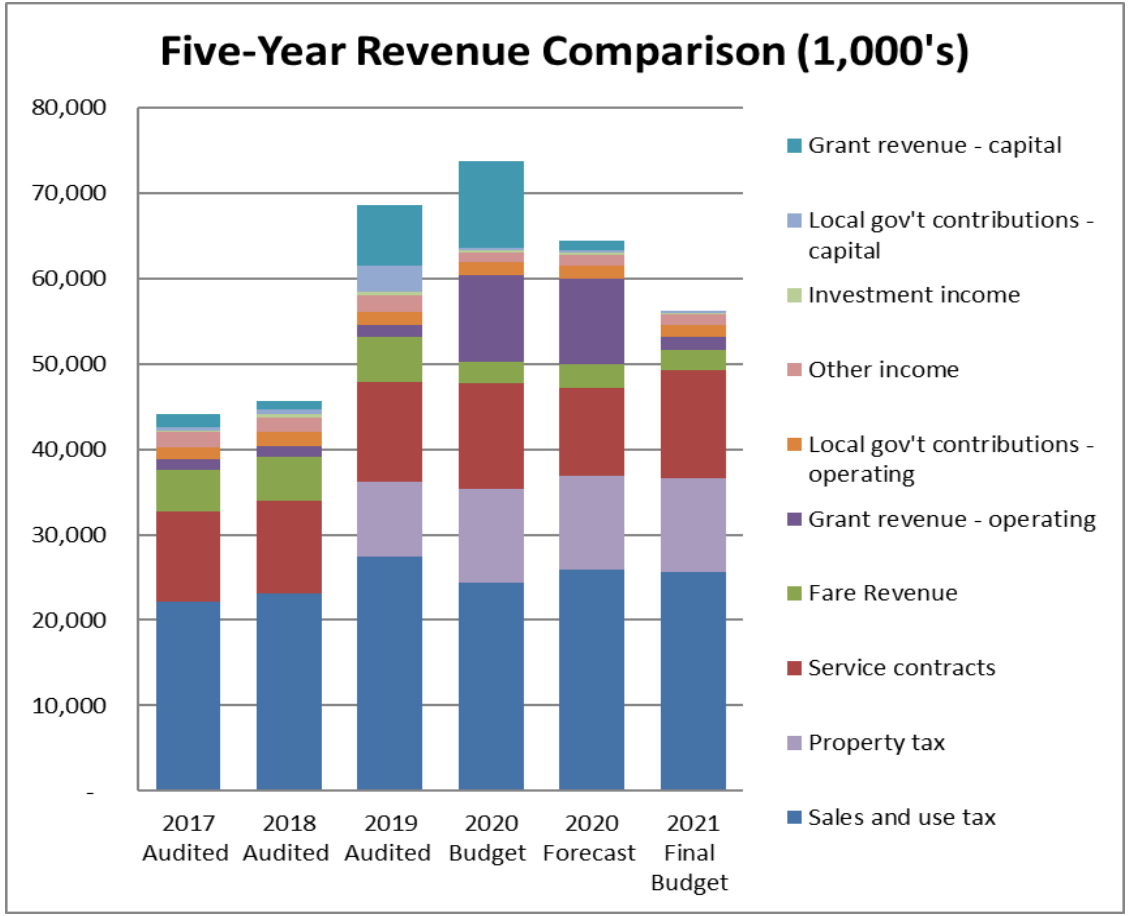
Consolidated Financial Overview

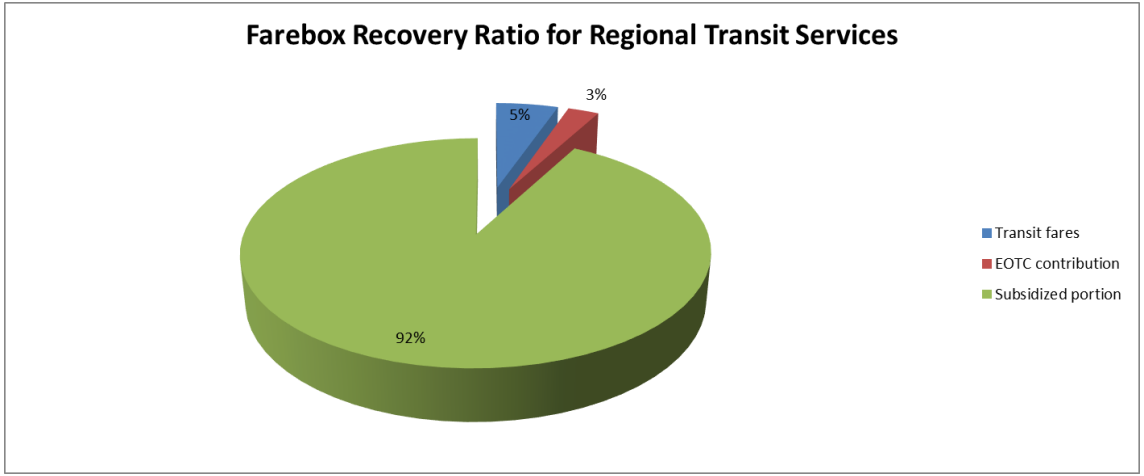
(1,000's)	General Fund	Service Contracts	Bus Stops/ PNR SRF	Mid Valley Trails SRF	Capital Projects Fund	Debt Service Fund	2021 Final Budget	%
Beginning fund balance (Budget)	**$ 33,388**	**$ -**	**$ 97**	**$ 169**	**$ 49**	**$ 920**	**$ 34,623**	
Revenues:								
Sales and use tax	$ 25,606	$ -	$ -	$ 56	$ -	$ -	**$ 25,662**	46%
Property tax	$ 10,945	$ -	$ -	$ -	$ -	$ -	**$ 10,945**	19%
Service contracts	$ -	$ 12,652	$ -	$ -	$ -	$ -	**$ 12,652**	23%
Operating revenue	$ 2,427	$ -	$ -	$ -	$ -	$ -	**$ 2,427**	4%
Grant revenue - operating	$ 1,402	$ 30	$ -	$ -	$ -	$ -	**$ 1,432**	3%
Local gov't contributions - operating	$ 1,374	$ -	$ -	$ -	$ -	$ -	**$ 1,374**	2%
Local gov't contributions - capital	$ 252	$ -	$ -	$ -	$ -	$ -	**$ 252**	0%
Other income	$ 609	$ -	$ 485	$ -	$ -	$ 156	**$ 1,250**	2%
Investment income	$ 199	$ -	$ 1	$ 1	$ -	$ -	**$ 201**	0%
