2019 Budget Presentation

RFTA Board Meeting

November 8, 2018

Agenda

- Budget Highlights
- Consolidated Financial Overview
- Revenues
- Expenditures
- Fund Balance
- Long Range Financial Forecast

2019 Budget Highlights

- Major Goals funded:
  - Operations
    - Implement new contract with Collective Bargaining Unit (10-year wage progression)
    - Support the City of Aspen's SHIFT initiative
    - Continue support for expansion of WE-cycle Bike Share Program
    - Continue implementation of Asset Management Program
    - Improve ITS Data Management Program
    - Additional seasonal Rio Grande Trail staff
  - Workforce Development
    - Refine Leadership Academy Program
    - Expand the Learning Management System to all departments
    - Enhance Employee Wellness Program
  - Capital Projects
    - 4 Diesel Bus Replacements & Engine Replacements
    - GMF Improvements
    - RGT Improvements (incudes bridge repair) & Equipment

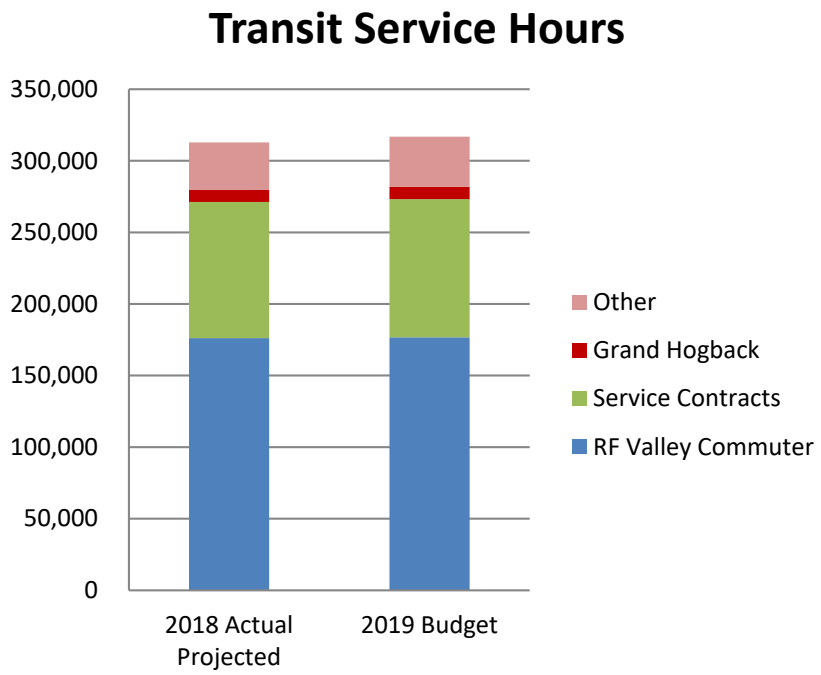
2019 Budget Highlights (Continued)

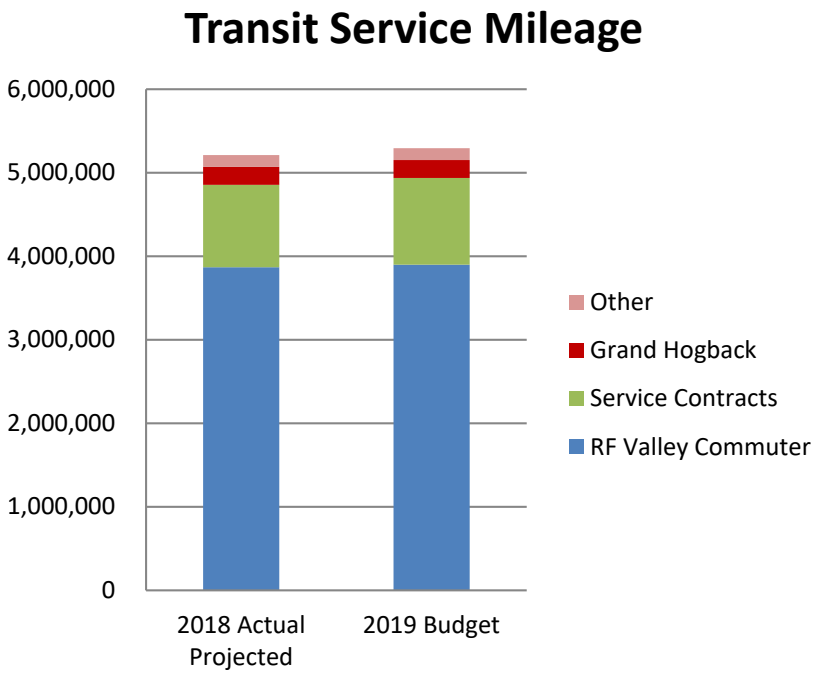
- Items not reflected in the budget at this time:
  - Destination 2040 projects
  - Parachute Service
  - Hanging Lake Service

