

**2021**

# Board of Directors **Budget Notebook**





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Community Transit**

**Washington**

For the Fiscal Year Beginning

**January 1, 2020**

*Christopher P. Morill*

Executive Director



RESOLUTION NO. 09-20

A RESOLUTION of the Board of Directors of the Snohomish County Public Transportation Benefit Area Corporation (SCPTBAC, hereafter referred to as Community Transit) adopting the budget and other budget-related items for the fiscal year 2021.

WHEREAS, the Director of Administration and Budget Manager presented the proposed 2021 budget to the Board of Directors on October 22, 2020; and

WHEREAS, the Board of Directors of Community Transit met in regular session on Thursday, November 5, 2020, at 3:00 p.m. in a remote meeting format via a Zoom online meeting, for the purpose of hearing all matters and all persons in connection with the adoption of the 2021 Community Transit budget; and

WHEREAS, notice of such hearing was published as required by Resolution No. 22-98;

NOW, THEREFORE, BE IT RESOLVED,

1. That the 2021 budget attached hereto and incorporated herein in summary form as Exhibit A, Totals of Estimated Revenues, and Exhibit B, Expenditures for Each Separate Fund, is hereby adopted; and

2. That, except as otherwise provided, approval by the Board of Directors shall be required before funds can be transferred from one fund in Exhibit B to another; and

3. That staff positions shall be approved for hire by Community Transit's Chief Executive Officer, so long as all expenditures associated with all staff positions hired during the year fall within the 2021 budget as adopted or amended by the Board of Directors by resolution; and

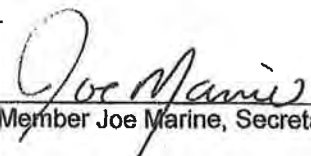
4. That all salary bands that are in effect on December 31, 2020, for all exempt and nonexempt administrative employees will be increased by 2.5 percent effective January 1, 2021, as set forth in Exhibit C of this resolution; and

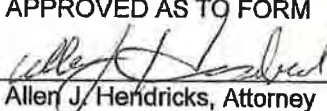
5. That unexpended capital project budgets that have been previously approved by the Board of Directors, including all projects budgeted in Replacement Reserve Fund 41, Infrastructure Preservation Fund 42, State Capital Projects Fund 44, FTA Capital Projects Fund 45, Local Capital Projects Fund 46, Bond Capital Projects Fund 47, and Facilities and Technology Fund 48, will be reappropriated as of January 1, 2021, with the budget balances remaining as of December 31, 2020, plus any new amounts included in the adopted 2021 budget unless the project has been completed and no additional funding is required.

APPROVED AND PASSED THIS 3rd day of December 2020.

  
Mayor Jon Nehring, Board Chair

ATTEST

  
Council Member Joe Marine, Secretary

APPROVED AS TO FORM  
  
Allen J. Hendricks, Attorney

**Community Transit 2021 Budget  
Totals of Estimated Revenues  
Resolution No. 09-20 Exhibit A**

<b>Fund</b>	<b>Fund Description</b>	<b>Beginning Cash</b>	<b>Revenues</b>	<b>Interfund Transfers</b>	<b>Total</b>
40	General Fund	\$ 120,826,436	\$ 173,178,070	\$ 10,385,613	\$ 304,390,119
41	Replacement Reserve Fund	\$ 43,083,088	\$ 15,000	\$ 835,000	\$ 43,933,088
42	Infrastructure Preservation	\$ 21,766,148	\$ -	\$ -	\$ 21,766,148
43	Workers' Compensation Fund	\$ 4,448,433	\$ 75,000	\$ 3,000,000	\$ 7,523,433
44	State Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
45	FTA Capital Projects Fund	\$ (7,914,857)	\$ 702,684	\$ 8,299,980	\$ 1,087,807
46	Local Capital Projects Fund	\$ 17,746,284	\$ -	\$ 10,084,271	\$ 27,830,555
47	Bond Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
48	Facilities and Technology Fund	\$ 65,015,236	\$ -	\$ 21,000,000	\$ 86,015,236
50	Bond Debt Service Fund	\$ 595,664	\$ -	\$ 1,430,267	\$ 2,025,931
	<b>Total Budget</b>	<b>265,566,432</b>	<b>173,970,754</b>	<b>55,035,131</b>	<b>494,572,317</b>

**Community Transit 2021 Budget  
Expenditures for Each Separate Fund  
Resolution No. 09-20 Exhibit B**

<b>Fund</b>	<b>Fund Description</b>	<b>Expenditures</b>	<b>Interfund Transfers</b>	<b>Ending Cash</b>	<b>Total</b>
40	General Fund	\$ 159,167,274	\$ 38,649,518	\$ 106,573,327	\$ 304,390,119
41	Replacement Reserve Fund	\$ 1,412,095	\$ -	\$ 42,520,993	\$ 43,933,088
42	Infrastructure Preservation	\$ 5,647,970	\$ 6,534,321	\$ 9,583,857	\$ 21,766,148
43	Workers' Compensation Fund	\$ 2,966,975	\$ -	\$ 4,556,458	\$ 7,523,433
44	State Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
45	FTA Capital Projects Fund	\$ 1,087,807	\$ -	\$ -	\$ 1,087,807
46	Local Capital Projects Fund	\$ 17,979,263	\$ 9,851,292	\$ -	\$ 27,830,555
47	Bond Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
48	Facilities and Technology Fund	\$ 70,105,869	\$ -	\$ 15,909,367	\$ 86,015,236
50	Bond Debt Service Fund	\$ 1,428,500	\$ -	\$ 597,431	\$ 2,025,931
	<b>Total Budget</b>	<b>259,795,753</b>	<b>55,035,131</b>	<b>179,741,433</b>	<b>494,572,317</b>



**Exhibit C to Resolution No. 09-20**  
**Effective January 1, 2021**  
**2021 Table of Bands/Ranges**

<b>Band/Grade</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
A11	43,577	50,114	56,650
A12	46,771	53,786	60,802
A13	49,962	57,456	64,951
B21	52,033	61,138	70,244
B22	55,157	64,809	74,462
B23	58,282	68,480	78,679
B24/31	60,898	73,078	85,258
B25/32	65,494	78,592	91,691
C41	75,046	90,055	105,064
C42	80,387	96,464	112,542
C43	85,730	102,875	120,019
C44/51	92,417	110,900	129,383
C45/52	100,437	120,524	140,612
D61	102,840	128,550	154,260
D62	107,967	134,959	161,950
D63	113,094	141,368	169,642
D64/71	119,516	149,394	179,273
D65/72	127,215	159,018	190,822
D66/73	134,211	167,765	201,317
E8	141,954	184,541	227,128
E9	150,897	196,167	241,437
TRN	\$22.79 per hour		

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# **Board of Directors**

## **Goals:**

*Improve ridership.*

*Demonstrate good stewardship of public funds.*

*Be a positive force in our communities.*

## **Board of Directors as of December 31, 2020**

### **Board Members**

Jon Nehring, Board Chair

Kim Daughtry, Vice Chair

Joe Marine, Secretary

Tom Merrill

Nate Nehring

Lance Norton

Sid Roberts

Jan Schuette

Nicola Smith

Stephanie Wright

### **Board Alternates**

Mike Gallagher

Laura Johnson

Jared Mead

James McNeal

Kyoko Matsumoto Wright

### **Title**

Mayor, City of Marysville

Council Member, City of Lake Stevens

Council Member, City of Mukilteo

Council Member, City of Snohomish

Council Member, Snohomish County

Labor Representative

Council Member, City of Stanwood

Council Member, City of Arlington

Mayor, City of Lynnwood

Council Member, Snohomish County

Council Member, City of Brier

Council Member, City of Edmonds

Council Member, Snohomish County

Council Member, City of Bothell

Mayor, City of Mountlake Terrace





Emmett Heath, CEO



# CEO Budget Message

## ***2021 Proposed Budget*** *Transportation is Essential*

It is an incredible honor for Community Transit to provide a public service that, each and every day, helps people get from where they are to where they want to be. Public transit is a cornerstone of our communities. It is a lifeline for some and a connection to opportunity for all. It ensures that people can get to work, get access to medical care, get groceries and, at the end of their day, get home again. It is a critical service that makes life easier and better for many and helps to ensure our communities continue to grow and thrive.

The COVID-19 pandemic made the critical role of transit even clearer. Many essential workers continue to rely upon our services in order to get to work each day. In addition, many community members continue to depend on Community Transit in order to access essential services. We have been proud to serve the county this way during the pandemic, never missing a single day of service.

Our priority has always been, and will continue to be, the health and safety of our riders, our employees, and their families. We have put in place many additional safety measures on our vehicles and at our bases to ensure we are providing a safe ride and a safe working environment. We have partnered with the health district, our regional transit partners, and the national transit industry to ensure we are meeting or exceeding public health guidance and collaborating on best practices. We want our customers to feel comfortable using our service and our employees to feel comfortable providing this service.

As the 2021 proposed budget illustrates, our agency is operationally, financially and organizationally stable. In previous years, we had prepared financially for a potential economic downturn and therefore were in a strong financial position as we headed into the pandemic. We have drawn upon cash reserves and were fortunate to receive \$39.17 million in federal relief funds in 2020. We also made adjustments in service, operations and spending to ensure our agency is stable for the short-term and sustainable for the long-term.



**OUR ► VISION**  
Travel made easy for all.

**► MISSION**  
We help people get from where they are to where they want to be.

**► CORE VALUES**  
Accountability  
Equity & Inclusion Initiative  
Integrity  
Mutual Respect  
Service-Focused  
Teamwork

**► AGENCY PRIORITIES**

- Provide easy access and connectivity to Link light rail
- Invest in the employee experience
- Innovate to improve products and services that make travel easy and safe for all
- Modernize and expand our base facilities to support growth

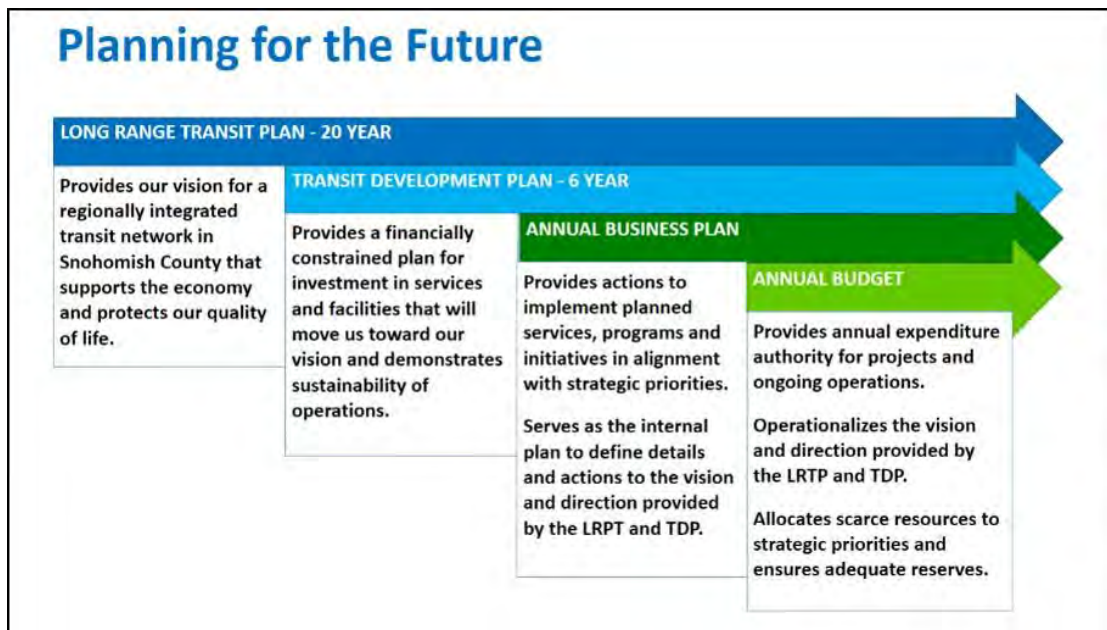
Our commitment to our Vision, Mission, Core Values and Agency Priorities has not wavered. Last year, I shared that we were focused on supporting the evolving transportation needs of our growing county. While some of these needs may have evolved in unplanned ways, our focus remains on supporting these changing customer and community needs and expectations to make the greatest impact for our growing region. We are listening to our customers, seeking collaborative solutions, and are deeply committed to adjusting and innovating to make travel easy and safe for all.

Access to Sound Transit Link light rail is also an important agency priority in providing our communities with improved regional access to jobs, services and schools. We will do this first in 2021, by routing our 800 series buses to [Northgate Link](#), which will shorten commute times into the University District and Downtown Seattle. In addition, we look forward to Link arriving in Snohomish County in 2024, as [Sound Transit 2](#) (ST 2) regional plans and schedules for light rail remain on track.

During the pandemic, more than 40% of our riders have relied on our [Swift Bus Rapid Transit \(BRT\)](#) service, and this percentage goes up to nearly half of all riders on the weekends. Our *Swift* BRT network has proven to be an essential service for many in our communities. As our region continues to grow, and light rail moves north, the need for this rapid transit network will also grow, providing critical access to local and regional destinations including businesses, services and schools. Our development plans to provide easy access to Link for riders in Lynnwood and Shoreline, through our [Swift Orange Line](#) and [Blue Line expansion](#) respectively, remain on scope, schedule and budget.

This year has been challenging and uncertainties remain. However, the COVID-19 pandemic has reaffirmed the importance of public transit, to provide people with the mobility and access they need, and to support ongoing growth and economic development across communities. We look to the year ahead as an opportunity to expand our conversations with customers, innovate to meet their needs, and evaluate to ensure we are providing equitable access across the county. We are here to serve all. We are looking forward to the future, to welcoming back former customers, and to meeting and serving new ones.

## ***Business Planning Cycle***



The 2021 proposed budget reflects long-range and more near-term plans for current and future service. The agency’s business planning cycle provides the roadmap to defining and delivering on these plans and our vision.

**Long Range Transit Plan:** This is our 20-year unconstrained vision of a regionally integrated buildout of the transportation network. Coordinated in conjunction with local jurisdictions, this plan helps to ensure all agencies are working efficiently toward a common transportation vision which includes mobility services and programs to make mobility easier. In 2021, work will begin on a revised 20-year Long Range Transit Plan.

**Transit Development Plan:** This is our six-year financially sustainable implementation plan, updated annually. Because ongoing changes in the economy remain hard to predict, the 2020-2025 Transit Development Plan outlines two possible revenue scenarios – “slow recovery” and “rapid recovery.” The plan details planned investments over the six-year period, providing local and county jurisdictions with concrete commitments around which they can coordinate their services and investments.



**Agency Business Plans:** These two-year plans are updated annually to implement planned services, programs, and initiatives to ensure projects are delivered on scope, schedule and budget, as identified in the Long Range Transit Plan and six-year Transit Development Plan.

**Annual Budget:** This is our annual strategic allocation of resources that fund the business plan for the coming year. The proposed 2021 budget is a balanced budget. Operating revenues exceed operating expenditures, and all reserves are fully funded at best practice target levels. Because the full financial impact of COVID-19 is still uncertain, the 2021 proposed budget reflects a more modest recovery to early 2020 revenue levels, consistent with the slow recovery scenario in the TDP.

## ***2020 Highlights and Accomplishments***

- In response to the [COVID-19 pandemic](#), the agency activated its emergency response plan and Incident Command System. The agency worked collaboratively with the Snohomish County Health District to ensure compliance with all appropriate health guidelines and to commit to the ongoing safety of its riders, employees and their families.

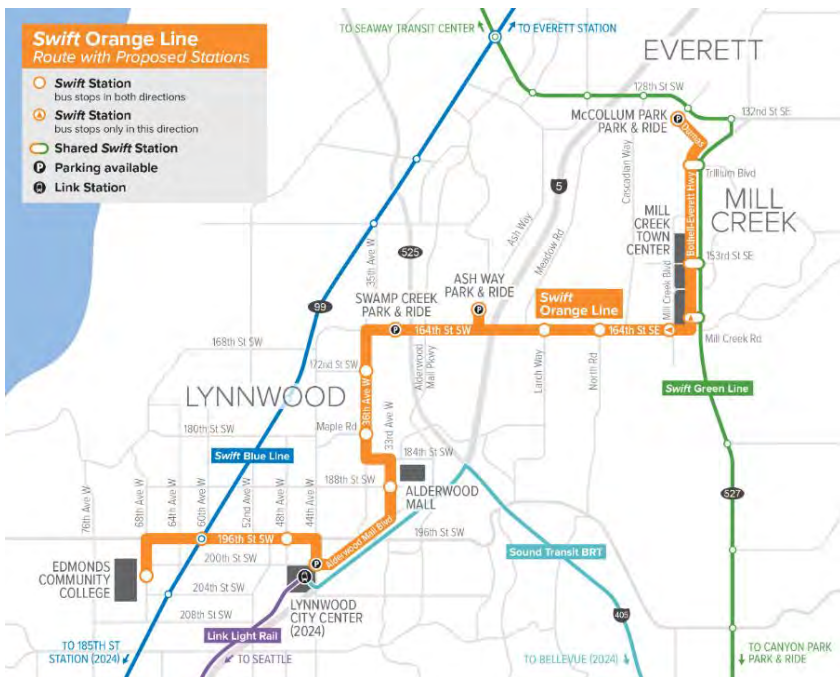


Key response items included:

- Implemented additional safety measures in both directly operated and contracted services operations as well as at all agency facilities. Examples include providing personal protective equipment (PPE) to employees who require PPE to safely perform essential job functions, providing face coverings to all employees, implementing daily disinfecting of buses and bases, cordoning off seats to encourage six-foot distancing, and providing face coverings to riders when needed.
- Collaborated with regional agency partners to ensure consistent implementation of best practices; collaborated with the American Public Transportation Association (APTA) to commit to transit-specific national health and safety guidelines.
- Increased communication both internally and externally to ensure employees, customers and the community remained informed.
- Adjusted service levels to respond to ridership and coach operator availability and temporarily suspended fare collection in order to allow middle and rear entry boarding, accommodating physical distancing between coach operators and riders.

We have reinstated fare collection and are currently operating at 85% of our pre-COVID service level. We will remain at this level until at least March 2021.

- Enhanced customer feedback through impromptu customer surveys and observational research (spot-checks) that were integrated with established feedback channels such as customer service and social media comments.
- Implemented a special COVID-19 leave benefit for employees, provided support for employees in accessing various state and federal level COVID-19 specific benefits, in accordance to the Governor’s “Stay Home, Stay Healthy” order, encouraged remote working for those employees who were able to do so, and mitigated involuntary separations through the offering of voluntary furlough, voluntary separation and other options. Worked closely with labor union partners to solicit feedback, keep them informed, and understand and address concerns.
- Secured \$39.17 million in federal relief funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- Continued progress on the expansion of the *Swift* BRT network, specifically project development work on the *Swift* Orange and Blue Lines. Progress on the *Swift* expansion included:
  - Secured environmental approval from the Federal Transit Administration (FTA) for the *Swift* Orange Line.
  - Submitted *Swift* Orange Line for Project Rating to the FTA Capital Investment Grant program.



*When it opens in 2024, the Orange Line will travel between Edmonds College and McCollum Park via the future Lynnwood City Center light rail station, providing fast, frequent and reliable connectivity to businesses and services along the route as well as providing a vital connection to the northern terminus of Sound Transit’s Link light rail. The Swift Blue Line expansion, also scheduled for launch in 2024, will provide south Snohomish County riders with a connection to the light rail station in Shoreline at 185th St. and I-5. At that time, the Swift BRT network, via the Green line, will also provide an easy connection in Canyon Park to Sound Transit’s expected I-405 Stride BRT line.*

- Completed the scoping study and phasing plan for *Swift* Blue Line expansion.
- Pursued and obtained \$8.2 million dollars in competitive FTA and Federal Highway Administration (FHWA) grants that will help fund four *Swift* expansion buses, the construction of the western terminal of the *Swift* Orange Line at the Edmonds College Transit Center, and outreach for *Swift* expansion through our transportation demand management program.
- Concluded network design and public process for restructure of Community Transit 800 series bus routes to connect with Sound Transit Northgate Link light rail in 2021. When the Northgate Link station opens, our 800 series buses will connect to Link at Northgate, offering riders a five-minute Link ride to the University District and a 14-minute Link ride to downtown Seattle.



*Sound Transit Northgate Link light rail station under construction  
(Image: Courtesy of Sound Transit)*

- The agency also partnered closely with Sound Transit to coordinate communication around construction activities at the Lynnwood and Mountlake Terrace Transit Centers as well as to increase public engagement on future transit plans leading up to integration work with Link light rail.
- Per the request of the City of Everett, provided data and information to support the city’s [Rethink Transit study](#), an evaluation of the options for funding and designing Everett Transit service in the future. One of three alternatives being studied is to submit a ballot measure to Everett voters to join the Community Transit Public Transportation Benefit District (PTBA).



- Released a new [BusFinder 2.0](#) web application, featuring real-time data, integrated rider alerts, and the ability for customers to see their bus on a map with live traffic info. Also piloted a new open source [Trip Planner](#) web application, featuring real-time data with multi-modal options, integrated fare information and the ability to plan a trip on a map.



- Continued to innovate our [Vanpool service](#) through the implementation of a self-exchange maintenance program that allows customers to bring in vans for service and pick up loaner vans without having to meet with a Vanpool Specialist. This program has been especially important during COVID-19 as it allows for a contactless service experience for our customers and employees.

- Ordered the first alternative fuel vehicles for the Vanpool fleet: five plug-in electric hybrid seven-passenger vans. This marks the program's first step toward alternative fuel vehicles and further electrification for the fleet.

- Transitioned our [Dial-A-Ride Transportation \(DART\)](#) paratransit service to a new provider, Transdev Services, Inc. The new five-year contract features advanced technology solutions and improved service to our most vulnerable customers. Improvements include a customer-facing mobile app to allow notifications and self-booking, an enhanced Americans with Disabilities Act (ADA) eligibility process, and integrated customer service with Community Transit's Customer Care group.



(PHOTO TAKEN PRIOR TO COVID-19 PANDEMIC)

- Continued work on our base expansion plan to effectively support evolving needs of the agency, most notably the pressing need for additional bus maintenance bays. The plan includes modernization and expansion of our operations, maintenance, and office spaces. This year, we began construction at our Kasch Park Casino Road building, and began design of the Merrill Creek Operations Base (MCOB) building and the MCOB Operations maintenance and body shops.

- Transitioned our Human Resources team from a division reporting into the Administration Department to its own department, reporting to the CEO. In addition, the department was

renamed to Employee Engagement. These changes reflect the agency priority of investing in the employee experience, including supporting and engaging employees in an inclusive environment.

- Negotiated a one-year extension on our collective bargaining agreement with the International Association of Machinists (IAM) representing our transportation supervisors. Initiated the next round of successor contract bargaining with the Amalgamated Transit Union (ATU) representing our coach operators, dispatchers, customer information specialists, facilities maintenance technicians and service ambassadors.
- Maintained strong financial stewardship, as evidenced by earning the 25th consecutive clean audit from the Washington State Auditor’s Office, earning the 29th consecutive Government Finance Officers Association (GFOA) award for excellence in financial reporting. Earned the agency’s first ever Distinguished Budget Presentation Award from the GFOA for the 2019 budget.
- Earned the Washington State Transit Insurance Pool (WSTIP) Safety Star Award (Large Agency Category) for the 3rd consecutive year and 4th time in the past five years. The annual award recognizes WSTIP agency members that maintain impressive and stable safety records. Winners of this award are defined as consistently good performers in terms of preventing or reducing personal injury and property damage and the resulting auto liability claims cost.
- Received its second Distinguished Budget Presentation Award from the Government Finance Officers Association for the 2020 Budget.



## ***2021 Priorities and Initiatives***

### ***Provide Access to Safe Transportation for All***

As our nation and our region continue to respond to the COVID-19 pandemic, Community Transit remains committed to the health and safety of our riders, our employees and their families. We will continue to follow public health guidance, adjust safety measures when needed, and collaborate with regional partners to ensure we continue to provide a safe and comfortable ride for all of our customers.

As we near the March and September 2021 time frames, the months in which we traditionally schedule service changes, we will evaluate feedback from customers and analyze operations, including ridership levels, to determine whether or not adjustments or expansion are appropriate.



As part of our commitment to the people of Snohomish County, we are also focused on ensuring we are providing equitable access to our services. We will expand our public engagement and customer research programs, including employing an on-board survey to support federal Title VI and system planning requirements, as well as implementing several real-time “pulse” surveys to understand current barriers to transit for both riders and non-riders. This will be helpful in informing impacts of the COVID-19 pandemic as well as any other established barriers.

### ***Employee Experience***

We are growing and innovating to ensure our employees across all departments continue to experience a welcoming, safe and engaging work environment. As a result of the COVID-19 pandemic, two-thirds of our employees work on base or in the field and the remainder are currently working remotely. To ensure that we are effectively communicating with all employees, we will be launching a new mobile and web-based application that will help us share relevant and timely information as well as receive more immediate feedback from all employees, including those who don't have easy access to agency email.



We will also continue work on our base expansion project, including construction of our Kasch Park Casino Road building. Designated staff are scheduled to move into this building in the first quarter of 2022. Design work will continue on our other buildings as well as the beginning of construction on the Merrill Creek Operating Base Maintenance and Body Shops.

Our commitment to equity and inclusion within our agency and for the people we serve remains steadfast, with plans to roll-out respectful workplace initiatives and training as well as



initiate open dialogue across our agency to promote awareness and growth in all our practices.

### ***Innovate to Meet Evolving Customer Needs***

Gathering actionable customer feedback will also help us better understand customer needs so that we can address them with new or adjusted programs and or services. There are areas, such as our Vanpool service, where we may need to provide alternative options in the short-term. In addition, there may be options for temporarily or permanently repurposing unused Vanpool vehicles to help support other transportation needs in the community.



We will also place a strong emphasis on updating our digital platforms, including renovating our web site and improving our customer-facing mobile applications.

In 2021, we will continue work with our regional partners to transition our systems to support Next Generation [ORCA](#), which will offer new payment options, maintain customer data security, and be flexible enough to adapt to changing technologies. Full implementation of Next Generation ORCA is scheduled for 2022.

We look forward to working with customers to continue to evolve and innovate to meet their changing transportation needs.

### ***Continue Swift Bus Rapid Transit Network Buildout***



*Rendering of the planned transit center at Edmonds College,  
the western terminus of the Swift Orange Line*

Planning and development of the [Swift network](#) continues with Orange Line design work scheduled to be completed first quarter and construction beginning later in the year. We will also continue our partnership with the FTA and our congressional delegates to seek approval of our application for federal Capital Investment Grant (Small Starts) funding to help support the project.

In 2021, we will also begin design and engineering for Phase 1 of the *Swift* Blue Line expansion project, connecting the Blue Line to Link light rail at the Shoreline/185<sup>th</sup> Station in 2024.

The *Swift* Gold line from Everett Station north to Marysville and Arlington remains in our plans for completion in 2027.

***Collaborate with Regional Transportation Partners***

As mentioned above, Community Transit works very closely and collaboratively with transit agencies across the region. Close collaboration ensures that riders who use multiple transit services are able to navigate the systems through a consistent experience. In 2021, Community Transit will continue to partner with Sound Transit on public outreach related to various projects including ST2 construction at



*Future Mountlake Terrace Link light rail station under construction*

Lynnwood Transit Center and Mountlake Terrace Transit Center, and the opening of Northgate Link.

With the Sound Transit Link light rail station at Northgate scheduled to open in fall 2021, we will finalize our service development and scheduling for integration of our 800 series bus routes to connect with Link when the station opens.

Finally, we will continue to support the City of Everett as requested, as the city progresses with its Rethink Transit study.



In summary, Community Transit is safe, stable and sustainable, and our team looks forward to a new year with good health, expanded engagement internally and externally, new innovation, improved access to services, and continued progress toward our Vision of **travel made easy for all**. This year has been an extraordinary one that has underscored the essential nature of transit service in our communities and we remain humble, grateful and proud to play such an important role for the people of Snohomish County.



*Community Transit 2019 Company Picnic*  
(PHOTO TAKEN PRIOR TO COVID-19 PANDEMIC)

This wraps up my final year as CEO of Community Transit as I have announced my retirement after a 40-year career in public service. It has been an incredible honor to serve in a leadership role at this agency. This is the 16<sup>th</sup> year I have partnered with the team to develop the Community Transit budget, and my 7<sup>th</sup> year in doing so as CEO. I am very grateful to have worked with such a dedicated and passionate team that is committed to serving people and the communities we call home. I am also appreciative of the ongoing engagement and support from Community Transit Board members year after year.

As I depart the agency, I do with confidence and optimism that the next CEO will build on the legacy of success that has defined Community Transit since its earliest days. The agency is in good hands, with an executive leadership team deeply committed to our mission and to the effective transition to new leadership.

To all of our colleagues, partners, and customers, I wish you good health and thank you for your continued support of Community Transit.

Emmett Heath  
Chief Executive Officer  
Community Transit

## Executive Summary

This executive summary covers these topics:

- An introductory summary that provides a high-level overview of Community Transit’s service plan, anticipated revenues and expenditures to support that service plan, the agency’s capital program, and the agency’s reserves.
- The 2021 service plan follows Community Transit’s transit development plan. In the fall of 2020, the Board of Directors will adopt the 2020-2025 Transit Development Plan TDP). This plan documents agency goals and strategies for the current and the following five years, as well as provides a financial plan and projection for the agency.
- Budgeted revenue and the sources of that revenue.
- Budgeted expenditures to support operational needs, including service expansion and the capital program.
- The capital program Community Transit has planned to meet the demand for current and future services in the communities we serve.
- Community Transit’s reserves and general financial status.

### Summary of the 2021 Budget

	2019 Actual	2020 Forecast	2021 Budget	Change 2021 vs. 2020	
Operating Revenue \$	208,326,309	\$ 209,881,586	\$ 173,178,070	\$ (36,703,516)	-17.5%
Operating Expense \$	152,355,661	\$ 158,784,286	\$ 159,167,278	\$ 382,992	0.2%
<b>Operating Margin<sup>1</sup> \$</b>	<b>55,970,648</b>	<b>\$ 51,097,300</b>	<b>\$ 14,010,792</b>	<b>\$ (37,086,508)</b>	<b>-72.6%</b>
Planned Service Hours <sup>2</sup>	682,524	594,600	578,449	(16,151)	-2.7%
Full-Time Equivalent Employees <sup>3</sup>	839.5	794.5	795.5	1.0	0.1%
<b>Other Funds</b>					
Workers' Compensation \$	2,646,263	\$ 2,623,738	\$ 2,966,975	\$ 343,237	13.1%
Debt Service \$	1,428,000	\$ 1,432,000	\$ 1,428,500	\$ (3,500)	-0.2%
<b>Capital Program</b>					
Budget amounts include funds appropriated in prior years for projects that are still in progress.					
Capital Program <sup>4</sup> \$	56,850,679	\$ 57,952,710	\$ 96,233,004		

<sup>1</sup> The operating margin funds workers' compensation, debt service, the capital program, and reserves.

<sup>2</sup> Service hours do not include Sound Transit.

<sup>3</sup> Full-Time Equivalent (FTE) employee counts for all years, including 2019, are authorized FTEs.

<sup>4</sup> The capital program varies from year to year based on service needs, projects in progress, and available funding.

## ***Overview***

The 2021 budget is a balanced budget. Operating revenues exceed operating expenditures, and all reserves are fully funded. Total 2021 budgeted operating revenues equal \$173.2 million. Total 2020 budgeted operating expenditures equal \$159.2 million. Interfund transfers of \$38.6 million fund capital projects, reserves, workers' compensation, and debt service.

## ***Service Plan***

The 2021 budget reflects the effect of adding 4,000 annual hours. This modest service increase relates to the "Slow Recovery" economic projection used to create the Transit Development Plan (TDP). It also follows a recession-related service reduction of over 47,000 hours that occurred during the year 2020 to address the impacts of the pandemic and resultant recession.

The September 2020 service change will restructure intercounty commuter service to the University District in King County to connect with Link light rail at the Northgate Station. Total bus and paratransit service hours, a primary measure of Community Transit's business activity, will grow at about 2.9 percent over 2020 projected service hours. Discussion of the 2021 service plan continues in the Service Plan section.

## ***Operating Revenues***

Sales tax is Community Transit's main source of revenue. Sales tax revenue is projected to decline by 21.2 percent, roughly \$32.7 million, from the 2020 original budget to the 2021 budget and by 12.3 percent over 2020 current forecasted sales tax revenue. The major factors affecting sales tax revenue are decreases in consumer and business spending in Snohomish County, brought on as a result of the pandemic.

Overall, operating revenues will decrease by 18.8 percent from the current year's budget. This decrease includes the decline in sales tax, as well as the impact of one-time Federal CARES Act funds that will be received mostly in 2020 and will not recur. Other noteworthy decreases include fare revenues, down 45 percent from the original 2020 budget, advertising and investment income. The Revenues section of this notebook contains more information about revenue assumptions and sources.

## ***Operating Expenditures***

Overall operating expenditures are budgeted to decrease by about 6.9 percent from the 2020 budget. Salaries and wages are set to decrease by about 4.7 percent as compared to the 2020 amended budget. Benefits will decrease by 7.6 percent. The benefits decrease can be attributed to a drop in PERS contribution rates and a decrease in employee count, associated with 2020 midyear service reductions.

Community Transit has seen declining diesel fuel prices during 2020, as the pandemic stifled local and global travel. Compared with a fuel budget of \$2.25 per gallon in 2020, Community Transit now anticipates that \$1.75 per gallon will accommodate 2021 diesel costs. Prices will not likely increase until air travel, transportation, and shipping pick up. Mileage driven will also decrease, by 14.3 percent for directly operated buses. Therefore, the 36.7 percent diesel fuel decrease relates to both fuel utilization and a lower budgeted cost per gallon. Discussion of operating expenditures continues in the Expenses section of this document.

We project the 2021 cost per service hour to increase. Service hours will decrease significantly, but many fixed costs to run the transit agency will remain the same. The cost per service hour is determined by dividing operating expenditures by the hours of service provided (workers' compensation, insurance, and pass-through expenditures are excluded from the calculation). Sound Transit hours and estimated costs and hours are not included in the cost per service hour calculation. We subtract these from the calculation because Sound Transit's service hours are not considered to be Community Transit's service and are reported separately to the Federal Transit Administration on the National Transit Database report.

### ***Capital Program***

New 2021 capital projects total \$29.3 million for eight new projects, additional funding for several existing projects, and various minor capital requests. The total capital budget for 2021, including new and carryover projects, amounts to \$96.2 million. The largest projects requiring



new or additional funding planned for 2021 are the Facilities Master Plan Phase 3 at \$17.4 million, a new order for 60-foot coaches in 2021, and a paratransit vehicle purchase. Notable new technology projects include disaster recovery as a service, a coach video management system, and DriveCam, a cloud-based application that allows for the recording of critical activities to improve driver outcomes. Continued work will occur on the wireless communications project, next generation

ORCA, the *Swift* Orange Line project development, and digital strategy implementation.

Discussion of the 2021 capital program continues in the Capital Program section.

### ***Reserves and Cash Balance***

The 2021 budget fully funds all reserves and continues to provide a margin to buffer against recessionary conditions and ultimately pave the way for future growth. Community Transit's budgeted reserves follow agency policy for maintaining adequate reserves. Discussion of reserves and the cash balance continues in the Cash and Reserves section.

## ***Capital Facilities Preservation and Expansion***

In the midst of the global pandemic, Community Transit staff continue to keep their eyes on future transportation needs of the expanding Snohomish County community. Community Transit has appropriated \$74 million dollars in the Facilities and Technology Expansion Fund for this multi-year, multi-phase expansion and for the renovation of current facilities. Phase 1 for this project began in 2019; it designs and renovates an existing building to accommodate the agency's administrative functions. Completion of Phase 1 is anticipated to occur in early 2022. Phase 2 and 3 each started in 2020. Phase 2 will renovate the Merrill Creek Administration building to house transportation employees, which will be complete in 2023. Phase 3 represents a redesign and renovation to the Merrill Creek Operations base, including the replacement of a hoist, and will be complete in 2024.



The 2021 capital budget includes funding for various passenger facilities and amenities including *Swift* Orange Line development and planning for a *Swift* Blue Line expansion.



## Service Plan

The 2020-2025 Transit Development Plan was adopted by the Board of Directors in the fall of 2020. The plan summarizes accomplishments from the past calendar year, documents agency goals and strategies for the current and following five years, identifies needed resources, and provides a financial overview and plan. The 2020 TDP provides a summary of activities and accomplishments for 2019 and outlines goals and strategies for 2020-2025.

Community Transit's top priorities continue to be to provide easy access and connectivity to Sound Transit's Link light rail and to innovate to improve products and services that make travel easy and safe for all. In spite of the impacts of the pandemic, the extension of light rail to Snohomish County continues on schedule. Light rail is still set to come to Snohomish County in 2024.

The community's travel needs are changing, and this started pre-pandemic. The agency will continue to develop new and flexible transportation options providing services that will both integrate with and provide alternatives to bus, BRT, and light rail. The agency continues to implement safety measures in response to COVID-19, including masks, extra cleaning and disinfecting, and additional social distancing measures. Agency staff also monitor the changing attitudes toward public transit and try to maintain flexibility with respect to response to ridership needs and demand.

Community Transit is using two important strategies to deliver on its priorities:

- Investing in the employee experience.
- Modernizing and expanding our base facilities to support growth.

During 2020, the agency expects a service hour decrease totaling 47,515 hours from the previous year due to pandemic-related measures that it implemented. The 2021 service plan increases total directly operated hours of service by 4,000 hours from the projected 2020 hours. The 2021 planned service hour changes include the restructure of the intercounty

commuter service to the University District in King County, which will connect with light rail at the Northgate station. This modest 4,000 hour increase allow for Community Transit buses to connect with light rail. See pages 40-44 of the 2020-2025 Transit Development Plan:

[https://www.communitytransit.org/docs/default-source/projects/projects-documents-\(pdf-word-etc.\)/2020-transit-development-plan-final-draft-08-27-20.pdf?sfvrsn=c3fb32d2\\_2](https://www.communitytransit.org/docs/default-source/projects/projects-documents-(pdf-word-etc.)/2020-transit-development-plan-final-draft-08-27-20.pdf?sfvrsn=c3fb32d2_2)



Future service expansions will redesign the express commuter bus network to serve Lynnwood City Center station and Mountlake Terrace station when Lynnwood Link light rail opens. These will also implement a new bus rapid transit line, the *Swift Orange Line* and expand the *Swift Blue Line*. Additionally, various routes will be restructured to better connect with the Green Line and the future Orange Line, and to continue to improve routes in east and north Snohomish County.

### **Summary of 2021 Service Hours by Service Mode**

	<b>2019 Actual</b>	<b>2020 Projected</b>	<b>2021 Budget</b>	<b>Change 2021 vs. 2020</b>	
Directly Operated	398,958	358,068	367,158	9,090	2.5%
Contracted Commuter	50,255	44,849	42,414	(2,435)	-5.4%
Paratransit	84,937	85,428	64,800	(20,628)	-24.1%
<b>Subtotal</b>	<b>534,150</b>	<b>488,345</b>	<b>474,372</b>	<b>(13,973)</b>	<b>-2.9%</b>
Vanpool	148,374	106,255	104,077	(2,178)	-2.0%
<b>Subtotal, CT Operated</b>	<b>682,524</b>	<b>594,600</b>	<b>578,449</b>	<b>(16,151)</b>	<b>-2.7%</b>
Sound Transit	98,516	90,793	82,330	(8,463)	-9.3%
<b>Total</b>	<b>781,040</b>	<b>685,393</b>	<b>660,779</b>	<b>(24,614)</b>	<b>-3.6%</b>

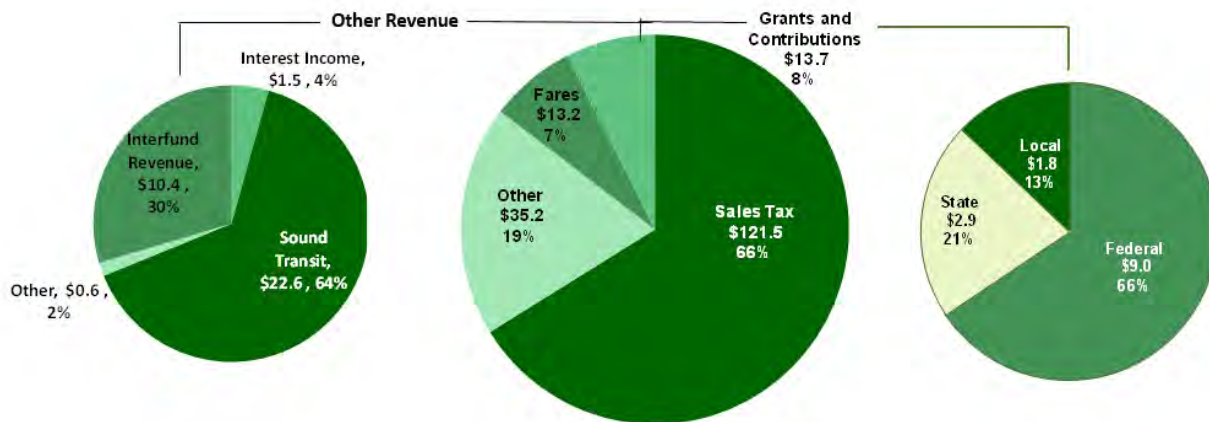
For more information on Community Transit’s service for 2021 and beyond, please review the [2020 - 2025 Transit Development Plan](#).

## Revenues

Retail sales tax in the amount of 1.2 percent on retail sales made within Community Transit’s public transportation benefit area in Snohomish County funds the greatest share of Community Transit’s operations. Other sources of revenue include fares and contributions from federal, state, and local governmental entities. In addition, the agency earns income from a contract with Sound Transit and from miscellaneous sources such as bus advertising, sale of surplus equipment, and interest earned on investments.

### Major Sources of General Fund Revenue – Operating and Non-Operating

\$183.6 (in millions)



### Revenue Type by Category

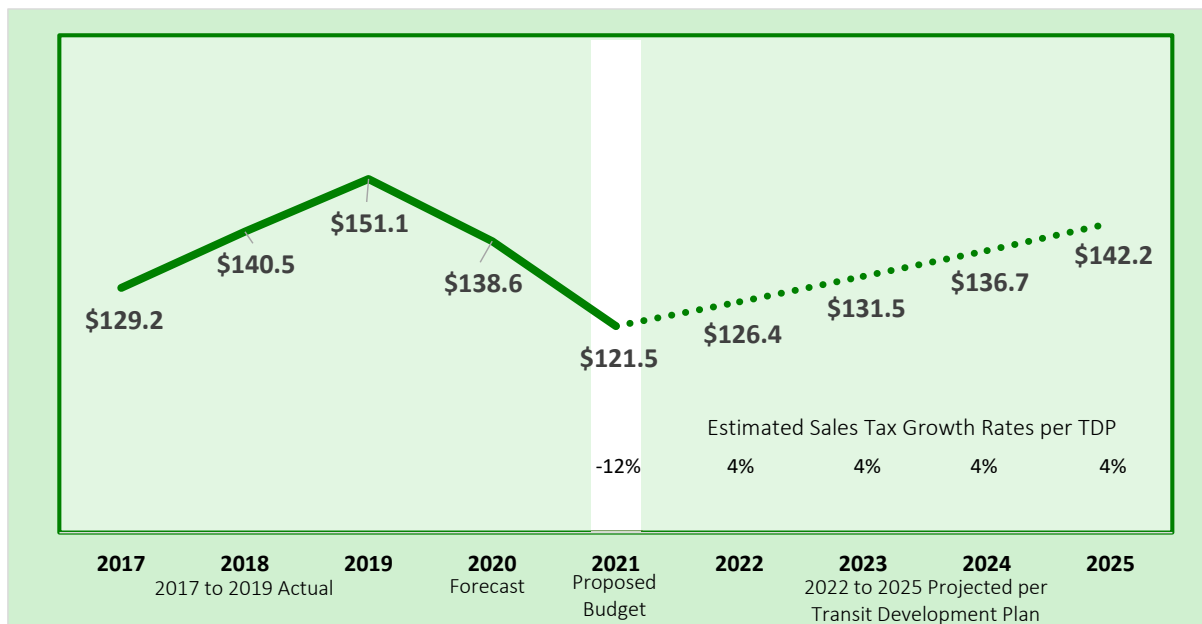
Revenue Type	2019 Actual	2020 Amended Budget	2021 Budget	Change 2021 vs. 2020	
				Dollars	Percent
Sales Tax	\$ 151,131,313	\$ 154,260,000	\$ 121,538,000	\$ (32,722,000)	-21.2%
Fares	23,158,991	23,982,000	13,190,100	(10,791,900)	-45.0%
Sound Transit Commuter Service	19,835,763	21,822,876	22,647,562	824,686	3.8%
Federal, State, and Local Grants and Contributions	7,876,179	8,706,894	13,720,403	5,013,509	57.6%
Miscellaneous Revenues	6,324,063	4,590,435	2,082,005	(2,508,430)	-54.6%
<b>Total: Operating Revenues</b>	<b>\$ 208,326,309</b>	<b>\$ 213,362,205</b>	<b>\$ 173,178,070</b>	<b>\$ (40,184,135)</b>	<b>-18.8%</b>
Interfund Transfers	4,289,925	4,476,114	10,385,613	5,909,499	132.0%
<b>Total Revenues</b>	<b>\$ 212,616,234</b>	<b>\$ 217,838,319</b>	<b>\$ 183,563,683</b>	<b>\$ (34,274,636)</b>	<b>-15.7%</b>

## Sales Tax

Community Transit receives the largest portion of its funding from local retail sales tax—about 70.2 percent of its total operating revenues in 2021, or 66.0 percent of total revenues, including revenue from planned interfund transfers. This percentage is down from the prior year. Sales tax is projected to be lower in 2021 than in 2020 due to the recession and lower consumer and business spending related to the pandemic, making it a slightly smaller piece of the pie than in previous years. The 2021 budget falls below the 2020 original budgeted sales tax revenue by \$32.7 million, or -21.2 percent. Forecasted sales tax for 2020 also falls short of the 2020 budget. In prior budget years, growth rates of four to six percent were common; as a result of the current recession, Community Transit has planned a downward revision to its original sales tax estimates for 2020, 2021, and beyond. In the TDP, a growth rate of 4 percent is projected for the years 2022 through 2025.

### Sales Tax: Historical Perspective and Future Forecast

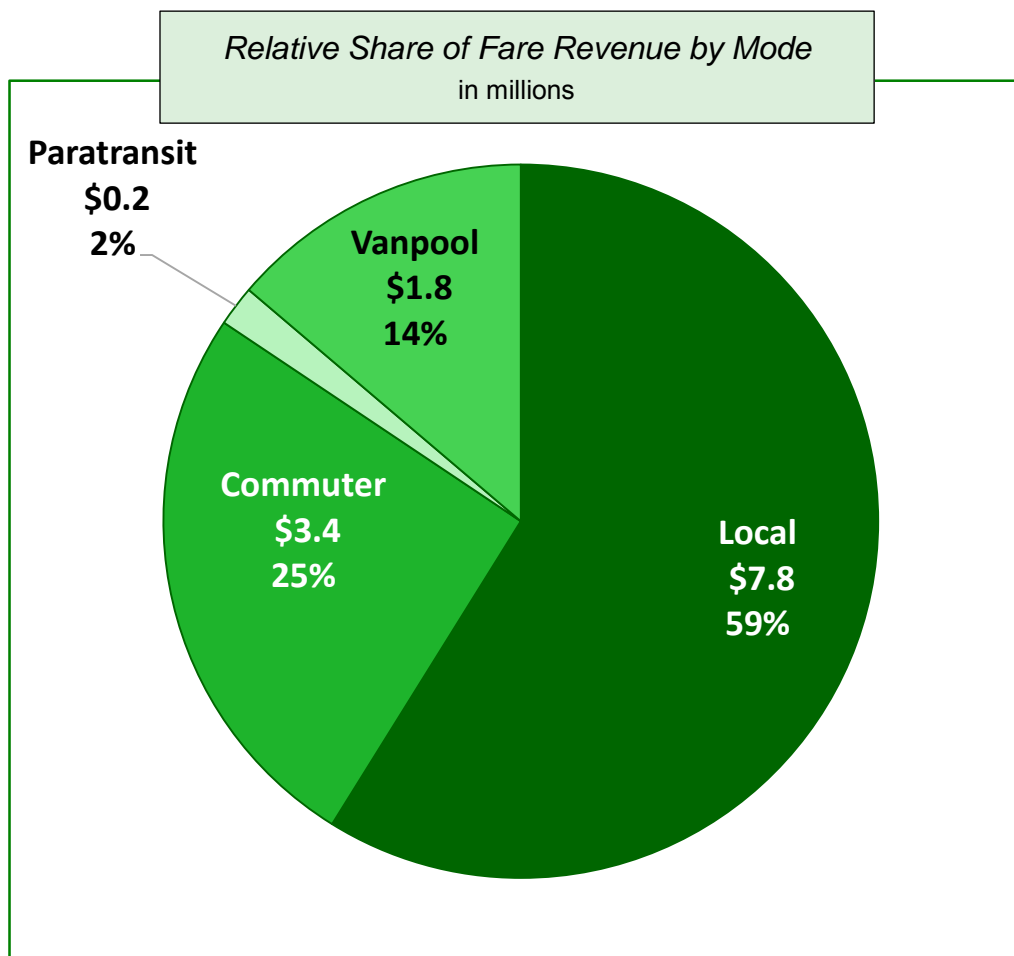
(in millions)



## Fares

Community Transit estimates that 2021 fare revenue will total \$13.2 million. This represents a decline from previous years—\$10 million less than actual 2019 revenues and \$10.8 million less than the original 2020 budget. Due to pandemic-level ridership, Community Transit forecasts 2020 fares to total about \$9.6 million, or a decrease of 45 percent, which means the 2021 budgeted fares will be higher than 2020 fares by \$3.6 million or 37.5 percent. Essentially, ridership and the associated fare revenue will begin to recover during 2021, but will not fully return to 2019 levels until approximately 2024.

Currently, Community Transit Planning staff are evaluating the impacts of future service shifts—to bus rapid transit and light rail service—on passenger fares.

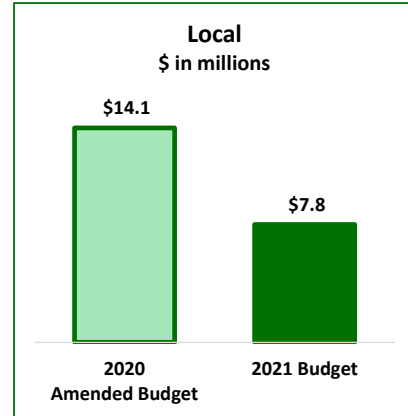


Growth in fare revenues from the 2020 forecasted fares to the 2021 budget results primarily from riders returning to transit as the economy opens and many employees return to their workplaces after remote working or furloughs. Ridership will return to previous levels only when the concerns over the pandemic subside (vaccinations, better treatments).



### **Local Directly Operated Fixed-Route Fares**

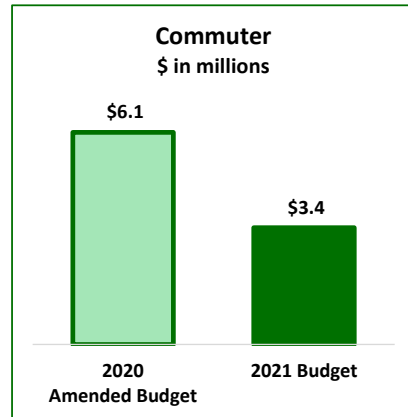
Local passenger fares remain the largest portion of Community Transit’s fare revenue, at 58.9 percent of the total. Local fares are expected to increase in 2021 commensurate with the overall passenger fare revenue increase, from a low point in 2020 that correlates to the pandemic-related low ridership.



### **Commuter Fares**

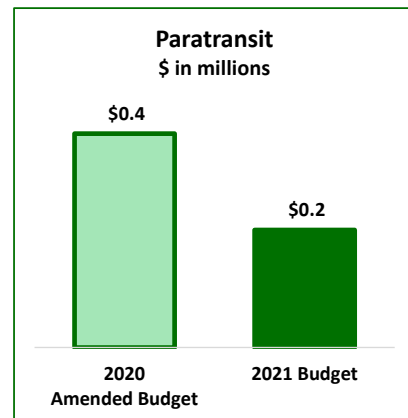
Commuter fares make up about 25.5 percent of the total passenger fare revenue. Commuter fares are also expected to increase in 2021 commensurate with the overall passenger fare revenue increase, from a low point in 2020 related to the pandemic-related low ridership.

As more *Swift* lines come into service and light rail becomes an option for commuters, commuter ridership and associated fare revenues will likely decline as a percentage of total passenger fares.



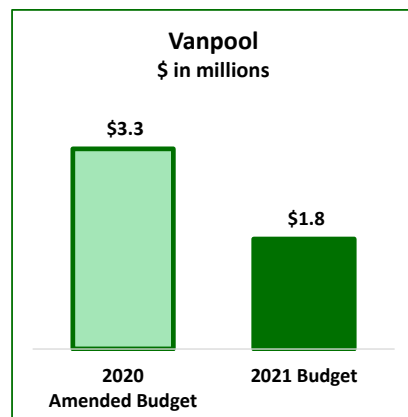
### **Paratransit**

Paratransit fares make up less than two percent of the total passenger fare revenue. These fares are also expected to increase in 2021 commensurate with the overall passenger fare revenue increase, from a low point in 2020 related to the pandemic-related low ridership.



### **Vanpool Fares**

Vanpool fares make up about 13.8 percent of passenger fares. Fare revenue is budgeted at \$1.8 million in 2021, which reflects almost 104,000 budgeted hours of vanpool service.



## Sound Transit

Sound Transit contracts with Community Transit to deliver commuter services that start in Snohomish County and primarily transport commuters to their jobs in King County. Community Transit expects 2021 contracted commuter service revenues to increase from 2020 levels by \$0.8 million, or about 3.8 percent, to a total of \$22.6 million. Contract rates partially drive this increase, as well as additional revenue anticipated from billing costs to Sound Transit for transit integration and the Mountlake Terrace shuttle.

