


To: ITP Board

From: Alan Hartley 

Date: July 26, 2005

Re: FY 2006 Proposed Budget – Executive Summary

Attached for your review and consideration is the Fiscal Year 2006 Proposed Budget. The budget totals \$37,517,320. The budget consists of two components, operating and grants. The operating portion totals \$24,884,433. The grants portion totals \$12,632,887. Operating expenses that are funded by grants, such as the County Connection program, have been extracted from the operating budget and placed in the grants budget. The Board can expect monthly reporting on both components in substantially the same format as is currently being presented in FY 2005.

On May 25, 2005, the ITP Board adopted budget formulation guidelines to be followed during budget preparation. A copy of those guidelines follows this letter. **All ITP Board budget formulation guidelines have been followed.**

Operating Budget

Operating revenues in FY 2006 are increasing a meager 1.2% from the FY 2005 budget and 4.2% over FY 2005 projected actuals. Revenue projections are conservative and realistic. Operating revenue highlights:

- Linehaul fares are expected to increase 3.8% from the FY 2005 projected actual. While contracted service ridership has grown dramatically, this ridership growth does not generate additional fare box revenue. The last fare increase was approved by the Board in March 2003 and implemented in May 2003. Applying a CPI increase for subsequent years would increase the cash fare by \$0.10 to \$1.40. All other linehaul fare categories would be adjusted accordingly as well (see Attachment 1). History has shown that a fare increase will result in an approximate 5.9% loss in ridership. The fare increase would generate a projected \$81,354 in additional linehaul fare revenue (see Attachment 2). Increases based on inflation would provide a systematic approach to fare structure management. I would categorize this approach as “unusual” in the transit industry. Fare increases of any magnitude require the same process and are generally met with public disapproval. With this in mind, my approach would be to wait until inflation over time dictates an increase of \$0.20 to \$0.25 in cash fare.
- The State Operating Assistance reimbursement percentage is projected to drop to 30% from 32.43%. Although MDOT has been unwilling to give any formal

indication whether this number is accurate, I believe it to be realistic. **Based on budgeted eligible expenses, this percentage reduction correlates to a \$599,884 loss in revenue. In FY 2006, budgeted State Operating Assistance has also been reduced by \$45,579 in anticipation of a negative prior year adjustment.**

- Our partnership with Grand Valley State University continues to prove beneficial. GVSU requested service hours and ridership have increased dramatically over the years.
- Property tax revenue is projected to increase 3.16% (includes a slight Headlee rollback).
- Airport Shuttle service is expected to begin on January 3, 2006. 1.8 passengers per service hour (3.0 projected) have been budgeted which will generate an estimated \$178,133 in fare revenue (based on \$12.50 one-way fare). **1.8 passengers per service hour must be achieved to make the program financially self-sufficient.**

Operating expenses in FY 2006 are increasing 4.0% from the FY 2005 budget and 7.3% over FY 2005 projected actuals. Expense projections are conservative and realistic.

Operating expense highlights:

- **Administrative Wage expenses show virtually no increase compared to FY 2005.** A new, full-time Planning & Grants Manager is proposed (grant funded). To offset most of this additional expense, one vacant full-time planning position has been frozen and will not be filled during FY 2006 unless additional grant funds are received. In addition, one vacant full-time position in the Specialized Services Department and one vacant part-time position in the Transportation Department are slated for elimination.
- Driver Wage expenses are projected to increase 6.1% due to increased GVSU service hours, running a full year of expansion services (only 9 months in FY 2005), and an anticipated hourly wage increase.
- Mechanic Wage expenses are increasing 4.77% due to an anticipated hourly wage increase and the addition of one (1) full-time position. This is the only position authorized and funded above FY 2005 levels. This new mechanic will support the maintenance of our fleet's electrical equipment. This equipment includes fare boxes, destination signage, voice enunciators, and security cameras.
- Over the past several years, great emphasis has been placed on controlling the cost of health insurance. Many strategies have been employed to combat escalating premiums. In 1997, a health insurance waiver program was implemented which has saved in excess of \$100,000 annually. In 1999, a prescription reimbursement program was introduced which has saved in excess of \$50,000 annually. In 2003, employee co-pays were increased, an employee

monthly contribution was introduced, and additional HMO (lower cost) providers offered. **It appears in FY 2006 that health insurance costs will remain at FY 2005 levels.** Premium increases on current benefit programs were quoted to renew at increases ranging from 11.28% to 38.10%. At this point it appears that, at minimum, administrative employees will begin participating in a Health Savings Account (H.S.A.) program in January 2006.