2019 Budget Highlights (Continued)

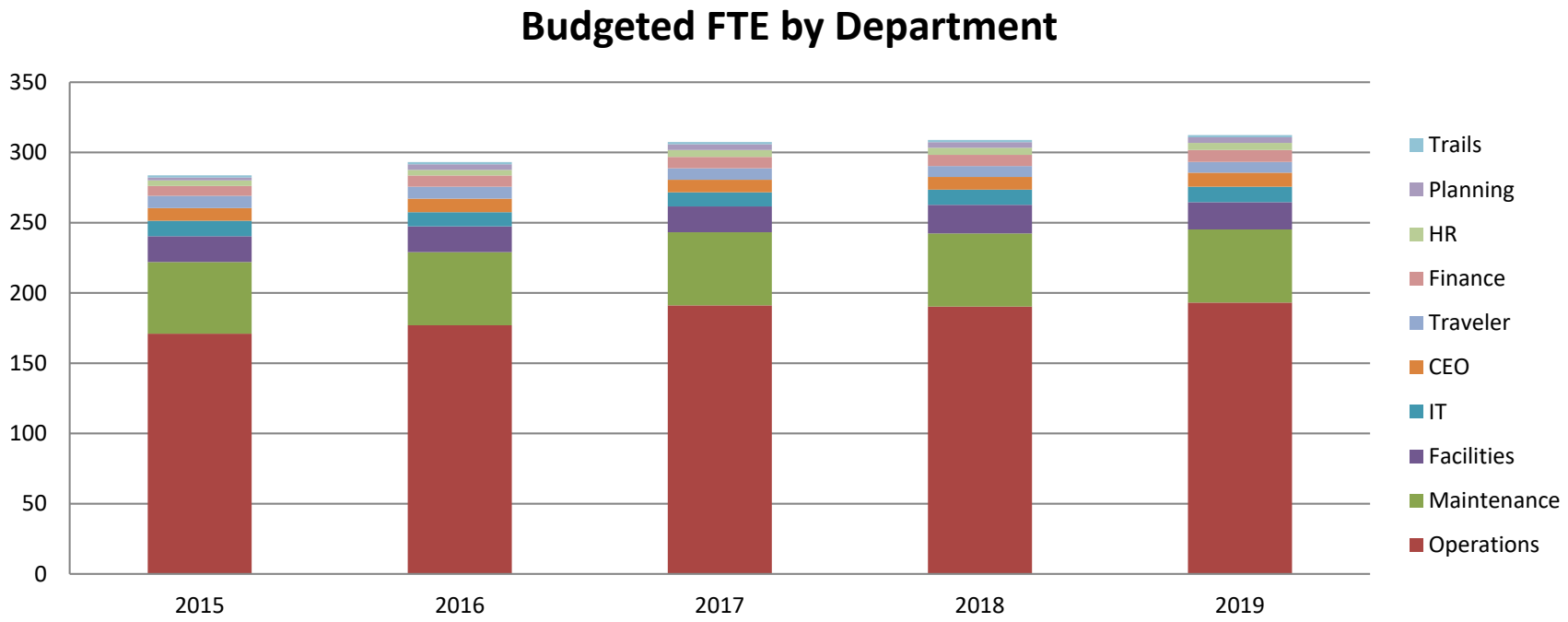
- $47.7 million total budget (-12.%)
  - $38.3 million Operating (+7% fuel & labor)
  - $4.9 million Capital (-64%)
  - $4.5 million Debt Service (no change)
- Revenue Estimates
  - +3% sales tax
  - +8% service contracts (SHIFT)
  - +2% fare revenue (excludes advertising)
  - +8% operating grant (FTA 5311)
  - +10% local government contributions (EOTC & Garfield County)
- $454,000 increase to General Fund's fund balance
  - Timing of capital projects
- Operating Reserves

2019 Budget Highlights (Continued)





2019 Budget Highlights (Continued)



2019 Budget Highlights (Continued)

- Capital Budget
  - $4.9 million in General Fund
    - $2.8 million Bus Replacements: 4 diesel buses
      - $2.23 million funded by FTA 5339(b) capital grant
    - $652,000 Trail Improvements & Equipment
      - $146,000 funded by Pitkin County
    - $485,000 Facilities Improvements
    - $482,000 Engine/Transmission Replacement/Rebuilds
    - $440,000 Equipment/Software
  - Any unexpended 2018 budget will be re-budgeted in early 2019
    - Includes Battery Electric Bus Pilot Program, Bus Replacements, and other Capital Projects, etc.

