



FY 2017 Updated Proposed Budget Options

PSTA Finance Performance and Planning Committees
August 17, 2016

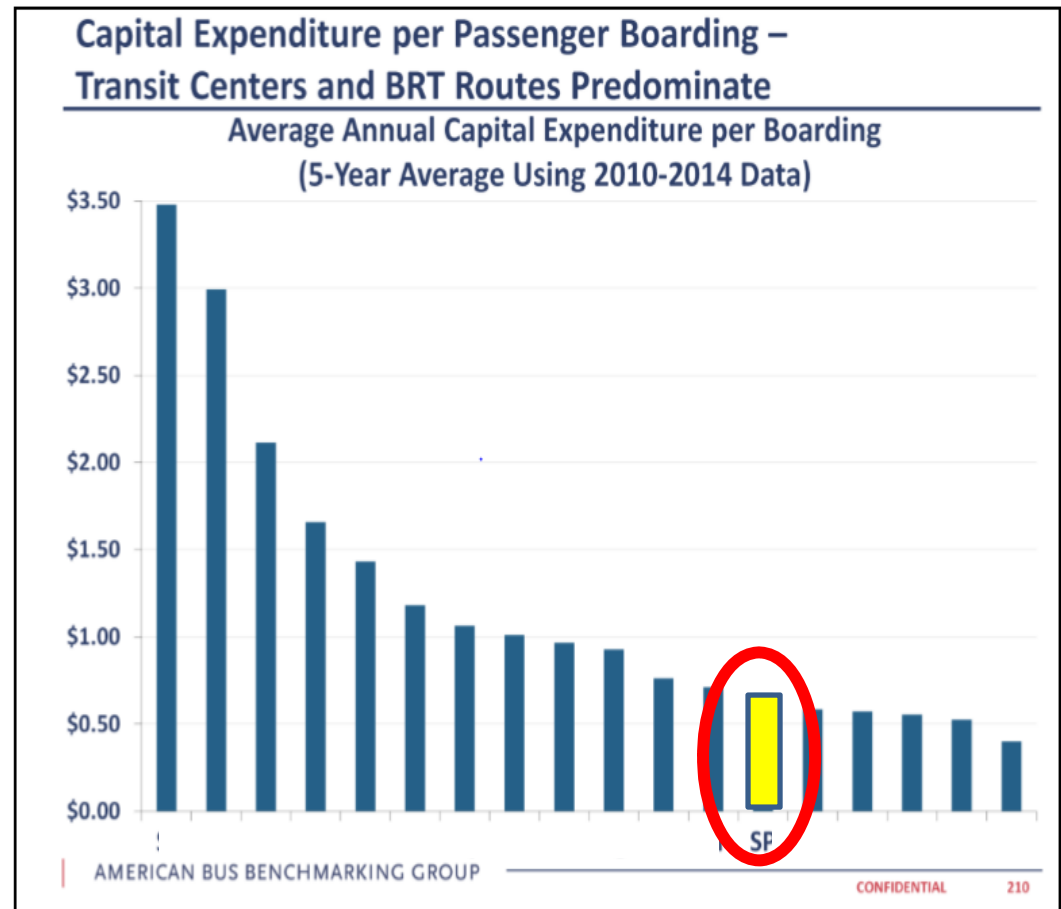
Pinellas Suncoast Transit Authority
St. Petersburg, Florida

Outline

- Staff tasked with finding \$1.1 Million of savings in FY 2017
- Updated Proposed budget for FY 2017 after all updates – minor improvement:
 - A. FY2017 - 2021 Budget projections status quo
 - B. FY 2017-2021 Budget projections increased service and no increase to Ad Valorem Rate
 - C. FY2017 - 2021 Budget projections with service increases and Ad Valorem Rate at Maximum millage