- The high range contribution has been budgeted to the administrative defined benefit plan (\$314,034). At this point, an additional contribution above this level is not budgeted. If State Operating Assistance settles north of 30%, an additional contribution may be desirable.
- **Diesel fuel is budgeted at \$2.00 per gallon** with expected consumption of 840,246 gallons (note: Lansing and Ann Arbor are budgeting \$1.75 and \$1.95 respectively). During the current fiscal year, diesel fuel prices have fluctuated dramatically. Prices have ranged between \$1.11 and \$1.87 per gallon. The average cost has been approximately \$1.65 per gallon. The budget is expected to accommodate the new Federal mandate (effective July 2006) to burn ultra-low sulfur fuel.
- **\$100,000 is budgeted for the purchase of excess liability insurance.** This excess coverage would provide \$6 million of coverage above the \$4 million provided by the Michigan Transit Pool.
- PASS ridership continues to grow. A 5% growth is anticipated in the budget. The cost of providing the service will increase from \$16.91 to \$17.26 per trip. In total, \$710,584 has been budgeted for this service (\$50,000 more than FY 2005 projected actual).
- As previously mentioned, Airport Shuttle service is scheduled for implementation on January 3, 2006. 7,917 hours of service are anticipated between January 3 and September 30, 2006. Total expenses for this service are budgeted at \$251,043.
- It appears that MDOT will not be providing its' customary 20% of capital project funding in FY 2006. Preliminary indications suggest that only 13.5% of capital project funding will be provided by MDOT. The remaining 6.5% will have to be funded by local agencies. **This funding shift will require an additional \$128,364 in local funds to leverage Federal and State dollars needed to directly support the provision of services.**
- **\$1,289,687 in surplus Section 5307 funding has been utilized to balance the budget in FY 2006.** This number reflects a \$707,457 increase over the current budgeted amount of \$582,230. Projected increases in union wages, diesel fuel, and PASS program expenses alone have added in excess of \$552,000 to the budget compared to FY 2005 projected actuals. **Total State funding cuts in FY 2006 (operating and capital) are projected at nearly \$730,000.** Attachment 3

shows that \$1,491,497 in surplus funds have been programmed for preventive maintenance. This will provide an additional "cushion" against the unexpected.

Grant Budget

The FY 2006 Grant Budget reflects a 1.9% decrease from the FY 2005 Grant Budget. Local funding required to support the program has increased dramatically in anticipation of MDOT not providing its' customary 20% match. Only items essential to support services (e.g. preventive maintenance) are proposed to be funded from FY 2006 grant contracts. The overwhelming majority of the budget is from previous year contracts which require no local match.

Investments of note scheduled during FY 2006 follow:

- \$2.79 million has been budgeted for the purchase of nine (9) buses. Funds are also included to purchase ten (10) paratransit vehicles.
- A host of facility improvements are planned. The Wealthy Operations Center improvements approved by the Board in April 2005 will be completed. Deteriorating exterior concrete is also scheduled for replacement. At Rapid Central Station, "white box" build out of the lease space (\$250,000) and building improvements necessary for concession space development (\$150,000) is anticipated.
- Staff of the Grand Rapids Downtown Development Authority has voiced support for using a portion of captured property taxes to purchase equipment (\$110,090) to outfit the concession space at Rapid Central Station. ITP & DDA Board approval, as well as, project completion is anticipated in FY 2006.
- \$2.8 million is budgeted for the implementation of Bundle 1 ITS technologies.

Conclusion

FY 2006 will be filled with challenge. State funding reductions must be addressed. Our efforts to, at minimum, stabilize State funding must be focused, unified, and relentless. As requested by the Finance Committee, Attachment 4 summarizes and prioritizes several service reduction scenarios. These scenarios are based on preliminary results from the Comprehensive Operational Analysis (COA).

I will be providing the budget in a summary format to the Service Planning & Development Committee and the full Board. If any member of the Board would like to receive the expanded version of the budget, or has any questions or comments regarding the budget, please feel free to contact me directly at (616) 774-1150.

Attachment 1

<u>Year</u>	<u>Avg Annual CPI Increase</u>	<u>Cash Fare Rounded to Nearest Nickel</u>	<u>Month Pass Rounded to Nearest Dollar</u>	<u>Adult 10 - Ride Pass Rounded to Nearest Quarter</u>	<u>S/D 10 - Ride Pass Rounded to Nearest Quarter</u>	<u>Student 10 - Ride Pass Rounded to Nearest Nickel</u>
2003	n/a	\$1.30	\$35	\$10.00	\$6.50	\$8.00
2004	2.70%	\$1.35	\$36	\$10.25	\$6.75	\$8.25
2005	2.48%	\$1.40	\$37	\$10.50	\$6.75	\$8.50
2006	2.48%	\$1.40	\$38	\$10.75	\$7.00	\$8.75
2007	2.48%	\$1.45	\$39	\$11.00	\$7.25	\$8.75
2008	2.48%	\$1.50	\$40	\$11.25	\$7.25	\$9.00
2009	2.48%	\$1.50	\$41	\$11.50	\$7.50	\$9.25
2010	2.48%	\$1.55	\$42	\$12.00	\$7.75	\$9.50
2011	2.48%	\$1.60	\$43	\$12.25	\$8.00	\$9.75
2012	2.48%	\$1.60	\$44	\$12.50	\$8.00	\$10.00
2013	2.48%	\$1.65	\$45	\$12.75	\$8.25	\$10.25
2014	2.48%	\$1.70	\$46	\$13.00	\$8.50	\$10.50
2015	2.48%	\$1.75	\$47	\$13.50	\$8.75	\$10.75

