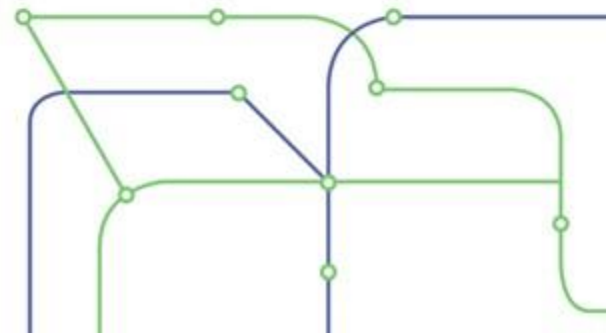


Lextran Fiscal Year 2019 Budget Review

May 15, 2018



Budget Timeline



LEXTRAN AT A GLANCE • • • • •

Public transportation provider
in Fayette County since

1973



4.5 MILLION
PASSENGER TRIPS (FY17)

14,000
TRIPS PER DAY

22

**FIXED
ROUTES**



**COUNTY
WIDE
PARATRANSIT
SERVICE**

**65% OF TRIPS
ARE FOR WORK
OR SCHOOL**

OUR FLEET



65 VEHICLES



**55 WHEELS
PARATRANSIT
VEHICLES**

Triple A – Accomplishments, Achievements, & Awards

- Developed and implemented an Employee Engagement Program
- Renewed collective bargaining agreement and started a joint labor-management committee
- Updated human resource, scheduling, and payroll processing software
- Continued with organization-wide branding project



Triple A – Accomplishments, Achievements, & Awards

- Expanded partnership with University of Kentucky with additional on-campus service
- Modified routes to better serve workplaces on Mercer and Leestown Road
- Took delivery on additional CNG and fully electric buses
- Conducted a system-wide transit route facilities inventory