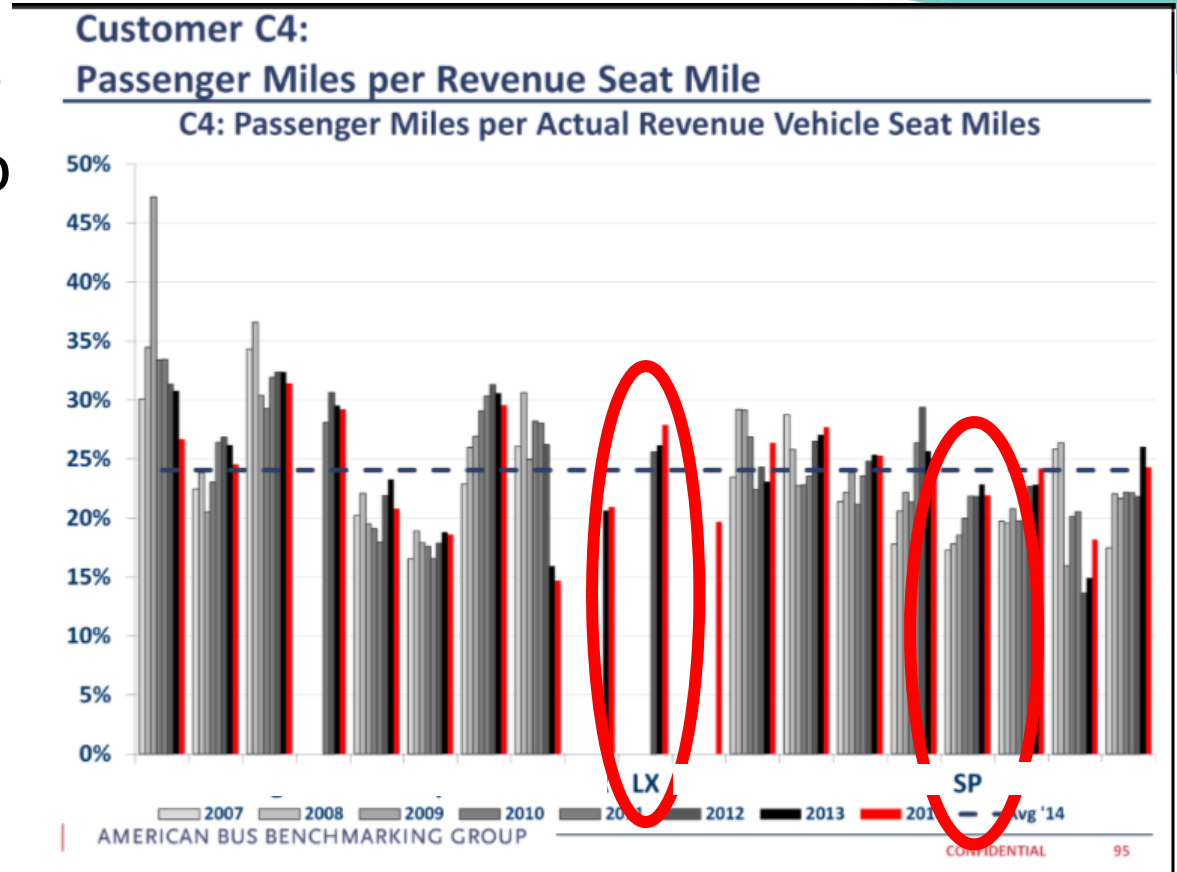
Board Directed to Increase our Capital Investment

- Use of capital reserves for bus replacements
- Including for the first time in the capital budget electric buses assuming we get electric chargers from Pinellas County
- Continuing replacements with hybrid buses while seeking funding to upgrade to electric