<u>Fare Category</u>	<u>Current Fare</u>	<u>Projected Ridership @ Current Fare</u>	<u>Projected Revenue @ Current Fare</u>	<u>New Fare</u>	<u>Projected Ridership @ New Fare (5.9% loss)</u>	<u>Projected Revenue @ New Fare</u>
Cash	\$1.30	797,930	\$1,037,309	\$1.40	750,852	\$1,051,193
Senior/Disabled*	\$0.65	386,444	\$251,189	\$0.70	363,644	\$254,551
Adult*	\$1.00	441,731	\$441,731	\$1.075	415,669	\$457,236
Student*	\$0.80	785,286	\$628,229	\$0.875	738,954	\$665,059
31 Day Pass	\$35.00	15,532 **	\$543,620	\$38.00	14,616 **	\$555,393
		2,411,391	\$2,902,077		2,269,119	\$2,983,431
			Loss of Ridership		142,272	
			Increase in Revenue ***		\$81,354	

* Sold in increments of 10 rides.

** Indicates passes sold.

*** Does not include paratransit fares

If paratransit fares were increased to \$2.80 (currently \$2.60) an additional \$44,865 in revenue would be generated, assuming no loss in paratransit ridership.

Description	QTY	FY 2005	QTY	FY 2006	QTY	FY 2007	QTY	FY 2008	QTY	FY 2009
Computer Software		88,340		32,000		21,700		25,200		30,000
Computer Hardware		60,904		41,900		87,000		39,200		41,900
Project Admin		80,000		80,000		80,000		80,000		80,000
Preventive Maintenance		947,506		1,491,497		935,022		569,733		705,700
Bus Tire Lease		90,000		95,000		100,000		100,000		100,000
Capital Cost of Contracting		225,000		236,250		248,062		260,465		273,488
Paratransit Vehicles	5		17		12	705,600	25	1,543,500	13	842,751
Service Vehicles		200,000				85,000		0		0
Planning Funds (80/10/10)		1,577,000		400,500		600,000		616,000		632,000
Associated Capital Maintenance		520,000				500,000		308,000		435,000
Shop Equipment		16,750				23,500		17,800		20,000
Office Furniture/ Equipment		0		0		15,000		15,000		15,000
Facility Renovation						0		0		900,000
Radio Equipment		5,000				5,000		5,000		5,000
Intelligent Transportation System		1,000		0		0		0		0
ADA Vehicle Equipment (90/10)		150,000				165,375		0		182,325
Facility Equipment		4,000		0		80,000		300,000		0
A & E				0		0		145,400		0
Rehab Adm/Maint Facility				0		140,000		229,500		0
Storage/Shelving Units		20,000				0		0		0
Passenger Shelters		0		0		0		100,000		0
Bus Stop Signs		50,325				5,000		5,000		5,000
Informational Displays		25,000				10,000		10,000		10,000
Misc. Support Equipment		55,000		0		0		0		55,000
Misc. Contingencies		0				4,510,446		4,313,910		4,520,000
Replacement Buses										
Actual Bus Needs	(4)	@ 303,681								
		\$7,667,749		\$8,045,758		\$8,316,705		\$8,683,708		\$8,853,164

Section 5309 - Actual

ITS (In Federal Amount) 80/20		\$743,775								
Replacement Buses 80/20			12		12	4,000,000	13	4,450,000	14	5,050,000
		(5) @ \$303,681								

ILLUSTRATIVE PROJECTS

Section 5309	5309 Requests are discretionary and not guaranteed									
Intelligent Transportation System		831,942				1,000,000		100,000		100,000
Major Corridor Study						1,000,000		9,500,000		0
		831,942		9,200,000		2,000,000		9,600,000		100,000
Section 3037										
Job Access Reverse Commute		0		0		700,000		700,000		0
		0		0		700,000		700,000		0
Rural STP Funds										
Paratransit Vehicles		0				0		0		0
				45,000		0		0		0
CMAQ Funds										
rideshare		72,900				97,600		100,500		103,500
Replacement Buses @ \$320,000	1		6		5	1,600,000	5	1,600,000		0
Ozone Action Days	10	68,288				90,000		95,000		100,000
Vanpool Vans/Cars Expansion	3		3		4	74,000	4	74,000	4	74,000
		\$502,900		\$2,151,700		\$1,861,600		\$1,869,500		\$277,500