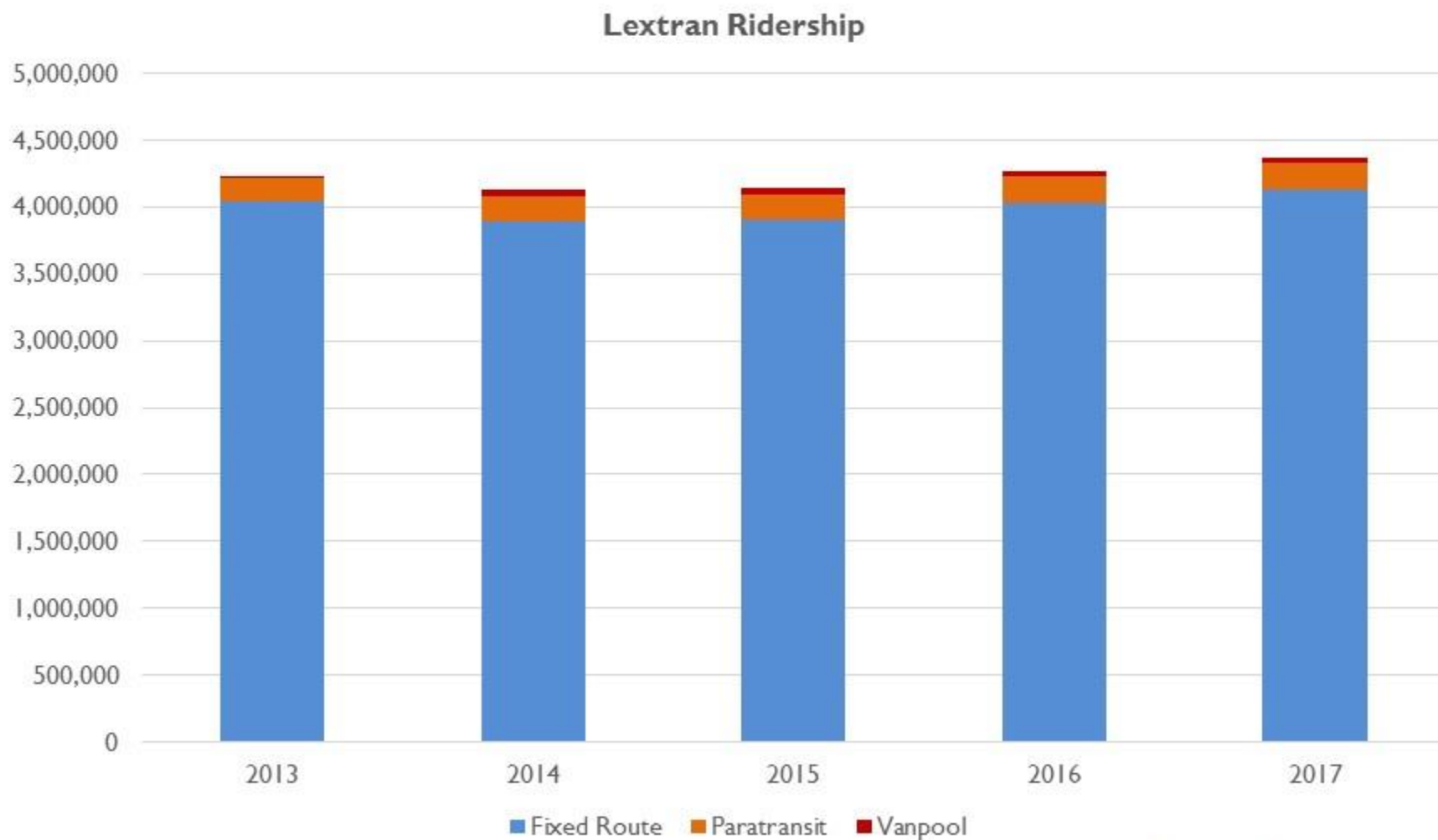


Triple A – Accomplishments, Achievements, & Awards

- Commonwealth of KY Statewide Going Green Public Transit Award
- LEED Gold certification
- Kentucky Clean Fuels Coalition “Green Fleets” Award
- Competed in international APTA Bus and Paratransit Roadeo



Five Year Look Back: Ridership



2019 – Grow Ridership

1 - Refocus on Customer Service

- Implement Branding Project recommendations

2 - Improve Transit Center Experience

- Complete Town Branch TAP award

3 - Add Passenger Amenities

- Make improvements at bus stops

4 – Explore More, New or Alternate Services

- Develop and test concepts with customers and riders

What we'd like to do...



