



Proposed Budget Fiscal Year 2018



RTA

**REGIONAL
TRANSIT AUTHORITY
OF SOUTHEAST MICHIGAN**



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FISCAL YEAR 2018**

The RTA Management team worked carefully to craft a realistic three-year budget as it begins its Fiscal Year 2018 on October 1, 2017. There are many unanswered questions with respect to timing of the next referendum and level of effort required to adjust the RTA Transit Master plan. The RTA remains fully cognizant of the fact that budgets do, in fact, change when circumstances change. The following represents Management's most prudent approach to tackling the future with RTA's limited resources. The materials provided in this package include:

- FY2018-FY2020 Budget Outlook
- FY2018 Proposed Budget
- FY2018 Proposed Grants Budget

FY2018-FY2020 Budget Outlook

The FY2018-FY2020 Administrative Budget Outlook illustrates FY2017 RTA estimated year end closing. Total expenditures in FY2017 was \$1,025,760 compared with Total Revenues of \$1,312,121. RTA expenses for total compensation accounted for the majority of the surplus totaling \$289,090. RTA identified funding for two full time staff that would conduct outreach and planning activities for the organization during FY2017, but did not hire additional staff to support the allocation. The remaining balance that has been estimated for the close of FY2017 is \$286,361.

The FY2018-FY2020 Budget outlook begins with the FY2018, which begins October 1, 2017. Total revenue for FY2018 is \$1,828,932. Total expenditures are projected at \$1,242,500. A detailed conversation on the assumptions that support the projected revenues and expenditures will follow in this document. FY2019 and FY2020 provide two possible budget scenarios. Option #1 assumes that no additional funding will be made to the RTA after FY18. Option #2 assumes that the RTA board will approve the up to 1% Local Bus Operating (LBO) made available through the RTA enabling legislation. The projections attempt to paint a picture of the necessary funding levels if the Board decides to return to the ballot in 2020. Option #1 illustrates the outcome if there are no additional funds provided to the RTA from foundations or through the use of LBO, the deficit in FY2019 totals \$269,379. Option #2 eliminates the projected deficit, through utilization of funds provided by LBO or another source

The Michigan Department of Transportation made a \$1 million allocation to the RTA to support administrative operations through FY2018. The RTA is grateful to MDOT Management and clearly understands that the administration cannot continue to support RTA Administrative operations in future years.

FY2018 Proposed Budget

The FY2018 proposed budget identifies revenues totaling \$1,828,932 and expenditures totaling \$1,242,500. FY2018 is primarily supported by a one-time \$1 million authorization provided by the Michigan Department of Transportation and a 20% administrative capture of 5303 planning/research funding available to support the development of a Coordinated Human Services Transportation Plan (CHSTP).

FY2018 Expenditures assumed total compensation a \$607,000. This line item supports the RTA's existing staff and two additional full time equivalents (FTEs). The additional staff support would be directed toward 1) public education and outreach, specifically management of the proposed Purpose and Messaging Workgroup and 2) as planning support, with a focus on the CHSTP development and compliance with RTA regulatory agencies. RTA Administrative Contracts would remain largely unchanged with the exception of the line item to support Public Education Initiatives. This funding would allow RTA to re-engage with the community and communicate the on-going work of the organization, discuss the future of regional transit, and better understand the needs of the community. Additional detail is provided as an attachment. RTA management views this element of the proposed budget as a necessary and critical function to build public trust and accomplish the mission of the organization. The RTA must reconnect with the community that it serves. FY2018 is projected to close with approximately \$544,371 remaining that will support many FY2019 administrative activities.

FY2018 Proposed Grants Budget

The RTA has a mix of Federal and State grant funding to support its program of projects. In FY2018, the RTA anticipates that it will utilize approximately half of the remaining Federal planning dollars and State match in support of the Regional Master Plan totaling \$618,845. These funds will be used to test additional plan scenarios and gather public input.

The Woodward TOD study is planned for kick-off by January 2018. The RTA is working with FTA to further define the scope of this work with the hope that we can look at our three BRT corridors and evaluate TOD opportunities in the areas where the highest ridership is expected. The grant totals \$312,500 and it is anticipated that it will be fully spent during FY2018.