8/2/2005

Staff Prioritization of service reductions as based on COA analysis

Staff Priority	Route #	Description of Change	Change in Annual Service Hours	Annual Budget Impact
1	System wide weekday	Reduce peak hour service from 6 hours to 5 hours, reduced hour returns to midday service frequency	-5,355	-\$160,650
2	6	Reduce Peak frequency from 15 to 30 minutes on weekdays	-4,590	-\$137,700
3	System wide wkdy & Sat	Reduce all Evening service from 45 to 60 minute frequency. This is an estimate, and would require some additional scheduling (i.e., interlining) to confirm	-6,764	-\$202,920
4	44th Street	elimination or realignment to be determined as part of the COA	?	?
5	PASS	Possible restructuring to be determined as part of the COA	?	?
6	System wide weekday	Reduce evening service period by 1 hour for all routes operating in evening	-5,185	-\$155,550
7	System wide Saturday	Reduce evening service period by 1 hour for all routes operating in evening	-728	-\$21,840
8	8	Change Saturday Service to 45	-390	-\$11,700
9	3	Reduce service frequency from 30/45 to 60 minute all day Run all service to 44th St. & Chaffee	-3,315	-\$99,450
10	5	Operate service entire length to 36th St. and Kraft at 60 minute frequency all day	-3,060	-\$91,800
11	14	Eliminate Saturday Service	-572	-\$17,160
12	24	Eliminate Saturday Service	-1,248	-\$37,440
Total			-31,207	-\$936,210
			Less: State Operating Revenue (30%)	-\$280,863
			Net Savings	\$655,347

To: ITP Board
From: Alan Hartley
Date: May 3, 2005
Subject: FY 2006 BUDGET FORMULATION GUIDELINES

In February 2001, the ITP Board began a process of reviewing and approving guidelines to be followed during formulation of the annual budget. This initial step in the budget process has led to productive discussion and expedited budget approval.

The following are the Fiscal Year 2006 budget formulation guidelines for Board consideration:

- A "current service" budget will be prepared. No additional service hours will be proposed.
- Projected cash balance shall not fall below 5% of budgeted annual expenses.
- Contribution to the administrative employee defined benefit pension plan shall be the high-range contribution. This contribution reflects a ten (10) year payment on the unfunded actuarial liability plus normal cost and interest.
- Surplus Section 5307 grant funds (over and above the amounts typically used in the operating budget) may be utilized to balance the budget. "Surplus funds" are defined as Section 5307 grant funds available once all FY 2006 capital and planning needs are met.
- The goal shall be that all contracts for service with the ITP be self-supporting. No locally derived ITP funds shall be used to subsidize these services, unless specifically approved by the Board.
- State Operating Assistance will be budgeted at 30% of eligible expenses (currently 32.43%).
- Unrestricted net assets shall not be used to balance the budget.

A special meeting has been scheduled for the Finance Committee on August 15, 2005 at 8:00 a.m. to review and discuss the FY 2006 Proposed Budget.

INTERURBAN TRANSIT PARTNERSHIP BOARD

RESOLUTION NO. 26

Fiscal Year 2005

Moved and supported to adopt the following resolution:

Adoption of FY 2006 budget formulation guidelines.

BE IT RESOLVED that the Interurban Transit Partnership Board has reviewed and hereby adopts the FY 2006 budget formulation guidelines, as presented to the ITP Board on May 25, 2005.

CERTIFICATE

The undersigned, duly qualified and acting Secretary of the Interurban Transit Partnership Board, certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Interurban Transit Partnership Board.

Robin Crothers
Robin Crothers, ITP Board Secretary

May 25, 2005
Date

**INTERURBAN TRANSIT PARTNERSHIP
PERSONNEL AUTHORIZATION COMPARISON
FY 2006 BUDGET**

<u>Positions</u>	<u>FY 2005 Authorized</u>	<u>FY 2005 Current (6/30/05)</u>	<u>FY 2006 Proposed</u>	
Senior Managers	12	12	13	Add Planning Manager
Supervisors & Admins.				
Operations	14 A	12	13	Eliminate Part-time Trans. Supv.
Administration	4	4	4	
Professionals				
Operations	2	2	2	
Administration	3	3	3	
Service Development	1	1	1	
Customer Svc./Marketing	2	2	2	
Planning & Grants	3	3	3	Long Range Planner Position Frozen
Special Services	1	1	0	Eliminate Special Svcs. Office Admin.
Call Takers/Schedulers				
Special Services	7 C	7 C	7 C	
Administrative Support				
Operations	3 A	3 A	3 A	
Administration	4 B	4 B	4 B	
Customer Svc./Marketing	5 A	4	5 A	
Special Services	1	1	1	
Total Admin. Personnel	62	59	61	
Bus Operators - Full Time	160	161	160	
Bus Drivers - Part Time	20	18	20	
Mechanics - Fleet	24	25	25	Add Electronics Mechanic
Mechanics - Facilities	3	3	3	
Total Union Personnel	207	207	208	
TOTAL PERSONNEL	269	266	269	

