



ADOPTED 2023 BUDGET



Building the future



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2022 Executive Leadership Team

Chief Executive Officer – *Ric Ilgenfritz*

Director of Planning & Development – *Roland Behee*
Chief Technology Officer – *Tim Chrobuck*
Chief Financial Officer – *Eunjoo Greenhouse*
Chief Operating Officer – *Mark Holmes*
Director of Communications and Public Affairs – *Mary Beth Lowell*
Director of Customer Experience – *Molly Marsicek*
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Chief of Staff – *Deb Osborne*

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Navigating the Budget Document

Budgets are complex.

Below is a short summary of the information available in each section of this document. In the electronic version of this document, section headings are clickable.

Section	Description
Table of Contents	Provides a list of the document contents, with page numbers. In the electronic version, the headings are linked. Click on a heading in the table of contents to go to that section.
CEO Message	An introduction to the budget from Chief Executive Officer Ric Ilgenfritz.
Budget Summary Section	
Executive Summary	A high-level overview of the budget. Contains short explanations of information discussed in more detail in other parts of the document.
Service Plan	Provides information on service hours and ridership, as well as future plans.
Revenues	Details the agency's sources of income (Fares, Sales Tax, Grants, and others).
Expenses	Discusses the agency's expenditures, with a focus on operating expenses.
Interfund Transfers	Details transfers between the funds that Community Transit uses to categorize and manage its internal budget. An interfund transfer is a lot like transferring money from one bank account to another.
Cash and Reserves	Provides information on the agency's cash (available money) and reserves (these are like savings accounts).
Capital Program	Defines "capital asset" for Community Transit and provides detail on the agency's projects and expenses in this category. Examples include Swift Bus Rapid Transit projects, vehicle purchases, and construction projects.
Debt Service and Debt Capacity	Discusses Community Transit's debts. It is a short section – the agency has only one outstanding bond issue.
Department Budget Section	
Department Overview	Provides an overview of the agency's structure, priorities, and staffing plan. Shows the agency's operating budget by department.
Department Sections	Describes the purpose, budget, staffing plan, past-year accomplishments, and next-year priorities for each department. Discusses each department's budget in detail.

Section	Description
Statistical and Supplemental Data	
Agency Profile	Gives an overview of Community transit's history, size, governing structure, and other information. Includes a service area map, and information about how the agency collaborates with other regional transportation entities.
Economy	Discusses the economy in Snohomish County. This is important because the economy affects the agency's revenue, ridership, and service plans.
Statistics and Demographics	Provides information about Snohomish County over time (typically ten years). Includes information on the population, demographics, unemployment rates, and other economic data.
Service and Operating Information	Includes information about Community Transit over time (typically ten years). Includes information on ridership, service hours, service miles, fares, and revenue vehicles in service.
Key Performance Indicators (KPIs)	Discusses the agency's performance over time (typically ten years) in areas Community Transit has identified as important indicators of how well the agency is delivering on its goals. Includes information on costs, revenues, customer feedback, ridership, and employee turnover.
Reference Section	
Budget Process	The budget is a financial plan that supports Community Transit's mission, vision, strategic priorities, and work plans. Planning activities throughout the year inform the budget. There are references to these other plans and planning tools throughout the document to show how they have influenced the budget.
Budget Schedule	Shows the timeline for the annual budget. The process typically begins in March and finishes in December.
Funds List	Details the funds that Community Transit uses to manage its budget. Funds are one of several tools used to identify and track categories of expenses.
Financial Policies	Gives an overview of the policies that Community Transit uses as a framework to guide financial decision-making.
Glossary	Defines many of the acronyms and terms used in the budget document. Items are listed alphabetically. This is where readers can learn the difference between the TDP and NTD, and what an FTE is.
Distinguished Budget Presentation Award	Displays the agency's most recent budget award. The Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Community Transit. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.
Board Resolution	Provides the official document adopting the 2023 budget. This document is not available in the Proposed version of the budget document. It is only available in the final version, published after the budget is adopted (typically in December of the year before the budget year).

CEO Budget Message

2023 Adopted Budget

2023 marks a year of transitions for Community Transit. The global pandemic brought many changes to the transit industry over the past two years. It changed how some people use transit, and how many work. The advent of remote work may have changed forever the conventional weekday commute pattern we have served for nearly five decades.

Community Transit will continue to apply the lessons we have learned during the pandemic as we look ahead to a new year with new opportunities. Building on our 2022 efforts, we will transition out of the worst of the pandemic impacts on transit service toward a new, strengthened local transit network within Snohomish County. The transition toward deployment of a newer, greener fleet will gain momentum. And the transition into experimentation with innovative transit services will provide new, customized transportation options for three additional communities.

We are ending the year with significant progress on a variety of projects and initiatives we outlined in the 2022 budget and we enter 2023 in strong financial condition. Revenues have exceeded forecasts, the agency has succeeded in securing substantial new federal and state grant funding, and we have been able to manage cost growth within prudent, sustainable financial planning. As a result, the agency has established capital and operating reserves at the levels necessary to support investing in employees, upgrading agency facilities and expanding access to transit as the region continues to grow.



Strategic Priorities

With the worst of the global pandemic behind us, Community Transit has updated and refreshed agency Strategic Priorities* to better capture how we will make our vision real for the communities we serve and deliver on our mission going forward. These Strategic Priorities provide a strong foundation of service excellence and capture bold initiatives to build the future of mobility in Snohomish County.

*See also Addendum: 2022 vs 2023 Priorities, pg 271

Deliver Excellent Service

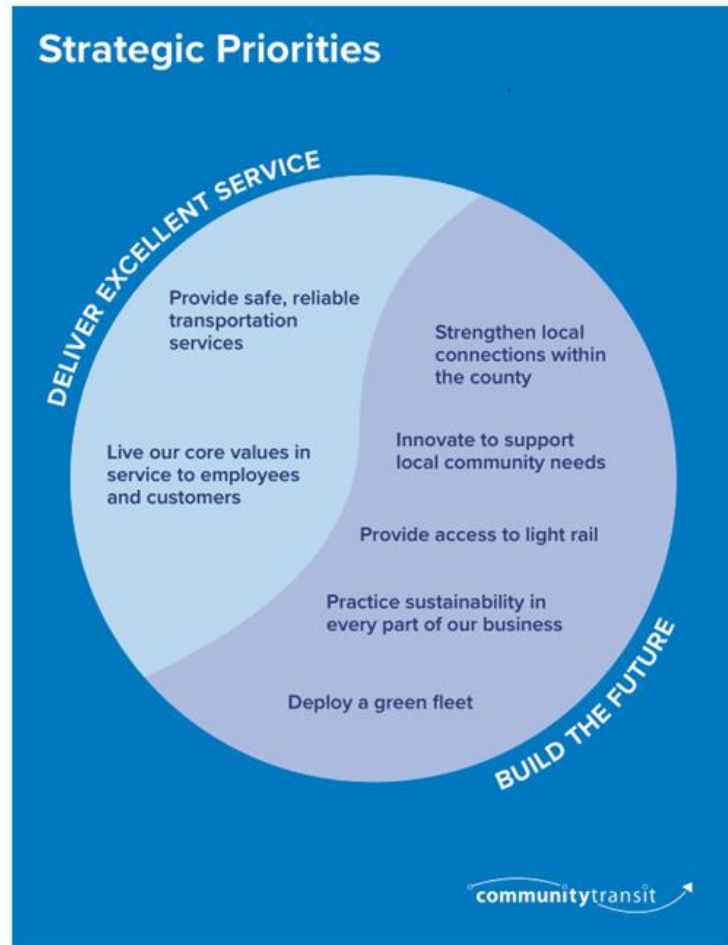
First and foremost, we are focused on delivering excellent service. This is fundamental to everything we do, and it is what customers and potential customers expect. Delivering Excellent Service means providing safe, reliable transportation services.

We must ensure safety for employees and for riders and will do so with significant new investments. As part of a strategic safety and security plan, we will:

- Establish a new transit security unit that will assert a strong presence in the field to enforce Rules of Conduct in support of employees and riders. This new unit will also enable us to make more strategic and effective use of transit police.
- Activate a new security operations center to monitor the system in real time and deploy security resources on a 24/7 basis.
- Add more service ambassadors and extend their hours to provide customers more support in the field as they use and learn our system.
- Enhance data collection and management systems to track progress and pinpoint allocation of security resources.
- Upgrade station configurations, lighting, and sound systems to deter inappropriate conduct off board.

We must also provide reliable service so customers can count on us being there when they need it. With the labor market expected to remain challenging into 2023, we will emphasize service quality as we:

- Develop service management tools to give us more flexibility to align service levels with staffing availability and strengthen digital tools to give riders more certainty and confidence about using the system.



- Continue to implement an aggressive recruiting strategy to reach candidates in non-traditional and effective ways.
- Focus on developing and retaining a highly qualified workforce capable of supporting service growth plans longer term.
- Grow services to support and prepare for the opening of the Swift Orange Line and Link light rail in 2024.
- Deliver new and improved facilities through a multi-phase facilities master plan to support the agency’s capacity to grow, deliver a high-quality employee experience, and provide new and improved facilities for customers.
- Engage with communities to ensure the services we provide are equitable and meaningful to those who rely on us. We are doing this by listening to community-based organizations, routinely surveying to gain customer feedback, and translating the information we hear into improved service delivery.



Delivering excellence service also means serving each other. We do this by living our core values in service to each other, to fellow employees, and to our customers. If we commit to keeping faith with our core values, we will ensure we are delivering not only excellent customer service, but also a positive and enriching employee experience to everyone who chooses a career with Community Transit. We will model our core values by:

- Negotiating in good faith to provide competitive compensation and benefits to make Community Transit an employer of choice within the labor market and establish strategic advantages for recruitment and retention.
- Delivering investments in industry-standard on-site facilities – including a new training facility and workplace health and wellness (Atlas) with onsite injury prevention and physical therapy for all employees at all locations – and to improve the quality of the employee experience on base overall.
- Continuing progress on the agency’s Diversity, Equity and Inclusion (DEI) program by implementing adaptive leadership goals.
- Engaging front-line employees more directly in safety, security and scheduling initiatives.
- Providing training and staff development opportunities to promote career growth and retention, and establishing a new internship program.
- Developing a balanced long range financial plan to provide the board and leadership team certainty and clarity about the agency’s long term financial health.

Build the Future

Working from a solid foundation of service excellence, the agency's second strategic priority is to build the future. External drivers of change in Snohomish County create opportunities for Community Transit to think and act differently to provide improved mobility for the people we serve. The pandemic has changed the way many people work and commute. Significant percentages of the workforce continue to work remotely. Similarly, the regional investment in the first light rail line into Snohomish County is nearly complete. These changes present the agency with opportunities to build a future of mobility more dynamic than was the case pre-pandemic.

We will respond to those opportunities in ways that:

- Strengthen local connections within Snohomish County. This begins with seeing through the buildout of the Swift bus rapid transit network to provide frequent, all-day connections between every major activity center in the county. In 2023 that will include advancing Orange Line construction, expanding the Blue Line, and designing the Gold Line and Green Line extension.
- Re-invest service hours previously committed to serving downtown Seattle and the University of Washington to provide a more robust fixed route and local service network as part of the 2024 restructuring process.
- Continue our work with our partners at the City of Everett to develop a consolidation plan for an integrated Snohomish County transit system should the city decide to place the question before city voters in the future.
- Commit to testing and delivering innovative service to support local community needs. With people thinking about transit and mobility differently, we will commit resources to testing service innovations based on community and user input to make it easier for riders and potential riders to choose transit. We will operate the first pilot project in Lynnwood during 2023, and plan new pilot projects to test innovative solutions in Lake Stevens, Arlington, and Darrington.
- Provide access to Link light rail from anywhere in the network. With light rail stations opening in 2024, we anticipate many Community Transit customers will be interested in using that service. We also know from experience that new light rail



stations attract new customers to transit. We will respond to this opportunity by providing access to three of the new stations: Lynnwood Transit Center (via the Swift Orange Line and multiple local routes); Mountlake Terrace (via local service); and Shoreline/185th (via the Swift Blue Line expansion).

- Incorporate a sustainability practice into our work. We will go through the Federal Transit Administration (FTA) sustainability training program and further develop an Environmental and Sustainability Management System (ESMS) to put Community Transit on a sustainable path for the future. The goal will be to ensure that our successors have what they need to continue the mission long after we are gone.



- Deploy a green fleet. Building a better future for mobility in our county also means doing so with a lighter tread on the environment. During 2023 we will complete our zero emission fleet study and begin updating our fleet plan to articulate how we will make the transition to using zero emission vehicles. While the eventual transition to a fully zero emission fleet will take several years, we will begin using battery electric and hydrogen fuel cell test coaches in service during 2023.

Community Transit is rightly proud of the work we have done over the past year to climb out of the worst of the pandemic conditions we faced. Thanks to the dedication and commitment to service by employees all across the agency, we have kept service on the road every day, providing a vital lifeline for the community. And now we are seeing sustained increases in ridership as riders become more confident in using transit to move around the region.

Challenges remain. Cost growth affects every part of our agency: labor, capital, fuel, and energy. Staffing shortages are playing out in one of the most competitive labor markets in decades. We need to address both to be successful long term.

Our proposed operating budget of \$200.1 million will enable us to meet our service goals. Our capital budget grows to \$227.4 million in 2023 for investment in fleet and facilities to enhance the employee and customer experiences. The budget addresses the risks of cost growth, balances with revenues, and provides healthy reserves to support the delivery of our commitments now and in the future.

Deliver Excellent Service. Build the Future. Our strategic priorities guide how we will move forward. The proposed 2023 budget aligns with these priorities to provide the resources necessary for success and supports the delivery of our commitments in future years. We look ahead to 2023 from an advantageous position; with healthy finances and strong reserves, we are positioned to invest in our people and our facilities to provide better mobility and support for a thriving county.

Budget Summary

Executive Summary

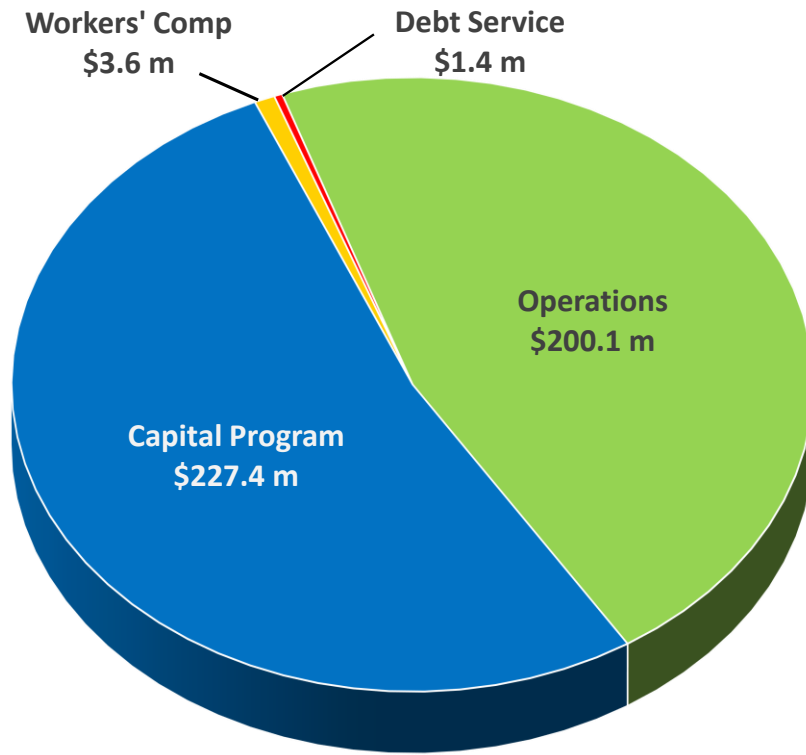
In 2023, Community Transit will focus its efforts on making investments to deliver excellent service and build the agency's future. The many projects and initiatives planned for 2023 continue the work started in 2022 for service innovation and excellence, as well as for service expansion. The 2023 budget provides funding to the directives outlined in the Six Year Transit Development Plan (TDP). This coming year will be a pivotal year for Community Transit, as the agency sets the stage for future growth and expansion and enhancement of connections with its local partners.

Looking ahead to 2024, Community Transit will have unique opportunities to connect with its partner agencies. The services added, from new BRT lines, to new fixed routes, to new, innovative modes of service, will transform the way Snohomish County travelers move from one point to another. These will help redefine the future of public transportation services in Snohomish County. Through the budget, the agency has assigned resources and developed the blueprint to move to the next level with new services, new facilities, and light rail connections.

This executive summary consists of the following components:

- An introductory summary that provides a high-level overview of Community Transit's 2023 service plan, anticipated revenues and expenditures to support that service plan, the agency's capital program, and the agency's reserves.
- The 2023 service plan, which follows Community Transit's 2022-2027 Transit Development Plan (TDP) adopted by the Board of Directors in September, 2022. 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 proposes to meet the demand for current and future services in the communities we serve.
- Community Transit's reserves and general financial status.

2023 Budget Summary and Highlights



2023 Budget Summary / Highlights

	2020 Actual	2021 Actuals	2022 Amended Budget	2023 Adopted Budget	Change 2023 vs. 2022	
Fund 40 Operating Revenue	\$ 231,132,479	\$ 253,872,282	\$ 265,966,894	\$ 268,487,822	\$ 2,520,928	0.9%
Fund 40 Operating Expense	\$ 153,815,537	\$ 154,058,081	\$ 175,318,141	\$ 200,124,942	\$ 24,806,801	14.1%
Operating Margin¹	\$ 77,316,942	\$ 99,814,201	\$ 90,648,753	\$ 68,362,880	\$(22,285,873)	-24.6%
Actual / Planned Service Hours ²	455,500	468,190	596,659	548,373	\$ (48,286)	-8.1%
Full-Time Equivalent Employees ³ -- Operating Fund	794.5	807.5	799.8	856.9	57.1	7.1%
Full-Time Equivalent Employees ³ -- Capital Program	0.0	0.0	33.2	39.6	6.4	
Other Funds						
Workers' Compensation	\$ 2,107,324	\$ 1,738,680	\$ 2,895,097	\$ 3,569,036	\$ 673,939	23.3%
Debt Service	\$ 1,432,000	\$ 1,428,500	\$ 1,432,750	\$ 1,429,252	\$ (3,498)	-0.2%
Capital Program						
Budget amounts include funds appropriated in prior years for projects that are still in progress.						
Capital Program ⁴	\$ 32,183,385	\$ 58,082,106	\$ 209,955,017	\$ 227,375,354	\$ 17,420,337	8.3%

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

² Service hours do not include Sound Transit.

³ Full-Time Equivalent (FTE) employee counts for all years, including 2020 and 2021, are authorized FTEs.

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

Each year's capital budget includes new and carryover projects. Actuals reflect actual capital program expenditures.

Starting in 2022, the capital program includes personnel costs for staff working on the capital program.

Agencywide Budget and Actuals – All Funds

Agencywide Revenues & Expenditures

	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Adopted Budget	Change 2023 vs. 2022	
Revenues:						
Sales Tax Revenue	\$ 154,443,135	\$ 183,591,334	\$ 187,964,925	\$ 203,397,000	\$ 15,432,075	8.2%
Fare Revenues	9,273,274	7,835,281	13,190,100	10,583,106	(2,606,994)	-19.8%
Sound Transit Reimbursements	20,876,827	19,461,954	19,613,809	20,542,223	928,414	4.7%
Federal Grants	52,244,880	45,689,217	99,536,846	101,165,512	1,628,666	1.6%
State Grants/Contributions	3,091,451	4,506,331	7,845,903	12,663,707	4,817,804	61.4%
Local Contributions	1,929,372	2,387,759	2,240,714	2,315,000	74,286	3.3%
Investment Income	2,709,963	1,542,061	1,675,657	2,869,381	1,193,724	71.2%
Miscellaneous Revenues	1,042,312	1,052,847	1,299,899	796,900	(502,999)	-38.7%
Total Revenues	\$ 245,611,214	\$ 266,066,784	\$ 333,367,853	\$ 354,332,829	\$ 20,964,976	6.3%
Expenses:						
Personnel	\$ 96,487,784	\$ 97,542,269	\$ 105,189,989	\$ 116,449,733	\$ 11,259,744	10.7%
Services	18,563,559	19,573,917	60,711,438	64,505,893	3,794,455	6.2%
Intergovernmental Services	5,030,625	5,364,778	10,501,389	5,620,636	(4,880,753)	-46.5%
Purchased Transportation	32,488,902	29,277,592	30,909,311	30,628,813	(280,498)	-0.9%
Supplies	10,411,511	13,049,483	20,528,861	23,506,154	2,977,293	14.5%
Capital Costs	22,133,338	47,227,596	152,034,791	171,329,996	19,295,205	12.7%
Insurance	2,990,528	1,843,233	3,204,929	3,137,113	(67,816)	-2.1%
Cost Pools	-	-	5,087,547	15,890,993	10,803,446	212.4%
Debt Service	1,432,000	1,428,500	1,432,750	1,429,252	(3,498)	-0.2%
Total Expenditures	\$ 189,538,247	\$ 215,307,367	\$ 389,601,005	\$ 432,498,584	\$ 42,897,579	11.0%

Overview

The adopted 2023 budget is balanced. Operating revenues exceed operating expenditures, and all reserves are fully funded. Total 2023 budgeted operating revenues equal \$268.5 million. Total 2023 budgeted operating expenditures equal \$200.1 million. Interfund transfers of \$137.8 million from the general fund provide funding for capital projects, reserves, workers' compensation, and debt service. The 2023 capital budget totals \$227.4 million.

Service Plan

The 2023 budget reflects an increase from the current service levels being delivered this year. During 2021 and continuing into 2022, the COVID-19 pandemic continued to create staffing challenges and severely limit ridership demand. Similar to the early part of the pandemic, the goal remained to provide service to all communities to accommodate safe travel for essential workers and other customers. Community Transit continues to work toward increasing its service level to pre-pandemic levels. The 2023 budget proposes a significant and proactive

ramp-up in hiring efforts to achieve a greater level of service in 2024 when the Orange Line BRT opens.

A significant milestone in the agency's service growth will be the connection of bus service with Lynnwood Link light rail in 2024. This major effort includes the development of a 2024 fixed-route network plan that provides improved connections between buses and light rail, expands the frequent service network, adjusts service to changing markets and ensures equitable access to service. Much of the expanded service – about 21,000 hours – will be delivered via the new Swift Orange Line and the expanded Swift Blue Line.

Operating Revenues

Sales tax is Community Transit's main source of revenue. Sales tax revenue is projected to increase in 2023 by 8.2 percent, roughly \$15.4 million, from the 2022 budget amended in May, and by 2.6 percent over 2022 forecasted sales tax revenue. Sales tax collections grew significantly in the latter part of 2020 and in 2021. This occurred when the economy rebounded post-reopening of the early pandemic business shutdowns. The Puget Sound region, like the rest of the country, has experienced substantial inflation – 9.0% from August 2021 to August 2022 – including significant cost increases in fuel and transportation, and other areas like food and durable goods. This appears to be curbing consumer spending and slowing growth in retail sales.

Overall, operating revenues are expected to increase by about one percent from the current year's budget. This relatively flat growth relates to not only flattening sales tax growth but also to the tapering down of one-time federal funds, namely, the American Rescue Plan Act (ARPA). This source of stimulus funds will have been mostly billed in in 2022, with only some remaining to collect in 2023. Also of note is the continuance of low fare revenues, still low since their pre-pandemic peak in 2019. Fares in 2022 will not reach the budgeted amounts and are forecasted to end the year 28 percent under budget. The 2023 fares are projected to exceed that forecast by 12 percent but are almost 20 percent below the original 2022 budget. A new state grant, the Transit Support (TSP) grant, does provide a new source of funds. Community Transit's total allocation of TSP grant funds for the biennium is \$4.3 million, and the budget estimates billings \$2.8 million in the latter part of 2023. Investment income, estimated at \$2.8 million for 2023, may return to its previous pre-pandemic levels, as the Federal Reserve Board continue to raise interest rates and Community Transit's conservative investments generate better yields. The Revenues section of this notebook contains more information about revenue assumptions and sources.

Operating Expenditures

Overall operating expenditures are budgeted to increase by 14.1 percent from the 2022 budget. Salaries and wages are set to increase by about 9.2 percent as compared to the 2022 amended budget. Benefits will increase by 11.1 percent. The overall nearly 10 percent increase in personnel costs in the 2023 budget can be attributed to several factors. First, Community Transit will begin to ramp up its staffing to roll out a new BRT line in 2024. Recruiting, training personnel, coach operator trainees, mechanics, and other maintenance personnel are needed prepare for the Swift Orange Line. Second, a transit security unit is being developed and implemented, beginning in the latter part of 2022 and into 2023. Some employee benefits costs are also growing at a rate that reflects the increased inflation rates. Additionally, payroll taxes and retirement contributions will increase proportionately to salary and wage increases, though these rates are not increasing.

After a steep decline in fuel rates during 2020, Community Transit has experienced subsequent and steady rise in diesel fuel prices. Oil producers cut back on production during the pandemic, but as global travel rebounded, an oil supply shortage ensued. Conflict in Eastern Europe has further squeezed the supply of oil, leading to greater price increases in the spring of 2022. The amended 2022 budget included an early year price estimate of \$3.33 for Community Transit's diesel that proved to be understated. The 2023 budget includes an estimate of \$4.25 per gallon. When applied to the 2023 mileage estimates, this equates to a 21 percent increase in fuel costs in the 2023 budget compared to the 2022 budget. Discussion of budgeted operating expenditures continues in the Expenses section of this document.

Other noteworthy expense changes include professional services, contract maintenance, advertising, software leases, travel and training, and bus parts, oil, and lubricants. Some of the driving forces include the high level of inflation experienced in the Puget sound region as well as the nation, Community Transit's response to public requirements for increased safety, recruiting for coach operators in a very tight job market, and preparing for two new BRT lines and the expansion of the two existing.

Capital Program

New 2023 capital projects total \$105.2 million, and the total capital program with carryovers from the 2022 budget equals \$227.4 million. This is the largest capital budget Community



Transit has ever presented, reflecting the agency's delivery of new and improved transit projects and facilities. The capital includes funding for all new projects, plus additional funding for existing projects, various minor capital requests, and project management-related staffing. The 2023 capital budget includes several very large projects that have been carried over from the 2022 capital budget, including the Swift Orange Line projects (\$64.7 million), the

Facilities Master Plan Phases 1-3 and Phase 6 (\$50.2 million), the Swift Blue Line Expansion (\$11.0 million), the Swift Gold Line Design and Engineering (\$8.5 million), and Zero Emissions projects (\$35.7 million including contingency). In addition, the capital budget contains funding for fifteen 60-foot BRT Replacement Coaches (\$21.6 million). Notable technology projects include \$7.1 million for IT preservation projects and continued work on the next generation ORCA project (\$3.8 million). Discussion of the 2023 budgeted capital program continues in the Capital Program section.

Reserves and Cash Balance

The 2023 budget fully funds all reserves and provides a greater margin with which to buffer recessionary conditions and ultimately pave the way for future growth. Reserves are included in various funds for revenue vehicle replacements and facility and information technology infrastructure preservation. Additional reserves are included for service quality, innovation and sustainability, future Zero Emissions Vehicle projects, and a long-term enhancement program for Community Transit's existing bus stops. Community Transit's budgeted reserves follow agency policy for maintaining adequate reserves. Discussion of reserves and the anticipated cash balance continues in the Cash and Reserves section.

2023: Focus on Sustainable Service and Expansion

Community Transit's 2023 budget activities focus on delivering the 2024 network plan. This plan will be based on an integrated planning framework that considers the adopted Long Range Transit Plan, its Swift Network vision, and the 2015 Proposition 1 vision. Community Transit will continue collaborating with its regional partners and will follow a data-driven approach. Research and public engagement will be a major focus to drive service innovation and expansion and redesign of service.

A significant milestone in Community Transit's growth over the next six years is the alignment and connection of bus service with Lynnwood Link light rail in 2024. Projects such as the Swift Orange



Line and the Swift Blue Line Expansion will allow for improved connections between bus and light rail, as well as expand the frequency of service and address the changing transportation needs of the community. In addition to these new Swift programs, Community Transit will continue to restructure existing routes to provide more equitable and efficient service with its investments. Concurrently, planning activities for the Swift Gold Line between Smokey Point and Everett, needed to serve the growing north Snohomish County population, will begin. Community Transit staff are already starting the groundwork for new, innovative modes of transportation as well, first piloting a new mobility option in Lynnwood, and evaluating additional pilot options in several cities in east and north Snohomish County.

Service and fleet expansion in 2023 and beyond will stretch the capacity of maintenance bays, bus parking, and operational support space at Community Transit's bases. A six-phased, multi-year Facilities Master Plan expansion program commenced in 2019 to support the agency's expansion.

In 2022, Community Transit began conducting a feasibility study to identify the economic costs, performance, technology options, risks, and timeline for a transition to a zero-emission fleet. In 2023, this study will be finalized, and the results of this study will inform future decision-making regarding fleet replacement policy, procurement, and technology. It will also consider the financial and operational impacts, including battery electric, fuel cell, solar, or any other emerging technology considered commercially available, and will highlight the necessary infrastructure, partnership, performance, risks, other potential costs, and a timeline for a likely transition to zero emissions technology in the 2025- 2027 timeframe.

Annually, Community Transit creates a 6-year Transit Development Plan (TDP), according to agency policy and per Washington State Department of Transportation requirements. The TDP guides and prioritizes the activities of Community Transit in developing and maintaining its transit system, including service to be provided, as well as priorities and strategies for delivering transit services. Community Transit’s strategic priorities, which were revised post-TDP adoption, fall into two categories, “Deliver Excellent Service” and “Build the Future”. These include:

- Deliver Excellent Service:
 - Provide safe, reliable transportation services
 - Continued safety for riders and employees
- Build the Future:
 - Strengthen local connections within the county
 - Innovate to support local community needs
 - Provide access to light rail
 - Practice sustainability in every part of our business
 - Deploy a green fleet

Community Transit’s 2022-2027 TDP focuses on implementing these priorities and strategies. The higher-level planning activities occurring in the TDP help govern budget development for the upcoming budget year. The TDP’s financial model provides a blueprint for cash flow, fund balances and reserve requirements for the current year, the budget year, and the four years following. This budget that has been approved for 2023 follows the 2022-2027 TDP, which was adopted by Community Transit’s Board of Directors in September 2022. For the full plan, please see: <https://www.communitytransit.org/about/projects>.

The TDP is a comprehensive plan that specifies an annual service plan and ensures, on a yearly basis, that planned service fits within Community Transit’s financial capacity. It also provides the plan for capital replacements, as well as new-to-the-agency capital projects, including new technology and innovation. Funding for new projects and reserves is balanced with projected available revenues and with operational requirements. This plan allows capital-intensive agencies like Community Transit, with extensive and multi-year costs and efforts to implement or otherwise alter service delivery, to do so effectively.



The 2023 budget fills in the details and provides the game plan to implement the blueprint contained in the TDP. With the input and buy-in from departments across the agency, the budget represents an attainable and specific plan to implement the strategies and priorities outlined in the TDP.

Below is a snapshot of the TDP’s financial plan for the general fund:

General Fund -- Six Year Forecast

	2022 <i>Forecast</i> ¹	2023 <i>Budget</i>	2024 <i>Transit Development Plan - Financial Plan</i>	2025 <i>Transit Development Plan - Financial Plan</i>	2026 <i>Transit Development Plan - Financial Plan</i>	2027 <i>Transit Development Plan - Financial Plan</i>
Sales Tax	\$198,242,948	\$203,397,000	\$207,645,721	\$215,951,549	\$224,589,611	\$233,573,196
Fares	9,436,785	10,583,106	11,795,889	15,244,943	15,868,416	16,646,080
Other Revenues	71,668,648	54,507,716	49,866,787	49,677,519	48,837,128	49,624,630
Total Revenues	279,348,381	268,487,822	269,308,397	280,874,011	289,295,155	299,843,906
Department Operating Exp ²	160,279,101	184,682,049	205,003,929	225,717,877	252,211,030	281,362,045
Other Operating	3,641,574	3,929,252	4,770,218	4,920,404	5,073,861	5,226,787
Cost Pools/Contingency	-	15,442,893	-	-	-	-
Total Expenses	163,920,675	204,054,194	209,774,147	230,638,281	257,284,891	286,588,832
Surplus	\$115,427,706	\$ 64,433,628	\$ 59,534,250	\$ 50,235,730	\$ 32,010,264	\$ 13,255,074
Interfund Transfers, Net ³	166,315,780	114,647,074	62,922,386	34,690,408	14,753,782	21,446,547
Net Change to Cash Balance	(50,888,074)	(50,213,446)	(3,388,136)	15,545,322	17,256,482	(8,191,473)
Projected Ending Cash Balance	\$154,180,244	\$103,966,798	\$100,578,662	\$116,123,984	\$133,380,466	\$125,188,993

¹ The 2022 Forecast was used in this table, in lieu of the amended budget, to more closely approximate the ending cash balance.