Total revenues	**$ 42,813**	**$ 12,682**	**$ 486**	**$ 57**	**$ -**	**$ 156**	**$ 56,193**	**100%**
Program expenditures:								
Fuel	$ 1,794	$ 698	$ -	$ -	$ -	$ -	**$ 2,492**	4%
Transit	$ 30,279	$ 12,143	$ 1,045	$ -	$ -	$ -	**$ 43,467**	72%
Trails & Corridor Mgmt	$ 671	$ -	$ -	$ 55	$ -	$ -	**$ 726**	1%
Subtotal operating exp.	**$ 32,744**	**$ 12,841**	**$ 1,045**	**$ 55**	**$ -**	**$ -**	**$ 46,684**	**78%**
Capital	$ 7,967	$ -	$ -	$ -	$ 49	$ -	**$ 8,016**	13%
Debt Service	$ 2,773	$ -	$ -	$ -	$ -	$ 2,729	**$ 5,502**	9%
Total expenditures	**$ 43,484**	**$ 12,841**	**$ 1,045**	**$ 55**	**$ 49**	**$ 2,729**	**$ 60,202**	**100%**
Other financing sources	**$ 6,526**	**$ 159**	**$ 559**	**$ -**	**$ -**	**$ 2,573**	**$ 9,817**	
Other financing (uses)	**$ (3,291)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (3,291)**	
Change in Fund Balance	**$ 2,564**	**$ 0**	**$ 0**	**$ 2**	**$ (49)**	**$ -**	**$ 2,517**	
Ending fund balance	**$ 35,952**	**$ 0**	**$ 97**	**$ 171**	**$ -**	**$ 920**	**$ 37,140**	

