



# OmniRide FY2021 Proposed Budget (Revised)

May 2020

## FY2021 Budget Process Recap

- Nov/Dec: Budget Assumptions (forecast)
- Jan: Budget Transmission
- Feb: Review of Revenues
- Mar: Review of Expenses
- Mar: COVID-19 Pandemic
- Apr: Revised FY2021 Proposed Budget
- May: Public hearing
- June: Commission approval of FY2021 budget

# Budget Challenges

- Opening of new western facility in FY2021
  - New operating costs
  - One-time set-up/equipment costs
- Procuring of bus service contractor in process
- Implementing pilot paratransit program on western service side
- COVID-19 Impacts on FY2020 and FY2021

## FY2021 Proposed Budget - Revised

Description	Operating	Capital	Total
Passenger Revenue	10,786,200		10,786,200
State Grants	8,831,200	5,266,400	14,097,600
Federal Grants	4,787,000	3,854,400	8,641,400
Jurisdictional Subsidies	17,492,300	2,300,400	19,792,700
Other	357,400		357,400
<b>Total Revenue</b>	<b>42,254,100</b>	<b>11,421,200</b>	<b>53,675,300</b>
Personnel and Fringe Benefits	5,646,900		5,646,900
Contractual Services	30,507,200		30,507,200
Other Services	2,851,000		2,851,000
Materials, Supplies, Minor Equipment	78,800		78,800
Fuel	3,170,200		3,170,200
<b>Total Operating</b>	<b>42,254,100</b>	<b>-</b>	<b>42,254,100</b>
Expansion Buses		4,107,300	4,107,300
Replacement Buses		5,208,500	5,208,500
Bus Rehabs, Engines, Transmissions		178,900	178,900
Staff Vehicle		0	0
Bus Shelters		150,000	150,000
ADP Hardware		528,000	528,000
ADP Software		521,200	521,200
Office Furniture & Equipment		242,500	242,500
Rehab/Renovation Admin/Maint Facility		191,500	191,500
Debt Service (2012 VRA Loan)		293,300	293,300
<b>Total Capital</b>	<b>-</b>	<b>11,421,200</b>	<b>11,421,200</b>
<b>Total Expenses</b>	<b>42,254,100</b>	<b>11,421,200</b>	<b>53,675,300</b>

## FY2021 Original Proposed Budget / FY2021 Revised Budget Comparison – Operating Expenses

Categories	Original	Revised	Difference
Personnel and Fringe Benefits	6,341,000	5,646,900	(694,100)
Contractual Services	31,393,000	30,507,200	(885,800)
Other Services	2,948,900	2,851,000	(97,900)
Materials, Supplies, Minor Equipment	80,800	78,800	(2,000)
Fuel	3,716,000	3,170,200	(545,800)
<b>Total Operating Expenses</b>	<b>44,479,700</b>	<b>42,254,100</b>	<b>(2,225,600)</b>

## FY2021 Original Proposed Budget / FY2021 Revised Budget Comparison – Capital Expenses

Categories	Original	Revised	Difference
Expansion/Replacement Buses	9,395,500	9,315,800	(79,700)
Bus Rehabs, Engines, Transmissions	3,600,300	178,900	(3,421,400)
Staff Vehicle	34,600	0	(34,600)
Bus Shelters	200,000	150,000	(50,000)
Hardware, Software, Furn/Equip	1,291,700	1,291,700	0
Rehab/Renovation of Facility	191,500	191,500	0
Debt Service (2012 VRA Loan)	293,300	293,300	0
<b>Total Capital Expenses</b>	<b>15,006,900</b>	<b>11,421,200</b>	<b>(3,585,700)</b>