² Department Operating Expenses include Fuel Expense and Insurance.

³ Transfers for Workers' Compensation and Debt Service are included in Other Operating for consistency with the Transit Development Plan (TDP). 2023 interfund transfers include additional funding for a hybrid BRT purchase, new FMP contingency, and returned funds from completed projects in the Local Capital Projects fund.

Other Assumptions:

Sales Tax grows 2.6% in 2023 in from 2022 forecast, 2% in 2024 and 4% thereafter

Fare Revenues increase commensurate with ridership growth

Expenses grow 10% in 2023; 4.2%-4.8% thereafter. Costs for service expansion is in addition to cost escalation rates.

Service Plan

The final 2022-2027 Transit Development Plan (TDP) was adopted by the Board of Directors on September 1, 2022. 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 six-year TDP provides a summary of activities and accomplishments for 2022 and outlines goals and strategies for 2022-2027.

The agency's vision is **Travel made easy for all**. Community Transit uses two primary strategic priorities to guide decisions in support of this goal: **deliver excellent service** and **build the future**. Through careful planning, coordination with regional partners and continuous innovation based on the changing needs of the community, the agency offers service that supports its mission: to help people get from where they are, to where they want to be.

In addition to the multiple modes of transit service discussed below, the agency offers transportation demand management and educational services to help riders get the maximum benefit from regional public transit options.

Service Modes

Community Transit's bus service network includes core service, community-based service, and commuter services.

Core service includes Swift Bus Rapid Transit (BRT) service and other routes that provide frequent and direct connections between various centers in the urbanized areas of Snohomish County.

Community-based service feeds core service and connects outlying communities.

Commuter service provides peak period, peak direction service for trips destined to and from major activity centers, including Boeing in southwest Everett and intercounty commuter routes to downtown Seattle and the University District.

Vanpools serve commuters whose schedule or origin/destination are not conducive to regular bus service.

Dial-a-Ride Transit (DART) paratransit offers service to customers who cannot use bus service due to a disability. This service is directly tied to the local bus service network.

In addition to these existing modes, the agency is investigating new transit options aimed at creating efficient access to Link light rail stations as they open in Snohomish County. Starting in late 2022 and continuing into 2023, Community Transit will pilot Zip, a new mode of microtransit service in Lynnwood.

Service Budget and Hours

During 2023, the agency expects to deliver 48,286 less hours across all modes than in the previous year’s budget, but 34,402 more hours than the current 2022 forecast. Snohomish County unemployment rates ranged from 2.2% to 4.4% during the first eight months of 2022. This led to staffing shortages during the current year, which precluded the agency from delivering all its originally planned 2022 service. The agency made some service adjustments during the year, however, which focused on improving reliability while maintaining adequate capacity for the current ridership. Adjustments included reducing some route frequencies in the peak and eliminating some of the peak local and commuter service added during the previous period.

In 2023, much effort will be directed toward preparing for a larger scale restructure of the system that will start in 2024. From its March 2022 service level, Community Transit will increase service by approximately 23% with the Lynnwood Link launch in 2024, and by 36% with the launch of the Swift Gold line in the last quarter of 2027. These service increases will include expanding and redesigning existing routes, offering existing and new customers an improved system, with significant increases in service options.

For more information on Community Transit’s service for 2022 and beyond, please review the [2022 - 2027 Transit Development Plan](#)¹.

Summary of 2023 Service Hours by Service Mode

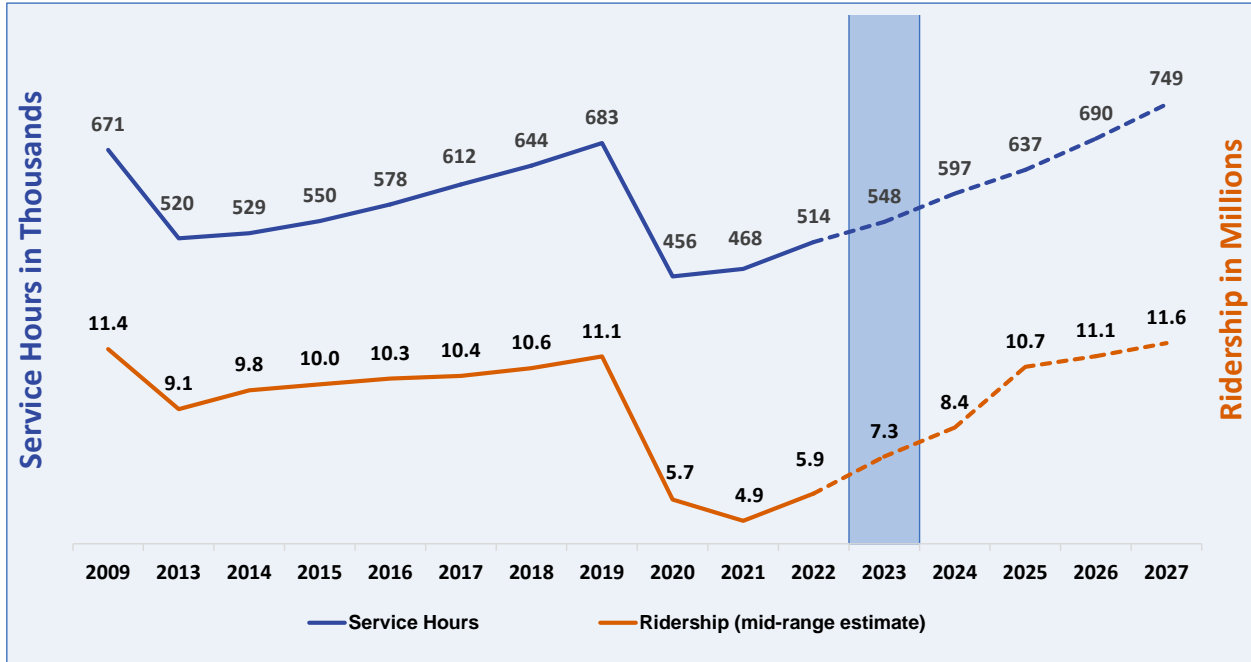
	<i>2019 Actual</i>	<i>2020 Actual</i>	<i>2021 Actual</i>	<i>2022 Projected</i>	<i>2023 Budget</i>	<i>Change 2023 vs. 2022</i>	
Directly Operated	398,958	328,007	337,737	356,390	373,838	17,448	4.9%
Contracted Commuter	50,255	30,685	31,383	35,514	35,895	381	1.1%
Paratransit	84,937	36,270	50,921	59,667	70,000	10,333	17.3%
Subtotal	534,150	394,962	420,041	451,571	479,733	28,162	6.2%
Vanpool	148,374	60,538	48,149	62,400	68,640	6,240	10.0%
Subtotal, CT Operated	682,524	455,500	468,190	513,971	548,373	34,402	6.7%
Sound Transit	98,516	76,783	70,146	77,787	75,688	(2,099)	-2.7%
Total	781,040	532,283	538,336	591,758	624,061	32,303	5.5%

¹ The Transit Development Plan is available at <https://www.communitytransit.org/TDP>

Service Hours and Ridership

Ten-year History and Five-year Projection

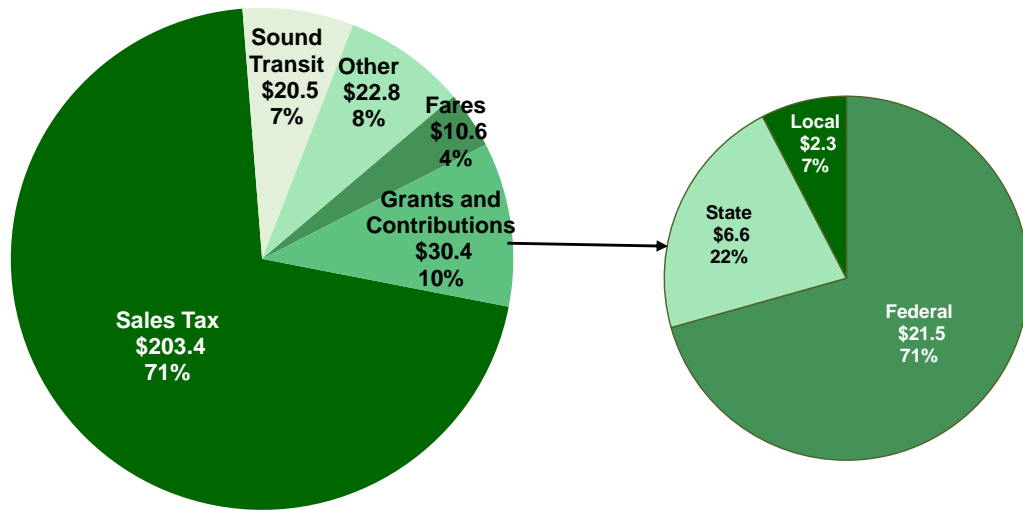
Community Transit Service Only (Excludes Sound Transit)



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 receives 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 Operating and Non-Operating Revenue — \$287.7 (in millions)



Revenue Type by Category

Revenue Type	2020 Actual	2021 Actual	2022 Amended Budget	2023 Budget	Change 2023 vs. 2022	
					Dollars	Percent
Sales Tax	\$ 154,443,135	\$ 183,591,334	\$ 187,964,925	\$ 203,397,000	\$ 15,432,075	8.2%
Fares	9,273,274	7,835,281	13,190,100	10,583,106	(2,606,994)	-19.8%
Sound Transit Commuter Service	20,876,827	19,461,954	19,613,809	20,542,223	928,414	4.7%
Federal, State, and Local Grants and Contributions	42,982,565	40,741,944	42,825,903	30,434,212	(12,391,691)	-28.9%
Miscellaneous Revenues	3,556,679	2,241,769	2,372,157	3,531,281	1,159,124	48.9%
Total: Operating Revenues	\$ 231,132,480	\$ 253,872,282	\$ 265,966,894	\$ 268,487,822	\$ 2,520,928	0.9%
Interfund Transfers	15,258,467	10,385,613	-	19,224,046	19,224,046	N/A
Total Revenues	\$ 246,390,947	\$ 264,257,895	\$ 265,966,894	\$ 287,711,868	\$ 21,744,974	8.2%

Sales Tax

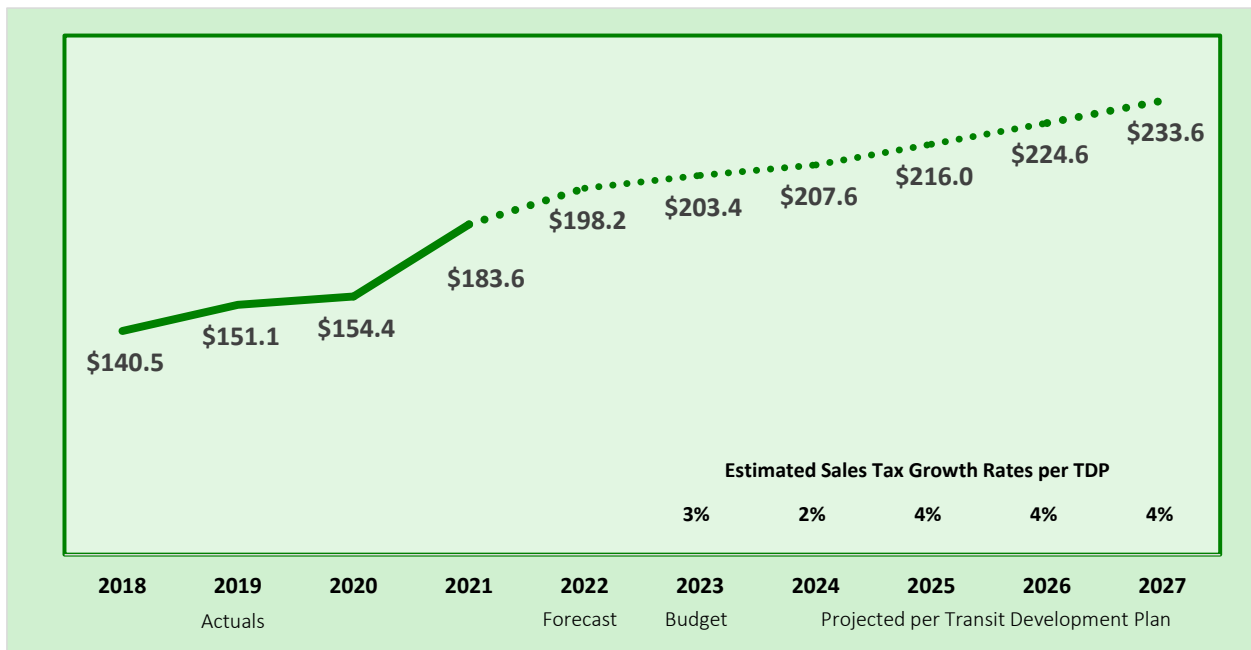
Community Transit receives the largest portion of its funding from local retail sales tax—about 75.8 percent of its total operating revenues in 2023. Sales tax has increased as a percentage of total operating revenue from what it was in the years 2020-2022. During those years, Community Transit was awarded and billed significant amounts of federal Coronavirus Aid, Relief, and Economic Security Act (CARES) funds, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds, and American Rescue Plan Act (ARPA) funds. As those funding sources wind down, sales tax has shifted back to being three quarters of Community Transit’s funding for its operations.

Well into 2022, sales tax collections continue to exceed forecasted expectations. Consumer and business spending increased during the pandemic (outside of the two months with strong “stay home, stay healthy” mandates) and sales tax grew at a rate of 18.9 percent from 2020 to 2021. In 2022, sales tax continues to grow, albeit at a slower rate – an estimated 8 percent growth rate from 2021 that is tapering as the year progresses. The 2023 adopted budget anticipates that sales tax will exceed the amended budget by 8.2 percent and the current forecast by 2.6 percent.

The adopted TDP assume slower growth into 2024 – about 1.6 percent growth in collections from the year 2023. Community Transit’s future sales tax growth is anticipated to return to 4 percent for the years 2025 through 2027.

Sales Tax: Historical Perspective and Future Forecast

(in millions)

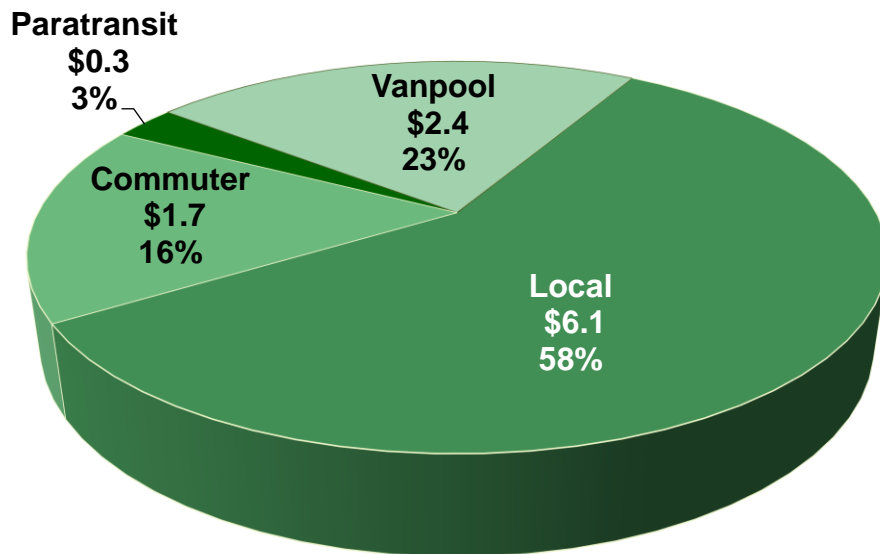


Fares

Community Transit estimates that 2023 fare revenue will total \$10.6 million. This will represent an increase from the current 2022 fare forecast of \$9.4 million. The COVID-19 pandemic resulted in a dramatic decrease in ridership in 2020 from the previous ridership levels measured in 2019 and earlier. 2023 represents a continued increase in ridership and fares from 2021 and 2022, but Community Transit does not yet expect to return to pre-pandemic levels.

At this time, any fare revenue projections are subject to revision, dependent upon when the pandemic winds down officially and when riders feel more comfortable officially transitioning back to public transit, as well as how Community Transit's service evolves as customers adopt light rail in 2024. Currently, Community Transit Planning staff are evaluating the impacts of future service shifts—to bus rapid transit and light rail service—on passenger fare collections.

Growth in fare revenues from the 2022 forecasted fares to the 2023 budget has resulted primarily from riders returning to transit as the economy opens and many employees return to their workplaces after exclusive or partial remote working.



Local Directly Operated Fixed-Route Fares

Local passenger fares remain the largest portion of Community Transit's fare revenue, at 57.8 percent of the total. Local fares are expected to increase in 2023 commensurate with the overall passenger fare revenue increase. One point to note: prior to the COVID-19 pandemic, local fares calculated out to about 57% of total fare revenues and remain a similar percentage of total fares as the pandemic winds down.

Commuter Fares

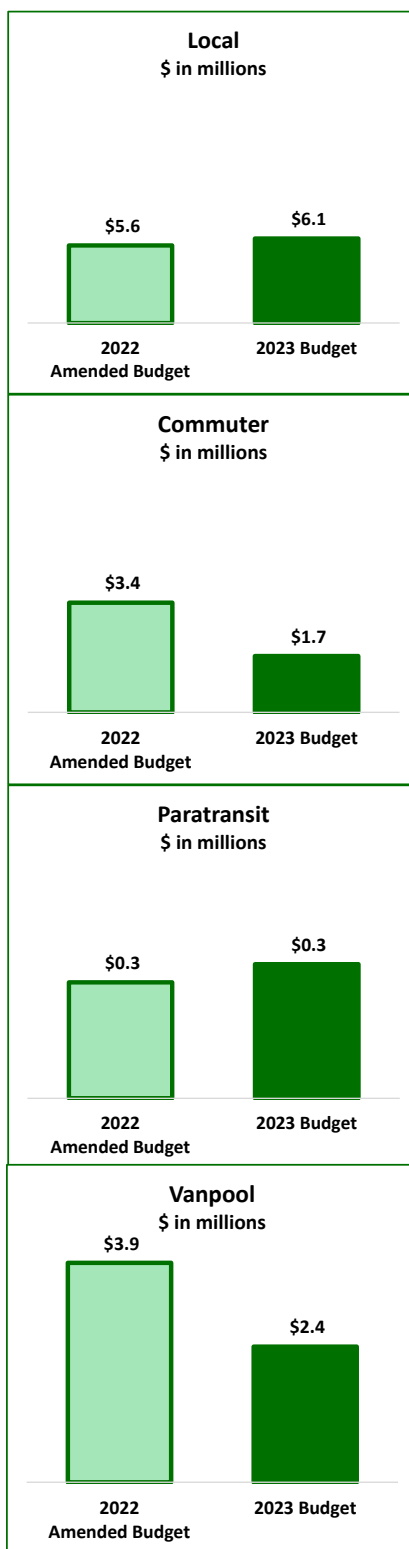
Commuter fares make up about 16.5 percent of the total passenger fare revenue. Commuter fares are also expected to increase in 2023 commensurate with the overall passenger fare revenues. Pre-pandemic, commuter fares were nearly 30 percent of total fare revenues. The longer-term impacts of the pandemic on commuter fares remains to be seen. Also, as light rail becomes an option for commuters, commuter ridership and associated fare revenues may continue to decline as a percentage of total passenger fares.

Paratransit

Paratransit fares make up 2.9 percent of the total passenger fare revenue. These fares are also expected to increase in 2023 commensurate with the overall passenger fare revenue increases. As a percentage of total fares

Vanpool Fares

Vanpool fares make up 22.8 percent of passenger fares. Fare revenue is budgeted at \$2.4 million in 2023. Though this is slightly lower in total than in the years preceding the pandemic, vanpool now makes up a greater percentage of total fares than in did pre-pandemic.



Sound Transit

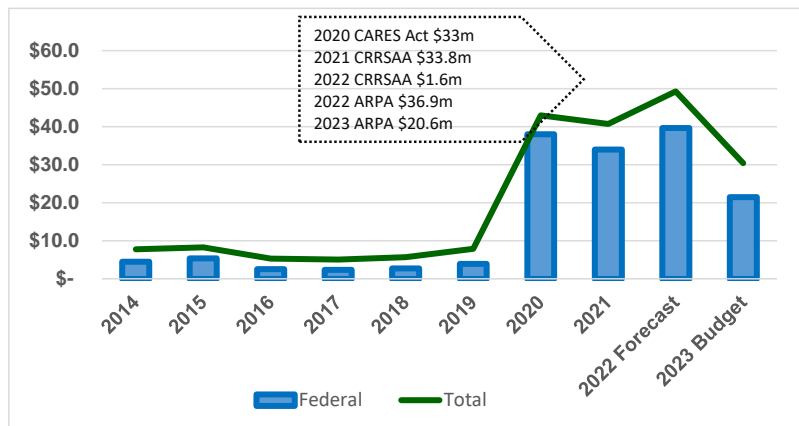
Sound Transit contracts with Community Transit to deliver commuter services that start in Snohomish County and primarily transport commuters to their jobs in King County. Community Transit expects 2023 contracted commuter service revenues to increase from 2022 forecasted levels by \$0.9 million, or about 4.7 percent, to a total of \$20.5 million. Contract rates partially drive this increase, as well as additional revenue anticipated from billing costs to Sound Transit for transit integration efforts.

Operating Grants and Contributions

Community Transit receives federal, state, and local operating grants and contributions. Operating grants and contributions amount to \$30.4 million and contribute 11.3 percent to operating revenues. This is down from \$42.8 million, or 28.9 percent from the 2022 budget when Community Transit was receiving more federal stimulus funds. By the end of 2023, the stimulus funds will be completely drawn down, and grants will represent a smaller portion of total operating revenues.

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 2023 include \$21.5 million in Federal Transit Administration (FTA) grants: \$360 thousand in Congestion Mitigation and Air Quality (CMAQ) grants; \$.5 million in federal pass-through grants from the State of Washington; and \$20.6 million in Federal ARPA funds that are expected to be billed in 2023. After 2023, when most or all of the federal stimulus funds have been billed, federal grants will likely represent a smaller proportion of Community Transit’s total operating revenues.

State Grants and Contributions

In 2023, Community Transit will receive a Regional Mobility grant from the State of Washington in the amount of \$2.4 million, to support operation of the *Swift* Green Line, as well as a new Transit Support Grant (“TSP” grant) in the amount of \$2.8 million to support its DART services. Another grant was also awarded from the Washington State Department of Transportation to support coordination efforts with Everett Transit. This one-time grant is for \$500 thousand, and it is anticipated that \$300 thousand of that amount will be billed in 2023.

Community Transit will also continue to receive a special needs grant from the State of Washington in the amount of \$940,000, as well as a Commute Trip Reduction/ Transportation Demand Management grant of \$194,000. Total contributions from the state total about \$6.6 million and make up 2.5 percent of Community Transit’s operating revenues.

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 2023 budget includes \$2.2 million from this revenue source. This is a slight increase from the projected 2022 amount, reflecting continued favorable sales tax collections countywide. In addition, Community Transit will receive funds from the City of Everett to handle Everett Transit’s information phone calls and paratransit eligibility checks.

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. For fiscal year 2022, the average balance in the LGIP’s portfolio ¹ is estimated to be \$22.1 billion, 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. As the Federal Reserve has lowered rates during 2020

¹ <https://www.tre.wa.gov/partners/for-local-governments/local-government-investment-pool-lgip/average-daily-balance-lgip-by-fy/>

and maintained a 0-.25 percent rate, the pool's yield has decreased from an average of 2.3 percent during the year 2019 all the way down to .09 percent in the fourth quarter of 2021 and early 2022. Recently, the feds have been raising rates to counteract inflation trends and the LGIP has risen to 2.25%. The 2023 budget projects interest income of about \$2.8 million, reflecting rising interest rates. Community Transit will seek to rebalance its portfolio in the fourth quarter of 2022 and into 2023 to further take advantage of the current higher interest rates.

Advertising

Community Transit expects to receive about \$435,000 in advertising revenues for 2023, about the same as the revenue forecasted for 2022. This reflects the return to bus-based advertising as the pandemic winds down and commuters return to offices.

Miscellaneous

The 2023 budget for other miscellaneous revenues totals \$302,000 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 2022 of \$308,000. Some of the variables in this category include insurance recoveries and warranty repair reimbursements, both of which fluctuate from year to year.

Interfund Transfers

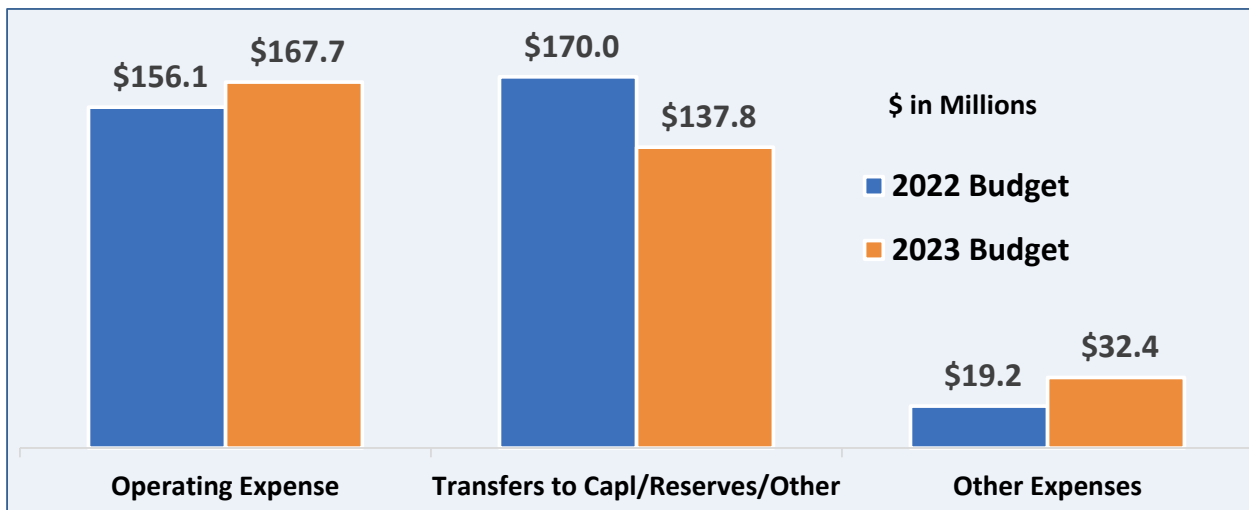
The 2023 budget includes interfund transfer revenues from the Infrastructure Preservation fund, the FTA Capital Projects fund, and the Local Capital Projects fund totaling \$19.2 million. Some of the more significant transfers being made include the following. The Wireless Communications project, considered a preservation project, ran under budget and will return \$3 million in 2023. Additional FTA grant funds were assigned to BRT projects in fund 45, allowing for the return of \$3.2 million in local matching funds. \$3 million is being returned from a long list of completed projects plus another \$10 million in bus purchases programmed in 2022 that will not be made. The returned funds, all originally local funds assigned to capital projects, will be reprogrammed toward other projects or operations.

Expenses

The 2023 general fund budget of \$337.9 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, professional services, and contingencies. Cost increases between projected 2022 and budget 2023 reflect a variety of changes in the budget that address unusual inflation occurring throughout 2022, increased efforts toward opening a new BRT line in 2024, and new services innovation that includes one pilot project and funding to start up to three additional new service pilots. Significantly increased recruitment efforts have been funded, as well as more effort toward network integration and coordination with other agencies. Capital project contributions and reserve funding via interfund transfers continue had a high level. Nonoperating expenses include these contributions, as well as interfund transfers to fund workers' compensation and debt service.

The following chart shows 2023 proposed general fund expenses distributed by major operating cost category, with transfers and other expenses such as insurance and cost pools shown separately.

2023 General Fund Expense by Category
\$337.9 (in millions)



Operating Expenses

The 2023 operating budget of \$200.1 million includes all department-related operating expenses (\$167.7 million) plus insurance costs, fuel, and the salary and professional services pools (\$32.4 million). Included in the cost pools is a contingency for new service innovation (\$3.0 million) and a contingency for inflation and economic response and recovery (\$2.2 million). Fuel will increase by \$2.6 million from the amended 2022 budget, related to the escalating costs of oil that occurred in 2022. The total 2023 operating budget proposal shows

an increase of \$24.8 million, or 14.1 percent, as compared to operating expenses in the 2022 amended budget.

Wages and Benefits

Wages and benefits will increase by \$9.6 million, or 9.8 percent, as compared to the 2022 budget. This increase results from multiple factors. One, FTE counts are increasing to support the future opening of the Swift Orange Line. These include staff to support recruitment and training, as well as Maintenance and Transportation employees. Additionally, a new Transit Security Patrol (TSP) unit is being implemented in the latter part of 2022 and in 2023 to address safety issues on Community Transit buses and properties. The TSP will add a total of 21 positions.

The employment cost index for the Seattle Metro area, published by the Bureau of Labor Statistics, has increased by 8.7% annually as of June, which further adds to the pressure on salary and benefits costs.

Overall, benefits are increasing by 11.1%, which is a combination of the effect of new positions and some rate increases. Medical insurance rates are estimated to increase about 9% from 2022 to 2023, though PERS retirement contribution rates and some other benefits are holding even. Placeholders are included in the salary pool for possible wage increases or settlements, depending on various economic factors in 2023.

This year, Community Transit proposes a total net increase of 72.5 positions from the 2022 original budget, and 63.5 from the revised budget. Approximately 39.6 FTEs will be charged to various capital project funds in 2023, rather than to the general fund.

Department Staffing Summary

The following table shows the FTE count in 2022 and as proposed for 2023.

Staffing By Department	2022 Original Budgeted FTEs	2022 Revised FTEs Budgeted	2022 Original Compared to 2022 Revised	2023 Budget	Change 2023 vs. 2022 Amended
Board of Directors/Executive	5.5	5.5	0.0	5.5	0.0
Communications and Public Affairs	9.0	9.0	0.0	11.0	2.0
Customer Experience	52.5	53.5	1.0	60.0	6.5
Employee Engagement	37.0	46.0	9.0	51.0	5.0
Finance and Administration	43.0	45.0	2.0	46.0	1.0
Information Technology	37.0	38.0	1.0	41.0	3.0
Maintenance	125.0	125.0	0.0	143.0	18.0
Planning and Development	41.0	45.0	4.0	47.0	2.0
Safety, Security, and Sustainability	11.0	13.0	2.0	33.0	20.0
Transportation	463.0	453.0	(10.0)	459.0	6.0
Staffing Total	824.0	833.0	9.0	896.5	63.5

The department section includes the detail of which positions were eliminated, transferred, or added in 2022, as well as what positions are proposed for 2023.

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.

	10 Year Average	5 Year Average	Current Year Ratio
Operations	63.1%	62.3%	60.6%
Vehicle Maintenance	12.9%	12.5%	12.9%
Facility Maintenance	3.0%	3.2%	3.2%
Administration	21.0%	22.0%	23.3%
	100.0%	100.0%	100.0%

Benefits Increase

The Washington State Public Employees Benefits Board employee medical insurance rates for 2023 have increased by about 9.2 percent, based on current enrollment. Rates for the IAM Benefit Trust are anticipated to increase by 7 percent in mid-2022 (half year impact only). Agencywide medical, vision, and dental costs will increase by an estimated 7 percent.

Public Employees' Retirement System Retirement Contribution

The 2023 Public Employees' Retirement System (PERS) retirement contribution rate is increasing minimally from the 2022 budget. Rates that were in effect in the second half of 2022 will continue through 2023. Total 2023 PERS costs will increase proportionately with the increase in budgeted FTEs.