Other Financing Sources / (Uses) – All Funds

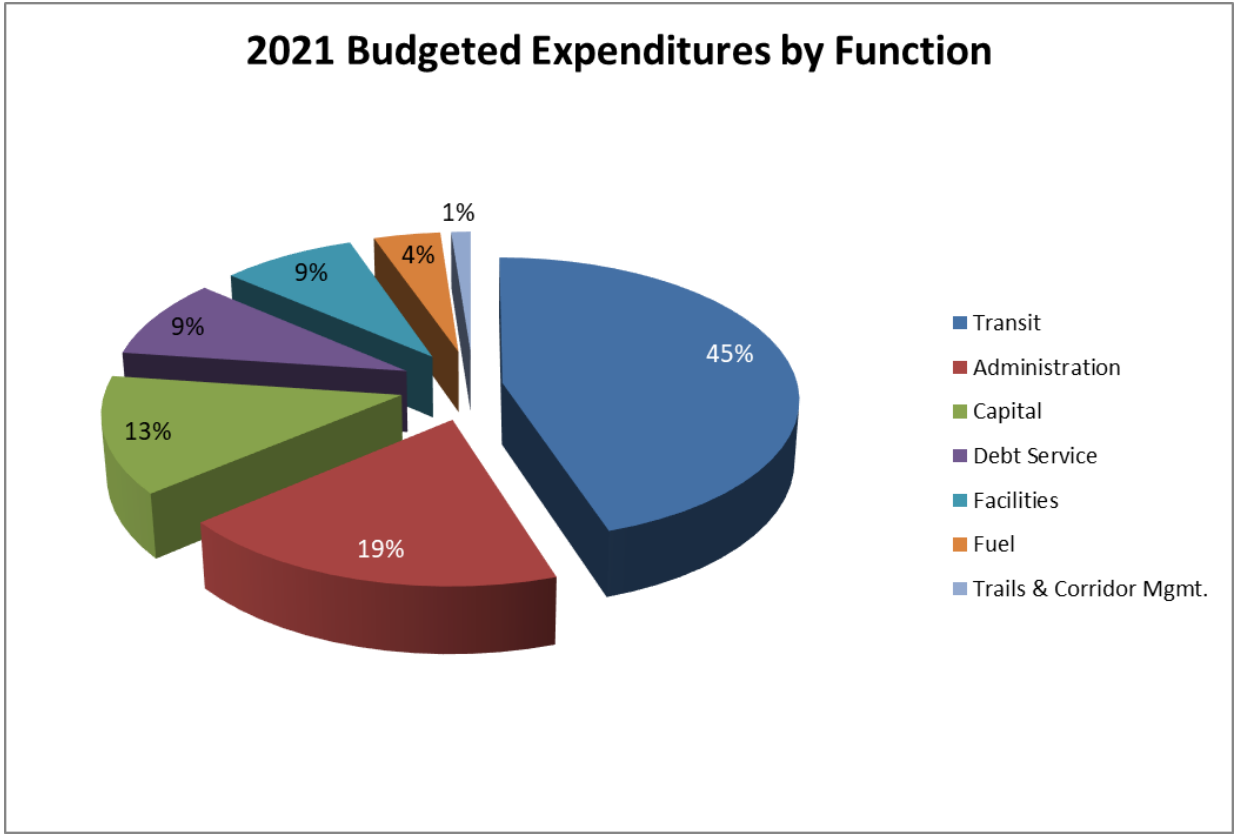
(1,000's)	General Fund	Service Contracts SRF	Bus Stops/ PNR SRF	Debt Service Fund	2021 Final Budget
Other financing sources	**$ 6,526**	**$ 159**	**$ 559**	**$ 2,573**	**$ 9,817**
Other financing (uses)	**$ (3,291)**	**$ -**	**$ -**	**$ -**	**$ (3,291)**
Net	**$ 3,235**	**$ 159**	**$ 559**	**$ 2,573**	**$ 6,526**
Detailed Other financing sources/(uses):					
Transfer to fund add'l Bus Stops/PNR cost	$ (559)	$ -	$ 559	$ -	**$ -**
Transfer to fund RFTA's contribution to Traveler	$ (159)	$ 159	$ -	$ -	**$ -**
Transfer to pay debt service	$ (2,573)	$ -	$ -	$ 2,573	**$ (0)**
Capital lease proceeds	$ 6,526	$ -	$ -	$ -	**$ 6,526**
Net	**$ 3,235**	**$ 159**	**$ 559**	**$ 2,573**	**$ 6,526**