# FY2020/FY2021 Revised Budget Comparison

Description	FY2020	FY2021 Revised	Difference
Passenger Revenue	11,068,000	10,786,200	(281,800)
State Grants	8,844,100	14,097,600	5,253,500
Federal Grants	6,170,200	8,641,400	2,471,200
Jurisdictional Subsidies	17,848,000	19,792,700	1,944,700
Other	305,500	357,400	51,900
<b>Total Revenue</b>	<b>44,235,800</b>	<b>53,675,300</b>	<b>9,439,500</b>
Personnel and Fringe Benefits	6,418,800	5,646,900	(771,900)
Contractual Services	25,990,500	30,507,200	4,516,700
Other Services	2,590,200	2,851,000	260,800
Materials, Supplies, Minor Equipment	83,600	78,800	(4,800)
Fuel	2,994,200	3,170,200	176,000
<b>Total Operating</b>	<b>38,077,300</b>	<b>42,254,100</b>	<b>4,176,800</b>
Expansion Buses	172,900	4,107,300	3,934,400
Replacement Buses	1,794,500	5,208,500	3,414,000
Bus Rehabs, Engines, Transmissions	2,845,400	178,900	(2,666,500)
Staff Vehicle	0	0	0
Bus Shelters	78,000	150,000	72,000
ADP Hardware	817,600	528,000	(289,600)
ADP Software	48,500	521,200	472,700
Office Furniture & Equipment	28,700	242,500	213,800
Rehab/Renovation Admin/Maint Facility	82,500	191,500	109,000
Debt Service (2012 VRA Loan)	290,400	293,300	2,900
<b>Total Capital</b>	<b>6,158,500</b>	<b>11,421,200</b>	<b>5,262,700</b>
<b>Total Expenses</b>	<b>44,235,800</b>	<b>53,675,300</b>	<b>9,439,500</b>



# Revenue Assumptions

## ➤ Passenger Revenue

- No fare increase in FY2021
- Free senior fares for Metro Express and Local (\$175K)
- Estimated 11% drop in passenger revenue due to COVID-19

## ➤ State Grants

- Operating assistance (now based on combination of agency's size and performance factors) – received one-time transition assistance in FY2020
  - Reduced from original proposed FY2021 budget due to estimated drop in DRPT available funding as result of COVID-19
- Capital assistance
  - 68% for state of good repair (i.e., vehicle purchases/overhauls)
  - 0% for all other capital (i.e., hardware, software, furniture/equip)
  - Reduced original FY2021 requests due to COVID-19



# Revenue Assumptions (continued)

## ➤ Federal Grants

- Section 5337 funding - continued loss of high intensity motor bus funding due to opening of HOT lanes
- Section 5339 funding – must be used for vehicle purchases instead of preventive maintenance
- Anticipated CARES Act funding of \$9.3 million not reflected in budget; awaiting additional information on qualifying expenses

➤ Operating Carryforward – \$1.4 million from FY2019 to support FY2021 budget by reducing PRTC subsidy payment

# Revenue Assumptions (continued)

## ➤ Motor Fuels Tax Revenue

- Projections for annual gallons for PRTC member jurisdictions reduced for FY2020 and FY2021 due to COVID-19
- Impact of legislation introduced in this General Assembly session unknown at this time
- Reduced by PRTC's share of the Commuter Rail Operating and Capital Fund (CROC) – based on PRTC's percentage of the VRE subsidy (63.1% or \$9.47M for FY2021)

## ➤ CROC Reductions – FY2019 \$10.0M

- Prince William \$5.23M
- Manassas .40M
- Manassas Park .32M
- Stafford 1.63M
- Fredericksburg .59M
- Spotsylvania 1.83M

## ➤ Loss of the above fuels tax revenue increases local share of non-rail transit costs

## Revenue Assumptions (continued)

### ➤ Jurisdictional Fuel Tax Fund Balance

- Prince William County: Projection of positive balance through 6/30/2021 to support PRTC subsidies; VRE subsidies funded through NVTa 30% funds
- Manassas City: Projection of positive fund balance through 6/30/2021 to support PRTC and VRE subsidies

# Personnel and Fringe Benefits

	<u>FY2020</u>	<u>FY2021</u>
➤ Personnel cost decrease	\$4.66M	\$4.09M
• Removed two new proposed positions for FY2021		
- Chief Financial Officer	\$219K salary & fringes	
- Grants Administrator	\$131K salary & fringes	
- Overall reduction of 7.5 FTES (down from 58.5 FTEs in FY2020)		
• Removed 2% COLA; 1% merit allowance for FY2021		
• Removed \$100K allowance for compensation study impact for FY2021		
	<u>FY2020</u>	<u>FY2021</u>
➤ Fringe Benefits cost decrease	\$1.76M	\$1.56M
• Budgeted Fringe rate – 40%		

# Service Assumptions

- Only grant funded expansion of services associated with the I-95/395 & I-66 transit/TDM plans and commuter choice program
- Eight (8) daily platform (modest contingency) hours to allow for schedule adjustments and to ease chronic overcrowding (no change from FY2020)
- Ongoing western Local service change, including implementation of Paratransit – Dec 2019