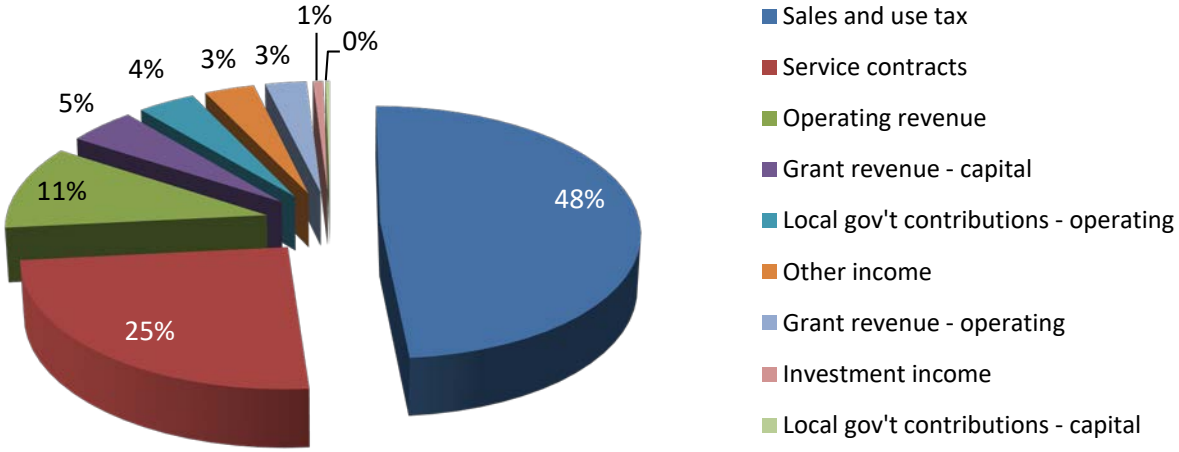
Consolidated Financial Overview

(1,000's)	General Fund	Service Contracts	Bus Stops/ PNR SRF	Mid Valley Trails SRF	Debt Service Fund	2019 Total Budget	%
Beginning fund balance (Budget)	**$ 17,686**	**$ -**	**$ 97**	**$ 127**	**$ 2,499**	**$ 20,409**	
Revenues:							
Sales and use tax	$ 23,236	$ -	$ -	$ 61	$ -	**$ 23,297**	49%
Service contracts	$ -	$ 11,879	$ -	$ -	$ -	**$ 11,879**	25%
Operating revenue	$ 5,151	$ -	$ -	$ -	$ -	**$ 5,151**	11%
Grant revenue - operating	$ 1,316	$ 30	$ -	$ -	$ -	**$ 1,346**	3%
Grant revenue - capital	$ 2,232	$ -	$ -	$ -	$ -	**$ 2,232**	5%
Local gov't contributions - operating	$ 1,899	$ -	$ -	$ -	$ -	**$ 1,899**	4%
Local gov't contributions - capital	$ 146	$ -	$ -	$ -	$ -	**$ 146**	0%
Other income	$ 521	$ -	$ 472	$ -	$ 645	**$ 1,638**	3%
Investment income	$ 284	$ -	$ 2	$ 2	$ 49	**$ 336**	1%
Total revenue	**$ 34,784**	**$ 11,909**	**$ 474**	**$ 63**	**$ 694**	**$ 47,924**	**100%**
Program expenditures:							
Fuel	$ 1,716	$ 807	$ -	$ -	$ -	**$ 2,523**	5%
Transit	$ 22,992	$ 11,238	$ 871	$ -	$ -	**$ 35,101**	74%
Trails & Corridor Mgmt	$ 589	$ -	$ -	$ 121	$ -	**$ 710**	1%
Subtotal operating exp.	**$ 25,298**	**$ 12,045**	**$ 871**	**$ 121**	**$ -**	**$ 38,334**	**80%**
Capital	$ 4,878	$ -	$ -	$ -	$ -	**$ 4,878**	10%
Debt Service	$ 1,540	$ -	$ -	$ -	$ 2,930	**$ 4,470**	9%
Total expenditures	**$ 31,716**	**$ 12,045**	**$ 871**	**$ 121**	**$ 2,930**	**$ 47,682**	**100%**
Other financing sources	**$ 155**	**$ 136**	**$ 397**	**$ -**	**$ 2,236**	**$ 2,924**	
Other financing (uses)	**$ (2,769)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (2,769)**	
Change in Fund Balance	**$ 454**	**$ 0**	**$ -**	**$ (58)**	**$ -**	**$ 396**	
Ending fund balance	**$ 18,140**	**$ 0**	**$ 97**	**$ 69**	**$ 2,499**	**$ 20,805**	

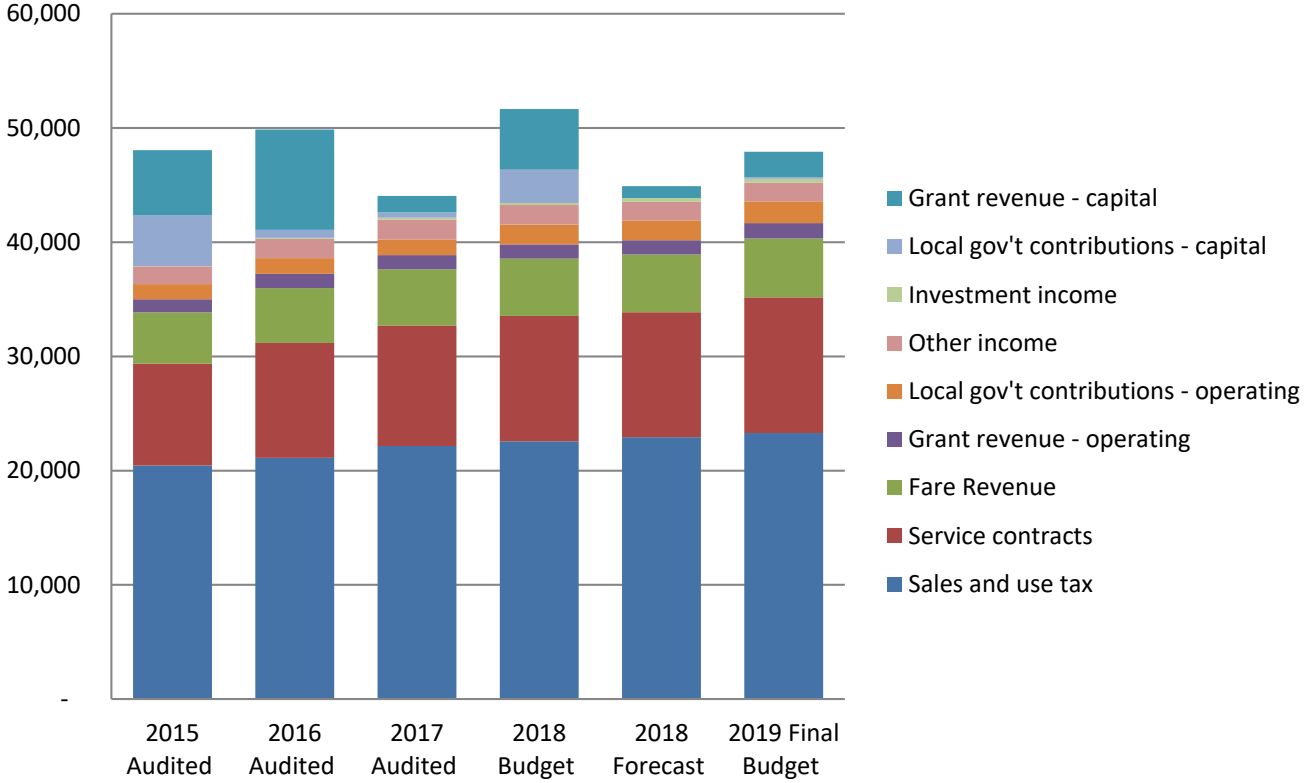
Other Financing Sources / (Uses) – All Funds