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. New in 2023 budget is a contract for microtransit services known as the Lynnwood Pilot project, which totals \$1 million. In aggregate, purchased transportation costs will decrease by less than one percent in 2023 as compared to the 2022 amended budget, even when including the \$1 million for the Lynnwood Pilot.

Paratransit costs will decrease from the 2022 budget to 2023 budget by 10.9 percent. In 2022, a return to pre-pandemic service level of 81,000 was budgeted, but this has not come to pass. Paratransit services are indeed increasing but are still not back to this pre-pandemic level. In 2021, about 51,000 hours were delivered, so the 70,000 budgeted hours in 2023 represents continued progress toward more typical levels of service.

Contract commuter services costs will decrease by about \$300 thousand, or 1.4 percent, in the 2023 budget. Similar to paratransit services, contract commuter service in 2022 and 2023 has not increased as quickly as anticipated during last year's budget process, though it continues to grow. The 2022 contract commuter services expense is expected to run under budget and the 2023 budget actually represents a 3.8% increase from the 2022 forecast.

Services

Overall, Community Transit's expenses for services, including intergovernmental services, will increase by 7.5 percent in 2023 as compared to the 2022 amended budget. The major categories of increase include professional services, contract maintenance, advertising, travel, training and registrations, and software leases. Intergovernmental services will actually decrease by \$1.1 million, or 23.1%, mitigating the total increase in the services category. This decrease relates to the contract with the Snohomish County Sheriff and the planned level of service for 2023.

The Professional Services category, which is increasing by 37.9 percent overall, contains a variety of new initiatives. These include studies to identify pilot programs for new services; consulting to investigate integration potential with Everett Transit; diversity, equity, and inclusion consulting; KPI development; targeted research and tracking studies; and a fare study. Advertising will increase by 84.5 percent in 2023, resulting from increased coach operator and mechanic recruiting, greater ridership campaign efforts, and the Lynnwood pilot program.

Contract maintenance includes a full year of increases for janitorial and landscape maintenance for the newly renovated Administration building opens at Kasch Park Casino Road, as well as other increases for the base locations. This category is increasing by 5.9 percent, or \$240,000.

Community Transit staff are now able to attend in-person conferences and training as of late 2022 and in 2023. Travel, training, and registrations are up 75 percent (\$459,000) in the 2023 budget compared to the 2022 amended budget and have returned to pre-pandemic levels. E-Learning and webinars have become adopted forms of employee training and development, and while cost effective methods to train large of large of staff, these also add to the cost of agency training.

Software leases, increasing by 44.2 percent, or \$648 thousand from the 2022 budget, are another area of increase. One factor is the accounting reclassification of the Microsoft Enterprise Licensing contract, from Contract Maintenance to Software Leases. Also noteworthy is that across the board almost all existing software as a service and support agreements increased, reflecting high inflation experienced nationwide in 2022, as well as customer demand for specialty software.

Supplies

In the operating fund, supplies, excluding diesel fuel and gasoline, will increase by about 16.8%, or \$1.1 million. Notable areas where increases are occurring include predominantly maintenance-oriented supplies such as parts (\$772,000) and oil and lubricants (\$137,000). The budgets for gasoline for vanpool and support vehicles will not increase in 2023 from the 2022 amended budget due to utilization – both programs are currently forecasted to run under their respective 2022 budgets by over \$400,000, due to anticipated fuel utilization for the year, rather than per-gallon costs. Paratransit fuel costs will increase significantly: \$823,000 or 149.6 percent. Paratransit fuel is obtained at Community Transit fueling stations at the state contract rate, and the rate is increasing in 2023. Community Transit expects to purchase 305,000 gallons of gas for paratransit vehicles at \$4.50 per gallon. Although gasoline prices may be on the decline in the second half of 2022, there remains much uncertainty with respect to prices in 2023. Diesel fuel will be discussed in a subsequent section.

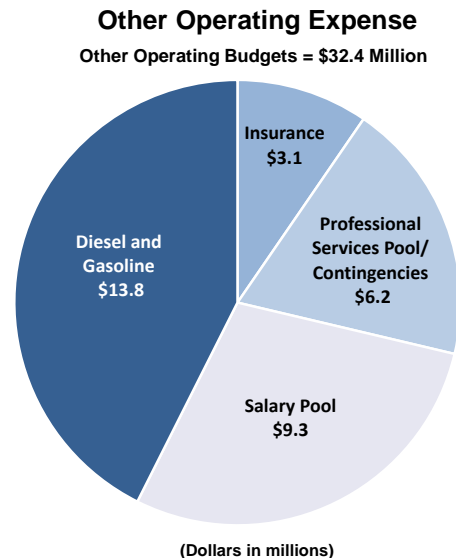
Other Operating Expense

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

Insurance

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.

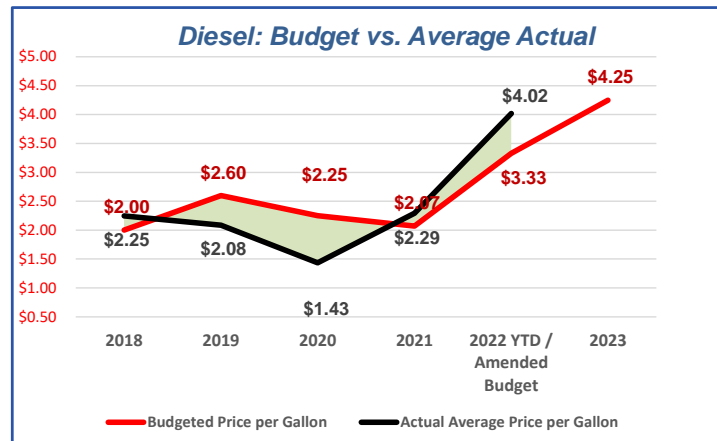
The 2023 insurance budget of \$3.1 million represents a decrease of less than \$100,000 or 2.1 percent from the 2022 budget. Community Transit anticipated an increase in annual premiums in the 2022 budget, but will run under budget this year, as increases for the remodeled building and new transportation assets were not as high as expected. One factor in flatter growth is that the miles driven in 2023 are expected to be relatively flat from 2022, related to service levels that are declining slightly compared to the 2022 budgeted service level.



Diesel Fuel

The 2023 budget for diesel fuel for coaches and other vehicles will increase by 28.3 percent (\$1.9 million) as compared to the 2022 amended budget. Service hours are not increasing from 2022 projected hours, and slightly less gallons of fuel are projected to be purchased. Of most significance are the high diesel fuel prices that have rebounded with a vengeance from the historic low prices paid during April and May of 2020, when rates averaged \$1.00 per gallon during pandemic lock downs. In late June 2022, Community Transit experienced its highest diesel rates in at least the past twelve years since diesel costs have been formally tracked. Community Transit is expecting diesel to average \$4.25 per gallon in 2023, which is slightly higher than the current average year to date price (\$4.02/gallon) paid for diesel on the state contract. The fuel reserve in the general fund remains at \$5.5 million for 2023 and provides a buffer for fluctuations in fuel prices.

Employees in both Finance and Maintenance track the economy and the market for fuel, both locally and internationally. The supply of crude oil remains tight, and prices have risen since global travel has resumed and transportation companies and others are purchasing fuel faster than the supply has increased. International conflicts put a squeeze on the supply of oil as well, further adding to price pressure.



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 2023 salary pool budget includes amounts anticipated for various labor contract settlements that may occur during the year. The 2023 salary pool is budgeted at \$9.3 million, which reflects higher than typical employment-related inflation.

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 2023 professional services cost pool is funded in the amount of \$988,000, which is up slightly from the 2022 original professional services cost pool budget of \$840,000. This reflects an increase in new agency initiatives that may start in 2023.

Community Transit continues to maintain a contingency for new service innovation in 2023, which, at \$3.0 million, has been set aside to cover the costs for three potential new pilot programs: in Lake Stevens, Arlington and Darrington. These three pilot locations will be studied in the early 2023. Such programs are intended to help Community Transit develop new mobility options for customers who need to travel to Link light rail or to the main transit corridors where BRT and other core services can be accessed. The second contingency is for inflation and economic response and recovery at \$2.2 million.

Interfund Transfers

Interfund transfers are a tool used by Community Transit to balance funds, provide for the workers' compensation program, debt service, reserves, and capital needs from the General Fund. Interfund transfers may also occur back to the General Fund when capital projects close out or when a reserve is overfunded. Transfers between capital funds often occur when projects or assets are moved from one fund to another. Because interfund transfers depend on specific situations and balance adjustments, the amounts per year may vary greatly. For more information on Community Transit's fund structure and descriptions of each fund, please refer to the Funds List in the Reference section.

Interfund Transfers

	2019 Actual	2020 Actual	2021 Actual	2022 Amended Budget	2023 Budget	Change 2023 vs. 2022	
Transfers from Fund 40: General Fund							
Fund 41: Replacement Reserve	\$ 4,950,000	\$ 6,026,971	\$ 835,000	\$ 1,560,000	\$ 3,100,000	\$ 1,540,000	98.7%
Fund 42: Infrastructure Preservation Reserve	6,724,884	-	-	19,750,000	6,322,638	(13,427,362)	-68.0%
Fund 43: Workers' Compensation	2,400,000	2,525,000	3,000,000	3,000,000	2,500,000	(500,000)	-16.7%
Fund 44: State Capital Projects	-	254,353	-	2,945,000	-	(2,945,000)	-100.0%
Fund 45: FTA Capital Projects	4,686,216	271,485	8,299,980	14,119,277	-	(14,119,277)	-100.0%
Fund 46: Local Capital Projects	10,777,861	12,925,519	13,076,751	15,380,422	7,896,488	(7,483,934)	-48.7%
Fund 48: Facilities and Technology Expansion	20,000,000	-	26,162,122	111,771,363	116,552,413	4,781,050	4.3%
Fund 50: Bond Debt Service	1,418,665	1,430,536	1,430,267	1,431,292	1,428,833	(2,459)	-0.2%
Total provided by Fund 40: General Fund	\$ 50,957,626	\$ 23,433,864	\$ 52,804,120	\$ 169,957,354	\$ 137,800,372	\$ (32,156,982)	-18.9%
Transfers back to Fund 40: General Fund							
Fund 42: Infrastructure Preservation Reserve	-	8,000,000	534,321	-	3,068,775	-	-
Fund 43: Workers' Compensation	2,500,000	1,000,000	-	-	-	-	-
Fund 44: State Capital Projects	-	254,353	-	-	-	-	-
Fund 45: FTA Capital Projects	1,789,925	2,608,303	-	-	3,187,144	-	-
Fund 46: Local Capital Projects	-	1,867,811	9,851,292	-	12,968,127	-	-
Fund 48: Facilities and Technology Expansion	-	1,528,000	-	-	-	-	-
Total returned to Fund 40: General Fund	\$ 4,289,925	\$ 15,258,467	\$ 10,385,613	\$ -	\$ 19,224,046	\$ 19,224,046	-
Transfers between capital funds							
From Fund 42 to Fund 48	-	-	6,000,000	-	-	-	-
From Fund 45 to Fund 46	-	7,538,191	4,613,748	-	-	-	-
From Fund 46 to Fund 45	1,250,000	2,875,047	4,450,000	-	-	-	-
Total transfers between funds	\$ 1,250,000	\$ 10,413,238	\$ 15,063,748	\$ -	\$ -	\$ -	-
Total Interfund Transfers	\$ 56,497,551	\$ 49,105,569	\$ 78,253,481	\$ 169,957,354	\$ 157,024,418	\$ (12,932,936)	-7.6%

Interfund transfers to the Replacement Reserve, Infrastructure Preservation Reserve, and Facilities and Technology Expansion funds in the 2023 budget follow the plan for reserve balances as outlined in the 2022-2027 Transit Development Plan. During 2023, transfers of \$116.6 million have been planned to the Facilities and Technology Expansion fund for multiple initiatives. This includes \$3.9 million of additional funds for a Facilities Master Plan contingency, \$50 million for zero emissions pilot projects and reserves, and \$60 million reserve for service quality, innovation, and sustainability. Additionally, a \$2.7 million contribution funds staff working on Facilities master plan and zero emissions projects as well as additional project funding.

Contributions to the Workers' Compensation fund amounting to \$2.5 million in the 2023 budget, cover usual, ongoing costs including workers' compensation claims and injury prevention efforts.

Transfers made to the State Capital Projects, FTA Capital Projects, and Local Capital Projects funds address local funding required to complete Community Transit's approved capital projects. For the 2023 budget, the State Capital Projects and FTA Capital Projects funds are fully funded, while \$7.9 million will be transferred to the Local Capital Projects fund.

Community Transit's most recent limited sales tax general obligation bond issue occurred in June 2017. The \$1.4 million transfer to the Bond Debt Service fund covers the principal and interest payments due in 2023 associated with that bond issue.

Capital projects that have closed out and had excess budget are returning \$19.2 million to the General Fund in the 2023 budget. No transfers between capital funds are needed; these types of transfers typically arise in a budget amendment to clear up any projects or assets that are moved between funds.

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 2023 budget includes operating and nonoperating revenues of \$287.7 million which funds operating expenses of \$200.1 million for 624,000 hours of service and contributes to the 2023 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 2023 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 requirements.

	\$ in Millions
Beginning Cash	\$ 154.2
Total General Fund Revenue	\$ 268.5
Total Current Expenses and Obligations	(200.1)
Operating Margin	68.4
Transfer to Capital/Reserves/Other Funds	(137.8)
Transfer from Capital/Reserves/Other Funds	\$ 19.2
Ending Cash	\$ 104.0
Operating and Fuel Reserves	(66.6)
Capacity for Sustainability and Expansion	\$ 37.4

	2022 Forecast	2023 Budget
Projected Ending Cash Balance	\$ 154.2	\$ 104.0
Operating Expenses	\$ 160.3	\$ 200.1
Workers' Compensation Expense	<u>2.2</u>	<u>3.6</u>
Total Expense	162.5	203.7
Less: Sound Transit	<u>(19.6)</u>	<u>(20.5)</u>
Net Operating Expense Excluding Sound Transit	142.9	183.2
Four Months Operating Expense	(47.6)	(61.1)
Fuel Reserve	(5.5)	(5.5)
Cash/Working Capital in Excess of all Reserves	<u>\$ 101.1</u>	<u>\$ 37.4</u>

Summary of Cash Balances and Reserves by Fund

<i>Fund</i>	<i>Cash Balance \$ in Millions</i>
Operating Reserve	
Designated—Operating and Fuel Reserves ¹	\$ 66.6
Capacity for Sustainability/Expansion	37.4
Total Operating Reserve	\$ 104.0
Replacement Reserve	44.0
Infrastructure Preservation Reserve	27.2
Facilities and Technology Fund	163.5
Reserve for Future BRT Lines/Expansion	
Workers' Compensation	
Statutorily Restricted	\$ 3.6
Designated for Future Claims	2.5
Total Workers' Compensation	6.1
Bond Fund	0.6
Total as of December 31, 2023	
	<u>\$ 345.4</u>

¹ Includes four months operating cash flow reserve and \$5.5 million fuel reserve.

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

<i>Fund</i>	<i>Amount (\$ in Millions)</i>	<i>Discussion</i>
40 - General Fund		
Beginning Cash Balance	\$ 154.2	
Revenues	268.5	
Interfund Transfers In	19.2	Return of unspent project funds and cash balance surplus for workers' compensation
Expenditures	(200.1)	
Interfund Transfers Out	(137.8)	Funds capital projects, workers' compensation, and additions to capital reserves
Ending Cash Balance	\$ 104.0	Decrease in ending balance relates to creation of reserves for Zero Emissions Vehicle Reserve and Service Quality, Innovation & Sustainability Reserve in Fund 48.
41—Replacement Reserve		
Beginning Cash Balance	\$ 45.0	
Revenues	0.0	
Interfund Transfers In	3.1	Funds capital projects and reserves
Expenditures	(4.1)	Scheduled replacement of DART paratransit vehicles
Interfund Transfers Out	0.0	
Ending Cash Balance	\$ 44.0	
42 - Infrastructure Preservation Reserve		
Beginning Cash Balance	\$ 32.3	
Revenues	0.0	
Interfund Transfers In	6.3	Funds capital projects and reserves
Expenditures	(8.4)	Significant project costs include IT equipment and software, and ticket vending machine replacement
Interfund Transfers Out	(3.0)	Remaining funds transferred to the general fund
Ending Cash Balance	\$ 27.2	

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

<i>Fund</i>	<i>Amount (\$ in Millions)</i>	<i>Discussion</i>
43 - Workers' Compensation Fund		
Beginning Cash Balance	\$ 7.1	
Revenues	0.1	Investment income
Interfund Transfers In	2.5	Funds recommended workers' compensation reserve
Expenditures	(3.6)	Claims and administrative costs
Interfund Transfers Out	0.0	
Ending Cash Balance	\$ 6.1	
44 - State Capital Projects Fund		
Beginning Cash Balance	\$ 2.9	
Revenues	3.8	State grant revenue
Interfund Transfers In	0.0	
Expenditures	(6.7)	Grant-supported Swift Blue Line expansion
Interfund Transfers Out	0.0	
Ending Cash Balance	\$ (0.0)	
45 - FTA Capital Projects Fund		
Beginning Cash Balance	\$ 23.5	
Revenues	81.7	FTA grant revenues
Interfund Transfers In	0.0	
Expenditures	(102.0)	Grant-supported Swift projects
Interfund Transfers Out	(3.2)	Remaining funds transferred to the general fund
Ending Cash Balance	\$ 0.0	

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

<i>Fund</i>	<i>Amount (\$ in Millions)</i>	<i>Discussion</i>
46 - Local Capital Projects Fund		
Beginning Cash Balance	\$ 18.3	
Revenues	0.0	
Interfund Transfers In	7.9	Funds capital projects
Expenditures	(13.2)	Locally-funded capital projects, including minor capital
Interfund Transfers Out	(13.0)	Remaining funds transferred to the general fund
Ending Cash Balance	\$ 0.0	
48 - Facilities and Technology Expansion Fund		
Beginning Cash Balance	\$ 139.6	
Revenues	0.3	WA state green transportation grant
Interfund Transfers In	116.5	Funds capital projects and reserves
Expenditures	(92.9)	Facilities Master Plan projects, ngORCA project
Interfund Transfers Out	0.0	
Ending Cash Balance	\$ 163.5	Fund balance increase relates to Zero Emissions Vehicle Reserve and Service Quality, Innovation & Sustainability Reserve; Fund balance also includes base expansion and renovations funds carried forward.
50 - Bond Debt Service Fund		
Beginning Cash Balance	\$ 0.6	
Revenues	0.0	
Interfund Transfers In	1.4	Funds required annual debt service
Expenditures	(1.4)	Principal and interest on 2017 bond issue
Interfund Transfers Out	0.0	
Ending Cash Balance	\$ 0.6	
Total at December 31, 2023	\$ 345.4	

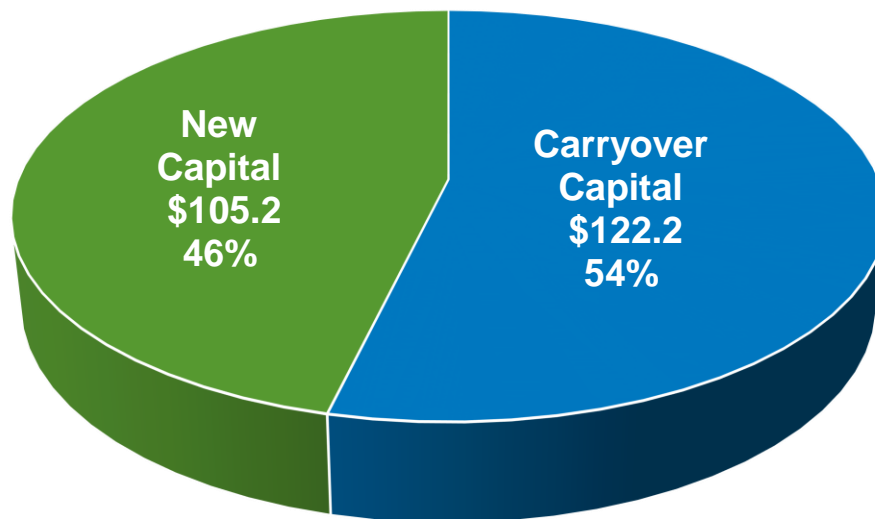
Capital Program

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.” For accounting purposes, agency policy categorizes purchases of single items costing \$5,000 or more per item as capital purchases. For budgeting purposes, the capital program may include items that will not be classified as capital assets at completion but fit within the capital program or are integral pieces of a larger project.

The 2023 capital program represents an investment of \$227.4 million and includes new projects, multiyear projects started in prior years and personnel costs.

2023 Capital Program

\$227.4 (in millions)



New and Existing Initiatives

The 2023 budget includes funding for new and ongoing initiatives that support Community Transit’s effort to roll out new service, including increases to existing service and innovations in the types of service offered to riders. As the needs of commuters and other travelers in Snohomish County are evolving, Community Transit will prioritize investment in expansion and service innovation. The agency also seeks to maintain, preserve, and extend the life of prior

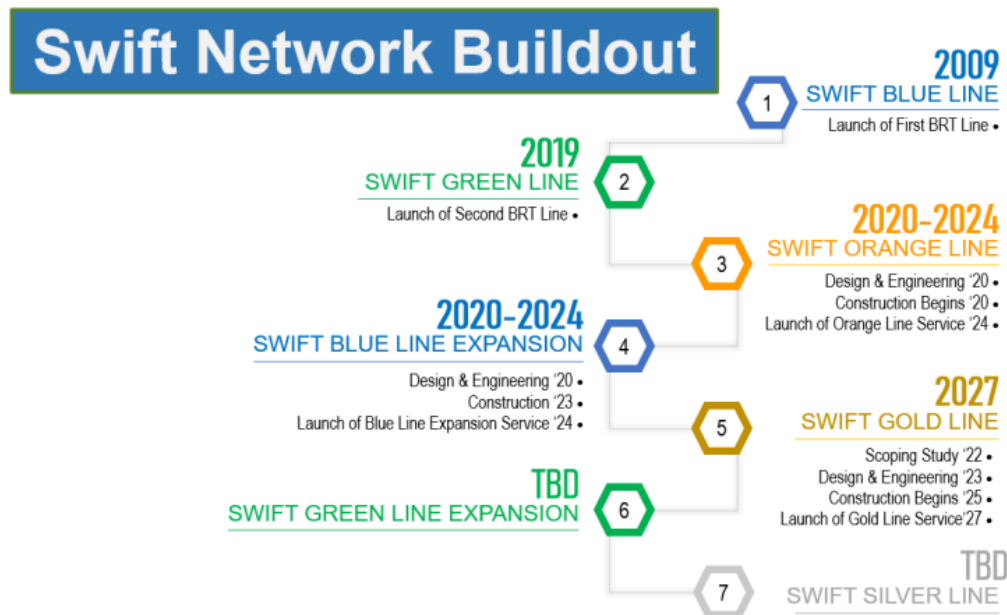
capital investments to ensure that those assets continue to support Community Transit’s needs into the foreseeable future. This includes facilities and physical infrastructure and extends to technology and other improvements and amenities that bring considerable value to the public. In addition, Community Transit endeavors to set aside reserves and contingencies aimed at addressing future infrastructure needs. Highlights from the 2023 capital budget are described in the following discussion.

Swift Network Buildout

One major emphasis in Community Transit’s capital program is how to address customers’ evolving travel needs. This includes the development of solutions that will allow riders to access Link light rail. A significant factor in the evolution of the agency is the need to align and connect Community Transit bus service with Lynnwood Link light rail as it opens in 2024. This major effort includes the development of a fixed-route network plan that provides improved connections between buses and light rail, expands the frequency of network service, adjusts service to changing markets, and ensures equitable access to service.

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. The Swift network currently consists of two lines: the Blue Line and the Green Line. The Swift Blue Line launched in 2009, with the Swift Green Line following in 2019.

Four Swift network expansion projects are underway: the implementation of the Swift Orange Line, expansion of the Swift Blue Line, development of the Swift Gold Line, and the design for a Swift Green Line expansion.



The 2023 budget includes a carryover of \$64.7 million for the Swift Orange Line. This covers development, design, environmental review, construction, and the purchase of up to fifteen 60-foot articulated buses. The funding is a mix of federal, state, and local funding. The Swift Orange Line is scheduled to launch in 2024 and will deliver 42,500 annual hours of service. Its terminals will run between Edmonds College in Lynnwood and McCollum Park near Mill Creek.

The Swift Blue Line expansion is budgeted at \$11 million and will extend Community Transit's first bus rapid transit line to connect with Link light rail in Shoreline by 2024. The first phase of this project includes the scoping study, project development, environmental review, construction of stations, the purchase of four 60-foot articulated buses, and implementation of speed and reliability improvements. It is funded by a combination of local and grant funding, including a \$3.8 million WSDOT Regional Mobility grant, and \$3.2 million in federal grants.

The scoping study for the Gold Line, which will connect Smokey Point with Everett, is expected to be completed in 2023 and the project will progress to the design and engineering phase. The roll out is planned for 2027. The 2023 budget for this effort is \$8.6 million.

The Swift Green Line expansion will extend the line to downtown Bothell and the University of Washington Bothell campus. The 2023 budget of \$2.0 million covers the preliminary planning effort and begins the design phase.

Facilities Master Plan

A continuing priority for Community Transit is modernizing and expanding its current base and other facilities to support agency growth. Service and fleet expansion will stretch the capacity of maintenance bays, bus parking, and operational support space at Community Transit's bases. Expanding and modernizing the current facilities supports employees by giving them an environment that promotes operational excellence and allows employees to perform their jobs well. The 2022-2027 Transit Development Plan includes a multi-phased and multi-year expansion program known as the Facilities Master Plan (FMP), which is currently underway. Work on the FMP started in 2020.

Phase 1 of the plan is the design and renovation of the newly named Cascade building at Kasch Park Casino Road. The Cascade building opened in April 2022 and houses most of the agency's administrative personnel. The project budget will closeout next year after accounting for the current fiscal year is complete. Accordingly, there remains a 2023 budget carryover of \$1.3 million out of its \$36.9 million total.

Phase 2 is the design and renovation of the former Merrill Creek Administration building, which will become a transportation operations facility. Construction began in June 2022 and is scheduled to be complete near the end of 2023. The 2023 budget carries forward \$13.8 million of the \$21.8 million total.

Phase 3 designs and renovates the Merrill Creek Operations Base and consists of two distinct efforts. The first stage will increase the capacity for vehicle maintenance, modernize equipment, and provide for the maintenance of all vehicle types. The second stage will renovate the maintenance offices, shops, and training areas, some of which is dependent on the transportation operations being moved out of this building once the operations building in Phase 2 is complete. The total project is \$45.2 million; the 2023 portion of \$26.6 million consists of \$16.6 million carrying forward from the 2022 budget, and a new funding request of \$10 million to restore previous funding and allow for the effect of recent high inflation. Both stages are expected to be complete in 2025.

Phases 4 and 5 have no budget in 2023. Phase 4 is the Kasch Park Operations Base renovation, which is currently deferred. Phase 5 is a new vehicle storage and training facility in the amount of \$13.5 million, with completion expected in 2022.

Phase 6 remodels and improves the RideStore, including better ADA accessibility. The 2023 budget of \$4.3 million includes an addition of \$1.2 million due to current construction market conditions. The total project budget is \$4.8 million.

Coach and Other Vehicle Replacements

Community Transit's current fleet consists of 40-foot, 60-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 2023 budget includes \$21.5 million for the purchase of 15 sixty-foot hybrid replacement coaches for Swift service. It also provides \$4.1 million for the replacement of DART paratransit vehicles: 11 carried over from an order in 2022, and 15 to be ordered in 2023. Other planned vehicle replacements consist of several transportation supervisor vehicles and maintenance vehicles.

Innovation Projects

In 2022, the agency is engaging in a feasibility study for a transition to a zero-emission fleet, with a pilot program to begin shortly thereafter. The study and pilot program will identify the economic costs, performance issues, risks, and a recommended timeline associated with the transition to a zero-emission bus fleet, as well as the financial and operational impacts of the zero-emission technologies available. The 2023 budget amount of \$7.2 million provides for the completion of the initial study and for two vehicles and associated charging equipment for the pilot program. A contingency reserve of \$28.5 million has been set aside in the Facilities and Technology Fund for the future development and implementation of a zero emissions fleet.

The Next Generation ORCA electronic fare collection system project completed final system testing in the first half of 2022 with a transition planned by the end of the year. The 2023

budget of \$3.8 million is a carryover amount from prior years that will cover project expenses until the project is closed out

State of Good Repair Projects

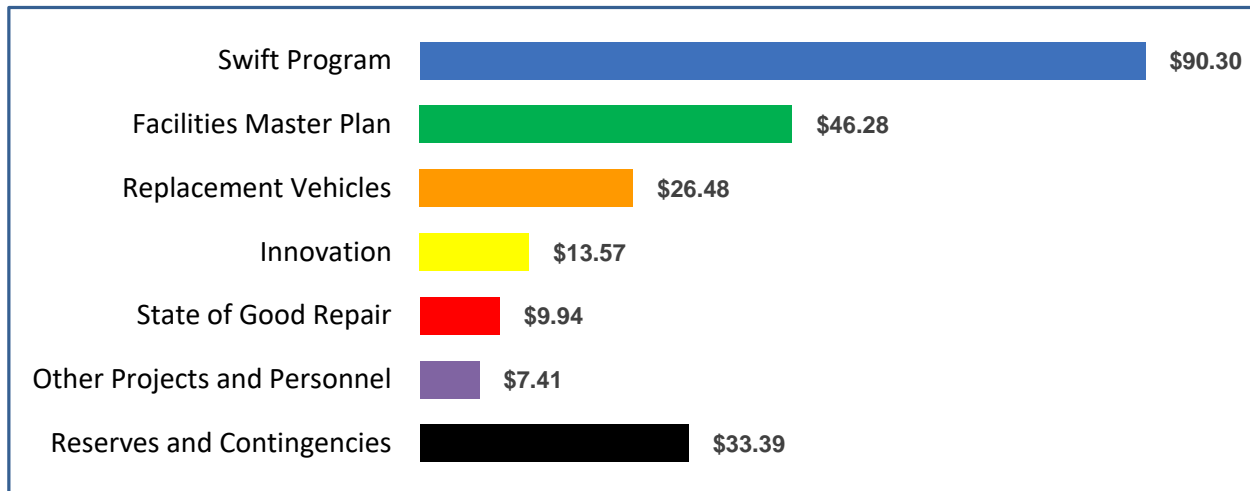
Community Transit operates and maintains transit facilities consisting of administrative offices, two operating bases, 66 Swift bus rapid transit stations, 29 park-and-rides and transit centers, 14 park-and-pool lots, and over 1,600 bus stops. As part of maintaining Community Transit’s assets in a state of good repair, periodic updates and refreshes occur in the regular course of the capital program. Future service expansion will stretch the agency’s capacity, and it is a high priority to preserve and maintain our existing assets.

The 2023 budget includes \$1.6 million for the replacement of ticket vending machines on the Swift Blue Line, which are nearing their end of life. Other passenger facilities and operations equipment scheduled for replacement include completion of the Lake Stevens Transit Center refresh, continuation of the bus stop program, several farebox replacements, and a refresh of the Arlington Park & Ride.

The 2023 budget also includes nearly \$6.3 million for replacement of various IT equipment and software. These replacements are necessary to ensure continued operations.