A - Includes 1 part time employee
 B - Includes 2 part time employee
 C - Includes 3 part time employees

COSTING OF CONTRACT SERVICES - FY 2006

LINEHAUL

Total Actual Vehicle Hours	254,703		
Total Actual Revenue Hours	244,306		
Operations	\$10,275,810	Cost per Vehicle Hour \$40.34	Cost per Revenue Hour \$42.06
Maintenance	\$2,976,524	\$11.69	\$12.18
Admin/Planning/Marketing	\$4,191,858	\$16.46	\$17.16
Total Linehaul	\$17,444,192	\$68.49	\$71.40
Less: State Operating (option)		\$47.94	\$49.98

PARATRANSIT

Administration	\$329,538	Go! Bus Mandated Purch. Transport. Cost as a % of Linehaul Costs	
Go! Bus Purchased Transportation	\$2,955,405		
Total Paratransit	\$3,284,943		18.83%
Total Linehaul & Mandated Paratransit Operating Expenses	\$20,729,135	Cost per Vehicle Hour + 18.83% for Mandated Go! Bus	\$81.38
Less: State Operating (option)			\$56.00

Total operating expenses do not include Specialized Services, Westrain, Rideshare, Depreciation, or other paratransit programs.
 Service Statistics used in this analysis can be found in the 2004 National Transit Database Report.
 Financial information taken from ITP Financial Statements year ended September 30, 2004.
 State Operating revenue calculated using rate of 30%.

Urban Transit Partnership
Cash Flow Projection through FY 2006
 based on FY 06 proposed budget

	Cash - In		Cash - Out	Beginning Cash Balance
	Property Taxes	All Other G.O. Rev.		
Balance of Fiscal Year 05				
July	\$440,382	\$1,083,389	\$1,872,101	\$2,330,796
Aug	3,513,687	1,083,389	\$1,872,101	5,055,771
Sep	4,628,698	1,083,389	\$1,872,101	8,895,757
Fiscal Year 06				
Oct	\$262,355	\$1,268,194	\$2,073,703	\$8,352,603
Nov	93,698	1,268,194	2,073,703	7,640,792
Dec	65,589	1,268,194	2,073,703	6,900,872
Jan	46,849	1,268,194	2,073,703	6,142,212
Feb	46,849	1,268,194	2,073,703	5,383,552
Mar	18,739	1,268,194	2,073,703	4,596,782
Apr	9,370	1,268,194	2,073,703	3,800,643
May	9,370	1,268,194	2,073,703	3,004,504
June	234,247	1,268,194	2,073,703	2,433,242
July	454,307	1,268,194	2,073,703	2,082,040
Aug	3,624,789	1,268,194	2,073,703	4,901,320
Sep	4,775,055	1,268,196	2,073,700	8,870,871

9,369,833
budgeted 05 levy

9,641,217
projected collections during fy06

24,884,433
fy06 proposed budget

For purposes of preparing this statement, projected totals were used to complete FY05.

Straightline projections for all general operating expenses and for general operating revenues except for property taxes which were based on past averages.