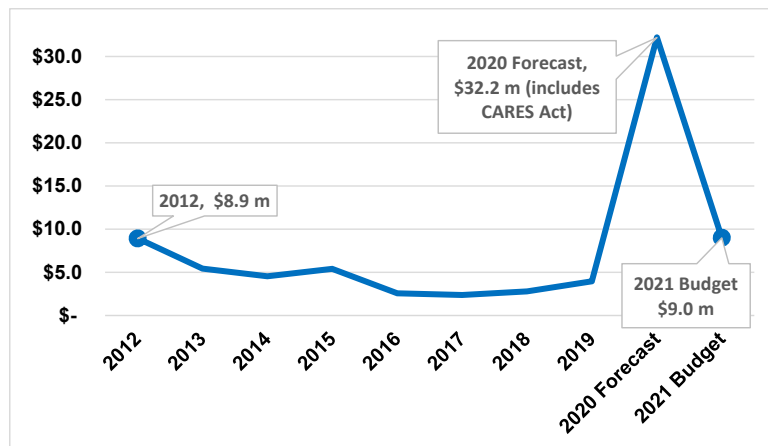
### Operating Grants and Contributions

Operating grants and contributions amount to \$13.7 million and contribute 8 percent to operating revenues. Community Transit receives federal, state, and local operating grants and contributions.

#### Federal Grants

Federal Transit Administration (FTA) grant rules allow grantees to use grant funds for vehicle maintenance and paratransit service and to identify which portions of their grant funds they choose to use for such purposes. During the Great Recession, Community Transit shifted most federal grant funds into operations for use in maintenance and paratransit service to avoid further service cuts, and because additional bus purchases were not necessary when service was not increasing. Once the recession ended, Community Transit began shifting its federal funds into the capital program to fund bus replacements and other needs that were delayed by the recession.

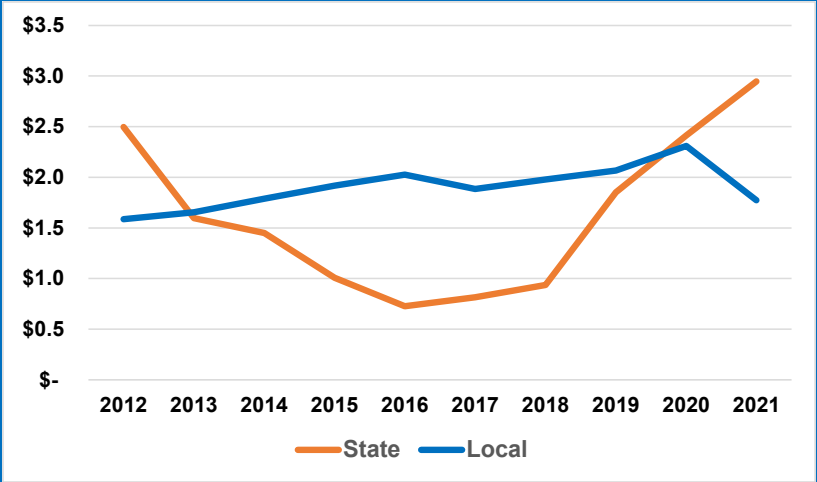
Operating revenues for 2021 include \$9.0 million in FTA grants: \$2.5 million for Marysville urbanized area operating and preventative maintenance; \$0.5 million in Congestion Mitigation and Air Quality (CMAQ) grants; and \$6.0 million in Federal CARES Act grant funding that was part of Community Transit's original allocation and will be billed in 2021.



**State Grants and Contributions**

In 2021, Community Transit will receive a Regional Mobility grant from the State of Washington in the amount of \$2 million, to support operation of the *Swift* Green Line. In addition, Community Transit will continue to receive a special needs grant from the State of Washington in the amount of \$820,000, as well as a Commute Trip Reduction/ Transportation Demand Management grant of \$126,000. Total contributions from the state total about \$3 million and make up 1.6 percent of Community Transit’s operating revenues.

*State and Local Grants and Contributions  
Used for Operations  
Dollars in Millions*



**Local and County Contributions**

In recognition of the value the *Swift* Blue Line brings, the City of Everett signed a partnership agreement with Community Transit in December 2007 whereby Everett contributes one-half of 1 percent of Everett’s retail sales tax revenue to Community Transit. The 2021 budget includes \$1.5 million from this revenue source. This is a decrease from the prior year’s budget of 14.7 percent, reflecting lower sales tax collections related to the pandemic and associated recession. In addition, Community Transit will receive funds from the City of Everett to handle Everett Transit’s information phone calls and paratransit eligibility checks. Snohomish County transportation demand management funding will be \$224,500 in 2021, up slightly (12.3 percent) from the 2020 budget.

**Miscellaneous Revenues**

**Interest Income**

Community Transit invests the portion of its funds not needed immediately for operations or cash flow in the Washington State Treasurer’s Local Government Investment Pool (LGIP). The LGIP is a voluntary investment vehicle operated by the State Treasurer. The pool was started in 1986 to provide safe, liquid, and competitive investment options for local governments pursuant to RCW 43.250. The LGIP allows local governments to use the state Treasurer's program to safely invest their funds while utilizing the economies of scale. During fiscal year 2019, the average balance in the LGIP’s portfolio was \$15.4 billion (<https://www.tre.wa.gov/partners/for-local-governments/local-government-investment-pool-lgip/average-daily-balance-lgip-by-fy/>), maintained by over 500 county, city, education and other public participants.

While the LGIP is a very safe, very liquid way to invest, the rate of return for funds invested in the LGIP has historically been quite low, though it has continued to increase in 2019 and 2020 from the previous years. As the Federal Reserve has lowered rates during 2020, the pool's yield has decreased from 1.77 percent at the end of 2019 to 0.21 percent at the end of the third quarter of 2020.

During 2016, Community Transit staff completed an extensive update of the agency's internal investment policy. In late 2016, staff implemented a new program to allow for a modest amount of safe investing outside the LGIP as allowed by RCW 39.59 and RCW 43.84.

As a result of both the new investment program and higher interest rates earned on conservative, shorter-term investments, Community Transit has seen a very significant increase in investment interest, particularly during 2019. During the first quarter of 2020, Community Transit's investment interest income continued to exceed the budget. In March, the Federal Reserve lowered rates to virtually 0 percent. Investment income is now forecasted to fall short of the 2020 budget by 37.5 percent, or \$1.4 million. The 2021 budget predicts interest income of about \$1.5 million, reflecting continued low interest rates.

### ***Advertising***

Community Transit expects to receive about \$90,000 in advertising revenues for 2021. This represents a considerably lower amount than what was received under contract in the previous years' advertising revenues. This is due to contract renegotiations with the advertising vendor related to the pandemic and related recession.

### ***Miscellaneous***

The 2021 budget for other miscellaneous revenues totals \$468,000 and includes the sale of ORCA fare cards, warranty claims from bus manufacturers, annual RideStore sales of passenger amenities, bike locker fees, purchase card rebates, surplus equipment sales, and insurance recoveries. This is roughly similar to the forecasted miscellaneous revenue for 2020 of \$464,000.

### ***Interfund Transfers***

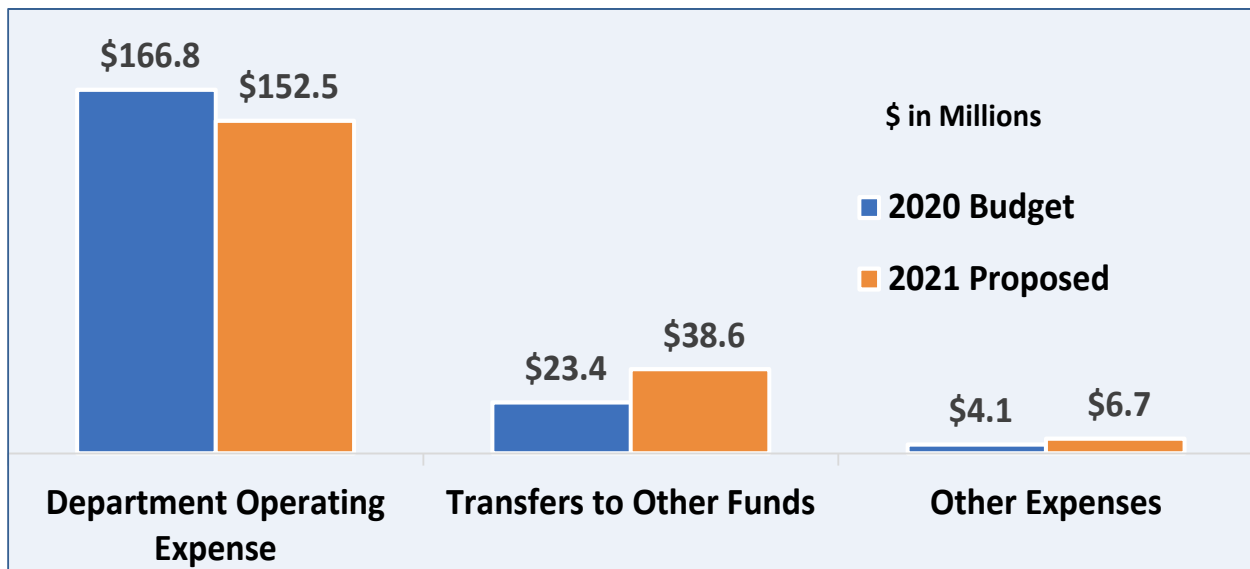
The 2021 budget includes interfund transfers in the amounts of \$0.5 million and \$9.9 million, respectively, from the Infrastructure Replacement Reserve fund and the Local Capital Projects fund. Both are related to funds returned from completed projects.

## Expenses

The 2021 general fund budget of \$197.8 million includes both operating and transfers to other funds. Operating expenses consist of costs incurred by Community Transit departments, fuel, insurance, and cost pools for salary/wage adjustments and professional services. Cost reductions between projected 2020 and budget 2021 reflect the full year of various cost savings strategies implemented mid-2020. These include service reductions, restrictions on travel, and other cost-saving measures. Nonoperating expenses consist of interfund cash transfers to capital project funds, reserves, workers' compensation, and debt service.

The following chart shows 2021 general fund expenses distributed by major operating cost category, with transfers and other expenses such as insurance and cost pools shown separately.

2021 General Fund Expense by Category  
\$197.8 (in millions)



## Operating Expenses

The 2021 operating budget of \$159.2 million includes all department-related operating expenses (\$147 million) plus insurance costs, fuel, and the salary and professional services pools (\$12.1 million). The 2021 budget anticipates a decrease of \$11.7 million, or 6.9 percent, as compared to operating expenses in the 2020 amended budget.

### Wages and Benefits

Wages and benefits decrease by \$5.7 million, or 5.6 percent, as compared to the 2020 budget. This decrease largely results from staffing changes, related to service reductions occurring in 2020. In direct response to the COVID-19 pandemic, Community Transit reduced and



subsequently partially restored service between March and July for directly operated and contracted commuter fixed-route bus operations. At the beginning of 2021, Community Transit' service levels will equal 85 percent of the baseline service delivered in early 2020 before the pandemic response. This necessitates lower levels of some categories of staff, particularly in Transportation and Maintenance. While medical benefits increase slightly, PERS retirement contribution rates are slated to decrease. Placeholders are included for possible wage increases or settlements, depending on various economic factors in 2021.

During 2020, Community Transit reduced a net total of 50 positions from the 2020 original budget. The majority of the reductions occurred in the Transportation department (45 positions) with the other 10 coming from the Maintenance department and the Training division of the Administration department. Five FTES approved prior to the pandemic were added in mid-year 2020.

### **Department Staffing Summary**

The following table shows the FTE count in 2020 and as planned for 2021.

<b>Staffing By Department</b>	<b>2019 Final FTE Budget</b>	<b>2020 Updated FTE Budget</b>	<b>2021 Budgeted FTEs</b>	<b>Change 2021 vs. 2020</b>
Board of Directors/Executive	5.5	6.5	6.5	0.0
Administration	73.0	64.0	64.0	0.0
Communications and Public Affairs	9.0	9.0	9.0	0.0
Customer Experience	53.0	54.0	54.0	0.0
Employee Engagement	15.0	15.0	16.0	1.0
Information Technology	36.0	34.0	34.0	0.0
Maintenance	127.0	122.0	122.0	0.0
Planning and Development	36.0	38.0	38.0	0.0
Transportation	485.0	452.0	452.0	0.0
<b>Staffing Total</b>	<b>839.5</b>	<b>794.5</b>	<b>795.5</b>	<b>1.0</b>

#### **FTE Reductions**

- 46 Coach Operators
- 3 Vehicle Service Workers/Attendants
- 3 Mechanics
- 1 Assistant Maintenance Manager
- 3 Instructors

#### **FTE Additions**

- Chief Operations Officer
- Deputy Chief Executive Officer
- Workers' Compensation Analyst
- Customer Information Specialist
- Planning Project Manager
- Deputy Director of Planning

As a recipient of federal grant funds, Community Transit reports FTEs according to job content, as defined in the Federal Transit Administration’s National Transit Database (NTD). The NTD report includes four job categories: operations, vehicle maintenance, facility maintenance, and administrative. This table shows Community Transit’s job distribution according to NTD classification.

<i><b>NTD Classification 2021 Budget</b></i>	<i><b>10-Year Average</b></i>	<i><b>5-Year Average</b></i>	<i><b>Current Year Ratio</b></i>
Operations	64%	64%	63%
Vehicle Maintenance	13%	13%	13%
Facility Maintenance	3%	3%	3%
Administration	20%	20%	21%

***Benefits Increase***

The Washington State Public Employees Benefits Board employee medical insurance rates for 2021 were calculated with an estimated increase of 7 percent. Rates for the IAM Benefit Trust are anticipated to increase in mid-2021, with an estimated increase for 2021 averaging 3.5 percent. However, overall benefits costs will decrease due to the reduction in FTEs.

***Public Employees' Retirement System Retirement Contribution***

The Public Employees' Retirement System (PERS) retirement contribution rates will decrease about 9.5 percent in the 2021 budget, related to a significant rate decrease that will occur July 2021 (from 12.86 percent, to 10.42 percent). The remainder of the PERS cost decrease in the 2020 budget relates to a reduction in employee count.

***Purchased Transportation***

Community Transit contracts with other service providers—Transdev and First Transit—to provide paratransit services and a significant portion of Community Transit’s commuter bus service. The total purchased transportation costs will decrease by about 11.8 percent in 2021 as compared to the 2020 amended budget. This decrease results primarily from service reductions initiated as a result on the pandemic and lower ridership, as well as one-time transition costs occurring in 2020 to switch to a new paratransit operator selected through a competitive procurement.

***Services***

Overall, Community Transit’s expenses for services, including intergovernmental services, will decrease by 3.4 percent in 2021 as compared to the 2020 amended budget. The major categories of reductions include contract maintenance, professional services, and travel and training. With uncertainty surrounding the pandemic and related recession, Community Transit is not planning to spend more in 2021 to purchase services than in 2020.

## Supplies

Agencywide, supplies, excluding diesel fuel and gasoline, will decrease by about \$400,000. Notable areas where decreases are occurring include predominantly maintenance-oriented supplies such as parts (\$396,000), oil and lubricants (\$40,000), and maintenance supplies (\$58,000). Other supply category will increase, such as postage (\$56,000), tires (\$34,000) and minor equipment (\$27,000). Budgets for gasoline for vanpool and support vehicles will decrease by \$656,000, related to adjustments for much lower fuel prices and pandemic-related low vanpool utilization.

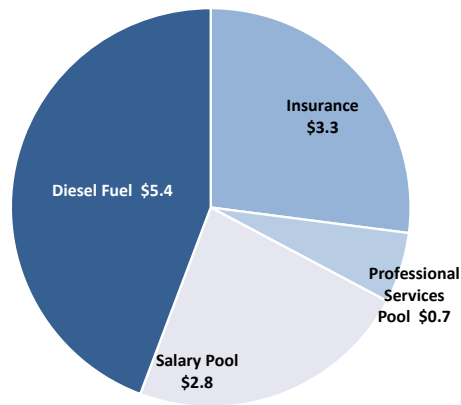
## Other Operating Expense

The Other Operating Expense category includes diesel fuel, insurance, a salary pool, and a professional services pool.

### Insurance

The 2021 insurance budget of \$3.3 million represents an increase of approximately 9.6 percent as compared to the 2020 amended budget of \$3.0 million. Community Transit anticipated higher annual premiums are due to a combination of factors. Increases in transportation assets are one component. Also, while Community Transit anticipates fewer FTEs and miles driven, given that insurance is purchased from a pool, it is likely that other participating agencies may make comparable reductions leading to no overall reduction in costs.

Other Operating Expense



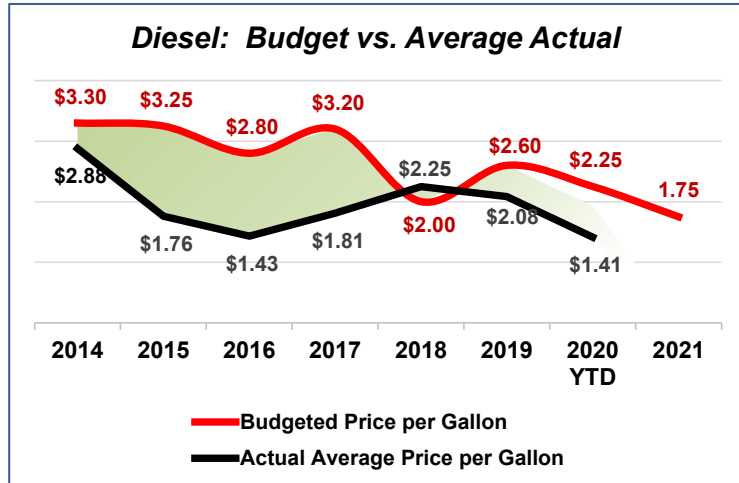
Community Transit's insurance, purchased through the Washington State Transit Insurance Pool, provides general liability coverage for the agency's vehicles and property, pollution liability, crime and fidelity, and other related coverages. Vehicle mileage, directly related to the number of service hours operated, drives the allocation of the Washington State Transit Insurance pool costs amongst its members.

### Diesel Fuel

The 2021 budget for diesel fuel for coaches and other vehicles will decrease by 36.7 percent (\$3.2 million) as compared to the 2020 amended budget. Service hours decreased to 85 percent of the baseline service hours in 2020 before the onset of the pandemic. This means fewer gallons of fuel are projected to be purchased. Additionally, fuel prices have dropped to historic

lows during the current year due to lack of global demand from the travel and transportation industries, particularly. The average year to date diesel rate by the end of August 2020 hovered just above \$1.40 per gallon. Community Transit does not anticipate that fuel rates will likely remain this low after 2020 and into 2021. The 2021 budget anticipates a diesel cost per gallon of \$1.75, down from an estimate of \$2.25 in 2020. A small designated fuel reserve in the general fund should provide a margin for fluctuations in fuel prices.

Employees in both Finance and Maintenance track the economy and the market for fuel, both locally and internationally. It appears that crude oil supplies will remain abundant and inexpensive until global travel resumes and airlines, transportation companies, and other global corporations begin to resume travel and purchase fuel.



The decrease in budgeted fuel costs from 2020 to 2021 reflects the confidence staff have in their \$1.75 per gallon estimate plus the fuel reserve to protect Community Transit against unexpected changes in price. Should fuel prices rise unexpectedly, Community Transit continues to keep \$1.75 million as a fuel reserve. With this additional reserve, Community Transit believes it will weather a modest diesel fuel price increase in the unlikely event that one occurs in 2021.

**Salary Pool**

The salary pool funds anticipated employee salary adjustments, including increases to the administrative employee pay plan and any union contract settlements pending during the year, as well as associated payroll taxes, Public Employees' Retirement System, and other benefits. The salary pool also funds the voluntary paid time-off payout program for all employees.

The 2021 salary pool budget includes modest amounts for various labor contract settlements that may occur during the year. Additionally, in 2020, FTE counts are not increasing, so the components of salary pool estimate related more closely to staff size will not increase.

**Professional Services Cost Pool**

Community Transit maintains a professional services cost pool as a contingency for unanticipated professional and other services needed during the year that could not be identified at the time the budget was prepared. Examples of items previously funded from the professional services cost pool include human resources consulting, legal costs, temporary staff

to cover shortages, internal audits, and various consulting tasks, including a transportation services analysis and IT professional services.

The 2021 professional services cost pool is funded in the amount of \$655,000, which is down slightly from the 2020 original professional services cost pool budget of \$689,500. This reflects more conservative budgeting, given the pandemic and the associated economic conditions.



## *Interfund Transfers*

Transfers to Fund 41, Replacement Reserve, Fund 42, Infrastructure Preservation Reserve, and Fund 48, Facilities and Technology Expansion, follow the plan for balances in the reserves as outlined in the 2019-2024 Transit Development Plan. During 2021, a transfer of \$15 million has been planned for Fund 48, the Facilities and Technology Expansion. Of the \$15 million, \$10 million is reserved for the *Swift* Orange Line project and \$5 million will help fund the *Swift* Blue Line Expansion project. In the recent past, budgets have included funding to add to this reserve for Community Transit’s Facilities Master Plan, which address future renovations and base expansion. These future improvements address base capacity associated with service expansion and agency growth. Community Transit will also build reserves to fund future BRT lines and BRT expansions as well.

Contributions to Fund 43, Workers’ Compensation, cover usual, ongoing costs including workers’ compensation claims and injury prevention efforts.

Transfers made to Fund 44 State Capital Projects, Fund 45, FTA Capital Projects, and Fund 46, Local Capital Projects, address local funding required to complete Community Transit’s approved projects.

Community Transit’s most recent limited sales tax general obligation bond issue occurred in June 2017. The transfer to Fund 50, Bond Debt Service, funds the principal and interest payments due in 2021 associated with that bond issue.

### ***Interfund Transfers from the General Fund to Other Funds***

	<b>2019 Actual</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>Change 2021 vs. 2020</b>	
Fund 41: Replacement Reserve	\$ 4,950,000	\$ 6,026,971	\$ 835,000	\$ (5,191,971)	-86.1%
Fund 42: Infrastructure Preservation Reserve	6,724,884	-	-	-	
Fund 43: Workers' Compensation	2,400,000	2,525,000	3,000,000	475,000	18.8%
Fund 44: State Capital Projects	-	254,353	-	(254,353)	-100.0%
Fund 45: FTA Capital Projects	4,686,216	271,485	8,299,980	8,028,495	2957.3%
Fund 46: Local Capital Projects	10,777,861	12,925,519	10,084,271	(2,841,248)	-22.0%
Fund 47: Bond Capital Projects	-	-	-	-	
Fund 48: Facilities and Technology Expansion	20,000,000	-	15,000,000	15,000,000	
Fund 50: Bond Debt Service	1,418,665	1,430,536	1,430,267	(269)	0.0%
<b>Total Interfund Transfers from Fund 40, General Fund</b>	<b>\$ 50,957,626</b>	<b>\$ 23,433,864</b>	<b>\$ 38,649,518</b>	<b>\$ 15,215,654</b>	<b>64.9%</b>

## ***Fund 41—Replacement Reserve***

The Replacement Reserve uses local revenues, primarily sales tax collections, to provide for support vehicles and for the locally funded match to grants for revenue vehicles.

### ***Fund 41 Revenues***

The 2021 budget consists of \$15,000 in proceeds from the sale of surplus vehicles and interfund transfers from the General Fund in the amount of \$835,000.

### ***Fund 41 Expenditures***

The \$1.4 million 2021 budget includes the replacement of thirteen DART paratransit vehicle. Bus replacements are accounted for in Fund 45, FTA Capital Projects, because much of the cost is covered by FTA grants. The local match for federal bus funding is accumulated in this fund and can then be transferred to Fund 45 when federal grant funds are awarded.

## ***Fund 42—Infrastructure Preservation Reserve***

Similar to the Replacement Reserve, this fund reserves a portion of local revenues, primarily sales tax collections, to accumulate funds for the needed repair and replacement of Community Transit's aging facilities and technology infrastructure.

### ***Fund 42 Revenues***

The 2021 budget proposes no interfund transfers from the General Fund to cover new projects and future reserves. Sufficient reserves exist to cover planned projects and still maintain the TDP-required reserve levels.

### ***Fund 42 Expenditures***

The 2021 budget includes \$5.6 million in projects carried over from prior year budgets, including carryover of \$5.4 million to fund a wireless communications solution to replace the current radio system. The 2021 budget also transfers \$6.0 million in project funds for the replacement and repair of the hoists at the Merrill Creek Operating Base into fund 48, the Facilities and Technology Fund. The hoist repair and replacement project has been combined with the Facilities Master Plan projects because it is part of the base upgrades and expansion.

## ***Fund 43—Workers' Compensation***

This fund was established in 1998 when Community Transit became self-insured to set aside funds for future claims. This fund is comprised of workers' compensation claims, program administration, operation of the employee maintenance center, and ergonomic equipment. It also functions as a reserve to pay future workers' compensation claims and related costs.

### ***Fund 43 Revenues***

Proposed 2021 revenues include \$75,000 of investment income and a \$3 million interfund transfer from the General Fund to cover annual workers' compensation program costs.

### ***Fund 43 Expenditures***

The 2021 budget of \$3 million represents a 9 percent compared to the 2020 budget. 2021 workers comp claims expense (paid claims) are anticipated to be 13.7% higher than the 2020 claims expense. Other expenses, such professional, other and governmental services expense, which include actuarial costs and claims management, will be relatively flat in 2021. The 2021 workers' compensation claims budget was calculated by using estimated worker hours and the claims experience rates provided by Community Transit's actuary. After showing a downward trend for several years, Community Transit's claims have shifted upward. Some of the trend was attributable to the growing employee base, some may be attributable to the aging employee population in Transportation and Maintenance, and some is simply related to the nature of some transportation jobs.

State law requires that self-insured entities keep a minimum amount in reserve to pay current and future claims. Projected ending cash for the Workers' Compensation Fund is \$4.6 million, exceeding the state-required minimum and covering a 90 percent confidence level as recommended by Community Transit's actuary.

## ***Fund 44—State Capital Projects***

This fund includes capital projects paid for by State of Washington grants which require that Community Transit contribute a partial match. The local match is funded with transfers from other capital reserves or the General Fund.

### ***Fund 44 Revenues***

There are no State grants included in the 2021 budget.

### ***Fund 44 Expenditures***

The 2021 budget does not, at this time, include any state grant-funded capital projects.

### ***Fund 45—FTA Capital Projects***

This fund includes capital projects paid for in part by FTA grants which require that Community Transit contribute a partial match. The local match is usually funded with transfers from other capital reserves or the General Fund.

### ***Fund 45 Revenues***

Grant funds of about \$652,000 supporting the Swift Orange Line Project Development have been carried over from the prior budget and included in the 2021 budget. In typical years where there are new FTA grant-funded projects, local funds are transferred from the general fund to provide the required grant match of approximately 60-80 percent of the total cost. here

An interfund transfer of \$8.3 million has been included in the 2021 budget to replenish fund balance where additional match funds were needed due to availability of grant or need for more matching funds.

### ***Fund 45 Expenditures***

The 2021 budget provides \$1.1 million for one carryover FTA grant funded project – the Swift Orange Line Project Development. In typical budget years, FTA grants fund the purchase of various Community Transit coach acquisitions. 2021 is an exception. Due to prior year grant allocations to previous bus purchases, the sole 2021 bus acquisition will be funded by local funds instead.

### ***Fund 46—Local Capital Projects***

The Local Capital Projects Fund includes capital projects paid for with locally generated funds, including minor routine capital purchases and technology implementations. Projects in this fund are primarily funded with transfers from capital reserves or the General Fund. Starting in 2020, new State grant funded projects were no longer be budgeted in the Local Capital Projects fund, but instead they now have a designated fund: Fund 44, the State Capital Projects fund.

### ***Fund 46 Revenues***

The 2021 budget includes a transfer of \$10.1 million from the General to cover new and existing projects, as well as minor capital.

### ***Fund 46 Expenditures***

The 2021 budget includes \$18 million for a several new and existing projects, including \$8 million for 60-foot expansion coaches, funding for the *Swift* Blue Line Expansion, DriveCam, Digital Strategy and various other technology projects. Also funded is a local project contingency and budgets for agency minor capital needs. A transfer of \$9.9 million will be made back to the general fund to return funds from completed projects.

### ***Fund 48—Facility and Technology Expansion***

This fund was established to set aside reserves for future facility and technology expansion projects. Since its inception in 2005, the largest capital investments from this fund have included the Kasch Park Operating Base maintenance expansion, *Swift* stations, and transit technologies.

### ***Fund 48 Revenues***

For 2021, an interfund transfer in the amount of \$15 million is proposed from the General Fund to the Facilities and Technology Expansion Fund. Of the \$15 million, \$10 million is reserved for the *Swift* Orange Line project and \$5 million will help fund the *Swift* Blue Line Expansion project. Previously, funding in the amount of \$70 million was transferred to and reserved In Fund 48 for facilities renovations and base expansion. These projects began in 2019.

### ***Fund 48 Expenditures***

The 2021 budget of \$70.1 million funds all three phases of the Facilities Master Plan projects, as well as the Next generation ORCA project that will carried over into 2021. As explained in the previous paragraph, a reserve was set aside for base expansion and renovations to existing facilities. The remaining \$15.9 million reserve balance will be held in reserve in Fund 48 for the *Swift* Orange Line and Blue Line Expansion projects.

### ***Fund 50—Bond Debt Service***

This fund provides annual principal and interest payments on outstanding bonds through interfund transfers from the General Fund.

### ***Fund 50 Revenues***

Proposed 2021 budget revenues include a transfer from the General Fund in the amount of \$1.4 million to cover debt service payments due on the 2017 limited sales tax general obligation bonds. Transfer amounts are prorated by month to ensure that funds are accumulated in advance of the February and August payments Therefore, the ending cash balance of \$0.6 million is in preparation for debt service payments in 2021.



***Fund 50 Expenditures***

The 2021 budget includes debt service on the 2017 limited sales tax general obligation bonds. The principal and interest payments due in 2020 equal \$1.4 million.

## Cash and Reserves

Community Transit defines fund balance as modified working capital, in essence, cash and cash equivalents plus accrued revenues and less accrued expenses. Each fund maintains a level of reserves that meets or exceeds Community Transit’s reserve policy (see Financial Policies section).

### General Fund

The 2021 budget includes operating and nonoperating revenues of \$183.6 million which funds operating expenses of \$159.2 million for 661,000 hours of service and also contributes to the 2021 capital program. In addition, the budget fully funds the workers’ compensation program at a level that meets or exceeds actuarial recommendations for claims coverage, funds the 2021 debt service requirement, and maintains all reserve balances at levels required by the Board-adopted transit development plan, internal policy, and any other statutory or contractual requirement.

	<u>\$ in Millions</u>
<b>Beginning Cash</b>	<b>\$ 120.8</b>
Total General Fund Revenue	\$ 173.2
Total Current Expenses and Obligations	(159.2)
<b>Operating Margin</b>	<b>14.0</b>
Transfer to Capital/Other Funds	(38.6)
Transfer from Capital/Other Funds	\$ 10.4
<b>Ending Cash</b>	<b>\$ 106.6</b>
Operating and Fuel Reserves	(25.0)
<b>Capacity for Sustainability and Expansion</b>	<b>\$ 81.6</b>

	<b>2020 Forecast</b>	<b>2021 Budget</b>
<b>Projected Ending Cash Balance</b>	<b>\$ 120.8</b>	<b>\$ 106.6</b>
Operating Expenses	\$ 158.8	\$ 159.2
Workers' Compensation Expense	<u>2.6</u>	<u>3.0</u>
<b>Total Expense</b>	<b>161.4</b>	<b>162.2</b>
Less: Sound Transit	<u>(22.0)</u>	<u>(22.6)</u>
<b>Net Operating Expense Excluding Sound Transit</b>	<b>139.4</b>	<b>139.6</b>
Two Months Operating Expense	(23.2)	(23.3)
Fuel Reserve	\$ -	(1.8)
<b>Cash/Working Capital in Excess of all Reserves</b>	<u><b>\$ 97.6</b></u>	<u><b>\$ 81.6</b></u>

## **Summary of Cash Balance and Reserves by Fund**

<i>Fund</i>	<i>Cash Balance \$ in Millions</i>
<b>Operating Reserve</b>	
Designated—Operating and Fuel Reserves <sup>1</sup>	\$ 25.0
Capacity for Sustainability/Expansion	81.6
<b>Total Operating Reserve</b>	<b>\$ 106.6</b>
<b>Replacement Reserve</b>	<b>42.5</b>
<b>Infrastructure Preservation Reserve</b>	<b>9.6</b>
<b>Facilities and Technology Fund</b>	<b>15.9</b>
Reserve for Future BRT Lines/Expansion	
<b>Workers' Compensation</b>	
Statutorily Restricted	\$ 4.3
Designated for Future Claims	0.3
<b>Total Workers' Compensation</b>	<b>4.6</b>
<b>Bond Fund</b>	<b>0.6</b>
<b><i>Total as of December 31, 2021</i></b>	<b><u>\$ 179.8</u></b>

<sup>1</sup> Includes two months operating cash flow reserve and \$1.75 million fuel reserve.

**Activity and Cash Balances by Fund**  
**Funds 40, 41, 42**

<i>Fund</i>	<i>Amount</i> <i>(\$ in Millions)</i>	<i>Discussion</i>
<b>40 - General Fund</b>		
<b>Beginning Cash Balance</b>	<b>\$ 120.8</b>	
Revenues	173.2	
Interfund Transfers In	10.4	Return of unspent project funds and cash balance surplus for workers' compensation.
Expenditures	(159.2)	
Interfund Transfers Out	(38.6)	Funds capital projects, workers' compensation, and additions to capital reserves.
<b>Ending Cash Balance</b>	<b>\$ 106.6</b>	
<b>41—Replacement Reserve</b>		
<b>Beginning Cash Balance</b>	<b>\$ 43.1</b>	
Revenues	-	
Interfund Transfers In	0.8	Funds capital projects and reserves.
Expenditures	(1.4)	
Interfund Transfers Out	-	
<b>Ending Cash Balance</b>	<b>\$ 42.5</b>	
<b>42 - Infrastructure Preservation Reserve</b>		
<b>Beginning Cash Balance</b>	<b>\$ 21.8</b>	
Revenues	-	
Interfund Transfers In	-	Funds capital projects and reserves.
Expenditures	(5.7)	Significant project costs include wireless communications and MCOB hoist repair/replacements.
Interfund Transfers Out	(6.5)	
<b>Ending Cash Balance</b>	<b>\$ 9.6</b>	

**Activity and Cash Balances by Fund**  
**Funds 43, 44, 45**

<i>Fund</i>	<i>Amount (\$ in Millions)</i>	<i>Discussion</i>
<b>43 - Workers' Compensation Fund</b>		
<b>Beginning Cash Balance</b>	<b>\$ 4.5</b>	
Revenues	0.1	
Interfund Transfers In	3.0	
Expenditures	(3.0)	Claims and administrative costs.
Interfund Transfers Out	-	
<b>Ending Cash Balance</b>	<b>\$ 4.6</b>	
<b>44 - State Capital Projects Fund</b>		
<b>Beginning Cash Balance</b>	<b>\$ 0.0</b>	
Revenues	-	State grant revenue.
Interfund Transfers In	-	Grant match from the general fund.
Expenditures	-	Grant-supported projects.
Interfund Transfers Out	-	
<b>Ending Cash Balance</b>	<b>\$ 0.0</b>	
<b>45 - FTA Capital Projects Fund</b>		
<b>Beginning Cash Balance</b>	<b>\$ (7.9)</b>	
Revenues	0.7	FTA grant revenues.
Interfund Transfers In	8.3	Grant match and other funding from the general fund.
Expenditures	(1.1)	Grant-supported coach and other purchases.
Interfund Transfers Out	-	
<b>Ending Cash Balance</b>	<b>\$ 0.0</b>	



**Activity and Cash Balances by Fund**  
**Funds 46, 48, 50**

<i>Fund</i>	<i>Amount (\$ in Millions)</i>	<i>Discussion</i>
<b>46 - Local Capital Projects Fund</b>		
<b>Beginning Cash Balance</b>	<b>\$ 17.7</b>	
Revenues	-	
Interfund Transfers In	10.1	Funds capital projects.
Expenditures	(18.0)	Locally-funded capital projects, including minor capital.
Interfund Transfers Out	(9.8)	Remaining funds transferred to the general fund.
<b>Ending Cash Balance</b>	<b>\$ 0.0</b>	
<b>48 - Facilities and Technology Expansion Fund</b>		
<b>Beginning Cash Balance</b>	<b>\$ 65.0</b>	
Revenues	-	
Interfund Transfers In	21.0	
Expenditures	(70.1)	Facilities Master Plan projects, ngORCA project.
Interfund Transfers Out	-	
<b>Ending Cash Balance</b>	<b>\$ 15.9</b>	Reserved for base expansion and renovations to current bases.
<b>50 - Bond Debt Service Fund</b>		
<b>Beginning Cash Balance</b>	<b>\$ 0.6</b>	
Revenues	-	
Interfund Transfers In	1.4	
Expenditures	(1.4)	Principal and interest on 2017 bond issue.
Interfund Transfers Out	-	
<b>Ending Cash Balance</b>	<b>\$ 0.6</b>	
<b>Total at December 31, 2021</b>	<b>\$ 179.8</b>	

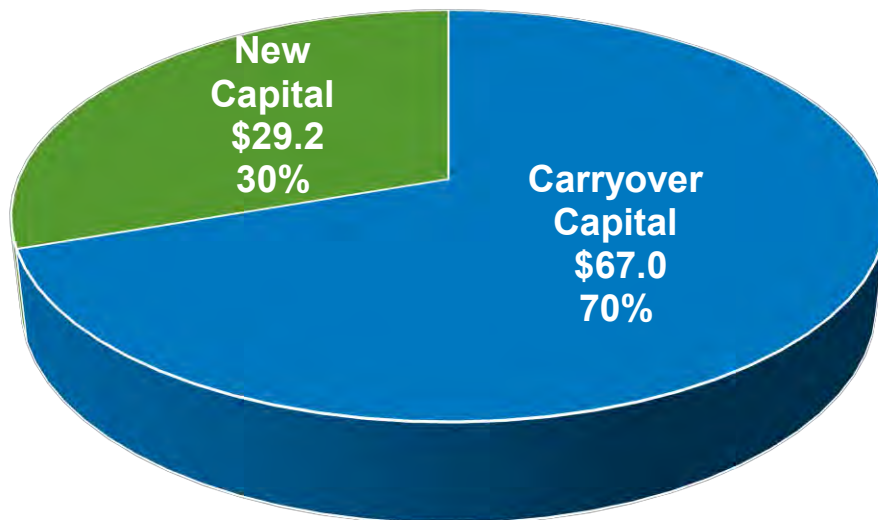
## Capital Program

Community Transit defines a capital asset as “property that is expected to generate value over a long period of time and form the productive base of an organization.” In terms of expense, agency policy categorizes purchases of single items costing \$5,000 or more per item as capital purchases. The 2021 capital program represents an investment of \$96.2 million and includes both new projects and multiyear projects started in prior years.

The travel needs of Snohomish County residents are evolving, as the population continues to grow, employment expands north, and traffic increases. Emerging new technology and new mobility options are also driving demand and expectations. However, the COVID-19 pandemic has significantly impacted revenue and ridership. The agency is working to maintain adaptability and flexibility to achieve agency priorities while responding to an uncertain future. The focus of Community Transit’s capital program will be modernizing and expanding our base facilities to support growth and developing solutions that will allow travelers to access to Link light rail, which is scheduled to reach South Snohomish County in 2024.

### 2021 Capital Program

**\$96.2 (in millions)**



Community Transit’s fleet consists of 40-foot, 60-foot, 62-foot bus rapid transit and double decker buses, as well as vanpool vans and paratransit vehicles. The agency makes replacement and expansion of its fleet a high priority. The average age of the fixed route bus fleet is about 7 years. Recent fleet innovations made by Community Transit include passive restraint systems for wheelchair users, on-board bicycle racks on the *Swift* bus rapid transit buses and the agency’s first fixed-route 40-foot diesel-electric hybrid buses.

Another continuing priority for Community Transit is modernizing and expanding its current base and other facilities to support agency growth. Future expansion will require more space for maintenance, bus parking, and operational support.

The 2020-2025 Transit Development Plan calls for a multi-phased and multi-year base expansion. During previous budget cycles, \$70 million was set aside to provide funding to renovate the current operating bases; the 2021 budget designates an additional \$4 million, bringing the total up to \$74 million. Community Transit values its employees and the employment experience. Expanding and modernizing the current facilities supports this principle by giving employees an environment that promotes operational excellence and allows employees to perform their jobs well.

## ***New and Existing Initiatives***

The 2021 budget includes funding for new and ongoing initiatives that increase Community Transit's effort to roll out new service in 2021 and beyond. This includes technology and other improvements that bring considerable value to the public. Other initiatives include projects and reserve funding intended to enable Community Transit to keep ahead of the game by planning for future infrastructure and other needs. Several initiatives from the 2021 capital budget are highlighted in the following discussion.

### ***Swift Blue Line Expansion and Orange Line Development***

Community Transit's *Swift* network incorporates key elements of bus rapid transit design such as landmark stations, uniquely branded vehicles, off-board fare collection, real-time customer information, priority bus lanes and fast, frequent and reliable service. Long range plans call for a network of *Swift* lines connecting destinations in urban areas throughout the County and to Sound Transit's Link light rail when it extends to Lynnwood in 2024.

The *Swift* network currently consists of two lines: Blue and Green. The *Swift* Blue Line launched in 2009, with *Swift* Green following in 2019. *Swift* service accounts for 21 percent of all Community Transit passenger boardings and this proportion approximately doubled during spring 2020 due to reduced COVID-19 ridership levels on other service. Design for expansion of the *Swift* Blue Line is included in the 2021 budget at \$0.6 million; future project costs of approximately \$8.2 million are programmed into the 2020-2025 Transit Development Plan.

Community Transit is currently developing plans for a third bus rapid transit line, the *Swift* Orange Line. The 2021 budget carries forward \$1.1 million in federal and local funding for *Swift* Orange Line program development, with plans to appropriate \$85 million in future years.

### ***Coach and Other Service Vehicle Acquisitions***

The 2021 budget adds funding for the purchase of 8 sixty-foot coaches and 13 DART paratransit replacement vehicles. This is in addition to revenue vehicle acquisitions carried over from the prior year. Other previously planned vehicle purchases have been delayed due to the uncertainty of future ridership demand and revenue levels. The total new and carryover budget for revenue vehicles in 2021 is \$9.4 million, about 10 percent of Community Transit's capital budget.

### ***Technology Enhancements***

2021 technology projects include the continuation of the Wireless Communications and VoiP project, which replaces the current land mobile radio system (\$5.4 million budgeted in 2021).

Another continuing initiative is the Next Generation ORCA electronic fare collection system project (\$8.1 million budgeted in 2021). This is a regional project that is currently in the design phase, with a full implementation in 2022.

Other projects continuing into 2021 include implementation of a passenger information control system, a digital strategy for the customer experience, disaster recovery, and electronic content management. Community Transit will pursue increased functionality of the newly implemented budgeting and financial reporting software and will begin the implementation of DriveCam, a fleet-based camera system intended to improve driving safety and increase operational efficiency.

### ***Capital Facilities Preservation***

Community Transit operates and maintains transit facilities consisting of administrative offices, two operating bases, the Mountlake Terrace Transit Center, *Swift* bus rapid transit stations, 29 park-and-rides and transit centers, 15 park-and-pool lots, and over 1,600 bus stops, including 66 *Swift* stations. Many facilities are older structures and in need of updating. Service expansion occurring in the previous three years, as well as planned for the future, has stretched the agency's capacity. We are at a crossroads where continued expansion depends on creating new capacity.

Replacement of hoists at the Merrill Creek Operating Base, originally budgeted at \$6 million, has been folded into phase 3 of the much larger facility master plan project. Also planned is exterior painting at the Kasch Park location, expansion of storage for diesel exhaust fluid, as well as other repairs and small projects.

## Facilities Master Plan

As mentioned before, Community Transit is planning for a multi-year, multi-phased expansion of its operating bases, plus upgrades and renovations to the currently owned bases. Phases 1, 2, and 3 of the Facilities Master Plan project carry forward \$44.6 million into the 2021 budget. Phase 3 progresses past initial development and appropriates an additional \$17.4 million in 2021.

Phase 1, with a 2021 budget carryover of \$26.0 million out of its \$36.9 million total, will design and renovate the Kasch Park Casino Road building in order to move most administrative personnel from the Merrill Creek Administration building. This move is planned to occur in 2022.

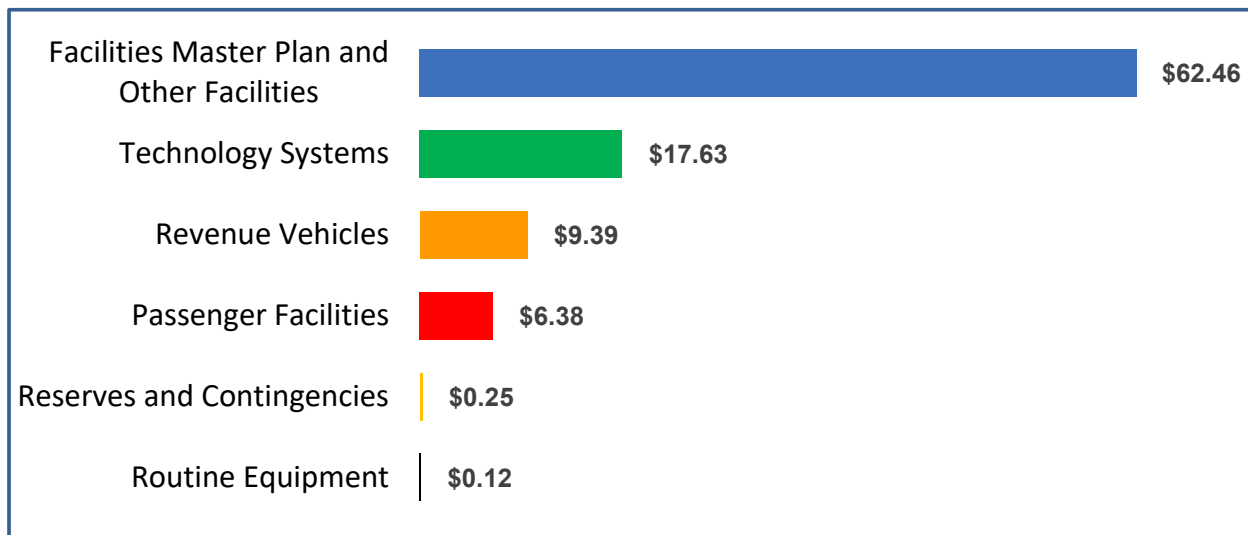
Phase 2 of the Facilities Master Plan Project will design and renovate the Merrill Creek Administration building. Slated for completion in 2023, this building will house transportation employees. The 2021 budget carryover for this phase is \$11.7 million out of its \$12.4 million total.

Phase 3 will design and renovate the Merrill Creek Operations Base, including the addition of six maintenance bays and the replacement of hoists. The phase 3 project total is now at \$24.9 million; \$24.3 million will be carried forward in the 2021 budget.

The remaining reserve for base expansion and facilities renovation, of about \$15.9 million, remains unappropriated in Fund 48. \$10 million is reserved for local match requirements for the *Swift* Orange Line and \$5 million for the *Swift* Blue Line Expansion.

### 2021 Capital Program by Type

**\$96.2 (in millions)**



## 2021 Capital Program, Including Carryover Projects

Project Category	Capital Fund	Fund Source		Total
		Grants *	CT Local	
<b>Revenue Vehicle Acquisitions</b>				
60-Foot coaches	46	\$ 0	\$ 7,974,498	\$ 7,974,498
DART vehicles	41	0	1,412,095	1,412,095
<b>Subtotal</b>		<b>\$ 0</b>	<b>\$ 9,386,593</b>	<b>\$ 9,386,593</b>
<b>Transit Facilities and Passenger Amenities</b>				
<i>Swift</i> Orange Line project development	45/46	\$ 652,684	\$ 4,885,123	\$ 5,537,807
<i>Swift</i> Blue Line expansion design & engineering	46	0	625,000	625,000
ORCA equipment	46	0	170,251	170,251
Passenger shelters	46	0	50,000	50,000
<b>Subtotal</b>		<b>\$ 652,684</b>	<b>\$ 5,730,374</b>	<b>\$ 6,383,058</b>
<b>Technology Systems</b>				
Next Generation ORCA	48	\$ 0	\$ 8,086,634	\$ 8,086,634
Wireless communications	42	0	5,389,470	5,389,470
Digital strategy for the customer experience	46	0	625,000	625,000
Electronic content management system	46	0	600,000	600,000
Budgeting and business planning system	46	0	507,005	507,005
Passenger information control system	46	0	498,604	498,604
DriveCam	46	0	375,000	375,000
Disaster recovery as a service	46	0	330,000	330,000
Coach video management system	46	0	261,998	261,998
Web development	46	0	103,274	103,274
<i>Swift</i> onboard signage feasibility	46	0	90,000	90,000
Base map implementation	46	0	83,851	83,851
Other software initiatives and projects	46	0	332,020	332,020
Routine upgrades, maintenance, and equipment	46	0	204,792	204,792
IT security, disaster recovery, and data storage	46	0	143,095	143,095
<b>Subtotal</b>		<b>\$ 0</b>	<b>\$ 17,630,741</b>	<b>\$ 17,630,741</b>
<b>Other Facilities</b>				
Facility master plan - phase 1	48	\$ 0	\$ 26,041,736	\$ 26,041,736
Facility master plan - phase 2	48	0	11,699,500	11,699,500
Facility master plan - phase 3	48	0	24,278,000	24,278,000
Kasch Park exterior painting	42	0	258,500	258,500
Diesel exhaust fluid storage expansion	46	0	132,000	132,000
Repairs and small projects	46	0	50,876	50,876
<b>Subtotal</b>		<b>\$ 0</b>	<b>\$ 62,460,612</b>	<b>\$ 62,460,612</b>

\* Grant funding is primarily federal but may also include funding contributions from the State of Washington and other local jurisdictions.



**2021 Capital Program, Including Carryover Projects (continued)**

<b>Project Category</b>	<b>Capital Fund</b>	<b>Fund Source</b>		<b>Total</b>
		<b>Grants *</b>	<b>CT Local</b>	
<b>Routine Equipment and Other Minor Projects</b>				
Vehicle and facility maintenance equipment	46	\$ 0	\$ 27,000	\$ 27,000
Routine minor equipment and furniture	46	0	95,000	95,000
<b>Subtotal</b>		<b>\$ 0</b>	<b>\$ 122,000</b>	<b>\$ 122,000</b>
<b>Capital Program Total</b>		<b>\$ 652,684</b>	<b>\$ 95,330,320</b>	<b>\$ 95,983,004</b>
<b>Designated Reserves and Contingencies</b>				
Local projects contingency	46	\$ 0	\$ 200,000	\$ 200,000
Department equipment cost pool	46	0	50,000	50,000
<b>Subtotal</b>		<b>\$ 0</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>
<b>Capital Program and Designated Reserve Total</b>		<b>\$ 652,684</b>	<b>\$ 95,580,320</b>	<b>\$ 96,233,004</b>

\* Grant funding is primarily federal but may also include funding contributions from the State of Washington and other local jurisdictions.

In response to the COVID-19 pandemic, Community Transit developed two scenarios for its six year transit development plan: a slow recovery scenario and a rapid recovery scenario. The slow recovery scenario assumes that the pandemic causes deeper impacts to the economy and limits Community Transit’s expansion ability to a greater degree. Stemming from conservative planning, the slow recovery scenario is the version that has been used to develop the 2021 budget and 2020-2025 transit development plan. The slow recovery scenario shows a reduction of 47,515 hours in 2020, followed by small increases in 2021, 2024 and 2025.

The 2021 capital program supports these modest increases through vehicle replacements, technology updates, facilities repairs, and replacement equipment. Even the addition of small amounts of new service requires increases to operating expenses, particularly in terms of labor and maintenance. Finance and Planning and Development staff analyze costs on a per service hour basis. Staff reviews planned service additions and estimates the incremental maintenance and operations costs for that service based on the projected cost per service hour for the year of the service increase and the incremental cost that becomes part of the base each year. When forecasting agency revenues and expenses, new service-related costs are added in the year of the service addition and reflected as ongoing expenses.

The following chart shows estimates for the future service expansion initiatives:

<b>Project</b>		<b>2020</b>	<b>2021-2025</b>	<b>2024-2025</b>
2020 Service Adjustments	Service Hour Change	Service Reduction (to 85% of budget at 09/2020)		
	Estimated Cost <sup>1</sup>	(\$12,100,000)		
2021 New Service <sup>2</sup>	New Service Hours		4,000 Annualized Hours	
	Estimated Cost		2021-2025 (5 years) Cost: \$6,750,000	
Swift Blue Line Extension and new Swift Orange Line Bus Rapid Transit <sup>2</sup>	New Service Hours <sup>3</sup>			11,105 Annualized hours
	Estimated Cost			2024-2025 (2 partial years) Cost: \$2,100,000

<sup>1</sup> Calculated using 2020 Amended Budgeted Operating Costs, less 2020 Forecasted Operating Costs

<sup>2</sup> Based on the "Slow Recovery" Scenario modeled in the 2020-2025 TDP

<sup>3</sup> 2024-2025 New BRT Service Hours are netted with other reductions resulting from the transition to light rail commuter service and the focus on the new BRT service

## **Debt Service and Debt Capacity**

In June 2017, Community Transit issued \$11.0 million in limited sales tax general obligation bonds, which were sold with a premium of \$2.1 million. The proceeds were used to help fund the purchase of 26 forty-foot coaches and cover the bond issue costs.

During 2021, the principal due is \$1,015,000 and the interest due is \$413,500, resulting in total debt service payments of \$1.4 million. The total principal due after the 2021 bond payments have been made will be \$7.3 million, with a remaining unamortized premium of \$0.8 million. These bonds are subject to federal arbitrage rules.

The 2017 bonds are the only debt of Community Transit and Community Transit does not anticipate issuing additional debt in the near term. Community Transit's net revenues after operating expenses cover the annual bond principal and interest payments due in 2020 more than 9 times as calculated below:

<b>Debt Service Coverage</b>	<b>2021 Budget</b>
Operating Revenue	\$ 173,178,070
Operating Expense	(159,167,274)
Net Available for Debt Service	14,010,796
Required Debt Service Payments	1,428,500
<b>Debt Service Coverage</b>	<b><u>9.8 times</u></b>

Future annual debt service requirements are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2022	\$ 1,070,000	\$ 362,750	\$ 1,432,750
2023	1,120,000	309,250	1,429,250
2024	1,175,000	253,250	1,428,250
2025	1,235,000	194,500	1,429,500
2026	1,295,000	132,750	1,427,750
2027	1,360,000	68,000	1,428,000
<b>Total</b>	<b><u>\$ 7,255,000</u></b>	<b><u>\$ 1,320,500</u></b>	<b><u>\$ 8,575,500</u></b>

## ***Debt Capacity***

Community Transit’s debt is subject to a legal debt limit. This limit is calculated at 0.375 percent of assessed property values within the agency’s boundaries. Larger amounts may be approved with a public vote.