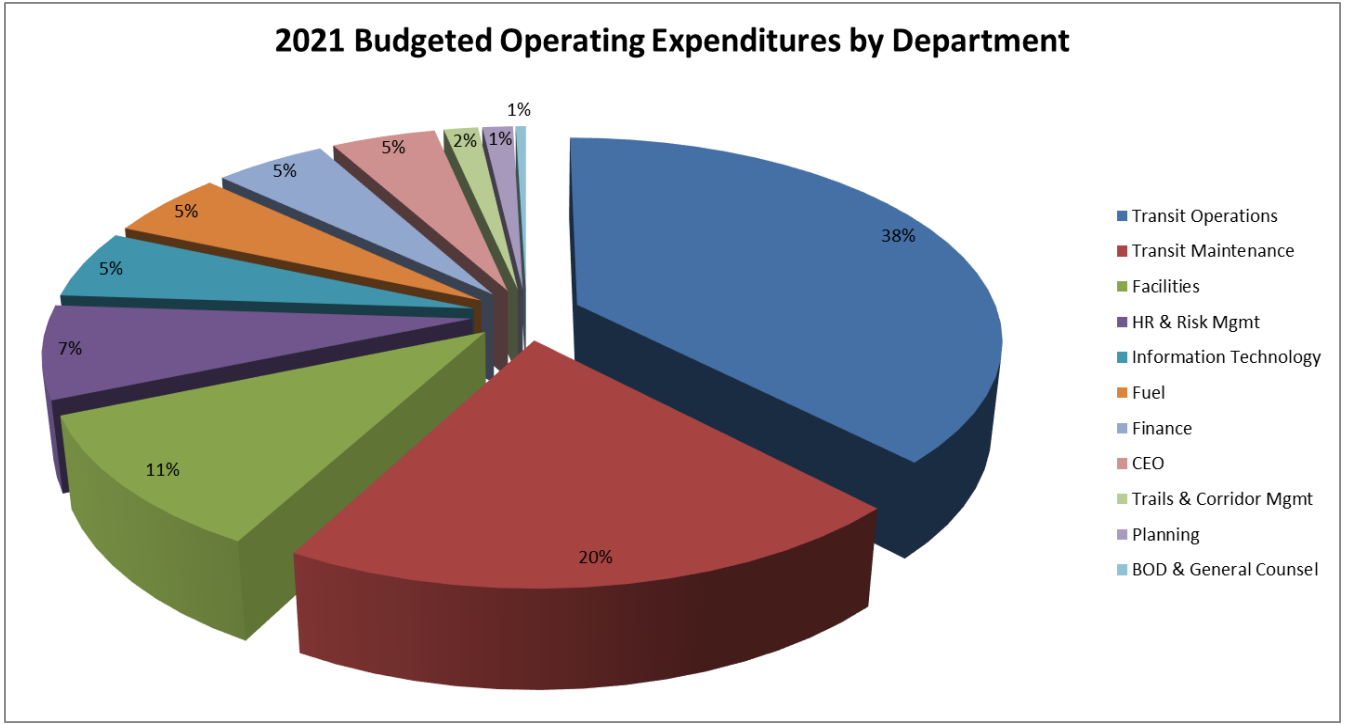

2021 Estimated Revenue Composition
46%
23%
19%
4%
3%
2%
2%
0%
0%
0%
Sales and use tax
Service contracts
Property tax
Operating revenue
Grant revenue - operating
Local gov't contributions - operating
Other income
Local gov't contributions - capital
Investment income
Grant revenue - capital