**INTERURBAN TRANSIT PARTNERSHIP
OPERATING REVENUE BY CATEGORY
FY 2006 BUDGET**

	<u>FY 2003 ACTUAL</u>	<u>FY 2004 ACTUAL</u>	<u>FY 2005 AMENDED BUDGET</u>	<u>FY 2005 PROJECTED ACTUAL</u>	<u>FY 2006 PROPOSED BUDGET</u>
PASSENGER FARES:					
Passenger Fares - Linehaul	\$2,817,454	\$2,956,825	\$3,054,332	\$2,793,785	\$2,902,077
Passenger Fares - Paratransit	\$576,734	\$572,362	\$563,856	\$470,714	\$478,733
Passenger Fares - Other	\$44,859	\$59,531	\$64,365	\$81,889	\$104,520
Passenger Fares - Airport	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$178,133</u>
TOTAL FARES	\$3,439,047	\$3,588,718	\$3,682,553	\$3,346,388	\$3,663,463
SALE OF TRANSPORTATION SERVICES					
Community Mental Health	\$1,291,763	\$1,313,964	\$1,485,540	\$1,293,036	\$1,452,760
Downtown Area Shuttle	\$528,677	\$567,431	\$570,739	\$617,180	\$628,197
Grand Valley State University	\$519,610	\$682,474	\$843,975	\$1,000,646	\$1,390,705
Employment Transportation (Vanpool Lease)	\$8,400	\$9,000	\$25,980	\$16,200	\$82,212
Township Services	\$268,208	\$279,048	\$299,724	\$267,196	\$318,188
Other	<u>\$153,921</u>	<u>\$72,166</u>	<u>\$43,597</u>	<u>\$27,148</u>	<u>\$35,500</u>
TOTAL SALES	\$2,770,579	\$2,924,083	\$3,269,555	\$3,221,406	\$3,907,562
OTHER REVENUE & SUPPORT					
State Operating Assistance	\$7,482,814	\$6,909,901	\$7,943,111	\$7,610,364	\$7,360,391
Property Taxes	\$6,885,999	\$9,003,096	\$9,369,833	\$9,369,833	\$9,666,103
Advertising	\$64,733	\$43,187	\$36,000	\$35,373	\$38,000
Interest & Miscellaneous	<u>\$151,556</u>	<u>\$140,618</u>	<u>\$283,725</u>	<u>\$283,725</u>	<u>\$248,914</u>
TOTAL OTHER	\$14,585,102	\$16,096,802	\$17,632,669	\$17,299,295	\$17,313,408
TOTAL REVENUES	\$20,794,728	\$22,609,603	\$24,584,777	\$23,867,090	\$24,884,433
NET ASSETS					
Restricted (Total @ 9/30/00 = \$440,492)	\$440,492	\$440,492	\$440,492	\$440,492	\$440,492
Unrestricted Additions/(Losses)	(\$4,887)	\$2,006,634	\$0	\$0	\$0
Unrestricted Cumulative (\$5,707,567 @ 9/30/00)	\$6,444,893	\$8,452,925	\$8,452,925	\$8,452,925	\$8,452,925

**INTERURBAN TRANSIT PARTNERSHIP
OPERATING EXPENSE BY CATEGORY
FY 2006 BUDGET**

	FY 2003 <u>ACTUAL</u>	FY 2004 <u>ACTUAL</u>	FY 2005 <u>AMENDED BUDGET</u>	FY 2005 <u>PROJECTED ACTUAL</u>	FY 2006 <u>PROPOSED BUDGET</u>
LABOR:					
Administrative Salaries	\$2,036,768	\$1,974,964	\$2,261,609	\$2,237,381	\$2,267,486
Driver Wages	\$4,895,824	\$4,962,411	\$5,577,108	\$5,578,701	\$5,919,488
Mechanics Wages	\$805,355	\$857,958	\$928,827	\$927,909	\$972,142
Temporary Wages	<u>\$4,179</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL LABOR	\$7,742,126	\$7,795,333	\$8,767,544	\$8,743,990	\$9,159,116
FRINGE BENEFITS:					
FICA	\$670,141	\$675,706	\$712,689	\$713,942	\$748,143
Pension	\$577,663	\$610,985	\$847,964	\$847,964	\$696,703
Group Medical	\$1,743,630	\$1,682,422	\$2,020,302	\$2,002,127	\$2,026,449
Unemployment Insurance	\$49,601	\$56,999	\$74,772	\$74,772	\$84,735
Workers Compensation	\$263,198	\$291,189	\$379,908	\$379,908	\$380,000
Sick Leave	\$121,462	\$124,506	\$124,451	\$131,775	\$128,915
Holiday	\$219,717	\$211,621	\$250,579	\$242,555	\$258,635
Vacation	\$535,217	\$490,917	\$559,100	\$557,889	\$592,369
Bereavement	\$12,494	\$7,925	\$10,000	\$12,557	\$13,630
Uniform Allowance	\$47,839	\$57,213	\$66,537	\$62,028	\$68,537
Personal Days - Union	\$149,889	\$142,438	\$152,427	\$152,427	\$158,095
Fringe Benefits Distributed to Grants	<u>(\$82,244)</u>	<u>(\$79,132)</u>	<u>(\$96,443)</u>	<u>(\$91,904)</u>	<u>(\$104,788)</u>
TOTAL FRINGE BENEFITS	\$4,308,607	\$4,272,789	\$5,102,286	\$5,086,040	\$5,051,423
TOTAL LABOR & FRINGES	\$12,050,733	\$12,068,122	\$13,869,830	\$13,830,030	\$14,210,539
SERVICES:					
Audit, Legal & Consultant	\$168,185	\$150,961	\$175,005	\$175,005	\$187,400
Contract Service (Janitorial, Bus Cleaning, Fuel Lane & Shelter Snow Removal)	\$422,941	\$569,474	\$697,483	\$630,633	\$684,360
Contract Services (Maintenance)	\$74,631	\$19,056	\$0	\$0	\$0
Other Services	<u>\$200,808</u>	<u>\$245,555</u>	<u>\$459,621</u>	<u>\$451,652</u>	<u>\$493,301</u>
TOTAL SERVICES	\$866,565	\$985,046	\$1,332,109	\$1,257,290	\$1,365,061
MATERIAL & SUPPLIES:					
Fuel & Lubricants	\$834,104	\$923,135	\$1,503,386	\$1,463,340	\$1,769,387
Tires & Tubes	\$10,124	\$7,149	\$10,144	\$8,910	\$10,476
Office Supplies	\$45,040	\$40,530	\$50,957	\$48,424	\$59,871
Printing	\$90,279	\$58,782	\$77,720	\$77,720	\$105,310
Repair Parts	\$575,238	\$568,208	\$722,074	\$705,721	\$759,126
Supplies - Other	<u>\$64,989</u>	<u>\$62,503</u>	<u>\$72,160</u>	<u>\$62,184</u>	<u>\$59,836</u>
TOTAL MATERIAL & SUPPLIES	\$1,619,774	\$1,660,307	\$2,436,441	\$2,366,300	\$2,764,006
UTILITIES:					
Electronic Communications	\$61,115	\$53,612	\$61,876	\$50,592	\$64,020
Gas Heat	\$171,652	\$83,579	\$194,696	\$193,612	\$222,336
Electric	\$118,673	\$138,899	\$286,252	\$164,902	\$189,120
Other	<u>\$42,005</u>	<u>\$32,067</u>	<u>\$49,800</u>	<u>\$31,875</u>	<u>\$39,438</u>
TOTAL UTILITIES	\$393,445	\$308,157	\$592,624	\$440,981	\$514,914
CASUALTY & LIABILITY COSTS:					
PL & PD Insurance	\$878,702	\$580,947	\$456,544	\$590,536	\$539,754
Building & Other Insurance	<u>\$101,868</u>	<u>\$110,453</u>	<u>\$117,283</u>	<u>\$117,283</u>	<u>\$134,909</u>
TOTAL CASUALTY & LIABILITY	\$980,570	\$691,400	\$573,827	\$707,819	\$674,663
TAXES	\$28,165	\$27,658	\$0	\$0	\$0
PURCHASED TRANSPORTATION	\$2,956,933	\$2,750,093	\$3,070,355	\$2,763,032	\$3,005,645