This data is not yet available for the 2021 tax year. For the 2020 tax year, the calculated debt limit is as follows:

<b><i>Legal Debt Margin Information</i></b> for the most recent valuation year (2019)	<b><i>(\$ in Millions)</i></b>
Assessed valuation in 2019 for collection of taxes in 2020	\$ 101,288.5
Nonvoted debt limit 0.375 percent of valuation	379.8
Less outstanding bond issues - net	(10.5)
<b><i>Nonvoted Debt Capacity Remaining</i></b>	<b><u>\$ 369.3</u></b>

Outstanding bonds are shown as of December 31, 2019, as per Community Transit’s last Comprehensive Annual Financial Report. The table above includes the most recent assessed property valuation provided by the Snohomish County Assessor’s Office, with an estimated adjustment for the public transportation benefit area.

## Department Overview

### Summary of 2021 Department Budgets—All Funds

Funds other than Fund 40 are discussed in the capital, cash and reserves, interfund, and debt service sections.

<i>Budgets: by Department and Fund</i> <sup>1</sup>	<i>General Fund (Fund 40)</i>	<i>Replacement Reserve (Fund 41)</i>	<i>Infrastructure Reserve (Fund 42)</i>	<i>Workers' Compensation (Fund 43)</i>	<i>State Capital Projects (Fund 44)</i>
Board of Directors and Executive Administration <sup>2</sup>	\$ 1,240,384	\$ -	\$ -	\$ -	\$ -
Administration <sup>2</sup>	57,762,224	\$ -	\$ 6,534,321	\$ 2,966,975	\$ -
Communications and Public Affairs	1,669,591	\$ -	\$ -	\$ -	\$ -
Customer Experience	8,156,122	\$ -	\$ -	\$ -	\$ -
Employee Engagement	3,300,410	\$ -	\$ -	\$ -	\$ -
Information Technology	9,838,726	\$ -	\$ 5,389,470	\$ -	\$ -
Maintenance <sup>3</sup>	29,819,882	\$ 1,412,095	\$ 258,500	\$ -	\$ -
Planning and Development	34,834,223	\$ -	\$ (0)	\$ -	\$ -
Transportation	51,195,234	\$ -	\$ -	\$ -	\$ -
<b>Totals by Fund</b>	<b>\$ 197,816,796</b>	<b>\$ 1,412,095</b>	<b>\$ 12,182,290</b>	<b>\$ 2,966,975</b>	<b>\$ -</b>

<sup>1</sup> Fund 47 has no 2020 budget, thus is not shown.

<sup>2</sup> Administration Fund 40 includes interfund transfers, insurance, and cost pools as well as the department operating expense.

<sup>3</sup> Maintenance Fund 40 includes fuel as well as department operating expense.

<i>Budgets: by Department and Fund</i>	<i>FTA Capital (Fund 45)</i>	<i>Local Capital (Fund 46)</i>	<i>Facility &amp; Tech Expansion (Fund 48)</i>	<i>Bond Debt Service (Fund 50)</i>	<i>Total Departmental Budget Responsibility</i>
Board of Directors and Executive	\$ -	\$ -	\$ -	\$ -	\$ 1,240,384
Administration	\$ -	\$ 10,920,295	\$ 0	\$ 1,428,500	79,612,315
Communications and Public Affairs	\$ -	\$ -	\$ -	\$ -	1,669,591
Customer Experience	\$ -	\$ 625,000	\$ -	\$ -	8,781,122
Employee Engagement	\$ -	\$ 5,000	\$ -	\$ -	3,305,410
Information Technology	\$ -	\$ 2,880,886	\$ 8,086,634	\$ -	26,195,716
Maintenance	\$ -	\$ 8,224,373	\$ -	\$ -	39,714,851
Planning and Development	\$ 1,087,807	\$ 5,175,000	\$ 62,019,236	\$ -	103,116,265
Transportation	\$ -	\$ -	\$ -	\$ -	51,195,234
<b>Totals by Fund</b>	<b>\$ 1,087,807</b>	<b>\$ 27,830,555</b>	<b>\$ 70,105,869</b>	<b>\$ 1,428,500</b>	<b>\$ 314,830,887</b>

**Summary of 2021 Department Operating Budgets  
(Fund 40)**

	<b>2019 Actual</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>Change 2021 vs. 2020</b>	
Board of Directors/Executive	\$ 1,114,356	\$ 1,203,653	\$ 1,240,384	\$ 36,731	3%
Administration	13,833,171	14,071,858	12,423,374	(1,648,484)	-12%
Communications and Public Affairs	1,093,717	1,574,897	1,669,591	94,694	6%
Customer Experience	7,246,546	9,215,058	8,156,122	(1,058,936)	-11%
Employee Engagement	2,956,937	2,919,366	3,300,410	381,044	13%
Information Technology	8,865,375	10,213,660	9,838,726	(374,934)	-4%
Maintenance	22,743,556	25,447,949	24,373,539	(1,074,410)	-4%
Planning and Development	34,808,986	38,277,803	34,834,223	(3,443,580)	-9%
Transportation	49,640,693	55,231,600	51,195,234	(4,036,366)	-7%
<b>Total Operating Expense</b>	<b>\$ 142,303,338</b>	<b>\$ 158,155,844</b>	<b>\$ 147,031,603</b>	<b>\$ (11,124,241)</b>	<b>-7%</b>

Cost increases for employee benefits and participation in the state retirement plan are not within the control of individual department budgets, so are not part of the department discussion. These cost factors are discussed under general operating expenses. Each department discussion contains a list of priorities for the department, and each division in the department includes a list of 2021 priorities that describe how the work of each division supports the agency’s vision and mission.

Resolution No. 9-19 gives the CEO authority to approve additional FTEs so long as the cost can be absorbed within the Board-approved operating budget. There were business reasons for some departments to increase staffing after the original 2020 budget was approved. There were also business reasons to eliminate some positions after service was reduced as part of the agency’s response to the COVID-19 pandemic. The following table shows the department distribution of FTEs that were added or eliminated in 2020.

<b>Department</b>	<b>2020 FTEs Changes</b>	<b>Position</b>	<b>Purpose</b>
Executive	1	Deputy Chief Executive Officer	Addition of this position was approved early in 2020. After the current CEO announced his retirement, hiring of the DCEO position was deferred to the new CEO.
Administration	(3)	Coach Operator Instructors	Three Coach Operator Instructors were no longer required because the agency needs fewer Coach Operator Trainees. The five Coach Operator Instructors that remain are sufficient for existing needs.



<i>Department</i>	<i>2020 FTEs Changes</i>	<i>Position</i>	<i>Purpose</i>
Maintenance	(7)	(1) – Vehicle Maintenance Assistant Manager (3) – Journey Mechanics (2) – Vehicle Service Workers (1) – Vehicle Service Attendant	These positions were all eliminated because service was reduced in response to the COVID-19 pandemic.
Planning and Development	2	1 – Deputy Director of Planning and Development 1 – Planning Project Manager	The deputy position was established to manage complex transit integration and regional projects. The planning project manager supports transit integration.
Transportation	45 (net)	1 – Chief Operations Officer (COO) (46) Coach Operators	COO supervises both Maintenance and Transportation. Coach operator positions were reduced because service was reduced.

Staffing changes planned for 2021 are discussed in department sections where the FTE changes occurred. The net count of the four FTEs authorized after the 2020 budget was adopted and the 55 FTEs eliminated is included in the “2020 Authorized” column in the next table.

### ***Summary of 2021 FTEs by Department***

	<i>2019 Authorized</i>	<i>2020 Authorized</i>	<i>2021 Budget</i>	<i>Change 2021 vs. 2020</i>	
Board of Directors/Executive	5.5	6.5	6.5	0.0	0%
Administration	73.0	64.0	64.0	0.0	0%
Communications and Public Affairs	9.0	9.0	9.0	0.0	0%
Customer Experience	53.0	54.0	54.0	0.0	0%
Employee Engagement	15.0	15.0	16.0	1.0	7%
Information Technology	36.0	34.0	34.0	0.0	0%
Maintenance	127.0	122.0	122.0	0.0	0%
Planning and Development	36.0	38.0	38.0	0.0	0%
Transportation	485.0	452.0	452.0	0.0	0%
<b>Total FTEs Authorized or Proposed</b>	<b>839.5</b>	<b>794.5</b>	<b>795.5</b>	<b>1.0</b>	<b>0%</b>

### **Summary of 2021 FTEs by NTD Classification**

	2016	2017	2018	2019	2020	2021	<b>Change 2021 vs. 2020</b>	
Operations	428.0	449.0	482.0	542.0	498.0	498.0	0.0	0%
Vehicle Maintenance	91.0	96.0	102.0	105.0	100.0	100.0	0.0	0%
Facility Maintenance	19.0	19.0	20.0	26.0	25.0	25.0	0.0	0%
Administration	124.5	136.5	154.5	166.5	171.5	172.5	1.0	1%
<b>Totals</b>	<b>662.5</b>	<b>700.5</b>	<b>758.5</b>	<b>839.5</b>	<b>794.5</b>	<b>795.5</b>	<b>1.0</b>	<b>0%</b>

As a recipient of federal grant funds, Community Transit is required to complete the annual Federal Transit Administration (FTA) National Transit Database (NTD) report. The NTD report classifies employees based on job content, and agencies required to complete the report use the job content methodology to account for FTEs in their NTD report. The table above shows Community Transit’s employee complement according to NTD classification.

The intent of the NTD job content methodology is to facilitate comparisons among transit providers. The table below shows the same classifications, but on a percentage basis. Community Transit monitors these ratios during each budget cycle as one method of validating the consistency of Community Transit’s employment practices.

In prior years the optimum goal was an approximate 80/20 ratio of operational employees (Operations, Vehicle Maintenance, and Facilities Maintenance categories) to support employees (Administration) over five- and ten-year periods. In future years the ratio may increase in the Administration category due, in part, to changing technological expectations that transit users want when they consume transit information and use our services.

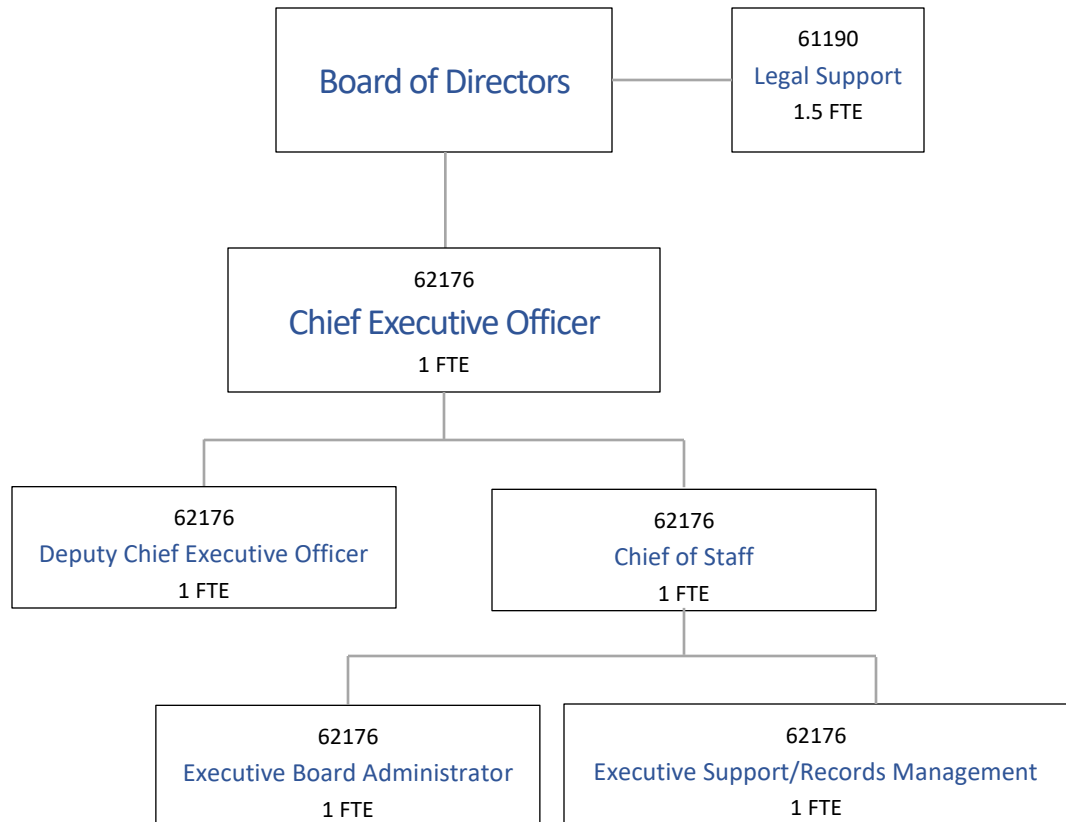
	2016	2017	2018	2019	2020	2021	5 Year Average	10 Year Average
Operations	65%	64%	64%	65%	63%	63%	64%	63%
Vehicle Maintenance	14%	14%	13%	13%	13%	13%	13%	13%
Facility Maintenance	3%	3%	3%	3%	3%	3%	3%	3%
Administration	19%	19%	20%	20%	22%	22%	20%	21%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## **Board of Directors and Executive Department**

### **Chart of Organizational Hierarchy and Budget Center Responsibility**

2 Budget Centers

6.5 FTEs





## ***Board of Directors and Executive Department***

The Board of Directors is the governing body of Community Transit, establishing policy and legislative direction for the agency. These duties include approval of the agency's annual budget. Working closely with the Chief Executive Officer (CEO), Board members represent the agency's position to the public, in the legislature, and in the community. They are responsible for hiring, supervising, and evaluating the CEO. Board members abide by all state and local laws with regard to Board member conduct and protocol, as well as the agency's by-laws, resolutions, and procedures. The CEO and the agency's legal counsel report to the Board of Directors.

The Executive Department oversees the general administration of the agency and ensures that the operation of the agency and the Board of Directors is in accordance with state and federal laws and regulations as they relate to general administration, governing boards, agency documents, the Open Public Meetings Act, and the Public Records Act. The Executive Department provides confidential support for the CEO and the Board of Directors as well as assistance to employees and the general public.

## ***Board of Directors***

The Board of Directors consists of ten members, nine of whom are elected officials selected by the respective governing bodies of the county and component cities within Community Transit's service area, as follows:

- Two members and their alternate from the governing body of the county.
- Two members and an alternate from cities with populations of more than 35,000.
- Three members and two alternates from cities with populations between 15,000 and 35,000.
- Two members and an alternate from cities with populations less than 15,000.
- One non-voting labor representative.

### ***Major Department Accomplishments for 2020***

- Approved the 2020-2025 Transit Development Plan.
- Approved an emergency management resolution to grant the Chief Executive Officer (CEO) delegated authorization to manage the impacts of COVID-19.
- Launched the Chief Executive Officer (CEO) recruitment process in July 2020, upon receiving the notice of retirement from the current CEO. The recruitment process is expected to be complete with the hiring of a new CEO in late 2020/early 2021.
- Approved purchases for expansion and replacement vehicles:
  - Vanpool: 33 replacement vans
  - Buses: 28 replacement buses
  - Paratransit: 15 replacement buses
- Approved Transdev as the new provider of Dial-A-Ride (DART) paratransit and ADA eligibility services, providing enhanced customer technology, vehicle maintenance, and organizational structure.
- Advanced plans to expand the agency's operating capacity to meet future service needs.
  - Approved the Kasch Park Casino Road Building Renovation, Construction Management Services and Construction Administration Services contracts to begin the construction phase of the project.
  - Approved Merrill Creek Maintenance and Operations Building Phase 3A Design.
  - Approved Merrill Creek Administration Building Phase 2 Design.
- Approved redesign of the agency website and related services, improving the ten-year-old website, enhancing digital tools, and personalizing the customer experience.
- Approved the labor contract between Community Transit and the International Association of Machinists representing transportation supervisor and instructor employees.
- Provided greater public visibility to Board meeting materials and operations.

## **Board of Directors 2020 Budget**

Community Transit’s mission is to help people get from where they are to where they want to be, and its vision is to make travel easy for all. To accomplish this, the Board of Directors provides fiduciary oversight to ensure necessary resources are available and approves the annual budget.

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	119,551	138,451	140,911	2,460	2%
Benefits	9,261	10,842	10,862	20	0%
<b>Subtotal: Employee Expense</b>	<b>128,812</b>	<b>149,293</b>	<b>151,773</b>	<b>2,480</b>	<b>2%</b>
Services	21,704	43,000	32,500	(10,500)	-24%
<b>Total Operating Expense</b>	<b>150,516</b>	<b>192,293</b>	<b>184,273</b>	<b>(8,020)</b>	<b>-4%</b>

This budget funds industry, legal affairs, and legislative conferences and travel for transit advocacy, both to Olympia and Washington, D.C.; stipends for eligible board members; and the hourly contract rate for the Board’s legal counsel.

### **Salaries, Wages, and Benefits**

No significant changes from the prior year.

### **Services**

Travel expense was reduced by 29 percent both as a cost cutting measure and in response to the COVID-19 pandemic.

### **Goals, Initiatives, Programs, and Projects for 2021**

- Seek education on Community Transit and transit industry issues, using that knowledge to benefit the agency and provide the best possible service to the customers and the communities we serve.
- Select and hire the agency’s next Chief Executive Officer (if not completed in 2020).
- Represent the agency in the community, promoting Community Transit’s interests and policies.
- Continue to develop and maintain good relationships at the national, state, regional, and local levels, including support of Community Transit staff and attendance at staff events.
- Abide by the performance standards as outlined in Community Transit’s Board Bylaws.



## ***Executive Department***

The department is comprised of the Chief Executive Officer (CEO), Chief of Staff, Executive Board Administrator, and Executive Support/Records Management Specialist.

The CEO is the head of the agency, is in charge of all departments and employees, and possesses the authority to designate assistants and department heads. The CEO is the primary spokesperson for the agency, represents the agency externally, and oversees the administration of the agency in accordance with policies prescribed by the Board of Directors, including state and national legislative issues. The CEO submits a proposed budget to the Board of Directors prior to the beginning of each fiscal year and is responsible for administration of the budget. The CEO develops and implements administrative policies and procedures as well as corporate plans and programs.

The Chief of Staff assists the CEO in maintaining effective working relationships across the agency and externally, coordinates projects and initiatives involving the CEO and Executive Leadership Team to ensure alignment across the agency, and manages activities of the Board of Directors, the Executive Department, and the Office of the CEO. The Executive Board Administrator and Records Management/Administrative Assistant report to the Chief of Staff.

The Executive Board Administrator provides administrative support to the Board of Directors and manages the process for selection and orientation of new Board members. The administrator also provides support to the CEO and Chief of Staff, has oversight of the agency's policies, ensures compliance with the Washington State Open Public Meetings Act, receives legal documents, and serves as the Public Records and Title VI Officer.

### ***Major Department Accomplishments for 2020***

- Guided the agency's response to the COVID-19 pandemic while maintaining the top priority of keeping employees and riders safe. In collaboration with the Executive Leadership Team, managed a cross-functional, agencywide effort to deliver an essential service to the community throughout the pandemic.
- Kept 2020 expenditures below the adopted budget and used cost-containment strategies, federal relief funding, and reserve funding to bridge the budget gap brought about by the COVID-19 pandemic.
- Guided the development of a 2021 budget that follows a slow economic recovery forecast while providing stable and secure agency finances. This budget allows the agency to continue delivering on its priorities.
- Hired a Chief Operating Officer to oversee the departments of Transportation and Maintenance.

- Actively participated in the Washington State Transit Insurance Pool, Washington State Transit Association, American Public Transportation Association, Regional Mobility Partnership, Conference of Minority Transportation Officials, the Washington State Transportation Demand Management Executive Board; and ORCA Joint Board.
- In coordination with legal counsel, managed the selection and orientation of new Board members in January, August, and October 2020.
- Received and responded to approximately 90 public disclosure requests (as of 9/29/2020) and implemented a public disclosure management tool to enhance program efficiencies.
- Worked collaboratively with leadership at Sound Transit, King County Metro, and North Puget Sound Transportation Alliance stakeholders.
- Worked to build strong partnerships by serving on the Board of Trustees for Economic Alliance of Snohomish County, as a board member for the Snohomish County Coalition for Improved Transportation (SCCIT), and as a member of the United Way of Snohomish County Board; participated in regional forums including jurisdictional councils, county economic and aerospace task forces, and the Puget Sound Regional Council.

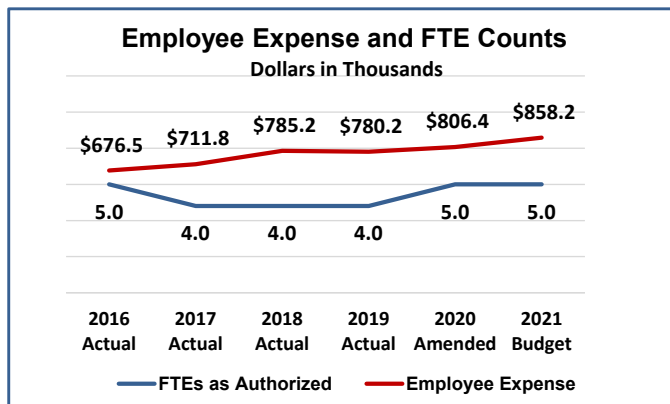
### ***Executive Department 2021 Budget***

The Executive Department supports the mission of Community Transit by (1) providing oversight for the administrative affairs of the agency, (2) advocating for the agency to legislative and community leaders and the general public, and (3) developing and implementing policies and procedures to ensure compliance with state and federal laws and regulations.

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	571,366	599,121	641,934	42,813	7%
Benefits	208,829	207,314	216,302	8,988	4%
<b>Subtotal: Employee Expense</b>	<b>780,195</b>	<b>806,435</b>	<b>858,236</b>	<b>51,801</b>	<b>6%</b>
Services	181,638	201,425	194,375	(7,050)	-4%
Supplies	2,008	3,500	3,500	-	0%
<b>Total Operating Expense</b>	<b>963,841</b>	<b>1,011,360</b>	<b>1,056,111</b>	<b>44,751</b>	<b>4%</b>

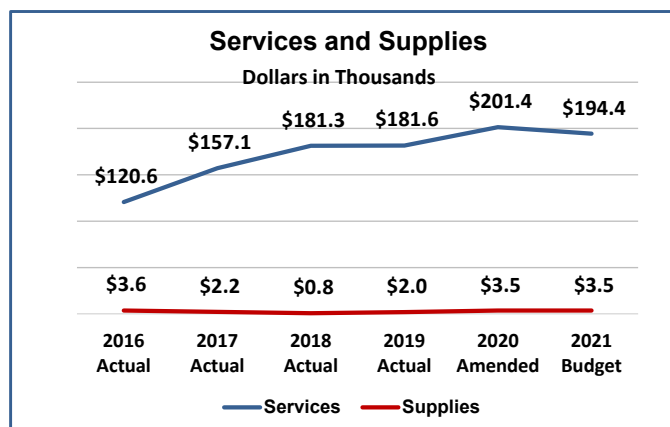
### Salaries, Wages, and Benefits

The 2021 budget includes funding for one additional FTE—a Deputy Chief Executive Officer (DCEO). This position was added in early 2020 due to business needs and the growing complexity of the agency. Later in 2020, the current CEO announced his retirement, and hiring of a DCEO has been deferred to the new CEO. Funding for the DCEO is budgeted for the latter part of 2021.



### Services

Agency memberships are budgeted in the Executive Department services expenditure category. Memberships in the American Public Transportation Association (APTA); Puget Sound Regional Council (PSRC); and the Washington State Transit Association (WSTA) total \$136,500 and comprise 70 percent of the services budget. The remainder of this budget consists of expenses for executive participation at industry conferences, expenditures associated with the agency’s records program, and miscellaneous other minor expenses. Travel expenses were reduced by 19 percent as a cost-cutting measure due to unknowns surrounding the COVID-19 pandemic.



### Supplies

No change from the prior year.

### Executive Department 2021 Priorities

- Continue to manage the agency’s response to the COVID-19 pandemic and implement the initiatives and innovation necessary to attract riders back to Community Transit. Maintain employee and rider safety and design the system to support the new customer expectations around service design and operations in a post-pandemic environment.
- Continue to build on Community Transit’s favorable reputation with the public, key stakeholders, and business and government leaders. Work in tandem with local, regional, and national partners to effectively position Community Transit as a world-class transportation service provider.

- Evolve relationships with local jurisdictions and transit partners to provide a safe, sustainable, integrated, and efficient transportation system and a seamless experience for our shared customers.
- Work collaboratively with the new CEO to ensure a successful transition to the agency and to support the development and completion of the CEO's priorities in his/her first year in the position.
- Guide the Executive Leadership Team in its work to communicate and implement the agency's strategic priorities and goals and to deliver on our commitments to customers and the communities we serve.
- Support the recruitment and onboarding of a new Deputy CEO vacancy, provided the new CEO moves forward with the hiring of this leadership position.
- Manage Board activities including meeting preparation, adherence to open public meeting regulations, travel assistance, research, and the annual performance evaluation of the CEO.
- Manage the agency's records center and public disclosure process in accordance with all applicable laws and regulations.
- Maintain relationships with local elected officials, state legislators, and the federal congressional delegation, leveraging trips to Olympia and Washington, D.C. to advocate for the agency and the needs of public transportation.



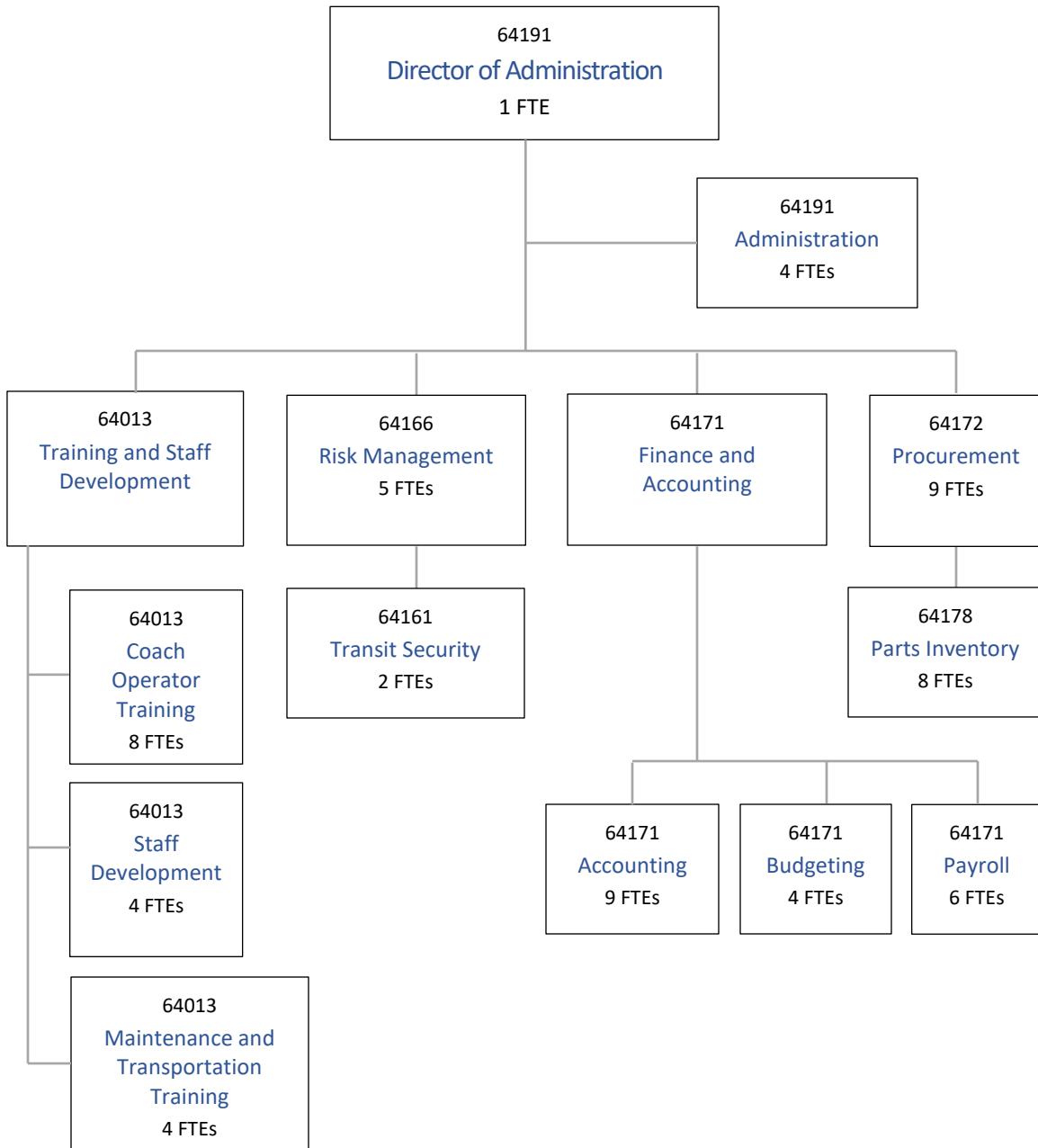
(PHOTO TAKEN PRIOR TO COVID-19 PANDEMIC)

# Administration Department

## Chart of Organizational Hierarchy and Budget Center Responsibility

7 Budget Centers

64 FTEs



## ***Administration Department***

The Administration Department focus is on service—to fellow employees, to vendors, to stakeholders, and to every person who chooses transit now or may do so the future. Department employees perform their duties in an environment subject to recurring regulatory review by local, state, and federal agencies, including the Federal Transit Administration (FTA) and the Office of the Washington State Auditor. As a result, this department places a strong emphasis on implementing policies, procedures, internal controls, and guidelines that help the agency excel at the highest level of effectiveness—even during a pandemic.

The COVID-19 pandemic has required flexibility and astute problem solving to achieve department priorities during uncertain times. Every division within the department has been an area of heightened focus during the pandemic. Since the start of the pandemic, the agency has implemented many policy changes, including updates and revisions to safety protocols and procedures, cost containment and reassessment of agency financial projections, implementation of over a dozen new leave policies, increased procurement and tracking of COVID-19 supplies, and new training guidelines for coach operators and administrative staff.

Despite these challenges, the department continues to deliver the highest levels of financial stewardship, safety, and operational accountability, while ensuring compliance with agency policies and government regulations. The department's five divisions are: Administration, Finance and Accounting, Procurement, Risk Management and Safety, and Training and Staff Development.

### ***Major Department Accomplishments for 2020***

#### **Administration**

- As one of the few onsite teams, the Admin Division team became the “pinch hitters” —filling in to close gaps and assist staff in all departments with tasks they could not do while working remotely. Examples include meeting with vendors who provide services to the Administration building and turning on the in-office computers of staff working remotely so Information Technology staff (who were also working remotely) could perform computer maintenance tasks. Filling these gaps became a source of pride for the team.
- Actively engaged in the implementation of several new technologies to make working from home more effective and to streamline processes. This included launching DocuSign (with Information Technology staff) to streamline the contract signature process; early use of Zoom for the Finance Performance, and Oversight Committee meetings; electronic reconciliation of credit cards; and use of SmartSheet and Slack for tracking team communications.

- Assisted the Budget Team with budget scheduling and meeting coordination so that the team could focus on the budget process—critical this year due to the additional demands of COVID-19.
- Continued to streamline internal processes and implement process efficiencies with a focus on front desk services, cross-functional training, and support for the Board’s Finance, Performance, and Oversight Committee.

### Finance and Accounting

- Earned the agency’s 25<sup>th</sup> consecutive clean audit from the Washington State Auditor’s Office.
- Received 30<sup>th</sup> consecutive Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 2018 Comprehensive Annual Financial Report. Completed the 2019 Comprehensive Annual Financial Report and submitted it for consideration for the agency’s 31<sup>th</sup> consecutive Government Finance Officers Association award.
- Implemented four new leave or pay plans in response to the COVID-19 pandemic: COVID-19 supplemental leave, public health emergency leave, on-call pay, and COVID-19 premium pay. Over 600 employees have received at least one type of COVID-related pay. The Payroll Team developed an electronic tracking sheet to track employees’ pandemic-related efforts, for emergency management tracking, and potential grant billing or other reimbursement.
- Implemented the Washington State paid family and medical leave plan for all employees as required by state law.
- Processed a settlement payment affecting 548 employees.
- Managed payroll for furloughs, voluntary separation, and recalls related to coach operator staffing during the pandemic.
- The Budget Team went 100 percent paperless for its Executive Leadership Team review process, using the Prophix system to generate more automated review reports. The team conducted all review meetings using Zoom in a process well-received by the leadership team.
- In advance of the budget process, budget staff created multiple revenue forecast scenarios and helped support the Executive Leadership Team to create viable budget strategies to ensure that the agency could position itself to weather the pandemic and the ensuing recession.
- Successfully completed the 2019 National Transit Database (NTD) reporting cycle which was made more complex because of COVID-19 restrictions. The 2019 report included a new requirement for an asset management narrative report to supplement three asset forms which were implemented in 2018. Implemented new technologies to meet the NTD requirement that all reporting forms have a supervisory signature attached to them.



- In February 2020, hosted two-day, on-site training for transit agencies who are required to complete an NTD report. Community Transit welcomed participants from throughout the Pacific Northwest as well as Utah and California. The National Transit Institute at Rutgers University conducts the training on behalf of the FTA and offers several regional training sessions each year.
- Worked with GFOA consultants to develop a new financial reserve analysis and recommendations and a Transit Asset Management Plan.
- Received its first ever Distinguished Budget Presentation Award for the 2019 Budget from the GFOA and applied for and received its second award for the 2020 Budget.

### Procurement and Parts

- Received no audit findings or major recommendations as part of the agency's annual audit conducted by the Washington State Auditor's Office.
- Received our third OA<sup>4</sup> accreditation from National Institute of Governmental Purchasing (NIGP). Outstanding agency accreditation is valid for three years.
- Obtained a disadvantaged business enterprise (DBE) goal waiver from the FTA for federal fiscal year 2021 (Oct 1, 2020 to Sept 30, 2021).
- Reorganized procurement staff and promoted two staff members internally. Hired a second female journeyman in Parts, promoting diversity in this area of employment.
- Successfully met COVID-19 remediation procurement requirements, including competitive sourcing and compliance with standard regulatory requirements.
- Successfully finalized complex procurement contracts for injury prevention, wellness, health, and safety programs; paratransit and ADA eligibility services; web redesign; and the Casino Road building renovation.
- Resolved complex contractual claims/differences for paratransit services; the Seaway Transit Center; injury prevention, wellness, health, and safety programs; and bus rapid transit stations.
- Implemented new method for contract execution using DocuSign, improved the use of PeopleSoft by implementing the work center function, and increased Procurement efficiency by implementing and using ProcureWare which helped us seamlessly meet remote working requirements during the COVID-19 pandemic.
- Adjusted inventory stocking parameters for bus parts to ensure that Vehicle Maintenance did not experience any parts shortfalls during the COVID-19 pandemic.

### Risk Management and Transit Security

- Implemented an Emergency Operations Center (EOC) to ensure Community Transit has a physical facility to coordinate all-hazard disaster response. An EOC brings together manager and technology to coordinate resources, information, and response during disasters.
- Set up the Incident Command System to support and help manage the agency's response to the COVID-19 pandemic. Supporting the agency's response to the pandemic has been a major focus of the work of this division in 2020. Employees were provided with personal protective and safety equipment applicable to their specific jobs. Division staff oversaw Community Transit's response and ensured that the agency meets the most up-to-date safety practices. Since the beginning of the agency's response to the pandemic, staff have accomplished over 80 incident objectives so far.
- Completed the Emergency Operations Plan, the multiyear Training and Exercise Plan, and the FTA-required Public Transit Agency Safety Plan.
- Successfully negotiated a new three-year contract with the Snohomish County Sheriff's office for the Transit Police Unit.
- Improved accident processing by reducing duplication of efforts and turnaround times. This is part of an overall continuous process improvement approach.

### Training and Staff Development

- Developed E-learning programs for maintenance and operations employees to increase access to training and to provide opportunities for just-in-time learning. Provided annual skills refresher training to all 390 coach operators, 50 percent of whom attended via Zoom from their living rooms! Hosted classes for small groups of mechanics, supervisors, and dispatchers when "hands on" training was necessary. Created protocols for cleaning and social distancing to ensure that a safe environment was provided.
- Redesigned Community Transit's Coach Operator Academy and realized a 30 percent reduction in trainee attrition, which represents significant cost savings.
- Developed an on-line new employee orientation using Zoom. Adapted classroom training sessions usually lead by Training and Staff Development staff to on-line courses available to employees throughout the agency. Provided The 4 Essentials of Leadership Course to 90 percent of the agency's leaders.
- Provided on line courses through our Learning Management System to maintain compliance training across the organization.

## **Department Priorities for 2021**

- Develop e-learning programs for maintenance and operations employees to increase access to training.
- Implement a new agencywide emergency operations plan.
- Manage payroll activities for an expanding labor force. Automate integration of payroll data to the general ledger. Implement electronic timesheets.
- Upgrade the PeopleSoft Human Capital Management system.
- Ensure regulatory procurement compliance in a manner that makes doing business with Community Transit easier for internal and external customers.
- Partner with internal customers to improve our support to them by developing integrated procurement methods.
- Collaborate with the Capital Development team on *Swift Orange Line* project development, the *Swift Blue Line* extension, and base renovation projects.

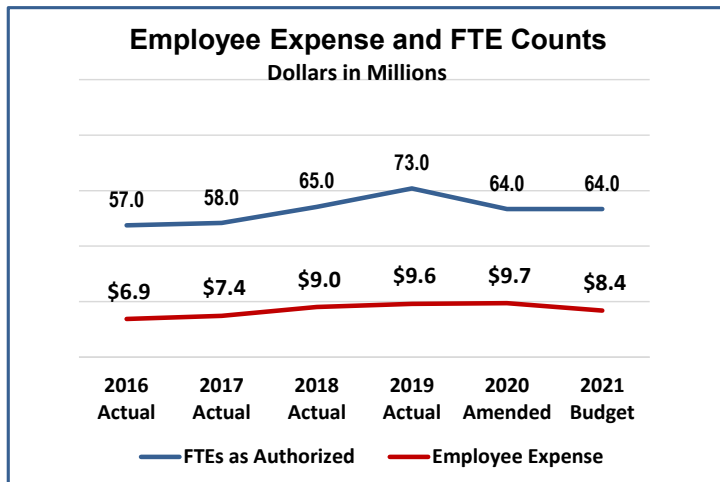
## **Administration Department 2021 Budget**

The Administration Department supports the agency’s prime mission of helping people get from where they are to where they want to be. We buy the buses and vans our customers ride in, we train the employees who drive our buses and maintain our buses and vans, and we complete the many “back-office” functions that allow other departments to accomplish their work towards our mutual vision of travel made easy for all.

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	6,770,641	6,791,448	5,883,180	(908,268)	-13%
Benefits	2,838,417	2,933,482	2,513,945	(419,537)	-14%
<b>Subtotal: Employee Expense</b>	<b>9,609,058</b>	<b>9,724,930</b>	<b>8,397,125</b>	<b>(1,327,805)</b>	<b>-14%</b>
Services	999,077	1,023,099	723,694	(299,405)	-29%
Intergovernmental Services	3,094,285	3,148,079	3,135,455	(12,624)	0%
Supplies	130,751	175,750	167,100	(8,650)	-5%
<b>Total Operating Expense</b>	<b>13,833,171</b>	<b>14,071,858</b>	<b>12,423,374</b>	<b>(1,648,484)</b>	<b>-12%</b>

### **Salaries, Wages, and Benefits**

Employee expense makes up 68 percent of the Administration Department budget. The Administration Department includes training staff who participate in the selection and training of all coach operator candidates.

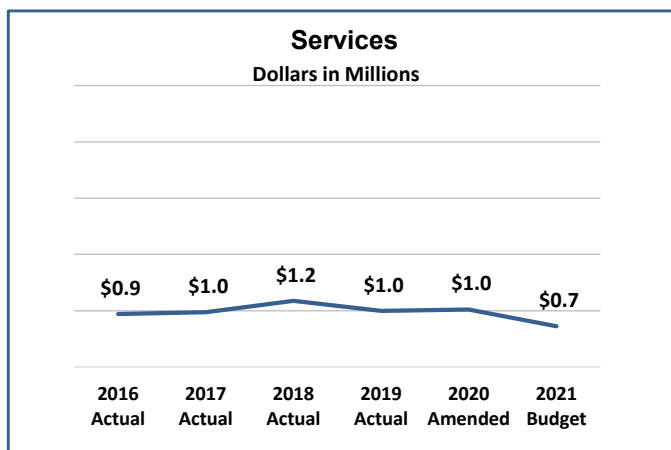


The 2019 final budget included five term-limited FTEs whose term ended December 31, 2019. The original 2020 budget authorized 67 FTEs. In early 2020 when service was reduced in response to the COVID-19 pandemic, one of the cost containment measures this department implemented was evaluating staffing needed for the remainder of 2020 and into 2021.

The original 2020 budget assumed there would be service increases in 2020, and the number of coach operator trainees was budgeted according to that assumption. The 2021 budget assumes that only a minimal number of coach operator trainees will be required, mainly to account for normal turnover in the position. The original 2020 budget included eight coach operator instructors. Since it is anticipated that fewer coach operator trainees will be needed, three coach operator instructors reverted to their former positions as coach operators and vacancies in two other instructor positions were left unfilled and unfunded through the end of 2021.

### Services

The department services budget amounts to 6 percent of the department’s total budget. The largest segment of the department’s total services budget is for financial services such as the annual audit, armored car services, cash processing, and bank fees. Financial services comprise 47 percent of the department’s services budget. Agencywide training is budgeted centrally in

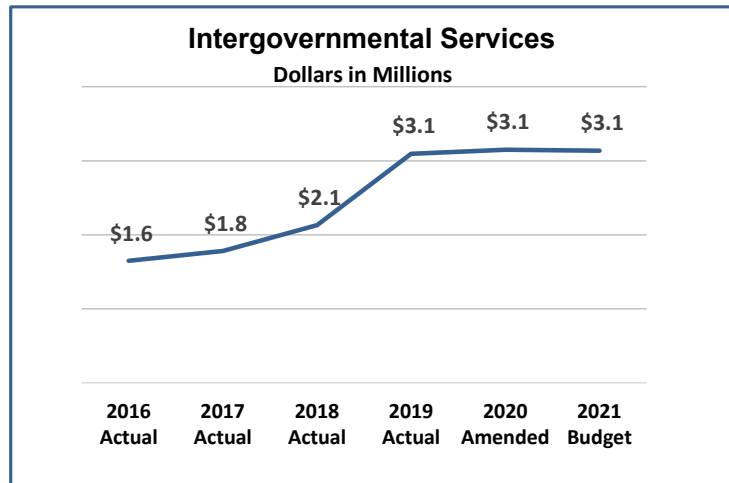


this department and amounts to 30 percent of the total services budget; however, due to all the unknowns that the pandemic has placed on all aspects of business, the corporate training budget was reduced by 49 percent, while Training staff evaluate and prepare ways to offer training that meets COVID-19 safety requirements.

The remaining 23 percent of the services budget funds a variety of other necessary business services such as contract maintenance on video camera systems at park and rides and base facilities.

### ***Intergovernmental Services***

The contract with the Snohomish County Sheriff's Office for transit police services is the primary cost driver for this budget category. Other items that fall under intergovernmental services include required permits and licenses needed to conduct business and handle items classified as hazardous. Expenses associated with these smaller items fluctuate from year to year.



### ***Supplies***

The Administration department budgets for a number of agencywide supply items such as general office supplies and postage. The 2021 supplies budget continues funding supplies needed for employee safety and security programs such as first-aid supplies and building access badges, as well as items needed for hazardous waste disposal and various other maintenance supplies. Supply expenses were reduced for cost containment where possible and also because it is unknown when all workers will be able to work onsite once more.

## ***Administration Division Summary***

This summary compares each budget center's proposed 2021 budget to its 2020 amended budget.

<b><i>Budget Center ID</i></b>	<b><i>Description</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
64013	Training and Staff Developer	4,502,894	4,095,823	2,532,051	(1,563,772)	-38%
64161	Transit Security	3,457,681	3,512,732	3,493,072	(19,660)	-1%
64166	Risk Management	638,043	698,134	691,276	(6,858)	-1%
64171	Finance and Accounting	2,507,262	2,884,927	2,835,546	(49,381)	-2%
64172	Procurement	1,147,000	1,225,344	1,222,667	(2,677)	0%
64178	Parts Inventory	955,027	983,340	984,945	1,605	0%
64191	Administration	625,264	671,558	663,817	(7,741)	-1%
<b><i>Total Operating Expense</i></b>		<b><i>13,833,171</i></b>	<b><i>14,071,858</i></b>	<b><i>12,423,374</i></b>	<b><i>(1,648,484)</i></b>	<b><i>-12%</i></b>

Discussions of each division's 2021 budget and priorities follow.

## **Administration Division**

The Director of Administration leads the five divisions within the Administrative Department and supports a collaborative, cross-functional approach across the agency. The director is the executive liaison for the Board of Directors’ Finance, Performance, and Oversight Committee.

The division’s administrative staff provide support throughout the department. In addition to providing professional administrative support to the Director of Administration and the Finance Performance and Oversight Committee, the team works within the department to support the budgeting process, financial report preparation, accounts payable and receivable processing, business planning, document retention, and numerous department projects.

On an agency level, the team provides corporate-wide reception, mail delivery, courier and distribution services, as well as monitors travel, contracts, agency organizational charts, policies and procedures, and purchasing.

### **Administration Division 2021 Budget**

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	422,606	430,477	426,718	(3,759)	-1%
Benefits	149,814	193,781	190,399	(3,382)	-2%
<b>Subtotal: Employee Expense</b>	<b>572,420</b>	<b>624,258</b>	<b>617,117</b>	<b>(7,141)</b>	<b>-1%</b>
Services	24,931	10,700	6,900	(3,800)	-36%
Supplies	27,912	36,600	39,800	3,200	9%
<b>Total Operating Expense</b>	<b>625,263</b>	<b>671,558</b>	<b>663,817</b>	<b>(7,741)</b>	<b>-1%</b>

This budget includes no significant changes and proposes no additional FTEs for 2021.

### **Administration Division 2021 Priorities**

- Provide professional, timely, and effective administrative support for the Director of Administration, the Finance, Performance, and Oversight Committee of the Board of Directors, the Administration Department, and the agency.
- Develop and implement a vision specific to the department’s administrative team to provide excellent customer service to external customers, board members, and internal staff.
- Continue to work with the Information Technology Department to streamline internal processes through implementation of new technologies and process efficiencies.

## **Finance and Accounting Division**

The Finance and Accounting Division is responsible for payroll, accounts payable, treasury services, asset management, billing and accounts receivable, grants and projects accounting, budgeting, financial analysis, and financial investing. This division also prepares quarterly financial reports and three reports which are audited annually: the Comprehensive Annual Financial Report, the Schedule of Expenditures of Federal Awards, and the Federal Transit Administration National Transit Database report. When long-term financing is required, Finance and Accounting employees lead the process for issuing long-term debt.

### **Finance and Accounting 2021 Budget**

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	1,546,538	1,724,532	1,749,610	25,078	1%
Benefits	622,590	725,035	719,440	(5,595)	-1%
<b>Subtotal: Employee Expense</b>	<b>2,169,128</b>	<b>2,449,567</b>	<b>2,469,050</b>	<b>19,483</b>	<b>1%</b>
Services	319,482	414,360	357,096	(57,264)	-14%
Intergovernmental Services	14,594	17,100	6,350	(10,750)	-63%
Supplies	4,058	3,900	3,050	(850)	-22%
<b>Total Operating Expense</b>	<b>2,507,262</b>	<b>2,884,927</b>	<b>2,835,546</b>	<b>(49,381)</b>	<b>-2%</b>

Finance and Accounting is the largest division in the Administration Department. Employee expense comprises 87 percent of this budget. Other than personnel expenses, the largest expense in the Finance and Accounting budget remains armored car services for the ticket vending machines located on both *Swift* lines. Vault service with armored car pick-up, cash processing fees, banking fees, and audit fees contribute \$333,700 to this budget and are the only significant expenditures.

The Finance and Accounting budget also funds a variety of smaller expenditures for items such as license fees for coaches, Vanpool vans, DART, and support vehicles; check stock; W-2 wage and tax statement forms; coin counter maintenance services; and the like.





(PHOTO TAKEN PRIOR TO COVID-19 PANDEMIC)

### ***Finance and Accounting 2021 Priorities***

- Automate integration of payroll data to the general ledger. Begin the implementation of electronic timesheets.
- Implement the financial reserve recommendations proposed by the GFOA's consulting division.
- Review and update asset management procedures; train staff as necessary.
- Upgrade the PeopleSoft HCM System.
- Continue automation of financial processes, including vanpool billing and payment processing and preparation of quarterly and annual financial reports.
- Utilize the budget system to automate budget status reports and other regularly accessed reports from PeopleSoft Financials. Integrate Prophix and PeopleSoft to allow for the lookup of transaction detail.
- Continue to implement paperless review processes, including those that call for DocuSign or a similar tool, to allow for further efficiency and to enable remote working capabilities for staff and Finance's partners (SAO, GFOA, PFM, others).
- Work toward a monthly general ledger close, including limited monthly financial reports.

## **Procurement Division**

### **Parts Inventory**

The Parts team purchases, stocks, and maintains inventory to support the agency in maintaining its full vehicle fleet in a safe, timely, and cost-effective manner. Parts inventory contains items needed for buses, vanpool vans, and other service vehicles. The Parts team also stocks new technology equipment and parts and ensures that Community Transit buys quality parts at competitive prices.

### **Procurement**

The Procurement team supports Community Transit with strategic and tactical procurement management to obtain the best value for taxpayer funds. The division ensures full and open competition to all vendors, promotes best-value purchase of desired quality products and services, fosters small business participation, and partners with customers and suppliers in delivering procurements that meet complex laws and regulations.

### **Procurement 2021 Budget**

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
64172	Procurement	1,147,000	1,225,344	1,222,667	(2,677)	0%
64178	Parts Inventory	955,027	983,340	984,945	1,605	0%
<b>Total Operating Expense</b>		<b>2,102,027</b>	<b>2,208,684</b>	<b>2,207,612</b>	<b>(1,072)</b>	<b>0%</b>

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
Salaries & Wages	1,398,693	1,449,216	1,434,362	(14,854)	-1%
Benefits	615,054	674,768	658,650	(16,118)	-2%
<b>Subtotal: Employee Expense</b>	<b>2,013,747</b>	<b>2,123,984</b>	<b>2,093,012</b>	<b>(30,972)</b>	<b>-1%</b>
Services	36,226	41,200	63,100	21,900	53%
Intergovernmental Services	13	0	0	0	n/a
Supplies	52,042	43,500	51,500	8,000	18%
<b>Total Operating Expense</b>	<b>2,102,027</b>	<b>2,208,684</b>	<b>2,207,612</b>	<b>(1,072)</b>	<b>0%</b>

Employee expense contributes 95 percent to the total Procurement Division budget. No additional FTEs are proposed for 2021 for this division. The reduction in employee expense can be attributed to the net sum of several factors: internal promotions which resulted in vacancies

that were filled at the specialist rather than senior specialist level, a small increase in overtime budgeted for nonexempt employees, lower PERS contributions due to smaller salary amounts.

Services adds 3 percent to this budget, while supplies add 2 percent. In the services category, contract maintenance services make up 71 percent of the total services budget. These services include administrative costs associated with on-going job order contracting services used by the Planning and Development Department and one-time consulting services needed in 2021 to assist with an upcoming major transit services contract.

Standard business office supplies for the entire agency are budgeted in Procurement and comprise 96 percent of the supplies budget.



### ***Procurement 2021 Priorities***

- Ensure regulatory procurement compliance in a manner that makes doing business with Community Transit easier for internal and external customers.
- Partner with internal customers to improve our support to them by developing integrated procurement methods.
- Utilize Trapeze and Tableau to forecast and match parts stocking levels with preventative maintenance program requirements.
- Achieve Disadvantaged Business Enterprise utilization goals on FTA-funded projects.
- Collaborate with the Capital Development team on the *Swift* Orange Line project development and base expansion/renovations projects.



## ***Risk Management and Safety Division***

### ***Risk Management***

The Risk Management team manages and provides oversight for agencywide programs in the areas of safety, security, emergency management, motor vehicle accident management, claims management, and environmental compliance services. Duties are performed in an environment that is subject to recurring regulatory and nonregulatory reviews by local, state, and federal agencies. Additionally, the division manages the agency's Safety Committee and Accident Review Committee; conducts ergonomic assessments, safety inspections, and safety audits; and completes monthly and annual safety reporting required by the FTA.

### ***Transit Security***

The Transit Security team is responsible for agencywide physical security, which includes badges, access control, and video camera systems. The team develops, implements, and provides oversight for agencywide security and emergency management plans and policies.

This team also manages the agency contract with the Snohomish County Sheriff's Office for law enforcement services dedicated to the agency's service area. The Transit Police Unit consists of fully commissioned deputies who provide vital services to Community Transit's employees and customers. Transit police deputies possess a deep understanding of transit operations and promote a safe and secure environment for all employees and customers through a highly visible police presence and effective patrolling of Community Transit vehicles and properties.



## **Risk Management 2021 Budget**

<b>Description</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Risk Management	638,043	698,134	691,276	(6,858)	-1%
Transit Security	3,457,681	3,512,732	3,493,072	(19,660)	-1%
<b>Total Operating Expense</b>	<b>4,095,724</b>	<b>4,210,866</b>	<b>4,184,348</b>	<b>(26,518)</b>	<b>-1%</b>

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	585,485	655,375	653,069	(2,306)	0%
Benefits	240,671	271,465	266,819	(4,646)	-2%
<b>Subtotal: Employee Expense</b>	<b>826,156</b>	<b>926,840</b>	<b>919,888</b>	<b>(6,952)</b>	<b>-1%</b>
Services	153,070	71,797	68,105	(3,692)	-5%
Intergovernmental Services	3,079,678	3,130,979	3,129,105	(1,874)	0%
Supplies	36,820	81,250	67,250	(14,000)	-17%
<b>Total Operating Expense</b>	<b>4,095,724</b>	<b>4,210,866</b>	<b>4,184,348</b>	<b>(26,518)</b>	<b>-1%</b>

The largest cost element in this division's budget is the contract with the Snohomish County Sheriff's Office for Deputy Sheriffs' services. This contract is budgeted at \$3.1 million for 2021 and is 75 percent of the total division budget and 89 percent of the Transit Security budget center. Employee expenses contribute 22 percent to this division's budget. Without the contract with the Snohomish County Sheriff's Office, personnel expense is 87 percent of the budget. The minor reductions in services and supplies are related to the normal fluctuation in the need for and usage of services and supplies.