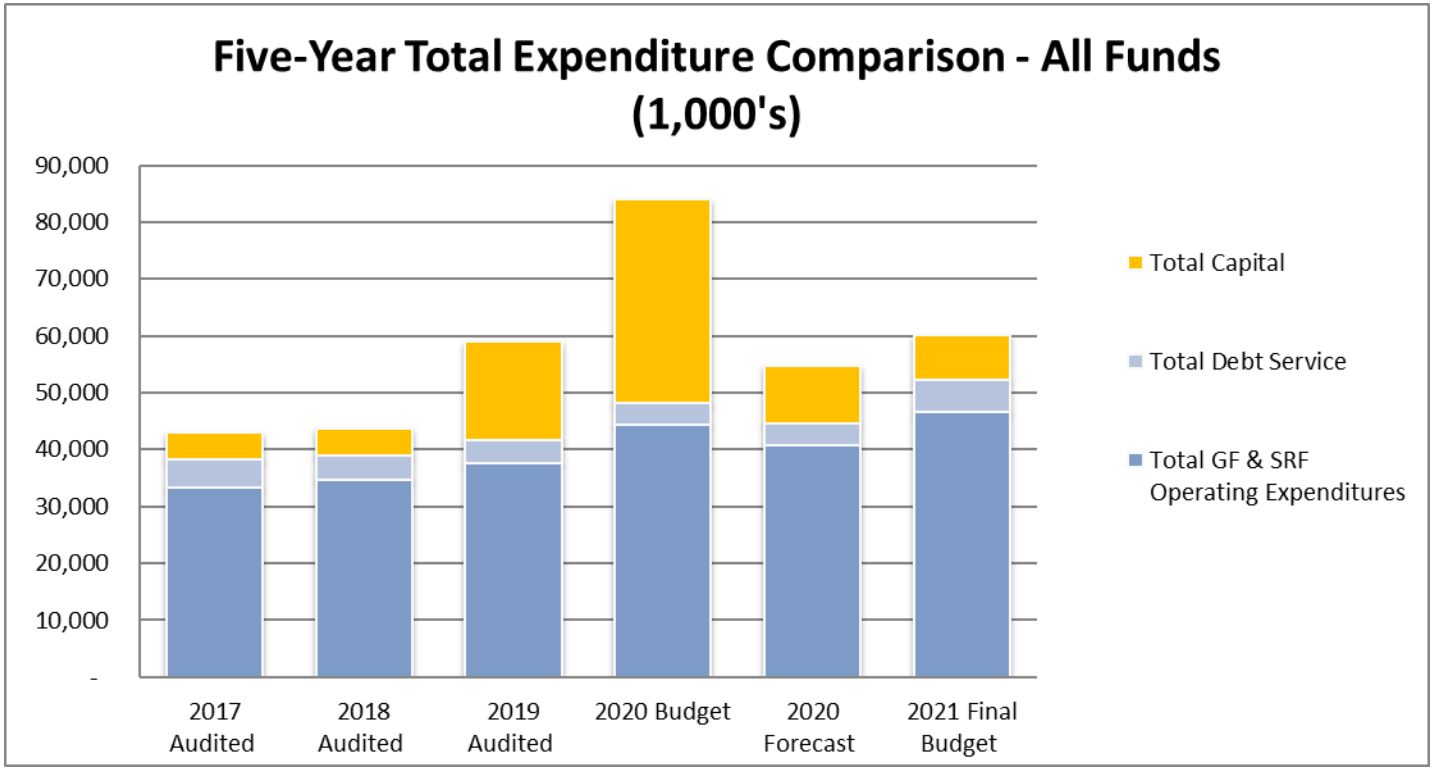

Five-Year Revenue Comparison (1,000's)
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
-
2017 Audited
2018 Audited
2019 Audited
2020 Budget
2020 Forecast
2021 Final Budget
Grant revenue - capital
Local gov't contributions - capital
Investment income
Other income
Local gov't contributions - operating
Grant revenue - operating
Fare Revenue
Service contracts
Property tax
Sales and use tax



- Farebox Recovery Ratio
  - The percentage of total operating revenues that passengers pay through fares
  - Historically ~18-20%, but fare revenue estimates assume current max. capacity constraints continue due to COVID-19 safety measures


2021 Budgeted Expenditures by Function
1%
4%
9%
9%
13%
19%
45%
Transit
Administration
Capital
Debt Service
Facilities
Fuel
Trails & Corridor Mgmt.