(1,000's)	General Fund	Service Contracts SRF	Bus Stops/ PNR SRF	Debt Service Fund	2018 Total Budget
Other financing sources	**$ 155**	**$ 136**	**$ 397**	**$ 2,236**	**$ 2,924**
Other financing (uses)	**$ (2,769)**	**$ -**	**$ -**	**$ -**	**$ (2,769)**
Net	**$ (2,614)**	**$ 136**	**$ 397**	**$ 2,236**	**$ 155**
Detailed Other financing sources/(uses):					
Transfer to fund add'l Bus Stops/PNR cost	$ (397)	$ -	$ 397	$ -	**$ -**
Transfer to fund RFTA's contribution to Traveler	$ (136)	$ 136	$ -	$ -	**$ -**
Transfer to pay debt service	$ (2,236)	$ -	$ -	$ 2,236	**$ -**
Capital lease proceeds	$ 155	$ -	$ -	$ -	**$ 155**
Net	**$ (2,614)**	**$ 136**	**$ 397**	**$ 2,236**	**$ 155**

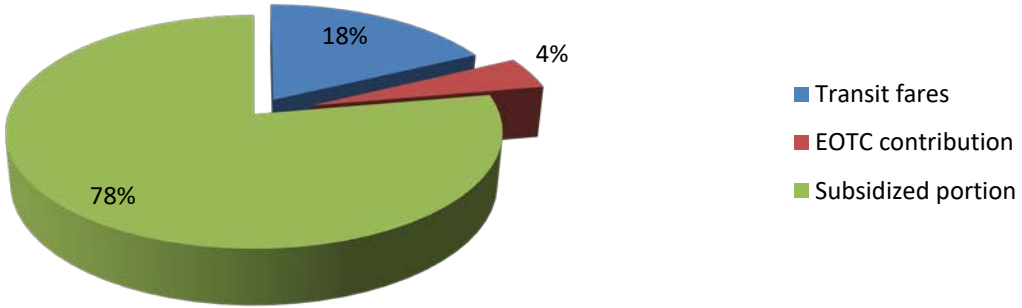
2019 Estimated Revenue Composition



Five-Year Revenue Comparison (1,000's)