2023 Capital Program by Type

\$227.4 (in millions)



2023 Capital Program, Including Carryover Projects

Project Category	Capital Fund	Fund Source		Total
		Grants *	CT Local	
Swift Program				
Swift Orange Line	45/46	\$ 51,061,417	\$ 13,653,351	\$ 64,714,768
Swift Blue Line expansion	44/45/46	6,980,000	3,989,281	10,969,281
Swift Gold Line design and engineering	45/46	8,500,000	90,000	8,590,000
Swift coaches (not included in above projects)	45	1,600,000	400,000	2,000,000
Swift Green Line expansion	46	0	1,967,000	1,967,000
Swift onboard signage	46	0	1,560,000	1,560,000
Swift program projects	46	0	500,000	500,000
Subtotal		\$ 68,141,417	\$ 22,159,632	\$ 90,301,049
Facilities Master Plan				
Facility master plan - phase 3	48	\$ 0	\$ 26,594,297	\$ 26,594,297
Facility master plan - phase 2	48	0	13,828,978	13,828,978
Facility master plan - phase 6	48	0	4,340,854	4,340,854
Facility master plan - phase 1	48	0	1,253,096	1,253,096
Other items related to facility master plan	46/48	0	264,000	264,000
Subtotal		\$ 0	\$ 46,281,225	\$ 46,281,225
Replacement Vehicles				
60-foot Swift coaches	45	\$ 17,308,590	\$ 4,241,440	\$ 21,550,030
DART vehicles	41	0	4,142,000	4,142,000
Supervisor vehicles	46	0	570,000	570,000
Maintenance support vehicles	46	0	215,000	215,000
Subtotal		\$ 17,308,590	\$ 9,168,440	\$ 26,477,030
Innovation				
Zero emission fleet feasibility and pilot program	48	\$ 260,000	\$ 6,955,561	\$ 7,215,561
Next Generation ORCA	48	0	3,833,632	3,833,632
Electronic records content management system	46	0	585,000	585,000
Wireless communications	42	0	392,460	392,460
DriveCam	46	0	375,000	375,000
Transit information program research	46	0	330,000	330,000
Digital strategy for the customer experience	46	0	223,399	223,399
Speed and reliability	46	0	200,000	200,000
Electronic timesheet system implementation	46	0	134,165	134,165
Human capital management system feasibility	46	0	80,000	80,000
Base map implementation	46	0	78,685	78,685
Other feasibility studies and projects	46/48	0	123,430	123,430
Subtotal		\$ 260,000	\$ 13,311,332	\$ 13,571,332

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

2023 Capital Program, Including Carryover Projects (continued)

Project Category	Capital Fund	Fund Source		Total
		Grants	CT Local	
State of Good Repair				
IT equipment replacement	42/46	\$ 0	\$ 2,576,281	\$ 2,576,281
Swift Blue ticket vending machines replacement	42	0	1,600,000	1,600,000
Software upgrades and replacements	42/46	0	1,229,574	1,229,574
Lake Stevens Transit Center refresh	42	0	555,209	555,209
Corporate website	42	0	518,000	518,000
Farebox replacement	46	0	500,000	500,000
Bus stop program	48	0	441,264	441,264
HASTUS upgrade	42	0	398,800	398,800
Disaster recovery as a service	46	0	330,000	330,000
Repairs and small facility projects	46	0	250,000	250,000
JPA upgrade	48	0	190,000	190,000
PeopleSoft HCM/Payroll upgrade	42	0	169,000	169,000
Interact platform replacement	42	0	156,000	156,000
Security camera equipment replacement	42	0	150,000	150,000
Vehicle maintenance equipment	46	0	131,300	131,300
Routine minor equipment and furniture	46	0	128,083	128,083
Bus stop poster system replacement	42	0	117,000	117,000
Telephone system replacement feasibility	46	0	115,000	115,000
IT security and data/video storage	46	0	111,811	111,811
Data program support	46	0	96,000	96,000
Interactive voice response feasibility	46	0	90,000	90,000
Arlington Park & Ride refresh	42	0	85,800	85,800
Subtotal		\$ 0	\$ 9,939,122	\$ 9,939,122
Other Projects				
Safety and security projects and equipment	46	\$ 0	\$ 375,110	\$ 375,110
Security vehicles	46	0	260,000	260,000
Vehicle and facility maintenance equipment	46	0	75,000	75,000
Subtotal		\$ 0	\$ 710,110	\$ 710,110
Personnel and Other Costs Allocated to Capital		\$ 0	\$ 6,704,717	\$ 6,704,717
Capital Program Total		\$ 85,710,007	\$ 108,274,578	\$ 193,984,585
Designated Reserves and Contingencies				
Zero emissions projects contingency	48	\$ 0	\$ 28,500,000	\$ 28,500,000
Facilities master plan contingency reserve	48	0	3,900,000	3,900,000
Local projects contingency	46	0	300,000	300,000
Management reserve contingency	46/48	0	220,770	220,770
Contingency for infrastructure preservation	42	0	200,000	200,000
Contingency for technology infrastructure	42	0	200,000	200,000
Contingency for facilities and technology	48	0	70,000	70,000
Subtotal		\$ 0	\$ 33,390,770	\$ 33,390,770
Capital Program and Designated Reserve Total		\$ 85,710,007	\$ 141,665,348	\$ 227,375,355

**Estimated Impact of Major New Service Initiatives
on Community Transit's Operating Budget**

The following chart shows the impact of new initiatives on Community Transit's operating budget.

Project		2022	2023	2024	2025	2026	2027
Lynnwood Pilot Project, Other Pilots (Lake Stevens, Arlington, Darrington)	New Service Innovation — On Demand Transportation		Pilot Contract -- \$1,000,000 Pilot Studies -- \$526,500	\$ 3,000,000	\$ 4,000,000	\$ 5,000,000	\$ 6,000,000
2024: Swift Blue Line Extension and new Swift Orange Line Bus Rapid Transit	New Service Hours			16,196 Annualized Hours	26,696 Annualized Hours		
2027: Swift Gold Line Bus Rapid Transit							40,466 Annualized hours
New/Restored Annual Service	New Service Hours		21,000 Annualized hours			37,500 Annualized Hours	
	Cumulative Cost of All New Service Added ¹		\$ 9,381,550	\$ 17,581,204	\$ 30,173,358	\$ 48,362,317	\$ 69,216,181

¹ Costs are based on service plan outlined in the TDP, using cost per bus service hour from the 2021 National Transit Database report and escalated annually from 2022-2027 using the TDP financial model inflation assumptions (8.7% for 2022, 10% for 2023, then returns to 4%-4.8% for 2024-2027)

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 2023, the principal due is \$1,120,000 and the interest due is \$309,250, resulting in total debt service payments of \$1.4 million. The total principal due after the 2023 bond payments have been made will be \$5.1 million, with a remaining unamortized premium of \$0.3 million. These bonds are subject to federal arbitrage rules. At its last review, S&P Global affirmed its AAA rating of Community Transit’s bonds.

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 2023 more than 47 times as calculated below:

Debt Service Coverage	2023 Budget
Operating Revenue	\$ 268,487,822
Operating Expense	(200,124,942)
Net Available for Debt Service	68,362,880
Required Debt Service Payments	1,429,250
Debt Service Coverage	<u>47.8 times</u>

Future annual debt service requirements are as follows:

Future Annual Debt Service

Year	Principal	Interest	Total Debt Service
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
Total	<u>\$ 5,065,000</u>	<u>\$ 648,500</u>	<u>\$ 5,713,500</u>

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 2023 tax year. For the 2022 tax year, the calculated debt limit is as follows:

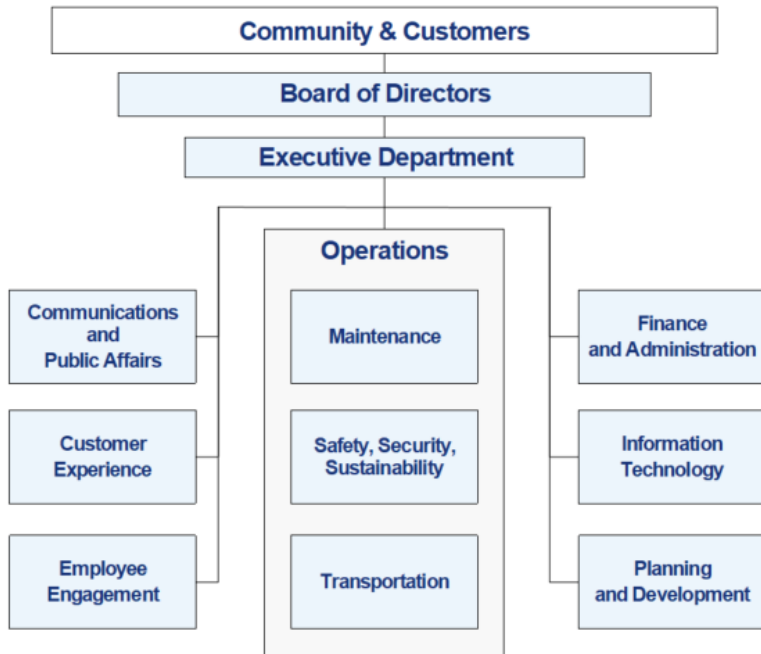
<i>Legal Debt Margin Information</i> for the most recent valuation year (2021)	<i>(\$ in Millions)</i>
Assessed valuation in 2021 for collection of taxes in 2022	\$ 119,223.3
Nonvoted debt limit 0.375 percent of valuation	447.1
Less outstanding bond issues - net	(8.0)
<i>Nonvoted Debt Capacity Remaining</i>	<u>\$ 439.1</u>

Outstanding bonds are shown as of December 31, 2021, as per Community Transit’s last Annual Comprehensive 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 Budgets

Department Overview

Community Transit is organized into eleven departments in support of the agency’s community and customers, with operations at the center of everything.



The Board of Directors and Executive Leadership Team have identified strategic priorities that guide the work of every department. The two primary focus areas are: **Build the Future** and **Deliver Excellent Service**. Departments build their annual work plans and budgets with these priorities in mind. The individual department budget sections that follow include discussion of how their budgets tie to the mission, vision, core values, and strategic priorities.

In 2023, most department budgets reflect the increased need to always keep both priorities in mind. For example, as the world becomes more connected, Information Technology staff are increasingly involved in providing safe, reliable transportation services; meanwhile, they are constantly innovating, and are project managing the zero emissions project in pursuit of a green fleet. Maintenance and Transportation staff are also involved in the zero emissions project, along with staff from many other departments. Likewise, Customer Experience staff are focused on both innovation and providing service: starting in 2022 and continuing into 2023 and beyond, this department is managing the agency’s new micro transit pilot program and investigating options for additional innovative services. Across the agency, departments are cooperating, innovating, and living the core values.



Summary of 2023 Department Budgets—All Funds

The table below shows the department’s budget responsibility across all funds. Motorbus and DART fuel, Workers’ Compensation, and Interfund Transfers are shown separately. 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> ¹	<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	\$ 1,262,059	\$ -	\$ -	\$ -	\$ -
Communications and Public Affairs	1,594,656	-	156,000	-	-
Customer Experience	11,415,851	-	-	-	-
Employee Engagement	12,046,426	-	-	-	-
Finance and Administration ²	24,860,249	-	429,200	-	-
Information Technology	9,210,311	-	6,995,408	-	-
Maintenance	27,462,288	4,142,000	-	-	-
Planning and Development	35,608,900	-	641,009	-	6,725,000
Safety, Security, and Sustainability	7,296,443	-	150,000	-	-
Transportation	55,530,860	-	-	-	-
Motorbus and DART Fuel ³	13,836,900	-	-	-	-
Workers' Compensation ⁴	-	-	-	3,569,036	-
Interfund Transfers	137,800,372	-	3,068,775	-	-
Totals by Fund	\$ 337,925,314	\$ 4,142,000	\$ 11,440,392	\$ 3,569,036	\$ 6,725,000

¹ Fund 47 has no 2023 budget, thus is not shown.

² Finance and Administration Fund 40 includes insurance and cost pools as well as the department operating expense.

³ The Maintenance department has primary responsibility for Motorbus and DART paratransit fuel, but budgeting responsibility is shared by the Finance and Administration department.

⁴ Responsibility for the Workers' Compensation budget is shared by the Employee Engagement, Finance and Administration, and Safety, Security, and Sustainability departments.

Budgets: by Department and Fund	FTA Capital (Fund 45)	Local Capital (Fund 46)	Facility & Tech Expansion (Fund 48)	Bond Debt Service (Fund 50)	Total Departmental Budget Responsibility
Board of Directors and Executive	\$ -	\$ -	\$ -	\$ -	\$ 1,262,059
Communications and Public Affairs	247,884	-	-	-	1,998,540
Customer Experience	-	833,891	-	-	12,249,741
Employee Engagement	-	-	-	-	12,046,426
Finance and Administration	503,598	531,770	32,810,284	1,429,252	60,564,353
Information Technology	-	5,113,058	12,206,547	-	33,525,324
Maintenance	21,634,018	1,891,300	-	-	55,129,606
Planning and Development	79,638,860	4,482,143	47,839,264	-	174,935,177
Safety, Security, and Sustainability	-	375,110	-	-	7,821,552
Transportation	-	29,010	-	-	55,559,870
Motorbus and DART Fuel	-	-	-	-	13,836,900
Workers' Compensation	-	-	-	-	3,569,036
Interfund Transfers	3,187,144	12,968,127	-	-	157,024,418
Totals by Fund	\$ 105,211,504	\$ 26,224,409	\$ 92,856,095	\$ 1,429,252	\$ 589,523,002

SPECIAL NOTE: December 2022 Agency Reorganization, Post Budget Adoption

The discussions, tables, and graphics in this document are based on the agency structure as it existed when the budget was proposed to the Board in late 2022. Changes were made to the agency's organizational structure shortly after the Board adopted the 2023 budget in December 2022. These changes do not increase the total 2023 budget but distribute the funds differently, and the agency headcount increases by 2 FTEs. The changes are summarized below:

- Information Technology Department: new budget center 69143 was created for the Zero Emissions Program. This group will manage the Zero Emissions capital project. The project was originally in budget center 69175, Enterprise Program Office. One staff person from 69175 moved to 69143, along with a new Zero Emissions Program Manager.
- Planning and Development Department: Grants management staff and their expenses moved from budget center 66174, Regional Programs and Projects into a new budget center: 66144, Grants Program. 66174 was renamed Swift Program.
- Communications and Public Affairs Department: A new Marketing and Communications group was created. Marketing moved into the group from the Customer Experience Department (budget center 65163 becomes 63163). A new Chief Communications Officer will lead the group. Public Affairs, budget center 63196, moved into the Executive Department as 62196.

Summary of 2023 Department Operating Budgets (Fund 40)

The department sections that follow contain discussions of cost increases and decreases.

Each department budget contains multiple tables showing costs by budget center and by category. Nearly every department budget includes the following expense categories: salaries and wages, benefits, services, and supplies. Some departments include other categories, such as intergovernmental services or purchased transportation.

Note that cost increases for employee benefits and participation in the state retirement plan shown in the benefits category are not within the control of individual department budgets and are not part of the department discussion. These cost factors are discussed under general operating expenses.

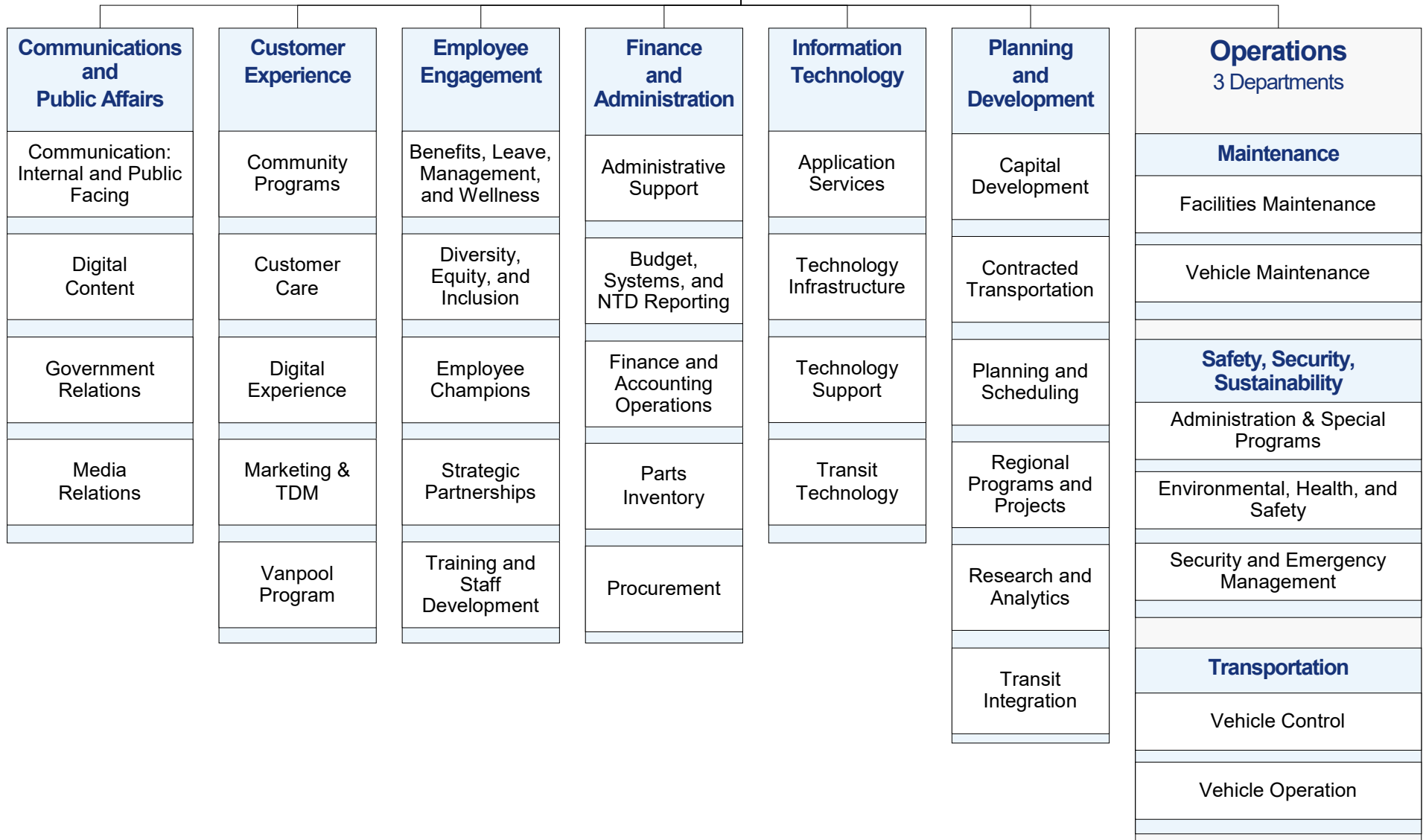
The table below shows a summary of the Fund 40 operating budget by department.

	2019 Actual	2020 Actual	2021 Actual	2022 Amended Budget	2023 Budget	Change 2023 vs. 2022	
Board of Directors and Executive	\$ 1,114,356	\$ 1,328,439	\$ 1,123,662	\$ 1,196,258	\$ 1,262,059	\$ 65,801	6%
Communications and Public Affairs	1,093,717	1,482,880	1,668,365	1,665,499	1,594,657	(70,842)	-4%
Customer Experience	7,246,546	6,722,200	6,998,739	9,111,439	11,415,851	2,304,412	25%
Employee Engagement	7,459,831	5,676,926	6,052,389	7,661,988	12,046,426	4,384,438	57%
Finance and Administration	5,234,553	5,437,369	5,747,304	5,691,012	6,280,243	589,231	10%
Information Technology	8,865,375	8,989,413	9,075,431	8,851,071	9,210,316	359,245	4%
Maintenance	22,743,556	23,237,059	23,295,982	25,078,012	27,462,285	2,384,273	10%
Planning and Development	34,808,986	38,097,855	35,208,274	36,637,755	35,608,903	(1,028,852)	-3%
Safety, Security, and Sustainability	4,095,724	4,736,880	4,455,550	5,872,613	7,296,442	1,423,829	24%
Transportation	49,640,693	50,824,018	51,545,321	54,321,320	55,530,862	1,209,542	2%
Total Operating Expense	\$ 142,303,338	\$ 146,533,040	\$ 145,171,018	\$ 156,086,967	\$ 167,708,044	\$ 11,621,077	7%

Community & Customers

Board of Directors

Executive Department



Staffing Summary

Summary of FTEs by Department

	2019 Authorized	2020 Authorized	2021 Authorized	2022 Authorized	2023 Budget	Change 2023 vs. 2022	
Board of Directors Executive	5.5	6.5	5.5	5.5	5.5	0.0	0%
Communications and Public Affairs	9.0	9.0	9.0	9.0	11.0	2.0	22%
Customer Experience	53.0	54.0	50.0	53.5	60.0	6.5	12%
Employee Engagement	39.0	31.0	34.0	46.0	51.0	5.0	11%
Finance and Administration	42.0	41.0	42.0	45.0	46.0	1.0	2%
Information Technology	36.0	34.0	36.0	38.0	41.0	3.0	8%
Maintenance	127.0	122.0	123.0	125.0	143.0	18.0	14%
Planning and Development	36.0	38.0	40.0	45.0	47.0	2.0	4%
Safety, Security, and Sustainability	7.0	7.0	10.0	13.0	33.0	20.0	154%
Transportation	485.0	452.0	458.0	453.0	459.0	6.0	1%
Total FTEs Authorized or Proposed	839.5	794.5	807.5	833.0	896.5	63.5	8%

2022 FTE Changes, After Budget Adoption

Resolution No. 11-21 gives the CEO authority to approve additional FTEs so long as the cost can be absorbed within the Board-approved operating budget. During 2022, the Executive Leadership Team evaluated vacant positions and business needs, transferred some vacancies from one department to another, and authorized additional positions. The net count of FTEs added after the 2022 budget was adopted and transfers between departments is included in the “2022 Authorized” column in the previous table.

The next table shows the department distribution of new FTEs that were approved by the CEO and added (or eliminated) after the original 2022 budget was adopted. Transfers between departments are also noted in this table. Transfers within a single department are not included.

Discussions of midyear 2022 FTE changes are in each department’s operating budget.

Department	2022 Net FTEs Adjustments	Additions to the Original 2022 Budget
Finance and Administration	2	1 — Senior Accountant 1 — Administrative Assistant II
Customer Experience	1	1 — Community Transportation Specialist
Employee Engagement	9	5 — Coach Operator Instructor (3 are term limited) 3 — Human Resources Operations Recruiter (term limited) 1 — Human Resources Recruiting Specialist (term limited)
Information Technology	1	1 — IT Project Assistant Zero Emissions
Safety, Security, & Sustainability	2	1 — Security Services Assistant Manager 1 — Security Services Supervisor
Planning and Development	4	1 — Data Analyst 1 — Grants Specialist 1 — Swift Project Manager 1 — Senior Capital Project Manager
Transportation	(10)	(10) — Ten vacant Transportation positions were transferred to other departments to support growth and operations: 7 — to Employee Engagement: 2 — Recruiters 5 — Coach Operator Instructors 1 — to Administration: Administration Assistant for Parts Inventory 1 — to Information Technology: Zero Emissions Project Assistant 1 — to Planning: Senior Capital Project Manager
	9	Net FTE Adjustments to 2022 Agency Staffing

2023 New FTEs

The table below lists new FTEs added in the 2023 budget. The 2023 budget adds 63.5 FTEs to the agency and brings the total agency staffing complement to 896.5 FTEs.

More information about these new positions is available in each department’s operating budget discussion.

<i>Department</i>	<i>2023 FTEs Additions</i>	<i>New FTEs in the 2023 Budget</i>
Communications and Public Affairs	2	2 — Communications Specialist
Customer Experience	6.5 Net Change	1 — ADA Coordinator 1 — Community Transportation Coordinator 1 — Field Marketing Business Development Specialist 4 — Service Ambassadors (0.5) — Sales and Distribution Specialist
Employee Engagement	5	3 — Coach Operator Instructor 1 — Human Resources Assistant 1 — Instructional Designer
Finance and Administration	1	1 — Project Control Analyst
Information Technology	3	1 — Data Warehouse Specialist 1 — IT and Service Desk Admin 1 — IT & Transit Applications Administrator
Maintenance	18	1 — Facilities Maintenance Tech II 2 — Facilities Main Tech I 11 — Journey Mechanics 2 — Vehicle Service Attendants 2 — Vehicle Service Workers
Planning and Development	2	1 — Data Analyst 1 — Speed and Reliability Program Manager
Safety, Security, & Sustainability	20	1 — Environmental and Sustainability Management System (ESMS) Program Manager 1 — Security Services Coordinator 18 — Security Officer
Transportation	6	1 — Administrative Assistant II 1 — Assistant Manager of Transportation 4 — Coach Operator
	63.5	Total Staffing Additions Planned for 2023

Summary of 2023 FTEs by NTD Classification

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 below shows Community Transit’s employee complement according to NTD classification.

	2018	2019	2020	2021	2022	2023	Change 2023 vs. 2022	
Operations	482.0	542.0	498.0	505.0	510.5	543.0	32.5	6%
Vehicle Maintenance	102.0	105.0	100.0	101.0	101.0	116.0	15.0	15%
Facility Maintenance	20.0	26.0	25.0	25.0	27.0	29.0	2.0	7%
Administration	154.5	166.5	171.5	176.5	194.5	208.5	14.0	7%
Totals	758.5	839.5	794.5	807.5	833.0	896.5	63.5	8%

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 transit services.

	2018	2019	2020	2021	2022	2023	5 Year Average	10 Year Average
Operations	63.5%	64.6%	62.7%	62.5%	61.3%	60.6%	62.3%	63.1%
Vehicle Maintenance	13.4%	12.5%	12.6%	12.5%	12.1%	12.9%	12.5%	12.9%
Facility Maintenance	2.6%	3.1%	3.1%	3.1%	3.2%	3.2%	3.2%	3.0%
Administration	20.4%	19.8%	21.6%	21.9%	23.3%	23.3%	22.0%	21.0%
	100%	100%	100%	100%	100%	100%	100%	100%

Board of Directors

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 and six-year Transit Development Plan. 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 regarding 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 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 2022

- Approved agency strategic plans and programs, including the 2022-2027 Transit Development Plan, the Focused Recruitment Incentive Program to support the agency's hiring needs in an increasingly competitive marketplace, revised the CT Van Grant Program, and the Security Enhancement Strategic Plan.
- Provided input to the ongoing Long Range Plan: Vision 2050 process and the Zero Emission Study to evaluate the agency's zero emission fleet transition needs.
- Approved the new Free Youth Fare policy in alignment with regional partners.
- Adopted Community Transit's 2022-2025 Title VI Program.
- Provided greater public visibility to Board meeting materials and operations including providing both remote and in-person public meetings.
- Approved the replacement and purchase of fifteen hybrid-electric Swift buses and eleven paratransit vehicles.

- Authorized a three-year successor contract between Community Transit and the International Association of Machinists District 160 representing Supervisors and Instructors, and authorized a one-year extension with ATU Local 1576.
- Awarded the construction contracts for Phase 2 and Phase 5 of the Facilities Master Plan. This included construction of the Merrill Creek Administration (MCADMIN) Building Improvements Project and construction the Vehicle Storage and Training Facility.
- Adopted a revised Emergency Management Plan for agency continuity during an emergency, disaster, or incident, and adopted Rules of Conduct to enhance safety and security of employees and customers.

Board of Directors 2023 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.

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	150,333	148,392	161,340	169,118	7,778	5%
Benefits	11,584	11,446	12,446	13,055	609	5%
Subtotal: Employee Expense	161,917	159,838	173,786	182,173	8,387	5%
Services	4,873	4,359	18,300	36,400	18,100	99%
Total: Operating Expense	166,790	164,197	192,086	218,573	26,487	14%

This budget funds stipends for eligible board members and allows for the hourly contract rate for the Board’s legal counsel, as well as travel and miscellaneous meeting expenses.

Salaries, Wages, and Benefits

No significant changes from the prior year.

Services

The Services category is comprised primarily of travel and registration expense covering local transit activities as well as American Public Transportation Association (APTA) industry conferences, including legal updates for Board counsel. APTA travel and registrations were included in this budget in 2020 and 2021, but no expenses were incurred due to COVID restrictions. In 2022, APTA travel and registration expense for the entire agency was budgeted in the Training Division. In 2023, this expense returns to the Board of Directors budget as was the usual practice.

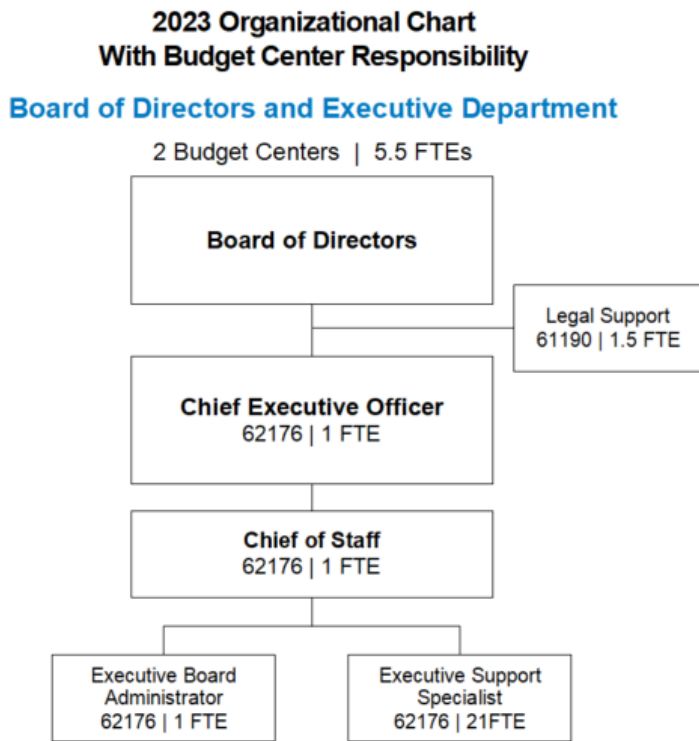
Board of Directors 2023 Priorities

- 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.
- Represent the agency in the community, promoting Community Transit’s interests and policies, and on the Transportation Policy Board of the Puget Sound Regional Council.
- 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 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 administrative policies, governing boards, agency documents, the Open Public Meetings Act, and the Public Records Act. The Executive Department provides confidential support to the CEO, the Board of Directors and assistance to employees and the general public.

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



The CEO is the head of the agency, overseeing all departments and employees, and possesses the authority to designate 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 the activities of the Board of Directors, the Executive Department, and the Office of the CEO. The Executive Board Administrator and Executive Support Specialist 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. This position 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 Disclosure and Title VI Officer.

Major Department Accomplishments for 2022

- Revised the agency's strategic priorities, delivering excellent service and building the future.
- Guided the development of a 2023 proposed budget with a focus on long-term fiscal constraint to fund growing service investments, an expanded capital program, and to prepare for future growth. This budget allows the agency to continue delivering on its priorities.
- Developed a new safety and security initiative to improve conditions for riders and employees in the field through the new Safety and Security Strategic Plan.
- Guided the agency's continued response to and recovery from 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 essential services to the community throughout the pandemic.
- Actively supported the agency's participation in the Washington State Transit Insurance Pool, Washington State Transit Association, American Public Transportation Association, Conference of Minority Transportation Officials, and the Washington State Transportation Demand Management Executive Board.
- Worked collaboratively with the Regional Mobility Partnership, consisting of executive leadership at Puget Sound transit agencies, the Washington State Ferries, Puget Sound Regional Council, and the Seattle Department of Transportation, on issues of regional importance and integration.
- Worked to build strong local and business partnerships by serving on the Board of Trustees for Economic Alliance of Snohomish County and as a board member for the Snohomish County Committee for Improved Transportation (SCCIT), and participated in regional forums including jurisdictional councils, county economic task forces, and the Puget Sound Regional Council.
- Received and responded to approximately 110 public disclosure requests (as of October 5, 2022).

- Supported the Board’s public meeting needs in compliance with the Open Public Meetings Act by providing meetings in both a remote and in-person format with a goal of increasing public participation and transparency.
- Supported the Board selection process and onboarding of the new 2022-2024 Board of Directors.
- Hired and onboarded a new Chief Operating Officer and Chief Financial Officer.

