



FY 2017 Budget Process and Key Assumptions

Finance and Performance Management and Planning
Committees

March 16, 2016

Pinellas Suncoast Transit Authority (PSTA)
St. Petersburg, Florida



Budget Calendar Overview

MARCH	LONG TERM ASSUMPTIONS REVIEW
APRIL	FIVE YEAR CAPITAL IMPROVEMENT PROGRAM
MAY	PERSONNEL ASSUMPTIONS
JUNE	1 ST DRAFT OF THE BUDGET TO THE BOARD
JULY	ANY CHANGES TO AD VALOREM TAX NEED TO BE DECIDED
AUGUST	AD VALOREM TAX DOCUMENTS TO PROPERTY APPRAISER FINAL DRAFT BUDGET TO THE BOARD
SEPTEMBER	PUBLIC HEARINGS ARE HELD AND THE FINAL BUDGET IS ADOPTED



Overview of the Budget Process

- FY 2017 is the second year of the Board's Strategic Path Forward Plan
- The overall strategy employed in preparing the FY 2017 Annual Operating and Capital Budget is to provide a balanced budget that is consistent with the Board's strategic direction for the multi-year plan.
- In preparing the budget the initial step is looking at the forecast for the current year as the basis for the following years along with historic trends.

Multi-year Budget Forecasting

Providing a multi-year budget provides decision makers with at least 3 key benefits:

- Assessing the long-term financial sustainability of PSTA's funds
- Understanding of the impact of today's decisions on the future
- Providing a holistic financial picture

Revenue Assumptions

- The primary revenue sources for PSTA are:
 - Ad Valorem Taxes
 - Passenger Fares
 - Operating Assistance from Federal, State and Local Sources

Ad Valorem Tax

- Ad Valorem millage rate is currently .7305
 - Assumptions are consistent with the County’s projections:

		Ad Valorem				
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21	
5.4%	4.8%	4.3%	3.8%	3.3%	3.3%	

- Impact if Ad Valorem millage is raised to the cap of .75 mills:

	Net Increase to Ad Valorem Taxes at Maximum Millage			
FY 17	FY 18	FY 19	FY 20	FY 21
\$1,057,705	\$1,103,186	\$1,145,107	\$1,182,895	\$1,221,931

Passenger Fare Revenue

- The Base Fare is currently \$2.25.
- According to the American Bus Benchmarking Group statistics, our fare is at the higher end in the US among our peers.
- Ridership has started to decline, consistent with the national trend with lower gas prices. As a result we are assuming flat revenue going forward.

	Passenger Fares				
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
1.9%	0.0%	0.0%	0.0%	0.0%	0.0%

Operating Assistance

- FTA formula grant funds may be used toward certain preventative maintenance operating expenses or capital. The dependence on these grant funds for operations has decreased and the budget will assume a constant dollar amount regardless of any overall formula fund increases.
- PSTA receives State Operating funds in the form of Block Grants, TD State Reimbursement, grants for Regional Routes as well as other reimbursements. These funds are anticipated to increase at a constant rate.

	State Grants				
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
2.3%	2.0%	2.0%	2.0%	2.0%	2.0%

Expenditure Assumptions

- Personnel Salaries and Fringes are PSTA's largest category of expenses = 62% of all expenses

	Personnel Salaries				
	FY 16	FY 17	FY 18	FY 19	FY 20
Admin	3.5%	3.5%	3.5%	3.5%	3.5%
Union	3.5%	3.5%	3.5%	3.5%	3.5%

- Employee Benefit drivers are health insurance and PSTA's share of the pension.

	Fringe Benefits				
3 Yr Avg.	FY 16	FY 17	FY 18	FY 19	FY 20
2.6%	7.0%	7.0%	7.0%	7.0%	7.0%

Expenditure Assumptions

- Diesel Fuel assumptions are:

	Diesel Fuel				
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
-11.3%	3.5%	5.0%	5.0%	5.0%	5.0%

- Purchased Transportation Demand Response (DART) – This service is for people who because of their disability are unable to independently use regular accessible buses. The service is outsourced and is going out for RFP for the FY 17 service.

	DART				
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
12.5%	10.0%	4.0%	4.0%	4.0%	4.0%

Expenditure Assumptions

- Supplies – the majority of our supply expenses relate to bus parts. The FY 17 percent increase is higher to assist in the increase of the useful life of a bus from 12 years to 15 years as part of our sustainable bus plan.

	Supplies				
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
8.0%	10.0%	4.6%	4.6%	4.6%	4.6%

QUESTIONS?

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