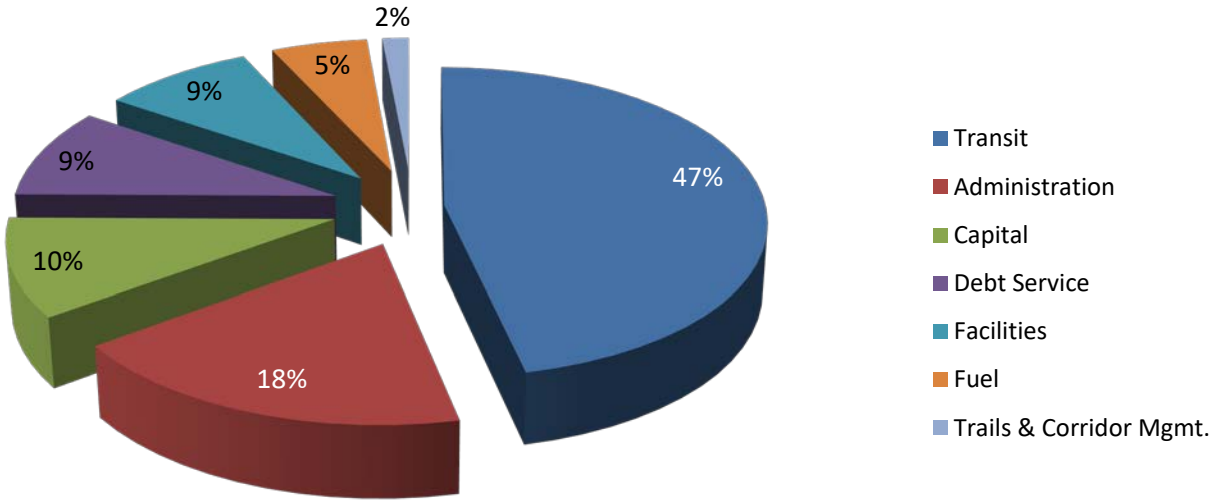


Farebox Recovery Ratio for Regional Transit Services

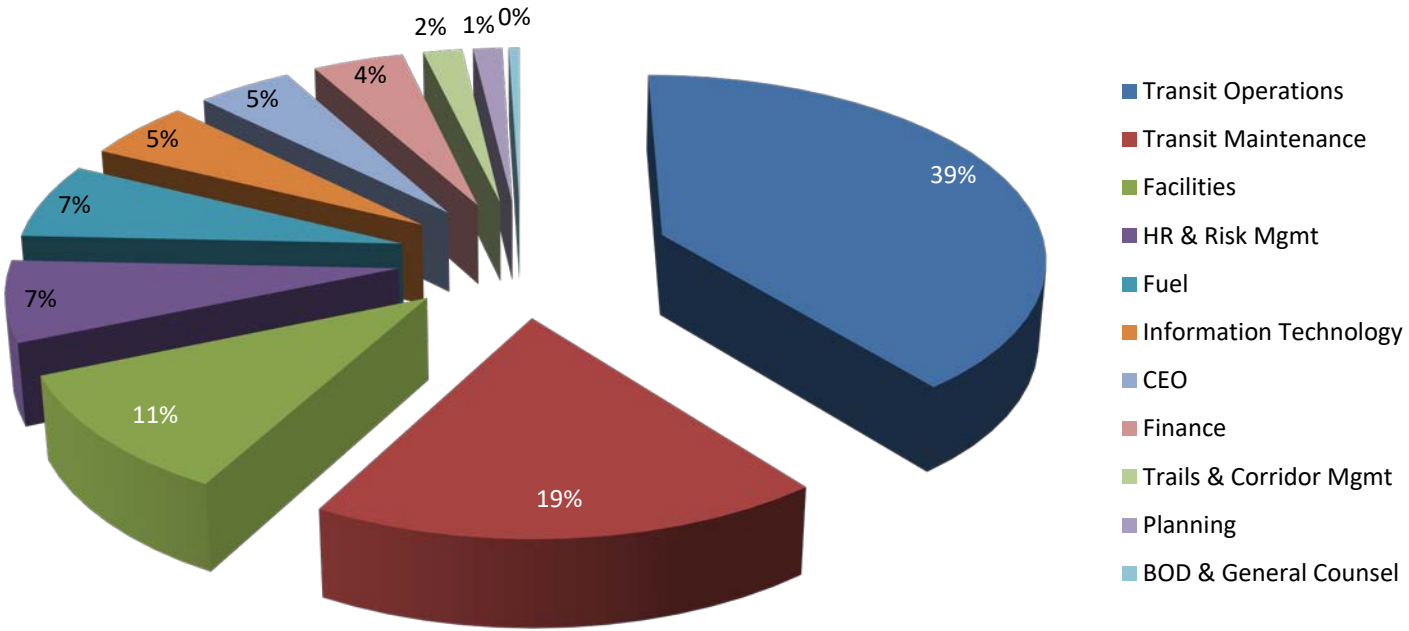


- Farebox Recovery Ratio
  - The percentage of total operating revenues that passengers pay through fares

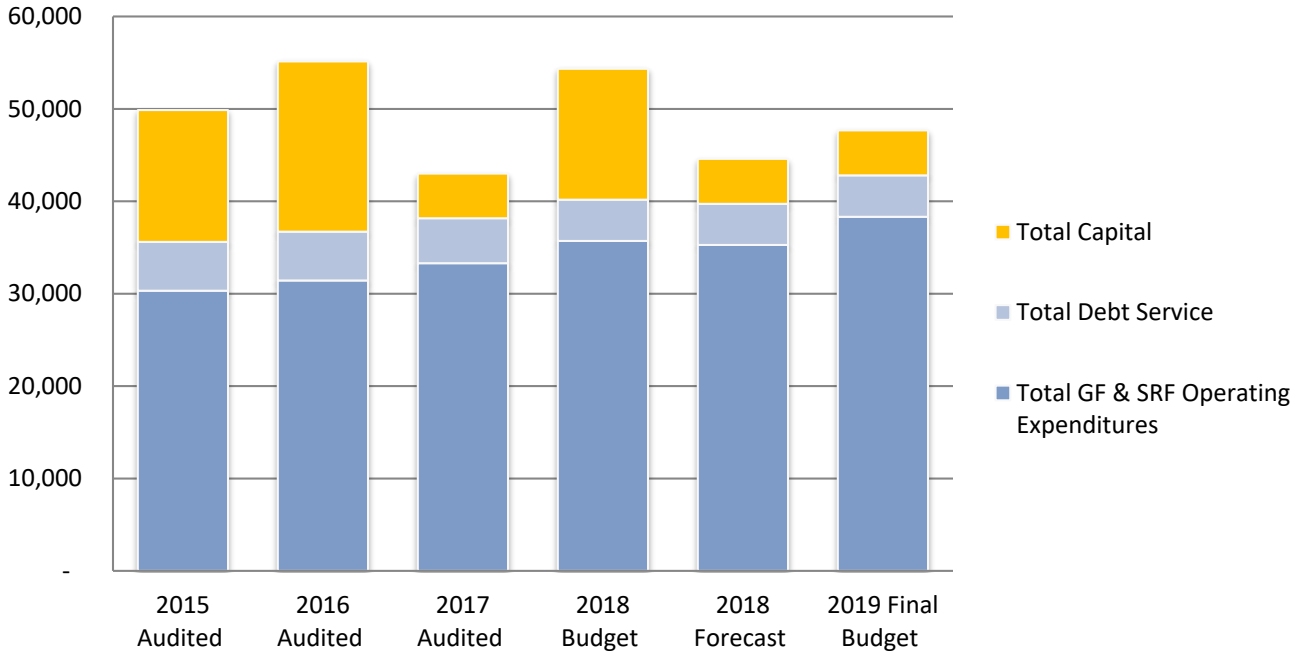
2019 Budgeted Expenditures by Function



2019 Budgeted Operating Expenditures by Department



Five-Year Total Expenditure Comparison - All Funds (1,000's)



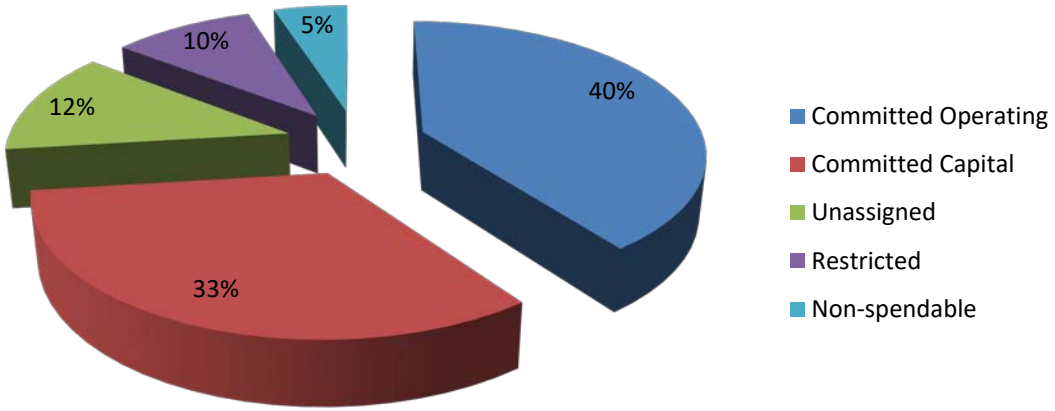
Budgeted Capital Expenditures – All Funds