Executive Department 2023 Budget

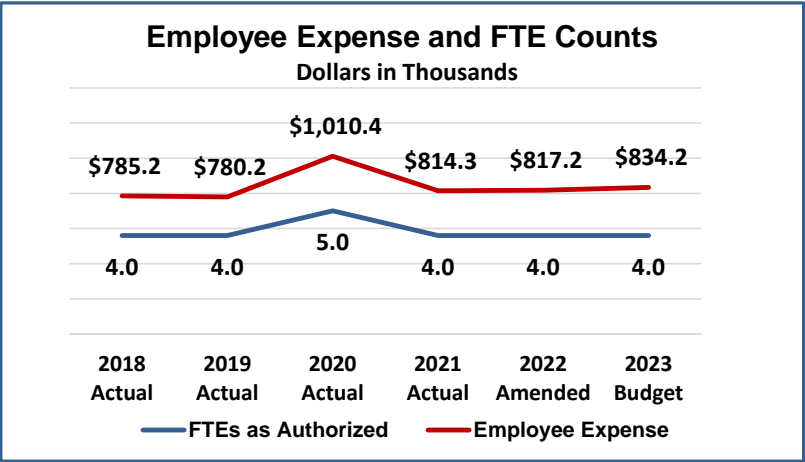
The Executive Department supports the mission of Community Transit by providing oversight for the administrative affairs of the agency, advocating for the agency to legislative and community leaders and the general public, and developing and implementing policies and procedures to ensure compliance with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

The table below shows the Executive division budget by category.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	791,469	608,925	620,309	626,896	6,587	1%
Benefits	218,912	205,362	196,888	207,300	10,412	5%
Subtotal: Employee Expense	1,010,381	814,287	817,197	834,196	16,999	2%
Services	150,159	143,700	182,975	205,290	22,315	12%
Supplies	1,110	1,479	4,000	4,000	-	0%
Total: Operating Expense	1,161,650	959,466	1,004,172	1,043,486	39,314	4%

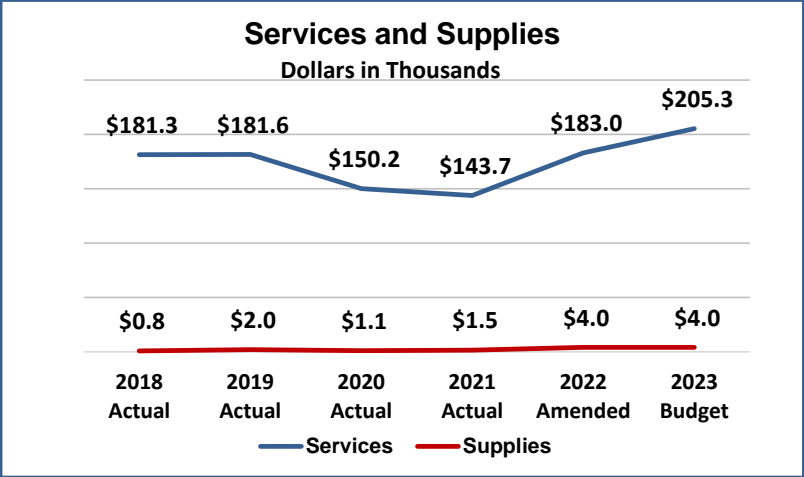
Salaries, Wages, and Benefits

Employee expense comprises 80 percent of the Executive Department budget. There are no significant changes to employee expense in the 2023 budget.



Services and Supplies

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 \$138,000. These and other memberships comprise 73 percent of the services budget. In 2022, expense for travel to APTA industry conferences was funded in the Training Division budget; in 2023, those expenses return to the Executive Department budget. The remainder of the Executive services budget consists of expenditures associated with the agency’s records program and miscellaneous other minor expenses.



The supplies budget includes nonstandard office supplies and minor equipment.

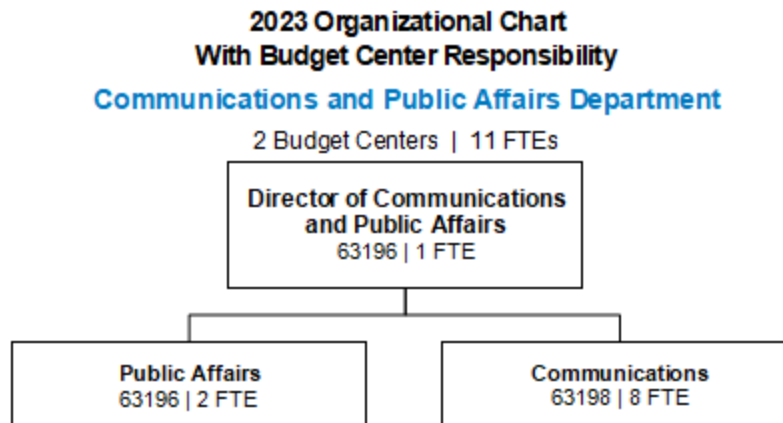
Executive Department 2023 Priorities

- Lead Community Transit in delivering excellent service to customers and employers, while building an exciting new future for mobility supporting Snohomish County’s growth.
- Guide the agency’s major initiatives, including remodeling and expanding all operating and administrative facilities, concluding a study of zero-emission technology, and revising the agency’s Long Range Plan: Vision 2050.
- Continue to build on Community Transit’s strong relationships 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 and employer of choice in the region.
- Implement the initiatives and innovation necessary to attract riders to Community Transit as the agency and region move forward from the COVID-19 pandemic. Enhance employee and rider safety and design the system to support new customer expectations around service design and operations in a post-pandemic environment.
- Collaborate with local jurisdictions and transit partners to provide a safe, sustainable, integrated, and efficient transportation system and a seamless experience for our shared customers.

- Build a strong, capable Executive Leadership Team focused on working to communicate and implement the agency's strategic priorities, deliver on our commitments, and model our Core Values.
- Manage Board activities and provide support to Board Members, including meeting preparation, adherence to open public meeting regulations, and assisting with travel and research.
- Manage the agency's 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.

Communications and Public Affairs Department

The Communications and Public Affairs Department is responsible for creating messages that reach employees, customers, and the general public, while also enhancing relationships with the community, and 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 information shared on Community Transit’s website, social media, and overall agency messaging, as well as community outreach and public engagement. 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.

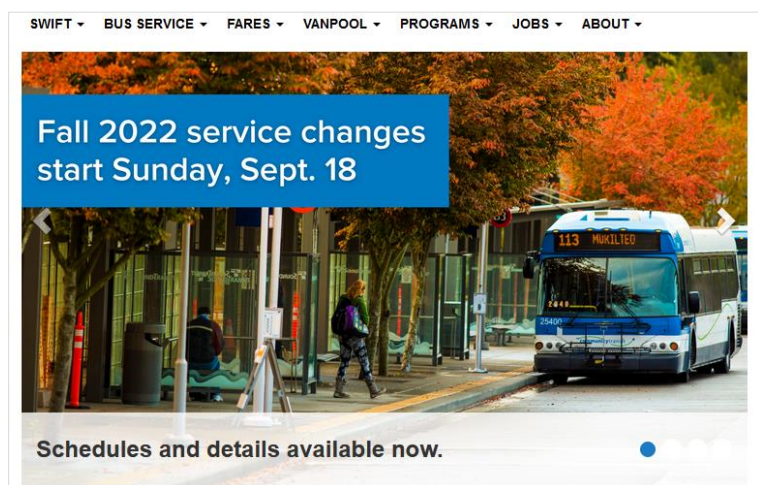
Major Department Accomplishments for 2022

- Implemented successful public engagement campaigns for the Transit 2024 Network Restructure, the Journey 2050 Long Range Plan, and the Free Youth Transit Pass. Engaged riders and the community to gather actionable feedback that helps the agency to provide service that best meets the transportation needs of the community.
- Supported communication needs for key milestones on various projects including the innovative services pilot program, zero emission transition planning, employee recruitment campaigns, and the opening of the remodeled administration building.
- Hosted a groundbreaking event in April for the Swift Orange Line, celebrating the beginning of the construction of this project that will connect with Link light rail when it opens in Lynnwood. Attendees of the event included the Federal Transit Administration Administrator, congressional delegates, state representatives, local elected officials, business leaders and other community members.

- Continued to build on relationships with key community-based organizations, government agencies and others who represent populations that have not traditionally had a strong voice in Community Transit public input.
- Celebrated the first year of Interact, the employee information app that is accessible to all employees, including frontline staff without computer access. Boosted Community Transit’s social network presence by creating the ability for employees to share Interact posts on their social media accounts. This has resulted in hundreds of new posts by employees about job opportunities, driver graduations and other good news stories that reach audiences beyond the agency’s followings.
- Increased visibility with the federal delegation by resuming in-person meetings in Washington D.C.; this was the first opportunity to do so since the COVID-19 pandemic. Maintained ongoing engagement by keeping the delegation briefed on agency activity, including funding needs and policy initiatives. Began dialogue with a new House member whose district has changed to include a portion of Community Transit’s PTBA. Leveraged support of the new federal lobbyist based in D.C.

Department Priorities for 2023

- Continue to ensure riders are informed about service changes, including leading outreach and engagement for a major service change in fall 2023. This will involve developing messaging around the phases of service changes leading to Link light rail’s arrival in Snohomish County.
- Support the development, launch and operations of innovative services pilot programs. Partner with local jurisdictions in these efforts.
- Continue to inform riders and impacted communities about construction of the Swift Orange Line. Construction milestones include renovation of the McCollum Park Park & Ride, construction at Ash Way Park & Ride, and a new station adjacent to the Swamp Creek Park & Ride.
- Maintain and expand relationships with underrepresented communities. These relationships will create new methods or tactics for outreach that we hope will improve input from these communities as new changes take place in Community Transit service.



- Continue to support employee and community conversations related to Community Transit’s transition to zero emission as the agency adopts a plan for fleet and infrastructure replacement.
- Support the agency focus on recruiting by amplifying information related to job openings, employee benefits, workforce development, agency culture and other key messages.
- Continue to support relationships with state and federal PTBA delegations by keeping representatives briefed on agency activities, supporting requests for new funding, protecting established funding, and collaborating on policy initiatives such as low emission initiatives.
- Continue engagement with PTBA regional jurisdictions and partners on the 2024 network redesign, Swift network planning and construction, and other key initiatives.

Communications and Public Affairs Department 2023 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.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	864,867	960,895	913,663	944,356	30,693	3%
Benefits	335,458	366,601	333,275	361,866	28,591	9%
Subtotal: Employee Expense	1,200,325	1,327,496	1,246,938	1,306,222	59,284	5%
Services	281,981	340,869	416,561	286,135	(130,426)	-31%
Supplies	575	-	2,000	2,300	300	15%
Total: Operating Expense	1,482,881	1,668,365	1,665,499	1,594,657	(70,842)	-4%

Salaries, Wages, and Benefits

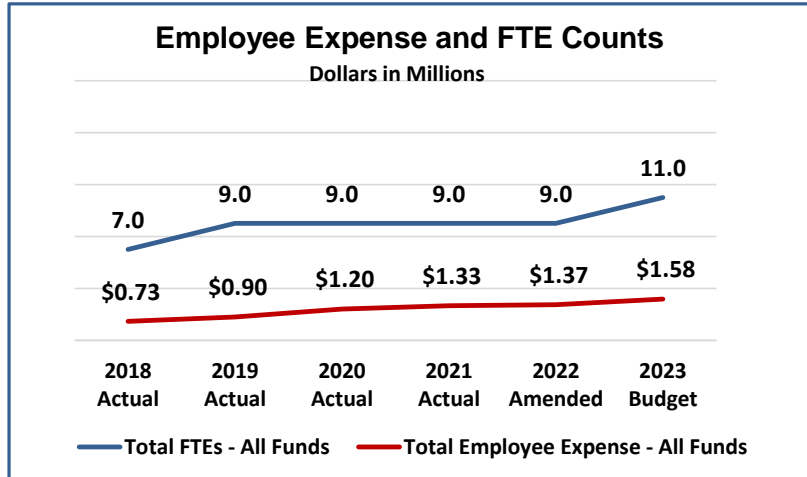
Employee Expense is the largest cost driver for this department, representing 82 percent of the department budget. The 2023 budget adds two employees to this department: two internal communications specialists in the Communications division.

Prior to 2022, all employee expense was budgeted in the General Fund (Fund 40), which provides for operational expenses. Beginning in 2022, the agency Executive Leadership Team made the decision to redistribute employee expense to portions of the capital program as well as to operations. This redistribution more accurately reflects employee expense associated with

operations and with the agency capital program. The table above shows only operating (Fund 40) expense, while the chart at right shows total employee expense in all funds,

For 2023, a portion of the employee expense for each FTE in the Communications division is distributed to the capital program. This represents the

time these employees spend working on activities associated with capital projects throughout the agency. The table below shows total employee expense in both the operational fund (Fund 40) and the various capital funds.

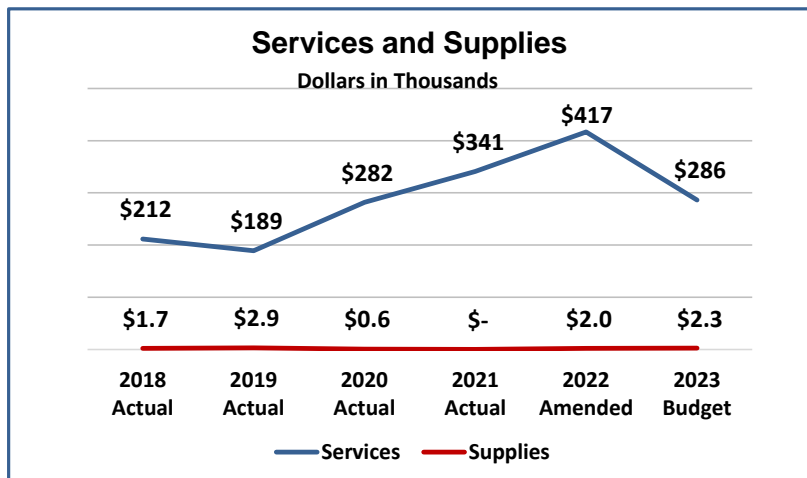


Fund	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Fund 40 Employee Expense	1,200,325	1,327,496	1,246,938	1,306,222	59,284	5%
Fund 42 Employee Expense	-	-	-	29,200	29,200	n/a
Fund 45 Employee Expense	-	-	124,393	247,884	123,491	99%
Fund 46 Employee Expense	-	-	-	-	-	n/a
Fund 48 Employee Expense	-	-	-	-	-	n/a
Total: Personnel Expense	1,200,325	1,327,496	1,371,331	1,583,306	211,975	15%

Services

The services category comprises 18 percent of the department’s total budget. The services budget has two focus areas: (1) to fund state and federal lobbying efforts to ensure that agency interests are brought forward to decisions makers and (2) for public reengagement for the network restructure in support of Link light rail arriving in Lynnwood in 2024. The 31 percent reduction in the 2023 services budget as compared to 2022 reflects the completion of two major public engagement projects.

This budget also funds memberships in various city and county Chambers of



Commerce organizations. These memberships provide Community Transit with forums to discuss transit issues and learn more about how the agency can partner with businesses and communities in our service area.

Travel remains limited for 2023. This budget funds trips to Washington, DC to meet with legislators and others who influence transit decision making.

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 one percent of the department budget.

Budget Center Summary

This summary compares each budget center’s 2023 budget to its 2022 amended budget. Discussions of each division’s budget and 2023 priorities follow.

<i>Budget Center ID</i>	<i>Description</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
63198	Communications	939,796	877,129	785,571	(91,558)	-10%
63196	Public Affairs	728,569	788,370	809,086	20,716	3%
Total Operating Expense		1,668,365	1,665,499	1,594,657	(70,842)	-4%

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 and, as of September 2021, a federal lobbyist is on contract to assist.

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 through special events and programs that leverage the good will of local partners.

Public Affairs staff collaborate closely with members of the Board of Directors, the CEO, the federal and state contract lobbyists, the Communications team, and other agency staff. A cross-functional team assists in developing the strategy for these efforts.

Public Affairs 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	384,853	395,089	401,245	412,652	11,407	3%
Benefits	143,786	137,304	141,034	149,919	8,885	6%
Subtotal: Employee Expense	528,639	532,393	542,279	562,571	20,292	4%
Services	147,683	196,176	245,091	245,515	424	0%
Supplies	100	-	1,000	1,000	-	0%
Total: Operating Expense	676,422	728,569	788,370	809,086	20,716	3%

Employee expense comprises just under 70 percent of this budget. Currently, all employee expenses in this division are budgeted in the operating budget. The 2023 budget adds no additional staff.

The services and supplies budgets fund the federal lobbyist, state lobbyist, travel to Olympia and Washington, D.C. to advocate for the agency, memberships in local chambers of commerce, sponsorships within the Public Transit Benefit Area, and special events such as CEO roundtables, which provide the CEO with an opportunity to build relationships and awareness with businesses and key thought leaders.

Public Affairs 2022 Accomplishments

- Coordinated efforts to submit project requests for potential funding to the federal delegation when these opportunities become available during the appropriations process.
- Continued outreach and engagement to regional jurisdictional partners and city councils around the 2024 network redesign. Continued to grow relationships and expand outreach

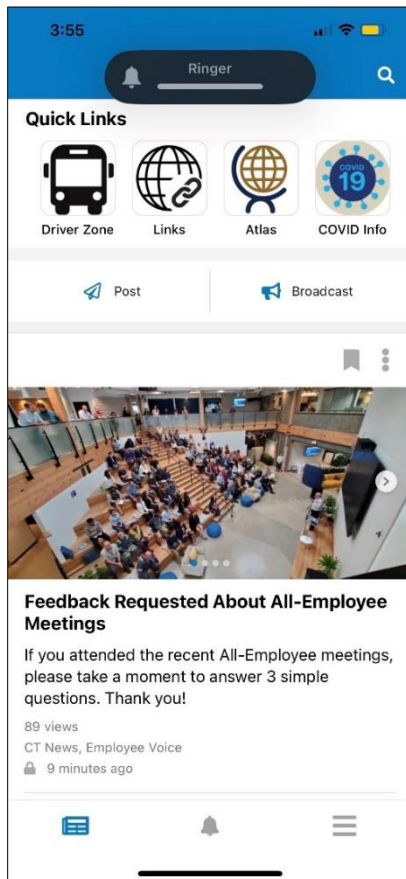
into North Snohomish County ahead of future agency work in that area. Part of this regional growth included growing our sponsorship program in alignment with the agency’s mission and planning efforts. The division also coordinated ongoing CEO introductions with key community and organizational leaders in the area.

Public Affairs 2023 Priorities

- Continue to support relationships with state and federal PTBA delegations by keeping representatives briefed on agency activity, supporting requests for new funding, protecting established funding, and collaborating on policy initiatives such as low emission initiatives.
- Continue engagement with PTBA regional jurisdictions and partners on 2024 network redesign, Swift network planning and construction, and other key initiatives.
- Support the project team in development and launch of new innovative service pilot programs in local cities.
- Continue to maintain and develop regional relationships and continue a strategic approach in growing the sponsorship program in alignment with the agency’s mission and planning efforts.

Communications Division

The Communications Division is responsible for internal and external agency messaging and communications strategy, as well as public engagement. Communications team members provide advice to the CEO, the Director of Communications and Public Affairs, the Executive Leadership Team, and other key internal project leaders on communications and public engagement activities to further the agency's mission and enhance its reputation.



Interact is available to Community Transit employees on mobile devices.

Internally, the division communicates with employees through a multi-faceted approach that uses email, in-person or virtual employee meetings, and a cloud-based mobile app called Interact (**I**nformation **N**ews **T**ools & **E**mLOYEE **R**esources **a**t **C**ommunity **T**ransit). Every day, the internal communications team and designated department content managers post agency news to keep employees informed and to establish dialogue. Interact has greatly improved access to agency news for all employees, especially those who do not sit at a desk or have a computer.

Externally, the division communicates with riders, news media, social media followers, industry influencers, community advocacy groups and the general public. News and information are posted on the agency's website and distributed through a blog, four social media channels (Facebook, Instagram, LinkedIn, and Twitter), news releases, electronic and print rider alerts, and print materials that are provided to riders and community members in up to five languages. The team produces a monthly live webcast that regularly engages thousands of viewers.

As Community Transit prepares for the arrival of Link light rail in Snohomish County, the Communications Division established a public engagement program to seek out public participation in the restructure of our service network and other projects. This outreach goes beyond informing communities; it involves establishing and nurturing relationships with populations that have traditionally not been heard and creates new ways to elevate their concerns. This program will grow as the agency creates new innovative services and increases its overall service plan.

Communications 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	480,013	565,807	512,418	531,704	19,286	4%
Benefits	191,672	229,296	192,241	211,947	19,706	10%
Subtotal: Employee Expense	671,685	795,103	704,659	743,651	38,992	6%
Services	134,297	144,693	171,470	40,620	(130,850)	-76%
Supplies	475	-	1,000	1,300	300	30%
Total: Operating Expense	806,457	939,796	877,129	785,571	(91,558)	-10%

Employee expense comprises 95 percent of the Communications division’s operating budget. The 2023 budget adds two internal communications specialists, bringing the division’s total FTE count to 8. However, as shown in the next table, approximately 23 percent of employee expense in this division has been redistributed to the capital program in support of the agency’s many capital initiatives.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	671,685	795,103	704,659	743,651	38,992	6%
Fund 42 Employee Expense		-	-	29,200	29,200	n/a
Fund 45 Employee Expense		-	124,393	247,884	123,491	99%
Fund 46 Employee Expense		-	-	-	-	n/a
Fund 48 Employee Expense		-	-	-	-	n/a
Total: Personnel Expense	671,685	795,103	829,052	1,020,735	191,683	23%

The remainder of the Communications Division budget primarily funds professional services for community awareness and public engagement in support of Swift bus rapid transit expansion and bus network restructuring projects. The 76 percent decrease in the services budget in 2023 as compared to the 2022 budget is primarily due to reductions in professional services expenditures. In 2022, Communications staff worked with vendors to support two major public engagement projects: the 2024 Network Restructure Plan, which is now complete, and the Journey 2050 Long Range Plan, which will be completed in early 2023. No further expenditures are anticipated for these projects.

Communications 2022 Accomplishments

- Launched the third series of Swift Network News publications that informs riders and the public about construction of the Swift Orange Line, Community Transit's third bus rapid transit line.
- Continued to support communication related to the COVID-19 pandemic, to ensure employees, riders and other community members had updated information and the tools needed to ensure ongoing safety of employees, riders and families.
- Led the creation of a rider test group for the regional ORCA program upgrade by soliciting Swift riders to test the new ORCA cards on new ORCA readers at select Swift stations. Supported the rollout of new mobile app options for ORCA users.
- Launched a network of employee information displays at the Cascade administration building that will be duplicated throughout our bases as facilities renovation continues.

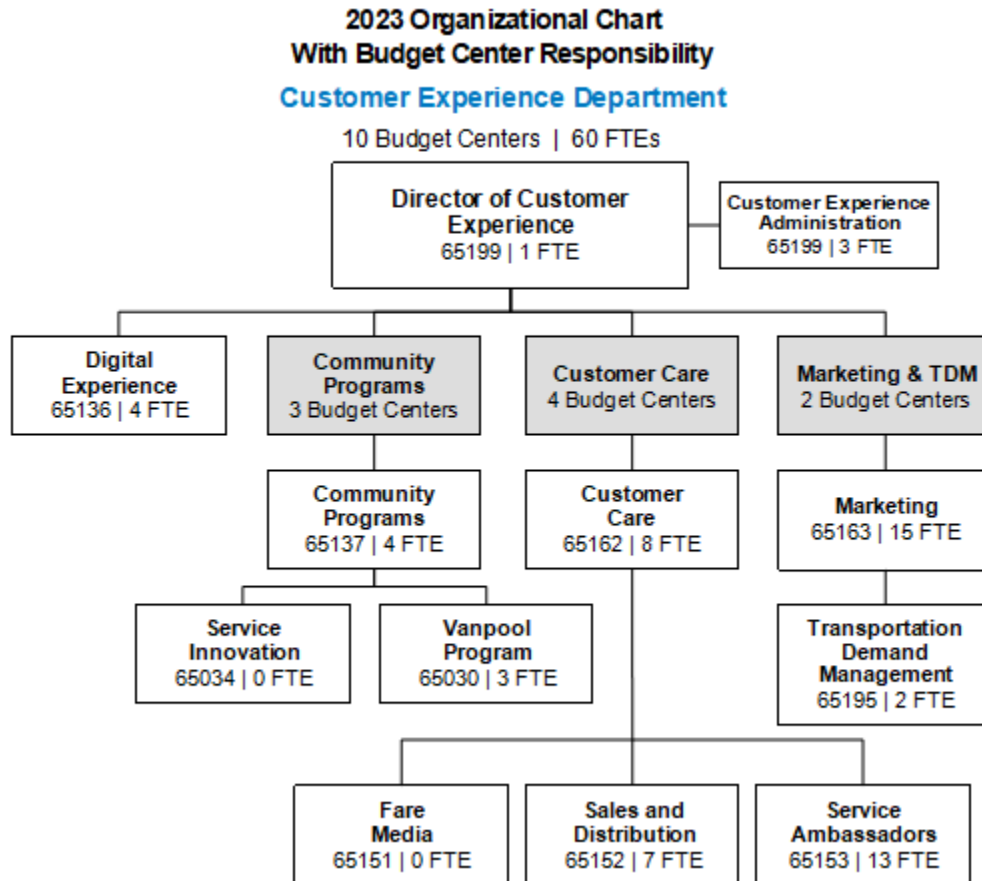


Communications 2023 Priorities

- Continue to support discussions between Community Transit and Everett Transit and prepare for public engagement on a possible consolidation of services.
- Collaborate with Sound Transit on the opening of the new Lynnwood Transit Center parking garage in early 2023. This will involve communication and outreach about new features at the garage and closure of old parking lots.
- Support public outreach and board approval of the Journey 2050 Long Range Plan in early 2023.
- Support ongoing communication around COVID-19 mitigation efforts as needed.

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 divisions.



Customer Experience Administration

Works interdepartmentally across the agency to identify and improve areas of the customer’s experience. This division also provides support to the other divisions within the Department.

Community Programs

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

Customer Care

Consists of three 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 three 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 2022

Community Programs

- Launched the first micro transit pilot in Lynnwood.
- Worked with key leadership within the agency to incorporate Innovative Services into traditional service planning practices and short and-long term planning principles.
- Developed a criteria framework that identified the next 3 areas to pilot and test services, and potential for future areas.

Customer Care

- Provided terrific, consistent, and accurate service for all our customers.
- Coordinated with our regional partners to launch the new ORCA fare payment system.

Customer Experience Administration

- Actively participated 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.
- Participated on the ADA Committee to help bring the voice of people with disabilities forward using ramp deployments/wheelchair data and customer feedback to share with executive sponsors.
- Developed and implemented alternatives to printing Bus Plus books.
- Managed the Walk in the Customer Shoes program, which encourages every new employee to experience riding the transit system.
- Participated with regional partners on Lynnwood Transit Center personas walk and safety study.

- Lead the regional Passenger Experience Subcommittee working towards consistent experience across the region.

Digital Experience

- Supported the launch of the new agency website through design and development.

Marketing/Transit Demand Management (TDM)

- Completed a Safety Campaign designed to extend COVID-related safety messages to a wider audience in first quarter of 2022, while mask-wearing was mandated on transit. The Safety Campaign received a first-place award in the American Public Transportation Association's 2022 Adwheel Awards for “Best Print Media on the COVID-19 Pandemic”.

- Continued and greatly expanded efforts to support agency recruitment of drivers and mechanics. In 2022, over 300,000 people engaged with the campaign and came to the website to learn about career opportunities. The Recruitment Campaign received two first-place awards in the American Public Transportation Association's 2022 Adwheel Awards for “Best Educational Comprehensive Campaign” and “Best Educational Electronic Media”.



Community Transit earned three 2022 AdWheel Awards from the American Public Transportation Association (APTA).

- Launched a marketing campaign for a new micro transit service option pilot in Lynnwood: Zip Alderwood Shuttle. Supported the launch with messaging, naming, and branding support; a launch event for press and celebrating our partnership with community leaders; and a targeted marketing campaign to raise awareness for this new pilot program.
- Promoted ridership and use of Community Transit services through the launch of a destinations and communities focused marketing campaign, designed to increase awareness of the agency, our services, the communities we serve, and all the places we go.
- Planned and implemented a groundbreaking event to celebrate the launch of Swift Orange Line construction, garnering press stories and raising awareness of this project within the community.
- Distributed 5,917 promotional ORCA cards through the Residential marketing program during the first half of 2022, through mailers, partnerships with multifamily communities and community-based organizations. Through April 30, these promotional ORCA cards generated 38,000 transit boardings and avoided over 100,000 vehicle miles traveled.

Vanpool

- Updated two program policies to add flexibility to operations - lowered vanpool occupancy requirements to a 3-person minimum to align better with state code and added a 3-

day/week fare schedule. The goal is to increase ridership and improve the customer experience.

- Updated the Van Go Program to expand eligibility and increase the number of vehicles that can be awarded each cycle.

Department Priorities for 2023

- Improve the experience for people with disabilities
- In partnership with the City of Lynnwood, launch, test, and evaluate a pilot program for a new micro transit service.
- Work with the cities of Arlington, Darrington and Lake Stevens to perform a needs assessment analysis and develop concepts for new service options to test.
- Enhance the website user experience with incremental customer-driven improvements that were out of scope for the initial launch of the new website.
- Design email templates that complement the new website design and provide better opportunities to engage with subscribers.
- Support the agency efforts related to the recruitment of coach operators and mechanics using marketing campaigns and tactics.
- Drive awareness of the agency and use of our services through a ridership-focused campaign, along with ongoing marketing activities related to fostering engagement.
- Target a youth and family audience with a campaign to raise awareness of the regional Free Youth Transit Pass and share information with new riders on how to use our services.
- Build ridership for the micro transit pilot in Lynnwood by raising awareness within the community.

Customer Experience 2023 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.

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	4,189,967	4,071,190	4,179,955	4,599,451	419,496	10%
Benefits	1,743,775	1,623,975	1,733,464	2,023,075	289,611	17%
Subtotal: Employee Expense	5,933,742	5,695,165	5,913,419	6,622,526	709,107	12%
Services	510,413	1,007,407	2,298,195	3,021,325	723,130	31%
Contracted Transportation	-	-	-	1,000,000	1,000,000	n/a
Supplies	278,044	296,166	899,825	772,000	(127,825)	-14%
Total: Operating Expense	6,722,199	6,998,738	9,111,439	11,415,851	2,304,412	25%

Salaries, Wages, and Benefits

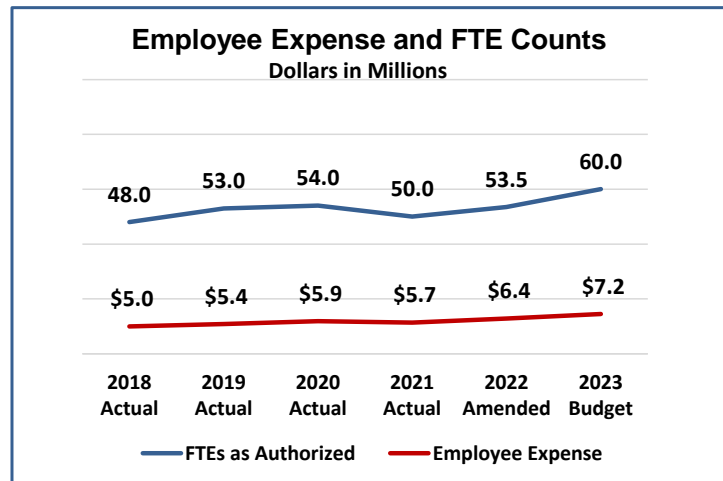
Employee expense is the largest cost factor in this department budget, representing 58 percent of the 2023 budget. The staffing complement in the original 2022 budget was 52.5 FTEs. During 2022, 1 FTE was added to the department: an additional service ambassador, bringing the total FTE count to 53.5.

The 2023 budget adds 7 FTEs and removes one .5 FTE, for a net change of 6.5 FTEs. The 2023 budget adds the following positions:

- one ADA coordinator
- one community transportation coordinator
- one field marketing business development specialist
- four service ambassadors. These positions also include uniform expense.

There is also a planned reduction of .5 FTEs in Sales & Distribution. After these changes, there are a total of 60 FTEs budgeted for this department in 2023.

Prior to 2022, all employee expense was budgeted in the General Fund (Fund 40), which provides for operational expenses. Beginning in 2022, the agency Executive Leadership Team made the decision to redistribute employee expense to portions of the capital program as well as to operations. This redistribution more accurately reflects employee expense associated with operations and with the agency capital program.