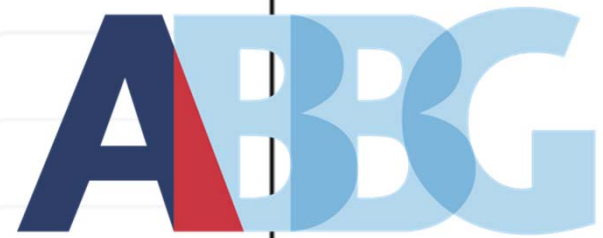
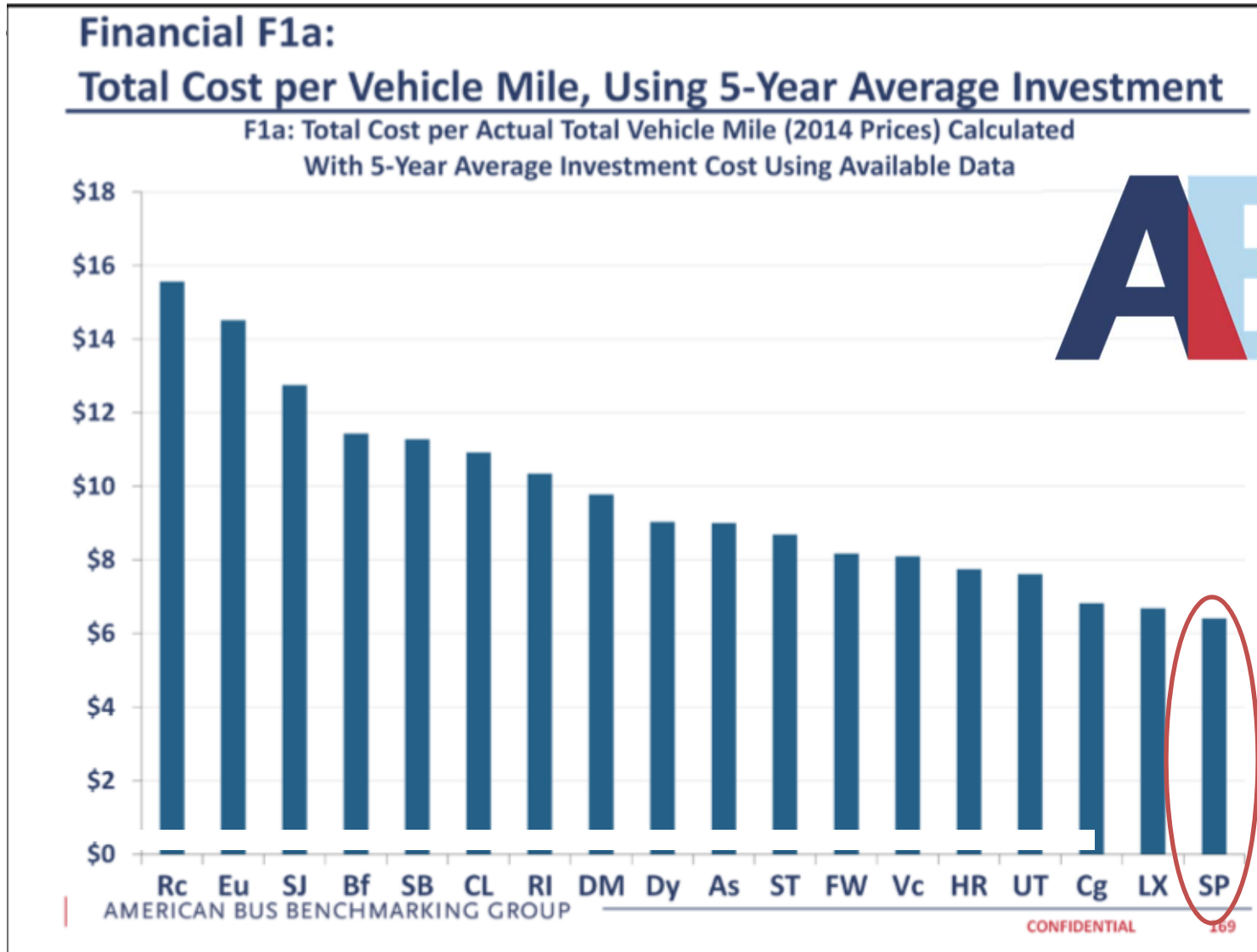


Focus Area: Service Frequency

- Board is supportive of adding service to drive ridership
- Community Bus Plan: Frequency & Span helps to drive ridership
- Ranked 13th (of 19) in Percent of Seats Filled