2021 Budgeted Operating Expenditures by Department
38%
20%
11%
7%
5%
5%
5%
5%
2%
1%
1%
Transit Operations
Transit Maintenance
Facilities
HR & Risk Mgmt
Information Technology
Fuel
Finance
CEO
Trails & Corridor Mgmt
Planning
BOD & General Counsel


Five-Year Total Expenditure Comparison - All Funds (1,000's)
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
-
2017 Audited
2018 Audited
2019 Audited
2020 Budget
2020 Forecast
2021 Final Budget
Total Capital
Total Debt Service
Total GF & SRF Operating Expenditures

Budgeted Capital Expenditures – All Funds

Capital Expenditure by Project				
Description (1,000's)	Total Outlay	Grant/ Local Assistance	Lease Proceeds	Local Share
General Fund				
Transit				
Bus Replacements*	$ 5,580		$ (5,580)	$ -
Brush Creek P&R Project (EOTC)	$ 500			$ 500
Paepcke Transit Hub Project	$ 50			$ 50
Facilities Improvements	$ 291			$ 291
IT Equipment/software	$ 442			$ 442
Bus engine/transmission rebuilds	$ 150			$ 150
Bus Upgrades/Driver Seats	$ 77			$ 77
Pool Vehicle Replacement	$ 30			$ 30
On-Board Survey	$ 25			$ 25
Subtotal Transit	**$ 7,145**	**$ -**	**$ (5,580)**	**$ 1,565**
Trails				
Trail Improvements	$ 300	$ -		$ 300
Wingo Junction Bridge	$ 503	$ (252)		$ 252
Trail Equipment	$ 19	$ -		$ 19
Subtotal Trails	**$ 822**	**$ (252)**	**$ -**	**$ 571**
Subtotal General Fund	**$ 7,967**	**$ (252)**	**$ (5,580)**	**$ 2,135**
2019 Capital Projects Fund				
GMF Expansion Project	$ 49	**$ -**		**$ 49**
Total	**$ 8,016**	**$ (252)**	**$ (5,580)**	**$ 2,184**

**Assumed order placed in 2021 for delivery in 2022 and financed through a lease/purchase agreement with estimated annual payments of $558,000 starting in 2022. Staff plans to actively seek grant funding where available.*

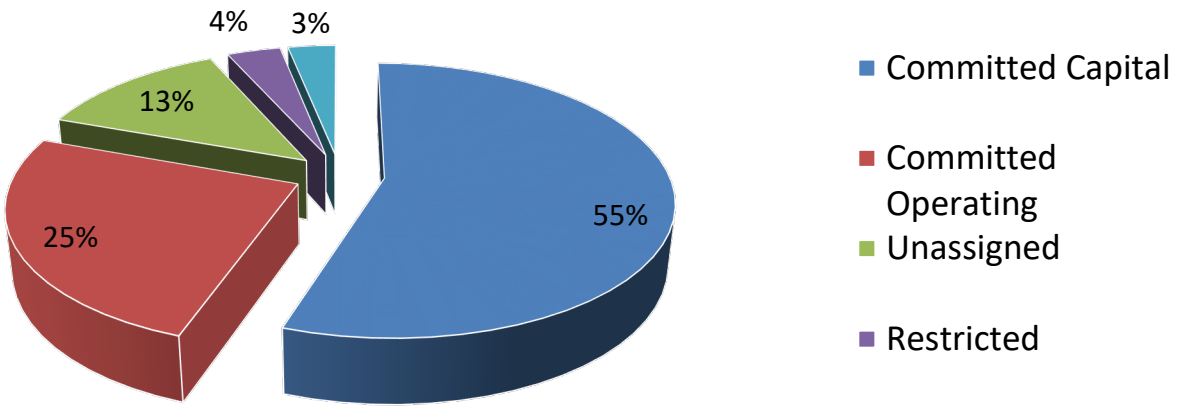
Funded Strategic Initiatives – Project List