### **Risk Management 2021 Priorities**

- Complete the implementation of elements of the FTA-required Public Transit Agency Safety Plan.
- Implement a new agencywide emergency operations plan which includes functional and hazard-specific annexes, policy direction, and a road map for future planning.
- Complete the development and implementation of a multiyear training and exercise plan to train employees in how to respond to various potential emergencies.
- Further implement division-level key performance indicators and create dashboards to display hazard, accident, and claims data. Data will be used to assist the agency in identifying trends, monitoring risk, and improving overall safety and security.

## ***Training and Staff Development Division***

This Training and Staff Development Division team supports the agency by providing a variety of training and staff development opportunities for all employees in every department across the agency. COVID-19 has changed the way the team provides training and development opportunities for our employees. Team members have used their resources and tools in new and creative ways to ensure that Community Transit employees are safe and can work efficiently and effectively in their roles.

Training staff operate the agency’s in-house, ten-week coach operator training program. They provide annual refresher training and annual evaluations to incumbent coach operators along with return-to-work training for coach operators who have been away from the job for periods specified in the standard operating procedures and labor contracts.

Training staff provide transportation supervisors and dispatchers with an internally developed, new-hire training program and with annual refresher trainings. The division designs and provides in-house training for the Maintenance Department on safety-critical components as well as for the maintenance apprentice program. With the addition of the Staff Development Program Manager in 2020 we are able to add focus to development opportunities for our agency leadership.

This division, in partnership with the Employee Engagement Department, plays a critical role in hiring new coach operators. They also provide new employee orientation to all new hires and administer the agencywide training budget and program.

### ***Training and Staff Development 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	2,817,319	2,531,848	1,619,421	(912,427)	-36%
Benefits	1,210,288	1,068,433	678,637	(389,796)	-36%
<b><i>Subtotal: Employee Expense</i></b>	<b><i>4,027,607</i></b>	<b><i>3,600,281</i></b>	<b><i>2,298,058</i></b>	<b><i>(1,302,223)</i></b>	<b><i>-36%</i></b>
Services	465,368	485,042	228,493	(256,549)	-53%
Supplies	9,919	10,500	5,500	(5,000)	-48%
<b><i>Total Operating Expense</i></b>	<b><i>4,502,894</i></b>	<b><i>4,095,823</i></b>	<b><i>2,532,051</i></b>	<b><i>(1,563,772)</i></b>	<b><i>-38%</i></b>

Employee expense comprises 91 percent of this budget at \$2.3 million. The most significant factor in this budget is the reduction in employee expense. The \$1.3 million reduction results primarily from three factors: (1) The 2021 budget includes funding for 68 percent fewer coach operator trainees than were budgeted in 2020. (2) Because fewer trainees are needed, the 2021 budget reduces the complement of coach operator instructors by three FTEs. (3) Two

additional positions, both vacant, remain in the 2021 inventory for this division but are not funded.

All agency training expenses are consolidated in the Training and Staff Development budget. The reduction in the services element reflects the reduction in corporate training and travel associated with that training. The reduction in the supplies budget is attributable to the reduction in the number of coach operator trainees.

### ***Training and Staff Development 2021 Priorities***

- Create leadership development opportunities and formalizing a leadership development program.
- Prepare to return to “new hire” training, including preparing hiring, training, and staffing plans for both slow and rapid recovery and incorporating COVID-19 safety protocols.



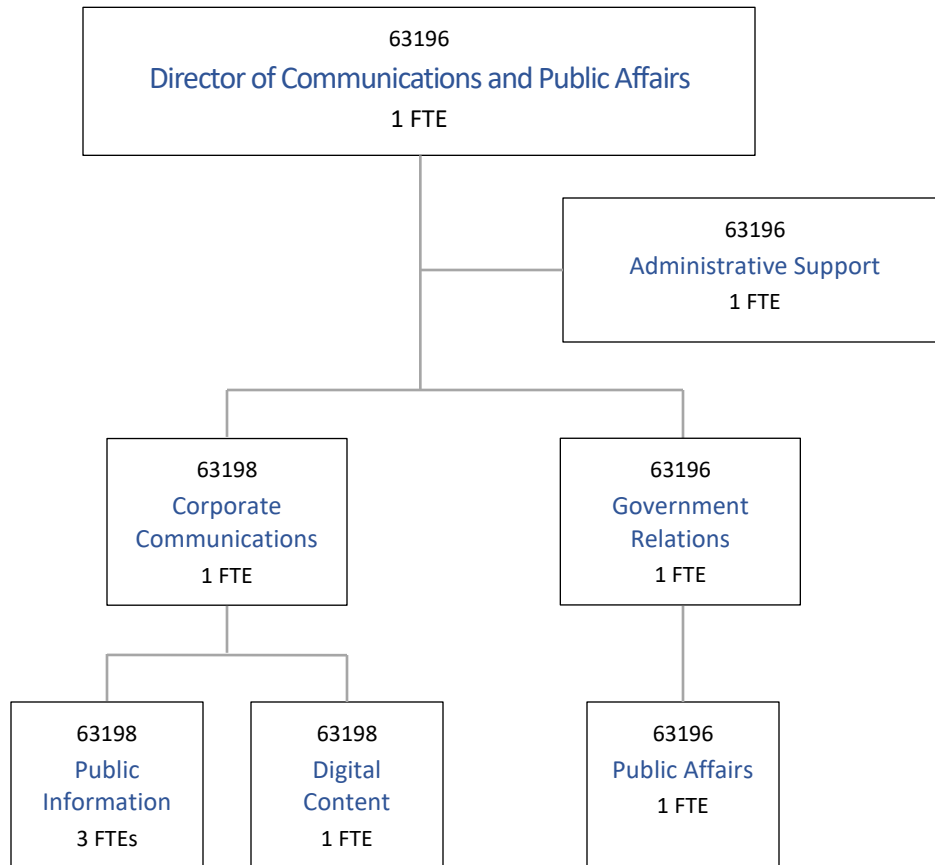


# Communications and Public Affairs Department

## Chart of Organizational Hierarchy and Budget Center Responsibility

2 Budget Centers

9 FTEs



## ***Communications and Public Affairs Department***

The Communications and Public Affairs Department is responsible for creating messages that reach employees, our customers and the general public, and also enhancing relationships with our community and its business and elected leaders.

The Communications and Public Affairs Department consists of two divisions: Public Affairs and Communications. Communications staff are responsible for internal and external agency communications including the majority of Community Transit's website, social media, and overall agency messaging. Public Affairs staff are responsible for the agency's government and community relations programs and corporate positioning activities. Together, these divisions work to maintain the agency's reputation and positively impact our ability to deliver high-quality public transportation services.

### ***Major Department Accomplishments for 2020***

- Managed public and employee information in response to the COVID-19 pandemic. Working as a key member of the agency's Incident Command System, conveyed rapidly changing service information to customers, handled numerous media inquiries, and kept employees informed of the agency's activities.
- Maintained ongoing communication with federal and state delegates to ensure they were briefed on agency activities and planning, including the agency's response to COVID-19. These efforts helped the agency secure \$39.17 million in federal CARES Act emergency funds.
- Spearheaded a new video channel for internal communications, first through recorded videos, then through live video conferencing.
- Worked with Customer Experience staff on a redesign of the public website, launch of BusFinder 2.0, and a successful pilot of the Open Trip Planner.
- Worked with Community Transit Planning and Marketing staff and with regional partner Sound Transit to increase public engagement on future transit restructure plans leading up to integration with Link light rail in 2021 and 2024.
- Worked with Community Transit Planning Department staff and regional partner Everett Transit on public engagement activities related to the Rethink Everett Transit initiative led by the City of Everett.
- In the wake of potential funding challenges posed by the passage of Initiative 976, Community Transit successfully protected state financial commitments for our *Swift* network during the 2020 state legislative session. I-976 repeals or lowers certain vehicle registration fees and taxes in Washington State. The initiative passed in the November 2019 election but is currently under appeal.

- Maintained strategic state and local-level partnerships with various jurisdictions served by the agency. Coordinated with Planning, Executive, and other departments to ensure city councils in our service area received presentations on agency planning, updates, and changes.



### ***Department Priorities for 2021***

- As the agency recovers from the impacts of the COVID-19 pandemic, continue to communicate important and relevant information quickly and effectively with our riders and our community.
- Enhance internal communication and employee engagement by providing all employees with easy access to timely and relevant information.
- Continue to collaborate with government representatives, industry partners and community leaders to focus on efforts that contribute to a collectively beneficial post-pandemic recovery.

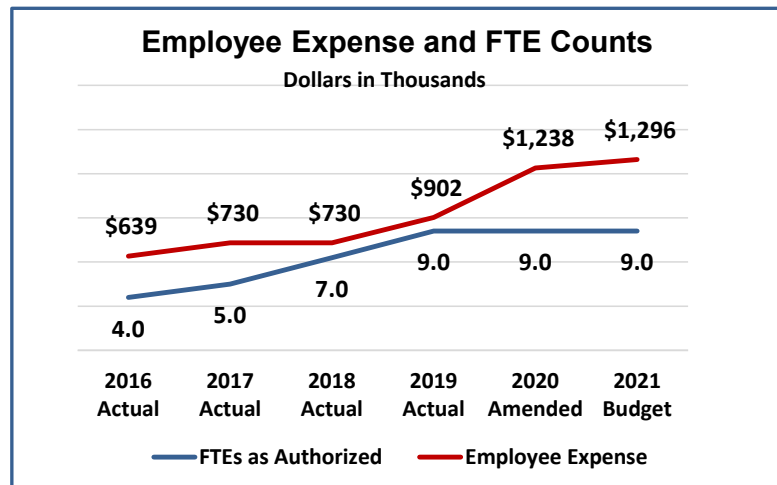
## **Communications and Public Affairs Department 2021 Budget**

Community Transit’s mission is to help people get from where they are to where they want to be. The Communications and Public Affairs budget supports the agency’s mission by strengthening the image and position of the agency with key stakeholders and the public; securing local, state, and federal funding and legislation; providing education about the use of agency services; and sharing timely and relevant information with employees.

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	629,926	874,074	927,141	53,067	6%
Benefits	271,658	364,092	368,659	4,567	1%
<b>Subtotal: Employee Expense</b>	<b>901,584</b>	<b>1,238,166</b>	<b>1,295,800</b>	<b>57,634</b>	<b>5%</b>
Services	189,226	334,031	371,491	37,460	11%
Supplies	2,907	2,700	2,300	(400)	-15%
<b>Total Operating Expense</b>	<b>1,093,717</b>	<b>1,574,897</b>	<b>1,669,591</b>	<b>94,694</b>	<b>6%</b>

### **Salaries, Wages, and Benefits**

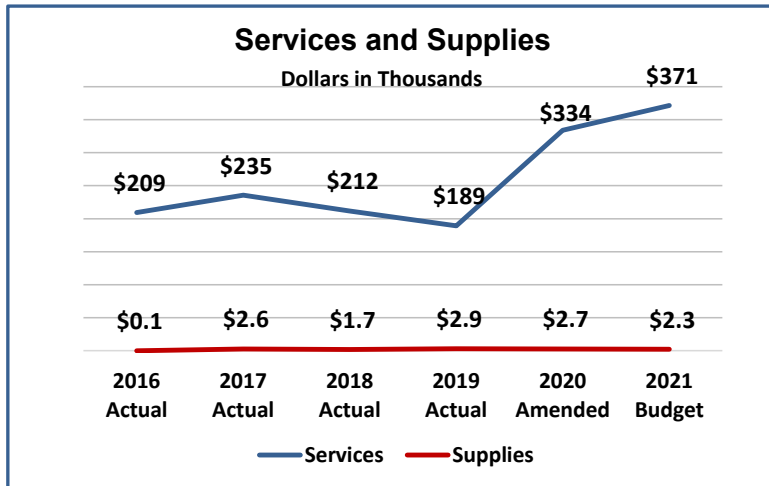
Employee expense continues to be the largest cost driver for this department, representing 78 percent of the department budget. No additional employees are proposed for this department in the 2021 budget.



### **Services**

The services category comprises 22 percent of the department’s total budget. The services budget funds lobbying efforts to ensure that the state legislature is informed of agency interests. Memberships in various city and county Chambers of Commerce organizations are funded in this budget. These memberships provide Community Transit with forums to discuss transit issues and learn more about how we can partner with businesses and communities in our service area.





This budget also includes funding for travel to a limited number of industry conferences and to Washington, D.C. to meet with federal legislators on transit issues. At the time this budget was prepared, there were considerable unknowns about what, if any, industry conferences would be held in 2021. As a result funding for travel is about 60 percent less than in prior years.

### Supplies

The supplies budget provides funding for office supplies not otherwise included in the general agency office supplies budget. Such supplies are used primarily in conjunction with the agency’s sponsorships and amount to less than 1 percent of the department budget.



## ***Communications and Public Affairs Division Summary***

This summary compares each budget center’s 2021 budget to its 2020 amended budget.

<b><i>Description</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Communications	577,707	783,381	843,209	59,828	8%
Public Affairs	516,010	791,516	826,382	34,866	4%
<b><i>Total Operating Expense</i></b>	<b><i>1,093,717</i></b>	<b><i>1,574,897</i></b>	<b><i>1,669,591</i></b>	<b><i>94,694</i></b>	<b><i>6%</i></b>

### ***Communications Division***

The Communications Division is responsible for internal and external agency communications and overall agency messaging. Communications team members provide advice to the CEO, the Director of Communications and Public Affairs, the Executive team and other key internal project leaders on strategic messaging and communications issues to preserve and enhance the agency’s reputation.

Internally, the division produces an employee newsletter, plans and coordinates agencywide employee meetings, and works with the CEO and Executive team to convey corporate messages and other news to employees to maintain an informed and engaged workforce. With the recent growth of the workforce, focus on employee engagement, and nearly all employees working remotely or away from a desk, internal communications has become increasingly important to keep employees informed and excited about agency initiatives, and to create ambassadors to carry agency information into the community.

Externally, the division manages relationships with the news media, social media followers, and other key audiences. The division creates public information for dissemination via the agency’s website and social media, electronic alerts to riders, news advisories and releases to media, and rider alerts and printed brochures that are distributed on agency buses.

Communications staff play a key role in crisis communications for the agency, shaping external and internal messages during the COVID-19 pandemic. This team also drafts speeches and presentations for local, regional, and national audiences; develops fact sheets and talking points for business leaders and elected officials; and creates and distributes a monthly e-newsletter for the public.

The Agency Communications division engages with customers and the general public to provide outreach and information about service and construction changes and impacts. The team

produces a monthly live webcast that regularly engages more than 7,000 people each month. This has proven to be a more effective mass communication tool than in-person outreach, especially since social distancing was mandated. Live video is used from remote locations to inform people about safety and service, fare changes, and other issues.

### **Communications 2021 Budget**

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	396,833	471,324	479,184	7,860	2%
Benefits	161,527	194,317	192,925	(1,392)	-1%
<b>Subtotal: Employee Expense</b>	<b>558,360</b>	<b>665,641</b>	<b>672,109</b>	<b>6,468</b>	<b>1%</b>
Services	16,653	116,040	169,800	53,760	46%
Supplies	2,694	1,700	1,300	(400)	-24%
<b>Total Operating Expense</b>	<b>577,707</b>	<b>783,381</b>	<b>843,209</b>	<b>59,828</b>	<b>8%</b>

There are no additional staff proposed for this budget in 2021. Employee expense comprises 80 percent of this budget. The remainder of this budget primarily funds professional services for community awareness and public engagement in support of *Swift* bus service and Link light rail in Lynnwood.

### **Communications 2021 Priorities**

- Continue to manage information related to the COVID-19 crisis as it affects agency operations, customer service and employee work. Focus on assuring riders that bus operations are safe and effective.
- Develop new channels of employee engagement through a new employee mobile and web-based application that will improve communication and engagement with employees. This will involve altering or augmenting existing employee communication methods and taking advantage of new technologies to improve internal communications.
- Engage current and future riders as service changes throughout the year, particularly in the fall when our commuter service restructures to connect with Link light rail at Northgate.
- Engage riders as fare studies are completed and implemented to restructure commuter fares as Link light rail moves north.
- Raise public awareness about the upcoming launch of the new fare system, Next Generation ORCA.
- Engage our communities as both the *Swift* Orange Line and *Swift* Blue Line Expansion projects move from planning to pre-construction phases.



- Continue to work with regional partner Sound Transit on impacts and progress of Link light rail construction at Mountlake Terrace and Lynnwood transit centers.
- Create new social media strategies for a newly integrated blog platform and introduction of Instagram as the newest agency social channel.
- Conduct a Community Awareness survey to gauge rider and non-rider attitudes, awareness and favorability of Community Transit’s service, programs and activities.



## ***Public Affairs Division***

The Public Affairs Division works to improve the agency’s funding and regulatory environment at the federal, state, regional, and local levels; to raise awareness of Community Transit’s accomplishments and activities; and to maintain a positive agency reputation. These goals are achieved by building relationships and awareness with business and key thought leaders as well as elected officials. Other employees, community members, the Board of Directors, and the CEO assist in this work. A state contract lobbyist assists with portions of this work.

Public Affairs staff focus on three key tasks: strengthening the image and position of the agency (corporate positioning); securing local, state, and federal funding and legislation; and

responding to relevant changes in the industry’s regulatory and funding environment. The corporate positioning work is accomplished through membership, participation, and leadership in key organizations including Economic Alliance Snohomish County; the Bothell, Edmonds, Lynnwood, Monroe, and Marysville chambers of commerce; Snohomish County Committee for Improved Transportation; Washington State Transit Association; The Bus Coalition; and the American Public Transportation Association, among others.

Public Affairs staff are also involved in several community service organizations, attend many community events on behalf of the agency, and support the CEO in his local and regional outreach. Advocacy work is accomplished through presentations to city and county councils; visits with elected officials locally, in Olympia, and in Washington, D.C.; and also through special events and programs that leverage the good will of local partners.

The agency does not have a federal contract lobbyist. Instead, that work is done directly by Communications and Public Affairs Department staff assisted by members of the Board of Directors, the CEO, and other agency staff. A cross-functional team assists in developing the strategy for all of these efforts. A contract lobbyist in Olympia performs the majority of the agency’s state legislative work.

### ***Public Affairs 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	233,093	402,750	447,957	45,207	11%
Benefits	110,132	169,775	175,734	5,959	4%
<b>Subtotal: Employee Expense</b>	<b>343,225</b>	<b>572,525</b>	<b>623,691</b>	<b>51,166</b>	<b>9%</b>
Services	172,573	217,991	201,691	(16,300)	-7%
Supplies	213	1,000	1,000	-	0%
<b>Total Operating Expense</b>	<b>516,010</b>	<b>791,516</b>	<b>826,382</b>	<b>34,866</b>	<b>4%</b>

Employee expense comprises 75 percent of this budget. The 2021 budget adds no additional staff. This budget funds the state lobbyist, travel to Olympia and Washington, D.C. to advocate for the agency, memberships in local chambers of commerce, attendance at industry conferences, and special events such as the CEO roundtables, which provide the CEO with an opportunity to build relationships and awareness with businesses and key thought leaders.

## ***Public Affairs 2021 Priorities***

- Maintain active federal and state legislative relationships to keep delegations briefed on agency activity, protect state and federal funding, and collaborate on policy decisions.
- Support and advocate for federal and state transit industry efforts that contribute to a collectively beneficial post-pandemic recovery.
- Engage and collaborate with local jurisdictions on ongoing community transportation needs, agency activity and planning, and *Swift Orange Line* project milestones.
- Explore strategic sponsorship opportunities that meet agency goals for community involvement and outreach.

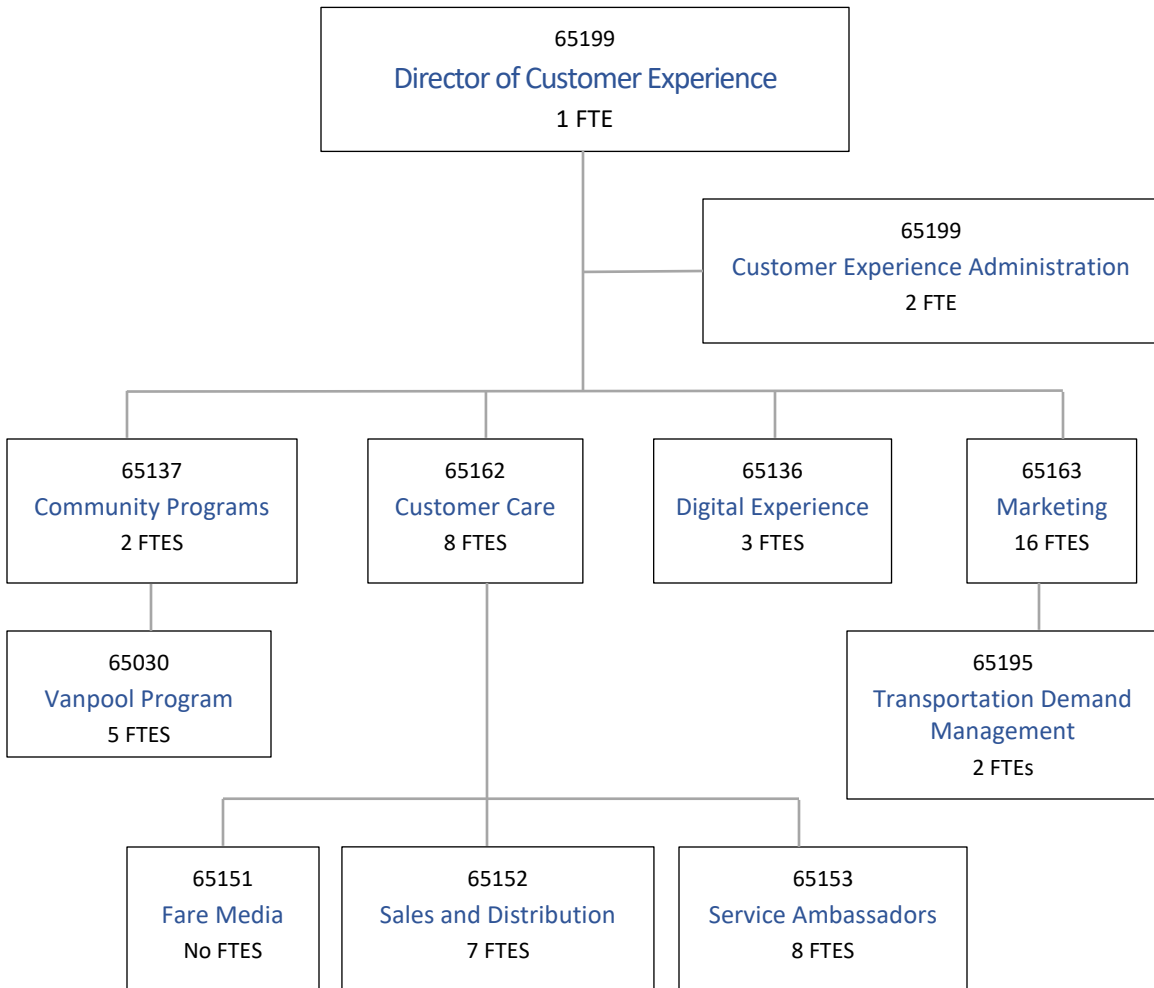


# Customer Experience Department

## Chart of Organizational Hierarchy and Budget Center Responsibility

10 Budget Centers

54 FTEs





## ***Customer Experience Department***

The work of the Customer Experience Department reflects its name—the department works to broaden awareness of our vast range of services and to provide the best experience possible for our customers and their unique needs. Our department creates a roadmap and allocates the resources necessary to provide a customer journey that is guided by our mission and that meets the evolving needs of our community members—on every channel and in every interaction. The department consists of six major divisions:

### Customer Experience Administration

Works interdepartmentally across the agency to identify and improves areas of the customer’s experience.

### Community Programs

Develops programs to provide flexible mobility options for the communities we serve

### Customer Care

Consists of four groups who work in tandem to provide service to our customers and to share and distribute information with our community members

### Digital Experience

Defines and executes the digital strategy across four primary channels: Website, search, social media and messaging.

### Marketing/Transportation Demand Management

Consists of four different teams working in tandem to strategize, produce and execute marketing plans and to manage those plans across partner organizations and with other stakeholder groups



## Vanpool

Provides customer service support to our vanpool customers, authorizes and trains new drivers, schedules vehicle maintenance, and responds to customer accidents and emergencies.

### ***Major Department Accomplishments for 2020***

- Piloted and implemented a self-exchange maintenance program that allows customers to bring in vans for service and pick up loaner vans without having to meet with a Vanpool Specialist. Customers bring in vans at their convenience and interruptions to Vanpool Specialist's daily work are reduced. This program has been especially important during COVID-19 as it allows for a contactless service experience for our customers and employees.
- Ordered the first alternative fuel vehicles for the Vanpool fleet: five plug-in electric hybrid seven-passenger vans. This marks the program's first step toward alternative fuel vehicles and electrification for the fleet.
- Partnered with the City of Lynnwood to begin developing flexible mobility options in preparation for Link light rail to Lynnwood in 2024. Project was put on hold due to agency resource needs in response to COVID-19.
- Designed and implemented a residential marketing and outreach program to encourage new movers in key congestion areas to consider their transportation options, including securing partnership agreements with seventeen multifamily communities.
- Created and deployed a video and advertising campaign in support of our work, our employees, and our community during the period when travel was recommended only for essential workers and essential trips because of COVID-19 guidelines.
- Developed a safety campaign to increase awareness regarding the safety of public transit and the vital role we play in the communities we serve.
- Launched a marketing campaign to increase the awareness of our vanpool program and actively promote the service to new riders.
- Released the new BusFinder web app featuring real-time data, including integrated rider alerts, with the ability for customers to see their bus on a map with live traffic info.
- Completed implementation across the agency of Connections, the new Customer Comment system.
- Conducted and used insights of first regional survey to understand resident's perspectives of transit during COVID-19.

### Community Programs

- Conducted an expanded vanpool research project, interviewing other agencies and companies nationwide about innovations in their vanpool programs.
- Analyzed survey results from 2020 cell phone travel data and developed recommendations to compliment 2024 transit service planning efforts.
- Conducted and presented research on how consumer behaviors are changing in response to the COVID-19 pandemic and how those behavior changes could affect transportation choices.
- Worked in conjunction with Customer Experience Administration division to develop an action plan to improve customer safety in response to COVID-19.

### Customer Care

- COVID-19 Response: Renovated the RideStore so that staff and customers would be protected; worked with IT and put systems in place to allow Call Center staff to effectively take calls and work from home during the mandated stay-at-home period; successfully posted updated rider alerts to ensure customers had up-to-date information out in the field.
- In response to the COVID-19 outbreak, the Service Ambassador team adjusted their work. With the end of fare collections, the team focused on station cleaning, customer education and the distribution of masks to customers. When fare collection began again, the team focused their cleaning on the high touch areas of the station, ORCA readers, and ticket vending machines. They also continued customer engagement, fare checking, and mask distribution.
- During the fourth quarter of 2020, the Call Center team took over the complaint and commendation function for DART. This will give Community Transit better oversight into our customer's experience and help us more quickly identify any service concerns.

### Customer Experience Administration

- Successfully worked with a third-party vendor to conduct a customer pulse survey regarding how customers and noncustomers were feeling about riding transit during the COVID-19 Pandemic.
- Construction and Rider Alerts Improvement: Led a cross functional team to improve construction and rider alerts based on feedback from customers which indicated that our customers found the existing signage to be confusing.
- Conducted LEAN training for the Customer Experience Department leadership team.
- Worked with Service Ambassadors to get customer feedback and improve the ticket vending machine screen flow.



## Digital Experience

- Piloted a new open source Trip Planner web app featuring real-time data with multimodal options, integrated fare information, and the ability to plan a trip on a map.
- Implemented a new social media monitoring software product called Sprout Social, which consolidated posting and reporting on Facebook, Twitter, and other social media channels.
- Developed a digital metrics dashboard and began regular reporting on key performance indicators across the primary digital channels of web, search, social, and messaging.
- Began the redesign of the Community Transit website. This included selecting a vendor and starting the design process to include navigation, content, and look and feel.

## Marketing

- Developed a new coach operator recruitment campaign. Implementation and testing began just before the pausing of coach operator recruitment efforts due to COVID-19.
- Led regional advertising campaign in support of our work, our employees, and our community during the essential workers/essential trips period of the COVID-19 pandemic.
- Developed a safety campaign to increase awareness regarding the safety of public transit and the vital role we play in the communities we serve.
- Implemented communication out to customers in support of DART provider transition.
- Produced over 245 different pieces of creative work internally including many COVID-19 related initiatives to help educate both employees as well as riders.
- Expanded the roll out of our inMotion online request and review platform, enabling better workflow management, increased productivity, and better overall collaboration between teams on creative projects.
- Successfully researched, contracted, and deployed a digital asset management vendor for easy online sharing of branded images, logos, and collateral materials across the agency.
- Won a first place AdWheel award from the American Public Transportation Association for our work on the *Swift* Green Line campaign.

## Transit Demand Management (TDM):

- Designed and earned regional participation for an ongoing ORCA card and fare subsidy for residential program participants including a 30-day trial pass.
- Pivoted our Commute Trip Reduction (CTR) program to meet changing needs due to COVID-19—developing strategies to meet our Employee Transportation Coordinators

(ETC) virtually, launching an online ETC Basic Training, and celebrating our worksites through the Commute Options Awards ceremony online.

- Conducted a CTR survey in coordination with the Washington State Department of Transportation (WSDOT) to discover commute behavior to our CTR worksites and to better understand the potential for teleworking within Snohomish County and the City of Bothell.
- Supported Community Transit through regional ORCA discussions and decision points in response to COVID-19, including the move of ORCA Custom Passport customers to the pay-as-you-go model and securing amendments to reflect this change, as well as the crediting of all ORCA business accounts for the fare-free periods of agencies throughout the region.
- Won the 2020 Association for Commuter Transportation Best Print Marketing Award for our work on the Employee Transportation Coordinator Program Guide.



## Vanpool

- Reorganized staff duties within the Vanpool team to create efficiencies, both administratively and operationally. The team was able to be reduced from five Vanpool Coordinators to three Vanpool Specialist positions.
- Simplified the process of how our customers report an accident, and created a new instruction card with feedback and testing from our customers.
- In response to COVID-19, implemented reduced fares for vans not operating due to telework and reduced ridership requirements to allow for physical distancing in vans.

## ***Department Priorities for 2021***

- Understand our customers by gathering actionable customer feedback and analyzing the results, then addressing customer needs with new programs and features.
- Develop a program to repurpose Vanpool vans that have been returned by customers during the pandemic. The program would use vans in new ways to move people or supplies with our community.
- Launch a new website:
  - Designed for customers with input from customers.
  - Featuring a new navigational hierarchy informed by data and testing.
  - With content that is optimized for the web and specifically for mobile devices.
  - Designed with a look and feel that is modern, intuitive, and accessible.
  - Developed for speed and optimized performance.
- Research, recommend, and implement digital tool enhancements to improve the customer experience
- Combine the development of alternative services into traditional service planning practices.
- Focus Marketing advertising efforts on attracting new customers, retaining existing customers, and winning-back former customers:
  - Safety Campaign: Advertising focused on the safety measures we have in place to protect riders and the safety measures riders can take to protect themselves and others.
  - Ridership Campaign: Advertising focused on winning back former riders and attracting new ones—actively promoting ridership/our services and incenting trial use.
  - Northgate Campaign: Advertising focused on our connection to the new Northgate Link Right Station opening in 2021.
- Recruitment Campaign: Advertising focused on coach operator recruitment, targeting candidates with high likelihood to qualify for employment, complete our training program, and succeed within the position.
- Residential Program (TDM): Engage with new movers, students and residents in multifamily communities along highly congested corridors on their transportation options— helping residents change transportation behaviors and decrease single-occupancy vehicle trips in congested areas.
- Commute Trip Reduction (CTR): Use relationship-building, training, and advocacy techniques to inform and inspire employees at large worksites within our service area about their commute options.
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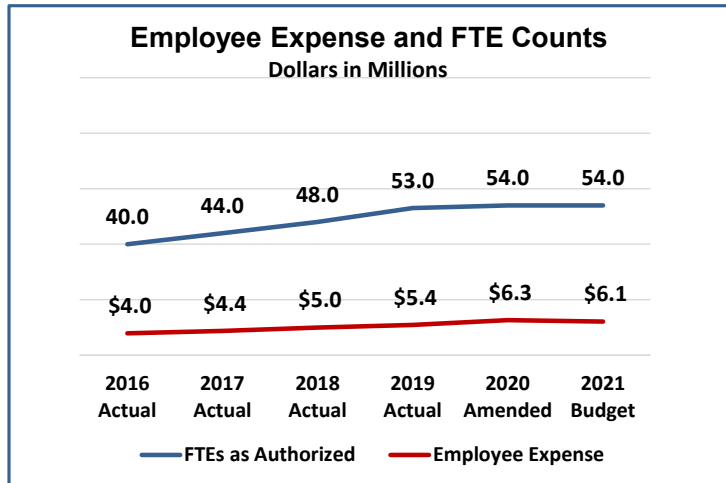
### ***Customer Experience 2021 Budget***

Customers value what we do and trust we will do it well. We work with our customers and the communities we serve to provide outstanding service and remain a trusted partner of choice. We will use the newly implemented Connections system to provide data-driven information for service improvements. We plan for sustainable growth and development in Snohomish County and the region by improving and expanding our vanpool program.

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	3,803,334	4,333,304	4,183,752	(149,552)	-3%
Benefits	1,634,535	1,979,099	1,881,796	(97,303)	-5%
<b>Subtotal: Employee Expense</b>	<b>5,437,869</b>	<b>6,312,403</b>	<b>6,065,548</b>	<b>(246,855)</b>	<b>-4%</b>
Services	1,061,127	1,803,390	1,557,530	(245,860)	-14%
Supplies	747,550	1,099,265	533,044	(566,221)	-52%
<b>Total Operating Expense</b>	<b>7,246,546</b>	<b>9,215,058</b>	<b>8,156,122</b>	<b>(1,058,936)</b>	<b>-11%</b>

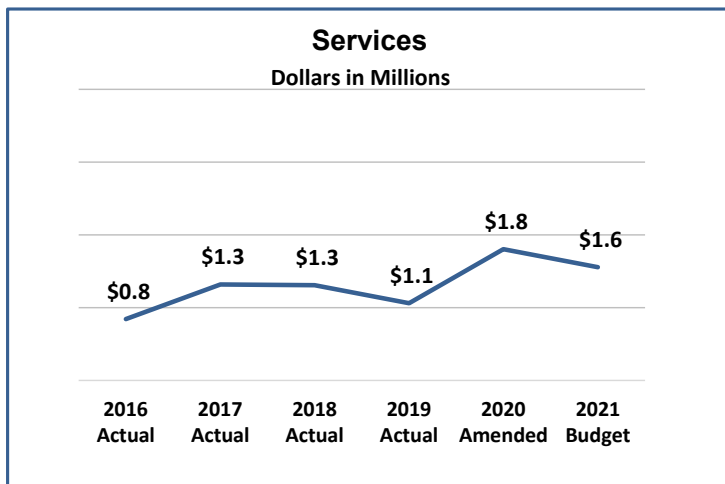
### Salaries, Wages, and Benefits

Employee expense is the largest cost factor in this department budget, representing 74 percent of the 2021 budget. The 2021 budget includes the same number of FTEs as the 2020 budget.



### Services

Services comprise 19 percent of the department’s budget. Significant service expenses include \$770,500 for advertising, \$343,000 for printing services, and \$255,000 for ridership promotions.



Advertising is budgeted in the Marketing Division and includes funding for ridership education campaigns to inform riders about what we are doing to keep them safe during and after the COVID-19 pandemic, winning back riders who stopped using their transit options during the pandemic, and service changes associated with the Link light rail Northgate connection, as well as other targeted efforts determined by the needs of the agency.

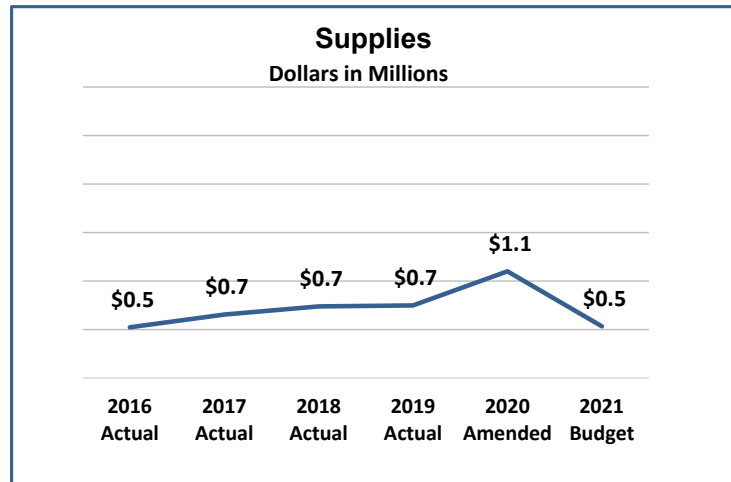
*Bus Plus* books are the largest printing expense at 30 percent of the department printing budget. Other printing services include fare media; mailers in support of ridership safety, Link Northgate, and home resident campaigns; service change materials; and kiosk signage at *Swift* stations.

More than half of the ridership promotions budget supports the state-mandated Commute Trip Reduction Act and Community Transit’s transportation demand management (TDM) program. The agency receives grant funding from Snohomish County in support of this program. Community Transit manages the TDM program on behalf of the county.



## Supplies

Fuel and postage are the most significant elements in the supplies budget. Fuel accounts for 72 percent of the department supply budget and supports the agency vanpool program. The 2021 fuel budget of \$384,000 is based on an estimated 384 vans in service and gasoline at \$2.75 per gallon. Unlike diesel fuel for buses, Vanpool fuel is not purchased directly from the state contract. Instead, our vanpool program uses Voyager fuel cards from the state contract which allows vanpool drivers to purchase fuel from any local source who accepts the Voyager fuel card.



The decrease in supplies expense as shown on this chart reflects the \$600,000 reduction in estimated fuel expenses in 2021 as compared to 2020. The smaller fuel budget results from two factors: fewer vanpools on the road and a \$0.50 cent reduction in the estimated price per gallon of gasoline.

Use of direct mailers to provide information for our customers will increase in 2021 as compared to 2020 because this is the best way to reach our customers given the current restrictions related to the pandemic. As a result, the postage budget has increased substantially in 2021 (\$112,500) as compared to 2020 (\$24,000)



### ***Customer Experience Budget Center Summary***

This summary compares each budget center’s 2021 budget to its 2020 amended budget.

<b><i>Budget Center ID</i></b>	<b><i>Description</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
65030	Vanpool Program	1,269,302	1,758,631	752,538	(1,006,093)	-57%
65136	Digital Experience	0	0	402,423	402,423	n/a
65137	Community Programs	0	0	303,048	303,048	n/a
65151	Fare Media	3,310	2,500	4,500	2,000	80%
65152	Sales and Distribution	715,710	728,686	715,029	(13,657)	-2%
65153	Service Ambassadors	624,282	709,227	740,842	31,615	4%
65162	Customer Care	702,628	790,929	860,190	69,261	9%
65163	Marketing	2,672,231	3,434,767	3,346,157	(88,610)	-3%
65195	TDM and Customer Outreach	402,307	756,276	535,122	(221,154)	-29%
65199	Customer Experience Admin	856,776	1,034,042	496,273	(537,769)	-52%
<b><i>Total Operating Expense</i></b>		<b><i>7,246,546</i></b>	<b><i>9,215,058</i></b>	<b><i>8,156,122</i></b>	<b><i>(1,058,936)</i></b>	<b><i>-11%</i></b>

Discussions of each division’s budget and 2021 priorities follow.



## ***Customer Experience Administration Division***

The division works interdepartmentally across the agency to identify and improve areas of the customer’s experience. The team is responsible for researching and recommending areas for improvement and acting as the voice of the customer on interdepartmental teams. This division oversees and supports the Customer Experience Department as a whole.

### ***Customer Experience Administration 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	559,794	629,237	348,621	(280,616)	-45%
Benefits	230,054	255,905	136,032	(119,873)	-47%
<b>Subtotal: Employee Expense</b>	<b>789,848</b>	<b>885,142</b>	<b>484,653</b>	<b>(400,489)</b>	<b>-45%</b>
Services	58,717	137,900	1,620	(136,280)	-99%
Supplies	8,211	11,000	10,000	(1,000)	-9%
<b>Total Operating Expense</b>	<b>856,776</b>	<b>1,034,042</b>	<b>496,273</b>	<b>(537,769)</b>	<b>-52%</b>

Employee expense represents 98 percent of the division budget. The reduction in employee expense occurred because four positions formerly budgeted in this division are now budgeted in other divisions: three moved to Digital Experience and one moved to Community Programs. The services and supplies budgets associated with the work of those employees also moved to their new divisions. The remaining services and supplies elements of this budget support customer experience improvement, departmental employee engagement, and employee service award recognition materials for employees throughout the agency.

### ***Customer Experience Administration 2021 Priorities***

- Conduct surveys and focus groups with customers, as well as employ other forms of customer research, to gain insights as to how to improve Community Transit’s service and customer experience, then use that data to develop, redesign, improve, and implement projects.
- Actively participate on teams within the agency to bring the voice of the customer to all aspects of the agency with the goal of improving the customer experience for new projects going forward.
- Embed customer experience disciplines across the agency.

## ***Community Programs Division***

Community Programs is made up of the Community Programs Manager and a Community Transportation Specialist. The division develops programs to provide flexible mobility options for the communities we serve. Demand for non-traditional transit service is increasing. In areas that are not well-served by fixed-route service, where geographic coverage service gaps exist, or where demand for different options is high, we seek to complement service options by working within our communities to develop alternative services to meet travel needs. Community Transit will begin working with communities to create alternative service options such as ridesharing partnerships, real-time rideshare, community vans, or other innovative ways to provide mobility responsive options to community needs.

### ***Community Programs 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	-	-	219,960	219,960	n/a
Benefits	-	-	83,088	83,088	n/a
<b>Subtotal: Employee Expense</b>	-	-	<b>303,048</b>	<b>303,048</b>	<b>n/a</b>
Services	-	-	-	-	n/a
Supplies	-	-	-	-	n/a
<b>Total Operating Expense</b>	-	-	<b>303,048</b>	<b>303,048</b>	<b>n/a</b>

The Community Programs Division was created as part of a 2020 departmental reorganization. For 2021, this budget includes only employee expense. When specific projects are identified, the costs for those projects in this division will be covered by a CMAQ grant that has been received.

### ***Community Programs 2021 Priorities***

- Combine the development of alternative services into traditional service planning practices.
- Continue to partner with the City of Lynnwood to develop and test a suite of transportation options unique to the area, service, and demand. Funding for services will be provided by a CMAQ grant awarded for 2021-2022.
- Develop a program to repurpose Vanpool vans that have been returned by customers during the pandemic. The program would use vans in new ways to move people or supplies with our community.

## ***Customer Care Division***

### ***Fare Media***

This budget center captures expenditures for printing fare media. Fare media includes Dial-a-Ride Transportation (DART) passes and ticket books and ticket books used by human-service agencies.

### ***Sales and Distribution***

The Sales and Distribution team distributes all rider information to outlets in Snohomish County including grocery stores, libraries, post offices, Alderwood Mall, and other similar locations. Materials distributed include *Bus Plus* books, Sound Transit schedule books, system maps, ORCA information, park-and-ride kiosk panels, *Swift* kiosk panels, and informational and promotional brochures. The team also posts route schedules and map information at over 1,500 bus stops in the system.

RideStore employees sell and reload ORCA fare media, DART passes and ticket books, regional reduced fare permits, and a selection of retail items to make the rider's trip more pleasant. DART fare media may also be purchased online or by mail. RideStore employees staff the ORCA call center and assist callers not only for Community Transit but also for Sound Transit. RideStore employees also provide information to our customers and manage the lost-and-found function for all Community Transit and Sound Transit routes originating in Snohomish County.

### ***Service Ambassadors***

The Service Ambassadors interface with customers on board and at the stations of the *Swift* bus rapid transit lines. They help educate customers on fares and fare policy and provide instruction on how to use the ticket vending machines and ORCA card readers and how to read general route and schedule information. The Ambassadors encourage fare payment, keep a record of customers who do not pay their fares, and alert the Snohomish County Sheriff's Office transit police deputies if they identify any repeat nonpaying customers. The Ambassadors also inspect all *Swift* stations. They document and photograph graffiti and notify Facilities Maintenance or IT staff of any damage to the stations or station technology so that it can be promptly repaired. The Ambassadors also work with Customer Experience to engage customers throughout the system. They will help guide customers through construction projects, gather feedback about the customer's experience and help test possible enhancements.

### ***Customer Care***

Customer Care is comprised of a dedicated team of employees who engage with customers via telephone, email, and written letters. They have access to more than 150 translators to help non-English speaking customers. They use a trip-planning information system to help riders

plan trips using routes offered by any transit provider in the central Puget Sound area. The team provides information about bus stop locations, the ORCA program, fares, current reroutes, and all information regarding Community Transit and Sound Transit services.

As a front-line team, Customer Information Services employees collect commendations, complaints, and suggestions from the public; route requests to the proper department in the agency for resolution; and then provide responses to customers as needed. Sharing these customer insights across the company is the first step towards creating positive change for our customers.

The Customer Care team is also the initial point-of-contact for any DART customers who want to commend a DART employee or share a poor experience. They will then ensure a response is provided the DART customers in a timely manner.

### **Customer Care 2021 Budget**

<b>Budget Center ID</b>	<b>Description</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
65162	Customer Care	702,628	790,929	860,190	69,261	9%
65151	Fare Media	3,310	2,500	4,500	2,000	80%
65152	Sales and Distribution	715,710	728,686	715,029	(13,657)	-2%
65153	Service Ambassadors	624,282	709,227	740,842	31,615	4%
<b>Total Operating Expense</b>		<b>2,045,930</b>	<b>2,231,342</b>	<b>2,320,561</b>	<b>89,219</b>	<b>4%</b>

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	1,367,948	1,445,823	1,514,406	68,583	5%
Benefits	651,782	769,129	792,555	23,426	3%
<b>Subtotal: Employee Expense</b>	<b>2,019,730</b>	<b>2,214,952</b>	<b>2,306,961</b>	<b>92,009</b>	<b>4%</b>
Services	8,343	8,590	6,350	(2,240)	-26%
Supplies	17,857	7,800	7,250	(550)	-7%
<b>Total Operating Expense</b>	<b>2,045,930</b>	<b>2,231,342</b>	<b>2,320,561</b>	<b>89,219</b>	<b>4%</b>

Employee expense is the main expense in the division and represents 99 percent of the entire division budget. No additional staff are planned for 2020. The fare media budget center consists entirely of printing expenses. The small services and supplies budget categories fund translation services, ORCA supplies, bus stop signage tools, safety supplies related to lost and found items, and other minor supply items.

## Customer Care 2021 Priorities

- Participate in customer engagement as local and commuter services alike are impacted by advancement of Link light rail.
- Refine lost and found so that a greater number of customers retrieve lost property.
- Focus on standardizing work processes and developing a department-wide customer service training program. Our goal is to provide terrific, consistent, and accurate service for all of our customers. Standardizing our work flow and resources will help ensure that we provide consistent and accurate service to our customers, while implementing a transit-specific customer service training program will give us the skills we need to deliver world class customer service.
- Identify departmental process improvement opportunities. As an agency that works for and with the public, it is important that we are continuously looking for opportunities to improve and streamline our work flows.
- Become ready for the implementation of the new ORCA fare collection system. New equipment will be placed at the RideStore as well as at the *Swift* Stations. The Customer Care teams will work to finalize designs and test the new equipment with the goal of providing our customers an easier way to pay their fares.



## ***Digital Experience Division***

Digital Experience is responsible for defining and executing the digital strategy across four primary channels: Website, Search, Social Media and Messaging. The Digital Product Owner leads the division and manages two analysts who support their goals. The Digital Data Analyst gathers data from each digital channel, monitors key performance indicators and reports trends in customer behavior. The Digital Business Analyst works cross-functionally to determine how business systems can support the customer needs identified by this data and other research. The Digital Product Owner then determines the priorities and the team partners with developers in IT to produce incremental enhancements to the Digital Customer Experience.

### ***Digital Experience 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	-	-	282,231	282,231	n/a
Benefits	-	-	114,972	114,972	n/a
<b>Subtotal: Employee Expense</b>	-	-	<b>397,203</b>	<b>397,203</b>	<b>n/a</b>
Services	-	-	5,120	5,120	n/a
Supplies	-	-	100	100	n/a
<b>Total Operating Expense</b>	-	-	<b>402,423</b>	<b>402,423</b>	<b>n/a</b>

The Digital Experience Division was created as part of a 2020 departmental reorganization to support the agency's increasing need for data analysis. Three FTEs were moved from the Customer Experience Administration budget center (65199) to form this new division.

Personnel expense makes up 99 percent of the Digital Experience division budget. The remaining budget covers meetings expenses, general supplies and gift cards to be used as incentives for customers providing feedback for new and updated digital tools being piloted or implemented in 2021.

### ***Digital Experience 2021 Priorities***

- Complete design and development of the new Community Transit website and launch it.
- Determine customer requirements for next generation digital tools and define solutions.
- Research email marketing platform alternatives and integrate with new website design.



## **Marketing/TDM Division**

The Marketing/TDM Division is made up of four teams:

- **Marketing Strategy and Implementation:** Create and implement strategic project plans and campaigns; coordinate advertising tactics; produce content for web and social media as well as customer information; and report on metrics.
- **Marketing Creative Services:** Produce professional print, video, and digital marketing and communication products to support internal and external stakeholders.
- **Field Marketing and Business Development:** Communicate and market in the field to residents, partner organizations, and schools; develop leads; and sell the benefits of our services with the purpose of influencing individual travel behavior change.
- **Marketing Logistics:** Manage large, complex programs, projects, contracts, and events; manage relationships with large area worksites and business ORCA accounts.

As a part of Transportation Demand Management (TDM) efforts, the Marketing Division administers:

- State-mandated Commute Trip Reduction (CTR) program for eight jurisdictions within Snohomish County and the City of Bothell, effectively helping 65 employers with over 30,000 employees reach their Washington State Commute Trip Reduction goals.  
[Marketing Logistics group]
- Residential, corridor-based TDM program that encourages transportation options other than driving alone along the busiest roadways in Southwest Snohomish County (128th Street, 164th Street, 196th Street, Highway 99, and Highway 527)  
[Field Marketing & Business Development group]
- ORCA business account operations for companies in Snohomish County  
[Marketing Logistics group]

### **Marketing/TDM 2021 Budget**

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
65163	Marketing	2,672,231	3,434,767	3,346,157	(88,610)	-3%
65195	TDM and Customer Outreach	402,307	756,276	535,122	(221,154)	-29%
<b>Total Operating Expense</b>		<b>3,074,538</b>	<b>4,191,043</b>	<b>3,881,279</b>	<b>(309,764)</b>	<b>-7%</b>

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	1,477,683	1,758,030	1,571,664	(186,366)	-11%
Benefits	589,983	734,113	647,335	(86,778)	-12%
<b>Subtotal: Employee Expense</b>	<b>2,067,666</b>	<b>2,492,143</b>	<b>2,218,999</b>	<b>(273,144)</b>	<b>-11%</b>
Services	954,295	1,605,400	1,530,780	(74,620)	-5%
Supplies	52,577	93,500	131,500	38,000	41%
<b>Total Operating Expense</b>	<b>3,074,538</b>	<b>4,191,043</b>	<b>3,881,279</b>	<b>(309,764)</b>	<b>-7%</b>

Personnel expenses comprise 57 percent of this budget. The 2021 budget adds no FTEs. The reduction in the Employee Expense category results from moving one position to the new budget center 65137, Community Programs, and from leaving one position vacant for 2021.

Other than employee expense, the most significant expenses in this budget are advertising (\$770,500), printing (\$338,000), ridership promotions (\$255,000) and postage (\$112,500). These expenses total 38 percent of the total Marketing/TDM budget and support the divisions' 2021 priorities as well as requirements for the state-mandated Commute Trip Reduction program.

### ***Marketing/TDM 2021 Priorities***

- Safety and Ridership Campaigns: Continuation of 2020 COVID-19 advertising campaign that will transition from safety messaging into ridership messaging as we move through the reopening phases and service capacity/availability expands. Safety campaign will focus on the safety measures we have in place to protect riders and the safety measures riders can take to protect themselves and others. Ridership campaign will focus on winning back former riders and attracting new ones by actively promoting ridership/our services and incenting trial use. These campaigns will continue to tout safety, equity, importance to community, and add personal benefit messaging.
- Northgate Campaign: Advertising focused on our connection to the new Northgate Link Light Station opening in 2021. The purpose of this campaign is to raise awareness of Northgate Link Light Station and the transit options we provide to get there. This campaign will also set the stage for further Link light rail connections in 2024.
- Recruitment Campaign: Advertising focused on coach operator recruitment, targeting candidates with high likelihood to qualify for employment, complete our training program, and succeed within the position.
- Residential Program (TDM): Community Transit's residential marketing program will engage and help people get started with transit and vanpool, and encourage choosing

transportation options other than driving alone that meet their individual needs. Programs will focus on both new movers and current residents.

- Summer Youth Campaign: The objective of this program is to nurture the next generation of transit riders and supporters. This program will utilize partnerships and channels established through the residential program and will promote, facilitate, and subsidize transit access for high school age youth during the summer break.
- Commute Trip Reduction (CTR): Continue to implement and administer the Commute Trip Reduction plan on behalf of eight jurisdictions in Snohomish County. Act as the liaison between partner jurisdictions and employers, assist with the preparation of notification documentation and enforcement recommendations, develop programs and strategies to encourage use of transportation options, and report on progress towards goals.