The RTA program includes the Phase II Concept of Operations Farecard Study, which officially kicks-off on August 10, 2017 and the Regional Coordinated Human Services Transportation Plan (CHSTP). The RTA is meeting with each of the providers regarding development of a scope for the CHSTP. The goal is to release an Request for Proposals no later than December 2017 and conclude the study within FY2018.

The RTA has been working with MDOT to identify mitigation opportunities along the I-94 and I-75 corridors during periods of planned construction. The Reflex service would provide an alternative commuting option and, as such, MDOT has a tentative commitment to provide funding to enhance services on the Woodward and Gratiot corridors to support Reflex. The primary goal is to improve frequencies. Currently, Reflex has 45 to 50-minute frequencies. The funding provided by MDOT and with the support of our transit providers, RTA endeavors to increase frequency to support service every 20 minutes during heavy travel periods. Conversations are on-going with the transit providers to

determine where opportunities exist that will allow us to achieve greater frequency and efficiency on the Woodward and Gratiot corridors. RTA will continue the conversation with MDOT on opportunities to introduce Reflex on other corridors, such as Michigan Avenue.

Finally, the RTA continues its planning sessions with the Area Agencies on Aging on the expansion of the MyRide2 system to the Detroit area making the Mobility Management Center a much broader regional operation. The funds identified for this effort will be used to support the MyRide2 operations.

The FY18 will be a robust year for the RTA. There are many key programs and projects that the RTA will continue to lead that will have a positive impact on the lives of those who depend on and those that simply want to have good transportation options in southeast Michigan.

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REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN: PROPOSED ADMINISTRATIVE BUDGET
 FOR THE FISCAL YEAR 2018 BEGINNING OCTOBER 1, 2017

Revenue

Beginning Balance (Estimate for FY17 Year End)	286,361
410 State Revenue (Administration)	1,000,000
410 Federal Planning Grant Revenue (Administration)	201,507
410 State Planning Grant Match Revenue	50,377
410 5303 State Planning Grant (CHSTP-Admin)	105,000
410 Other Grants	185,687
Total Revenue FY18	1,828,932

Expenditures

501 Salary	405,500
502 Fringe Benefits	201,500
Total Compensation	607,000
506 Directors and Officers Liability Insurance	22,500
503 Legal Services	75,000
503 Accounting Services	-
503 Audit Services	20,000
503 Website Development/Upgrades	10,000
503 Legislative Services	45,000
503 External Communications Services	45,000
503 Public Education Initiatives\Outreach	200,000
503 Survey Services	75,000
503 Other Contract	25,000
Total Administrative Contracts	517,500
504 Computer Hardware/Software	10,000
505 Phone Equipment and Service Fees	15,000
504 Office Supplies	5,000
509 Meetings/Retreats	30,000
507 Travel/Professional Development	30,000
509 Subscriptions/Memberships	10,000
509 Board Reimbursements	8,000
509 Miscellaneous	10,000
Total Other Expenses	118,000
Total Expenditures	1,242,500
Ending Balance	586,432

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN: PROPOSED ADMINISTRATIVE BUDGET
 FOR THE FISCAL YEAR 2018 BEGINNING OCTOBER 1, 2017: THREE YEAR PROJECTION (SCENARIO BASED)