PSTA is Cost Efficient Compared to Peers



Staff worked to refine the FY 2017 and find savings

No.	Line Item	FY 2017
1	Previously Presented FY 2017 Projected Surplus	\$78,495
2	Revenues - Reduced fares partially offset by increased property tax and new grants and misc. other changes	\$123,614
3	Expenses- Reduced Expenses in Salaries and Fringes, fuel hedge savings, utilities, purchased transportation, increased recoveries and misc. other changes	\$274,035
4	Total Revised FY 2017 Projected Surplus	\$476,144
5	Net Improvement	\$397,649

\$1.1 Million of savings could not be achieved

Scenario 1 – Status Quo

PSTA Path Forward Plan Operating Budget Projections As of 8/17/2016

**No Increased Service and No Ad Valorem Change
(2) Electric and (3) 35' Hybrid Buses in FY 17- Balance Hybrid
FY 2016 - 2021**

Line	FY 2016 Forecast	FY 2017 Proposed	FY 2018 Updated	FY 2019 Updated	FY 2020 Updated	FY 2021 Updated
1 Operating Reserves - Beginning Year	\$ 24,257,004	\$ 23,394,484	\$ 23,224,040	\$ 13,603,908	\$ 1,752,066	\$ (1,220,085)
2 Total Operating Revenues	\$ 65,720,764	\$ 69,602,516	\$ 71,618,515	\$ 73,503,899	\$ 75,236,762	\$ 77,025,539
3 Total Operating Expenses	\$ 62,694,322	\$ 69,126,372	\$ 71,899,120	\$ 74,743,219	\$ 77,713,814	\$ 80,799,504
4 Revenues Over / (Under) Expenses	\$ 3,026,442	\$ 476,144	\$ (280,605)	\$ (1,239,320)	\$ (2,477,052)	\$ (3,773,965)
5 Transfer To/(From) Reserves	\$ 3,026,442	\$ 476,144	\$ (280,605)	\$ (1,239,320)	\$ (2,477,052)	\$ (3,773,965)
6 Capital Reserve Decrease	\$ (4,125,000)	\$ -	\$ (8,877,402)	\$ (10,138,506)	\$ -	\$ (10,195,239)
7 Increase in 2 Month Operating Reserve	\$ 236,038	\$ (646,588)	\$ (462,125)	\$ (474,016)	\$ (495,099)	\$ (514,282)
8 Operating Reserves - End of Fiscal Year	\$ 23,394,484	\$ 23,224,040	\$ 13,603,908	\$ 1,752,066	\$ (1,220,085)	\$ (15,703,571)

Scenario 2 – Add Service and No Ad Valorem



Increase

PSTA Path Forward Plan Operating Budget Projections

As of 8/17/2016

Increased Service and No Ad Valorem Change

(2) Electric and (3) 35' Hybrid Buses in FY 17- Balance Hybrid

FY 2016 - 2021

Line	FY 2016 Forecast	FY 2017 Proposed	FY 2018 Updated	FY 2019 Updated	FY 2020 Updated	FY 2021 Updated
1 Operating Reserves - Beginning Year	\$ 24,257,004	\$ 23,394,484	\$ 22,094,373	\$ 11,467,366	\$ (1,438,948)	\$ (5,515,212)
2 Total Operating Revenues	\$ 65,720,764	\$ 69,602,516	\$ 71,618,515	\$ 73,503,899	\$ 75,236,762	\$ 77,025,539
3 Total Operating Expenses	\$ 62,694,322	\$ 69,126,372	\$ 71,899,120	\$ 74,743,219	\$ 77,713,814	\$ 80,799,504
4 Revenues Over / (Under) Expenses	\$ 3,026,442	\$ 476,144	\$ (280,605)	\$ (1,239,320)	\$ (2,477,052)	\$ (3,773,965)
5 Additional Revenue (Passenger Fares)		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
6 Additional Expenses (New Service Initiatives)		\$ 1,054,000	\$ 1,099,322	\$ 1,146,593	\$ 1,195,896	\$ 1,247,320
7 Updated Revenues Over / (Under) Expenses	\$ 3,026,442	\$ (477,856)	\$ (1,279,927)	\$ (2,285,913)	\$ (3,572,948)	\$ (4,921,285)
8 Transfer To/(From) Reserves	\$ 3,026,442	\$ (477,856)	\$ (1,279,927)	\$ (2,285,913)	\$ (3,572,948)	\$ (4,921,285)
9 Capital Reserve Decrease	\$ (4,125,000)	\$ -	\$ (8,877,402)	\$ (10,138,506)	\$ -	\$ (10,195,239)
10 Increase in 2 Month Operating Reserve	\$ 236,038	\$ (822,255)	\$ (469,678)	\$ (481,895)	\$ (503,316)	\$ (522,853)
11 Operating Reserves - End of Fiscal Year	\$ 23,394,484	\$ 22,094,373	\$ 11,467,366	\$ (1,438,948)	\$ (5,515,212)	\$ (21,154,589)