(PHOTO TAKEN PRIOR TO COVID-19 PANDEMIC)

## ***Vanpool Program***

The Vanpool program is currently staffed by three Vanpool Specialists who handle one of the largest vanpool programs in the United States and the second largest in Washington State. In 2020 we implemented several process improvements and reorganized staff duties to create efficiencies. There are currently 2 open positions for Vanpool Specialists. However, based on the number of vanpool groups currently operating, we don't anticipate filling either of these vacancies in 2021.

Community Transit's vanpool fleet is comprised of minivans and larger capacity 12- and 15-passenger vans. The program serves commuter groups with an origin or destination in Snohomish County. Vanpool groups pay a fare each month based on the size of their van and round-trip mileage. Vanpool Specialists provide personalized customer service to their groups, manage maintenance scheduling, monthly bookkeeping, and promote ridership. A staff person is on call 24 hours a day to respond to vanpool emergencies such as accidents or breakdowns.

COVID-19 impacts have reduced the number of vanpool groups operating. As of September 2020, the vanpool fleet consisted of 462 vehicles, comprised of 300 vans with customer groups, 128 available vans, and 34 loaner vans. Of the 300 vans issued to groups, 160 are commuting to work and 140 are not operating due to telework and are paying a reduced fare to hold the van. Loaner vans are used when a customer's van is in the shop for routine maintenance or other service reasons.

### ***Vanpool 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	397,910	500,214	246,870	(253,344)	-51%
Benefits	162,715	219,952	107,814	(112,138)	-51%
<b>Subtotal: Employee Expense</b>	<b>560,625</b>	<b>720,166</b>	<b>354,684</b>	<b>(365,482)</b>	<b>-51%</b>
Services	39,772	51,500	13,660	(37,840)	-73%
Supplies	668,905	986,965	384,194	(602,771)	-61%
<b>Total Operating Expense</b>	<b>1,269,302</b>	<b>1,758,631</b>	<b>752,538</b>	<b>(1,006,093)</b>	<b>-57%</b>

Employee expense makes up 47 percent of the Vanpool budget. The reduction in Employee Expense reflects two positions which are currently vacant but are not anticipated to be filled in 2021. At 51 percent of the entire Vanpool budget, fuel is the largest expenditure in this budget and represents almost 100 percent of the Supplies category. The 2021 budget estimates fuel at \$2.75 per gallon (139,525 gallons for 384 vans). All ridership modes were affected by the

pandemic and the Services expense category reflects a lessened need of vanpool support services such as graphics replacements since fewer vans are in use. The Services category represents less than 2 percent of the Vanpool budget.



### ***Vanpool 2021 Priorities***

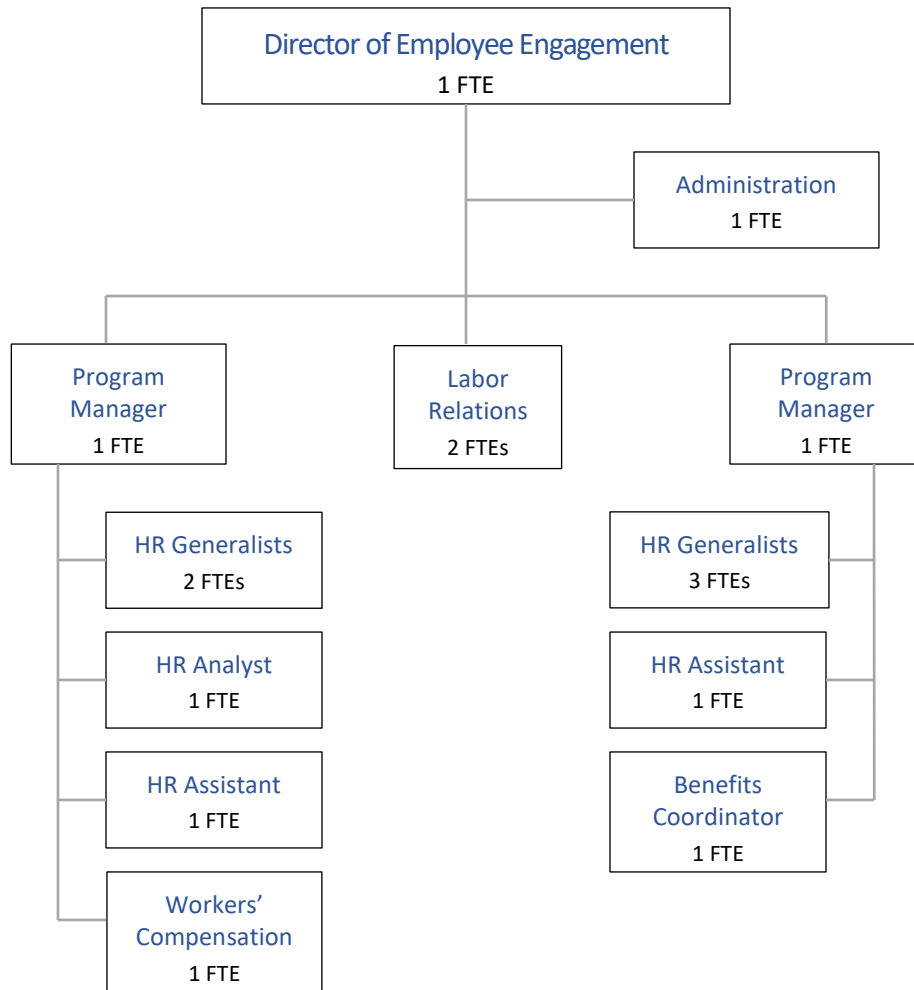
- Continue to understand our customers and innovate to develop solutions to meet demand and improve the customer experience.
- Evaluate the five plug-in electric hybrid vanpool vehicles purchased in 2020, specifically customer response and operating costs.
- Develop a program to repurpose Vanpool vans that have been returned by customers during the pandemic. The program would use vans in new ways to move people or supplies with our community.
- Continue to identify how cost recovery for the program can be improved by evaluating budget cost centers associated with the program in the agency's cost allocation model.

# Employee Engagement Department

## Chart of Organizational Hierarchy and Budget Center Responsibility

1 Budget Center (72167)

16 FTEs





## ***Employee Engagement Department***

The Employee Engagement Division supports and administers the agency's employment programs including hiring and staffing, labor contract negotiation and administration, employee and labor relations, benefits and compensation, workers' compensation, leave management, and personnel systems and records. These functions include responsibility for the agency's affirmative action program and administration of the drug and alcohol program.

The division acts as an internal consultant to the agency, providing advice and assistance in compliance with labor and employment laws, hiring, performance management, grievance resolution, and investigations of allegations of employee misconduct or violations of agency policies.

Employee Engagement employees advise management at all levels of the organization on how to reduce risks associated with employment, how to respond to workplace complaints lodged informally or with state or federal administrative agencies, and how to promote a work environment where employees feel satisfied and motivated to meet agency objectives. Division employees manage and coordinate the use of outside resources such as labor and employment attorneys, occupational medicine services, drug testing service providers, and other consultants and benefit providers.

Employee Engagement also supports and administers Community Transit's workers' compensation program. The budget for workers' compensation (Fund 43) is reported in the Budget Summary section and is comprised of workers' compensation claims, program administration, operation of the employee maintenance center, and ergonomic equipment. It also functions as a reserve to pay future workers' compensation claims and related costs.

### ***Major Department Accomplishments for 2020***

- Recruited and hired 19 coach operator trainees and 25 other employees year-to-date.
- Responded to the COVID crisis by supporting employees and managers; worked closely with the unions on emerging issues; assisted employees in accessing various state and federal COVID specific benefits; hosted information sessions for parents on options available to them as they faced the uncertainty of schools reopening.
- Negotiated a one-year extension of the IAM Supervisor contract.
- Successfully transitioned our wellness program from one vendor to another, Atlas.
- Awarded a number of new vendor contracts resulting in cost savings to the agency while also ensuring applicable legal compliance.





(PHOTO TAKEN PRIOR TO COVID-19 PANDEMIC)

***Department Priorities for 2021***

- Digitization of the employee benefit guide for easy access by all employees.
- Streamline processes to more effectively utilize technology and better serve our employees in a period where minimal contact is required.
- Review and revise policies, processes, and the performance management system to align with updated agency values resulting in engaged, productive employees who are more likely to stay at Community Transit and find meaning in the work they do.
- Move toward full equity and inclusion practices (Leadership for Equity). Initiate dialog, promote awareness, and roll out respectful workplace initiatives and training.
- Negotiate new IAM supervisors, IAM vehicle maintenance, and ATU contracts.

## ***Employee Engagement Department 2021 Budget***

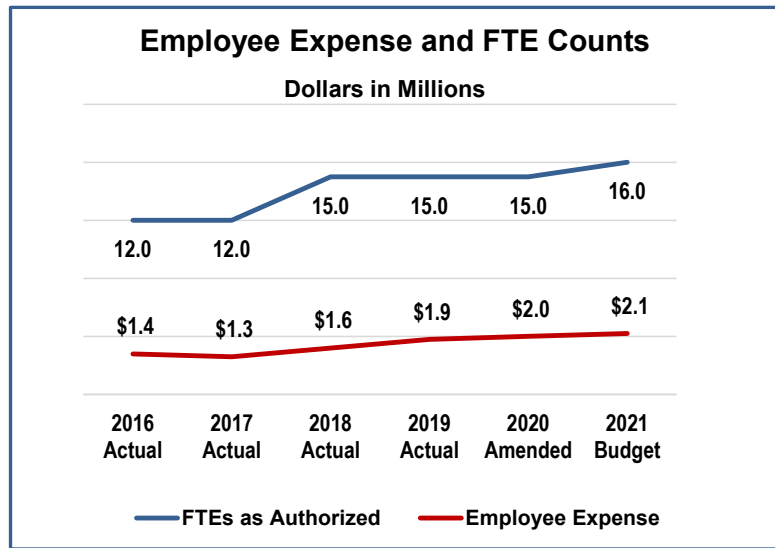
The Employee Engagement Department supports the agency priorities of an engaged workforce by energizing the workforce in an inclusive environment. The Employee Engagement Department drives our people mission to ensure every person can live a healthy, productive life.

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	1,349,914	1,420,008	1,507,823	87,815	6%
Benefits	515,444	595,661	624,138	28,477	5%
<b>Subtotal: Employee Expense</b>	<b>1,865,358</b>	<b>2,015,669</b>	<b>2,131,961</b>	<b>116,292</b>	<b>6%</b>
Unemployment Claims	99,000	75,000	397,656	322,656	430%
Intergovernmental	22,145	30,000	20,000	(10,000)	-33%
Services	962,667	791,497	746,343	(45,154)	-6%
Supplies	7,768	7,200	4,450	(2,750)	-38%
<b>Total Operating Expense</b>	<b>2,956,938</b>	<b>2,919,366</b>	<b>3,300,410</b>	<b>381,044</b>	<b>13%</b>

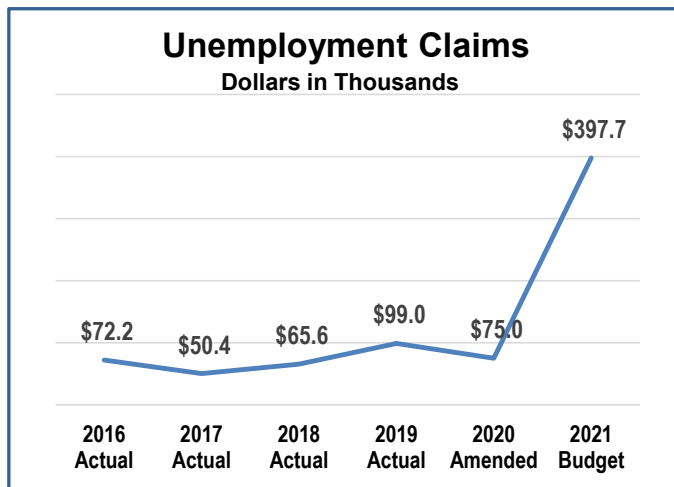
There is only one budget center in the Employee Engagement Department. In prior years the human resources function was part of the Administration Department. In 2020, that function was separated into its own department—Employee Engagement. When the human resources function was part of the Administration Department, it was a separate budget center, so the budget comparisons shown in the preceding table and following charts are accurate for year-to-year comparisons.

**Salaries, Wages, and Benefits**

Employee expense contributes 65 percent to the Employee Engagement Department budget. The 2021 budget adds 1 FTE—a Workers’ Compensation Specialist—to this department’s staffing complement. Over the last four years Community Transit has seen a steady increase in the number and costs associated with workers’ compensation claims. This position will help reduce costs by monitoring claims and implementing a program that will help our employees to recover and return to work.



**Unemployment Claims**



The Employee Engagement Department budgets for unemployment claims for the agency. For 2021, unemployment claims comprise 12 percent of the department budget. Because of restrictions related to the COVID-19 virus, service reductions occurred in 2020, and 50 positions were either eliminated or frozen. Vacant positions were left unfilled, some employees were offered incentives for retirement, and others were laid off. The increase in unemployment claims expense is the

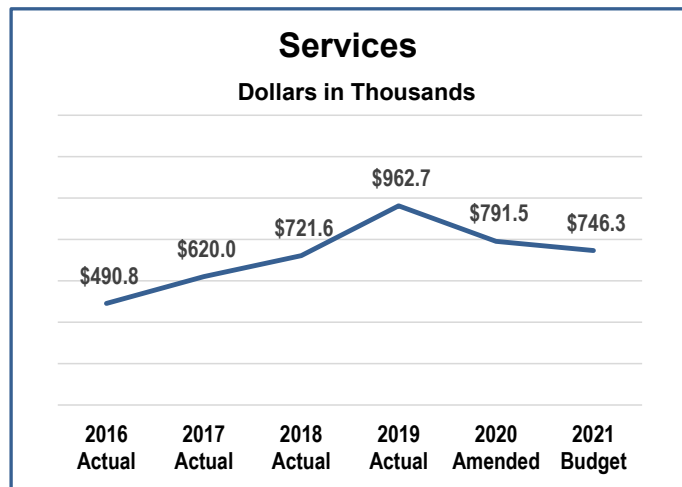
most significant change in this budget and reflects the agency’s obligation for estimated unemployment claims to be paid in 2021.

**Intergovernmental and Supplies**

The Intergovernmental and Supplies expense categories combined contribute less than 1 percent to the department budget. Intergovernmental expenses consist of transit passes. Supplies include office supplies not otherwise budgeted in the agency general office supply budget through Procurement.

## Services

The Services category amounts to 23 percent of the department budget. Services funded include legal services; a triennial compensation study as required by the agency Board of Directors; human resources functional consulting services; employee wellness center staffing through a third-party provider, and other employee wellness programs such as annual flu shots and occupational medical services; outplacement services for employees who were laid off; and mandatory drug and alcohol testing as required by the Federal Transit Administration.

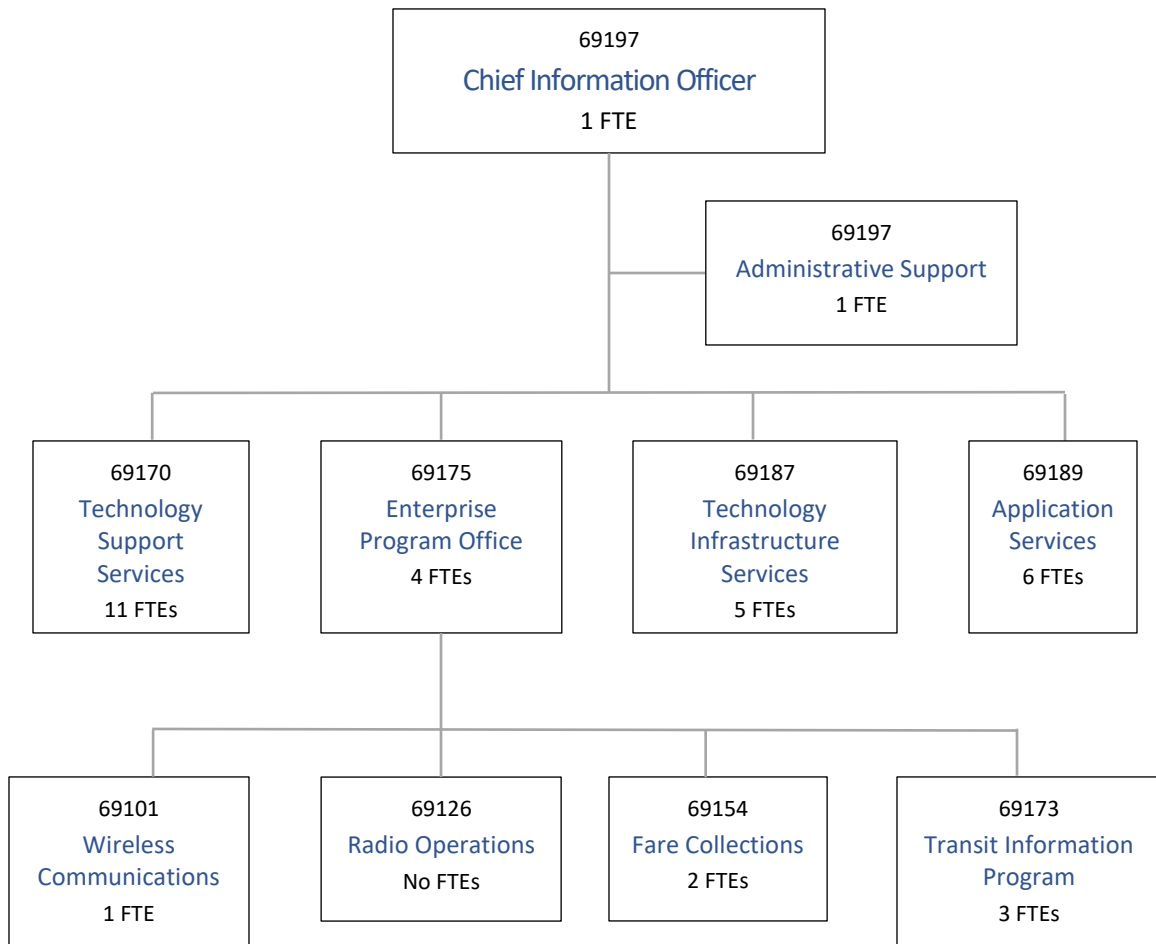


# Information Technology Department

## Chart of Organizational Hierarchy and Budget Center Responsibility

9 Budget Centers

34 FTEs





## *Information Technology Department*

The Information Technology Department consists of five divisions: Information Technology Administration, Application Services, Technology Infrastructure Services, Technology Support Services, and Transit Technology.

The department's primary mission is to identify, evaluate, implement, and maintain technical solutions for Community Transit's current and future requirements with a focus on enhancing the customer experience and improving operational efficiency. The work of this department impacts all agency computing including transit application systems, internal business systems, fare collection (ORCA), and a transitioning voice and data radio communications system. In addition, Information Technology employees support the agency's public-facing website (with popular features such as Trip Planner), our real-time transit signs indicating next departure status, automatic stop annunciation and passenger load technology on all coaches, and our BusFinder application.

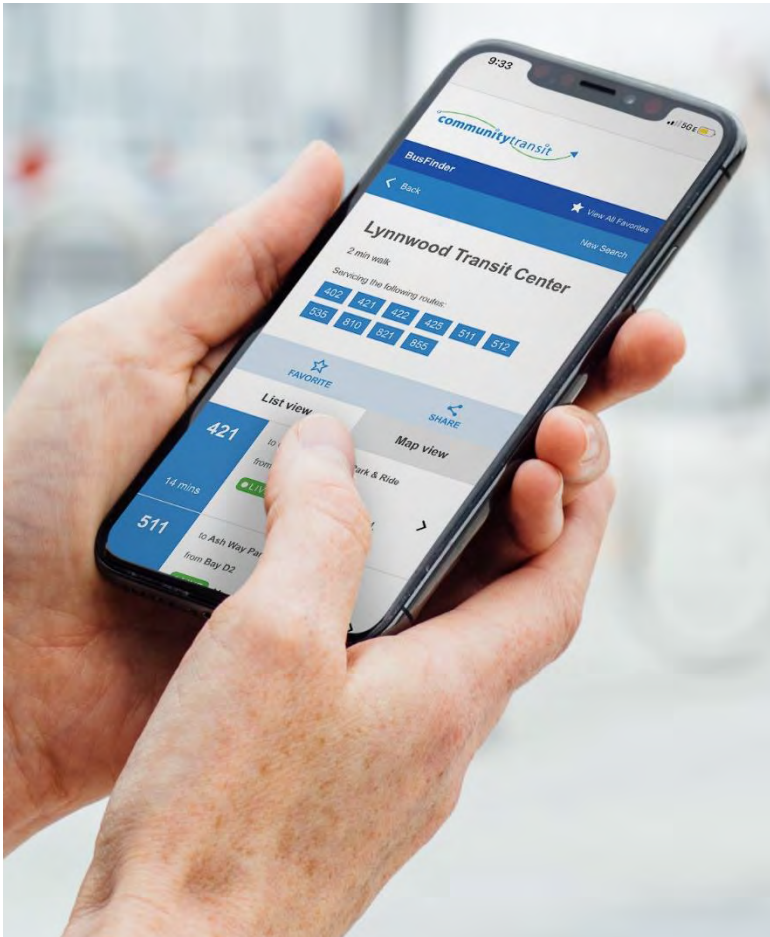
Currently, staff are focused on replacing our 27-year-old voice and data communications system for the coaches and field supervisor vehicles. This new system is a cellular-based technology that has enhanced dispatching capabilities, higher performance, and expanded capacity to accommodate a new fare system in 2022.

We continue to work on improving current and future intelligent transportation systems on Community Transit's coaches. Intelligent transportation systems applications demand a real-time, 24/7/365 communications and operating platform with high availability, high performance, industrial-strength security, and proactive system management.

This very purposeful expansion of technology-based services will meet the emerging expectations of an increasingly tech-savvy ridership. This growing contingent of riders are web-based, mobile, and expect integrated trip planning and real-time information when making travel choices. Riders want this information to be accurate, at their fingertips, and consistent when accessing it through popular national transit channels, regional partners, and any number of commercially available transit mobile apps. The goal is to make riding transit easy, convenient, and safe.

## Major Department Accomplishments for 2020

- Implemented the new cellular-based system for data and voice communications to our coaches and road vehicles.



- Partnered with Customer Experience to improve the customers digital experience
  - Established a Digital Scrum<sup>1</sup> Team to facilitate continuous improvement of the corporate website through iterative releases.
  - Launched and completed a pilot of a new Trip Planner solution.
  - Launched a new and improved BusFinder application.
- Partnered with the new Research and Analytics Division in the Planning and Development Department to advance the agency's data analytics and business intelligence capabilities.

- Provided IT-related operational support for COVID-19 operations across Community Transit.
  - Built out and maintained emergency operations centers for:
    - Incident command center
    - Community Transit radio dispatch
    - Community Transit windows dispatch
    - Homage (DART paratransit service) dispatch
    - First Transit (contracted commuter service) dispatch

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<sup>1</sup> Scrum is a framework for project management that helps teams work together. It encourages teams to learn through experiences, self-organize while working on a problem, and reflect on their wins and losses to continuously improve. Scrum teams work in time-boxed periods (i.e. 2 weeks) to complete a set amount of work. This results in continuous delivery of improvements. Scrum is primarily used in software or product development, but can be applied to all kinds of teamwork.



- Assisted multiple departments with emergency planning and activation to support an extremely large number of employees working remotely.
- Completed alerting capability and prediction quality module to improve real-time information to customers.
- Designed the architecture of the network and datacenter necessary for the new Kasch Park Casino Road facility, expanding Wi-Fi capability to facilitate greater mobility and collaboration.
- Migrated the agency email system to Exchange Online as part of the move to Microsoft Office 365, which includes the latest Office Suite and Microsoft Teams applications.
- Developed and rolled out an agency portfolio dashboard. Future plans will integrate the portfolio dashboard with business planning, budget development, and the transit development plan.
- Implemented process improvements, best practices and standards for improvements to service change, paper rider alerts, and accident determination.
- Completed a thorough ransomware workshop with a nationally-based security consulting firm as part of our ongoing threat prevention program.
- Developed a records and information management strategic plan, and rolled out training for agency staff.
- Advanced the Information Technology Service Management (ITSM) program. Accomplishments include program development, ITSM tool implementation, incident management process change, configuration management database management process development, and began change manage process development.
- Developed a decommissioning plan for the 27-year-old land mobile radio infrastructure.

### ***Department Priorities for 2021***

- Partner with Customer Experience in the rebuild of the corporate website as part of a multiyear effort to transform the digital experience of the website and transit tools (i.e. Trip Planner, BusFinder, etc.) for our customers.
- Plan for and facilitate the move of all end-user technology equipment to the Kasch Park Casino Road facility.
- Complete final system design of Next Generation ORCA (a new fare system) in 2020, and begin transitioning to the new system in 2021 with full implementation by 2022.
- Complete outstanding tasks related to the Office 365 (cloud-based) migration of existing technologies and Microsoft Teams.
- Lead the effort to implement advanced identity and access management technologies with the goal of making our systems easier to use while increasing our security posture.

- Provide operational support for data agencywide and maintain appropriate governance for the management and use of this data, which is critical to ongoing operations and enhanced business intelligence.
- Implement Disaster Recovery as a Service protecting Community Transit data and application services from a regional disaster.
- Implement best practices and standards agencywide, as well as the Lean Leaders Roadmap.

### ***Information Technology Department 2021 Budget***

The 2021 Information Technology budget fully supports the agency’s vision and mission as well as the significant need to begin the agency’s transition to the new Casino Road headquarters building, launch new customer-facing innovations, and significantly enhance passenger safety. This budget also supports the agency’s growing ability to analyze large-system datasets from sources such as APTS, ORCA, Trapeze OPS, customer survey data, and Connections. Enhanced business intelligence provides ongoing operational efficiencies and important enhancements for our customers and to our service planning capabilities.

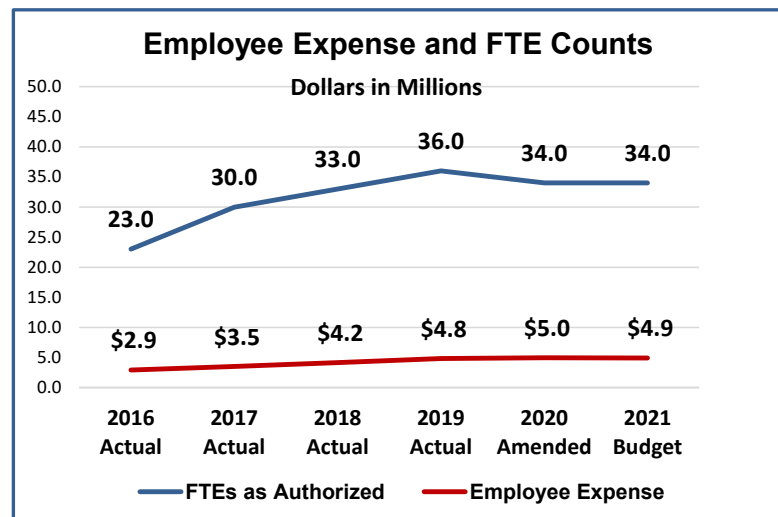
For a number of years the Information Technology Department has run the agency’s computing needs in datacenters that were on our premises. Starting in 2019 and continuing in 2021 we are moving our applications to the cloud. The cloud services market offers better disaster recovery, back-up, and security options. While this move to the cloud will drive up operational costs (licensing, network capacity, etc.), it will lessen our need for large capital purchases of technology as the agency grows. There will continue to be some systems and networks that remain onsite, but we would expect the majority of our systems to be cloud-based by the end of 2021.

### ***Information Technology 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	3,501,128	3,550,223	3,538,828	(11,395)	0%
Benefits	1,321,877	1,400,189	1,376,915	(23,274)	-2%
<b>Subtotal: Employee Expense</b>	<b>4,823,005</b>	<b>4,950,412</b>	<b>4,915,743</b>	<b>(34,669)</b>	<b>-1%</b>
Services	3,421,191	4,396,184	3,915,496	(480,688)	-11%
Intergovernmental Services	445,101	663,354	756,637	93,283	14%
Supplies	176,078	203,710	250,850	47,140	23%
<b>Total Operating Expense</b>	<b>8,865,375</b>	<b>10,213,660</b>	<b>9,838,726</b>	<b>(374,934)</b>	<b>-4%</b>

## Salaries, Wages, and Benefits

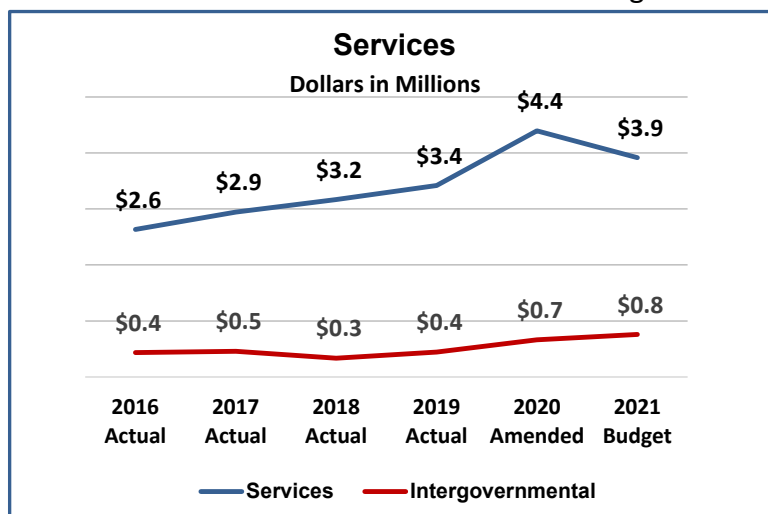
Employee expense makes up 50 percent of this department's budget. During late 2019 and early 2020, some positions were vacated through retirement, promotions, or other staffing actions, and some positions were reassigned to different budget centers. The net effect of this position activity was a modest overall reduction in employee expense.



## Services

The Services category amounts to 40 percent of this department's budget and reflects the agency's increasing reliance on data-driven business decision making. Within the Services budget category, the largest expense groupings are for contract maintenance services (32 percent), software leases (25 percent), and telephone and data services (11 percent).

Contract maintenance services cover a wide range of services for business software supporting



operations and route scheduling; finance, human resource, payroll, and credit card data processing; ticket vending machines at *Swift* stations; and other business tools necessary to collect, organize, and manage the data the agency needs to meet regulatory requirements and manage daily operations.

Use of cloud services for software is a forward focus of the agency, and the software lease

component of service expense is where these services are funded. Community Transit rents the use of business software, which reduces the cost of using that software. Community Transit does not incur capital or all operational expenses associated with cloud-based software. This allows the agency to have access to the tools it needs to operate in a complex business and regulatory environment. As an example, this budget is prepared using cloud-based software, which replaced an on-site software suite that was no longer supported by the manufacturer.

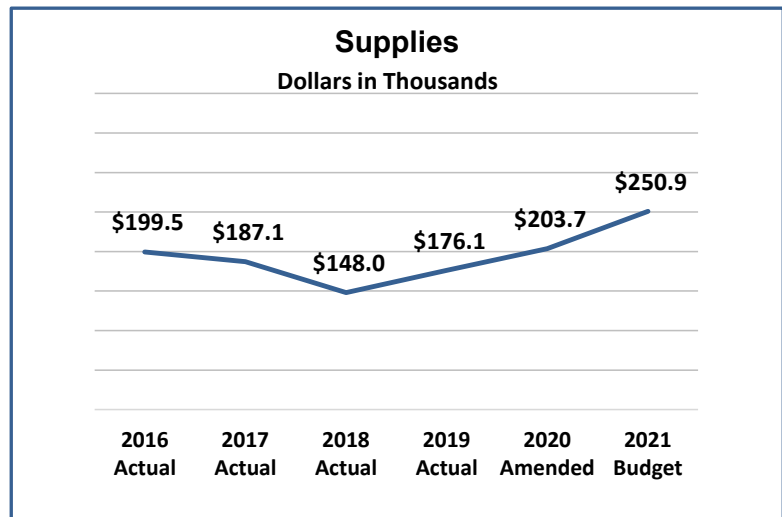
Telephone and data services account for 11 percent of this department’s services budget. These services support network fleet monitoring, cellular and land-line services, fiber services to our DART contractor, web-conferencing services, and underground tank monitoring services. Expense in this area has grown in part due to the COVID-19 pandemic, which made it necessary for most administrative employees to work remotely.

**Intergovernmental Services**

This budget reflects expenses related to ORCA operations that are paid to Sound Transit (Sound Transit acts as the ORCA fiscal agent) and to Snohomish County for internet service provider fees.

**Supplies**

Supplies contribute about 3 percent to the overall department budget and primarily fund technology-related equipment such as phones, monitors, tablets, laptops and printers, conference room and presentation equipment, and fleet management equipment. The change in this budget reflects the normal fluctuation in anticipated expenses associated with these items.



(PHOTO TAKEN PRIOR TO COVID-19 PANDEMIC)

## ***Information Technology Division Summary***

This summary compares each budget center’s 2021 budget to its 2020 amended budget.

<b><i>Budget Center ID</i></b>	<b><i>Description</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>%2021 Budget Over/Under 2020 Budget</i></b>
69101	Wireless Communications	197,397	122,350	117,532	(4,818)	-4%
69126	Radio Operations	480,464	492,250	201,837	(290,413)	-59%
69154	Fare Collections Program	1,065,168	1,185,112	1,261,097	75,985	6%
69170	Technology Support Services	2,353,106	2,970,953	2,915,923	(55,030)	-2%
69173	Transit Information Program	457,697	536,400	426,550	(109,850)	-20%
69175	Enterprise Program Office	448,071	598,440	619,219	20,779	3%
69187	Technology Infrastructure Services	1,018,433	1,183,798	1,258,175	74,377	6%
69189	Application Services	2,033,061	2,414,173	2,353,064	(61,109)	-3%
69197	Information Technology Administration	811,978	710,184	685,329	(24,855)	-3%
<b><i>Total Operating Expense</i></b>		<b><i>8,865,375</i></b>	<b><i>10,213,660</i></b>	<b><i>9,838,726</i></b>	<b><i>(374,934)</i></b>	<b><i>-4%</i></b>

Discussions of each division’s budget and 2021 priorities follow.

### ***Information Technology Administration Division***

The Information Technology Administrative Division includes the Chief Technology Officer, the Information Technology Security Architect, radio operations, and the Technology Support Administrative Assistant who provides support for the entire department.

As head of the department, the Chief Technology Officer guides and integrates the different functions of the department—project management, information technology governance and security, system development, network administration, application maintenance, 24/7/365 real-time logistical support, and customer support—so the department can support all aspects of business operations.

The Information Technology Administration Division establishes policies and standards to maintain the confidentiality, integrity, and availability of the IT systems and data. Additionally, this division provides the leadership and direction to develop strategies and architectural alternatives to meet current and long-term agency needs.

The Administration Division contains two budget centers: Information Technology Administration and Radio Operations.

## **Information Technology Administration**

The Administration budget center is responsible for the day-to-day administrative support of the department. It is also, under the direction of the information technology architect, responsible for ensuring that required compliance standards are met (e.g. payment card industry data security standards), that business continuity/disaster recovery plans are in place, and that effective and appropriate security controls are in place and are verified via periodic vulnerability assessments and risk management processes.

## **Radio Operations**

Prior to 2021, the information technology architect also served as the radio operations manager, responsible for the day-to-day operational maintenance of the land mobile radio system. This system delivers fleet-wide voice communications to dispatch, coaches, and road operations staff. In late 2020, this system will be replaced by a next generation voice communications system based on cellular technology and operational management of this capability will transition to other operational divisions within the Information Technology Department.

### **Information Technology Administration 2021 Budget**

<b>Budget Center ID</b>	<b>Description</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>%2021 Budget Over/Under 2020 Budget</b>
69101	Radio Operations	480,464	492,250	201,837	(290,413)	-59%
69197	Information Technology Admin	811,978	710,184	685,329	(24,855)	-3%
<b>Total Operating Expense</b>		<b>1,292,442</b>	<b>1,202,434</b>	<b>887,166</b>	<b>(315,268)</b>	<b>-26%</b>

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>%2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	550,915	404,683	407,416	2,733	1%
Benefits	210,903	149,641	146,738	(2,903)	-2%
<b>Subtotal: Employee Expense</b>	<b>761,818</b>	<b>554,324</b>	<b>554,154</b>	<b>(170)</b>	<b>0%</b>
Services	530,383	637,460	330,112	(307,348)	-48%
Intergovernmental Services	0	0	0	0	n/a
Supplies	241	10,650	2,900	(7,750)	-73%
<b>Total Operating Expense</b>	<b>1,292,442</b>	<b>1,202,434</b>	<b>887,166</b>	<b>(315,268)</b>	<b>-26%</b>



Personnel expense accounts for 62 percent of this division’s budget. No additional staff are proposed for this division in 2021.

Services comprise 38 percent of the division’s 2021 budget. Programs funded under this budget include security control testing and remediation; payment card industry compliance management; and, through 2020, fleet radio system maintenance and management, which includes tower and site leases.

The majority of the reduction in this division’s 2021 budget is a result of the decommissioning of the land mobile radio system in 2020.

### ***Information Technology Administration 2021 Priorities***

- Lead the effort to implement advanced identity and access management technologies with the goal of making our systems easier to use while increasing our security posture.
- Adopt a proactive risk-based strategy to identify and address system vulnerabilities.
- Adopt a formal IT Security Framework to assess, measure, and prioritize efforts to maintain and enhance our security capabilities.
- Lead and coordinate annual agency security training.

### ***Application Services Division***

The Application Services Division provides operational services and support of the agency’s application and data assets, including vital transit-oriented information systems such as parts inventory, vehicle maintenance, dispatch, and scheduling (routes, crew, and vehicles). Additionally, Application Services staff improve and maintain agencywide financial, human resources, budgeting, and business intelligence systems. Underlying these systems is the agency’s database management systems (Oracle and Microsoft) which are also managed by Application Services Division employees. This division is responsible for developing the agency website and designing and implementing Internet- and intranet-based applications in partnership with the Customer Experience Department. The Application Services Division provides technical services, support, and project management for a number of capital projects.



## **Application Services 2021 Budget**

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>%2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	673,742	723,763	705,715	(18,048)	-2%
Benefits	253,059	267,470	258,494	(8,976)	-3%
<b>Subtotal: Employee Expense</b>	<b>926,801</b>	<b>991,233</b>	<b>964,209</b>	<b>(27,024)</b>	<b>-3%</b>
Services	1,106,260	1,422,440	1,388,355	(34,085)	-2%
Intergovernmental Services	0	0	0	0	n/a
Supplies	0	500	500	0	0%
<b>Total Operating Expense</b>	<b>2,033,061</b>	<b>2,414,173</b>	<b>2,353,064</b>	<b>(61,109)</b>	<b>-3%</b>

Personnel expenses account for 41 percent of this division’s budget; No additional staff are added in the 2021 budget.

At 59 percent, services are the main expense in this budget and provide funding for two critical agencywide software needs: software leases totaling \$804,000 and contract maintenance for much of the agency’s business software amounting to \$561,000. Professional services accounts for about \$22,000 in this budget.

### **Application Services 2021 Priorities**

- Provide operational support for data agencywide and maintain appropriate governance for the management and use of this data, which is critical to ongoing operations and enhanced business intelligence.
- Implement automated software testing solutions to minimize the efforts of providing quality assurance for system updates and upgrades.
- Continue to migrate internal transit information systems to use General Transit Feed Specification<sup>2</sup> (GTFS) to ensure customers are receiving consistently accurate information. This is a multiyear effort.

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<sup>2</sup> General Transit Feed Specification (GTFS): A standardized data specification format that allows public transit agencies to publish transit data in a format that can be consumed by a wide variety of software applications. This data format is typically used to supply data for public transit use in multimodal journey planning applications. In most cases, the data is combined with street and pedestrian networks to allow an end user to plan a trip from a preferred starting point to a preferred ending point, rather than from transit stop to transit stop.

GTFS alone indicates static data (e.g. schedules). GTFS-RT indicates real-time data.

- Maintain software currency. Stay current on application and database management systems and provide operational support for agencywide software systems.
- Partner with Customer Experience in the rebuild of the corporate website as part of a multiyear effort to transform the digital experience of the website and transit tools (i.e. Trip Planner, BusFinder, etc.) for our customers.

## ***Technology Infrastructure Services Division***

Technology Infrastructure Services staff provide a broad range of support and lifecycle management services for network, server, and storage infrastructure for Community Transit. This division is responsible for architecting, designing, deploying, and maintaining the agencywide local- and wide-area networks, wireless networks, physical and virtual application and file servers, and agency data storage solutions. Supported systems are deployed on premises and in cloud data centers that offer better back-up and disaster recovery capability. The division is constantly exploring innovative solutions to current and future business needs.

Technology Infrastructure Services staff are responsible for managing all data center operations, establishing and maintaining a digital security perimeter to protect agency systems, providing backup and restoration services for systems and files, developing and implementing disaster recovery strategies, and developing standards for technology infrastructure. This division supports wireless data and voice communications for coaches, supervisor vehicles, and *Swift* stations. Staff in this division respond to security and operational incidents and support needs 24/7/365.

### ***Technology Infrastructure Services 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	418,518	456,756	457,358	602	0%
Benefits	152,483	171,342	168,795	(2,547)	-1%
<b>Subtotal: Employee Expense</b>	<b>571,001</b>	<b>628,098</b>	<b>626,153</b>	<b>(1,945)</b>	<b>0%</b>
Services	422,058	508,000	576,772	68,772	14%
Intergovernmental Services	4,158	17,500	19,250	1,750	10%
Supplies	21,216	30,200	36,000	5,800	19%
<b>Total Operating Expense</b>	<b>1,018,433</b>	<b>1,183,798</b>	<b>1,258,175</b>	<b>74,377</b>	<b>6%</b>

No additional staff are proposed for this division in 2021. Personnel expenses account for 50 percent of this division's budget. The services budget category comprises almost 46 percent

of the budget; the most significant service expense is telephone and data services at \$324,000. Intergovernmental services accounts for 2 percent of this budget and funds Internet access for the agency through a contract with Snohomish County. The remaining 3 percent of the budget funds supplies. The 2021 supplies budget primarily funds minor fleet management equipment.

### ***Technology Infrastructure Services 2021 Priorities***

- Implement Disaster Recovery as a Service protecting Community Transit data and application services from a regional disaster.
- Plan for and move all equipment in the current Merrill Creek Administration datacenter into the new primary datacenter at Kasch Park Casino Road.
- Architect the network infrastructure and datacenter necessary for the renovation of the existing Merrill Creek Administration facility and Merrill Creek Operating Base.
- Continue to manage and support data and voice communications for coaches, supervisor vehicles, and Swift stations.
- Continue replacement of end-of-life network, server, and storage hardware and operating systems to ensure maximum availability, capability, and security.



## **Technology Support Services Division**

Technology Support Services’ primary focus is providing high quality, technology-related, operational support for both intelligent transportation system applications and Community Transit end users. This division also operates and manages Community Transit’s network operations center and service/help desk.

Technology Support Services is the single point of contact for communications between the Information Technology Department and the user community to satisfy both customer needs and department objectives. The division proactively keeps users informed of all relevant service events, actions, and service changes to the production systems that are likely to affect them.

Technology Support Services also facilitates the integration of business processes into the information technology service management infrastructure, and supports and operates large Transit Technology Programs and real-time systems, such as *Swift* bus rapid transit, APTS, and GTFS/GTFS-RT on a 24/7/365 basis. Employees in this division also provide operational GIS support to the business as well as manage and maintain currency of base maps to ensure consistent customer experience across various platforms. In addition, division employees establish and maintain desktop hardware and software standards, track and monitor agency software compliance and licensing, and develop and implement desktop-based solutions to increase agency productivity.

### **Technology Support Services 2021 Budget**

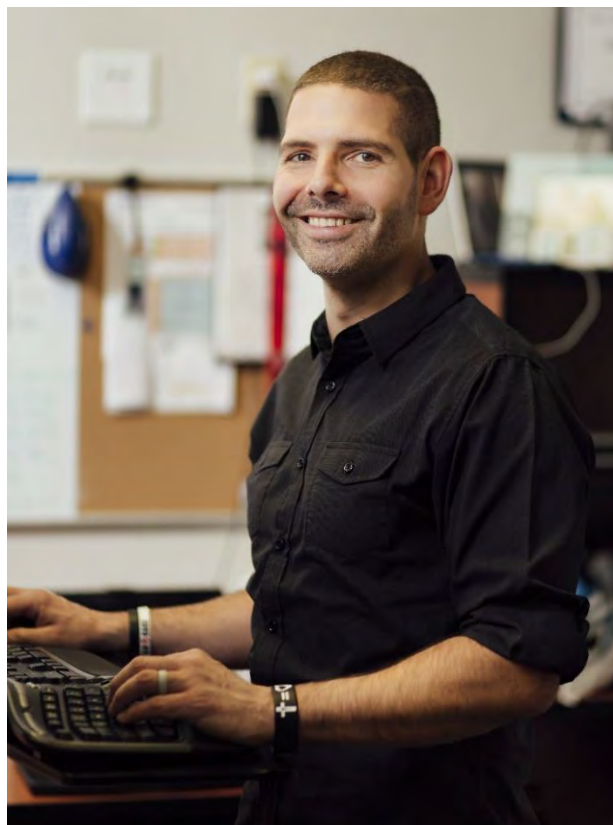
<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	796,715	1,007,372	1,004,822	(2,550)	0%
Benefits	330,765	420,712	415,446	(5,266)	-1%
<b>Subtotal: Employee Expense</b>	<b>1,127,480</b>	<b>1,428,084</b>	<b>1,420,268</b>	<b>(7,816)</b>	<b>-1%</b>
Services	1,071,425	1,381,859	1,284,805	(97,054)	-7%
Intergovernmental Service:	0	0	0	0	n/a
Supplies	154,202	161,010	210,850	49,840	31%
<b>Total Operating Expense</b>	<b>2,353,107</b>	<b>2,970,953</b>	<b>2,915,923</b>	<b>(55,030)</b>	<b>-2%</b>

Personnel expense accounts for 49 percent of this division’s budget. The 2021 budget adds no additional staff to this division. Services account for 44 percent of the Technology Support Services budget and supplies make up the remaining 7 percent.

Within the services category, contract maintenance is the largest element at \$602,000, followed by software leases at \$276,000 and telephone and data services at \$187,000. The remaining \$220,000 funds professional services, rental expense, minor software purchases, temporary services, and other minor service needs. The supplies category provides funds for a variety of minor technology equipment such as headsets; replacements for printers, laptops and personal computers; monitors, conference room displays, and other like minor equipment needs.

### ***Technology Support Services 2021 Priorities***

- Provide agencywide service (help desk) support and network operations center monitoring, including 24/7/365 support for urgent items.
- Complete outstanding tasks related to the Office 365 (cloud-based) migration of existing technologies and Microsoft Teams.
- Begin evaluation and potential implementation of additional Office 365 technologies.
- Continue efforts to lead Community Transit's IT Service Management (ITSM) Program forward:
  - Complete change management process development including documentation, training, and implementation of KPIs.
  - Identify additional process development opportunities and establish process teams to begin action.
  - Monitor and evaluate program and process KPIs.
- Partner with Transit Technology to provide operational and technical implementation support of various Transit Technology programs including the Transit Information Program, Wireless Communications Program, and the Fare Collections Program.



(PHOTO TAKEN PRIOR TO COVID-19 PANDEMIC)

- Process and validate APTS, ORCA, Automated Travel Information System (ATIS), GTFS/GTFS-RT and GIS/mapping based data for all service changes and updates.
- Execute base map currency strategy and continue development of standard operating procedures for ongoing maintenance of these maps.

- Plan for and facilitate the move of all end-user technology equipment to the Kasch Park Casino Road facility.

## ***Transit Technology Division***

The Transit Technology Division contains four programs: the enterprise program office, fare collections, transit information, and wireless communications.

### ***Enterprise Program Office***

The Enterprise Program Office staff direct the strategic planning and project efforts critical to the implementation and success of intelligent transportation applications, the agency's business planning process, portfolio management, and the records management program. This budget center includes operational costs for the management and continuous process improvement of agencywide work including information governance, business planning, enterprise portfolio management, and research of future technologies.

### ***Fare Collections Program***

The Fare Collections Program includes the operating expenses related to managing fare collections related projects. The program contains staff support for current ORCA operations, the regional Next Generation ORCA project, ticket vending machine project management (maintenance and capital), and transit signal priority project management. The ORCA function includes working with the Joint Board, ORCA operations, ORCA regional program administration, Next Generation ORCA regional teams, and the fiscal agent; security and data management; and ensuring compliance with preventive maintenance programs, system operations, and customer services.

### ***Transit Information Program***

This budget center supports and improves the agency's customer-facing data, applications, and systems such as the passenger information control system, General Transit Feed Specification (GTFS) schedule data and GTFS real-time arrival/departure predictions and vehicle locations, and the computer-aided dispatch, automated vehicle location (CAD/AVL) product suite. The program also supports innovations in technology tools by way of research and feasibility studies, such as the vanpool management system feasibility study, base map-spatial data feasibility and implementation projects, and the open trip planner pilot.

### ***Wireless Communications Program***

This portion of the Transit Technology Division budget is used for expenses associated with managing the wireless communications program for the agency. Employees in this budget center manage an estimated \$13 million radio system decommissioning and cellular communication implementation capital project.



## **Transit Technology 2021 Budget**

<b>Budget Center ID</b>	<b>Description</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>%2021 Budget Over/Under 2020 Budget</b>
69101	Wireless Communications	197,397	122,350	117,532	(4,818)	-4%
69154	Fare Collections Program	1,065,168	1,185,112	1,261,097	75,985	6%
69173	Transit Information Program	457,697	536,400	426,550	(109,850)	-20%
69175	Enterprise Program Office	448,071	598,440	619,219	20,779	3%
<b>Total Operating Expense</b>		<b>2,168,333</b>	<b>2,442,302</b>	<b>2,424,398</b>	<b>(17,904)</b>	<b>-1%</b>

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>%2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	1,061,238	957,649	963,517	5,868	1%
Benefits	374,667	391,024	387,442	(3,582)	-1%
<b>Subtotal: Employee Expense</b>	<b>1,435,905</b>	<b>1,348,673</b>	<b>1,350,959</b>	<b>2,286</b>	<b>0%</b>
Services	291,067	446,425	335,452	(110,973)	-25%
Intergovernmental Services	440,943	645,854	737,387	91,533	14%
Supplies	418	1,350	600	(750)	-56%
<b>Total Operating Expense</b>	<b>2,168,333</b>	<b>2,442,302</b>	<b>2,424,398</b>	<b>(17,904)</b>	<b>-1%</b>

Personnel expense accounts for 56 percent of this division’s budget. The 2021 budget adds no additional staff to this division. Intergovernmental Services account for 30 percent of the budget while Services make up 14 percent. The Supplies budget is not a significant budget element.

Intergovernmental Services is comprised entirely of the Community Transit’s share of ORCA operations fee to be paid to the Sound Transit fiscal agent. Within the services category, contract maintenance is the largest element at \$230,000, followed by professional services at \$84,000. The remainder of the services budget include a small allowance for temporary services.

## **Transit Technology 2021 Priorities**

### Technology Projects

- Complete final system design of Next Generation ORCA in 2020, and begin transitioning to the new system in 2021. Full implementation by 2022.
- Complete analysis of new trip planner pilot and begin implementation.

- Replace 148th Street queue-jump.
- Complete and launch the last phase of the Passenger Information Control System to better manage, measure, and control real-time information to multiple customer facing tools.
- Complete the agency communications app feasibility study and begin implementation.
- Identify wayside digital signage options to provide an improved customer experience.
- Continue improving the GTFS schedule and GTFS-RT real-time data to enhance the quality of data to our customers.
- Develop plan and start decommissioning land mobile radio sites.
- Evaluate new business planning software.

### Efficiencies and Compliance

- Implement records retention schedules and facilitate clean-up efforts.
- Develop additional records and information management training for all staff.
- Research technology solutions to automate maintenance and disposition of records in accordance with retention schedules.
- Implement best practices and standards agencywide and Lean Leaders Roadmap.

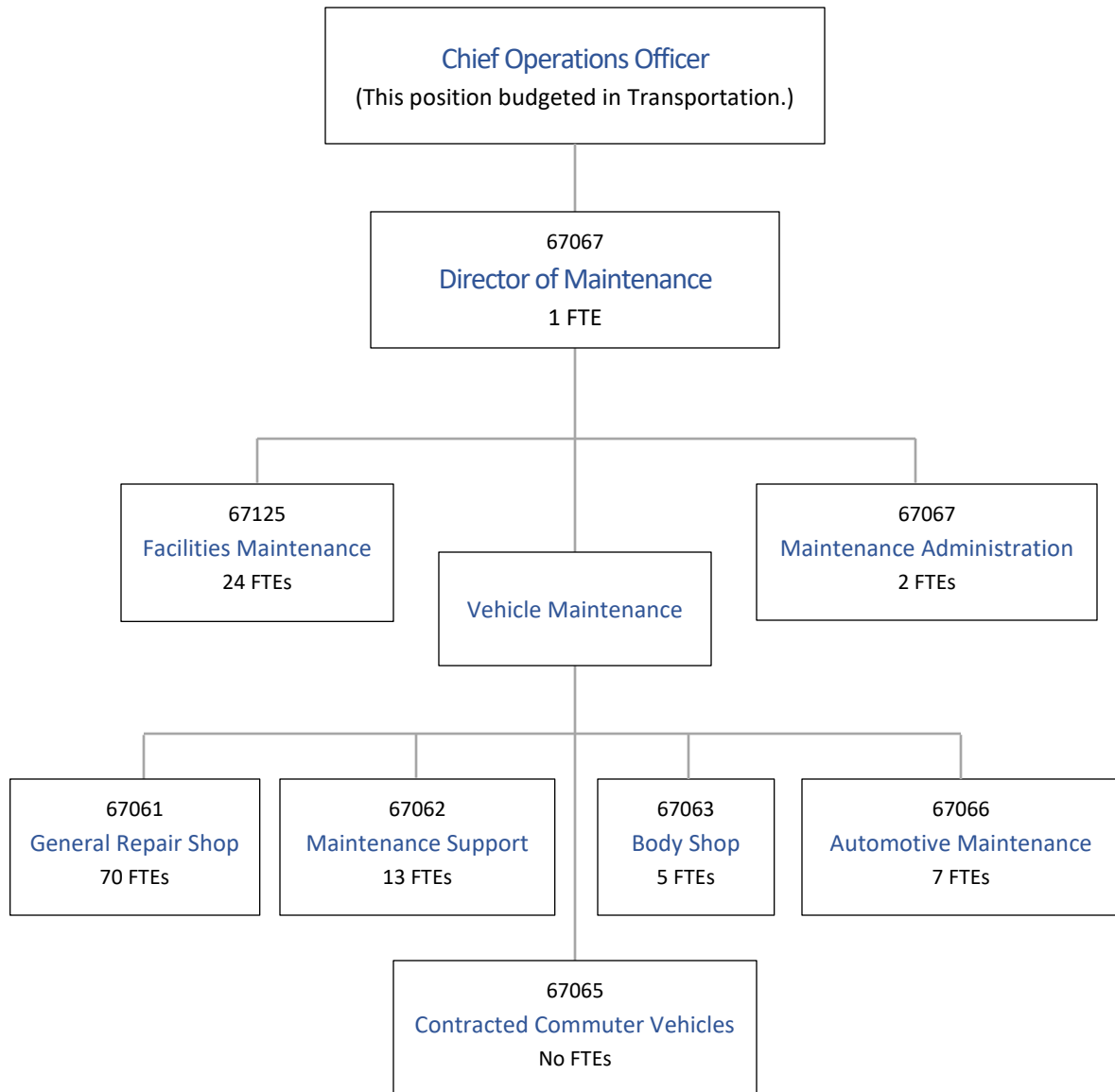


# Maintenance Department

## Chart of Organizational Hierarchy and Budget Center Responsibility

7 Budget Centers

122 FTEs



## ***Maintenance Department***

The Maintenance Department includes three divisions. The Vehicle Maintenance Division includes the General Repair Shop, Maintenance Support, Body Shop, Contracted Commuter Vehicles, and Automotive Maintenance. The Facilities Maintenance Division handles all Community Transit facility needs. The Administrative Division provides general management and direction of the Department.