Challenges and Constraints



Aging fleet



Staffing and hiring needs



Financially sustainable service growth



Revenue increases lag behind expense
increases

12 year useful life / 5 bus per year replacement scheduled

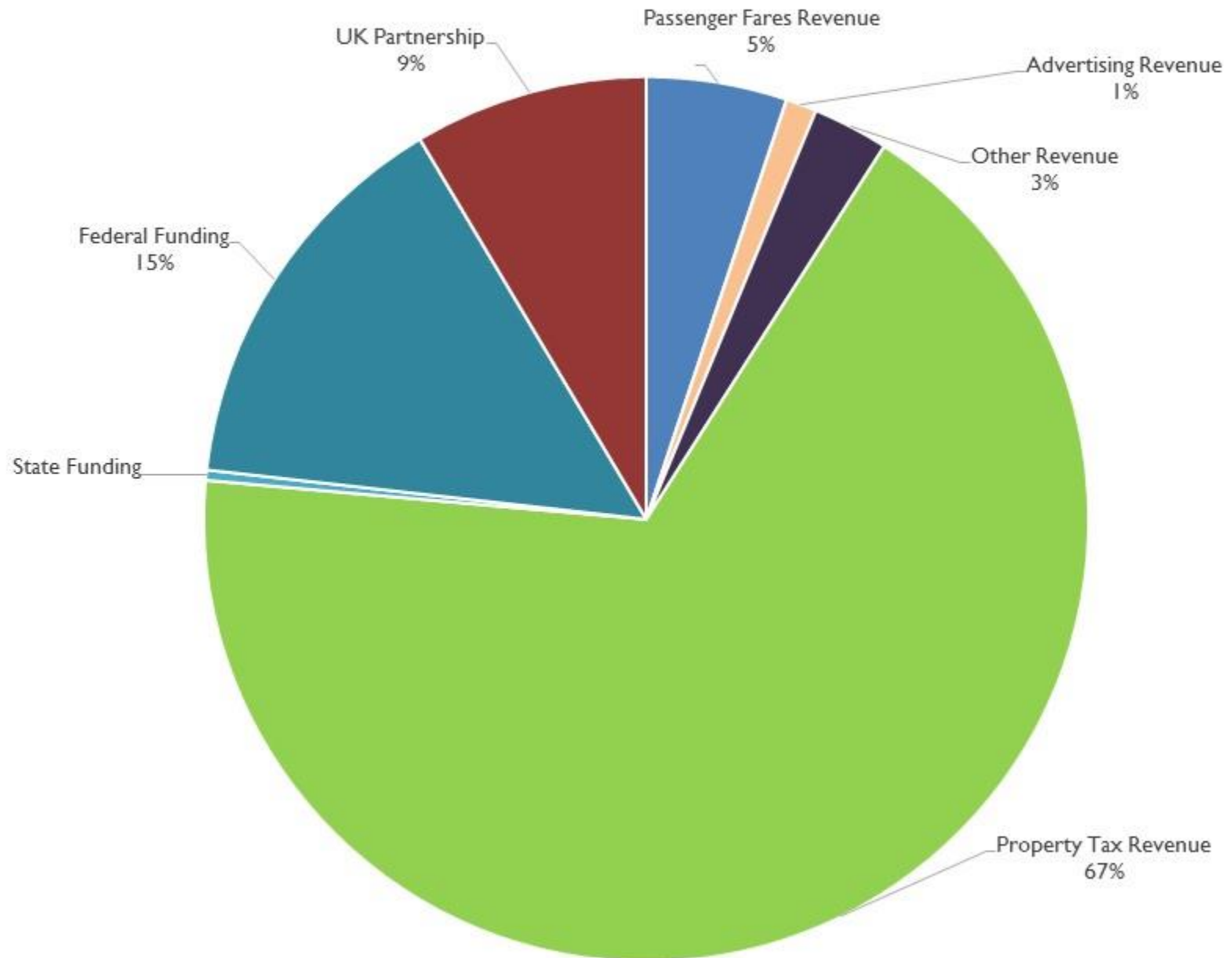


Uncertainties for budget

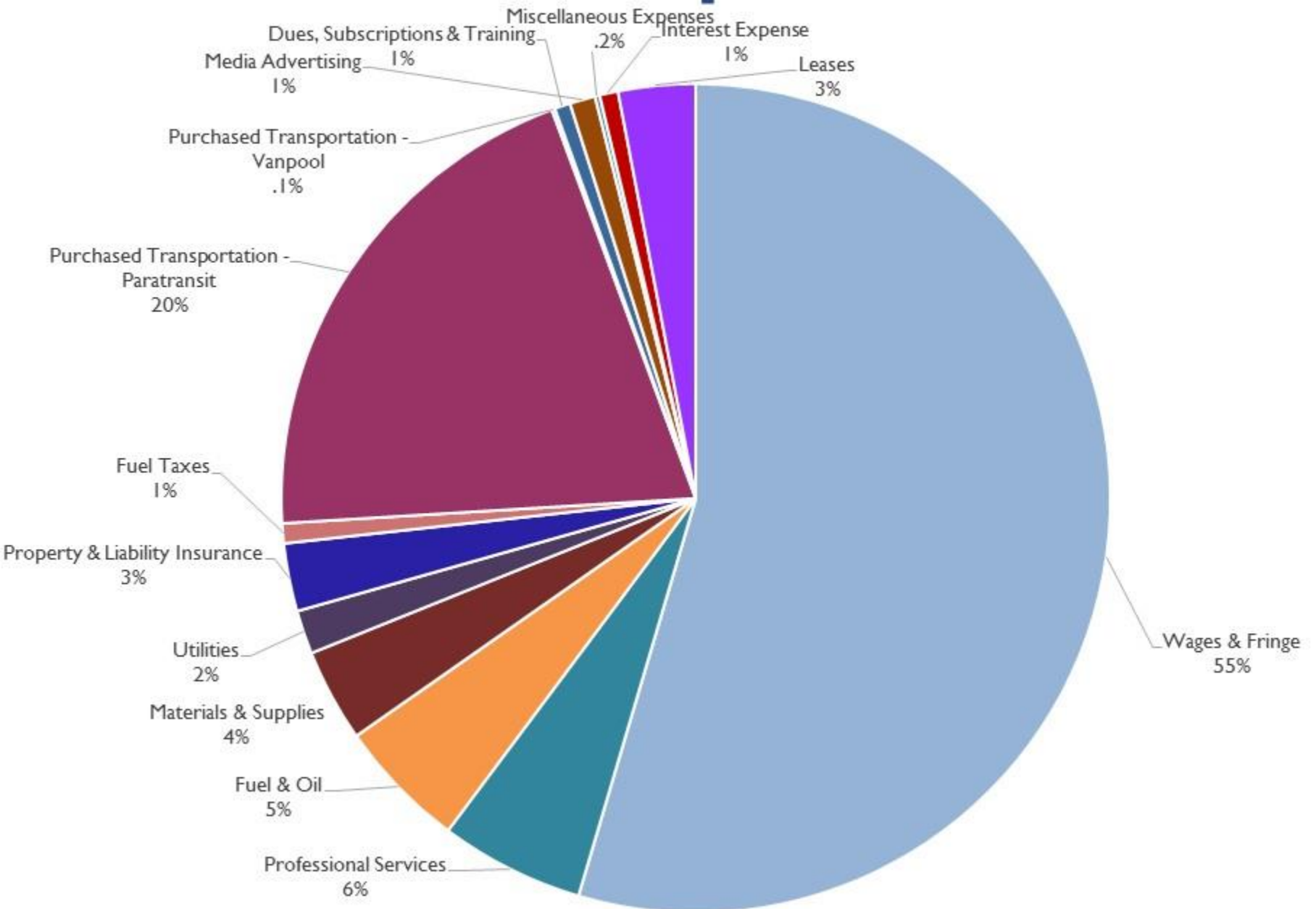
- Variable Costs:
 - Health Insurance premium
 - Paratransit service
 - Diesel fuel
- State Funding
 - Loss of toll credits
 - Other unknowns at State
- Federal Level
 - New FTA administrator appointed
 - Loss of transit funding in the Administration's proposed budget
 - New grants? OR No grants?