# Contractual Services

	<u>FY2020</u>	<u>FY2021</u>	<u>Increase</u>
➤ Contractual Services (bus & other)	\$25.99M <i>total</i>	\$30.50M <i>total</i>	\$4.51M <i>total</i>
• Bus Contract/Incentives	\$22.85M	\$26.32M	\$3.47M
- Grant funded services (included above)	\$1.67M	\$5.03M	\$3.36M
- 96% of increase is grant funded services			
- New bus service contract in process			
- Impact of western facility opening			
• Other Contractual Services	<u>FY2020</u> \$3.14M	<u>FY2021</u> \$4.18M	<u>Increase</u> \$1.04M
- Facility and Shelter Maintenance	0.64M	0.80M	
- Advertising & Printing	0.70M	0.66M	
- Software Maintenance	0.60M	0.71M	
- Security, Auditing, Legal	0.35M	0.34M	
- Other Professional/Consulting	0.85M	1.67M	

## Other Professional/Consulting Increase

➤ Consulting		\$ .792M
• Ferry Study (50% grant funded) - .250M removed		
• I-66 sluglines promotion (100% grant funded)	.287M	
• Vanpool	.320M	
• Transit center engineering support (50% grant funded)	.175M	
• Diversity, equity & inclusion consulting – reduced FY2021 by .038M since consulting in process in FY2020	.040M	
• Other	(.030M)	
➤ Other Professional		\$ .101M
• Wheels to Wellness (100% PWC) - .150M removed		
• Mobile ticketing app (80% grant funded)	.100M	
• Bus wraps - .070M removed		
• Compensation study – .041M removed since study will be completed in FY2020		
• Paratransit ADARide – reduced by .022M		.001M



# Other Services/Materials, Supplies

	<u>FY2020</u>	<u>FY2021</u>
➤ Other Services	\$2.6M	\$2.9M
- VanPool Incentives (self-funded)	\$1.5M	\$1.7M
- Utilities/Communication	0.6M	0.6M
- Other	0.5M	0.6M
➤ Materials, Supplies, Minor Equip	\$0.1M	\$0.08M

## Fuel

	<u>FY2020</u>	<u>FY2021</u>
➤ Diesel Fuel	\$3.0M	\$3.1M
○ Grant funded services	\$0.35M	\$0.74M
○ Estimated gallons	1.57M	
○ Estimated price per gallon	\$2.00	
○ Fuel futures/hedging through June 2020		

# Capital Expenditures

	<u>FY2020</u>	<u>FY2021</u>
➤ Capital	\$6.2M	\$11.4M
○ Bus rehabs, engines, transmissions	\$2.8M	\$0.2M
○ Bus expansion/replacement	2.0M	9.3M
○ Bus Shelters	0.1M	0.1M
○ Hardware, software, equip, vehicle	0.9M	1.3M
○ Facility improvements	0.1M	0.2M
○ Debt service (2012 VRA Loan)	0.3M	0.3M

- Express bus expansion - \$4.1M 100% grant funded
- Express bus replacement - \$4.7M federal; CMAQ; state/local
- Local bus replacement \$0.5M state/local

## FY2021 Local Subsidy (Original) in Brief

<b>Jurisdiction</b>	<b>FY2020</b>	<b>Original FY2021</b>	<b>Change</b>
Prince William	\$16.868M	\$21.762M	29%
Manassas	0.472M	0.409M	(13%)
Manassas Park	0.250M	0.220M	(12%)
Stafford	0.104M	0.183M	76%
Fredericksburg	0.040M	0.067M	67%
Spotsylvania	0.114M	0.205M	79%
PRTC Local Subsidy (Excluding VRE)	\$17.848M	\$22.846M	28%

## FY2021 Local Subsidy (Revised) in Brief

<b>Jurisdiction</b>	<b>FY2020</b>	<b>Revised FY2021</b>	<b>% Change</b>	<b>% Change FY20/FY21 Original</b>
Prince William	\$16.868M	\$18.882M	12%	29%
Manassas	0.472M	0.383M	(19%)	(13%)
Manassas Park	0.250M	0.203M	(19%)	(12%)
Stafford	0.104M	0.131M	25%	76%
Fredericksburg	0.040M	0.048M	19%	67%
Spotsylvania	0.114M	0.146M	28%	79%
PRTC Local Subsidy (Excluding VRE)	\$17.848M	\$19.793M	11%	28%

## Next Steps

- April/May: Jurisdictional Approval
- June: Commission Approval



Thank you!

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