Community Transit's bus fleet is the agency's most expensive capital investment. The Maintenance Department develops specifications for and orders our bus fleet. Once buses are in service, Maintenance employees repair, clean, and provide corrective and preventive maintenance to ensure that we operate safe and reliable equipment for the entire life of our investment. Staff in this department also maintain our vanpool fleet and an administrative support fleet to the same high standards. In addition to the vehicle fleets, Maintenance Department staff maintain our work buildings, park-and-ride lots, and transit centers.

The goal of the Maintenance Department is to provide safe, clean, and well-maintained vehicles and facilities for our customers and staff. Staff continue to work toward improving our customers' impressions of and experiences with Community Transit.

### ***Major Department Accomplishments for 2020***

- Provided support for COVID-19 related changes such as disinfecting of buses and support vehicles daily. Installed Plexiglas workplace dividers and barriers for safe employee and public interaction. Implemented workplace social distancing standards to keep all employees safe.
- Provided support for the startup, operation, and maintenance of the *Swift* Green Line and its facilities. Facilities Maintenance was expanded allowing the crew to maintain bus rapid transit stations at night, which reduces interference with operations.
- Continued supporting efforts to complete the installation and operation of the wireless VOIP system. This project was implemented to reduce ongoing Maintenance requirements and replacement of radio towers and enhance bus communications to dispatch.
- Continued the purchase and preparation of buses for service in accordance with the approved transit development plan.
- Directed the delivery of vehicle and facility maintenance services for the company.
- Cooperatively completed a joint inspection on our DART buses for a successful transition of the DART paratransit service to Transdev.

## Fleet

- Planned and coordinated building maintenance and construction requirements and changes to accommodate the building expansion at the Merrill Creek Maintenance facilities.
- Maintained the directly operated coach fleet and increased the mileage between road failures by 9.5 percent.
- Provided oversight (safety inspections) of Commuter and Para transit vehicles maintained and operated by our contracted service providers.
- Received, inspected, and prepared for service 24 forty-foot coaches for directly operated service and ordered 13 replacement DART vehicles for paratransit service.
- Prepared replacement Vanpool vans for service.
- Transitioned retiring vehicles to contingency fleet, surplus, or transfer as appropriate.
- Prepared fleet for transition to next generation ORCA.

## Facilities

- Completed Merrill Creek maintenance bay #1 hoist repair.
- Found and repaired unground water leak at Kasch Park Operations Base.
- Upgraded Merrill Creek shop hoist controls for the rotary lifts.
- Supported agency efforts related to COVID-19.
- Refreshed and repainted the Swift Blue and Green Line stations.
- Installed physical barriers at the Admin Reception desk and Ride Store.
- Installed touch-free faucets, paper towel and soap dispensers.

## Equipment

- Replaced a refrigerant recovery and recycling machine to keep shop equipment productive.
- Upgraded the APTS system to COPILOT pc2 and installed VoIP equipment into the fleet.
- Installed Transit Signal Priority equipment in Swift coaches to support the 148th Street queue jump.





### ***Department Priorities for 2021***

- Provide support for accomplishing the corporate Transit Asset Management (TAM) plan. This includes purchasing, preparing, and maintaining all fixed facilities and vehicles. Specifics are included in the divisional plans.
- Install and support Drive Cam on the entire coach fleet.
- Research additional ways to make Transit safer for our customers.
- Continue to provide safe, cleaned, disinfected and reliable vehicles and facilities for customers and staff.
- Increase cleaning and disinfecting of vehicles, Support service, employees, and facility changes as Community Transit grows and provides recovering services.
- Complete VoIP installations.
- Remove voice radio after VoIP start up.
- Install Next Generation ORCA.

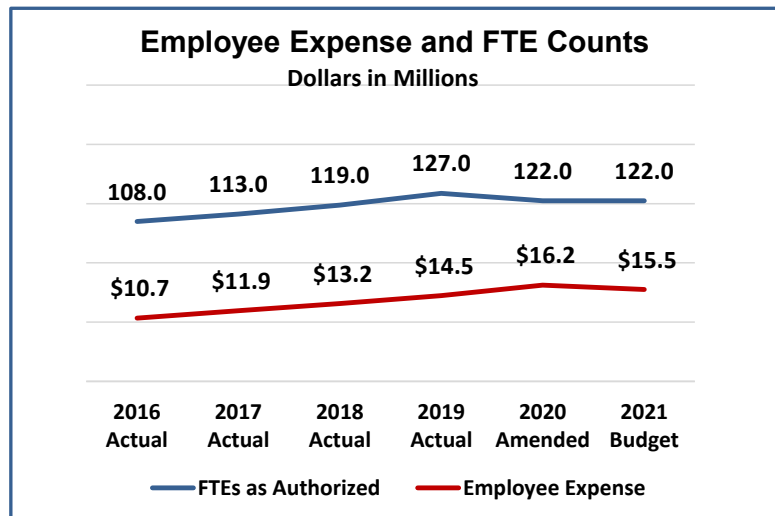
## **Maintenance Department 2021 Budget**

Community Transit’s prime mission is to help people get from where they are to where they want to be. The Maintenance Department supports this mission by providing safe, well-maintained vehicles and facilities.

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	9,542,444	10,721,119	10,377,274	(343,845)	-3%
Benefits	4,932,445	5,514,616	5,122,133	(392,483)	-7%
<b>Subtotal: Employee Expense</b>	<b>14,474,889</b>	<b>16,235,735</b>	<b>15,499,407</b>	<b>(736,328)</b>	<b>-5%</b>
Services	2,701,000	2,917,615	3,100,969	183,354	6%
Intergovernmental Services	52,293	55,000	55,000	0	0%
Supplies	5,515,374	6,239,599	5,718,163	(521,436)	-8%
<b>Total Operating Expense</b>	<b>22,743,556</b>	<b>25,447,949</b>	<b>24,373,539</b>	<b>(1,074,410)</b>	<b>-4%</b>

### **Salaries, Wages, and Benefits**

The Maintenance Department is the second largest department in the agency. Salaries, wages, and benefits are the largest cost factor in this department, comprising 64 percent of the department’s total budget. The 2020 original budget authorized 129 FTES for the Maintenance Department. Due to service reductions related to the COVID-19 pandemic, the Maintenance Department eliminated seven FTES in mid-2020. The 2021 budget funds 122 FTES.

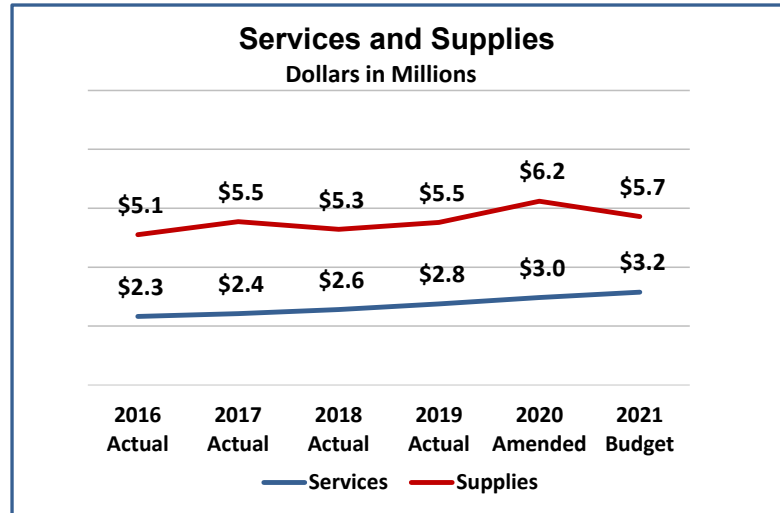


### **Services**

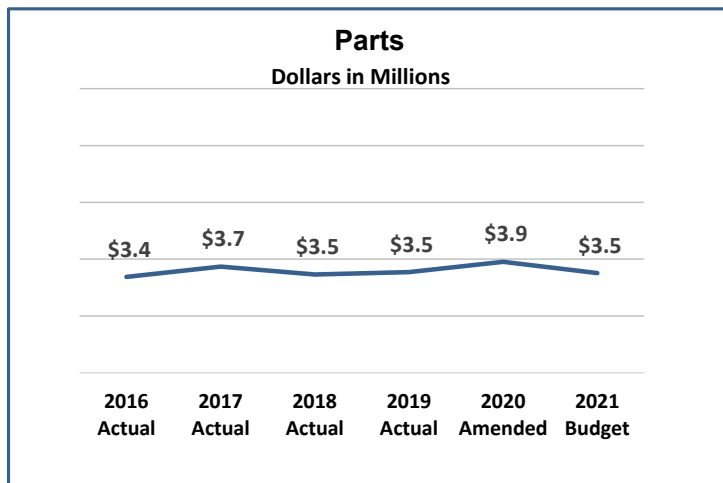
Utilities and contract maintenance services are the primary cost drivers in the services category for the Maintenance Department. Utility costs comprise 28 percent of the services budget and amount to slightly less than \$867,000, a decrease of about \$30,000 as compared to the 2020 budget. The decrease is the net effect of an increase in natural gas offset by decreases in electricity, water, and sewer and garbage fees.



The other large cost driver within the Maintenance Department service budget is contract maintenance, which makes up 63 percent of the department's services budget. The 2021 budget for contract maintenance is \$1.9 million, an increase of about \$52,000 as compared to the 2020 amended budget. Janitorial services for building, bus interior, vanpool, and service vehicle cleaning are the largest expenses,



totaling almost \$1.2 million, or 60 percent, of the entire contract maintenance budget. Hazardous waste disposal, snow removal, and landscaping and lot sweeping services comprise 15 percent of the contract maintenance budget. The remaining 25 percent of this budget funds job order contracting for unanticipated and emergency repairs, pest control services, portable rest room services, as well as inspections, monitoring, and service for elevators, the HVAC system, hoist and crane lifts, underground storage tanks, and more.



### Supplies

The supply category includes motor fuel for support vehicles; oil, lubricants, parts, and tires for all vehicles; and general maintenance supplies. The 2020 budget for support vehicle motor fuel was \$280,000 for 95,000 gallons of gasoline at \$2.95 per gallon; for 2021 the support vehicle fuel budget is \$221,000 for approximately 98,000 gallons of gasoline at \$2.25 per gallon. The

vehicle parts budget comprises 61 percent of the supplies budget and is the largest line item in that category. Parts are budgeted at \$3.5 million, a decrease of about \$400,000 as compared to the 2020 budget.

### Intergovernmental Services

The Maintenance Department includes a small intergovernmental services budget that covers expenditures associated with permits, other government fees, and surface water management assessments. This budget tends to remain constant over time at about \$50,000 per year.

## **Maintenance Department Budget Center Summary**

This summary compares each budget center's 2021 budget to its 2020 amended budget.

<i>Description</i>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
67061 General Repair Shop	13,459,977	15,021,420	14,183,591	(837,829)	-6%
67062 Maintenance Support	1,545,742	1,752,935	1,771,535	18,600	1%
68063 Body Shop	684,356	757,962	756,023	(1,939)	0%
67065 Contracted Commuter Vehicles	168,345	218,100	195,000	(23,100)	-11%
67066 Automotive Maintenance	1,358,587	1,567,959	1,421,322	(146,637)	-9%
67067 Maintenance Administration	524,797	570,440	491,286	(79,154)	-14%
67125 Facilities Maintenance	5,001,752	5,559,133	5,554,782	(4,351)	0%
<b>Total Operating Expense</b>	<b>22,743,556</b>	<b>25,447,949</b>	<b>24,373,539</b>	<b>(1,074,410)</b>	<b>-4%</b>

Discussions of each division's budget and 2021 priorities follow.

### **Maintenance Administration Division**

The Maintenance Administration Division supports the day-to-day operations of Community Transit. The maintenance of all vehicles and facilities is a continuous and challenging endeavor, and the division's efforts focus on providing staff and customers with a quality product each and every day. The Maintenance Administration Division provides general management and guidance for the department, major project and vehicle purchase management, and administrative support.

### **Maintenance Administration 2021 Budget**

<i>Expense Type</i>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	363,987	390,021	344,512	(45,509)	-12%
Benefits	137,259	146,354	138,674	(7,680)	-5%
<b>Subtotal: Employee Expense</b>	<b>501,246</b>	<b>536,375</b>	<b>483,186</b>	<b>(53,189)</b>	<b>-10%</b>
Services	23,342	33,365	7,400	(25,965)	-78%
Intergovernmental Services	0	0	0	0	n/a
Supplies	209	700	700	0	0%
<b>Total Operating Expense</b>	<b>524,797</b>	<b>570,440</b>	<b>491,286</b>	<b>(79,154)</b>	<b>-14%</b>

Personnel expenditures constitute 98 percent of this budget. The current department Director announced his intention to retire in 2021. Two other employees in this division were promoted into their positions in 2020. The net effect of these personnel changes is a reduction in employee expense in the 2021 budget. Due to the pandemic, travel was limited to inspection visits required for buses in production, accounting for the most of the reduction in services.



### ***Maintenance Administration 2021 Priorities***

- Prepare and organize for *Swift* Orange Line activities.
- Coordinate building and maintenance requirements and construction needs in preparation of the expansion of the Merrill Creek Maintenance and Casino Road facilities.
- Direct the integration of the next generation ORCA system into the fleet.
- Direct the integration of the DriveCam system into the fleet.
- Direct the purchase and delivery of buses, support vehicles, and facility maintenance services for the company.
- Order and manage the production and place into service 13 DART vehicles and 8 sixty-foot coaches.
- Direct, coordinate, and manage the activities of the Maintenance Department. Work with and support projects and activities of other departments in the company.

## **Facilities Maintenance Division**

Facilities Maintenance staff maintain and repair Community Transit assets such as property, buildings, major equipment, park-and-ride lots, bus shelters, and bus stops. The Facilities Maintenance Division delivers on the core values of the agency by providing employees and customers with a clean and safe environment while working at or using Community Transit services.

### **Facilities Maintenance 2021 Budget**

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	1,678,461	1,845,041	1,813,177	(31,864)	-2%
Benefits	820,881	896,142	865,255	(30,887)	-3%
<b>Subtotal: Employee Expense</b>	<b>2,499,342</b>	<b>2,741,183</b>	<b>2,678,432</b>	<b>(62,751)</b>	<b>-2%</b>
Contract Maintenance Services	1,364,048	1,400,000	1,481,500	81,500	6%
Utilities	724,101	895,000	865,000	(30,000)	-3%
Other Services	58,845	51,750	71,850	20,100	39%
Intergovernmental Services	52,293	55,000	55,000	0	0%
Maintenance Supplies	292,789	400,000	387,000	(13,000)	-3%
Other Supplies	10,334	16,200	16,000	(200)	-1%
<b>Total Operating Expense</b>	<b>5,001,752</b>	<b>5,559,133</b>	<b>5,554,782</b>	<b>(4,351)</b>	<b>0%</b>

In 2020, the Facilities Maintenance Division manager retired after 14 years in his position. The 2021 budget reflects the full-year effect of that and other staffing changes that took place in this division in 2020.

Although most categories of this budget show decreases, it is important to note that reacting to the pandemic increased expenses in some areas. Janitorial services are increasing by \$65,000 to cover additional costs of cleaning comfort and BRT station and by about \$35,000 for more restroom cleanings in all buildings. Other services, such as landscaping and lot sweeping, were reduced to help cover the expense associated with the COVID-related increases in janitorial services. The end result is a 2021 budget that is slightly less than the division's 2020 budget.

## **Facilities Maintenance 2021 Priorities**

- Provide support to various departments for the planned remodel of the KPCR property.
- Participate in the planning and implementation of the *Swift* Orange Line.
- Complete exterior painting of Kasch Park Building C, bus wash and steam bay.
- Execute unanticipated job order contracting projects.

## **Vehicle Maintenance Division**

The Vehicle Maintenance Division includes five budget centers.

### **Automotive Maintenance**

Automotive Maintenance staff perform preventive and corrective maintenance on all vehicles other than coaches, including vanpool vehicles and equipment. This includes oil changes, brakes, transmission overhauls, and other minor engine repairs. They also oversee maintenance performed by our contracted paratransit service provider.

### **Body Shop**

Employees in the Body Shop perform bodywork and painting for all Community Transit vans, buses, and service vehicles.

### **Contracted Commuter Vehicles**

Contracted Commuter Vehicles budget provides funds for oil and special coach parts for our contracted commuter coach service.

### **General Repair Shop**

Employees in the General Repair Shop perform preventive and corrective maintenance on all coaches and oversee maintenance performed by our contracted services provider.



## Maintenance Support

Maintenance Support employees provide fleet project support, electronic maintenance, and rebuild of major and minor coach components, from fans to engines and transmissions.

### Vehicle Maintenance 2021 Budget

<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
67061 General Repair Shop	13,459,977	15,021,420	14,183,591	(837,829)	-6%
67062 Maintenance Support	1,545,742	1,752,935	1,771,535	18,600	1%
68063 Body Shop	684,356	757,962	756,023	(1,939)	0%
67065 Contracted Commuter Vehicles	168,345	218,100	195,000	(23,100)	-11%
67066 Automotive Maintenance	1,358,587	1,567,959	1,421,322	(146,637)	-9%
<b>Total Operating Expense</b>	<b>17,217,007</b>	<b>19,318,376</b>	<b>18,327,471</b>	<b>(990,905)</b>	<b>-5%</b>

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
Salaries & Wages	7,499,995	8,486,057	8,219,585	(266,472)	-3%
Benefits	3,974,306	4,472,120	4,118,204	(353,916)	-8%
<b>Subtotal: Employee Expense</b>	<b>11,474,301</b>	<b>12,958,177</b>	<b>12,337,789</b>	<b>(620,388)</b>	<b>-5%</b>
Contract Maintenance Services	497,469	489,500	458,219	(31,281)	-6%
Other Services	33,195	48,000	217,000	169,000	352%
Intergovernmental Services	0	0	0	0	n/a
Motor Fuel - Support Vehicles	232,909	285,999	223,950	(62,049)	-22%
Maintenance Supplies	286,054	331,700	285,450	(46,250)	-14%
Parts	3,542,262	3,905,000	3,508,400	(396,600)	-10%
Other Supplies	1,150,817	1,300,000	1,296,663	(3,337)	0%
<b>Total Operating Expense</b>	<b>17,217,007</b>	<b>19,318,376</b>	<b>18,327,471</b>	<b>(990,905)</b>	<b>-5%</b>

The most significant elements of this budget are employee expense which amounts to 67 percent of the budget and parts and other supplies which together amount to 26 percent of the budget. In mid-2020 seven FTEs were eliminated: one Vehicle Maintenance Assistant Manager, one Vehicle Service Attendant, two Vehicle Service Workers, and three Journeymen Mechanics. These positions were eliminated because service levels in 2020 and scheduled for



2021 were reduced due to the COVID-19 pandemic. The 2021 budget reflects the full-year effect of those reductions.

Diesel fuel is budgeted separately and not included in this division.

### ***Vehicle Maintenance 2021 Priorities***

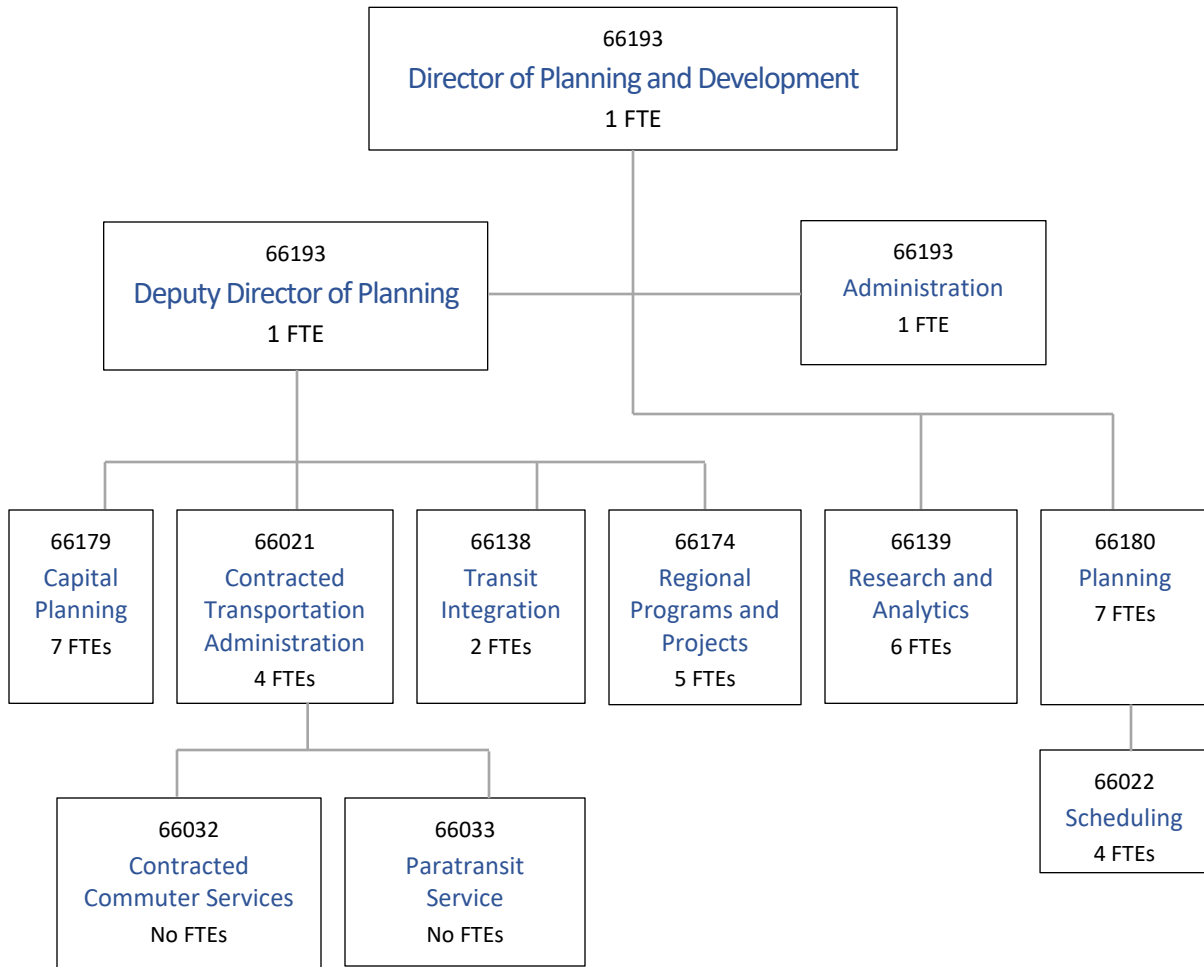
- Plan and coordinate for building maintenance and construction requirements and changes to accommodate the expansion of the Merrill Creek Maintenance facilities.
- Maintain the directly operated coach fleet to reliably operate approximately 9,800,000 miles during the year.
- Provide oversight (safety inspections) of commuter and PARATRANSIT vehicles maintained and operated by our contracted service providers.
- Receive, inspect, and prepare for service 16 sixty-foot coaches for directly operated service and 13 replacement DART vehicles for paratransit service.
- Prepare replacement Vanpool vans for service.
- Transition retiring vehicles to contingent fleet, surplus, or transfer as appropriate.
- Prepare fleet for transition to next generation ORCA.
- Install and maintain the next generation ORCA system.
- Install Drive Cam equipment in coaches as the project proceeds.

# Planning and Development Department

## Chart of Organizational Hierarchy and Budget Center Responsibility

10 Budget Centers

38 FTEs



## ***Planning and Development Department***

Planning and Development Department staff provide for research and analysis to understand customer needs and demand for transit; plan services to efficiently meet those needs; ensure integration with partner transportation agencies; manage financial modeling for long-term sustainability; design, construct, and preserve major capital facilities; buildout the *Swift* BRT network; secure and administer grant funding; and manage commuter bus and DART service contracts.

The department contains seven divisions: Capital Development, Contracted Transportation, Development Administration, Planning, Regional Programs and Projects, Research and Analytics and Transit Integration. During the first quarter of 2020, the Planning and Development Department reorganized by separating Planning and the former Data Program, creating the new Research and Analytics Division. This move positions the agency to deliver on our priority for customer and market research to support innovation and improvement of services. The department also separated Regional Programs and Projects and Transit Integration, recognizing the growing importance of integration activities with Sound Transit's ST2 and ST3 programs and allowing for more focused attention on our priority to connect with Link light rail.

### ***Major Department Accomplishments for 2020***

- Responded to the COVID-19 pandemic through implementation of safety measures in contracted commuter bus and DART operations; design and implementation of multiple cycles of adjusted fixed-route service schedules; daily reporting of transit system utilization to inform operational decisions; rapid-cycle customer surveys and observational research; administration of \$39 million in CARES Act federal relief funding; and staffing and support of the agency Incident Command Structure.
- Developed and released a request for proposals for a new paratransit provider. Conducted evaluations and negotiations, and secured board award of the contract to the new provider—Transdev Services, Inc.—and managed transition of service to the new provider.
- Designed and implemented fixed-route service changes for March 2020 and September 2020.
- Concluded network design and public process for restructure of 800-series bus routes to connect with Northgate Link light rail in 2021. Secured board approval.
- Rebooted 2024 fixed-route network planning for connection to Lynnwood Link light rail, accounting for adjustments to financial and service forecasts associated with the COVID-19 pandemic. Developed collaborative cross-functional approach to accomplishing this work.

- Updated the Six-Year Transit Development Plan, coordinating a multiscenario financial and service framework with 2021 budget development. Conducted public process and secured board approval.
- Conducted financial studies to improve long-range financial modeling and inform future fare policy recommendations.
- Supported the City of Everett's Re-Think Everett Transit study of future options for provision of transit service in the city.
- Coordinated agency integration with Sound Transit's Northgate and Lynnwood Link light rail construction activities as well as Sound Transit's Stride bus rapid transit and Everett Link light rail planning activities.
- Repositioned the data program, launching the Research and Analytics Division with higher-functioning capability to drive agencywide coordination of research in support of innovation and improvement of products and services.
- Pursued and obtained \$8.2 million dollars in competitive Federal Transit Administration (FTA) and Federal Highway Administration funding for *Swift* bus rapid transit expansion buses, the Edmonds College Transit Center, and *Swift* bus rapid transit transportation demand management expansion efforts.
- Progressed with the buildout of the *Swift* network. Completed close-out of the *Swift* Green Line project. Completed and secured approval of environmental work on the *Swift* Orange Line project. Submitted for project rating of the *Swift* Orange Line project to the FTA capital investment grant program. Completed scoping study and phasing plan for the *Swift* Blue Line Expansion project.
- Advanced the Facility Master Plan program for upgrade and expansion of operating and administrative facilities. Began construction on the Phase 1 (Casino Road) project. Began design of Phase 2 (the Merrill Creek Operating Base [MCOB] Admin Building) and Phase 3A (MCOB operations, maintenance, and body shops).
- Completed state-of-good-repair facility preservation projects, including MCOB pavement Phase II, Kasch Park Operating Base roof repair and restoration, Ash Way transit loop repairs, and Edmonds Park & Ride renovation.

## ***Department Priorities for 2021***

- Provide safe, reliable commuter bus and DART paratransit transportation for Snohomish County.
- Support final service development and scheduling design for restructure and integration of 800-series bus routes with Northgate Link light rail in September 2021.
- Develop service proposals for September 2021 and March 2022 including, but not limited to, service restoration following 2020 service reductions. Conduct public outreach and secure Board adoption.
- Develop the 2021-2026 Transit Development Plan, including a multimodal service vision for 2024. Conduct public outreach and secure Board adoption.
- Continue coordination with the City of Everett in their Re-Think Everett Transit study.
- Update Community Transit's Long Range Transit Plan.
- Coordinate with regional and local jurisdictional partners to develop, advocate, and negotiate Community Transit's interests in complex operating and capital transportation projects, especially Sound Transit's ST2 and ST3 programs.
- Conduct customer research, including a systemwide fixed-route on-board survey to support Title VI of the 1964 Civil Rights Act and system planning requirements as well as several "pulse" surveys to understand barriers to using transit for both riders and nonriders—especially as related to the COVID-19 pandemic.
- Continue buildout of the *Swift* network, including securing federal capital investment grant (Small Starts) funding, completing design and engineering, and beginning right-of-way acquisition for the *Swift* Orange Line project as well as beginning design and engineering for Phase 1 of the *Swift* Blue Line expansion project.
- Pursue state and other federal funds for continued buildout of the *Swift* bus rapid transit program and other agency initiatives.
- Continue to deliver the Facilities Master Plan project, including construction of Phase 1 (Casino Road), completing design for Phase 2 (MCOB Admin Building), completing design and starting construction for Phase 3A (MCOB operations, maintenance, and body shops), and starting design on Phase 3B (MCOB operations offices/operators' area).



## ***Planning and Development Department 2021 Budget***

The Planning and Development Department budget and work program support agency priorities in four primary areas:

- Provide easy access and connectivity to Link light rail by building out the *Swift* network and designing high quality fixed-route and alternative service solutions to connect and integrate with Link light rail at Northgate in 2021 and at Lynnwood in 2024.
- Innovate to improve products and services that make travel easy and safe for all by implementing a robust agencywide program of customer research and performance assessment to inform development of innovative products and services, overseeing delivery of more than 200,000 hours of contracted bus and paratransit service, and striving for improved customer experience in all functions.
- Modernize and expand our base facilities to support growth by advancing all phases of the Facilities Master Plan project.
- Investing in the Employee Experience by ensuring design of the Facilities Master Plan project provides a quality work environment to enhance the employee experience.



This table shows the complete department budget, including contracted transportation services. The contracted transportation budget is based on negotiated contract rates and is the largest element in this department's budget.

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
Salaries & Wages	3,520,553	3,810,444	3,895,613	85,169	2%
Benefits	1,339,343	1,505,860	1,507,519	1,659	0%
<b>Subtotal: Employee Expense</b>	<b>4,859,896</b>	<b>5,316,304</b>	<b>5,403,132</b>	<b>86,828</b>	<b>2%</b>
Services	398,234	688,200	949,180	260,980	38%
Contracted Transportation	29,539,633	32,262,349	28,469,961	(3,792,388)	-12%
Intergovernmental Services	11,000	10,000	11,000	1,000	10%
Supplies	223	950	950	0	0%
<b>Total Operating Expense</b>	<b>34,808,986</b>	<b>38,277,803</b>	<b>34,834,223</b>	<b>(3,443,580)</b>	<b>-9%</b>

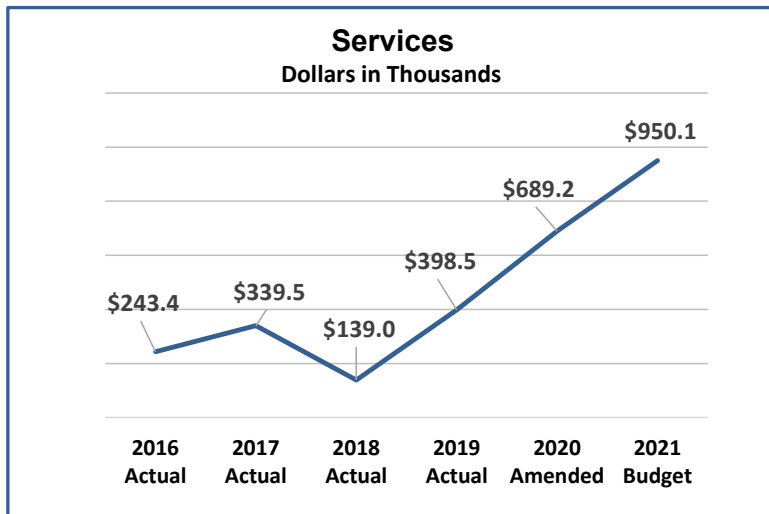
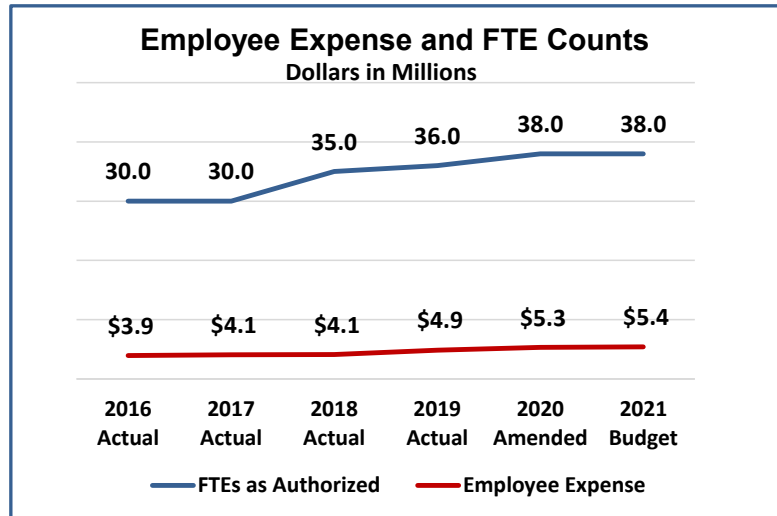
The next table shows the department's budget without the contracted transportation portion of the budget.

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
Salaries & Wages	3,520,553	3,810,444	3,895,613	85,169	2%
Benefits	1,339,343	1,505,860	1,507,519	1,659	0%
<b>Subtotal: Employee Expense</b>	<b>4,859,896</b>	<b>5,316,304</b>	<b>5,403,132</b>	<b>86,828</b>	<b>2%</b>
Services	398,234	688,200	949,180	260,980	38%
Intergovernmental Services	11,000	10,000	11,000	1,000	10%
Supplies	223	950	950	0	0%
<b>Total Operating Expense</b>	<b>5,269,353</b>	<b>6,015,454</b>	<b>6,364,262</b>	<b>348,808</b>	<b>6%</b>

To enable analysis of year-over-year changes to this department's budget, discussions concerning employee expense, services, intergovernmental services, and supplies exclude expenses in the contracted paratransit and commuter services budget centers.

### Salaries, Wages, and Benefits

Employee expense accounts for 85 percent of the Planning and Development Department budget. In April 2020, a new position was added in this department—Deputy Director of Planning. The position oversees capital planning, transit integration, regional programs and projects, and contracted transportation. The slight increase in employee expense is the net effect of adding the new position, various promotions, and staffing vacancies.



### Services

The services category comprises 15 percent of the department budget. Professional services are budgeted for the long-range plan, for support of Link light rail, and for customer research. As part of the focus on research for service improvement and innovation, surveys formerly budgeted in other departments are being consolidated and managed in the

new Research and Analytics Division in the Planning and Development Department. Professional services expense related to Link light rail integration will be reimbursed through a new agreement with Sound Transit. The rental expense element is new to this budget for 2021 and is required to house vanpool vans which are no longer in service due to the COVID-19 pandemic.

### ***Intergovernmental Services***

A small intergovernmental services budget (included in the Services chart) of \$10,000 covers expenditures associated with the Snohomish County Transportation Coalition agreement.

### ***Supplies***

The items budgeted for in the supply category include cost, code, and industry standard publications used in construction projects as well for general transit planning.

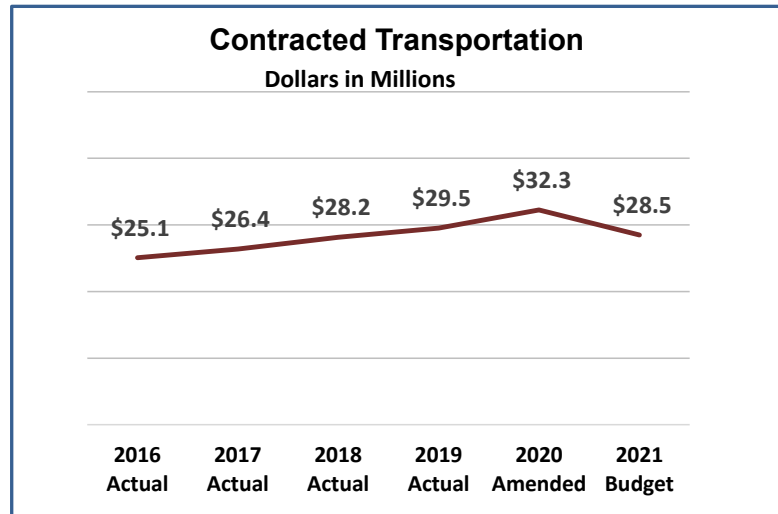
### ***Contracted Transportation***

Contracted transportation is the largest expense in the Planning and Development budget.

Community Transit contracts with First Transit to provide most commuter services. For most of 2020, Homage Senior Services provided DART services. However the DART contract was awarded to Transdev and they began providing DART services in the fourth quarter of 2020. Sound

Transit contracts with Community Transit to provide Sound Transit’s ST Express bus service. Community Transit further contracts this service out to First Transit.

Community Transit’s 2021 commuter service contract amounts to approximately \$7.0 million; for DART service, the 2021 contract is valued at \$7.4 million; and for Sound Transit ST Express bus service, the contract is valued at \$14.1 million, for a total contracted services budget of \$28.5 million. The contracted transportation budget reflects negotiated contract rates as well as the number of service hours operated. The \$3.8 million reduction in contracted services expenses anticipated for 2021 reflects service reductions due to the COVID-19 pandemic.



## ***Planning and Development Division Summary***

This summary compares each budget center's 2021 budget to its 2020 amended budget.

<b><i>Budget Center ID</i></b>	<b><i>Description</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
66021	Contract Transportation Administration	561,337	610,558	588,744	(21,814)	-4%
66022	Scheduling	507,792	600,743	444,175	(156,568)	-26%
66032	Contracted Commuter Service	21,596,103	22,285,829	21,084,359	(1,201,470)	-5%
66033	Paratransit Service	7,979,563	10,036,520	7,445,602	(2,590,918)	-26%
66138	Transit Integration	0	0	477,635	477,635	n/a
66139	Research and Analytics	0	0	961,457	961,457	n/a
66174	Regional Programs and Projects	836,790	1,083,905	638,130	(445,775)	-41%
66179	Capital Development	1,198,598	1,246,979	1,372,263	125,284	10%
66180	Planning	1,743,810	2,062,632	1,254,448	(808,184)	-39%
66193	Planning and Development Administration	384,994	350,637	567,410	216,773	62%
<b><i>Total Operating Expense</i></b>		<b><i>34,808,987</i></b>	<b><i>38,277,803</i></b>	<b><i>34,834,223</i></b>	<b><i>(3,443,580)</i></b>	<b><i>-9%</i></b>

Discussions of each division's 2021 budget and 2021 priorities follow.

## ***Planning and Development Administration Division***

The Planning and Development Administration Division provides executive management direction to the department and its division managers. Staff direct the work program and ensure appropriate staffing, budgets, and strategic alignment; they also provide support to the CEO with specific emphasis on matters of planning, research, service contracts, and regional coordination. The division head serves as executive sponsor for the Strategic Alignment & Capital Development Committee, the Snohomish County Transportation Coalition, the development of the *Swift* program, and the Master Plan expansion.

### ***Planning and Development Administration 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	296,584	241,255	408,185	166,930	69%
Benefits	76,612	97,132	147,075	49,943	51%
<b>Subtotal: Employee Expense</b>	<b>373,196</b>	<b>338,387</b>	<b>555,260</b>	<b>216,873</b>	<b>64%</b>
Services	797	2,250	1,150	(1,100)	-49%
Intergovernmental Services	11,000	10,000	11,000	1,000	10%
<b>Total Operating Expense</b>	<b>384,993</b>	<b>350,637</b>	<b>567,410</b>	<b>216,773</b>	<b>62%</b>

Employee costs represent 98 percent of this budget. In late 2019, the department director retired after serving in that position since 2005. In April 2020, the CEO established a Deputy Director of Planning & Development to support the Director and provide oversight for major agency priorities in the *Swift* Program, Master Plan expansion, service contracts, and light rail integration. The 2021 employee expense reflects the net full-year effect of the transition in department directors and the addition of one FTE.

### ***Planning and Development Administration 2021 Priorities***

- Ensure development of sustainable and integrated service plans that leverage *Swift* and Link light rail implementations and prepare the agency for 2024.
- Encourage development of research and analytics to support the agencywide priority on innovation and improvement of products and services.
- Oversee the Facility Master Plan expansion to provide the capacity for growth of fleet, staff, and services.
- Oversee coordination with the City of Everett in their Re-Think Everett Transit study.
- Ensure strategic alignment of work plans with agency vision and priorities.

- Champion partnerships and integration opportunities that deliver the best outcomes for our region.
- Support and oversee DART paratransit service provider as they begin new contract.
- Advance development of *Swift* Orange and Blue Lines to feed Link light rail by 2024.

## ***Capital Development Division***

The Capital Development Division is responsible for the development and delivery of park-and-ride facilities, transit centers, bus rapid transit corridors, transit base facilities, and improvements related to updating these facilities. The division evaluates, prioritizes, and manages capital projects; refurbishes and carries out upgrades necessary to preserve existing facilities; assesses and reports on current facility conditions and future agency needs; and facilitates engineering assistance within the agency. Division staff manage the locations of bus stops, shelters, and leased parking facilities and maintain data associated with these locations to ensure safe, convenient, and cost-effective access to services. Additionally, division staff interact with other agencies and jurisdictions to collaborate, review, and partner on infrastructure projects.

### ***Capital Development 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	796,110	808,752	809,054	302	0%
Benefits	300,453	304,677	298,529	(6,148)	-2%
<b>Subtotal: Employee Expense</b>	<b>1,096,563</b>	<b>1,113,429</b>	<b>1,107,583</b>	<b>(5,846)</b>	<b>-1%</b>
Services	101,812	132,600	263,730	131,130	99%
Supplies	223	950	950	0	0%
<b>Total Operating Expense</b>	<b>1,198,598</b>	<b>1,246,979</b>	<b>1,372,263</b>	<b>125,284</b>	<b>10%</b>

This division includes seven FTEs. No additional staff are planned for 2021. Employee expense represents 81 percent of the budget. The services portion of this budget increased because leasing and storage expenses for a significant number of excess vanpool vans are budgeted here. Vanpool ridership declined in 2020 due to the COVID-19 pandemic, and vans no longer in use had to be parked in a secure location. None of the agency bases had the capacity on-site to store the excess vans.



## ***Capital Development 2021 Priorities***

- Complete design for Facilities Master Plan (FMP) Phase 2—MCOB Admin Building.
- Complete design for FMP Phase 3A—MCOB operations, maintenance, and body shops.
- Start design on FMP Phase 3B—MCOB operations offices/operators' area.
- Start construction on FMP Phase 3A.



## ***Contracted Transportation Division***

Contracted Transportation consists of three budget centers: Contracted Transportation Administration, Contracted Commuter Service, and Paratransit Service.

### ***Contracted Transportation Administration***

The Contracted Transportation Division is responsible for development, administration, and oversight of Community Transit's major transportation contracts including intercounty commuter bus service, paratransit service, and Sound Transit ST Express bus service.

The team provides and contracts for travel training for seniors and persons with disabilities. They work closely with schools, senior centers, colleges, and individuals within Snohomish County, both with and without special needs, to educate individuals on how to ride transit. The division also works with the Snohomish County Transportation Coalition to develop a more coordinated transportation system.

**Contracted Commuter Service**

Contracted Commuter Services operates Community Transit commuter bus service and Sound Transit’s ST Express bus services through a contract with First Transit.



(PHOTO TAKEN PRIOR TO COVID-19 PANDEMIC)

**Paratransit Service**

In compliance with the Americans with Disabilities Act (ADA), division staff provide DART paratransit service operated through a contract with Homage Senior Services of Snohomish County. A new service provider was selected in 2020 and service delivery was transitioned to Transdev Services, Inc. The budget includes fuel and service delivery, as well as eligibility determination and travel instruction. Travel instruction is designed to enable customers with special needs to use the fixed-route network to the greatest extent possible with the goal of reducing their reliance on DART service.

## Contracted Transportation 2021 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
66021	Contract Transportation Administration	561,337	610,558	588,744	(21,814)	-4%
66032	Contracted Commuter Service	21,596,103	22,285,829	21,084,359	(1,201,470)	-5%
66033	Paratransit Service	7,979,563	10,036,520	7,445,602	(2,590,918)	-26%
<b>Total Operating Expense</b>		<b>30,137,003</b>	<b>32,932,907</b>	<b>29,118,705</b>	<b>(3,814,202)</b>	<b>-12%</b>

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
Salaries & Wages	413,835	436,003	423,951	(12,052)	-3%
Benefits	146,046	168,405	162,943	(5,462)	-3%
<b>Subtotal: Employee Expense</b>	<b>559,881</b>	<b>604,408</b>	<b>586,894</b>	<b>(17,514)</b>	<b>-3%</b>
Services	37,488	66,150	61,850	(4,300)	-7%
Contracted Transportation	29,539,633	32,262,349	28,469,961	(3,792,388)	-12%
<b>Total Operating Expense</b>	<b>30,137,002</b>	<b>32,932,907</b>	<b>29,118,705</b>	<b>(3,814,202)</b>	<b>-12%</b>

The Contracted Commuter Services budget center includes costs associated with administering three contracted services contracts, 99 percent of which is employee expense. The 2020 staffing complement for this division was four full-time equivalent employees (FTEs). Staffing levels remain the same in the 2021 budget.

The Contracted Commuter Services budget center includes the contract cost of \$7.0 million for Community Transit's contracted commuter service. Sound Transit contracts with Community Transit to operate Sound Transit's ST Express bus service, that contract amounts to \$14.1 million in 2021. Both contracts include a 3.3 percent increase in the base hour rate, as well as a decreased service level equivalent to 80 percent of the March 2020 service hours.

The Paratransit Service budget center includes the service contract cost of \$7.4 million as well as \$60,000 for travel training services designed to teach people how to use both fixed-route and paratransit services.

The 2021 contract represents a significant reduction as compared to the 2020 budget due to anticipated lower demand for service during the ongoing COVID-19 pandemic and higher one-time expenses in 2020 associated with contract close-out and startup for the transition in



service providers. The paratransit services budget also includes the cost of fuel, representing a 36 percent reduction over the 2020 budget due to lower hours and decreased fuel prices.

The 2021 budget for both services estimates diesel fuel at \$2.25 per gallon.



### ***Contracted Transportation 2021 Priorities***

- Provide safe, reliable commuter service transportation for Snohomish County.
- Provide safe and reliable transportation for those with disabilities who cannot use our fixed route system.
- Provide travel training to those who wish to learn our system to promote independence.
- Using our Mission, Vision and Core Values, look for ways to improve our system, keeping customer service always in mind.
- Continue to build partnerships within the industry and our communities.
- Support contractors in a dynamic service environment, responding to changes related to the COVID-19 pandemic, Lynnwood Link extension construction activities and connection to Link light rail at Northgate.

## **Planning Division**

### **Planning**

The Planning Division, and System Planning team within the division, are responsible for near-term and long-term plans for market development, service design, fare policy, and transit asset management. This division coordinates agency service plans with other jurisdictions, transit authorities, and large employment and education sites such as the University of Washington, Edmonds College, and Boeing. Planning provides financial analysis of service performance and long-range forecasting of revenues and costs, research, analysis, financial modeling, and reporting support for the agency.

### **Scheduling**

The Scheduling team develops transit route schedules, analyzes service performance, develops the run-cut of driver work assignments, and assures efficient use of the agency's service assets, including buses.

### **Planning Division 2021 Budget**

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Proposed Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
66022	Scheduling	507,792	600,743	444,175	(156,568)	-26%
66180	Planning	1,743,810	2,062,632	1,254,448	(808,184)	-39%
<b>Total Operating Expense</b>		<b>2,251,602</b>	<b>2,663,375</b>	<b>1,698,623</b>	<b>(964,752)</b>	<b>-36%</b>

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
Salaries & Wages	1,435,006	1,657,156	1,056,740	(600,416)	-36%
Benefits	591,403	680,019	415,883	(264,136)	-39%
<b>Subtotal: Employee Expense</b>	<b>2,026,409</b>	<b>2,337,175</b>	<b>1,472,623</b>	<b>(864,552)</b>	<b>-37%</b>
Services	225,193	326,200	226,000	(100,200)	-31%
<b>Total Operating Expense</b>	<b>2,251,602</b>	<b>2,663,375</b>	<b>1,698,623</b>	<b>(964,752)</b>	<b>-36%</b>

When the 2020 budget was prepared, the Planning budget center consisted of 13 FTEs, six of whom comprised the data research function for the department. In the 2021 budget, those six FTEs form the new Research and Analytics Division. That is the primary reason the Planning budget center shows such a large reduction in employee expense.

In the Scheduling budget center, one planner was moved to the newly formed Transit Integration Division, and one schedule analyst left Community Transit in the second quarter of 2020 and was not replaced. The vacant position is budgeted only for the second half of 2021. As a result, the Scheduling budget center also shows a reduction in expense.

The employee expense that remains in this division accounts for 87 percent of the division's total budget. The remaining 13 percent is professional services, primarily for the long-range plan and a schedule assessment.

### ***Planning Division 2021 Priorities***

- Develop fixed-route service proposals for September 2021 and March 2022. Conduct public outreach and secure Board adoption.
- Create schedule and run-cut of driver work assignments for March 2021 and September 2021 service changes, including integration of the 800-series bus routes with Northgate Link light rail.
- Complete development of 2024 multimodal service plan, including the implementation of integration of fixed-route services with Lynnwood Link light rail and incorporation of innovative new alternative services.
- Develop 2021-2026 Transit Development Plan, including the multimodal service vision for 2024. Conduct public outreach and secure Board adoption.
- Update Community Transit's Long-Range Plan, conduct public outreach and secure Board adoption.
- In coordination with Finance, continue dynamic modeling of future revenues and expenses to inform sustainable agency service and capital planning.
- Advance recommendations from 2020 fare study to inform potential fare policy changes related to service integration with Lynnwood Link in 2024.
- Coordinate with cities, Snohomish County, Washington State Department of Transportation (WSDOT), transit partners, and the Puget Sound Regional Council on regional transportation and land use planning.
- Coordinate with other agencies in design and implementation of the ST2 and ST3 regional transit system.

## ***Regional Programs and Projects Division***

This division is responsible for regional integration with external partners, buildout of the *Swift* bus rapid transit network, and the pursuit and administration of the agency’s grant program. In the coordination of major initiatives affecting Community Transit, division staff work closely with regional partners to maximize integration of efforts such as Sound Transit’s Link light rail project and WSDOT construction initiatives. Division staff facilitate internal communication and coordination to reduce impacts on our customers and enhance transit usage. The division manages the planning, development, and buildout of the *Swift* bus rapid transit network. The third aspect of the division’s mission is to develop and pursue grant strategies and manage the agency’s grant program to maximize opportunities to fund major projects and initiatives.

### ***Regional Programs and Projects 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	579,019	667,278	458,555	(208,723)	-31%
Benefits	224,828	255,627	178,975	(76,652)	-30%
<b>Subtotal: Employee Expense</b>	<b>803,847</b>	<b>922,905</b>	<b>637,530</b>	<b>(285,375)</b>	<b>-31%</b>
Services	32,943	161,000	600	(160,400)	-100%
<b>Total Operating Expense</b>	<b>836,790</b>	<b>1,083,905</b>	<b>638,130</b>	<b>(445,775)</b>	<b>-41%</b>

Services budgeted for 2021 is such a small amount that employee expense is essentially 100 percent of this division’s budget. When the 2020 budget was prepared, the Regional Programs and Projects Division consisted of six FTEs. One of those positions was moved to form the new Transit Integration Division. The promotion of an employee to the division manager position left a vacancy which is budgeted for only the second half of 2021. The net effect of these staffing moves resulted in the budget reduction in employee expense.

### ***Regional Programs and Projects 2021 Priorities***

- Continue process to obtain federal capital investment grant (Small Starts) funding for the *Swift* Orange line.
- Complete design and engineering phase of the *Swift* Orange Line, thereby completing the project development phase.
- Begin right-of-way acquisition for the *Swift* Orange Line.
- Begin design and engineering for Phase 1 of the *Swift* Blue Line expansion project.



- Coordinate with local jurisdictions on infrastructure that impacts *Swift* service.
- Pursue state and other federal funds for continued buildout of the *Swift* bus rapid transit program and other agency initiatives.

**Research and Analytics Division**

The Research and Analytics Division is an agencywide resource that leverages research and data to provide insights that help to improve customer experience, employee experience, and the overall efficiency and effectiveness of agency services. The division offers resources and expertise in business intelligence and analytics, research, reporting, and data governance and integrity.

**Research and Analytics 2021 Budget**

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	0	0	519,886	519,886	n/a
Benefits	0	0	221,171	221,171	n/a
<b>Subtotal: Employee Expense</b>	<b>0</b>	<b>0</b>	<b>741,057</b>	<b>741,057</b>	<b>n/a</b>
Services	0	0	220,400	220,400	n/a
<b>Total Operating Expense</b>	<b>-</b>	<b>-</b>	<b>961,457</b>	<b>961,457</b>	<b>n/a</b>

The Research and Analytics Division was created as part of a 2020 departmental reorganization. The division was repositioned from the Data Program in the Planning Division of the Planning and Development Department to provide an agencywide scope. Six positions were moved from the Planning Division to the Research and Analytics Division.