Revenue – FY 2019



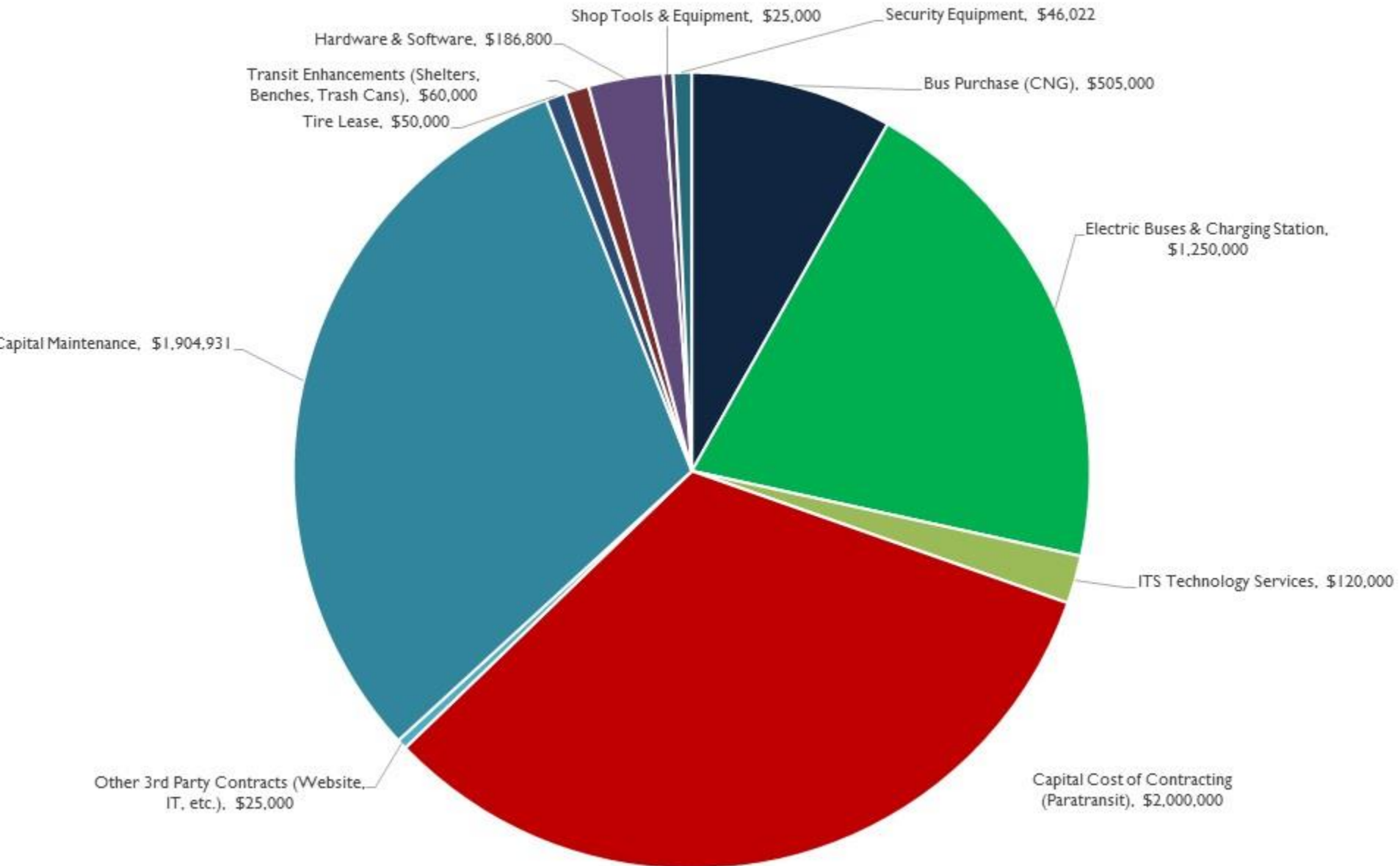
Expenses— FY 2019



Proposed FY 2019 Budget Summary

	FY2019 Draft Budget	FY18 Projection	FY2018 Budget	FY18 July-Feb Actual
OPERATING REVENUE				
Passenger Fares	\$1,357,100	\$1,324,000	\$1,491,957	\$876,638
Passenger Fares - Shuttles	\$11,000	\$10,868	\$30,000	\$10,868
Advertising Revenue	\$300,000	\$265,000	\$200,000	\$260,156
ID Cards	\$1,500	\$1,500	\$2,500	\$957
Fuel Tax Refunds	\$162,000	\$157,000	\$161,000	\$100,096
Vending Machines	\$2,500	\$1,950	\$2,500	\$943
Property Tax Revenue	\$17,937,500	\$17,500,000	\$17,079,540	\$16,622,454
Local Operating Assistance	\$0	\$40,000	\$40,000	\$0
State Funding	\$100,000	\$350,000	\$100,000	\$350,000
Preventive Maintenance (from Capital)	\$1,904,931	\$2,000,000	\$2,000,000	\$1,585,893
Purchased Transportation (from Capital)	\$2,000,000	\$2,000,000	\$2,000,000	\$1,764,330
UK Partnership	\$2,277,743	\$2,179,981	\$1,954,695	\$1,453,288
Lextran Foundation	\$573,439	\$561,033	\$561,033	\$0
TOTAL REVENUE	\$26,627,713	\$26,267,587	\$25,623,225	\$22,901,877
OPERATING EXPENSES				
Total Wages	\$9,239,594	\$8,765,415	\$8,446,297	\$5,843,610
FICA	\$773,807	\$766,111	\$715,422	\$510,741
Pension Contribution	\$416,000	\$403,369	\$397,611	\$268,912
Health Insurance	\$2,349,483	\$2,135,894	\$2,310,000	\$1,423,929
Life Insurance	\$85,800	\$82,292	\$85,499	\$54,862
401(a) Contribution	\$30,000	\$34,651	\$32,300	\$25,554
State Unemployment Insurance	\$22,277	\$23,438	\$18,902	\$15,625
Workers Compensation Insurance	\$615,860	\$533,353	\$621,463	\$355,569
Sick Pay	\$220,000	\$274,237	\$210,300	\$205,454
Holiday Pay	\$329,985	\$316,092	\$316,092	\$230,101
Vacation Pay	\$324,978	\$308,200	\$328,743	\$195,525
Other Pay	\$10,200	\$14,300	\$11,500	\$12,845
Other Employee Fringe Benefits	\$113,300	\$106,800	\$116,000	\$68,820
Professional & Contract Services	\$1,499,766	\$1,497,666	\$1,676,200	\$643,772
Fuel & Oil	\$1,352,900	\$1,240,500	\$1,328,100	\$781,114
Materials & Expenses	\$966,200	\$1,180,663	\$864,000	\$823,983
Utilities & Phone	\$453,600	\$432,000	\$442,900	\$268,546
Property & Liability Insurance	\$705,000	\$700,170	\$618,000	\$466,595
Fuel Taxes	\$206,410	\$204,000	\$206,410	\$135,447
Purchased Transportation - Paratransit	\$5,408,200	\$5,300,000	\$5,348,000	\$3,528,660
Purchased Transportation - Vanpool	\$34,000	\$28,800	\$36,000	\$19,200
Training, Travel & Dues	\$162,862	\$163,100	\$166,700	\$86,146
Media Advertising	\$265,000	\$265,000	\$293,000	\$125,248
Employee Engagement & Miscellaneous Expenses	\$50,250	\$23,110	\$29,200	\$14,009
Interest & Lease Expenses	\$992,240	\$1,004,586	\$1,004,586	\$676,852
TOTAL EXPENSES	\$26,627,713	\$25,803,746	\$25,623,225	\$16,781,120