Scenario 3 – Increase Service and Ad Valorem

PSTA Path Forward Plan Operating Budget Projections

As of 8/17/2016

Increased Service and Ad Valorem Change
(2) Electric and (3) 35' Hybrid Buses in FY 17- Balance Hybrid
FY 2016 - 2021

Line	FY 2016 Forecast	FY 2017 Proposed	FY 2018 Updated	FY 2019 Updated	FY 2020 Updated	FY 2021 Updated
1 Operating Reserves - Beginning Year	\$ 24,257,004	\$ 23,394,484	\$ 23,169,581	\$ 13,666,509	\$ 1,926,760	\$ (944,607)
2 Total Operating Revenues	\$ 65,720,764	\$ 69,602,516	\$ 71,618,515	\$ 73,503,899	\$ 75,236,762	\$ 77,025,539
3 Total Operating Expenses	\$ 62,694,322	\$ 69,126,372	\$ 71,899,120	\$ 74,743,219	\$ 77,713,814	\$ 80,799,504
4 Revenues Over / (Under) Expenses	\$ 3,026,442	\$ 476,144	\$ (280,605)	\$ (1,239,320)	\$ (2,477,052)	\$ (3,773,965)
5 Additional Revenue (Passenger Fares)		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
6 Additional Revenue (Millage Rate Increase)		\$ 1,092,660	\$ 1,139,644	\$ 1,182,950	\$ 1,221,987	\$ 1,262,313
7 Additional Expenses (New Service Initiatives)		\$ 1,068,959	\$ 1,114,924	\$ 1,162,866	\$ 1,212,869	\$ 1,265,022
8 Updated Revenues Over / (Under) Expenses	\$ 3,026,442	\$ 599,845	\$ (155,885)	\$ (1,119,236)	\$ (2,367,934)	\$ (3,676,674)
9 Transfer To/(From) Reserves	\$ 3,026,442	\$ 599,845	\$ (155,885)	\$ (1,119,236)	\$ (2,367,934)	\$ (3,676,674)
10 Capital Reserve Decrease	\$ (4,125,000)	\$ -	\$ (8,877,402)	\$ (10,138,506)	\$ -	\$ (10,195,239)
11 Increase in 2 Month Operating Reserve	\$ 236,038	\$ (824,748)	\$ (469,785)	\$ (482,007)	\$ (503,433)	\$ (522,974)
12 Operating Reserves - End of Fiscal Year	\$ 23,394,484	\$ 23,169,581	\$ 13,666,509	\$ 1,926,760	\$ (944,607)	\$ (15,339,494)

The Need for Continuous Improvement

Even with increased service – here are some stats:

- Weekdays – 51% of service has greater than or equal to 60 minutes headways and 58% of service ends before 8 PM
- Saturdays – 58% of service has greater than or equal to 60 minutes headways and 41% of service ends before 7 PM
- Sundays – 73% of service has headways of 60 minutes or more and 43% of service ends before 6 PM



Summary

- Staff worked to improve the FY 2017 Budget and achieved an additional savings of \$397,649.
- Adding service without offsetting revenues requires PSTA to take away from the capital reserves for buses to use for on-going operations.
- Although PSTA does not have debt today, if we lease or issue bonds in the future, as Moody's reports, the taxpayers "will pay a significant premium for future debt," when operations have not been not sustainable.