Personnel expense constitutes 77 percent of the 2021 budget. Services makes up 23 percent of the budget and will be used for research and survey efforts to assess customer needs and customer experience which will ultimately be used for improvement and planning of Community Transit services in the near and distant future.



(PHOTO TAKEN PRIOR TO COVID-19 PANDEMIC)

### ***Research and Analytics 2021 Priorities***

- Conduct a fixed route on-board survey to support the Title VI requirements and to understand customer transit experience, trip characteristics, rider characteristics, and rider priorities. This survey will also measure customer reactions to the September 2021 service changes resulting from the opening of the Northgate Link extension by Sound Transit. This information will be used to plan for further restructuring of Community Transit’s network in 2024 when Sound Transit opens the Lynnwood Link extension.
- Conduct three customer experience surveys to understand Community Transit’s customers (including non-riders), their needs, and their barriers to using Community Transit services. These surveys will also focus on the evolving needs of Community Transit customers specific to the COVID-19 pandemic.
- Develop tools to monitor performance and drive improvements.
- Provide analysis to support Federal Transit Administration grant requirements.
- Provide recurring reporting to support contractual obligations with Sound Transit and First Transit.

## ***Transit Integration Division***

The Transit Integration Division is responsible for cultivating and maintaining productive relationships with Sound Transit, Washington State Department of Transportation (WSDOT), Everett Transit, King County Metro, Snohomish County, various local jurisdictional partners, and transit-oriented developers. The division works with the aforementioned agencies to ensure consideration and incorporation of Community Transit priorities and operations in their projects, and to minimize disruption to the traveling public. Division staff represent the agency at all stages of regional capital projects, from initial planning to project closeout. For regional transportation projects, the division identifies opportunities for internal collaboration and provides leadership in managing these agency efforts.

### ***Transit Integration 2021 Budget***

<b><i>Expense Type</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
Salaries & Wages	0	0	219,242	219,242	n/a
Benefits	0	0	82,943	82,943	n/a
<b><i>Subtotal: Employee Expense</i></b>	<b><i>0</i></b>	<b><i>0</i></b>	<b><i>302,185</i></b>	<b><i>302,185</i></b>	<b><i>n/a</i></b>
Services	0	0	175,450	175,450	n/a
<b><i>Total Operating Expense</i></b>	<b><i>-</i></b>	<b><i>-</i></b>	<b><i>477,635</i></b>	<b><i>477,635</i></b>	<b><i>n/a</i></b>

The Transit Integration Division was created as part of a 2020 departmental reorganization. Two employees from other divisions were moved into this new division. The 2021 budget does not add any additional positions. Employee expense comprises 63 percent of this budget.

The services element of this budget (37 percent of the budget) consists of two contracts to provide engineering, construction coordination and design review support to Community Transit to ensure continued operations with minimal customer impact during Lynnwood Link Extension construction. Division staff has also negotiated and developed a task order with Sound Transit for revenue to offset these expenses.

### ***Transit Integration 2021 Priorities***

- Coordinate with regional and local jurisdictional partners to develop, advocate, and negotiate Community Transit’s interests in complex operating and capital transportation projects.
- Ensure Community Transit’s operations are minimally impacted during construction of the Lynnwood Link light rail extension and negotiate appropriate mitigation measures.

- Work with WSDOT staff to ensure Community Transit’s current and future operations are considered within their projects, with a primary focus on the redevelopment of Canyon Park Park & Ride.
- Manage and facilitate ongoing coordination with Sound Transit bus rapid transit staff to ensure Community Transit local service is effectively integrated within their project.
- Collaborate with external partners to successfully launch Northgate Link extension.
- Organize, plan, and manage activities of internal working groups related to regional transportation projects, as applicable.

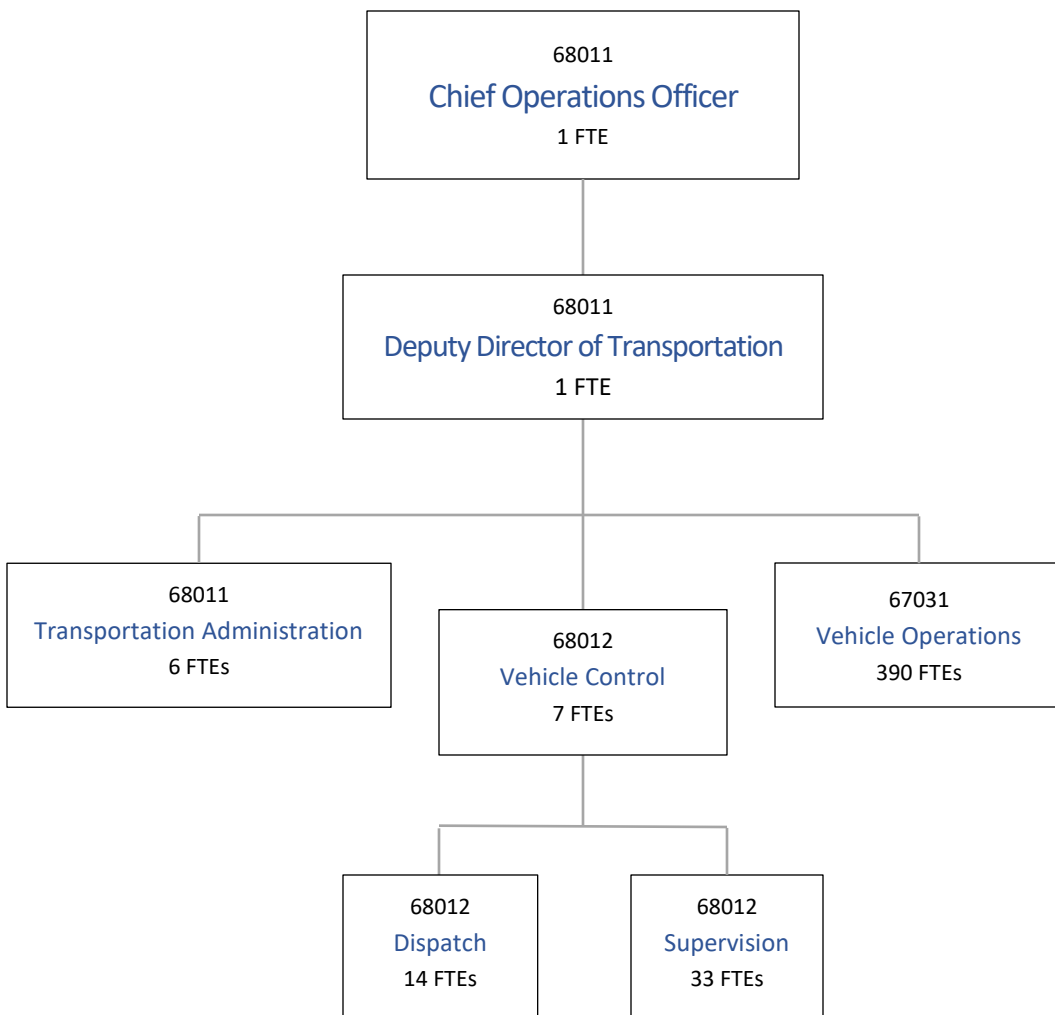


## Transportation Department

### Chart of Organizational Hierarchy and Budget Center Responsibility

3 Budget Centers

452 FTEs



## ***Transportation Department***

The Transportation Department manages and supervises all Community Transit directly operated bus services. The department includes Transportation Administration and Transportation Operations. Transportation Administration provides administrative support to the department, while Transportation Operations provides direct services. Transportation Operations is subdivided into Vehicle Control and Vehicle Operations. Vehicle Control staff manage, schedule, and dispatch all operations service, while Vehicle Operations consists of the coach operators who provide the service.

### ***Major Department Accomplishments for 2020***

- Focusing on employee/passenger safety and health while providing essential services to the public during a global pandemic.
  - Created separate COVID-19 handbook for returning operators to be up-to-date on changing policies.
  - Staffed a health check-in station to enter the building.
  - Developed procedures for limited staff on base, utilizing open areas throughout the building and personal vehicles for employees waiting to begin work.
  - Supplied masks and other personal protection equipment to all employees.
  - Monitored operator and passenger mask usage and needs in the field.
  - Created centralized location in hallway for all COVID-19 related communication.
  - Implemented new alert screens, boards, and sign-in terminal readers to provide multiple locations for operators to sign in for work and get the required alerts while maintaining social distancing.
  - Modified coach operator bid process to allow social distancing while conducting a three-day bid for 355 operators.
  - Conducted mask, face shield, and barrier studies and surveys to assist with process decisions for fare reinstatement.
- Successfully right-sized the department to meet the staffing needs of reduced service without issuing any involuntary separations.
  - Implemented a volunteer furlough program until service increases in September 2020.
  - Provided incentives for voluntary retirements and separations from employees in lieu of issuing involuntary separations.
- Welcomed Director of Transportation Steve Kim to a new position as Chief Operations Officer. The position oversees Transportation and Maintenance as the departments



continue transforming with a focus on safety and service to better meet the needs of the employees and public.

- Continued improvement by utilizing and refining departmental key performance indicators to guide management decisions towards operational excellence:
  - Achieving a monthly average of 58 percent of the nine indicators showing improvement when compared to the prior 12 months.
    - Accidents/100,000 Platform Miles (Safety)
    - Passenger Events/100,000 Revenue Miles (Safety)
    - Hazardous Driving Events (Safety)
    - Employee Injuries/100 FT Workers (Safety)
    - Completed Trips (Service)
    - Customer Comments/10,000 Boardings (Service)
    - Services Operated On-Time for Arrival (Service)
    - Staffing (Service)
    - Overtime Hours (Service)
- Welcomed 15 coach operator graduates to the department.
- Promoted five coach operators to dispatcher: Ryan Martin, Sarah Logsdon, Alexander Askew, Bob Akey, and Stewart Wegner.
- Promoted six employees to supervisor: Ramandeep Sandhu, Nichole Holton, Michael Bolzell, William Bolzell, Geoffrey Smith, and Dana McCormick.
- Celebrated department awards:
  - Excellence Award recipients: Coach Operator Tiffany Underwood (Teamwork and Integrity), Transportation Supervisor Trent Botham (Initiative and Mutual Respect), Transportation Manager of Operations Jim Williams (Initiative and Teamwork).
  - Four 1 Million Mile Operators: Jack Bartlett, David Eddy, Neil MacKay, and Brett Carlson.
  - One 2 Million Mile Operator: Mark Ehlert.
- Continued improvements to automate departmental data reporting analysis.
- Conducted process improvements for Rider Alert postings, Video Management, Accident Judgments, and Customer Service Alerts to improve efficiencies.
  - Implemented passenger information control system (PICS) alerts, reducing the duplication and time for dispatchers to notify Customer Service, and passengers, of any service impacts.
  - Reviewed current processes for areas of improvement to reduce time from knowledge of event to posting and/or notification.





- Implemented a departmental employee suggestion program to provide an avenue for employees to ask questions, submit ideas, and document concerns.
- Began implementation of the Trapeze OPS WEB Bidding module which will automate many manual processes for shift bids, enabling employees to select their preference from their Trapeze employee profile. This software tool will reduce the time spent conducting and entering bids and aid in the safety of employees during the pandemic by reducing the number of participants in a room at one time.
- Used light detection and ranging technology (LiDAR) sensors for monitoring safe driving in the field. By examining data using time of travel between points through APTS, supervisors are deployed to monitor areas and provide coaching when applicable.

## **Department Priorities for 2021**

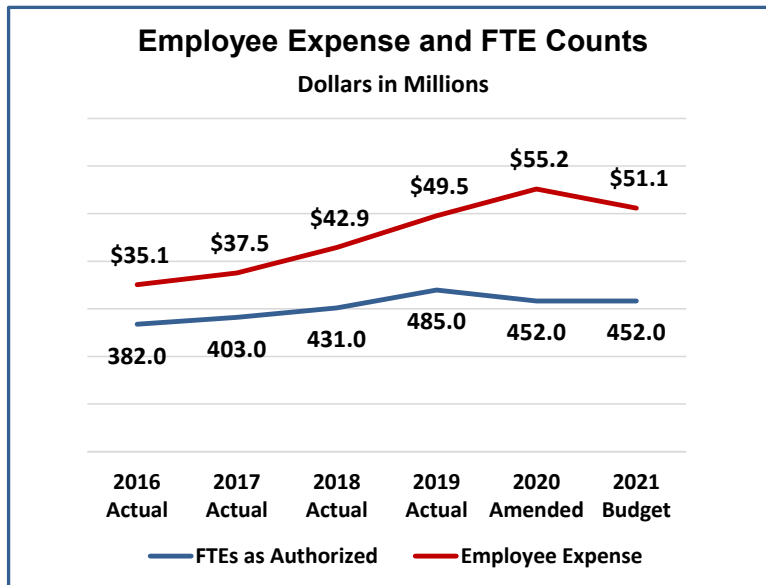
- Coordinate with Transit Technology to implement DriveCam for monitoring driving behaviors and analyzing the data to proactively manage safety and service.
- Redefine the roles of the department to align with the strategic goals.
- Continue to focus on reducing unscheduled overtime and determining the root causes by looking at how the work is scheduled for on-time performance and addressing employee absenteeism.
- Continue to focus on employee needs, safety, and health as the agency navigates the ongoing pandemic.
- Enhance safety programs for driver training and education.
- Increase employee engagement and employee involvement in programs.
- Work closely with Capital Planning to ensure the new facilities meet the needs of the department.

## **Transportation Department 2021 Budget**

Community Transit’s mission is to help people get from where they are to where they want to be. The Transportation Department supports this mission by delivering reliable, safe, courteous service to Community Transit customers. The Transportation Department budget reflects the resources needed to support the 2020 service plan, which includes upcoming service expansions, service reliability and customer experience.

<b>Expense Type</b>	<b>2019 Actuals</b>	<b>2020 Amended Budget</b>	<b>2021 Budget</b>	<b>2021 Budget Over/Under 2020 Budget</b>	<b>% 2021 Budget Over/Under 2020 Budget</b>
Salaries & Wages	34,125,970	37,227,445	35,113,817	(2,113,628)	-6%
Benefits	15,417,080	17,926,465	16,022,632	(1,903,833)	-11%
<b>Subtotal: Employee Expense</b>	<b>49,543,050</b>	<b>55,153,910</b>	<b>51,136,449</b>	<b>(4,017,461)</b>	<b>-7%</b>
Services	86,158	61,440	39,435	(22,005)	-36%
Supplies	11,485	16,250	19,350	3,100	19%
<b>Total Operating Expense</b>	<b>49,640,693</b>	<b>55,231,600</b>	<b>51,195,234</b>	<b>(4,036,366)</b>	<b>-7%</b>

## Salaries, Wages, and Benefits

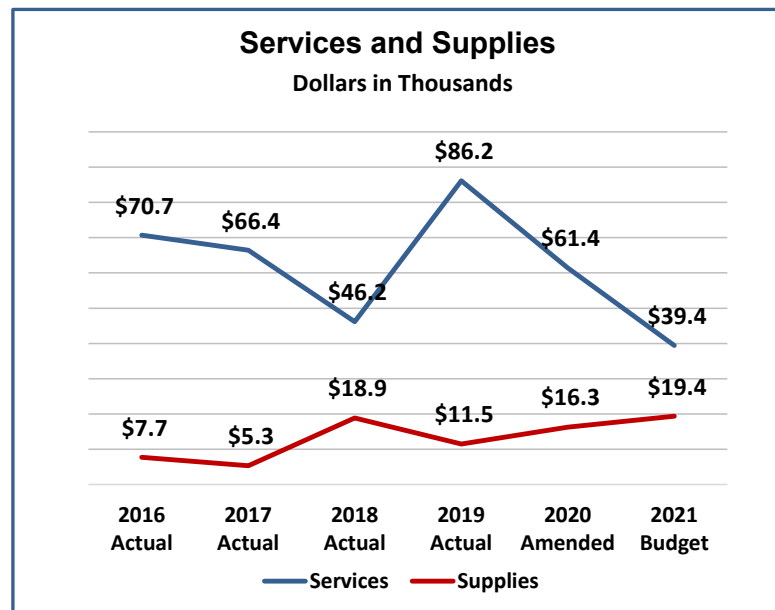


Salaries, wages, and benefits are the primary cost driver in the Transportation budget, comprising 99.9 percent of the department budget. Transportation Department total staffing was authorized at 497 FTEs in the original 2020 budget. Due to service reductions related to COVID-19, the agency needed to reduce 45 FTEs within the Transportation Department, leaving a total of 452 FTEs. The FTE count for 2021 remains the same at 452. Depending on how

and when the agency is able to restore service in 2021, the agency may also be able to restore some of the FTEs that were eliminated due to the pandemic.

## Services

Services amount to 0.1 percent of the total Transportation budget and includes expenses such as accident, safety, and rider alert supplies; printing for various forms, shakeup paperwork, and standard operating procedure manuals; and travel to one industry conference. During the budget review process, the agency made a preliminary commitment to continuing participation in the state and national coach operator Roadeos, should they be held in 2021. The Roadeos are skills tests for coach operators and mechanics. Community Transit boasts one national Roadeo champion among its coach operator employees.



## Supplies

Supplies represent only 0.04 percent of the entire Transportation budget and reflect supply items needed for a specific year. The 2021 budget represents a 19 percent increase in supply expense due to the demand for safety supplies needed to cope with the COVID19 pandemic.

All services and supplies for the department are budgeted in the Transportation Administration budget center.

### **Transportation Department Budget Center Summary**

This summary compares each budget center's 2021 budget to its 2020 amended budget.

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
68011	Transportation Administration	999,921	995,877	1,193,383	197,506	20%
68012	Vehicle Control	7,290,417	7,581,634	7,584,813	3,179	0%
68031	Vehicle Operations	41,350,355	46,654,089	42,417,038	(4,237,051)	-9%
<b>Total Operating Expense</b>		<b>49,640,693</b>	<b>55,231,600</b>	<b>51,195,234</b>	<b>(4,036,366)</b>	<b>-7%</b>

### **Transportation Administration Division**

The Transportation Administration Division provides operational support to several work teams, both within the Transportation Department and for other departments. The team develops and implements department policies, procedures, and training manuals; provides support services for coach operators, supervisors, dispatchers, and operations management; manages the department's contracts and projects; provides reporting and statistical analysis of daily operations; and participates in labor contract negotiations.

### **Transportation Administration 2021 Budget**

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
Salaries & Wages	648,897	641,950	810,733	168,783	26%
Benefits	253,736	276,237	323,865	47,628	17%
<b>Subtotal: Employee Expense</b>	<b>902,633</b>	<b>918,187</b>	<b>1,134,598</b>	<b>216,411</b>	<b>24%</b>
Services	85,803	61,440	39,435	(22,005)	-36%
Supplies	11,485	16,250	19,350	3,100	19%
<b>Total Operating Expense</b>	<b>999,921</b>	<b>995,877</b>	<b>1,193,383</b>	<b>197,506</b>	<b>20%</b>

Personnel expense accounts for 95 percent of this budget. Based on the needs and growing complexity of the agency, the CEO restored an executive position—Chief Operations Officer—that had been eliminated during the Great Recession. Steve Kim, who was formerly the Director of Transportation, was promoted into the new position which is budgeted in Transportation Administration, but which has oversight over both Transportation and Maintenance Departments. The increase in this budget is the net effect of adding one FTE and reclassifying two other positions in this budget center.

### ***Transportation Administration 2021 Priorities***

- Continue reporting improvements to automate data collection and increase efficiency of performance analysis.
- Provide project oversight and management of Transportation tasks and process development/documentation.
- Implement negotiated ATU and IAM contracts in coordination with Labor Relations.

## ***Transportation Operations***

### ***Vehicle Control***

Vehicle Control Division staff are responsible for operations management; the efficient scheduling and dispatching of operations service; the monitoring and enforcement of policies and procedures; and the resolution of service problems and emergencies. This division is also responsible for obtaining video recordings from coaches as requested.

### ***Vehicle Operations***

The Vehicle Operations Division is composed of coach operators. Coach operators are responsible for delivering reliable, safe, courteous service to Community Transit customers by following published routes and schedules. They are the core of the department’s daily operations.

### ***Transportation Operations 2021 Budget***

<b><i>Budget Center ID</i></b>	<b><i>Description</i></b>	<b><i>2019 Actuals</i></b>	<b><i>2020 Amended Budget</i></b>	<b><i>2021 Budget</i></b>	<b><i>2021 Budget Over/Under 2020 Budget</i></b>	<b><i>% 2021 Budget Over/Under 2020 Budget</i></b>
68012	Vehicle Control	7,290,417	7,581,634	7,584,813	3,179	0%
68031	Vehicle Operations	41,350,354	46,654,089	42,417,038	(4,237,051)	-9%
<b><i>Total Operating Expense</i></b>		<b><i>48,640,771</i></b>	<b><i>54,235,723</i></b>	<b><i>50,001,851</i></b>	<b><i>(4,233,872)</i></b>	<b><i>-8%</i></b>

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Amended Budget</i>	<i>2021 Budget</i>	<i>2021 Budget Over/Under 2020 Budget</i>	<i>% 2021 Budget Over/Under 2020 Budget</i>
Salaries & Wages	33,477,073	36,585,495	34,303,084	(2,282,411)	-6%
Benefits	15,163,343	17,650,228	15,698,767	(1,951,461)	-11%
<b>Subtotal: Employee Expense</b>	<b>48,640,416</b>	<b>54,235,723</b>	<b>50,001,851</b>	<b>(4,233,872)</b>	<b>-8%</b>
Services	355	0	0	0	n/a
<b>Total Operating Expense</b>	<b>48,640,771</b>	<b>54,235,723</b>	<b>50,001,851</b>	<b>(4,233,872)</b>	<b>-8%</b>

As in prior years, the Vehicle Control 2021 budget includes only direct employee expenses. The 2021 budget does not add or eliminate any FTEs in this budget center and consists of 54 FTEs— 2 managers, 5 assistant managers, 14 dispatchers, and 33 supervisors. At the time the budget was prepared three of the managerial positions were vacant or frozen. The Vehicle Operations budget consists entirely of wages and benefits expense for 390 coach operator FTEs. Due to the pandemic, the staffing complement was reduced by 38 full-time and 8 part-time FTEs.

### ***Transportation Operations 2021 Priorities***

- Achieve adequate coach operator staffing levels to ensure the successful delivery of service.
- Monitor key performance indicators and provide opportunities for improvement.
- Engage with customers and employees to enhance the Community Transit experience.





## Agency Profile

Community Transit, a special purpose municipal corporation providing public transportation services, began operations on October 4, 1976. The agency's original service area consisted of Edmonds, Lynnwood, Marysville, Mountlake Terrace, Brier, Snohomish, and Woodway. The following table shows when residents of other Snohomish County communities approved annexation into Community Transit's service area.

<u>Year</u>	<u>Communities Added to Community Transit's Service Area</u>
1977	Lake Stevens and Monroe
1979	Granite Falls, Mukilteo, Stanwood, and Sultan
1980	Arlington
1981	Goldbar, Index, and Startup
1982	Oso and Darrington
1983	Mill Creek
1992	Snohomish County portion of Bothell
1997	Silver Firs and the Tulalip Indian Reservation

Today, Community Transit's boundaries encompass a land area of 1,309 square miles, including most of urbanized Snohomish County, except for the city of Everett. On the south, Community Transit borders King County, which includes the cities of Seattle and Bellevue. Community Transit serves about 600,000 residents, about 73 percent of Snohomish County's population. The remainder of the county's population resides in the city of Everett and in less populated areas in north and east Snohomish County. Snohomish County is one of the fastest growing counties in the nation.

Although the city of Everett is not part of Community Transit's service area and taxing authority, Community Transit provides *Swift* Blue Line bus rapid transit service to Everett Station and receives payment from the City of Everett for this service.

### ***Governing Body***

Community Transit is governed by a Board of Directors consisting of nine voting members from within the PTBA and one nonvoting member. Voting board members are elected officials appointed by their respective jurisdictions and elected to two-year terms by representatives from similarly sized cities. Voting board members include:

- Two members and their alternate from the governing body of the county.
- Two members and an alternate from cities with populations of more than 35,000.



- Three members and two alternates from cities with populations between 15,000 and 35,000.
- Two members and an alternate from cities with populations less than 15,000.

The nonvoting board member is a labor representative selected as specified in the Revised Code of Washington (RCW) 36.57A.050 by the bargaining units who represent approximately 75 percent of Community Transit's workforce.

The Chair, Vice-Chair, and Secretary are elected from among the voting Board members. During 2019, Mayor Dave Earling from the City of Edmonds served as Board Chair, Council Member Terry Ryan from Snohomish County served as Board Vice-Chair, and Mayor Jon Nehring from the City of Marysville served as Board Secretary.

Community Transit's Chief Executive Officer (CEO), Emmett Heath, is responsible for overall administration of the agency as directed through policy guidance issued from the Board of Directors. In addition to the CEO, the agency's principal officers in 2019 were the Director of Administration (Geri Beardsley), Director of Communications and Public Affairs (Mary Beth Lowell), Director of Customer Experience (Molly Marsicek), Director of Planning and Development (Roland Behee), Director of Maintenance (Dave Richards), Director of Transportation (Steve Kim), and Chief Technology Officer (Tim Chrobuck).

### ***Community Transit's Services***

Community Transit's local, commuter, paratransit, and vanpool services provide customers with a variety of options to meet their transportation needs. Local fixed-route service provides all-day coverage which links most communities in Snohomish County. The agency provides commuter service within Snohomish County and to major destinations in King County. The Everett Boeing facility is the primary destination for Snohomish County commuter routes, while commuter routes to King County serve the Seattle central business district and the University of Washington. Both local and commuter services allow riders to connect with services provided by King County Metro, Sound Transit, Everett Transit, Skagit Transit, Amtrak, and the Washington State Ferry System.

Community Transit's DART paratransit program serves those customers unable to use fixed-route service. Vanpool and ride-matching services enable commuter groups to use vanpools and carpools to travel to and from Snohomish and King County destinations that are less accessible by local or commuter bus routes. Community Transit also provides information and technical support to employers affected by the state's commute trip reduction legislation.

Sound Transit contracts with Community Transit to operate its Snohomish County Express bus service. In the Statistics and Demographics section, if Sound Transit data is reported, it has been broken out separately. Community Transit contracts with Transdev North America to operate

all paratransit services. Community Transit also contracts with First Transit to operate most of its commuter bus service, including Sound Transit's Snohomish County Express bus service.

Much of the data provided in the following sections covers the year ending December 31, 2019, which, at the time this document was drafted, was the last complete year of actual service and fiscal results.

## ***Ridership***

As reported in the Federal Transit Administration's (FTA) National Transit Database Report, Community Transit provided 11.1 million passenger trips in 2019 on bus, DART paratransit, and vanpool services. Overall ridership increased by 4.2 percent as compared to 2018. Bus boardings increased from 9.6 to 10.1 million, accounting for most of the increase in ridership. Vanpool and DART boardings both decreased by 5 percent as compared to the prior year. Vanpool decreased by about 46,000 boardings while DART decreased by about 9,400 boardings.

Community Transit's 2019 bus ridership increased by 5.2 percent, or 501,000 boardings in 2019 as compared to 2018. Weekday ridership averaged 35,500 boardings (a 6.2 percent increase). Saturday ridership averaged 12,700 boardings (an increase of 7.2 percent), and Sunday ridership averaged 8,700 boardings (an increase of 12.2 percent). Increases in weekend ridership may be related to implementation of the *Swift* Green Line which went into service in March 2019. The *Swift* Green Line added east/west service between the Boeing plant in Everett and Canyon Park in Bothell.

The statistical section of this report contains additional detailed operating information including ridership, service hours, and fares.

## Agency Summary

### General Information

Date of Incorporation	1976
Form of Government	Public Transportation Benefit Area Corporation (PTBA)
Began Operation	October 4, 1976
Number of Board of Directors	10—nine voting and one nonvoting
Type of Tax Support	Local sales tax 1.2 percent
County in Which PTBA Operates	Snohomish County
Population - County	816,720
Population of PTBA	598,002
Park-and-Ride Lots	19

### Employees

Operations	535
Maintenance	122
General and Administrative	174
<b>Total</b>	<b>831</b>

### Active Revenue Vehicles

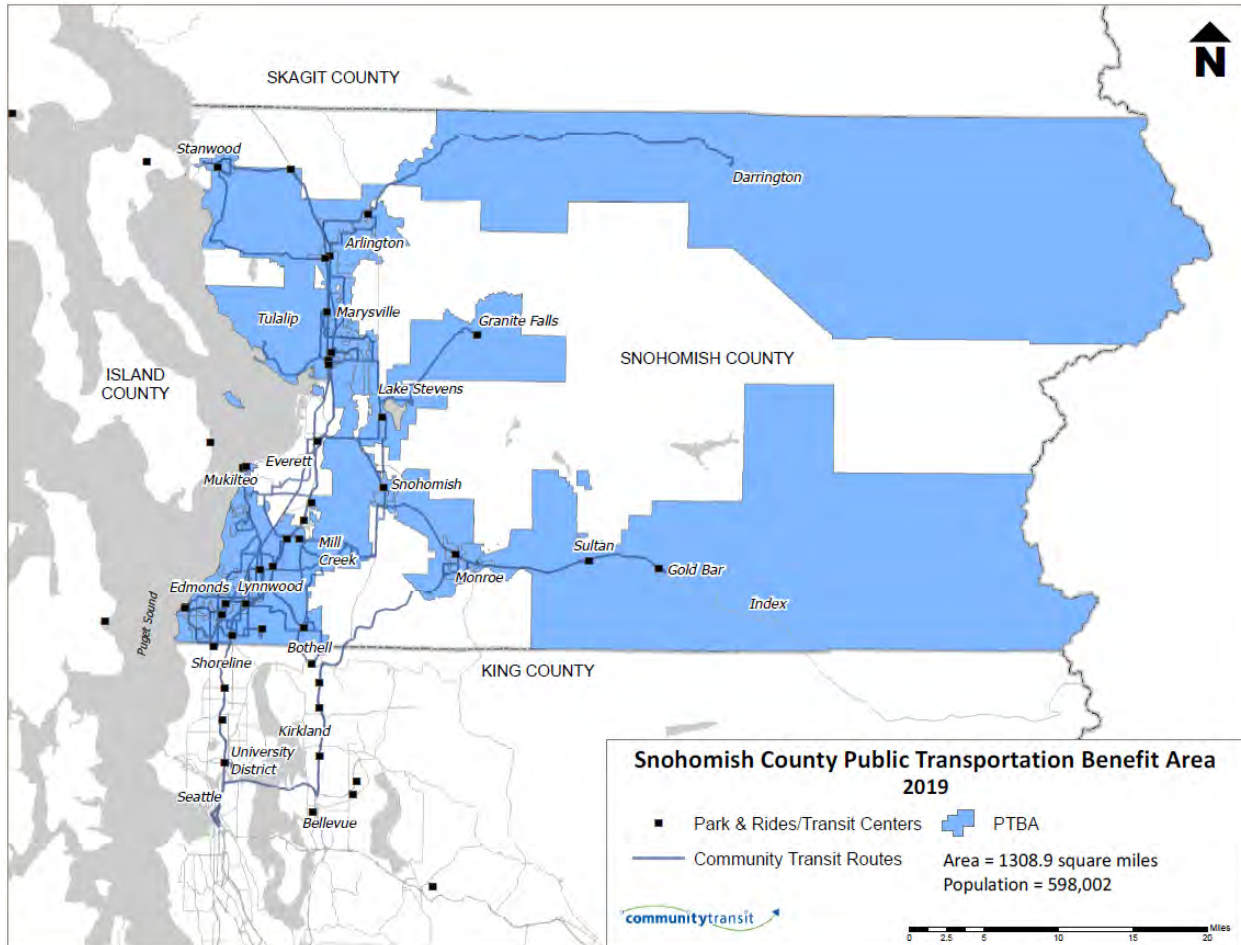
Directly Operated	127
Commuter Service	91
Vanpool Vans	477
Contract Commuter	85
DART/Paratransit	51
<b>Total</b>	<b>831</b>

### Number of Scheduled Routes

<i>Swift</i> Bus Rapid Transit Routes	2
Local Snohomish County Routes	23
Boeing Commuter Routes	3
University of Washington Routes	6
Intercounty Commuter Routes	13
<b>Total</b>	<b>47</b>

\*Information is as of 12/31/2019, which was the last completed fiscal year as of the drafting of this document.

# Snohomish County Public Transportation Benefit Area Map



\*Information is as of 12/31/2019, from Community Transit's 2019 Comprehensive Annual Financial Report.

# Economic Conditions and Future Outlook

## Local Economy—Snohomish County<sup>1</sup>

Snohomish County is the third most populous county in the state, with an estimated population of 819,000 in 2019. Over the past ten years, the county’s population has grown an average of 1.8 percent per year.

Snohomish County is home to over 20,500 businesses, ranging from small family farms to the world’s largest advanced manufacturing facility producing state-of-the-art aerospace equipment. The county boasts a labor force of over 400,000 workers, and the median household income is \$87,440.

West central Snohomish County is the manufacturing center of Washington State with 20 percent of the county’s workforce engaged in manufacturing jobs. The aerospace industry accounts for about 37,000 jobs in the county. South Snohomish County includes a cluster of medical device, research and biopharmaceutical companies. Boeing, Providence Regional Medical Center, Edmonds School District, the Tulalip Tribes Enterprises, and Washington State government are the top five employers in the county.

Community Transit’s primary operating revenue source is retail sales tax, which is driven by personal income, consumer confidence, local business purchases, and construction projects. With the onset of the COVID-19 pandemic at the beginning of 2020, sales tax receipts have been below expectation and have decreased compared to receipts from prior years. While May 2020 showed an increase in sales tax revenues, the revenues received were still less than those received in May of 2019. Community Transit continues to monitor and evaluate the economic situation in Snohomish County.

### Economic Outlook—Regional and Statewide Factors

The Washington State Economic and Revenue Forecast Council measures changes in the state’s economy. The following table provides a summary of key statewide economic indicators from the Council’s recently released June 2020 forecast which considers the effect of the COVID-19 pandemic.

<b>Washington State Economic Indicators</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Unemployment	4.4%	6.7%	8.8%	6.2%	5.3%	5.2%
Percent Change in Real Per Capita Income	3.4%	2.6%	0.2%	0.4%	1.2%	0.7%
Percent Change in Personal Income	4.8%	3.8%	1.3%	1.5%	2.3%	1.7%

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<sup>1</sup> This section contains data provided by the Economic Alliance of Snohomish County.

## **Statistics and Demographics**

### **Snohomish County Demographic and Economic Statistics Ten-Year Comparison**

<b>Year</b>	<b>County Population (1)</b>	<b>Household Income (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>Unemployment Rate (4)</b>
2010	711,100	\$ 62,034	\$ 42,391	9.8%
2011	717,000	62,687	43,281	8.6%
2012	722,900	64,033	45,796	7.5%
2013	730,500	64,391	46,733	6.7%
2014	741,000	68,637	44,967	4.6%
2015	757,600	75,292	47,713	5.0%
2016	772,860	77,985	49,511	3.9%
2017	789,400	80,579	52,405	4.0%
2018	805,120	85,758	55,888	3.6%
2019	822,083	88,118	Not Available	2.8%

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**Data Sources:**

- (1) Washington State Employment Security Department
- (2) Washington State Office of Financial Management
- (3) US Bureau of Economic Analysis
- (4) Washington State Employment Security Department

## Snohomish County Principal Employers Fiscal Years Ending December 31, 2019 and 2010

<i>Employer</i>	<i>2019 *</i>			<i>2010</i>		
	<i>Employees</i>	<i>Rank</i>	<i>Percent of Total County Employment</i>	<i>Employees</i>	<i>Rank</i>	<i>Percent of Total County Employment</i>
Boeing	35,000	1	11.96%	33,000	1	9.63%
Providence Regional Med. Ctr.	4,906	2	1.68%	3,360	3	0.98%
Edmonds School District	3,616	3	1.24%	-	-	n/a
Tulalip Tribes Enterprises	3,500	4	1.20%	3,150	5	0.92%
Washington State Government	3,000	5	1.03%	2,400	7	0.70%
Everett Naval Station	2,900	6	0.99%	6,000	2	1.75%
The Everett Clinic	2,871	7	0.98%	1,700	8	0.50%
Snohomish County Government	2,759	8	0.94%	2,700	6	0.79%
Everett School District	2,443	9	0.83%	1,600	10	0.47%
Premera Blue Cross	2,200	10	0.75%	3,200	4	0.93%
Phillips Medical Systems	-	-	n/a	1,700	9	0.50%
Verizon	-	-	n/a	-	-	n/a
<b>Total, Principal Employers</b>	<b>63,195</b>			<b>58,810</b>		
<b>Total County Employment</b>	<b>292,600</b>			<b>342,600</b>		
<b>Percentage of Principal Employers to Total County Employment</b>	<b>21.60%</b>			<b>17.17%</b>		

\* - 2019 data not available due to COVID-19. Thus, 2018 data was used for 2019.

Data Source: Snohomish County Economic Alliance



## ***Snohomish County Population Demographic Statistics Ten-Year Comparison***

<b>Year</b>	<b>County Population</b>	<b>PTBA Population</b>	<b>Age Distribution for Snohomish County</b>		
			<b>0-19</b>	<b>20-64</b>	<b>65+</b>
2010	711,100	516,099	28.0%	61.9%	10.1%
2011	717,000	524,954	26.8%	62.7%	10.5%
2012	722,900	528,849	26.0%	62.9%	11.1%
2013	730,500	533,746	25.7%	62.7%	11.6%
2014	741,000	542,727	25.3%	62.6%	12.1%
2015	757,600	555,637	25.0%	62.4%	12.6%
2016	772,860	565,244	24.9%	61.9%	13.2%
2017	789,400	576,493	24.8%	61.5%	13.7%
2018	805,120	587,366	25.0%	61.6%	13.4%
2019	822,083	598,002	25.0%	61.6%	13.4%

Note: 2019 age distribution data was not available due to COVID19. Thus, 2018 data was used for 2019.

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### Data Sources:

U.S. Census Bureau

County population by age and gender: <https://www.economicalliancesc.org/>

## Service and Operating Information

### Service Statistical Data: Ten-Year Comparison

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Directly Operated Service</b>										
Average Weekly Ridership	141,105	133,676	124,481							
Passengers per Hour	16.50	17.10	19.94							
Fare Revenue per Passenger	\$ 1.33	\$ 1.38	\$ 1.50							
Cost per Passenger	\$ 9.09	\$ 9.38	\$ 9.19							
Cost per Mile	\$ 9.33	\$ 10.13	\$ 11.42							
Farebox Return	14.6%	14.7%	16.3%							
<b>Motor Bus Directly Operated</b>										
Average Weekly Ridership				102,143	112,920	117,368	121,575	123,343	126,618	134,599
Passengers per Hour				18.53	19.77	18.43	17.16	15.61	15.33	14.42
Fare Revenue per Passenger				\$ 1.41	\$ 1.28	\$ 1.27	\$ 1.26	\$ 1.27	\$ 1.26	\$ 1.28
Cost per Passenger				\$ 9.10	\$ 8.56	\$ 9.48	\$ 9.89	\$ 11.19	\$ 11.67	\$ 12.91
Cost per Mile				\$ 11.12	\$ 11.37	\$ 11.68	\$ 11.65	\$ 12.34	\$ 12.62	\$ 13.37
Farebox Return				15.4%	15.0%	13.4%	12.8%	11.3%	10.8%	9.9%
<b>Commuter Bus Directly Operated</b>										
Average Weekly Ridership				22,489	22,980	22,613	22,784	22,463	23,526	23,634
Passengers per Hour				34.03	30.10	29.38	28.02	26.30	26.30	26.05
Fare Revenue per Passenger				\$ 2.97	\$ 3.20	\$ 3.44	\$ 3.80	\$ 3.72	\$ 3.60	\$ 3.53
Cost per Passenger				\$ 9.76	\$ 10.83	\$ 11.82	\$ 11.79	\$ 11.50	\$ 12.30	\$ 13.01
Cost per Mile				\$ 15.65	\$ 16.53	\$ 17.62	\$ 17.19	\$ 16.08	\$ 17.35	\$ 18.23
Farebox Return				30.5%	29.5%	29.1%	32.2%	32.3%	29.3%	27.1%
<b>Contract Commuter Service</b>										
Average Weekly Ridership	31,586	30,899	28,951	28,838	31,269	31,851	32,373	33,111	34,052	35,591
Passengers per Hour	30.18	37.57	46.15	41.95	40.01	40.00	38.02	36.80	34.99	35.38
Fare Revenue per Passenger	\$ 4.04	\$ 3.74	\$ 3.36	\$ 3.54	\$ 3.26	\$ 3.45	\$ 3.70	\$ 3.61	\$ 3.57	\$ 3.42
Cost per Passenger	\$ 7.77	\$ 7.31	\$ 6.71	\$ 5.95	\$ 5.60	\$ 5.33	\$ 5.29	\$ 5.62	\$ 6.12	\$ 6.39
Cost per Mile	\$ 10.03	\$ 11.43	\$ 12.59	\$ 10.25	\$ 10.18	\$ 9.87	\$ 9.67	\$ 9.99	\$ 10.19	\$ 10.66
Farebox Return	52.0%	51.1%	50.0%	59.6%	58.3%	64.7%	69.9%	64.2%	58.3%	53.5%
<b>DART/Paratransit</b>										
Average Weekly Ridership	4,186	3,929	3,747	3,620	3,704	3,661	3,734	3,740	3,846	3,666
Passengers per Hour	2.20	2.31	2.28	2.27	2.28	2.24	2.35	2.39	2.29	2.24
Fare Revenue per Passenger	\$ 1.29	\$ 1.42	\$ 1.43	\$ 1.69	\$ 1.67	\$ 1.86	\$ 1.95	\$ 1.98	\$ 2.04	\$ 2.26
Cost per Passenger	\$ 39.16	\$ 41.33	\$ 37.60	\$ 38.48	\$ 39.22	\$ 38.93	\$ 39.49	\$ 42.15	\$ 44.16	\$ 47.08
Cost per Mile	\$ 4.79	\$ 5.28	\$ 4.62	\$ 4.64	\$ 4.83	\$ 4.73	\$ 4.99	\$ 5.41	\$ 5.48	\$ 5.68
Farebox Return	3.3%	3.4%	3.8%	4.4%	4.3%	4.8%	4.9%	4.7%	4.6%	4.8%
<b>Vanpool</b>										
Average Weekly Ridership	16,222	17,172	17,697	17,840	17,787	17,551	16,688	16,565	16,719	15,842
Passengers per Hour	10.32	5.76	6.13	6.25	6.26	6.37	6.13	6.13	6.02	5.54
Fare Revenue per Passenger	\$ 3.09	\$ 3.30	\$ 2.85	\$ 2.97	\$ 3.02	\$ 3.21	\$ 3.22	\$ 3.22	\$ 3.45	\$ 3.78
Cost per Passenger	\$ 4.38	\$ 4.44	\$ 4.17	\$ 4.27	\$ 4.65	\$ 4.39	\$ 4.93	\$ 5.09	\$ 5.20	\$ 5.32
Cost per Mile	\$ 0.79	\$ 0.82	\$ 0.78	\$ 0.82	\$ 0.89	\$ 0.85	\$ 0.93	\$ 0.96	\$ 0.98	\$ 0.93
Farebox Return	70.5%	74.4%	68.4%	69.4%	64.9%	73.2%	65.3%	63.2%	66.3%	71.0%

Data Source: FTA National Transit Database Report

**Notes:**

- Service hours are defined as active vehicle revenue hours per the FTA National Transit Database.
- Service miles are defined as active vehicle revenue miles per the FTA National Transit Database.
- Beginning in 2013, the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.
- Cost per passenger is not net of fare revenue.
- Cost per Passenger and Cost per Mile for 2017 are different than originally reported because the FTA changed how cloud software expense should be reported.

## ***Ridership: Ten-Year Comparison***

<b>Year</b>	<b><i>Directly Operated</i></b>	<b><i>Motor Bus Directly Operated</i></b>	<b><i>Commuter Bus Directly Operated</i></b>	<b><i>Contract Commuter</i></b>	<b><i>DART Paratransit</i></b>	<b><i>Vanpool</i></b>	<b><i>Total: Community Transit Service</i></b>	<b><i>Sound Transit</i></b>
2010	7,337,474	-	-	1,642,463	217,648	843,551	10,041,136	2,631,195
2011	6,951,171	-	-	1,606,732	204,291	892,936	9,655,130	3,136,037
2012	6,473,033	-	-	1,505,441	194,862	920,252	9,093,588	3,467,994
2013	-	5,311,451	1,169,446	1,499,566	188,222	927,660	9,096,345	3,226,043
2014	-	5,871,816	1,194,937	1,625,988	192,633	924,912	9,810,286	3,676,480
2015	-	6,103,118	1,175,876	1,656,233	190,366	912,637	10,038,230	3,646,063
2016	-	6,321,906	1,184,766	1,683,375	194,175	867,776	10,251,998	3,645,267
2017	-	6,413,837	1,168,082	1,721,767	194,471	861,372	10,359,529	3,648,400
2018	-	6,584,139	1,223,332	1,770,703	200,010	869,370	10,647,554	3,732,917
2019	-	6,999,159	1,228,991	1,850,710	190,637	823,759	11,093,256	3,781,076

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Data Source: FTA National Transit Database Report

Note:

- Beginning in 2013, the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.

## ***Service Hours: Ten-Year Comparison***

<b>Year</b>	<b><i>Directly Operated</i></b>	<b><i>Motor Bus Directly Operated</i></b>	<b><i>Commuter Bus Directly Operated</i></b>	<b><i>Contract Commuter</i></b>	<b><i>DART Paratransit</i></b>	<b><i>Vanpool</i></b>	<b><i>Total: Community Transit Service</i></b>	<b><i>Sound Transit</i></b>
2010	444,619	-	-	54,426	99,012	81,716	679,773	87,210
2011	406,586	-	-	42,766	88,623	155,119	693,094	90,976
2012	324,576	-	-	32,623	85,353	150,057	592,609	91,982
2013	-	286,645	34,365	35,745	82,832	148,411	587,998	89,822
2014	-	297,021	39,699	40,635	84,349	147,749	609,453	113,606
2015	-	331,147	40,022	41,403	85,057	143,209	640,838	114,896
2016	-	368,327	42,286	44,280	82,632	141,557	679,082	114,183
2017	-	410,763	44,419	46,789	81,264	140,624	723,859	115,418
2018	-	429,526	46,519	50,602	87,521	144,352	758,520	117,661
2019	-	485,337	47,182	52,315	84,937	148,683	818,454	123,556

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Data Source: FTA National Transit Database Report

**Notes:**

- Service hours are defined as active vehicle revenue hours per the FTA National Transit Database.
- Beginning in 2013, the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.



## ***Service Miles: Ten-Year Comparison***

<b>Year</b>	<b><i>Directly Operated</i></b>	<b><i>Motor Bus Directly Operated</i></b>	<b><i>Commuter Bus Directly Operated</i></b>	<b><i>Contract Commuter</i></b>	<b><i>DART Paratransit</i></b>	<b><i>Vanpool</i></b>	<b><i>Total: Community Transit Service</i></b>	<b><i>Sound Transit</i></b>
2010	7,153,098	-	-	1,272,040	1,778,032	4,664,437	14,867,607	2,347,355
2011	6,433,509	-	-	1,027,925	1,598,833	4,866,450	13,926,717	2,433,091
2012	5,212,202	-	-	802,860	1,587,283	4,906,497	12,508,842	2,444,935
2013	-	4,348,641	729,406	870,208	1,560,027	4,857,847	12,366,129	2,448,842
2014	-	4,422,817	783,031	893,801	1,565,104	4,817,228	12,481,981	2,512,980
2015	-	4,953,326	789,259	894,394	1,566,883	4,711,901	12,915,763	2,510,798
2016	-	5,368,515	812,772	921,961	1,537,407	4,586,434	13,227,089	2,524,196
2017	-	5,817,556	835,800	968,627	1,514,562	4,557,911	13,694,456	2,514,666
2018	-	6,089,771	867,711	1,062,808	1,612,142	4,595,894	14,228,326	2,530,802
2019	-	6,757,561	876,755	1,109,964	1,580,703	4,712,129	15,037,112	2,558,859

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Data Source: FTA National Transit Database Report

**Notes:**

- Service miles are defined as active vehicle revenue miles per the FTA National Transit Database.
- Beginning in 2013, the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.

## Fare Structure: Ten-Year Comparison

Year	Local Service			Commuter: South County			Commuter: North & East County			
	Regular	Youth	Senior/ Disabled	Regular	Youth	Senior/ Disabled	Regular	Youth	Senior/ Disabled	Paratransit Fares
Jan–May 2010	1.50	1.00	0.50	3.50	2.75	1.50	4.50	3.75	1.75	1.50
Jun–Dec 2010	1.75	1.25	0.75	3.50	2.75	1.50	4.50	3.75	1.75	1.75
2011	1.75	1.25	0.75	3.50	2.75	1.50	4.50	3.75	1.75	1.75
2012	1.75	1.25	0.75	3.50	2.75	1.50	4.50	3.75	1.75	1.75
Jan 2013	1.75	1.25	0.75	3.50	2.75	1.50	4.50	3.75	1.75	1.75
Feb–Dec 2013	2.00	1.50	1.00	4.00	3.00	2.00	5.25	4.00	2.50	2.00
2014	2.00	1.50	1.00	4.00	3.00	2.00	5.25	4.00	2.50	2.00
Jan–Jun 2015	2.00	1.50	1.00	4.00	3.00	2.00	5.25	4.00	2.50	2.00
July–Dec 2015	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25
2016	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25
2017	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25
Jan–Sep 2018	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25
2019	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25

Effective October 1, 2018, Community Transit eliminated zone-based fares in accordance with a regional fare policy initiative.

Year	Local Service			Commuter			DART
	Regular	Youth	Senior/ Disabled	Regular	Youth	Senior/ Disabled	Paratransit Fares
Oct–Dec 2018	2.50	1.75	1.25	4.25	3.00	2.00	2.50
2019	2.50	1.75	1.25	4.25	3.00	2.00	2.50

Effective July 1, 2019, Community Transit adopted a low income bus fare. It's only available with the ORCA LIFT card and to households that make no more than 200% of the Federal Poverty Level, as set by the Federal Department of Health and Human Services. All other fares remain the same.

Year	Local Service			Commuter			DART
	Regular	Youth	ORCA LIFT & Senior/ Disabled	Regular	Youth	ORCA LIFT & Senior/ Disabled	Paratransit Fares
Jul–Dec 2019	2.50	1.75	1.25	4.25	3.00	2.00	2.50

## **Capital Assets Active Revenue Vehicles: Ten-Year Comparison**

<b>Year</b>	<b>Directly Operated</b>	<b>Motor Bus Directly Operated</b>	<b>Commuter Bus Directly Operated</b>	<b>Contract Commuter</b>	<b>DART Paratransit</b>	<b>Vanpool</b>	<b>Total: Community Transit Service</b>
2010	178	-	-	88	53	396	715
2011	174	-	-	65	54	396	689
2012	159	-	-	65	54	395	673
2013	-	97	63	65	54	414	693
2014	-	99	63	65	54	412	693
2015	-	124	70	73	52	408	727
2016	-	121	69	73	52	432	747
2017	-	109	91	83	52	437	772
2018	-	111	91	84	52	469	807
2019	-	127	91	85	51	477	831

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Data Source: FTA National Transit Database Report

Note:

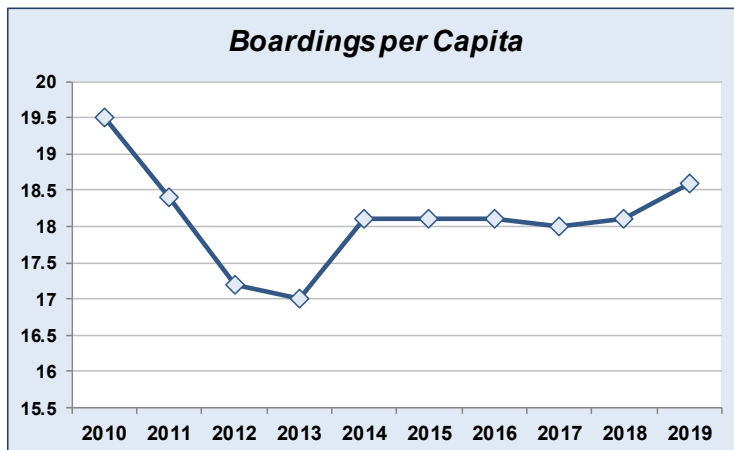
- Beginning in 2013, the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.



## Key Performance Indicators

In 2003, Community Transit developed a series of key performance indicators to measure the agency's performance. Key performance indicators provide a means of evaluating how effectively and efficiently the agency performs over time. The Board of Directors originally adopted nine performance indicators in two categories: Customer Satisfaction/Ridership Growth and Good Stewards of Public Funds. A tenth indicator, cost per rider, was added in 2011. The charts that follow show trends for each performance indicator based on data for ten years (or the number of years we have collected the data if less than ten). These charts exclude Sound Transit service, since Community Transit operates that service on a contract basis.

### Customer Satisfaction and Ridership Growth

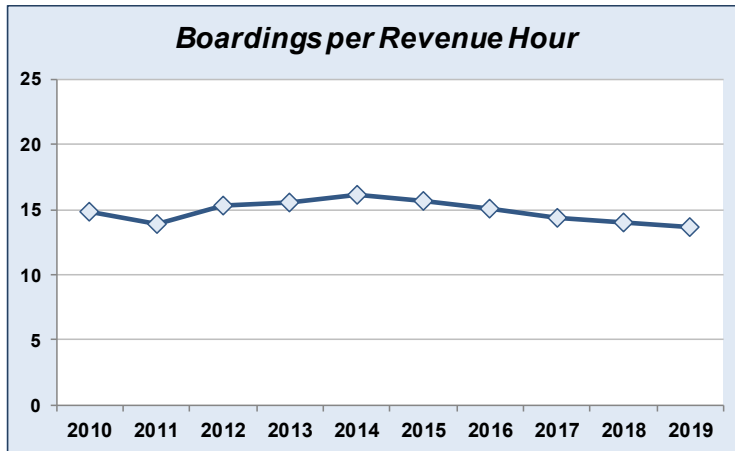


Measures how effectively Community Transit attracts increased ridership in proportion to the population.