For 2023, a portion of the employee expense is distributed to the local capital program in Fund 46, which includes capital projects paid for with locally generated funds. This

represents the time certain department employees spend working on activities associated with these projects.

The chart above shows total employee expense in all funds, but the expense table on the previous page displays only operating expense (Fund 40). The next table shows total employee expense for the Customer Experience Department in both the operational fund (Fund 40) and the local capital project fund (Fund 46).

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	5,933,742	5,695,165	5,913,419	6,622,526	709,107	12%
Fund 42 Employee Expense		-	-	-	-	n/a
Fund 45 Employee Expense		-	-	-	-	n/a
Fund 46 Employee Expense		-	516,284	610,491	94,207	18%
Fund 48 Employee Expense		-	-	-	-	n/a
Total: Personnel Expense	5,933,742	5,695,165	6,429,703	7,233,017	803,314	12%

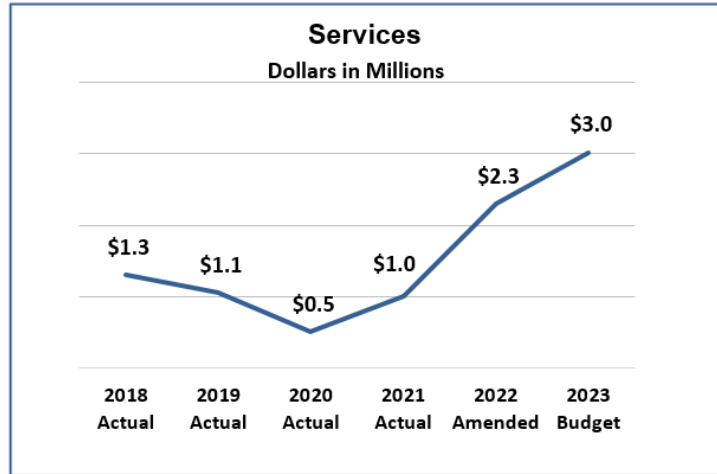
Contracted Transportation

The contracted transportation budget in this department funds transportation expense for pilot programs for innovative transportation services. The agency’s first pilot will launch in late 2022 and will provide alternative transportation services in the City of Lynnwood. Planning for this pilot began in 2021, and the program is based on a community assessment of travel needs and barriers.

Services

Services comprise 26.5 percent of the department’s budget. Significant service expenses include \$1,820,000 for advertising, \$526,500 for innovative services pilot area studies, and \$177,150 for printing services.

Advertising is budgeted in the Marketing/TDM 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, to win back riders who stopped using transit options during the pandemic, to assist in employee recruitment efforts, and other targeted efforts determined by the needs of the agency.



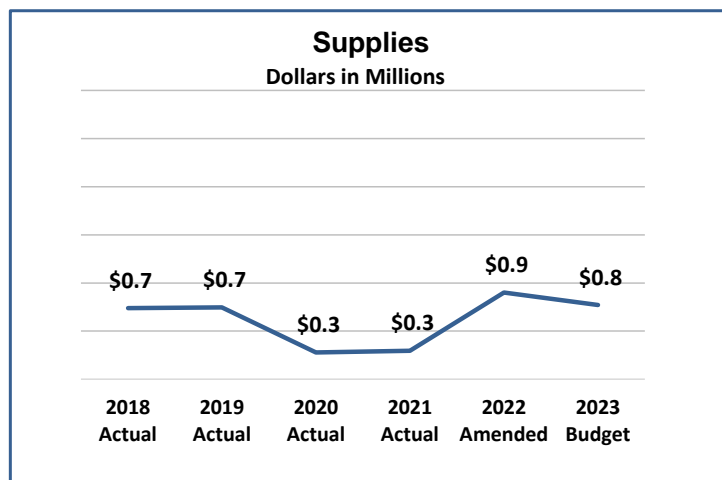
Service innovation is a major area of focus for Community Transit. The 2023 Customer Experience department budget includes \$526,500 in funds for exploring new mobility options based on user-centered feedback. These funds will be used to learn what works best for riders, and to attempt to scale transportation options that are successful in other markets to the needs of local riders. The initial focus will be on transportation options in Lynnwood and Mountlake Terrace for customers who need to travel to Link light rail as it opens in these cities in 2024.

In prior years, *Bus Plus* books were the largest printing expense. Starting in 2023, these are no longer being printed, which presents a cost savings of \$75,000 over the 2022 amended budget. The remaining printing services budget includes fare media, mailers in support of ridership campaigns and employee recruitment, service change materials; kiosk signage at Swift stations, and customer communications and rider’s guides for the customers who use paratransit services.

Supplies

Fuel and postage are the most significant elements in the supplies budget. Fuel accounts for 81 percent of the department supply budget and supports the agency vanpool program.

The 2023 fuel budget of \$625,500 is based on an estimated 257 vans in



service and gasoline at \$5.00 per gallon. The gasoline price per gallon estimate is an increase of about \$62,700 from the 2022 amended budget which priced gasoline at \$5.00 per gallon for 245 vans.

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 estimated decrease in the number of vanpool vans in operation in 2023 as compared to 2022.

Postage is a secondary cost driver in the expense budget. Postage amounts to 14 percent of the supplies budget. The 2023 postage budget of \$108,500 reflects a reduction of \$7,750 as compared to the 2022 amended budget (\$116,250).

Customer Experience Budget Center Summary

This summary compares each budget center’s 2023 budget to its 2022 amended budget.

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
65030	Vanpool Program	688,837	686,776	1,152,371	1,010,203	(142,168)	-12%
65037	Service Innovation	0	0	0	1,000,000	1,000,000	n/a
65136	Digital Experience	0	429,473	17,716	5,260	(12,456)	-70%
65137	Community Programs	0	360,480	1,047,819	1,135,805	87,986	8%
65151	Fare Media	0	0	6,500	5,500	(1,000)	-15%
65152	Sales and Distribution	744,128	751,650	770,588	697,393	(73,195)	-9%
65153	Service Ambassadors	700,253	684,010	741,980	1,067,720	325,740	44%
65162	Customer Care	819,120	849,806	924,581	944,714	20,133	2%
65163	Marketing	2,511,885	2,646,654	3,508,046	4,479,172	971,126	28%
65195	TDM and Customer Outreach	194,646	58,926	418,466	389,047	(29,419)	-7%
65199	Customer Experience Admin	1,063,331	530,962	523,372	681,037	157,665	30%
<i>Total: Operating Expense</i>		<i>6,722,200</i>	<i>6,998,737</i>	<i>9,111,439</i>	<i>11,415,851</i>	<i>2,304,412</i>	<i>25%</i>

Discussions of each division’s budget and 2023 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 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	689,734	369,634	382,948	458,945	75,997	20%
Benefits	255,800	133,975	137,304	174,012	36,708	27%
Subtotal: Employee Expense	945,534	503,609	520,252	632,957	112,705	22%
Services	109,723	20,855	1,120	47,080	45,960	4104%
Supplies	8,073	6,497	2,000	1,000	(1,000)	-50%
Total: Operating Expense	1,063,330	530,961	523,372	681,037	157,665	30%

Employee expense represents 93 percent of the division budget. The 2023 budget adds one FTE to this division: an ADA coordinator. The increase in the services budget is primarily due to one-time consultant fees related to improving the ridership experience for customers with disabilities, and future planning. The reduction in supplies expense reflects a normal fluctuation in supply item needs.

Customer Experience Administration 2023 Priorities

- Consult on major projects including Lynnwood Link light rail; Swift Orange, Swift Blue Line expansion, etc. to ensure a positive customer experience is achieved.
- Work with regional partners to improve the customer experience regionally.
- Improve the experience for people with disabilities.

Community Programs Division

The Community Programs division oversees the agency’s Innovative Services Program. Innovative public transportation services and delivery strategies may meet mobility needs more effectively than regular bus service does in areas not well-suited to support fixed-route transit, or where demand for travel innovation is unmet by traditional service. Research is underway for new and flexible transportation options that will connect communities in new ways, providing services that will both integrate with, and provide alternatives to bus, BRT, commuter rail and light rail with the goal of increasing overall transit ridership.

The agency will work with communities to understand local needs and pilot programs that offer convenient transportation options. This may mean providing better-performing connections to, from and between city centers, offering first and last mile transportation options, serving rural communities, and seeding new routes that would serve emerging markets.

Community Programs 2023 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
65137	Community Programs	0	360,480	1,047,819	1,135,805	87,986	8%
65037	Service Innovation	0	0	0	1,000,000	1,000,000	n/a
Total: Operating Expense		0	360,480	1,047,819	2,135,805	1,087,986	104%

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	-	224,567	323,819	430,530	106,711	33%
Benefits	-	65,287	118,000	164,555	46,555	39%
Subtotal: Employee Expense	-	289,854	441,819	595,085	153,266	35%
Services	-	70,626	606,000	540,720	(65,280)	-11%
Contracted Transportation	-	-	-	1,000,000	1,000,000	n/a
Supplies	-	-	-	-	-	n/a
Total: Operating Expense	-	360,480	1,047,819	2,135,805	1,087,986	104%

The Community Programs Division was created as part of a 2020 departmental reorganization. In 2023, an additional budget center was created within the division to better track contracted transportation expenses for pilot programs.

In 2023, contracted transportation is the primary cost driver in this division, accounting for 47 percent of the total budget. The contracted transportation budget funds transportation expense for pilot programs for innovative transportation services. The agency's first pilot will launch in late 2022 and will provide alternative transportation services in the City of Lynnwood. Planning for this pilot began in 2021, and the program is based on a community assessment of travel needs and barriers.



Employee expense represents 28 percent of the budget. In mid-2022, an additional community transportation specialist was added to this division. The 2023 budget adds a community transportation coordinator, bringing the total FTE count for this division to 4 for 2023. These new positions will support the evaluation, administration, and launch of pilot programs for innovative services.

The services budget accounts for 25 percent of the budget and includes \$526,500 in funds for exploring new mobility options based on user-centered feedback. The remaining services budget is for BikeLink cards and annual service for bike lockers; bike locker expense moved from the Marketing budget to Community Programs in 2023.

Community Programs 2023 Priorities

- In partnership with the City of Lynnwood, launch, test, and evaluate a pilot program for new micro transit service.
- Work with the cities of Arlington, Darrington and Lake Stevens to perform a needs assessment analysis and develop concepts for new service options to test.

Customer Care Division

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.

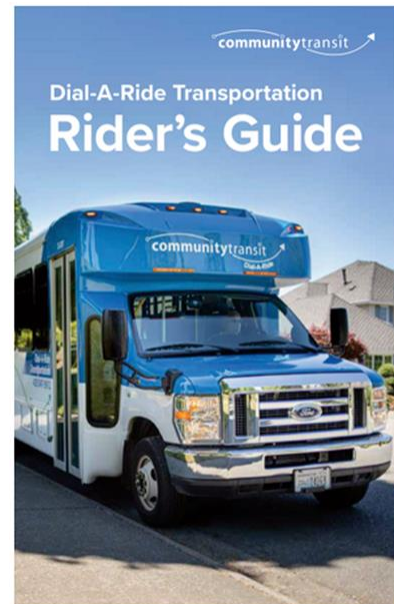
As a front-line team, Customer Care employees collect commendations, complaints, and suggestions from the public; route requests to the proper department in the agency for resolution; and then provide responses to customers as needed. Sharing these customer insights across the company is the first step 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 to DART customers in a timely manner.

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 (RideStore)

The Sales and Distribution (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 and other regional transit systems. RideStore employees also provide travel information ¹to our customers and manage the lost-and-found function for all Community Transit and Sound Transit routes originating in Snohomish County.



¹ The Rider's Guide (cover shown above) is available online at: https://www.communitytransit.org/docs/default-source/dart-paratransit/dart-rider-guide_2021-accessible.pdf?sfvrsn=324c9ab3_4

The Sales and Distribution team distributes all rider information to outlets in Snohomish County including retail stores, libraries, post offices, Alderwood Mall, and other similar locations. Materials distributed include ORCA and Community Transit information and promotional materials, park-and-ride kiosk panels, Swift kiosk panels. The team also prints and posts route schedules and map information at over 1,500 bus stops in the system.

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 help guide customers through construction projects, gather feedback about the customer’s experience, help test possible enhancements and support community outreach events.

Customer Care 2023 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
65151	Fare Media	0	0	6,500	5,500	(1,000)	-15%
65152	Sales and Distribution	744,128	751,650	770,588	697,393	(73,195)	-9%
65153	Service Ambassadors	700,253	684,010	741,980	1,067,720	325,740	44%
65162	Customer Care	819,120	849,806	924,581	944,714	20,133	2%
Total: Operating Expense		2,263,501	2,285,466	2,443,649	2,715,327	271,678	11%

The table above shows the division’s budget by cost center, and the next table shows the budget by category.

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	1,538,673	1,589,063	1,659,203	1,790,384	131,181	8%
Benefits	717,288	688,920	768,946	901,813	132,867	17%
Subtotal: Employee Expense	2,255,961	2,277,983	2,428,149	2,692,197	264,048	11%
Services	1,998	4,821	8,250	7,230	(1,020)	-12%
Supplies	5,542	2,663	7,250	15,900	8,650	119%
Total: Operating Expense	2,263,501	2,285,467	2,443,649	2,715,327	271,678	11%

Employee expense is the main cost driver in the division and represents 99 percent of the division budget. In midyear 2022, 1 service ambassador FTE was added to the division. The 2023 budget removes 0.5 FTEs from the Sales and Distribution team, and adds 4 FTEs to the Service Ambassador team, bringing the total FTE count for the division to 28.

The fare media budget center consists entirely of printing expenses. The small services and supplies budget categories funds translation services, ORCA supplies, bus stop signage tools, safety supplies related to lost and found items, and other minor supply items.

Customer Care 2023 Priorities

- Complete additional Next Generation ORCA phases, the largest being mobile phone payments.
- Temporarily relocate the RideStore during planned construction. This will include creating a communication plan for customers and regional partners.
- Work with Sound Transit, King County Metro and Pierce Transit to define and develop a regional lost and found process. Create new, easier options to allow customers to retrieve their items.

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 and a UX/UI designer. 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 UX/UI designer develops detailed storyboards, mock-ups, and prototypes to effectively communicate interaction and design ideas. 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 2023 Budget

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	-	289,200	8,864	-	(8,864)	-100%
Benefits	-	102,958	3,592	-	(3,592)	-100%
Subtotal: Employee Expense	-	392,158	12,456	-	(12,456)	-100%
Services	-	37,315	5,160	5,160	-	0%
Supplies	-	-	100	100	-	0%
Total: Operating Expense	-	429,473	17,716	5,260	(12,456)	-70%

The Digital Experience Division was created as part of a 2020 departmental reorganization to support the agency's increasing need for data analysis.

The reduction in employee expense in this division is a direct result of the redistribution of employee expense from operational to capital. All 4 FTES funded through the 2023 budget have been redistributed to the capital program. The next table shows total employee expense across all funds.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	-	392,158	12,456	-	(12,456)	-100%
Fund 42 Employee Expense		-	-	-	-	n/a
Fund 45 Employee Expense		-	-	-	-	n/a
Fund 46 Employee Expense		-	516,284	610,491	94,207	18%
Fund 48 Employee Expense		-	-	-	-	n/a
Total: Personnel Expense	-	392,158	528,740	610,491	81,751	15%

Other than employee expense, the Digital Experience budget remains consistent with 2022. The supply budget consists of nonstandard office supplies, miscellaneous meeting supplies, and customer feedback participation incentives.

Digital Experience 2023 Priorities

- Enhance the website user experience with incremental customer-driven improvements.
- Personalize the website user experience by curating content for unique user segments and presenting that information in a customized format.
- Design new email templates that complement the new website design and provide better opportunities to engage with subscribers.

Marketing/TDM Division

The Marketing/TDM Division is made up of three 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, employers, partner organizations, and schools; develop partnerships and key audiences; and promote the benefits of Community Transit services with the purpose of increasing transit ridership.

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

- An employer marketing program that encourages workers to use transit for commuting to and from their worksite and for everyday travel. This program includes implementation of Washington’s Commute Trip Reduction (CTR) law in eight Snohomish County jurisdictions and the City of Bothell.
- A residential marketing program that encourages new and current PTBA residents to get started with transit or ride more often. New mover mail, community events, and partnerships with multifamily communities are key components of this program.
- ORCA business account marketing, sales, and customer service operations for businesses in Snohomish County.



Marketing/TDM 2023 Budget

The first table below shows the division’s budget by cost center, and the second table shows the budget by category.

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
65163	Marketing	2,511,885	2,646,654	3,508,046	4,479,172	971,126	28%
65195	TDM and Customer Outreach	194,646	58,926	418,466	389,047	(29,419)	-7%
Total: Operating Expense		2,706,531	2,705,580	3,926,512	4,868,219	941,707	24%

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	1,648,766	1,340,607	1,544,895	1,660,211	115,316	7%
Benefits	649,802	527,185	599,362	670,033	70,671	12%
Subtotal: Employee Expense	2,298,568	1,867,792	2,144,257	2,330,244	185,987	9%
Services	376,019	785,713	1,650,505	2,408,975	758,470	46%
Supplies	31,945	52,076	131,750	129,000	(2,750)	-2%
Total: Operating Expense	2,706,532	2,705,581	3,926,512	4,868,219	941,707	24%

Employee expense comprises 48 percent of this budget. The 2023 budget adds one FTE, bringing the total FTE count to 17 for the division. The addition is a field marketing business development specialist in the TDM and Customer Outreach group.

Other than employee expense, the most significant expenses in this budget are advertising (\$1,820,000), professional services (\$251,550), printing (\$171,500), postage (\$108,500) and ridership promotions (\$77,000). These expenses total 50 percent of the total Marketing/TDM budget and support the divisions’ top priorities of generating increased ridership post-pandemic, promoting the launch of a new pilot program offering micro transit service in Lynnwood, and supporting the delivery of the agency’s core service through coach operator recruitment.

Marketing/TDM 2023 Priorities

- Support agency efforts related to the recruitment of coach operators and mechanics using marketing campaigns and tactics.
- Drive awareness of the agency and use of Community Transit services through a ridership-focused campaign, along with ongoing marketing activities related to fostering engagement.

- Target a youth and family audience with a campaign to raise awareness of the regional Free Youth Transit Pass and share information with new riders on how to use our services.
- Build ridership for the micro transit pilot program in Lynnwood by raising awareness of the new service within the community.
- Begin efforts to promote the launch of the new Swift Orange Line coming in 2024.
- Collaborate with the Research and Analytics Division to continue development of audience segmentation research to help better understand the people we serve and their potential transportation needs.
- Support regional roll-out of new ORCA features and services.
- Begin implementation of a transportation demand management program, funded in part with a Federal Transit Administration Congestion Mitigation and Air Quality Improvement (CMAQ) grant, to promote public transportation options including Swift Orange Line and new light rail options coming to Snohomish County in 2024.

Vanpool Program

The Vanpool program is currently staffed by three Vanpool Specialists. 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.



As of August 2022, the vanpool fleet consisted of 340 vehicles, comprised of 226 vans with customer groups, 85 available vans, and 29 loaner vans. Loaner vans are used when a customer’s van is in the shop for routine maintenance or other service reasons.

Vanpool 2023 Budget

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	312,794	258,120	260,226	259,381	(845)	0%
Benefits	120,885	105,649	106,260	112,662	6,402	6%
Subtotal: Employee Expense	433,679	363,769	366,486	372,043	5,557	2%
Services	22,674	88,076	27,160	12,160	(15,000)	-55%
Supplies	232,484	234,931	758,725	626,000	(132,725)	-17%
Total: Operating Expense	688,837	686,776	1,152,371	1,010,203	(142,168)	-12%

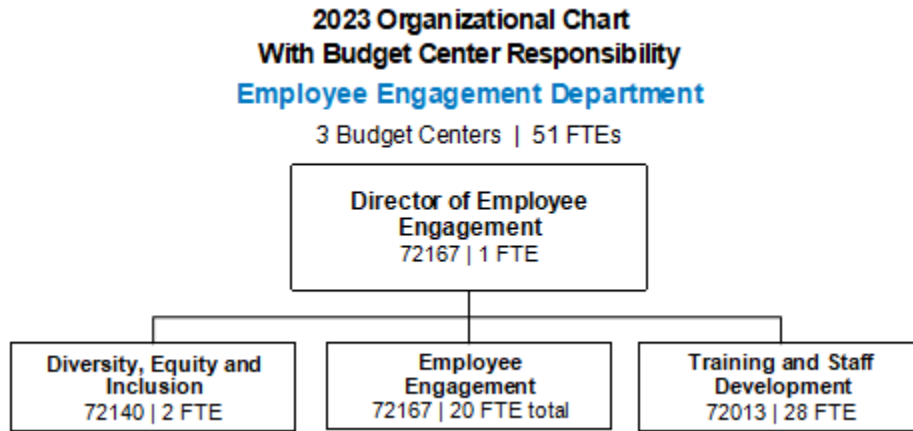
Employee expense makes up 37 percent of the Vanpool budget. At 62 percent of the entire Vanpool budget, fuel is the largest expenditure in this budget and represents almost 100 percent of the Supplies category. The 2023 budget estimates fuel at \$5.00 per gallon (approximately 125,100 gallons for 257 vans). The decrease in supplies expense as shown in this table reflects the estimated decrease in the number of vanpool van miles driven in 2023 as compared to 2022.

Vanpool 2023 Priorities

- Continue marketing efforts to increase ridership through joining and referral incentives. Research smaller occupancy vehicles based on customer need/demand and the program’s lower vehicle occupancy threshold.

Employee Engagement Department

The Employee Engagement Department supports and administers the agency’s employment programs including hiring and staffing, diversity, equity, and inclusion, staff training and development, labor contract negotiation and administration, employee and labor relations, benefits and compensation, leave management, and personnel systems and records. These functions include responsibility for the agency’s affirmative action program, administration of the drug and alcohol program, and health and wellness programs.



The Employee Engagement department’s three divisions are: Employee Engagement, Training and Staff Development, and Diversity, Equity and Inclusion.

Employee Engagement Department 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.

The Employee Engagement 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. 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.

The Diversity, Equity and Inclusion (DEI) division acts as an internal consultant to the agency, including executive leadership, to provide guidance on DEI programs and initiatives. This division identifies areas of opportunity to advance practices, policies, and processes to foster a diverse, equitable, and inclusive working environment. The DEI division advises management at all levels of the organization on how to promote a work environment where everyone feels that they belong and can thrive.

In mid-2022, the Executive Leadership Team completed realignment of the Administration and Employee Engagement Departments by moving the Training division from the former Administration department to the Employee Engagement Department. The result has been an effective and coordinated approach to recruitment, training, and staff development across the agency.

The Training and Staff Development Division supports the agency by providing a variety of training and staff development opportunities for all employees in every department. COVID-19 continues to change the way the team provides training and development opportunities for our employees. The team looks forward to bridging the best of lessons learned from COVID-19 with best practices in adult learning to continue to elevate growth and development throughout the agency.

Major Department Accomplishments for 2022

Employee Engagement

- Implemented a new verification of employment system to streamline operations.
- Realigned recruitment practices in outreach, sourcing, and selection process. Partnered with recruiting partners to better leverage our recruitment outreach, implemented a platform for better outreach, and collaborated with marketing to redesign the recruitment outreach strategies.
- Completed a compensation analysis to realign compensation strategy to meet or lead the market.
- As of October 1, 2022, hired 43 coach operator trainees and 67 other positions, including a Chief Operating Officer and a new Chief Financial Officer.
- Reorganized the Employee Engagement Department to become better strategic partners with department leaders and more effectively support agency training and recruitment needs.
- Implemented telework revisions and expanded return-to-base efforts.
- Finalized the union contract for IAM Supervisors; moved toward finalizing the contract for ATU.
- In partnership with the Marketing division, launched an expanded employee referral program.
- Began implementation of a new performance management system that aligns individual goals with department and agency goals.

Diversity, Equity and Inclusion (DEI)

- Selected and rolled out managing bias and diversity and inclusion courses through the agency learning management system.

- Developed and facilitated an inclusive hiring workshop to support ongoing recruitment efforts.
- Co-created a DEI interview with Employee Engagement to use in interviews to ensure the interview process is aligned with agency core values.
- Facilitated a Topics at 12 (lunch and learn) presentation and discussion on DEI topics.
- Continued equity reviews of job descriptions to evaluate the potential for implicit bias.
- Presented to an external transit agency board of directors group on the topic of equity and transit.
- Facilitated monthly DEI discussions with the executive leadership team.
- Consulted on a Security and Emergency Management Policy to explicitly prohibit the use of racial slurs and other slurs toward protected classes as defined by federal and state statutes.
- Participated in community outreach events and consulted on inclusive marketing strategies with a focus on diversity, equity, and inclusion to support ongoing recruitment efforts.

Training and Staff Development

- Conducted training for all new coach operators, mechanics, supervisors, and dispatchers; completed return to work evaluations/refreshers and training for new technology and agency programs.
- Developed the First Year Experience (FYE) program for smoother onboarding of all new employees to the agency.
- Hired and trained additional training staff to support agency growth in order to achieve 2024 staffing projections.
- Distributed agencywide annual compliance training through the learning management system (LMS) on a quarterly basis, saving time, allowing for ease of scheduling, and improving the employee experience.
- Updated and launched the Tuition Reimbursement Policy. This employee benefit supports employee retention and hiring initiatives.
- Prepared 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.
- Coordinated with Employee Engagement staff to begin developing and integrating a new talent management program. This program will help increase employee engagement, develop a talent pool, and create a faster, smoother onboarding process for new employees.

Department Priorities for 2023

Employee Engagement

- Negotiate and implement successor contract for IAM supervisors 2024-2027. Continue negotiating the IAM vehicle maintenance successor contract for 2022-2024.
- Continue recruitment efforts to fill positions Community Transit needs. Accelerate outreach efforts to better compete with other public and private employers when recruiting for agency positions.
- Conduct Employee Engagement Survey.
- Conduct annual open enrollment.
- Ensure successful implementation of performance management system.
- Review and revise policies, processes, and the performance management system to align with updated agency values. Focus on encouraging engaged, productive employees to find meaning in the work they do and grow their careers at Community Transit.

Diversity, Equity and Inclusion

- Coordinate and roll out a diversity, equity, and inclusion agency assessment and employee survey which will inform the agency DEI strategy.
- Continue to develop and roll out a comprehensive diversity, equity, and inclusion agency strategy and communication plan. This plan will include an employee resource group program, an anti-bias training for operational employees, and an inclusion advocate training program.
- Develop a cross-functional coordination team to cooperatively address discrimination, harassment, and racialized workplace issues.

Training and Staff Development

- Continue implementing an integrated talent management program to support employee engagement, develop a talent pool, and create a faster, smoother onboarding process for new employees.
- Support training for 105 coach operator trainees.
- Increase the number of training classes to meet the staffing goals of the agency.
- Build and finalize processes for rapid development and delivery of learning opportunities to all employees. Ensure that more staff are included in opportunities to learn and grow their professional skills.
- Provide refresher and remedial trainings to current coach operators.

Employee Engagement Department 2023 Budget

The Employee Engagement Department’s work supports Community Transit’s mission and vision by providing support to every other department in the agency. Through training, recruiting, and providing support services, this group focuses on the agency priorities of living our core values in service to employees and customers, and providing safe, reliable transportation services. Department staff also model the agency’s core values, with a special emphasis on teamwork, integrity, and diversity, equity, and inclusion.

The table below shows the full department budget by category.

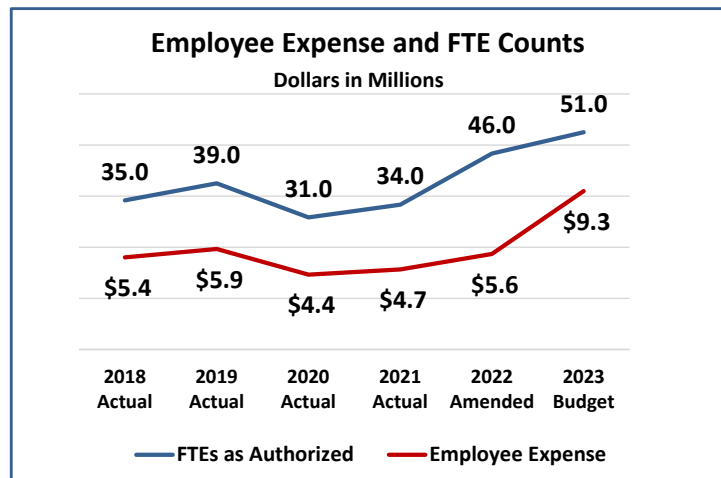
In mid-2022, the Executive Leadership Team decided to move the Training division from the Administration department to the Employee Engagement Department. To allow for accurate year-over-year comparisons, prior-year expenses in the charts and tables below have been adjusted to include costs associated with the Training division.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	3,167,753	3,453,480	4,016,311	6,694,981	2,678,670	67%
Benefits	1,210,283	1,247,323	1,568,435	2,580,214	1,011,779	65%
Subtotal: Employee Expense	4,378,036	4,700,803	5,584,746	9,275,195	3,690,449	66%
Unemployment Claims	440,437	275,810	200,000	275,000	75,000	38%
Services	850,886	1,041,723	1,834,122	2,427,731	593,609	32%
Intergovernmental Services	(1,864)	20,110	19,000	20,000	1,000	5%
Supplies	9,431	13,945	24,120	48,500	24,380	101%
Total: Operating Expense	5,676,926	6,052,391	7,661,988	12,046,426	4,384,438	57%

Salaries, Wages, and Benefits

Employee expense represents 77 percent of the Employee Engagement Department budget. All employee expense is classified as operating expense.

The original 2022 budget funded 37 FTEs. After 2022 midyear staffing changes, discussed below, the department had 46 FTEs total.



In midyear 2022, Executive Leadership repurposed five vacant FTE positions from the Transportation Department to the Training Division. All five positions were used for additional coach operator instructors (three of which are term-limited). This change will allow the agency to better support training and development for coach operators.

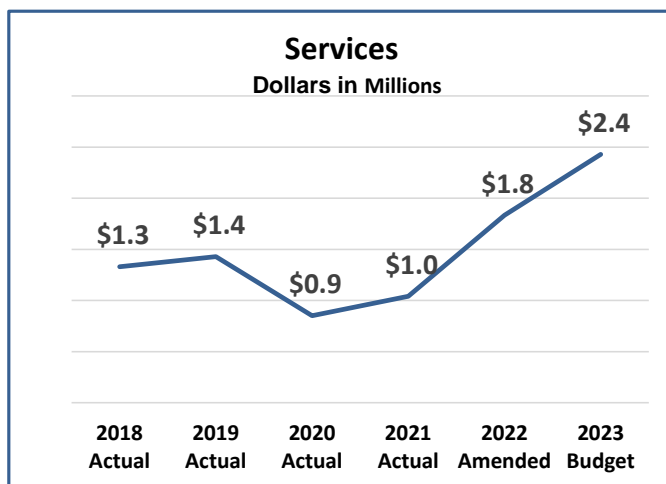
Also in midyear 2022, four staff were added to the Employee Engagement division to better support recruitment needs across the agency. All four positions are term-limited, and two were repurposed from vacant positions in the Transportation Department.

The 2023 budget adds an additional five FTEs, for a total of 51 FTEs. In the Training Division, three additional coach operator instructors are planned, as well as one instructional designer to support the program. In Employee Engagement, the budget adds one Employee Engagement assistant.

Services

The services category amounts to 20 percent of the department budget and represents a 32 percent increase as compared to the 2022 budget

The 2023 services budget funds a variety of professional services ranging from legal services to consulting services for the diversity, equity, and inclusion program; executive recruiting; 360-



degree feedback for employee performance reviews; defined contribution plan consulting; human resource consulting services; mandatory drug and alcohol testing as required by the Federal Transit Administration; flu shots; occupational medicine services; recruitment advertising on job boards; training; and employee special events.