INTERURBAN TRANSIT PARTNERSHIP
 OPERATING EXPENSE BY CATEGORY - CONTINUED
 FY 2006 BUDGET

	FY 2003 <u>ACTUAL</u>	FY 2004 <u>ACTUAL</u>	FY 2005 <u>AMENDED BUDGET</u>	FY 2005 <u>PROJECTED ACTUAL</u>	FY 2006 <u>PROPOSED BUDGET</u>
PURCHASED TRANSPORTATION - COMMUNITY MENTAL HEALTH	\$1,989,188	\$1,947,506	\$2,111,130	\$1,850,095	\$1,994,152
PURCHASED TRANSPORTATION - OTHER PROGRAMS	\$61,148	\$20,974	\$89,430	\$3,600	\$33,000
PURCHASED TRANSPORTATION - SUBURBAN PARATRANSIT	\$180,489	\$518,832	\$565,421	\$660,749	\$710,584
PURCHASED TRANSPORTATION - AIRPORT SHUTTLE	\$0	\$0	\$0	\$0	\$221,043
OTHER EXPENSES:					
Dues & Subscriptions	\$40,768	\$45,319	\$57,545	\$57,545	\$59,346
Professional Development	\$41,072	\$46,207	\$92,175	\$77,761	\$98,915
Promotion	\$100,060	\$94,691	\$100,647	\$100,647	\$116,500
Community Outreach	\$92,091	\$73,009	\$100,000	\$100,000	\$100,000
Office Equipment	\$7,830	\$7,607	\$12,500	\$11,855	\$12,868
Shop Tools	\$16,624	\$17,121	\$17,900	\$17,448	\$23,020
Miscellaneous	\$76,995	\$27,456	\$53,390	\$43,697	\$72,000
TOTAL OTHER EXPENSES	\$375,440	\$311,410	\$434,157	\$408,953	\$482,649
OFFICE LEASE/PARKING	\$9,788	\$7,284	\$0	\$0	\$0
NET SURPLUS/(DEFICIT)	(\$4,887)	\$2,006,634	\$0	\$0	\$0
TRANSFER OUT - GRANT BUDGET	\$0	\$46,180	\$91,683	\$91,683	\$197,864
OPERATING EXPENSES - CAPITALIZED	(\$712,623)	(\$740,000)	(\$582,230)	(\$513,442)	(\$1,289,687)
EXPANSION SERVICE	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$20,794,728	\$22,609,603	\$24,584,777	\$23,867,090	\$24,884,433

**INTERURBAN TRANSIT PARTNERSHIP
GRANT REVENUES & EXPENDITURES
FY 2006 BUDGET**

REVENUES

	FY 2005 <u>AMENDED</u>	FY 2006 <u>PROPOSED</u>
Federal Grant Assistance	\$9,123,847	\$9,422,002
State Grant Assistance	\$3,217,201	\$2,902,932
Use of Restricted Net Assets	\$440,492	\$0
Other Local - DDA	\$0	\$110,090
Transfer In - Operating Budget	\$91,683	\$197,864
TOTAL GRANT REVENUES	\$12,873,223	\$12,632,887