### Boardings per Capita

Between 2018 and 2019, the population in Community Transit's taxing authority grew by about 1.7 percent, slightly less than the 2.0 percent population growth rate experienced from 2014 through 2018. Ridership, however, increased by 4.2 percent in 2019 as compared to 2018. From 2014 through 2018, the system boardings per capita rate remained stable at 18, suggesting that as population

grows, ridership follows. In 2019 the system boardings per capita rate increased by 2.8 percent from 18.1 in 2018 to 18.6 in 2019. Community Transit's second bus rapid transit line, the *Swift Green Line*, began operating in March 2019, and this new service may have contributed to the overall increase in ridership.

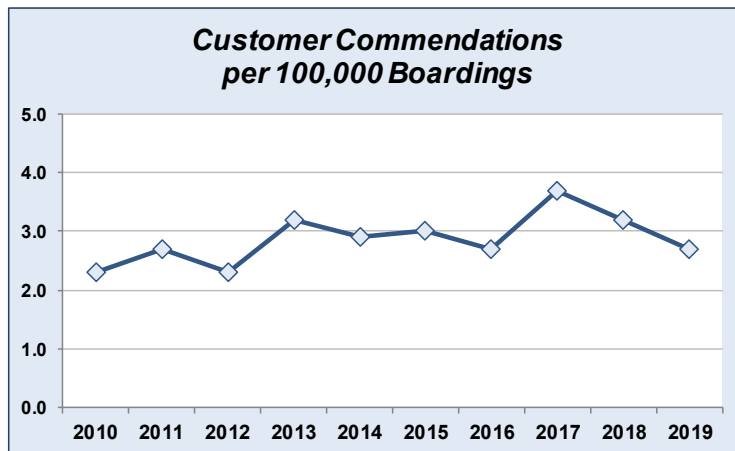


Measures use of the service Community Transit operates based on the number of passenger boardings per hour.

### Boardings per Revenue Hour

This performance indicator is a ratio of the number of passenger boardings across all modes (bus, commuter bus, demand response, and vanpool) divided by the number of revenue hours operated in all modes. In 2019, Community Transit operated 60,000 more revenue hours than in 2018, a net increase of 7.9 percent. Although the 7.9 percent increase reflects net changes in revenue hours across all

service modes, bus service alone accounted for 56,000 of the 60,000 revenue hours, amounting to a 13.0 percent increase in bus service revenue hours in 2019 as compared to 2018. Ridership did not increase as dramatically, so the trend line shows a downward dip. Overall ridership increased by 4.2 percent while ridership for bus service increased by 6.3 percent.

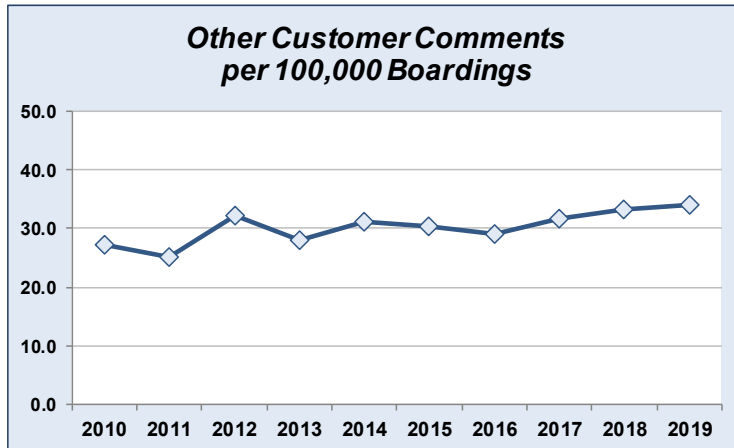


Considered one indicator of customer satisfaction with Community Transit services.

### Customer Commendations

In 2019 Community Transit received 2.7 commendations per 100,000 boardings, compared to 3.2 commendations per 100,000 boardings in 2018. Customer commendations fluctuate from year to year depending on factors such as service changes, inclement weather, and even the number of new bus drivers or new services. In 2019 Community Transit completed implementation of a software

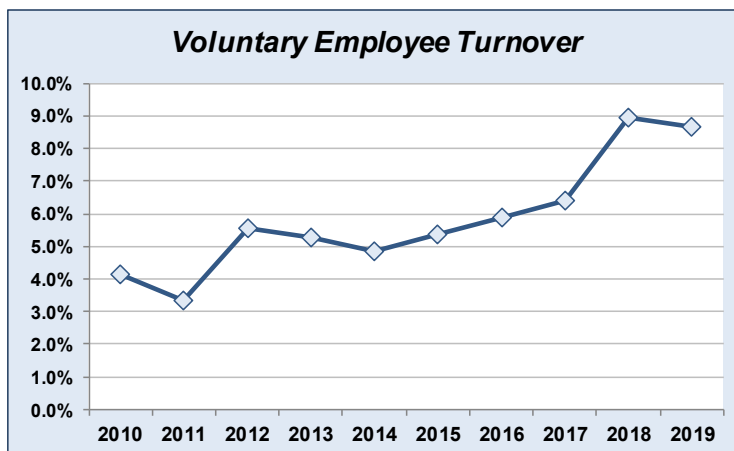
system to replace the former manual method of capturing customer comments. For both customer commendations and other customer comments (the next performance indicator), the numbers reported for 2019 are a combination of results from the old manual method and the new software system.



Considered an indicator of customer interest in, concern about, or satisfaction with Community Transit services.

### Other Customer Comments

This performance indicator includes requests for additional service, suggestions for changes in existing service, and customer complaints. In 2019, Community Transit received 34.0 other customer comments per 100,000 boardings as compared to 33.2 per 100,000 boardings in 2018.



The total number of voluntary resignations (including retirements) expressed as a percent of the total number of employees.

### Voluntary Employee Turnover

This performance indicator tracks the number of employees who voluntarily resign or retire from employment at Community Transit. These separations are influenced by factors such as family relocations, competition in the job market, career changes, job satisfaction, and retirements. Voluntary turnover totaled 72 employees in 2019 compared to 67 in 2018. Of that total, 14 were coach operator

trainees who chose not to complete the training program; 16 were coach operators with varying periods of employment, and 7 were coach operators who retired. Of the remaining 35 employees, 23 left to pursue other opportunities and 12 retired.

### Good Stewards of Public Funds

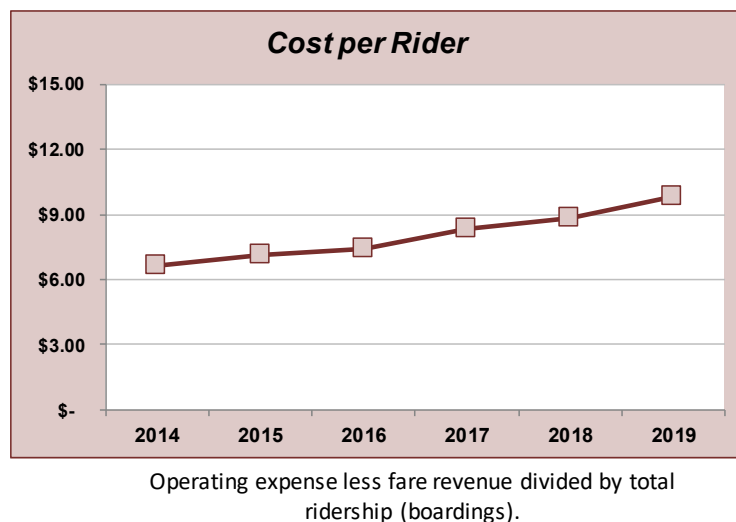
Cost performance indicators are influenced by factors such as changes in the number of revenue hours (service hours) the agency operates, changes in the cost of operating the services provided, and changes in fare revenue.

**Service Changes:** In 2019, Community Transit added 60,000 revenue hours<sup>1</sup> of service, continuing the trend of service expansion begun in 2014. The new service hours amounted to a 7.9 percent net increase in total Community Transit revenue hours. Adding service increases operating expense, often in advance of the actual service increase.

**Operating Expenses:** In 2019, operating costs for all service modes increased by 13.3 percent in support of a service increase of 60,000 hours. As was the case in prior years, the most significant contributor to the increase in operating costs was implementing additional service, specifically Community transit’s second bus rapid transit line, the *Swift Green Line* which began operations in March 2019.

**Fare Revenue:** Changes in the amount of fare revenue depend on multiple factors which may occur individually or at the same time: a change in the fare rates charged, a change in the number of riders, a change in the mix of riders by fare type, or a change in agency fare collection policy. Effective July 1, 2019, Community Transit adopted a low income bus fare. The low income fare is available with the regional ORCA LIFT card and to households that make no more than 200 percent of the federal poverty level as set by the US Department of Health and Human Services.

The charts that follow show how these factors affected Community Transit’s 2019 performance.



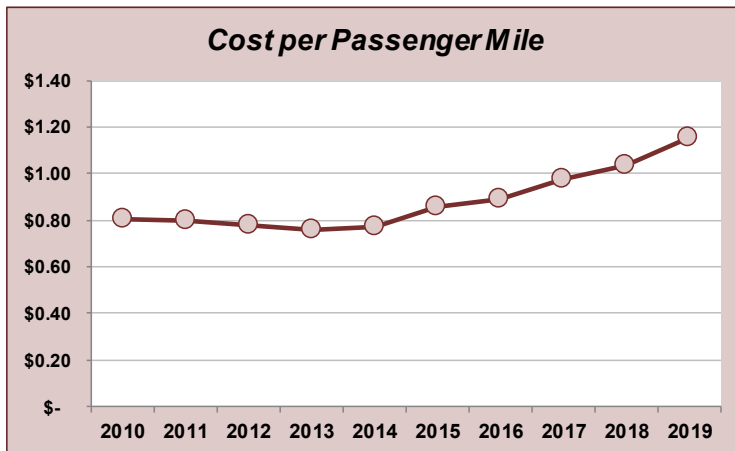
**Cost per Rider** measures the net cost after fare payment for delivery of one passenger trip. It is an indicator of cost efficiency. Community Transit’s 2019 cost per rider was \$9.77, an increase of 11.0 percent as compared to the 2018 cost per rider of \$8.80.

In periods of continuous service expansion, it is expected that the cost per rider will increase over time until ridership matures and reaches optimum productivity.

The current trend of higher cost per rider follows continuous service increases that began in 2014 and averaged 41,800 revenue hours or 34.3 percent per year.

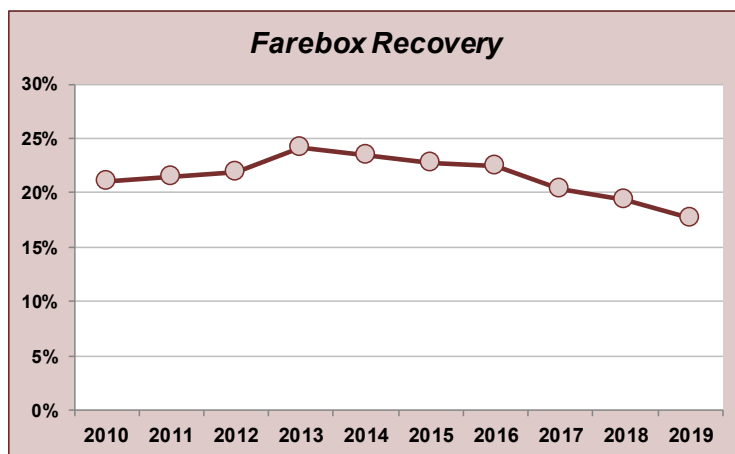
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<sup>1</sup> One revenue hour is the basic unit of operation as defined in the FTA National Transit Database Report. Revenue hours include all the time that buses operate on a route; revenue hours do not include the time it takes a bus to get to the starting point of a route or to return to base at the end of a route.



Operating cost divided by passenger miles.

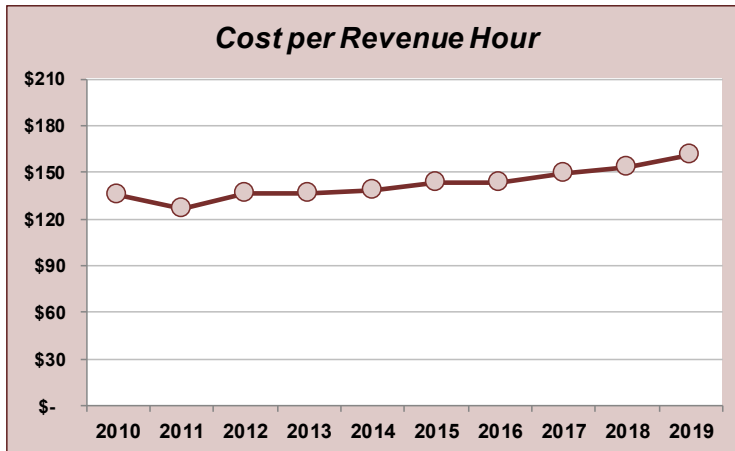
**Cost per Passenger Mile** measures the cost of operations to carry one passenger for one mile. The 2019 cost per passenger mile was \$1.15, an increase of \$0.11 as compared to the 2018 cost per passenger mile of \$1.04. The cost per passenger mile shows the same upward trend as Cost per Rider and for the same reason: substantial service increases sustained over a period of several years. The launch of the *Swift Green Line* bus rapid transit service (an expansion of service) in March 2019 is the most recent in this series of service increases.



Fares divided by operating cost.

**Farebox Recovery** measures the proportion of operating costs paid for by passenger fare revenue. The 2019 farebox recovery ratio was 17.6 percent, a 1.7 percent decrease as compared to the 2018 ratio of 19.3 percent. Any increase in operating cost affects the farebox recovery rate: operating expenses for 2019 increased by 13.3 percent. Expenses associated with operation of the new *Swift Green Line* contributed to the decrease in the

rate of farebox recovery, as did implementation of the low income fare policy change. The long-term goal for farebox recovery is 20 percent as services mature and ridership grows.



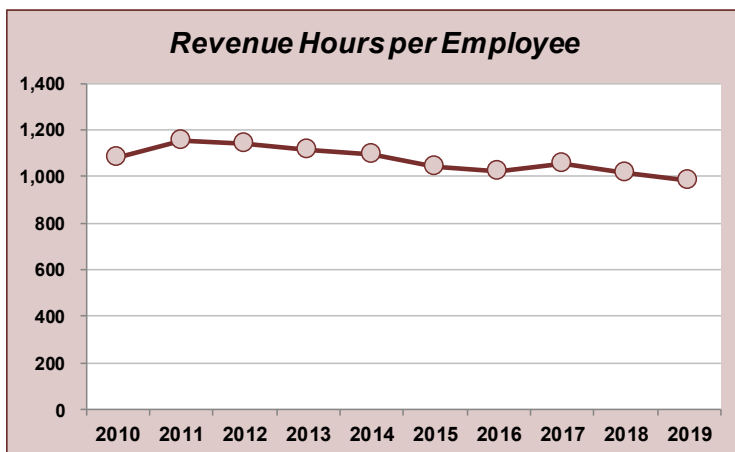
Operating cost divided by revenue hours.

**Cost per Revenue Hour** measures the cost of operations for one revenue hour of service. This performance measure indicates efficiency of the unit cost of operations. The 2019 cost per revenue hour increased by 5.0 percent to \$160.70 as compared to the 2018 cost per revenue hour of \$153.05. The agency continues the growth mode begun in 2014, which means that costs have increased to provide additional

service hours for our riders. The 5.0 percent increase in the cost per revenue hour supported 60,000 more revenue hours of service, a 7.9 percent increase in revenue hours as compared to 2018.

### Revenue Hours per Employee

In the three-year period beginning January 1, 2017, and ending December 31, 2019, Community Transit implemented nearly 140,000 hours of new service (a 20.5 percent increase in the number of revenue hours) and added 168 employees (a 25.3 percent increase) to support service expansion. The outcome displayed in the next chart reflects a period when the agency increased revenue hours and hired more employees to support the additional revenue service.



Revenue hours divided by year-end employee count.

**Revenue Hours per Employee** measures how much service Community Transit operates per employee and is one indicator of workforce labor efficiency. Revenue hours per employee increase when the number of employees increases at a slower rate than the rate of change in revenue hours. Revenue hours per employee decrease when the number of employees increases at a greater rate than the rate of change in revenue hours.

## ***Budget Process***

Community Transit's Board of Directors adopts its annual budget in December preceding the start of a new fiscal year, based on its Board Resolution No. 22-98, which specifies the timeline for presentation of the budget to the Board, and requires that the budget presented be balanced. Furthermore, RCW 36.57.040(1) requires transportation authorities "to prepare, adopt, carry out, and amend a general comprehensive plan for public transportation service."

Staff develops the budget based on agencywide goals and departmental programs and objectives. Budget development consists of a multiphase process beginning in the spring of the current fiscal year and ending with the December Board budget adoption, to create and implement the annual budget for the upcoming fiscal year.

### ***Six-Year Transit Development Plan***

On an annual basis, pursuant to RCW 36.57A.060, Community Transit's Strategic Planning staff develops its annual transit development plan, which represents an annual update to the agency's six-year transportation plan. Updates provide a refreshed six-year forecast of agency financials, service levels, and capital projects. The transit development plan represents an important forum for developing strategic goals and helps set the tone for many agency work programs. The Washington State Department of Transportation requires transit agencies to submit an updated plan approved via a public process in the spring each year. The transit development plan also serves as an important communication tool to internal staff, community partners, and citizens. The transit development plan also serves as an important communication tool to internal staff, community partners, and citizens.

The transit development plan is adopted by resolution of the Board of Directors each year, generally preceding the development and adoption of Community Transit's annual budget. The plan contains a six year financial projection that:

- Provides estimates of retail sales growth for the six-year period along with associated revenue projections.
- Estimates cash flows and annual fund balances for all Community Transit funds.
- Plans for reserves required for new and replacement capital.
- Provides a financial roadmap for the delivery of Community Transit's service delivery plan over the next six years.
- Ensures financial stability and continuity to accommodate fluctuating economic conditions, support future growth and expansion needs, to allow the agency to continue to deliver on its mission and vision.



### General Fund -- Six Year Forecast

	2020 <i>Forecast<sup>1</sup></i>	2021 <i>Budget</i>	<i>Transit Development Plan - Financial Plan</i>			
	2022	2023	2024	2025		
Sales Tax	\$138,584,059	\$121,538,000	\$126,400,000	\$131,455,998	\$136,713,998	\$142,182,998
Fares	9,592,800	13,190,100	16,787,400	20,384,700	23,982,000	25,181,100
Other Revenues	61,704,727	38,449,970	31,695,533	32,478,385	33,309,959	31,513,366
<b>Total Revenues</b>	<b>209,881,586</b>	<b>173,178,070</b>	<b>174,882,933</b>	<b>184,319,083</b>	<b>194,005,957</b>	<b>198,877,464</b>
Department Operating Exp <sup>2</sup>	158,784,286	155,728,274	160,248,462	164,374,833	169,531,678	176,784,419
Other Operating	3,955,536	4,430,267	4,205,536	4,274,536	4,359,536	4,456,536
Cost Pools	-	3,439,000	-	-	-	-
<b>Total Expenses</b>	<b>162,739,822</b>	<b>163,597,541</b>	<b>164,453,998</b>	<b>168,649,369</b>	<b>173,891,214</b>	<b>181,240,955</b>
<b>Surplus</b>	<b>\$ 47,141,764</b>	<b>\$ 9,580,529</b>	<b>\$ 10,428,935</b>	<b>\$ 15,669,714</b>	<b>\$ 20,114,743</b>	<b>\$ 17,636,509</b>
Interfund Transfers <sup>3</sup>	4,219,861	23,833,638	41,299,000	15,762,543	23,789,858	15,652,262
<b>Net Change to Cash Balance</b>	<b>42,921,903</b>	<b>(14,253,109)</b>	<b>(30,870,065)</b>	<b>(92,829)</b>	<b>(3,675,115)</b>	<b>1,984,247</b>
<b>Projected Ending Cash Balance</b>	<b>\$120,826,436</b>	<b>\$106,573,327</b>	<b>\$ 75,703,262</b>	<b>\$ 75,610,433</b>	<b>\$ 71,935,318</b>	<b>\$ 73,919,565</b>

<sup>1</sup> The 2020 Forecast was used in this table, in lieu of the amended budget, to more closely approximate the ending cash balance

<sup>2</sup> Department Operating Expenses include Fuel Expense and Insurance

<sup>3</sup> Transfers for Workers' Compensation and Debt Service are included in Other Operating for consistency with Transit Development Plan (TDP)  
For purposes of this presentation, interfund revenues, which occur on a variable basis, have been netted against interfund expenditures

The transit development plan, the completion of which is timed, ideally, to coincide with the inception of the budget process, provides a blueprint and guidance for the organization in the creation of its annual budget. Planning and Finance staff then work cooperatively to meld the higher level transit development plan projections with the more specific budget instructions and detailed budget estimates made for the current year's budget process. Consensus, analysis, and best available economic projections drive the projections for the more detailed budget that Finance staff will develop.

### **Business Planning Process**

Annually, staff completes an internal process known as business planning in advance of the annual budget process. Business planning includes mapping out the specific activities and projects for the upcoming year that will be undertaken to achieve the objectives established in the transit development plan or to achieve departmental goals and other business requirements. The business planning process allows for better coordination between departments and more effective allocation of staff resources. The process encourages staff agencywide to collaborate and communicate regarding priorities, workload, and assistance needed from other departments to support their projects and initiatives.

The business planning process culminates in an agencywide business plan that helps direct departmental budget development. Staff members complete individual business plans for each division and monitor them throughout the year.

## ***Finance and Department Staff***

Near the beginning of Community Transit's January to December fiscal year, Finance staff creates a calendar to map out the upcoming budget cycle. This calendar starts with budget system preparation in late spring and early summer, and outlines the setting of parameters and assumptions with Planning and Executive staff. It also guides agency departments' budget development and submission timelines as well as review by the CEO and Executive team in late summer.

Service hour projections put forth by Planning staff drives, to a significant degree, staffing and other costs in departments that perform work driven by service or revenue hour volumes. Finance staff estimates budgeted revenues for the coming year in the early part of summer while departments prepare their budgets. Department employees present their FTE requests to the Executive team in early June, prior to the start of the departments' budget preparation. The Executive team reviews and makes tentative approvals by late June, depending on availability of funding and agency objectives.

Finance staff also prepares the budgets for workers' compensation, debt service, insurance, benefits, cost pools, and interfund transfers that cover capital project and nonoperating expenses. Budget labs during the month of July provide hands-on assistance to agency budget preparers who may need technical assistance when creating and entering data for their departments' budgets. Department budget preparation generally begins around the end of June, with an approximately four-week timeline to complete these budgets.

Capital projects are budgeted on an individual project basis. Departments submit plans for projects in approximately March for the next budget year. The Business Planning team reviews the capital project proposals for completeness, and the CEO and Executive staff review and approve these by early June, in advance of budget development. Departments budget for their requested capital projects concurrently with the preparation of their department budgets. Capital projects are budgeted and funded in their entirety when approved, regardless of anticipated expenditure dates. Each year thereafter, the remaining unexpended portion of each project, as well as related grant reimbursements, is included in the next fiscal year's budget.

During early August, Finance staff reviews and analyzes budget submissions to ensure an accurate and complete draft budget. Budget review with the CEO and Executive Team begins in mid-August and continues until approximately early September, depending on the need for multiple rounds of review. Finance and Administrative staff create reports and presentation materials for the Board of Directors from mid-September to mid-October.

## ***The Board of Directors' Role***

The Board of Directors adopts the annual budget. The Board of Directors then monitors the annual budget through quarterly financial reports, monthly review of expenditure listings, and

authorization of all expenditures exceeding \$150,000. The Board Finance, Performance, and Oversight Committee receives a monthly fund status report for review and discussion with staff.

Budgetary control is maintained at varying levels. Operating expenses are monitored by department heads who are assigned responsibility for controlling their budgeted appropriations. Emphasis is placed on the total appropriation for the department, and for the divisions within each department. Budget overruns at the agency level must be authorized by the Board of Directors; at lower levels they are the responsibility of the CEO.

### ***Presentation to the Finance, Performance, and Oversight Committee and Board of Directors***

Community Transit's Director of Administration and Finance staff present an overview of the proposed budget to the Board of Directors in October. The budget is released first to the Finance, Performance, and Oversight Committee members, and then to the Board of Directors at the October Board workshop.

The budget allocates resources among critical and competing interests, efforts, and initiatives on behalf of residents of Community Transit's public transportation benefit area, which includes most of Snohomish County. The proposed budget also includes a CEO message and an Executive Summary explanation of the budget document. Detail concerning budgets specific to each agency department is also provided.

It is management's responsibility to present a preliminary budget that strikes the right balance between any competing interests at Community Transit, and between anticipated resources and planned expenditures.

Community Transit also uses the budget document to share information with members of the community and others who desire information about how Community Transit spends its resources.

### ***Board of Directors' Budget Review Process***

The Board of Directors receives a notebook containing Community Transit's proposed budget and related information (such as CEO Message, Executive Summary, and department-specific information) in late October at or before the Board workshop. Board members review the proposed budget and submit questions to the Budget Manager, Controller, or Director of Administration by a date specified in approximately mid-November. The Board holds a public hearing on the budget during the November Board meeting, which gives members an opportunity to take public feedback regarding the budget, further formulate questions, and consider any additional or new information that may surface.

Agency staff answer the Board members' budget questions and provide a document on or before a predetermined date in November, usually during the third week in November prior to the Thanksgiving holiday. During the December Board meeting, the Board of Directors votes on the resolution that adopts the budget. If for some reason the Board cannot adopt the budget at their December board meeting, a special meeting must be held prior to December 31<sup>st</sup> whereby the Board adopts a budget for Community Transit.

## ***Budget Amendment***

During the course of the fiscal year, unanticipated events, including economic and other changes, may occur that warrant changes to Community Transit's Board-adopted budget. At least twice annually, the Budget Manager works with agency staff to develop amendments to the current year budget, based on agency needs. These include the appropriation of unanticipated revenues, emergency or unexpected operational needs, and capital project requirements.

One or more amendments are processed in advance of the annual budget process. These amendment usually includes such elements as off-cycle project requests or adjustments to the service plan. In some years, an amendment is presented in the fall, which also accommodates known budget adjustments for revenue updates, unanticipated costs, and/or off-cycle project requests. A final year-end amendment is processed near the close of the fiscal year. This amendment often includes additional updates to the revenue budget and/or adjustments needed to existing project budgets. The budget manager compiles items for each amendment and prepares the resolution and associated attachments. The Board of Directors reviews and approves budget amendments. This process occurs at a regular Board of Directors meetings, which are public meetings held on the first Thursday of each month.

## *Budget Schedule*

	<b><i>Task</i></b>	<b><i>Timeline</i></b>
	Executive Leadership and Financial Strategy Coordination group develop budget strategies	Late March to May
	Budget kickoff/parameter development occurs	Late April/Early May
	FTE request review process occurs	Early to Mid-June
	Budget workshops held	Mid-June
	Budget system released to department budget preparers	Late June
	Budget labs conducted	July – various dates
	Department Operating and Capital Budgets due	Late July
	Round 1 and 2 budget reviews occur	Round 1 – Mid-August Round 2 – Late August
	Executive Team approves budget	Early September
	Analysis and report preparation occur	September-October
	Budget preview presented to the Board	First Thursday in October on an as-needed basis.
	Budget presented to the Finance, Performance, and Oversight Committee	Third Thursday in October
	Budget presented to Board of Directors at quarterly workshop	Fourth Thursday in October
	Public hearing on the budget occurs	First Thursday in November
	Board adopts budget	First Thursday in December

## ***Funds List***

Community Transit uses a single enterprise fund to account for its operations and prepares its financial statements on the accrual basis of accounting according to generally accepted accounting principles. For budget purposes, as well as for tracking reserves and capital projects, the agency breaks this enterprise fund into multiple funds in its financial system. These budgetary funds include a general operating fund, several reserve funds, funds to cover debt service and the worker compensation program, and multiple capital project funds.

Most revenues and expenditures are budgeted on an accrual basis. Significant differences include sales tax revenue, compensated absences payable, actuarial accrual of future workers' compensation losses, postemployment benefits, debt service, capital projects, and depreciation and amortization.

### ***Fund 40—General Fund***

The General Fund accounts for Community Transit's operations. Revenues include retail sales tax, fares, grants and contributions, and other miscellaneous revenues. Operating expenses include salaries and wages, benefits, fuel, purchased transportation, services, utilities, and consumable supplies.

### ***Fund 41—Replacement Reserve***

The Replacement Reserve uses local revenues, primarily sales tax collections, to provide for the locally-funded portion of costs for the scheduled replacement of buses, paratransit vehicles, vanpool vans, and support vehicles. Vehicle purchases without grant funding may be recorded in Fund 41 while interfund transfers to other capital funds provide the local match portion required by grants.

### ***Fund 42—Infrastructure Preservation Reserve***

The Infrastructure Preservation Reserve sets aside a portion of local revenues, primarily sales tax collections, to accumulate funds for the needed repair and replacement of Community Transit's aging facilities and technology infrastructure.

### ***Fund 43—Workers' Compensation Fund***

Community Transit sets aside funds to pay for its workers' compensation program and related costs, including injury prevention. State law requires that all self-insured entities maintain a minimum reserve balance to cover the estimated current and future claims costs. The minimum is determined by actuarial methods utilizing actual loss experience.

### ***Fund 44—State Capital Projects***

The State Capital Projects fund was newly created during the 2020 budget process for capital projects paid for, in part, by state grants which usually require Community Transit to contribute a partial match. The local match is usually funded with transfers from other capital reserves or the General Fund.

### ***Fund 45—FTA Capital Projects***

This fund includes capital projects paid for primarily by Federal Transit Administration (FTA) grants that require Community Transit to contribute a partial match. The local match is usually funded with transfers from other capital reserves or the General Fund.

### ***Fund 46—Local Capital Projects***

Local Capital Projects includes capital projects paid for with locally generated funds, including minor routine capital purchases. It is primarily funded with transfers from capital reserves or the General Fund, with occasional local government contributions. Projects funded with state grants will be budgeted in the newly created Fund 44 beginning in 2020.

### ***Fund 47—Bond Capital Projects***

Bond Capital Projects includes capital projects paid for by bond proceeds or proceeds from other forms of public debt, which Community Transit may issue in future years. Once bond proceeds are fully spent, this fund is used for tracking assets and depreciation accounting; it is inactive for budgeting purposes.

### ***Fund 48—Facility and Technology Expansion***

This fund provides for specific facility and technology projects and accumulates a reserve for future facility and technology expansion.

### ***Fund 50—Bond Debt Service***

This fund accumulates the minimum necessary funds to cover annual principal and interest payments due on outstanding bonds. Funding is provided by sales tax revenue recorded in the General Fund and transferred to Fund 50. Community Transit's bond resolution requires that the agency set aside a portion of its sales tax revenue to meet bond debt service requirements.



## ***Financial Policies***

### ***Significant Accounting Policies***

#### ***Basis of Accounting***

The accounting policies of Community Transit conform to generally accepted accounting principles applicable to governmental units. Community Transit applies all applicable GASB pronouncements. Community Transit uses an enterprise fund to account for its operations and prepares its financial statements on the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded as soon as the benefits are received.

Operating revenues and expenses generally result from providing transportation services. Community Transit's primary operating revenues include: passenger fares (charges to customer for transportation services), reimbursements from Sound Transit for providing regional express bus service, and revenues earned from advertisements posted on buses. Operating expenses consist of service directly operated and service provided under contract, vehicle and facility maintenance, administrative expenses, depreciation and amortization of capital assets.

All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses and include subsidies such as tax revenues and operating grants, investment income, miscellaneous revenues, interest expense, and gains or losses on the sale of capital assets and maintenance parts inventory.

Community Transit's accounting records are maintained in accordance with methods prescribed by the State Auditor under the authority of Washington State law. Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### ***Budgeting***

Community Transit adopts its annual budget in December of the preceding fiscal year. The budget is based on agencywide goals and departmental programs and objectives, as well as revenue and service growth assumptions outlined in the Board-adopted six-year transit development plan. After these programs and objectives are developed, revenue for the coming year is estimated. The estimated revenue is used to determine the level of service to be provided the following year.

Most operating revenues and expenditures are budgeted on the accrual basis. Significant differences include sales tax revenue, depreciation and amortization, compensated absences payable, actuarial accrual of future workers' compensation losses, postemployment benefits, and other revenues. Investment income is budgeted without accounting for changes in fair value. Debt service is budgeted on a cash basis.

Capital projects are budgeted on a project basis. Projects are budgeted in their entirety when approved, regardless of anticipated expenditure dates. Each year thereafter, the remaining unexpended portion of each project, as well as related grant reimbursements, is re-budgeted.

Community Transit encumbers expenditures for management information. Encumbrances do not constitute a legal reduction of appropriations and are not reported on the financial statements.

### ***Cash and Short-Term Investments***

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments purchased with a remaining maturity of three months or less. Community Transit's investment policies are governed by regulations established for public funds by Washington State law.

Investments are reported at fair value except for investments in the Washington State Local Government Investment Pool (LGIP) which is reported at amortized cost. Changes in fair value are included as revenue in the financial statements.

### ***Restricted Assets***

Funds are classified as restricted assets when their use is limited by bond covenants, state requirements for workers' compensation, or other legally binding conditions. Currently, the only restricted assets the agency has are for self-insured workers' compensation and for the Federal Transit Administration portion of an insurance settlement.

### ***Maintenance Parts Inventory***

Vehicle maintenance parts are held for consumption and valued at cost using the weighted average method. The costs of maintenance parts are recorded as an expense when consumed rather than when purchased.

### ***Capital Assets and Depreciation***

Assets with a useful life in excess of one year are capitalized if the individual cost is at least \$5,000. Capital assets are recorded at historical cost. Donated assets are measured at acquisition value. Replacements which improve or extend the lives of property are capitalized. Repairs and maintenance are expensed as incurred.

Community Transit participates with the Washington State Department of Transportation in the construction of passenger park-and-ride facilities within the transit service area. Community Transit contributes funds to provide the local match required under the terms of federal construction grants. The State of Washington retains park-and-ride facility ownership, but Community Transit's contribution allows us to use these facilities. The rights are valued at the amount of the contribution made and are reported under capital assets as site improvements.

Depreciation is computed using the straight-line method (without salvage values) over the estimated useful life of the asset. When used assets are acquired, they are assigned a useful life of one-half the new life.

Newly acquired assets are assigned useful lives as follows:

- Land—not depreciated
- Work in Progress—not depreciated
- Intangible Property—easements not depreciated
- Buildings—5 to 30 years
- Site Improvements—5 to 30 years
- Buses—12 to 15 years
- Other Vehicles—5 to 8 years
- Machinery and Equipment—3 to 10 years
- Computer Equipment—3 to 7 years
- Intangible Property—3 to 10 years

### ***Compensated Absences***

Policies for the accrual and use of compensated absences vary depending on whether an employee is represented by a labor contract or subject to the personnel policy. All employees are covered in three plans: paid time off, major sick leave, and Washington State sick leave. Paid time off is payable upon an employee's termination. Major sick leave and Washington State sick leave is payable at 25 percent of the hours accrued or at 50 percent if retiring. The portion of both sick leave plans payable at termination represents the vested portion of major sick leave earned and is subject to accrual.

### ***Unearned Revenue***

Revenues received in advance are recorded as unearned revenue on the Statement of Net Position.

### ***Pensions***

Information about the fiduciary net position of all state-sponsored pension plans and additions to or deductions from the fiduciary net position of those plans has been determined on the

same basis as they are reported by the Washington State Department of Retirement Systems. This information was used to measure net liability, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## ***Calculating Community Transit's Reserve Balances***

Community Transit's finances were significantly impacted by the global recession of 2007-2009 and the slow economic recovery following the recession. Revenues fell short of the agency's planned revenue forecasts. The agency took action to restore its financial strength and continues to respond to economic conditions. One of Community Transit's goals is to preserve service levels and jobs while fully funding reserves and maintaining its existing assets.

With this goal in mind, in 2012 Community Transit engaged Moss Adams Advisory Services to perform a review and analysis of Community Transit's reserve funds. Moss Adams was retained to assess whether specific reserve fund balances were within a reasonable range and funding practices were appropriate. Moss Adams analyzed the following: the operating, replacement, and infrastructure preservation reserves, as well as the agency's aggregate reserves.

The analysis was conducted by evaluating current funding levels and practices versus industry standards and practices. From the analysis, Moss Adams developed recommendations and suggested steps that might be taken to bridge any gaps between current and recommended funding levels. Reserve calculations were developed as a result of this study.

The Workers' Compensation fund reserves were not addressed by the Moss Adams study. Therefore, GASB pronouncements and Washington State law were reviewed to determine what requirements, if any, would apply to Community Transit's self-insured Workers' Compensation program.

Each year, in partnership with long-range planning, budget staff in the Finance Division calculate the reserve requirements during the annual budget development. The Board of Directors reviews the proposed reserve balances as part of the annual budget process and adopts the budget in December of each year.

In the fourth quarter, Community Transit will receive an updated reserve study, including a transit asset management plan, from the consulting division of the Government Finance Officers Association. Due to the timing of the completion of the study, Finance and Planning and Development will implement the consultants' recommendations for the 2022 budget and the 2021-2026 Transit Development Plan.

## ***Delegating Purchasing and Other Authorities***

This policy applies to any employee who has been delegated the authority to make certain financial, contractual, or regulatory transactions on Community Transit's behalf. The policy has nine sections.

Section 1: Authorizing Employees to Make Purchases on Behalf of Community Transit

Section 2: Authorizing Employees to Enter into Contracts on the Agency's Behalf

Section 3: Approving Invoices for Payment

Section 4: Authorizing Release of Payments

Section 5: Authorizing Budget Transfers

Section 6: Authorizing the Release of Surplus Property

Section 7: Delegating Authority for the Annual USDOL OSHA 300 Report

Section 8: Administering this Policy

## ***Controlling Noncapitalized Assets***

A noncapitalized asset is defined as any item with a value of at least \$300 and less than \$5,000, meets specific criteria, and is vulnerable to theft, loss, or misuse. These items are referred to as "small and attractive items" per Resolution No. 01-02 and are tracked and verified annually.

## ***Procurement Policy***

Resolution No. 05-11 authorizes the Chief Executive Officer or designee to establish and maintain an agencywide procurement program of policies and procedures in compliance with federal, state and local laws.

Procurements that exceed \$150,000 in value or per contract year for multiple year contracts, except exemptions listed in Section 4 of Resolution No. 05-11, are awarded by the Board of Directors. All other procurements are awarded by the Chief Executive Officer, provided they are funded from the Board-approved budget.

## ***Investing Community Transit's Funds***

Community Transit's portfolio complies with conditions set forth in its investment policy. This policy applies to all financial assets belonging to Community Transit except that bond proceeds are governed first by any associated bond financing documents. These funds are accounted for in Community Transit's Comprehensive Annual Financial Report. The policy includes the following sections:

Section 1: Affirming Community Transit’s Key Investment Principles. This section outlines Community Transit’s investment principles in priority order: safety, then liquidity, then return on investment.

Section 2: Managing Community Transit’s Investment Program

Section 3: Selecting Financial Institutions and Brokers/Dealers

Section 4: Evaluating Investment Decisions

Section 5: Developing Community Transit’s Investment Strategy

Section 6: Investing in Authorized Securities

Appendices A-E: Appendices include the following topics: the approved securities list, portfolio maximum percentages, and duties of the investment team.

Community Transit measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles as follows:

- Level 1: Quoted prices in active markets for identical assets.
- Level 2: Quoted market prices for similar assets or other observable inputs.
- Level 3: Unobservable inputs for an asset.

Community Transit’s investment policy clearly states that safety and liquidity takes precedence over return on investment. Allowable investments are limited to:

- U.S. Treasury obligations.
- U.S. government agency obligations and U.S. government-sponsored enterprises.
- Banker’s acceptances.
- Commercial paper.
- Certificates of deposit.
- Repurchase agreements.
- Bonds of Washington State and any local government in Washington State.
- General obligation bonds of a state other than Washington State.
- Washington State Local Government Investment Pool (LGIP)

Interest Rate Risk: Community Transit’s investment guidelines and policies state that safety of funds is the number one priority in all investment decisions. Maturities are generally limited to five years and the weighted average maturity of the portfolio may not exceed three years. Thus, all investments held are considered to have a low interest rate risk.

Credit Risk: Community Transit’s credit risk is indirectly controlled via the kind of investment instruments allowed by the investment policy which includes only one direct, credit-risk requirement. The requirement applies to bonds of any state and any local government in Washington State in which the rating must be one of the three highest credit ratings of a

nationally organized rating agency. The risk ranges from minimal to none, based on the investment instruments Community Transit holds.

Custodial Credit Risk: According to Community Transit's investment policy, all security transactions are settled on a delivery versus payment basis. This means that payment is made simultaneously with the receipt of the securities to the safekeeping bank. Therefore, custodial credit risk for Community Transit's investments is minimal.

## ***Small and Disadvantaged Business Enterprise Program***

Community Transit has established a Small and Disadvantaged Business Enterprise (SBE/DBE) program in accordance with regulations of the US Department of Transportation, Code of Federal Regulations Title 49 Part 26 (49 CFR Part 26). Community Transit has received federal financial assistance from the Department of Transportation/Federal Transit Administration (DOT/FTA), and as a condition of receiving this assistance, Community Transit has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of Community Transit to ensure that SBE/DBEs, as defined in 49 CFR Part 26, have equal opportunity to receive and participate in DOT/FTA-assisted contracts.

## ***Managing Payment Cards***

This policy applies to agency employees who perform one or more of the following functions:

- Audit procedures associated with and use of any agency payment card.
- Authorize other employees to perform any activity associated with the agency payment card program.
- Issue payments for purchases made using agency payment cards.
- Manage the agency payment card program.
- Review and approve expenditures made using agency payment cards.
- Serve as a card user and use an agency payment card to purchase goods and services.
- Serve as a card custodian for any agency payment card.

The policy covers the following information:

Section 1: Managing the Agency Payment Card Program

Section 2: Setting Payment Card Limits

Section 3: Managing Employee Access to Payment Cards

Section 4: Using Payment Cards

Section 5: Monitoring and Paying for Purchases Made Using Payment Cards

Section 6: Dealing with Employee Misuse of a Payment Card



Appendices A-F: Appendices include the following topics: payment card custodian responsibilities, payment card user responsibilities, department head responsibilities, payment card administrator responsibilities, director of administration responsibilities, and procurement/contracts manager/DBE liaison responsibilities.

## ***Managing Community Transit's Business Travel Program***

This policy applies to any person authorized to travel on behalf of Community Transit and to employees who make or authorize travel arrangements or prepare travel budgets. This policy is authorized by Resolution No. 2-08 and is modeled after the Washington State Office of Financial Management State Administrative and Accounting Manual, Chapter 10. The policy covers the following topics:

Section 1: Managing the Agency Travel Program

Section 2: Making Travel Arrangements

Section 3: Purchasing Transportation for Business Travel

Section 4: Purchasing Lodging for Business Travel

Section 5: Using Per Diems While Traveling on Agency Business

Section 6: Administering Travel Advances

Section 7: Paying, Reconciling, and Reimbursing Travel Expenses

Section 8: Travel Program Tip Guidelines

Section 9: Combining Business and Personal Travel

Section 10: Changing, Transferring, or Cancelling Travel Arrangements

Section 11: Requesting Exceptions to the Agency Travel Program

Section 12: Documenting Agency Travel

Section 13: Purchasing Meals for Agency Activities

Section 14: Determining When Travel Time is Compensable

Appendices A-M: Appendices include the following: approval authority matrix, duties of department heads and the director of administration, duties of designated travel coordinators, guidelines for applying per diems to partial travel days, tip guidelines, nonexempt employee travel compensation, compensable and noncompensable commutes and travel time, compensating nonexempt employees in other travel circumstances, and calculating transportation expense.

## ***Using Staff and Personal Vehicles to Conduct Agency Business***

This policy applies to any person who uses a personal vehicle or a Community Transit staff vehicle to conduct agency business. The policy covers the following information:

Section 1: Driving a Staff Vehicle on Behalf of Community Transit

Section 2: Determining Driver Qualification

Section 3: Monitoring Driving Status

Section 4: Monitoring and Scheduling Staff Vehicles

Section 5: Using Staff Vehicles

Section 6: Assigning Staff Vehicles for Long-Term Use

Section 7: Using Personally Owned Vehicles to Conduct Agency Business

Section 8: Administering This Policy

## ***Managing Community Transit's Fixed-Route Free Ride Fare Media***

This policy applies to all employees who issue, use, and manage Community Transit's free ride fare media. The policy covers the following information:

Section 1: The Chief Executive Officer Establishes Free Ride Fare Policy.

The Chief Executive Officer is authorized to establish free ride fare media per Resolution No. 2-81 and Resolution No. 12-86. Fixed-route free ride fare media can be used for approved purposes contained within the policy.

Section 2: Customer Service Manager Oversees the Free Ride Fare Media Program.

Customer Service Manager consults with Strategic Planning, Finance, Training, and Transportation before ordering or considering new free ride fare media. The Customer Service Manager determines who is authorized to issue free ride fare media.

Section 3: Marketing Designs Free Ride Fare Media.

Marketing consults with Strategic Planning, Finance, Training, and Transportation when designing new or updating existing free ride fare media.

Section 4: Customer Service Manager Reports on the Use of Free Ride Fare Media.

The Customer Service Manager provides a quarterly report to Strategic Planning summarizing the distribution, use, and collection of free ride fare media.

## ***Completing the Business Planning Process***

This policy outlines the annual business planning process at Community Transit. The policy covers the following information:

### **Section 1: The Executive Team Makes Final Decisions Regarding the Business Planning Process.**

The Executive Team serves as a final decision point as determined by the steering committee. Supports and communicates expectations to division managers and staff.

### **Section 2: Division Staff Monitor and Complete the Business Planning Process.**

Division staff complete the business planning process and communicate with other divisions to refine work activities and/or estimates according to information provided by the Enterprise Program Office (EPO).

### **Section 3: Division Staff Collaborate on Work Activities with Staff in Other Divisions.**

Communication is essential for business planning. The result will be better information discovered as a pre-budget activity.

### **Section 4: Department Subject Matter Experts (SMEs) Support and Advise Division Staff.**

The department SMEs are selected by directors and serve as the single contact point for division managers for support and advice regarding overall process, tasks, and timelines.

### **Section 5: Managers, selected supervisors and department SMEs participate in the “swap meet”.**

Managers and selected supervisors attend and participate in the meeting to discuss the work activities entered into their division’s business planning form. Department SMEs attend the “swap meet” and provide follow up assistance to division staff.

### **Section 6: The Enterprise Program Office (EPO) Administers the Business Planning Process.**

The EPO provides information to the agency in order to complete the business planning process. Currently, the EPO utilizes the PeopleSoft module to maintain the data and distribute reports.

## ***Glossary: Finance Terms and Acronyms***

<b><i>Term or Acronym</i></b>	<b><i>Definition</i></b>
Account	A numerical chartfield that describes the nature of an expenditure or revenue.
Accrual Basis of Accounting	Accounting method where transactions are recognized when they occur, regardless of the timing of associated cash receipts and disbursements.
Annual Budget	A financial and operating plan that establishes a budget for a single fiscal year only.
Appropriation	An authorization made by the Board of Directors that allows for the expenditure of agency resources during a given fiscal year.
Asset	Resources or items of value that are owned by an entity.
Balanced Budget	A budget in which revenues exceed expenditures, all reserves are fully funded, and Community Transit's volume adjusted operating costs grow at a rate that is less than the cap set in the six-year transit development plan.
BARS	Budget, Accounting, and Reporting System—the required financial reporting system for government entities in Washington State.
Biennial Budget	A financial and operating plan that establishes a budget for a two-year period.
Bond	A type of security that is sold by firms or governments as a means to borrow money at specified interest rates.
BRT	Bus Rapid Transit system—a BRT aims to combine the capacity and speed of light rail or metro with the flexibility, lower cost and simplicity of a bus system, and can be described as a "surface subway".
Budget	A plan for revenues and expenditures, according to a set of strategic decisions made by agency leadership, which is approved by the Board of Directors annually. The budget funds initiatives and controls expenditures within boundaries.
Budget Center	A unit within the organization used for tracking actual expenditures and for comparison to its budget to ensure managerial control.
Budget Resolution	The official legal document approved by the Board of Directors that authorizes the expenditure of resources.
Budget Status Report	A report that compares budgeted expenditures with actual expenditures and encumbrances, usually reported by department and/or division as a means of monitoring the actual financial results against the annual approved budget.

<b><i>Term or Acronym</i></b>	<b><i>Definition</i></b>
Business Planning Process	Annual process that is completed as a pre-budget activity. The purpose is to communicate with other Divisions within the agency in order to plan those work activities that should be completed on an agencywide level for the next year.
CAFR	Comprehensive Annual Financial Report—a thorough and detailed presentation of the official financial report of a government.
Capital	Property that is expected to generate value over a long period of time and form the productive base of an organization.
CARES Act	The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by President Trump on March 27th, 2020. The CARES Act, a \$2+ trillion economic relief package, provides direct economic assistance for American workers and families, for small businesses, and for state and local governments, as well as preserves jobs for American industries.
CFR	The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to federal regulation.
Chartfield	A term used to describe the fields that segregate and categorize a transaction. At Community Transit these include: funds, budget centers (also known as departments), accounts, and projects.
Consumer Price Index (CPI)	A measure of the average change over time in the prices paid by urban consumers for goods and services.
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
CPA	Certified Public Accountant.
DART	Dial-a-Ride Transportation, also known as paratransit.
Debt Service	Payment of principal and interest to Community Transit’s bondholders.
Department	A major unit of a company, organization, or government entity.
Encumbrance	The commitment of some portion of a budget to purchase an item or service. At Community Transit, an encumbrance is recorded when a purchase order is generated.
EPO	Enterprise Program Office. Community Transit budget center that coordinates the business planning process.
Expense	The economic costs a business or government incurs through its operations to earn revenue or provide a service.

<b><i>Term or Acronym</i></b>	<b><i>Definition</i></b>
Fiscal Year	A twelve-month period to which the annual approved operating budget applies; also the segment of time in which an entity measures its financial results.
Fixed Assets	Items of value which are purchased for long-term use and are not likely to be converted quickly into cash, such as land, buildings, and equipment.
FTA	Federal Transit Administration—the federal agency responsible for transit programs and funding.
FTE	Full Time Equivalent—a measure of staffing in terms of full time hours worked.
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities.
Fund Balance	Modified working capital; in essence, cash and cash equivalents plus accrued revenues and less accrued expenses.
GAAP	Generally Accepted Accounting Principles—used by industry and governments as standards for accounting and reporting financial activity. GAAP adherence assures all state and local governments' reports contain the same type of financial statements and disclosure, based on the same measurement and classification criteria.
GASB	Governmental Accounting Standards Boards—the entity that determines GAAP for government entities.
GFOA	Government Finance Officers Association.
Interfund Transfer	A payment made from one fund in a government entity to another for goods or services rendered or to provide funding for another allowable public purpose.
Intergovernmental Services	Purchases made from other governments for specialized services typically performed by those governments.
Investment	An asset or item acquired with the goal of generating income or appreciation.
Liability	The future sacrifices of economic benefits that the entity is obliged to make to other entities as a result of past transactions or other past events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future.

<b><i>Term or Acronym</i></b>	<b><i>Definition</i></b>
LSTGO Bond	Limited Sales Tax General Obligation Bond—bonds that pledge the full faith and credit of a sales tax-funded government agency for payment.
NTD	National Transit Database—a federal reporting program for transit agencies receiving FTA funding. It serves as a primary repository for all transit-related data and statistics in the United States.
Operating Budget	The primary means by which most of the acquisition, spending, and service delivery activities of a government are controlled.
Operating Expense	Expenses that support the operating budget, such as the government entity’s acquisition, spending and service delivery activities.
Performance Measure	A numerical expression documenting some aspect of the output or outcomes of an activity, service, process or program.
PERS	Public Employees Retirement System—retirement benefits provided by the State of Washington, in which Community Transit employees participate.
Project	A temporary endeavor to create a unique product, service or result, which has a defined beginning and end time as well as a defined scope and resources.
RCW	Revised Code of Washington—the laws of the State of Washington.
Reserve	A portion of fund equity that is legally or managerially restricted for a specific purpose.
Revenue	Income received by Community Transit to conduct services that support the mission of organization. Income may be in the form of sales tax, passenger fares, grants, interest earnings, and other sources.
SBE/DBE	Community Transit’s Small and Disadvantaged Business Enterprise program promotes and encourages small business participation, which include small, minority and women owned businesses in its procurement opportunities.
Strategic Plan	A long-range statement of direction for an organization, which identifies vision, mission, goals and strategies, as well as measures which will show progress made in achieving goals.
TDP	Transit Development Plan—a six-year blueprint for developing the agency’s long range transit system. It identifies transit service needs, prioritizes improvements and determines the resources required for implementing modified or new service.



<b><i>Term or Acronym</i></b>	<b><i>Definition</i></b>
Vanpool	An element of a transit system that allow groups of people to share the ride similar to a carpool, but on a larger scale with concurrent savings in fuel and vehicle operating costs.
WAC	Washington Administrative Code—administrative rules of the State of Washington, which are designed to help the public comply with state laws, processes, and other requirements.
WSDOT	Washington State Department of Transportation—the department that oversees Washington State’s multimodal transportation system and ensures that people and goods move safely and efficiently. In particular, this agency builds, maintains, and operates the state highway system, as well as the state ferry system.
WSTIP	Washington State Transit Insurance Pool—the insurance pool consists of twenty-five Washington State public transit agencies, who combine their resources in order to provide and purchase insurance coverage, manage claims and litigation, and receive risk management assistance and training.

# OUR ► VISION

Travel made easy for all.

## ► MISSION

We help people get from where they are to where they want to be.

## ► CORE VALUES

### Accountability

We hold ourselves and each other accountable and we encourage and support each other when needed.

### Equity & Inclusion

We align our policies, practices and resources so everyone has genuine opportunities to fully participate and thrive.

### Initiative

We consistently look for opportunities to go beyond the status quo and are committed to ongoing learning and development.

### Integrity

We believe in always doing the right thing for the right reasons and being honest with each other so that we may continue to build and maintain trust.

### Mutual Respect

We respect, value and celebrate each other and our customers as unique individuals with equal worth.

### Service-Focused

All that we do is in service to our community, our customers and each other.

### Teamwork

We believe in the power of collaboration to harness the true potential of our collective team.