Training (including related travel and registration expenses), professional services, and other services represent a

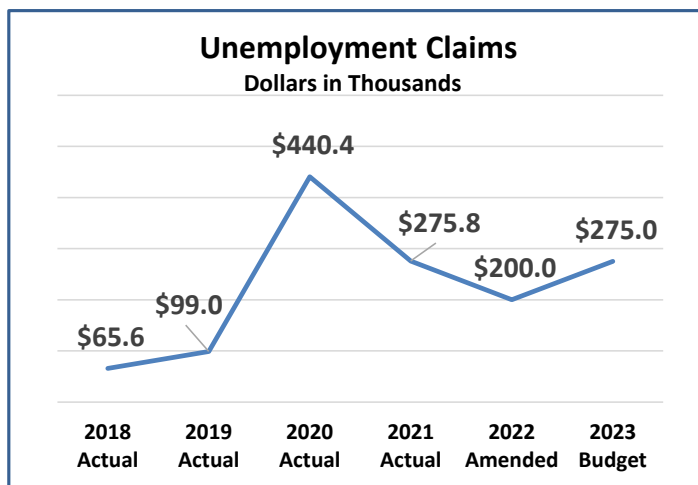
combined 84 percent of the services budget. The largest single item in this category is for the agency wellness program, which represents 18 percent of the services budget. This program supports employee physical preparedness for duty and offers rehabilitation physical therapy services for injured employees to help them recover and get back to work sooner. The program provides training on injury prevention geared to our maintenance and transportation workers, and stress reduction and exercise programs for all employees.

Training and associated registration and travel expenses are budgeted at \$884,200 for 2023 and make up 36 percent of the services category. For several years, general training expense for the

entire agency has been consolidated in the Training Division, but each department budgeted separately for participation in industry conferences such as those sponsored by the American Public Transportation Association (APTA). Beginning in 2022, an additional consolidation was implemented: all potential APTA conference attendance and the travel associated with it is now budgeted in Training.

The special events program adds \$96,000 to the Employee Engagement Department budget. Prior to 2022, funds for this program were budgeted in the Customer Experience Department budget. The FTE and associated job functions were transferred from Customer Experience to Employee Engagement in 2021, and the budget transfer became effective on January 1, 2022.

Unemployment Claims



The Employee Engagement Department budgets for unemployment claims for the agency. Unemployment claims in the 2023 budget comprise 2 percent of the department budget. Estimated unemployment claims for 2023 are budgeted slightly higher than 2022. COVID-19 drastically impacted the employment landscape, and unemployment expense continues to be higher than in pre-COVID years.

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 specialized office supplies not budgeted in the agency general office supply budget; employee recognition certificates, service awards, and retirement supplies; veterans recognition name plates, and other like items.

Employee Engagement Division Summary

This summary compares each budget center’s 2023 budget to its 2023 amended budget.

Budget Center ID	Description	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
72013	Training and Staff Development	2,730,211	2,745,434	3,670,442	7,049,165	3,378,723	92%
72140	Diversity Equity and Inclusion	0	0	359,490	432,129	72,639	20%
72167	Employee Engagement	2,946,716	3,306,956	3,632,056	4,565,132	933,076	26%
Total: Operating Expense		5,676,927	6,052,390	7,661,988	12,046,426	4,384,438	57%

Budget center 72140, Diversity, Equity and Inclusion became active as of January 1, 2022. Discussion of each division’s budget follows.

Diversity, Equity, and Inclusion Division

The Diversity, Equity, and Inclusion (DEI) Division was a new division effective January 1, 2022. This division develops and implements the agency’s DEI programs and initiatives. Programs and initiatives for 2023 include DEI training, an Employee Resource Group program, a DEI assessment and employee survey, and observation of heritage months and diversity days. These functions include responsibility for the agency’s Equal Employment Opportunity Commission (EEOC) program.

The DEI division collaborates with external agency partners to serve as a resource and a DEI subject matter expert on behalf of the agency. This division serves as a consultant to advise and evaluate outreach, security, and planning of DEI initiatives that seek to advance equity in the community.

The DEI division acts as an internal consultant to the agency, including executive leadership, to provide guidance on DEI programs and initiatives. This division identifies areas of opportunity to advance practices, policies, and processes to foster a diverse, equitable, and inclusive working environment. The DEI Division advises management at all levels of the organization on how to promote a work environment where everyone feels that they belong and can thrive.

Diversity, Equity, and Inclusion 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	-	-	215,568	217,876	2,308	1%
Benefits	-	-	78,922	83,653	4,731	6%
Subtotal: Employee Expense	-	-	294,490	301,529	7,039	2%
Services	-	-	65,000	130,600	65,600	101%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	-	-	-	-	-	n/a
Total: Operating Expense	-	-	359,490	432,129	72,639	20%

Employee expense represents 70 percent of this division’s budget. The rest of the budget funds services, membership fees, and special events. In 2023, the services budget includes one-time costs associated with expanding and evaluating the agency’s diversity, equity, and inclusion program.

Diversity, Equity, and Inclusion 2023 Priorities

- Coordinate and roll out a diversity, equity, and inclusion agency assessment and employee survey which will inform the agency DEI strategy.
- Continue to develop and roll out a comprehensive diversity, equity, and inclusion agency strategy and communication plan.
- Develop a cross-functional coordination team to cooperatively address discrimination, harassment, and racialized workplace issues.
- Develop an anti-bias training for operational employees.
- Continue to develop and implement inclusion advocate training program.
- Continue to develop and implement an employee resource group program.

Employee Engagement Division

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, 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 Division 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	1,434,228	1,689,680	1,627,991	2,013,560	385,569	24%
Benefits	512,620	563,726	632,066	854,131	222,065	35%
Subtotal: Employee Expense	1,946,848	2,253,406	2,260,057	2,867,691	607,634	27%
Unemployment Claims	440,437	275,810	200,000	275,000	75,000	38%
Services	554,295	752,416	1,142,079	1,381,591	239,512	21%
Intergovernmental Services	(1,864)	20,110	19,000	20,000	1,000	5%
Supplies	7,000	5,214	10,920	20,850	9,930	91%
Total: Operating Expense	2,946,716	3,306,956	3,632,056	4,565,132	933,076	26%

Employee Expense represents 63 percent of the Employee Engagement division budget. In 2022, four term-limited FTEs were added to this division to support agencywide recruitment efforts. The 2023 budget adds one additional FTE: an Employee Engagement assistant.

The remainder of the budget funds unemployment claims for the agency (6 percent), services (30 percent) and intergovernmental services and supplies together are just under 1 percent of the division budget. The services budget includes several agency programs and initiatives: wellness, special events, recruitment costs, and mandatory drug and alcohol testing as required by the Federal Transit Administration.

Expense increases in this budget primarily support ongoing recruitment efforts as the agency prepares to meet service demand in 2024 and beyond.

Employee Engagement Division Priorities for 2023

- Negotiate and implement successor contract for IAM supervisors 2024-2027. Continue negotiating the IAM vehicle maintenance successor contract for 2022-2024.
- Continue recruitment efforts to fill positions Community Transit needs. Accelerate outreach efforts to better compete with other public and private employers when recruiting for agency positions.
- Conduct Employee Engagement Survey.
- Conduct annual open enrollment.
- Ensure successful implementation of performance management system.
- Review and revise policies, processes, and the performance management system to align with updated agency values. Focus on encouraging engaged, productive employees to find meaning in the work they do and grow their careers at Community Transit.



Training and Staff Development Division

Training staff operate the agency’s in-house, eleven-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. The division has also increased work throughout the agency to development opportunities for agency leadership.

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

Training and Staff Development 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	1,733,525	1,763,800	2,172,752	4,463,545	2,290,793	105%
Benefits	697,663	683,597	857,447	1,642,430	784,983	92%
Subtotal: Employee Expense	2,431,188	2,447,397	3,030,199	6,105,975	3,075,776	102%
Services	296,591	289,307	627,043	915,540	288,497	46%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	2,432	8,731	13,200	27,650	14,450	109%
Total: Operating Expense	2,730,211	2,745,435	3,670,442	7,049,165	3,378,723	92%

As in the rest of the agency, the growth in the Training division budget for 2023 is in support of planned service changes as the agency prepares to connect with Link light rail when it opens in 2024. Community Transit made staffing reductions in 2020 and 2021 to cope with the COVID-19 pandemic. Now, coach operators that were furloughed during the pandemic have been recalled, and the agency needs to hire and train more coach operators to accommodate service changes and turnover.

The 2023 training budget includes funding for 105 coach operator trainees at 440 hours of training each. In contrast, the original 2022 budget included 30 trainees at 400 hours each. Coach operator trainees are not included in the training division’s FTE count because they are paid from this budget center only while they are actively enrolled in the new hire training

program. Once they've graduated, trainees are transferred to their hiring department. Funds are also included for additional training support for current coach operators on service changes and related topics, and training for staff agencywide on a range of topics.

Employee expense, including trainee expense, comprises 87 percent of this budget. In midyear 2022, Executive Leadership transferred five vacant positions from the Transportation Department and repurposed them for five coach operator instructors to better support the coach operator training program. Three of these positions are term limited. The 2023 budget adds three additional coach operator instructors and one instructional designer. After these changes, the Training Division now consists of 51 FTEs.

At 13 percent of the operating budget, the services category in the training division shows a 46 percent increase in 2023 as compared to 2022. As noted in the department introduction, training agencywide is consolidated in this division's budget. As Community Transit grows, the training budget must increase to support staff development needs agencywide. The services category also includes funds for travel and registration fees associated with training, printing, and binding for inhouse training materials, and other miscellaneous services in support of the program. The largest line item in this category is the agency's Learning Management System (LMS) which offers online training on a broad range of topics. Budgeted at \$115,000, this system represents 13 percent of the services category budget. The 2023 budget also includes \$65,000 for maintenance training, which was previously included with bus purchases.

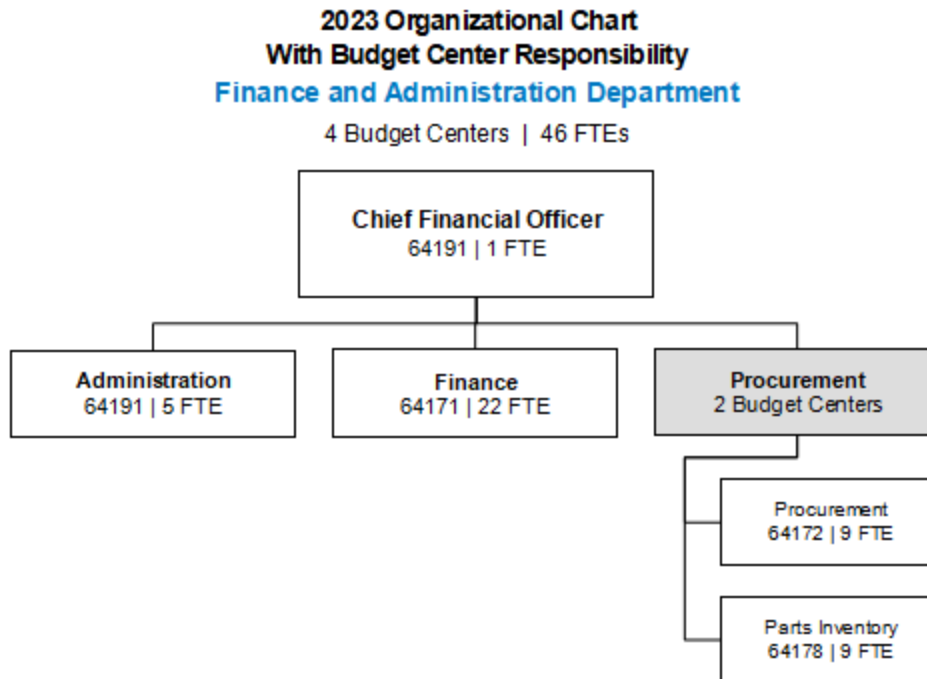
The supplies budget shows a 109 percent increase over the 2022 budget and is the result of increased supply needs for the large number of trainees the division will be supporting in 2023. Supplies are less than 1 percent of the division budget.

Training and Staff Development 2023 Priorities

- Continue implementing an integrated talent management program to support employee engagement, develop a talent pool, and create a faster, smoother onboarding process for new employees.
- Support training for 105 coach operator trainees.
- Increase the number of training classes to meet the staffing goals of the agency.
- Build and finalize processes for rapid development and delivery of learning opportunities to all employees. Ensure that more staff are included in opportunities to learn and grow their professional skills.
- Provide refresher and remedial trainings to current coach operators.

Finance and Administration Department

The Finance and Administration Department’s focus is on service—to fellow employees, to vendors, to stakeholders, and to every person who chooses transit now or may do so in 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 (SAO). 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.



Having successfully navigated the COVID-19 pandemic, Community Transit will again focus on service expansion, in particular, changes in service delivery related to the 2024 opening of the Link light rail station in Lynnwood. Finance and Administration staff are actively involved in the budgeting process, development of new contracts, and administrative support to deliver the highest levels of financial stewardship and operational accountability, while ensuring compliance with agency policies and government regulations.

The department’s three divisions are: Administration, Finance and Accounting, and Procurement.

Major Department Accomplishments for 2022

Administration

- Helped support the agency through the Covid-19 Pandemic:
 - Worked onsite every day to ensure that mail delivery took place, administrative services continued and support for onsite Finance Division staff, including payroll staff, continued.
 - Helped nearly every department with tasks they could not complete while working remotely. This included connecting coach operators with staff working remotely, helping to get payroll checks out, delivering urgent packages, printing out Board documents, meeting vendors for deliveries, sending out contracts, running Zoom meetings and much more.
- Established and completed three goals: improved safety, cleaned up records in department files, and made continuous process improvement in the agency phone list.
- Engaged in several agency process improvements including a process to streamline the Request to Attend (RTA) travel forms; coordination of DocuSign to streamline the contract signature process; electronic reconciliation of credit cards; and increased use of Smartsheet for new projects and team communications.
- Coordinated essential logistics for moving the administrative offices from the Merrill Creek location to the new Cascade building.

Finance and Accounting

- Earned the agency's 27th consecutive clean audit from SAO.
- Received the 32nd consecutive Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 2020 Annual Financial Report. Completed the 2021 Annual Comprehensive Financial Report and submitted it for consideration for the agency's 33rd consecutive Government Finance Officers Association award.
- Received its third and fourth Distinguished Budget Presentation Awards from the GFOA for the 2021 and 2022 Budgets. Completed the 2023 Budget slated for adoption by the Board of Directors by the end of the year.
- Continued the implementation of electronic timesheets.
- Continued 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 (State Auditor's Office



[SAO], GFOA, Public Financial Management [PFM], and internally for budget transfers and other approvals). Have fully implemented a paperless budget review process.

- Participated on the Federal Transit Administration's Triennial Review with no exceptions. Completed the Federal Transit Administration's National Transit Database report for 2021.
- Worked onsite through the Covid-19 Pandemic to support critical agency functions including payroll and accounts payable.
- Collaborated with departments' middle management and administrative staff to provide training on the budget process to most agency departments.

Procurement and Parts

- Received no audit findings or major recommendations as part of the agency's annual audit conducted by the SAO.
- Partnered with internal customers to improve our support to them by developing integrated procurement methods. Several procurement processes were improved throughout the year. An example is the implementation of a pre-solicitation meeting for complex procurements. Potential suppliers are invited to share information before the solicitation is drafted, which provides us key marketplace information. The result is our scope of work and pricing model matches marketplace practices.
- Utilized Trapeze and Tableau to forecast and match parts stocking levels with preventative maintenance program requirements. One result of making better use of software was that we were able to improve the inventory cycle count method, which reduced overtime by about \$13,000 while improving and providing uninterrupted service to the agency.
- We achieved Disadvantaged Business Enterprise (DBE) utilization goals on FTA-funded projects. The Swift Green Line project closed with 11 percent DBE utilization.
- Collaborated with the Capital Development team on the Swift Orange Line project development and base expansion/renovations projects.

Department Priorities for 2023

- Complete required Federal Transit Administration's National Transit Database reporting.
- Develop a balanced budget for 2024 that supports the agency's operational and capital programs and implements the operating and capital reserve requirements contained in the 6 Year Transit Development Plan.
- Complete the annual audit and financial reports with no findings or management letters.
- Work with a consultant to develop more refined procedures for our complex capital asset accounting.
- 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.
- Collaborate with Planning and Transit Technology on Zero Emissions projects.
- Update budget training eLearning and documentation.
- On board the new Chief Financial Officer.
- Plan for review of agency financial systems needs.

Finance and Administration Department 2023 Budget

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

In mid-2022, the Executive Leadership Team decided to separate the Risk Management, Transit Security, and Training divisions from the Administration Department. Training was moved to the Employee Engagement Department, to provide a more effective and coordinated approach to recruitment, training and staff development across the agency. Risk Management and Transit Security were combined to create a new department called Safety, Security, and Sustainability. This new department was placed under the direction of the Chief Operating Officer, who also oversees Maintenance and Transportation. This move will ensure a well-coordinated approach to deploying the agency’s operational resources and will support the safety and security of Community Transit employees and customers.

Following these changes, the Administration Department was renamed as the Finance and Administration Department, and the Director of Administration role was changed to a Chief Financial Officer. These changes will better support the agency’s emphasis on financial strategic priorities.

Past year data in the tables and charts below has been updated to reflect these changes.

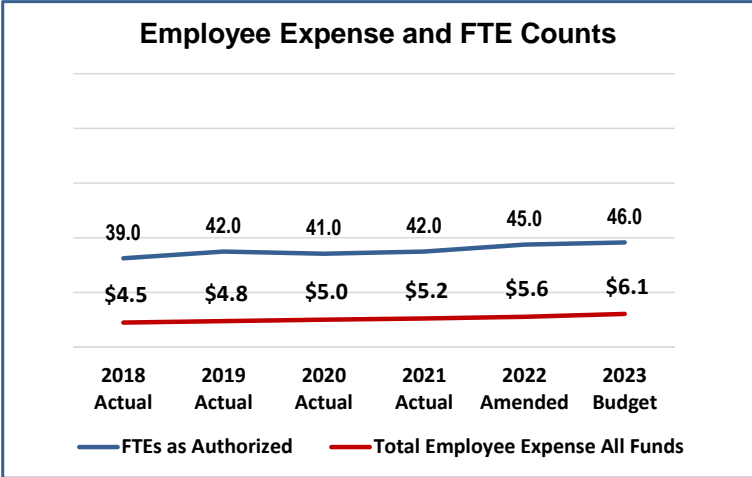
<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	3,593,675	3,790,645	3,678,528	3,945,295	266,767	7%
Benefits	1,415,097	1,452,147	1,512,450	1,692,333	179,883	12%
Subtotal: Employee Expense	5,008,772	5,242,792	5,190,978	5,637,628	446,650	9%
Services	349,634	433,350	380,321	537,965	157,644	41%
Intergovernmental Services	14,342	17,848	16,813	9,900	(6,913)	-41%
Supplies	64,621	53,314	102,900	94,750	(8,150)	-8%
Total: Operating Expense	5,437,369	5,747,304	5,691,012	6,280,243	589,231	10%

Salaries, Wages, and Benefits

Employee expense represents 90 percent of the Finance and Administration Department operating (Fund 40) budget.

The original 2022 budget authorized 43 FTEs. In midyear 2022, two positions were added: a senior accountant was added in Finance, and a vacant FTE from the Transportation Department

was repurposed as an administrative assistant II for the Parts division.



The 2023 budget adds one FTE to the department: a project control analyst in the Administration division. This brings the Department to 46 FTEs total.

Beginning in 2022, a portion of employee expense was budgeted through various funds in the capital

program. This redistribution more accurately reflects employee expense associated with operations and with the agency capital program.

The chart above shows total employee expense for the Administration Department in both the operational fund (Fund 40) and the various capital funds. The table below shows the distribution of employee expense among the funds.

Fund	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Fund 40 Employee Expense	5,008,772	5,242,792	5,190,978	5,637,628	446,650	9%
Fund 42 Employee Expense			-	-	-	n/a
Fund 45 Employee Expense			287,191	369,698	82,507	29%
Fund 46 Employee Expense			40,324	-	(40,324)	-100%
Fund 48 Employee Expense			40,446	66,284	25,838	64%
Total: Personnel Expense	5,008,772	5,242,792	5,558,939	6,073,610	514,671	9%

Intergovernmental Services

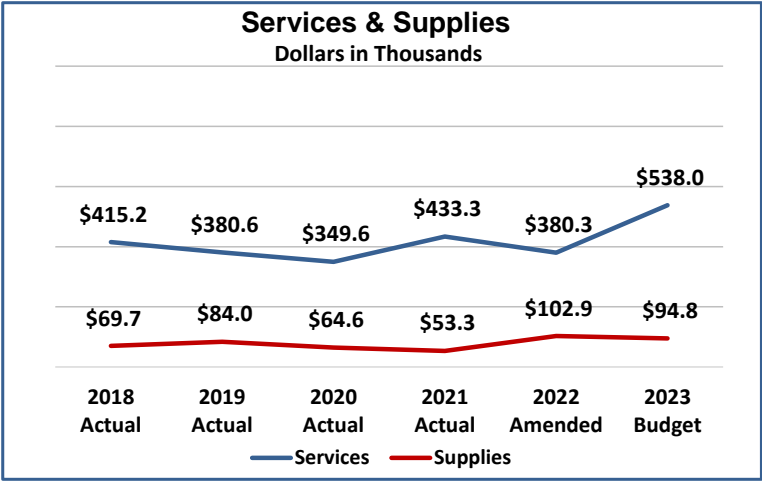
The intergovernmental services budget category contributes less than 1 percent to the total department budget. Items in this category include new vehicle licenses, title transfers for surplus vehicles, and required permits and licenses needed to conduct business.

Services and Supplies

Services and supplies together represent about 10 percent of the department’s total operating budget.

The services budget includes financial services such as the annual audit, armored car services, cash processing and bank fees; printing fees for agency stationary, business cards, check stock, and tax forms; consulting and job order contracts for procurement; postage meter rental expense; and other similar items.

The 2023 budget shows an increase in services of 41 percent over 2022. This is primarily due to the inclusion of one-time professional services costs for financial and procurement consulting related to the agency’s capital assets and capital program.



The supply budget in the Administration department includes many agencywide supply items such as standard office supplies, paper and toner for printers, and postage. These costs fluctuate year to year.

Finance and Administration Department Summary

This summary compares each budget center’s 2023 budget to its 2022 amended budget.

Budget Center ID	Description	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
64171	Finance and Accounting	2,764,202	2,849,410	2,996,055	3,296,451	300,396	10%
64172	Procurement	1,107,479	1,225,824	1,032,078	1,071,809	39,731	4%
64178	Parts Inventory	970,231	1,053,222	967,795	1,073,518	105,723	11%
64191	Administration	595,457	618,848	695,084	838,465	143,381	21%
Total: Operating Expense		5,437,369	5,747,304	5,691,012	6,280,243	589,231	10%

Discussions of each division’s 2023 budget and priorities follow.

Administration Division

In mid-2022, the Director of Administration position was repurposed as a Chief Financial Officer (CFO). The CFO leads the three divisions within the Finance and Administration Department and supports a collaborative, cross-functional approach across the agency. The CFO is the executive liaison for the Board of Directors' Finance, Performance, and Oversight Committee and the lead, at the Director level, for the annual budget process.

The division's administrative staff provide support throughout the department. In addition to providing professional administrative support to the CFO 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 2023 Budget

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	406,868	432,787	459,032	550,338	91,306	20%
Benefits	141,124	139,562	190,002	237,777	47,775	25%
Subtotal: Employee Expense	547,992	572,349	649,034	788,115	139,081	21%
Services	21,446	24,179	6,200	9,200	3,000	48%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	26,019	22,320	39,850	41,150	1,300	3%
Total: Operating Expense	595,457	618,848	695,084	838,465	143,381	21%

Employee expense represents 94 percent of the Administration budget. The 2022 budget authorized 5 FTEs. The 2023 budget adds one FTE: a project control analyst.

Of the remaining 6 percent of the total budget, 92 percent is attributable to the agency's postal needs. Postage, the postage meter rental fee and related supplies total \$46,350.

Administration Division 2023 Priorities

- Continue to respond to agency needs and to focus on continuous process improvement.

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, financial investing, and reporting to the FTA for the National Transit Database. This division also prepares quarterly financial reports, the annual proposed and adopted budget documents, and three reports which are audited annually: the Annual Comprehensive 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 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	1,769,692	1,820,527	1,907,755	2,047,006	139,251	7%
Benefits	671,812	679,202	738,426	832,470	94,044	13%
Subtotal: Employee Expense	2,441,504	2,499,729	2,646,181	2,879,476	233,295	9%
Services	301,629	330,689	331,611	403,975	72,364	22%
Intergovernmental Services	14,342	17,848	15,213	9,900	(5,313)	-35%
Supplies	6,726	1,143	3,050	3,100	50	2%
Total: Operating Expense	2,764,201	2,849,409	2,996,055	3,296,451	300,396	10%

Employee expense is the biggest cost driver for this division. The original 2022 budget authorized 21 FTEs. In midyear 2022, a senior accountant was added to this division, bringing the total staffing complement to 22. The 2023 budget does not include any additional FTEs.

For 2023, the operational portion of employee expense comprises 87 percent of the division budget, however, approximately 4 percent of total employee expense in this department has been redistributed to the capital program in support of the agency's many capital initiatives. This represents the time these employees spend working on activities associated with capital projects throughout the agency.

The table above shows only the operational portion of employee expense, while the next table shows total employee expense in both the operational fund (Fund 40) and the various capital funds.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	2,441,504	2,499,729	2,646,181	2,879,476	233,295	9%
Fund 42 Employee Expense		-	-	-	-	n/a
Fund 45 Employee Expense		-	40,324	66,284	25,960	64%
Fund 46 Employee Expense		-	40,324	-	(40,324)	-100%
Fund 48 Employee Expense		-	40,446	66,284	25,838	64%
Total: Personnel Expense	2,441,504	2,499,729	2,767,275	3,012,044	244,769	9%

After personnel expense, the largest expense in the Finance and Accounting budget remains armored car services for the ticket vending machines located on the Swift lines. Vault service with armored car pick-up, banking fees, and audit fees contribute \$306,000 to this budget and are the most significant expenditures. The 2023 budget also includes one-time costs for capital asset management consulting (\$67,500).

The remainder of the division budget funds a variety of smaller expenditures for items such as business and occupation tax on advertising revenue; license fees for coaches, Vanpool vans, DART, and support vehicles; check stock; W-2 wage and tax statement forms; coin counter maintenance services; and various sundry fees and items.

Finance and Accounting 2023 Priorities

- Implement electronic timesheets.
- Complete the 2022 Annual Comprehensive Financial Report.
- Complete required federal reporting for the Federal Transit Administration National Transit Database.
- Implement the 2023 annual budget and develop the 2024 budget.
- Work with a technical asset management consultant to implement best practices for our asset management programs.
- Utilize the budget system to automate budget status reports and other regularly accessed reports from PeopleSoft Financials.
- Review and propose solutions for agency financial systems.

Procurement Division

The Procurement division consists of two budget centers: Procurement and Parts Inventory.

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.

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 2023 Budget

The first table shows the division budget by budget center, and the second by category.

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
64172	Procurement	1,107,479	1,225,824	1,032,078	1,071,809	39,731	4%
64178	Parts Inventory	970,231	1,053,222	967,795	1,073,518	105,723	11%
<i>Total: Operating Expense</i>		<i>2,077,710</i>	<i>2,279,046</i>	<i>1,999,873</i>	<i>2,145,327</i>	<i>145,454</i>	<i>7%</i>

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	1,417,114	1,537,330	1,311,741	1,347,951	36,210	3%
Benefits	602,162	633,383	584,022	622,086	38,064	7%
<i>Subtotal: Employee Expense</i>	<i>2,019,276</i>	<i>2,170,713</i>	<i>1,895,763</i>	<i>1,970,037</i>	<i>74,274</i>	<i>4%</i>
Services	26,559	78,481	42,510	124,790	82,280	194%
Intergovernmental Services	-	-	1,600	-	(1,600)	-100%
Supplies	31,876	29,851	60,000	50,500	(9,500)	-16%
<i>Total: Operating Expense</i>	<i>2,077,711</i>	<i>2,279,045</i>	<i>1,999,873</i>	<i>2,145,327</i>	<i>145,454</i>	<i>7%</i>

Employee expense represents 92 percent of the Procurement Division’s operating budget, however, as shown in the table below, about 13 percent of total employee expense has been redistributed to the capital program. This represents the time that staff spend working on FTA Capital projects (Fund 45).

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	2,019,276	2,170,713	1,895,763	1,970,037	74,274	4%
Fund 42 Employee Expense		-	-	-	-	n/a
Fund 45 Employee Expense		-	246,867	303,414	56,547	23%
Fund 46 Employee Expense		-	-	-	-	n/a
Fund 48 Employee Expense		-	-	-	-	n/a
Total: Personnel Expense	2,019,276	2,170,713	2,142,630	2,273,451	130,821	6%

The original 2022 budget authorized 17 FTEs. In midyear 2022, one additional FTE was added to the division: an administrative assistant II for Parts Inventory, bringing the total FTE count to 18 for this division. No additional FTEs are proposed for 2023 for this division.

The remaining 8 percent of the operating budget is funds services (6 percent) and supplies (2 percent).

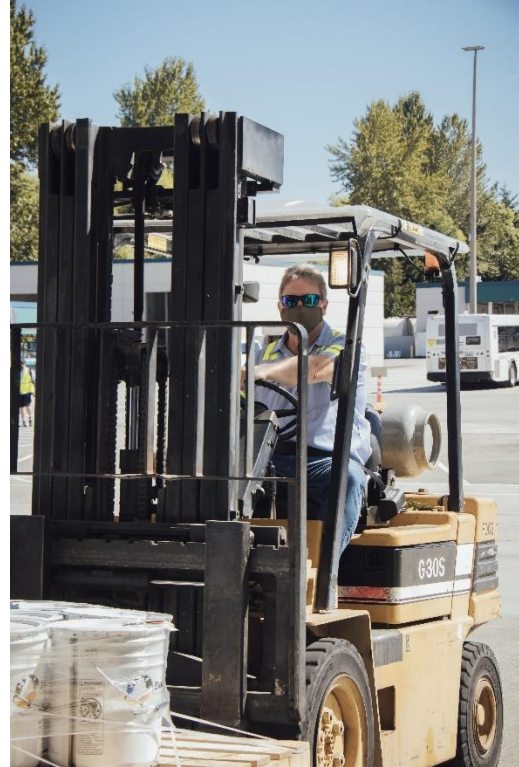
The services category includes printing expense for asset tags, parts requests forms, and agency stationery and business cards; title transfer fees for surplus vehicles; advertising fees required for bids and other legal reasons. In 2023, this category also includes professional services consulting fees, primarily related to the agency capital program.

The supplies category primarily funds standard business office supplies for the entire agency. These supplies include computer paper stock and toner as well as minor specialty items such as stamping supplies. The remainder of this budget includes funds for maintenance supplies and nonstandard supplies used by Parts Inventory staff.

Procurement 2023 Priorities

- Continue Ensuring 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.

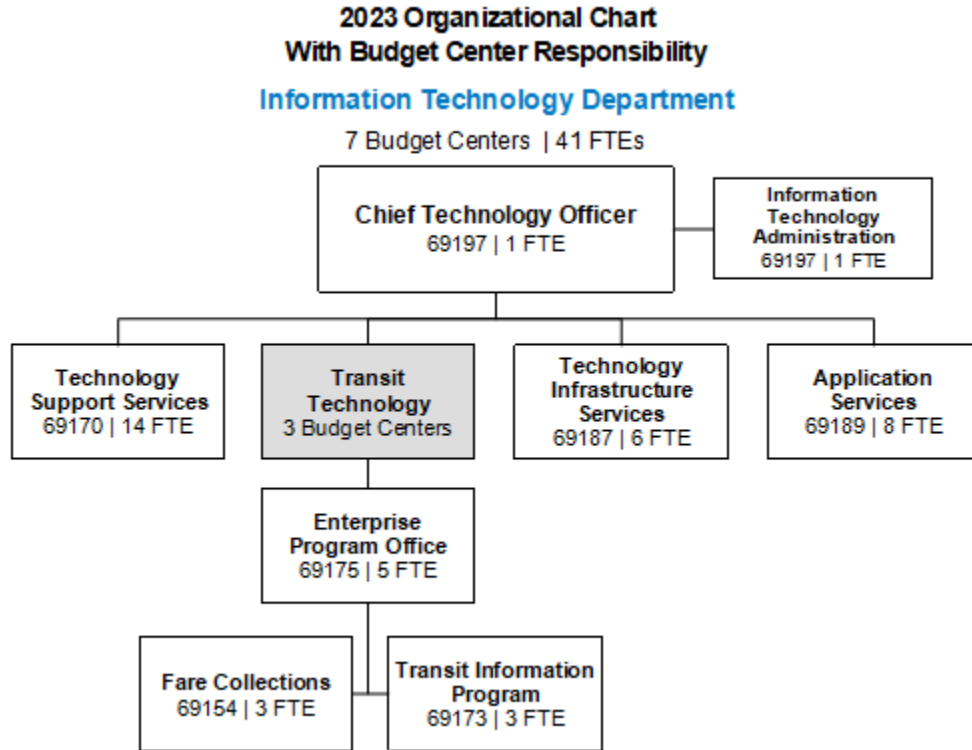
- Collaborate with the Capital Development team on the Swift Orange Line project development and base expansion/renovations projects.
- Improve PeopleSoft utilization in Procurement processes.
- Achieve Disadvantaged Business Enterprise¹ utilization goals on FTA-funded projects.