EXPENDITURES

Description	FY 2005 <u>AMENDED</u>	FY 2006 <u>PROPOSED</u>	FY 2006 <u>Federal</u>	FY 2006 <u>State</u>	FY 2006 <u>Local</u>	FY 2006 <u>Other</u>
Administrative Salaries	\$192,886	\$202,608	\$117,855	\$71,911	\$12,842	\$0
Fringe Benefit Distribution	\$96,443	\$104,788	\$61,902	\$36,059	\$6,828	\$0
TOTAL LABOR	\$289,329	\$307,396	\$179,757	\$107,970	\$19,670	\$0
Tires & Tubes	\$90,000	\$95,000	\$76,000	\$12,825	\$6,175	\$0
Office Supplies	\$100	\$0	\$0	\$0	\$0	\$0
Printing	\$500	\$0	\$0	\$0	\$0	\$0
TOTAL MATERIAL & SUPPLIES	\$90,600	\$95,000	\$76,000	\$12,825	\$6,175	\$0
Purchased Transportation	\$878,424	\$859,564	\$500,657	\$343,551	\$15,356	\$0
Specialized Services	\$428,852	\$428,852	\$0	\$428,852	\$0	\$0
TOTAL PURCHASED TRANS.	\$1,307,276	\$1,288,416	\$500,657	\$772,403	\$15,356	\$0
Dues & Subscriptions	\$200	\$0	\$0	\$0	\$0	\$0
Professional Development	\$3,000	\$0	\$0	\$0	\$0	\$0
Promotion	\$6,151	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER EXPENSES	\$9,351	\$0	\$0	\$0	\$0	\$0
Office Lease	\$0	\$0	\$0	\$0	\$0	\$0
Transit Center Lease	\$40,761	\$0	\$0	\$0	\$0	\$0
TOTAL LEASES	\$40,761	\$0	\$0	\$0	\$0	\$0
Rolling Stock	\$5,269,488	\$3,336,608	\$2,669,286	\$667,322	\$0	\$0
Facilities	\$3,768,925	\$1,903,216	\$1,522,573	\$380,643	\$0	0
Equipment	\$80,783	\$248,550	\$110,768	\$27,692	\$0	\$110,090
Other	\$657,480	\$3,613,714	\$2,890,971	\$704,940	\$17,803	\$0
TOTAL CAPITAL	\$9,776,676	\$9,102,088	\$7,193,598	\$1,780,597	\$17,803	\$110,090
TOTAL PLANNING SERVICES	\$777,000	\$550,300	\$440,240	\$55,030	\$55,030	\$0
TOTAL CAPITALIZED OPERATING	\$582,230	\$1,289,687	\$1,031,750	\$174,108	\$83,830	\$0
TOTAL GRANT EXPENDITURES	\$12,873,223	\$12,632,887	\$9,422,002	\$2,902,932	\$197,864	\$110,090

INTERURBAN TRANSIT PARTNERSHIP BOARD

RESOLUTION NO. _____

Fiscal Year 2004-05

GENERAL APPROPRIATIONS ACT FOR FY 2006

Moved and supported to adopt the following resolution:

Whereas, the Interurban Transit Partnership, formed under Public Act 196, will levy 0.9500 mills of ad valorem property taxes for the purpose of providing public transportation services during FY 2006; and

Whereas, total expenditures do not exceed total revenues; and

Whereas, estimated revenues (by source) to be collected in the Operating Budget and Grant Budget are contained in the budget document presented to the ITP Board;

THEREFORE BE IT RESOLVED that the Interurban Transit Partnership Board hereby adopts the FY 2006 Operating and Grant Budget as presented to the ITP Board on August 31, 2005.

BE IT FURTHER RESOLVED that the Interurban Transit Partnership Board has reviewed and hereby approves the FY 2006 Marketing and Communications Plan and authorizes the Executive Director to implement the provisions of the Plan.

BE IT FURTHER RESOLVED that the Executive Director is authorized to execute contracts to maintain employee fringe benefit programs as outlined in the Budget.

BE IT FURTHER RESOLVED that the Interurban Transit Partnership Board has reviewed and hereby approves the Costing for Contracted Services as presented.

BE IT FURTHER RESOLVED that funds in the budget (\$24,884,433 Operating and \$12,632,887 Grant) are appropriated for those purposes described in the budget, as required under Section 21 of Act 196 (Public Act of 1986, as amended).

CERTIFICATE

The undersigned, duly qualified and acting Secretary of the Interurban Transit Partnership Board, certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Interurban Transit Partnership Board.

Robin Crothers
ITP Board Secretary

Date