Description (1,000's)	Capital Projects	Grant/ Local Assistance	Local Share
Transit			
Bus Replacements (4 Diesel)	$ 2,789	$ 2,232	$ 558
Facilities Improvements	$ 485		$ 485
Bus engine/transmission rebuilds	$ 482		$ 482
Equipment/software	$ 440		$ 440
Support vehicles	$ 30		$ 30
Subtotal Transit	**$ 4,226**	**$ 2,232**	**$ 1,994**
Trails			
Trail Improvements	$ 527	$ 146	$ 381
Trail Equipment	$ 125		$ 125
Subtotal Trails	**$ 652**	**$ 146**	**$ 506**
Total	**$ 4,878**	**$ 2,378**	**$ 2,500**

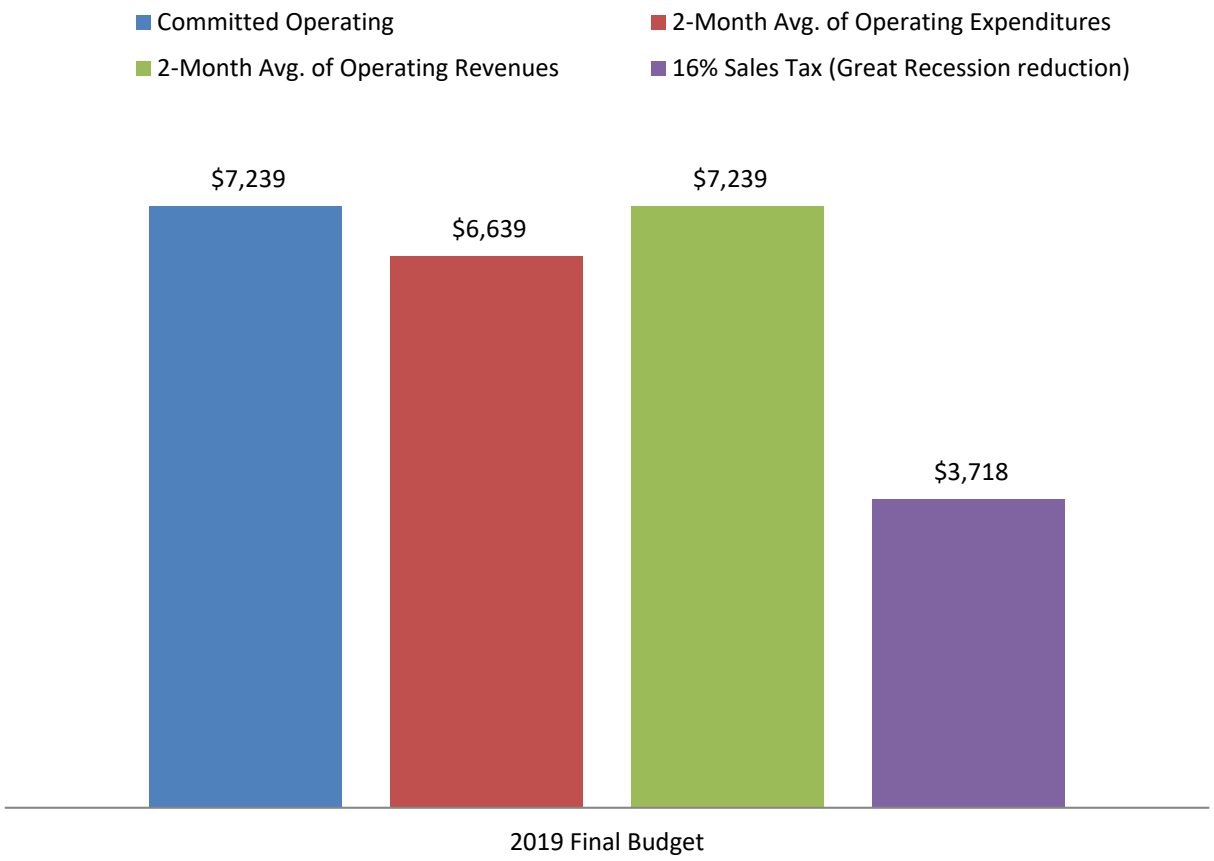
Fund Balance

(1,000's)	General Fund	Service Contracts	Bus Stops/ PNR	Mid Valley Trails	Debt Service Fund	Total
Beginning fund balance (budget)	**$ 17,686**	**$ -**	**$ 97**	**$ 127**	**$ 2,499**	**$ 20,409**
Revenues	$ 34,784	$ 11,909	$ 474	$ 63	$ 694	$ 47,924
Expenditures	$ (31,716)	$ (12,045)	$ (871)	$ (121)	$ (2,930)	$ (47,682)
Other financing source/(use)	$ (2,614)	$ 136	$ 397	$ -	$ 2,236	$ 155
Change in net assets	**$ 454**	**$ 0**	**$ -**	**$ (58)**	**$ -**	**$ 396**
Ending fund balance	**$ 18,140**	**$ 0**	**$ 97**	**$ 69**	**$ 2,499**	**$ 20,805**
Ending fund balance composition:						
Non-spendable fund balance	$ 903					$ 903
Restricted fund balance	$ 1,731	$ 0	$ 97	$ 69	$ 2,499	$ 4,397
Committed fund balance:						
Operating reserves	$ 7,237					$ 7,237
Facilities capital reserves	$ 2,037					$ 2,037
Transit capital reserves	$ 3,090					$ 3,090
Trails capital reserves	$ 891					$ 891
Unassigned fund balance	$ 2,252					$ 2,252
Ending fund balance	**$ 18,140**	**$ 0**	**$ 97**	**$ 69**	**$ 2,499**	**$ 20,805**