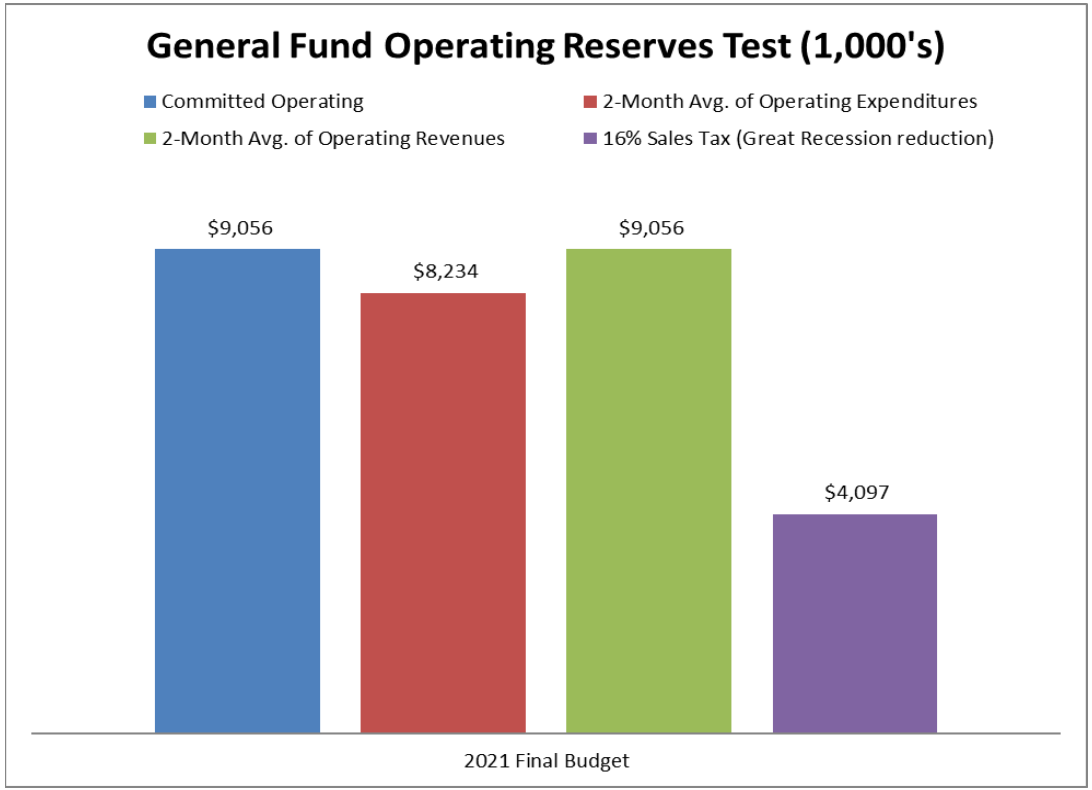
Strategic Initiative Project List	2021 Budget Estimate	Primary Outcome
Repairs to the Wingo Bridge:		
Gross Costs	$ 503,242	
Less: Pitkin County Reimbursement	(251,621)	
Net Cost - Wingo Bridge	$ 251,621	High Performing Organization
Operations Reorganization	151,000	High Performing Organization
Two new Transit Service Technicians	149,000	Sustainable Workforce
New Employee - Budget Manager/Financial Analyst	115,000	Sustainable Workforce
Parker House Improvements	100,000	High Performing Organization
New Employee - IT AVL Technician	85,000	Sustainable Workforce
Four new Seasonal Non-CDL Bus Cleaners	79,300	Sustainable Workforce
Replace 22 Driver Seats in 2013 Gilligs	77,000	Sustainable Workforce
Stormwater Management Plans	50,000	High Performing Organization
Revision and Update of the GMF CNG Emergency Response Plan	40,000	Safe Customer, Staff, and Public
Benefits Administration Software	20,000	Sustainable Workforce
Four Mobile Workstations for Supervisor Vehicles	20,000	Sustainable Workforce
Trails - Grooming Equipment	19,000	Accessibility and Mobility
TCH Software	16,500	Sustainable Workforce
2021 On-Board Survey	15,000	Satisfied Customers
Battery Electric Bus (BEB) Renewable Energy Offset	10,000	Environmental Sustainability
Contract and Performance Management System	10,000	Financial Sustainability
Convert Contractual Employee to Full-Time Equivalent	6,400	Sustainable Workforce
HSA Match	3,750	Sustainable Workforce
Total	1,218,571	