Revenue	Est. Year End		FY2019		FY2020	
	FY2017	FY2018	Option #1	Option #2	Option #1	Option #2
Beginning Balance (Estimate for FY17 Year End)	1,024,106	286,361	586,432	586,432	(269,379)	544,371
410 State Revenue (Administration)	-	1,000,000	-	-	-	-
410 Federal Planning Grant Revenue (Administration)	184,204	201,507	201,507	201,507	-	-
410 State Planning Grant Match Revenue	46,051	50,377	50,377	50,377	-	-
410 5303 State Planning Grant (CHSTP - Admin)	-	105,000	-	-	-	-
410 Other Grants	57,760	185,687	-	-	-	-
* Local Bus Operating (1%) or Other Funding	-	-	-	813,750	-	813,750
Total Revenue	1,312,121	1,828,932	838,316	1,652,066	(269,379)	1,358,121
Expenditures						
501 Salary	499,020	405,500	417,665	417,665	430,195	430,195
502 Fringe Benefits	217,531	201,500	205,530	205,530	209,641	209,641
502 Workers Compensation Insurance	-	-	-	-	-	-
Total Compensation	716,551	607,000	623,195	623,195	639,836	639,836
506 Directors and Officers Liability Insurance	22,925	22,500	25,000	25,000	25,000	25,000
503 Legal Services	90,000	75,000	75,000	75,000	100,000	100,000
503 Accounting Services	-	-	-	-	-	-
503 Audit Services	16,500	20,000	20,000	20,000	20,000	20,000
503 Website Development/Upgrades	-	10,000	5,000	5,000	15,000	15,000
503 Legislative Services	15,000	45,000	45,000	45,000	45,000	45,000
503 External Communications Services	53,685	45,000	45,000	45,000	45,000	45,000
503 Public Education Initiatives\Outreach	37,684	200,000	125,000	125,000	200,000	200,000
503 Survey Services (Formerly Asset Mgmt/Data Collection)	-	75,000	30,000	30,000	100,000	100,000
503 IT Support	-	-	-	-	-	-
503 Other Contract	26,000	25,000	25,000	25,000	50,000	50,000
Total Administrative Contracts	261,794	517,500	395,000	395,000	600,000	600,000
Marketing/Printed Materials	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Other Insurance	408	-	-	-	-	-
504 Computer Hardware/Software	2,000	10,000	10,000	10,000	10,000	10,000
505 Phone Equipment and Service Fees	10,249	15,000	9,000	9,000	9,000	9,000
504 Office Supplies	2,930	5,000	2,500	2,500	2,500	2,500
Utilities	-	-	-	-	-	-
Furniture	-	-	-	-	-	-
509 Meetings/Retreats	8,514	30,000	20,000	20,000	20,000	20,000
507 Travel/Professional Development	12,000	30,000	20,000	20,000	30,000	30,000
509 Subscriptions/Memberships	2,392	10,000	10,000	10,000	10,000	10,000
509 Board Reimbursements	700	8,000	8,000	8,000	8,000	8,000
509 Miscellaneous	8,222	10,000	10,000	10,000	25,000	25,000
Total Other Expenses	47,415	118,000	89,500	89,500	114,500	114,500
Total Expenditures	1,025,760	1,242,500	1,107,695	1,107,695	1,354,336	1,354,336
Ending Balance	286,361	586,432	(269,379)	544,371	(1,623,714)	3,786

REGIONAL TRANSIT AUTHORITY FOR SOUTHEAST MICHIGAN: PROPOSED PLANNING GRANTS BUDGET
 FOR THE FISCAL YEAR 2018, BEGINNING OCTOBER 1, 2017

Grant Revenue

	FY2018 Proposed Budget
410 Section 5303 Metropolitan Transportation Planning Program (FTA)	
Estimated Funding Available at 9/30/17	1,151,471
Anticipated Expenditure	618,845
410 Section 5303 State Match (MDOT) - Federal 5303 Metropolitan Transportation Planning Program	
Estimated Funding Available at 9/30/17	287,868
Anticipated Expenditure	154,711
41* Section 5310 Woodward Transit Oriented Development Study (FTA/MDOT 80/20)	
Available Funding	312,500
Anticipated Expenditure	312,500
41* Section 5303 Metropolitan Transportation Planning Program (MDOT)	
<i>Concept of Operations: Farecard Phase II</i>	
Available Funding	100,000
Anticipated Expenditure	99,976
<i>Regional Coordinated Human Services Transportation Plan</i>	
Available funding	700,000
Anticipated Expenditure	700,000
41* MDOT Express Bus Service (Reflex)	
Available Funding	4,800,000
Anticipated Expenditure	4,800,000
41* Section 5310 Regional Mobility Management Program	
Available Funding	335,700
Anticipated Expenditure	335,700
Total Available Grant Revenue	7,375,039
Total Anticipated Expenditure	6,709,233
Remaining	665,805