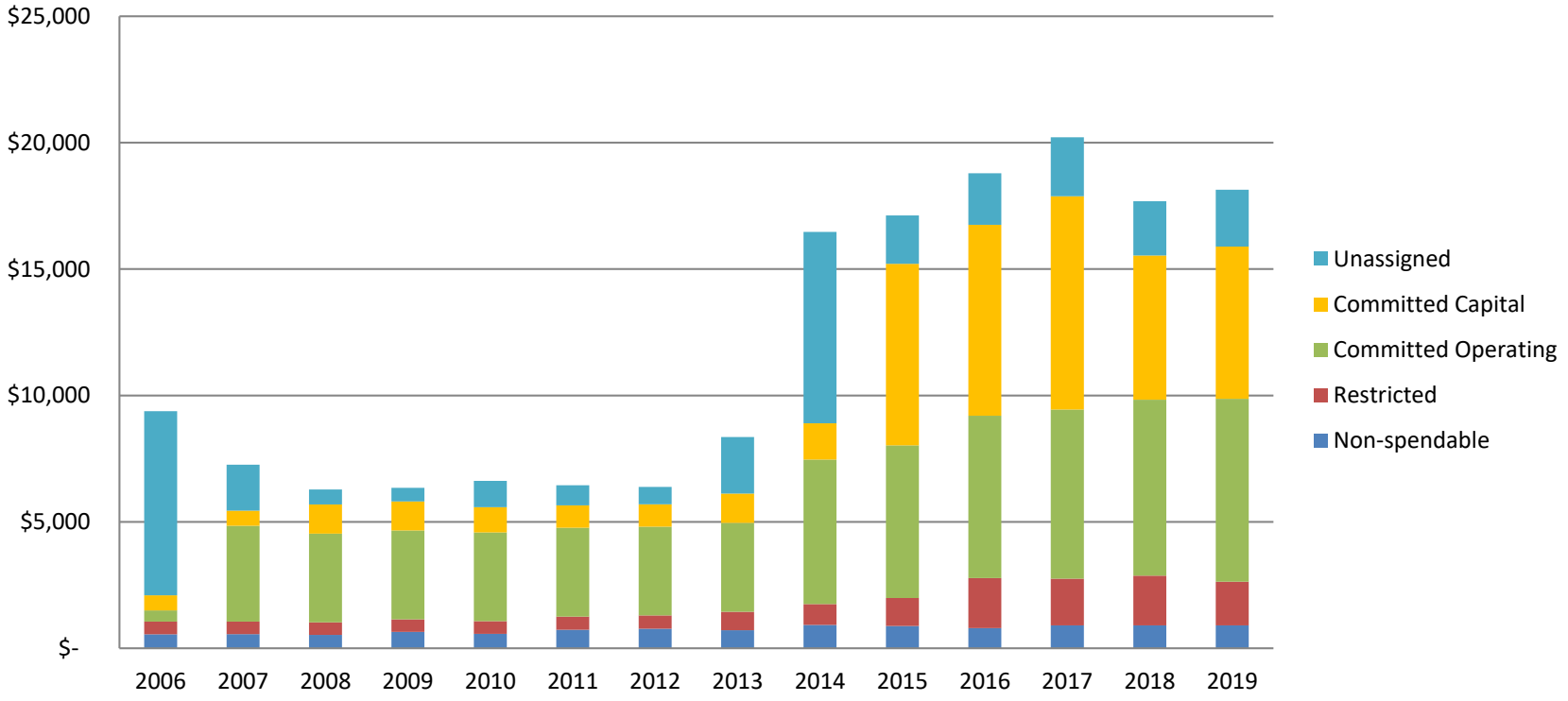
2019 Projected General Fund Fund Balance Composition



General Fund Operating Reserves Test (1,000's)



General Fund's Fund Balance History (1,000's)