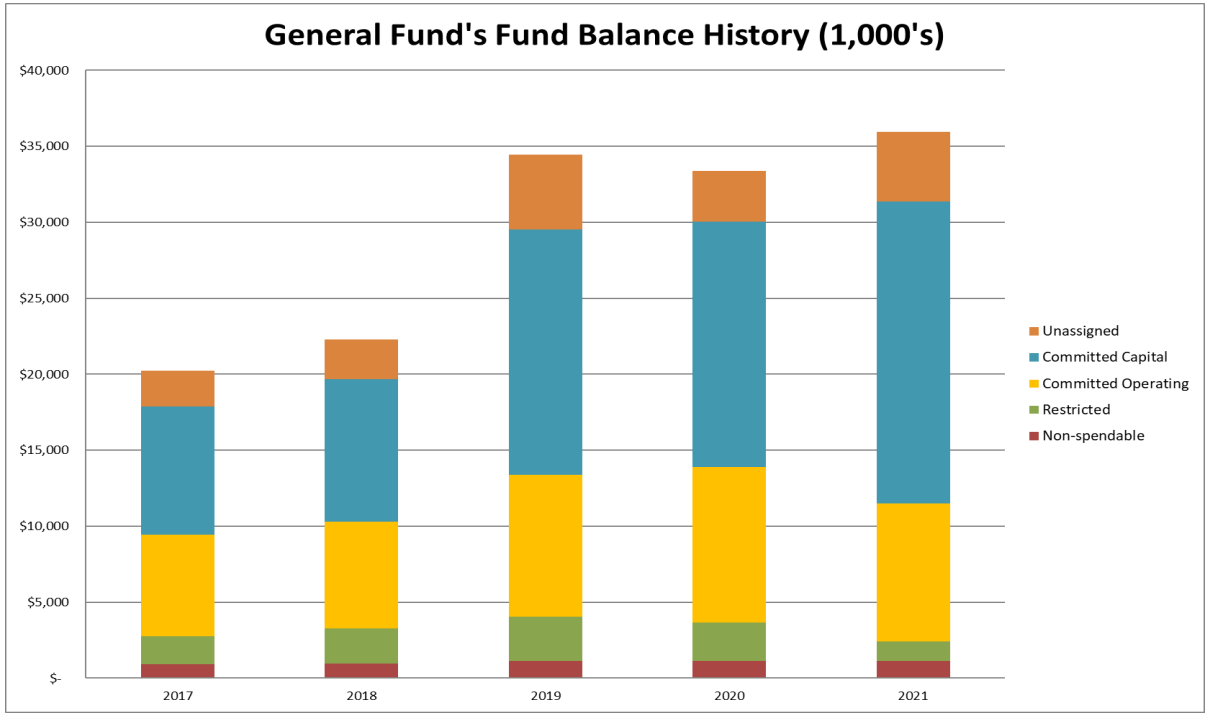
Fund Balance

(1,000's)	General Fund	Service Contracts	Bus Stops/ PNR	Mid Valley Trails	Capital Projects Fund	Debt Service Fund	Total
Beginning fund balance (budget)	**$ 33,388**	**$ -**	**$ 97**	**$ 169**	**$ 49**	**$ 920**	**$ 34,623**
Revenues	$ 42,813	$ 12,682	$ 486	$ 57	$ -	$ 156	$ 56,193
Expenditures	$ (43,484)	$ (12,841)	$ (1,045)	$ (55)	$ (49)	$ (2,729)	$ (60,202)
Other financing source/(use)	$ 3,235	$ 159	$ 559	$ -	$ -	$ 2,573	$ 6,526
Change in net assets	**$ 2,564**	**$ 0**	**$ -**	**$ 2**	**$ (49)**	**$ -**	**$ 2,517**
Ending fund balance	**$ 35,952**	**$ 0**	**$ 97**	**$ 171**	**$ 0**	**$ 920**	**$ 37,140**
Ending fund balance composition:							
Non-spendable fund balance	$ 1,141						$ 1,141
Restricted fund balance	$ 1,284	$ 0	$ 97	$ 171	$ -	$ 920	$ 2,472
Committed fund balance:							
Operating reserves	$ 9,057						$ 9,057
Facilities capital reserves	$ 4,264						$ 4,264
Transit capital reserves	$ 14,170						$ 14,170
Trails capital reserves	$ 1,447						$ 1,447
Unassigned fund balance	$ 4,587						$ 4,587
Ending fund balance	**$ 35,952**	**$ 0**	**$ 97**	**$ 171**	**$ -**	**$ 920**	**$ 37,140**

2021 Projected General Fund Fund Balance Composition




General Fund Operating Reserves Test (1,000's)
Committed Operating
2-Month Avg. of Operating Expenditures
2-Month Avg. of Operating Revenues
16% Sales Tax (Great Recession reduction)
$9,056
$8,234
$9,056
$4,097
2021 Final Budget


General Fund's Fund Balance History (1,000's)
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$-
2017
2018
2019
2020
2021
Unassigned
Committed Capital
Committed Operating
Restricted
Non-spendable

Questions?