Capital Budget– FY 2019



Five Year Capital Plan Summary

	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>
CAPITAL PROJECTS					
Bus Purchase (CNG)	505,000	505,000	505,000	631,250	631,250
Electric Buses & Charging Station	683,400	1,250,000	-	-	-
ITS Technology Services	158,168	120,000	150,000	160,000	165,000
Service Vehicles	30,000	-	-	-	105,000
Capital Cost of Contracting (Paratransit)	2,000,000	2,000,000	2,000,000	2,455,688	2,529,400
Other 3rd Party Contracts (Website, IT, etc.)	45,000	25,000	50,000	-	-
Capital Maintenance	2,000,000	1,904,931	1,721,321	2,837,404	2,900,000
Tire Lease	50,000	50,000	50,000	62,500	62,500
Town Branch Commons Corridor Project (TIGER)*	1,862,500	-	-	-	-
Transit Enhancements (Shelters, Benches, Trash Cans)	50,000	60,000	67,178	58,678	75,000
Improve Access to Fixed Route System (5310 funds)	176,464	-	-	-	-
Hardware & Software (IT Projects)	40,000	186,800	132,500	62,500	62,500
Shop Tools & Equipment	150,000	25,000	25,000	216,696	18,750
Maintenance Facility Upgrades	-	-	126,000	-	-
Security Equipment	45,119	46,022	46,482	58,678	58,678
Comprehensive Operational Analysis (COA)	-	-	350,000	-	-
SUBTOTAL CAPITAL PROJECTS	7,795,651	6,172,753	5,223,481	6,543,394	6,608,078
Federal Section 5307 Formula Funding	4,511,921	4,602,159	4,648,181	4,694,663	4,741,609
Section 5339 Bus & Bus Facilities Funding	461,366	470,593	475,299	480,052	484,853
Section 5339 LoNo Grant (Electric bus)	683,400	1,000,000	-	-	-
State Funding (Capital Maintenance)	350,000	100,000	100,000	100,000	100,000
Section 5310 Enhanced Mobility Seniors/Disabled	141,171	-	-	-	-
TIGER (Town Branch Commons Corridor Project)*	892,500	-	-	-	-
Local Mass Transit Fund**	755,293	0	0	1,268,678.77	1,281,615.56
TOTAL	7,795,651	6,172,753	5,223,481	6,543,394	6,608,078
Local match may be required for new grant funds. Grant funds carry over if not completed during the fiscal year.					
			NO TOLL CREDITS		NO TOLL CREDITS

Capital and Planning Projects

- Fleet Replacement for 2019/2020 buses
 - (1) Proterra from 2017 LoNo award
 - (1) Gillig CNG from Section 5339 funds
 - Possible grant funds for additional buses
- Rider Amenities at Many Places (RAMP)
 - Locations and detailed project costs based on Transit Route Facilities Inventory from Section 5310 funds
- Transit Center Improvements
 - Part of Town Branch Trail project from TAP grant award
- Upgrades to facility for CNG infrastructure
- Technology and Communications Study

On the horizon for 2020

- We're hiring! Mechanics and maintenance technicians!
- Preparing for loss of toll credits match; up to \$1 million in operating revenue loss
- Fleet replacement needs continue and may get worse, grant funds unknown
- Energy cost increase or market instability
- Changes and/or growth in paratransit market
- Look for grant funds