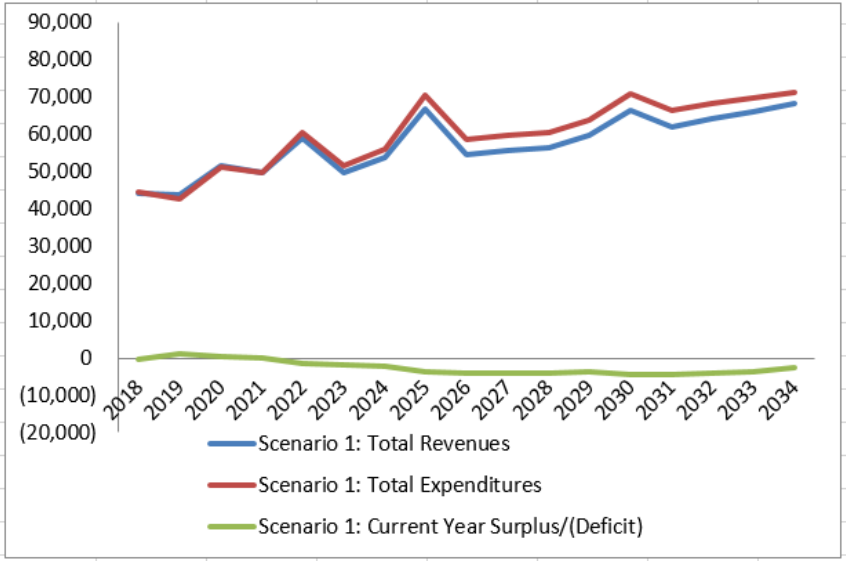
Long Range Financial Forecast Overview

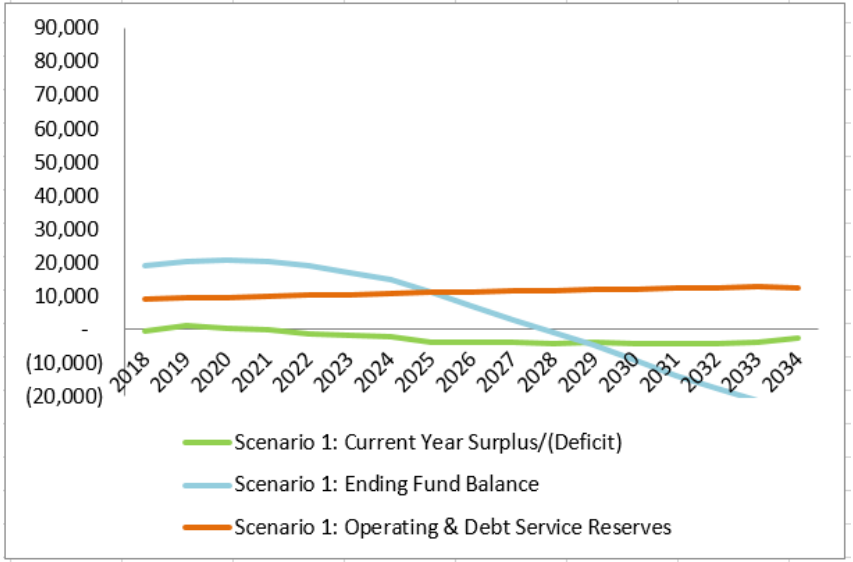
- Challenges:
  - Capital replacement
  - Uncertainty of Federal and State Assistance
  - Forecasted growth in region and transit demand
- *Current forecast does not reflect Ballot Measure 7A (will update the forecast as necessary once the outcome of the November 2018 election is known).*

Long Range Financial Forecast: Scenario Assumptions

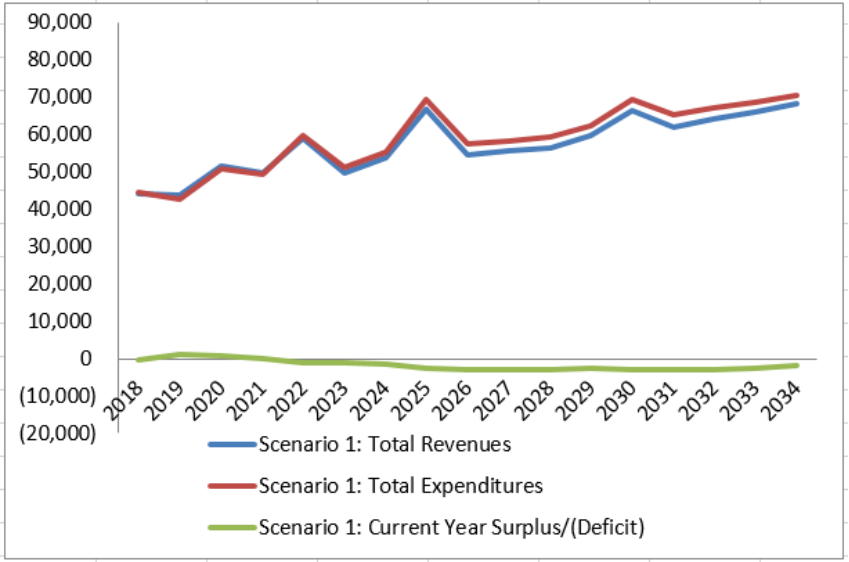
- Scenario A
  - Capital grant awarded for 25% of Bus Replacement Costs
- Scenario B
  - Capital grant awarded for 50% of Bus Replacement Costs
- Remaining Local Match funded by Capital Lease Proceeds or other financing

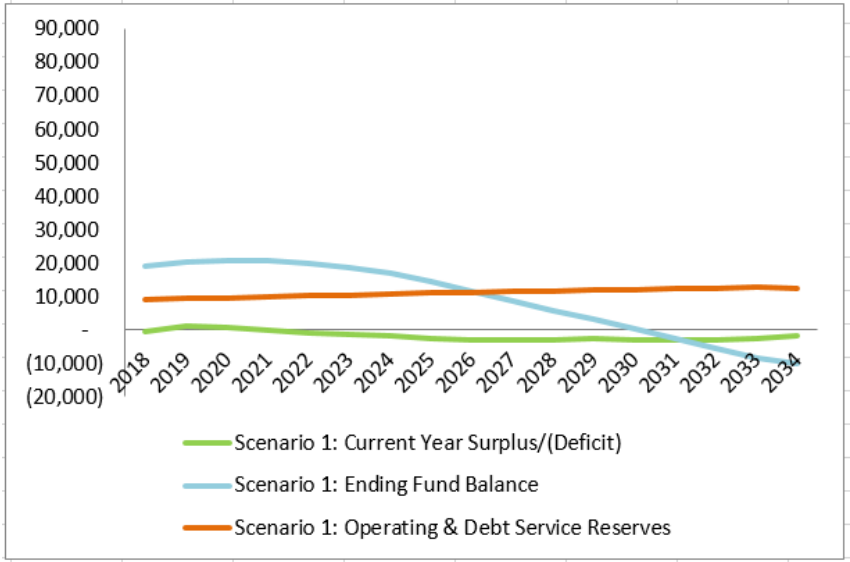
Scenario 1A with Bus Replacements: Capital Grant Funds 25% and Local Match using Capital Lease Proceeds





Scenario 1B with Bus Replacements: Capital Grant Funds 50% and Local Match using Capital Lease Proceeds





Questions?