¹ Learn more about the FTA's Disadvantaged Business Enterprise (DBE) Program at <https://www.transit.dot.gov/dbe>

Information Technology Department

Today’s Information Technology Department supports agency innovation, operations, and lifecycle replacement. We stay abreast of technology changes, evolve solutions, and deliver excellent service and support to enable staff to deliver on Community Transit’s mission.



The department consists of five divisions: Information Technology Administration, Application Services, Technology Infrastructure Services, Technology Support Services, and Transit Technology. These groups individually and collectively identify, evaluate, implement, and maintain technical solutions for Community Transit’s current and future systems.

This work directly supports all departments and includes transit applications on board our fleet, dispatch systems, business applications, customer applications, and technology at our stops and stations. Some examples of the work Community Transit’s IT department delivers and supports:

- For customers: ORCA fare payment system, agency website, Trip Planner, real time signage indicating next bus departure status, ticket vending machines, and automated stop announcements.
- For operations: communications technology for dispatchers, transportation supervisors and coach operators; fleet maintenance management and workforce management systems for Transportation and Maintenance.

- For staff: financial systems, human capital management systems, data management systems, productivity tools, and a variety of other applications to support specific business needs.

We also build, maintain, and operate the technology infrastructure that makes delivery of all these systems possible.

Our purpose is to evolve technology-based services to 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 any number of commercially available transit mobile apps. The goal is to make riding transit easy, convenient, and safe.

Major Department Accomplishments for 2022

- Launched the Next Generation ORCA system and decommissioned the legacy ORCA system.
- Moved the headquarters staff and the agency datacenter to the new Cascade building.
- Completed draft recommendations for a zero emissions study in partnership with the Planning Department.
- Launched the new corporate website in partnership with the Customer Experience Department.
- Developed and implemented the enterprise portfolio project prioritization model.
- Provided day-to-day operational support of APTS, Next Generation ORCA, Automated Travel Information System (ATIS), General Transit Feed Specification¹ (GTFS/GTFS-RT) and geographic information system (GIS) mapping-based data for all service changes and updates.
- Completed evaluation of Swift ticket vending machine options and selected a new model for Swift Orange Line and Blue Line replacement.
- Completed procurement for next-generation wayside signage technology.
- Assumed responsibility for the agency's paper records center.
- Completed migration to Office 365. This service includes Teams, which replaced the prior instant messaging platform (Slack was decommissioned).

¹ 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.

Department Priorities for 2023

- Establish a secondary datacenter in the renovated newly renovated Merrill Creek Transportation and Customer Care building (formerly the Administration building) and move CIS and Transportation staff to this location. Identify, install, and configure all audio-visual needs for this new facility.
- Develop a strategic plan for Zero Emissions in partnership with the Planning Department and identify program initiatives. Deliver a technology recommendation to the Board of Directors.
- Rebuild the data program to allow staff to accomplish more analytics with a higher level of efficiency, consistency, and repeatability.
- Develop and implement a virtual ORCA card solution to allow customers to use their phone to pay fares.
- Provide technical and development support in partnership with the Customer Experience Department for continuous delivery of new and improved personalization features of the agency's corporate website.
- Implement disaster recovery as a service to protect Community Transit data and application services from a regional disaster (carried forward from 2022).
- Procure and implement wayside digital signage on the Swift Orange Line.
- Procure and implement onboard digital signage on the Swift fleet.
- Complete a cleanup of the agency's paper records in alignment with the retention guidelines provided by the Washington State Archives.

Information Technology Department 2023 Budget

The Information Technology budget supports the agency’s vision and mission by providing the necessary technology, data and support to staff and customers to make travel easy for everyone.

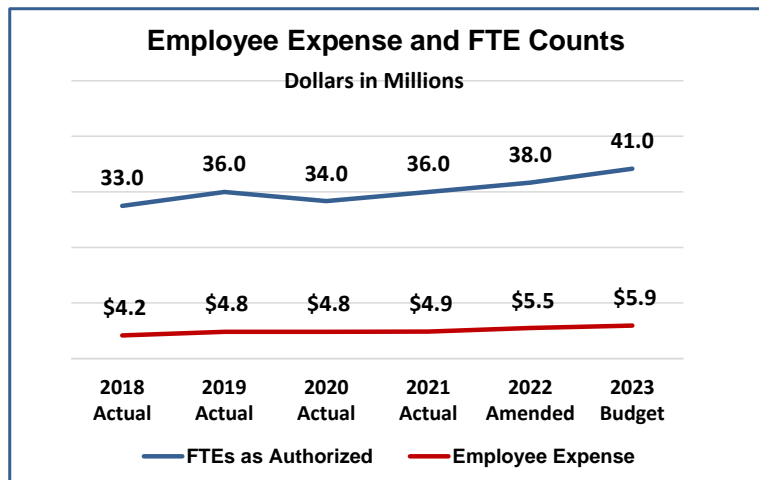
Innovation, sustainability, and deploying a green fleet are strategic priorities for Community Transit, and the Information Technology Department’s 2023 budget fully supports these goals. This budget allocates funds for customer-facing innovations such as a virtual ORCA fare-payment card, project support for the zero emissions program, and enhanced business intelligence options which allow for continuous improvement in operational efficiency and important enhancements for our customers and to our service planning capabilities.

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	3,533,722	3,575,043	2,754,471	2,962,522	208,051	8%
Benefits	1,281,870	1,307,305	997,720	1,144,709	146,989	15%
Subtotal: Employee Expense	4,815,592	4,882,348	3,752,191	4,107,231	355,040	9%
Services	3,638,485	3,583,187	4,256,763	4,811,698	554,935	13%
Intergovernmental Services	409,169	420,477	544,169	13,250	(530,919)	-98%
Supplies	126,168	189,418	297,948	278,137	(19,811)	-7%
Total: Operating Expense	8,989,414	9,075,430	8,851,071	9,210,316	359,245	4%

Salaries, Wages, and Benefits

In prior years, employee expense in this department ranged from 47 to 54 percent of the department’s budget, and all employee expense was budgeted as an operational expense through the General Fund (Fund 40). Beginning with the 2022 budget, some employee expense is budgeted in the capital program, which more accurately reflects the operational/capital program work distribution of employees in this department.

In midyear 2022, 1 FTE was added to this department, an IT project assistant for the zero emissions program. This position was repurposed from a vacant position in the Transportation Department.



The 2023 budget adds 3 additional FTEs to the department, bringing the total FTE count to 41. The additional positions are as follows:

- in the Application and Data Services group, one data warehouse specialist
- in the Technology Support Services Group, two administrators: one IT and service desk administrator and one IT and transit applications administrator.

The operational portion of employee expense (shown in the table above) comprises 45 percent of the department budget. However, as shown in the table below, \$1.84 million in Information Technology employee expense has been distributed to various funds in the capital program in support of the agency’s capital initiatives. Total Information Technology employee expense will increase by 8 percent to support agency needs in both operations and the capital program.

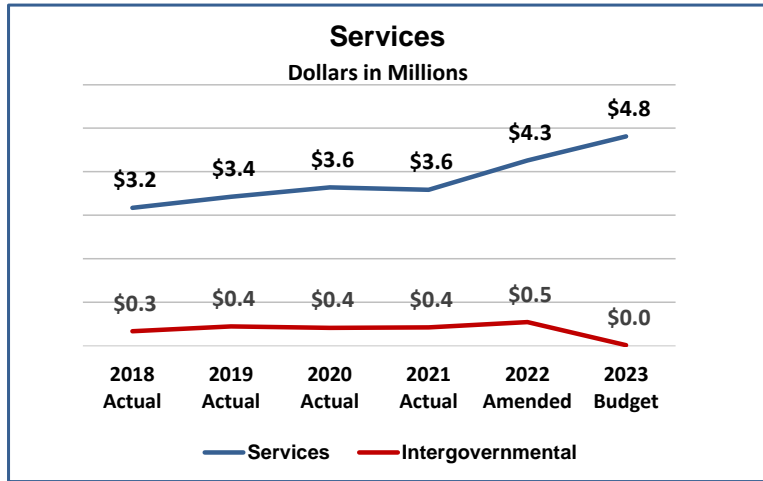
<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	4,815,592	4,882,348	3,752,191	4,107,231	355,040	9%
Fund 42 Employee Expense	-	-	-	188,226	188,226	n/a
Fund 45 Employee Expense	-	-	-	-	-	n/a
Fund 46 Employee Expense	-	-	1,533,857	810,962	(722,895)	-47%
Fund 48 Employee Expense	-	-	211,700	843,354	631,654	298%
Total: Personnel Expense	4,815,592	4,882,348	5,497,748	5,949,773	452,025	8%

Services

The Services category amounts to 52 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 (33 percent), software leases (44 percent), and telephone and data services (14 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. In 2023, a portion of ORCA fees are included in this category.

Use of cloud services for software is a forward focus of the agency, and the 2023 budget reflects an 18 percent increase in leased software services. Using software as a service enables the agency to have access to the full range of software tools required to operate in a complex business and regulatory environment. The 2023 budget includes over 90 software-as-a-service leases. The four largest leases include Microsoft Enterprise licensing, the agency budgeting system, the Interact employee communications system, and the passenger information control system. These four leases total \$726,400 and represent 34 percent of total software lease expense.



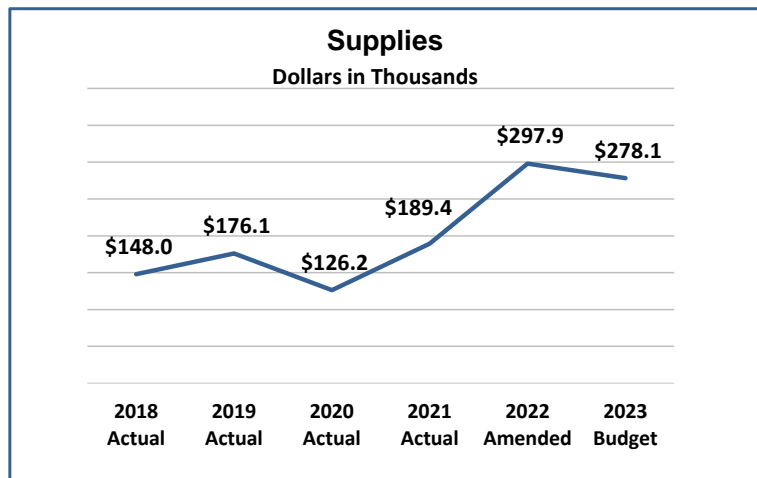
Telephone and data services account for 14 percent of this department’s services budget. These services support network fleet monitoring, cellular and land-line services, wireless services, and underground tank monitoring services.

Intergovernmental Services

This budget reflects expenses related to ORCA operations that, in past years, were paid to Sound Transit (Sound Transit acted as the ORCA fiscal agent) and to Snohomish County for internet service provider fees. In 2023, ORCA fees are included in the Capital Project budget to better track expenses associated with upgrading to Next Generation ORCA; this project is about a year out from final acceptance. This leaves internet service provider fees (\$13,250) to Snohomish County as the remaining expense in Intergovernmental Services.

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.



Information Technology Division Summary

This summary compares each budget center’s 2023 budget to its 2022 amended budget.

Budget Center ID	Description	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
69101	Wireless Communications	110,356	111,663	0	0	0	n/a
69126	Radio Operations	484,045	209,751	0	0	0	n/a
69154	Fare Collections Program	840,879	924,918	811,377	288,884	(522,493)	-64%
69170	Technology Support Services	2,610,784	2,820,094	3,387,862	3,604,422	216,560	6%
69173	Transit Information Program	369,027	380,811	98,864	41,511	(57,353)	-58%
69175	Enterprise Program Office	572,404	561,728	508,259	477,543	(30,716)	-6%
69187	Technology Infrastructure Services	1,169,178	1,512,506	1,451,781	1,775,638	323,857	22%
69189	Application Services	2,102,696	2,175,836	2,210,030	2,624,781	414,751	19%
69197	Information Technology Administration	730,045	378,124	382,898	397,537	14,639	4%
Total: Operating Expense		8,989,414	9,075,431	8,851,071	9,210,316	359,245	4%

Discussions of each division’s budget and 2023 priorities follow.

Information Technology Administration Division

The Information Technology Administrative Division includes the Chief Technology Officer and the Technology Support Specialist who provides administrative 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 policies to meet current and long-term agency needs.

Information Technology Administration 2023 Budget

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	475,437	278,516	279,154	285,276	6,122	2%
Benefits	167,737	96,321	98,094	103,410	5,316	5%
Subtotal: Employee Expense	643,174	374,837	377,248	388,686	11,438	3%
Services	86,411	3,200	5,250	8,450	3,200	61%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	460	87	400	401	1	0%
Total: Operating Expense	730,045	378,124	382,898	397,537	14,639	4%

Employee expense comprises 98 percent of this budget. The remainder of the budget includes funds for nonstandard office supplies, meeting supplies, travel to industry conferences, and other similar administrative items.

Information Technology Administration 2023 Priorities

- Prioritize, coordinate, and sponsor:
 - Zero Emissions program work in partnership with the Planning Department.
 - Ongoing daily operations with Transportation, Maintenance, and the Safety, Security, and Sustainability Departments.
 - The move of staff and technology to the newly renovated Merrill Creek Transportation and Customer Care building (formerly the Administration building) as part of the Facility Master Plan in partnership with the Planning Department.
 - Enhancement of the agency website in partnership with the Customer Experience Department.
 - Ongoing enhancement of the ORCA system in partnership with regional partners².
 - Portfolio (projects and programs) prioritization for the agency.

² For more information about the ORCA program, please visit <https://www.myorca.com/>.

Application and Data Services Division

The Application and Data 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 (of routes, crew, and vehicles). Additionally, Application and Data Services staff improve and maintain agencywide financial, human resources, budgeting, and business intelligence systems.

This division is responsible for developing and maintaining a data warehouse in support of the agency’s data analytics and reporting. Underlying these systems are the agency’s database management systems (Oracle and Microsoft) which are also managed by Application and Data 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 and Communications and Public Affairs Departments. The Application and Data Services Division provides technical services, support, and project management for many capital projects.

Application and Data Services 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	652,566	685,705	502,273	647,643	145,370	29%
Benefits	227,663	239,502	170,087	241,028	70,941	42%
Subtotal: Employee Expense	880,229	925,207	672,360	888,671	216,311	32%
Services	1,222,467	1,250,628	1,537,170	1,735,610	198,440	13%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	-	-	500	500	-	0%
Total: Operating Expense	2,102,696	2,175,835	2,210,030	2,624,781	414,751	19%

Expenses in the services category contribute 66 percent to the total division budget. The services category is split almost entirely between software leases (66 percent) and contract maintenance (32 percent), with the remaining 2 percent in miscellaneous professional services. The contract maintenance and software leases budgeted in this division focus on the business processes which other departments in the agency use to do their work. Examples include contract maintenance for financial and human resources software, route scheduling software, and software used for vehicle operations. Leased software includes mapping software, services required to process credit card transactions, the agency learning management software, and the agency budget system.

Employee expense comprises most of the remainder of this budget, with less than 1 percent of the budget allocated for supplies.

The 2023 budget adds one data warehouse specialist FTE to the staffing complement of this division, bringing the total FTE count to eight.

As shown in the table below, approximately 27 percent of employee expense in this division has been redistributed to the capital program in support of the agency’s many capital initiatives. The following table shows the total employee expense across all funds.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	880,229	925,207	672,360	888,671	216,311	32%
Fund 42 Employee Expense	-	-	-	128,305	128,305	n/a
Fund 45 Employee Expense	-	-	-	-	-	n/a
Fund 46 Employee Expense	-	-	447,871	201,522	(246,349)	-55%
Fund 48 Employee Expense	-	-	-	-	-	n/a
Total: Personnel Expense	880,229	925,207	1,120,231	1,218,497	98,266	9%

Application and Data Services 2023 Priorities

- Rebuild the data program to allow staff to accomplish more analytics with a higher level of efficiency, consistency, and repeatability.
- Provide technical and development support for continuous delivery of new and improved features of the agency’s corporate website. This is an ongoing effort to keep the website fresh and relevant and to provide the best experience for the agency’s customers.
- Maintain software currency. Stay current on application and database management systems and provide operational support for agencywide software systems.
- Provide operational services and support of the agency’s applications and data assets.
- Continue to migrate internal transit information systems to use General Transit Feed Specification³ (GTFS) to ensure customers are receiving consistently accurate information. This is a multiyear effort.

³ 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.

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.

This division is also responsible for agencywide digital security. This includes insuring effective and appropriate security controls are in place and verified periodically. The manager of the division serves as the chief information security officer, and is responsible for managing, adapting, and improving an information security program. This program stays current with existing and emerging threat vectors, collects and acts upon threat intelligence, identifies and mitigates vulnerabilities, and generally enhances the agency’s digital security.

Technology Infrastructure Services staff are responsible for managing all datacenter 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 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	483,836	612,310	525,672	584,158	58,486	11%
Benefits	177,312	230,745	179,744	211,360	31,616	18%
Subtotal: Employee Expense	661,148	843,055	705,416	795,518	90,102	13%
Services	482,361	631,694	697,865	932,870	235,005	34%
Intergovernmental Services	18,886	13,835	14,500	13,250	(1,250)	-9%
Supplies	6,783	23,921	34,000	34,000	-	0%
Total: Operating Expense	1,169,178	1,512,505	1,451,781	1,775,638	323,857	22%

Expenses in the Services category contribute about 53 percent to the total division budget. Telephone and data services makes up 44 percent of the services category, followed by

software-as-a-service leases (20 percent), contract maintenance (17 percent), rentals related to data services (13 percent), and professional and other miscellaneous expenses (6 percent).

Employee expense comprises 45 percent of this budget. However, as shown in the table below, approximately 21 percent of employee expense in this division has been redistributed to the capital program in support of the agency’s many capital initiatives.

The following table shows the total employee expense across all funds.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	661,148	843,055	705,416	795,518	90,102	13%
Fund 42 Employee Expense	-	-	-	-	-	n/a
Fund 45 Employee Expense	-	-	-	-	-	n/a
Fund 46 Employee Expense	-	-	200,835	122,139	(78,696)	-39%
Fund 48 Employee Expense	-	-	91,180	92,560	1,380	2%
Total: Personnel Expense	661,148	843,055	997,431	1,010,217	12,786	1%

Technology Infrastructure Services 2023 Priorities

- Support the design and build of Facilities Master Plan projects including Merrill Creek Transportation and Maintenance buildings, a new storage and training facility, and the RideStore.
- Implement disaster recovery as a service protecting Community Transit data and application services from a regional disaster (carried forward from 2022.)
- Implement an identify and access management solution including a review and revision to password policies and auditing (carried forward from 2022.)
- Implement a new cloud backup service to replace Cloud DVX (Distributed Virtual eXperience).
- Upgrade all systems running Microsoft Server 2012.
- Continue to manage and support data and voice communications for coaches, supervisor vehicles, and Swift stations. This work represents ongoing activity to support these key systems.
- Continue replacement of end-of-life network, server, and storage hardware and operating systems to ensure maximum availability, capability, and security. This work represents ongoing activity.

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 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 General Transit Feed Specification (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 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	962,738	1,051,101	1,005,366	1,060,449	55,083	5%
Benefits	373,689	412,967	384,963	436,529	51,566	13%
Subtotal: Employee Expense	1,336,427	1,464,068	1,390,329	1,496,978	106,649	8%
Services	1,155,540	1,191,933	1,735,485	1,866,008	130,523	8%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	118,817	164,093	262,048	241,436	(20,612)	-8%
Total: Operating Expense	2,610,784	2,820,094	3,387,862	3,604,422	216,560	6%

Expenses in the services category contribute 52 percent to the total division budget. Within the services category, contract maintenance services contribute 35 percent, software leases 42 percent, telephone and data services 13 percent, and professional, temporary, and miscellaneous other services comprise the remainder of services expenses.

The supplies budget includes replacement of phones, desk computers and laptops, printers, headsets, and other like minor equipment, and amounts to 7 percent of the total department budget.

The 2023 budget adds two FTEs to this division: one IT and service desk administrator, and one IT and transit applications administrator, bringing the total FTE count to 14.

Employee expense comprises just under 42 percent of this division’s operating budget. However, as shown in the table below, approximately 15 percent of employee expense in this division has been redistributed to the capital program in support of the agency’s many capital initiatives.

The following table shows the total employee expense across all funds.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	1,336,427	1,464,068	1,390,329	1,496,978	106,649	8%
Fund 42 Employee Expense	-	-	-	-	-	n/a
Fund 45 Employee Expense	-	-	-	-	-	n/a
Fund 46 Employee Expense	-	-	207,168	53,580	(153,588)	-74%
Fund 48 Employee Expense	-	-	-	211,931	211,931	n/a
Total: Personnel Expense	1,336,427	1,464,068	1,597,497	1,762,489	164,992	10%

Technology Support Services 2023 Priorities

- Provide day-to-day operational support of APTS, Next Generation ORCA, Automated Travel Information System (ATIS), General Transit Feed Specification⁴ (GTFS/GTFS-RT) and geographic information system (GIS) mapping-based data for all service changes and updates.
- Lead the effort to identify, install and configure all audio-visual needs for the newly renovated Merrill Creek Transportation and Customer Care facility (formerly the Administration building).
- Provide operational and technical implementation support of various Transit Technology programs, including the planned upgrade of APTS back-end technologies.

⁴ 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.

- Provide agencywide service desk support and network operations center monitoring and response, including 24/7/365 support for urgent items.
- Provide agencywide end-user device build and deployment services, support, and administration (includes all virtual desktops [and underlying infrastructure], physical desktops, laptops, mobile phones and copiers/printers).
- Lead Community Transit's IT service management program forward.
- Monitor and respond to identified potential security threats, including investigation and mitigation of all phishing attempts. Maintain security patching on all agency computers, both virtual and physical.
- Update and maintain the integrity of GIS data and administer Community Transit's ArcGIS Enterprise system, which serves as a living library of authoritative GIS data.
- Administer and support Community Transit telephone services agencywide, including maintaining Voice over Internet Protocol (VoIP) phone system currency. Research and identify a new telephone system to replace the existing system (which is near end of life with no direct replacement available).
- Administer various agencywide collaboration platforms, including Zoom and Teams.

Transit Technology Division

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

Enterprise Program Office

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 improvement of agencywide work including business process improvement, information governance, paper records center administration, 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 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, Regional ORCA Operations Team, ORCA Regional

Program Team, 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 focuses on improvements and innovations to the agency's customer-facing service data, applications, and systems, with core focuses on Open Data (static and real-time service data) and the computer-aided dispatch, automated vehicle location (CAD/AVL) product suite. The program engages with key business stakeholders to develop projects and feasibility studies supporting these core competencies. Key accomplishments include the launch of the Passenger Information Control System, General Transit Feed Specification (GTFS/GTFS-RT), Open Trip Planner pilot, and next-generation digital signage.

Zero Emissions Program

The zero emissions program facilitates research, consulting, planning and implementation for the agency's planned migration to a zero emissions fleet. The program contains staff support for program and project management.

Transit Technology 2023 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
69101	Wireless Communications	110,356	111,663	0	0	0	n/a
69126	Radio Operations	484,045	209,751	0	0	0	n/a
69154	Fare Collections Program	840,879	924,918	811,377	288,884	(522,493)	-64%
69173	Transit Information Program	369,027	380,811	98,864	41,511	(57,353)	-58%
69175	Enterprise Program Office	572,404	561,728	508,259	477,543	(30,716)	-6%
Total: Operating Expense		2,376,711	2,188,871	1,418,500	807,938	(610,562)	-43%

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	959,146	947,411	442,006	384,996	(57,010)	-13%
Benefits	335,468	327,769	164,832	152,382	(12,450)	-8%
Subtotal: Employee Expense	1,294,614	1,275,180	606,838	537,378	(69,460)	-11%
Services	691,706	505,732	280,993	268,760	(12,233)	-4%
Intergovernmental Services	390,283	406,642	529,669	-	(529,669)	-100%
Supplies	107	1,317	1,000	1,800	800	80%
Total: Operating Expense	2,376,710	2,188,871	1,418,500	807,938	(610,562)	-43%

Beginning in 2023, ORCA operational expenses previously paid to Sound Transit, who acted as the regional fiscal agent for the ORCA fare system, are no longer included in the department's Intergovernmental Services budget. Instead, the fee is included in the Capital Project budget to better track expenses associated with upgrading to Next Generation ORCA; this project is about a year out from final acceptance.

Expenses in the services category contribute 33 percent to the total division budget and consist of contract maintenance services for ORCA, ticket vending machines, extended warranty and maintenance for alarms and credit card processing, transit signal priority, and professional services for light detection and ranging (LIDAR) scan to ensure correct locations of our bus stops, and other services related to the commissioning of new coaches.

Less than 1 percent of the division budget is allocated to supplies.

The remainder of the budget in this division funds employee expenses. In midyear 2022, one additional FTE was added to this division: an IT project assistant in support of the zero emissions program. The 2023 budget does not add additional staffing to this division.

Employee expense comprises nearly 67 percent of this division’s operational budget, however, as shown in the table below, approximately 66 percent of employee expense in this division has been redistributed to the capital program in support of the agency’s many capital initiatives. The following table shows the total employee expense across all funds.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	1,294,614	1,275,180	606,838	537,378	(69,460)	-11%
Fund 42 Employee Expense	-	-	-	59,921	59,921	n/a
Fund 45 Employee Expense	-	-	-	-	-	n/a
Fund 46 Employee Expense	-	-	677,983	433,722	(244,261)	-36%
Fund 48 Employee Expense	-	-	120,520	538,863	418,343	347%
Total: Personnel Expense	1,294,614	1,275,180	1,405,341	1,569,884	164,543	12%

Transit Technology 2023 Priorities

Enterprise Program Office

- Complete a cleanup of the agency's paper records in alignment with retention guidelines provided by the Washington State Archives.
- Implement process improvements to streamline collecting, storing, retrieving, and disposing the agency's paper records in accordance with applicable retention guidelines.
- Develop and publish user-friendly tools to help staff properly manage their paper and electronic records.
- Rollout the agency's strategic portfolio, making the agency's highest priority projects visible to all staff and supporting resource managers in allocating staff resources to those key initiatives.
- Continue to improve business planning processes such as annual business planning, project prioritization, portfolio management, and the project proposal process.
- Develop a business planning strategic plan and roadmap. Implement process improvement and change management training.
- Continue to lead service change delivery.

Fare Collection Program

- Complete phase one of the Next Generation ORCA system and achieve full system acceptance.
- Develop and implement a virtual ORCA card solution to allow customers to use their phone to pay fares.
- Prioritize and begin Next Generation ORCA phase 2 projects.
- Procure Swift ticket vending machines for Swift Orange Line, and replacement of Swift Blue Line units.
- Coordinate implementation of transit signal priority along the Swift Orange Line corridor.

Transit Information Program

- Improve the computer-aided dispatch and automatic vehicle location (CAD/AVL) user interface to enhance user experience and increase efficiency.

- Implement a machine-learning departure prediction algorithm to improve customer-facing real-time data.
- Support Swift Program technology.
- Support regional data initiatives.
- Procure and implement wayside digital signage on the Swift Orange Line.
- Procure and implement onboard digital signage on the Swift fleet.
- Launch a video management system.
- Research and recommend a solution for an ongoing roadside asset imagery program.
- Launch Transit Information Program Research Fund activities, including research/pilots for real-time occupancy status and wheelchair and bike data.

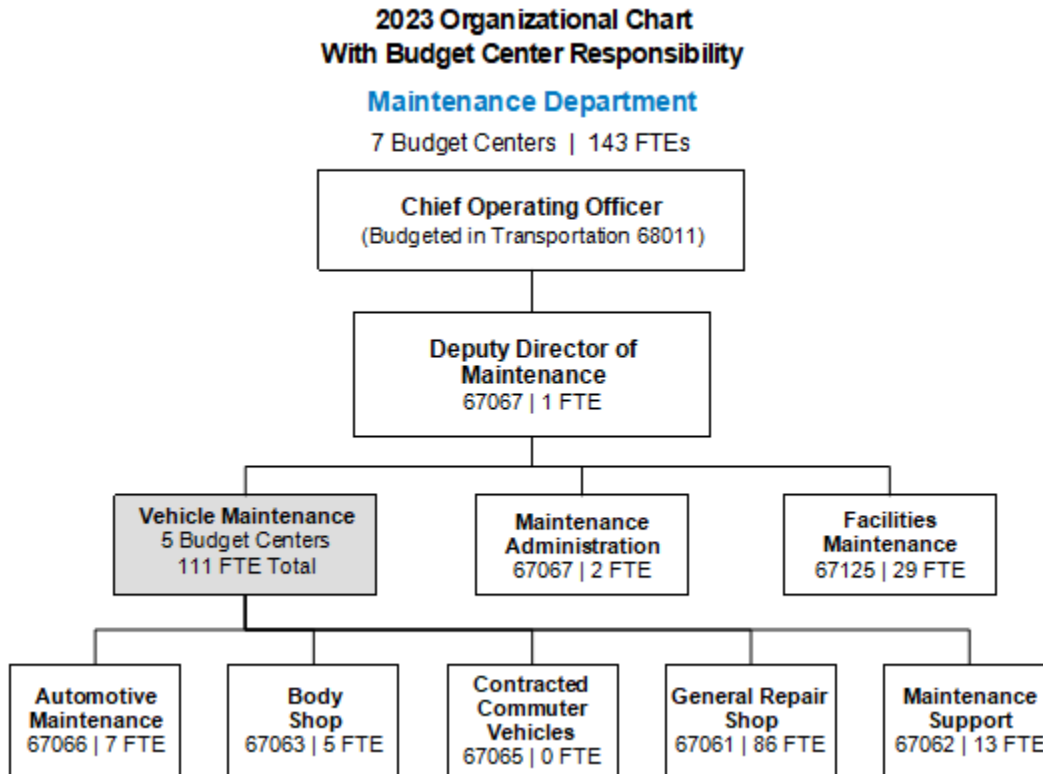


Zero Emissions Program

- Deliver a technology recommendation to the Board of Directors. Refine the recommendation including development of a concept of operations.
- Pilot zero emissions bus(es).
- Develop a strategic plan and identify program initiatives.
- Develop a roll out plan, grant strategy and begin a transition plan.

Maintenance Department

The Maintenance Department includes three divisions: Vehicle Maintenance, Facilities Maintenance, and Maintenance Administration. 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, and the Maintenance Department works to ensure this investment is well managed. 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 2022

- Provided ongoing support for COVID-19 related changes including daily disinfecting of vehicles and supplying disposable masks on coaches.
- 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.
- Supported agency zero-emission feasibility study initiatives.

Fleet

- Planned and coordinated building maintenance and construction requirements and changes to accommodate fleet parking and maintenance during the building expansion at the Merrill Creek Maintenance facilities.
- Maintained the directly operated coach fleet and nonrevenue vehicles.
- Provided oversight (safety Inspections) of commuter and paratransit vehicles maintained and operated by our contracted service providers.
- Received, inspected, and prepared for service 8 sixty-foot coaches for directly operated service and 13 replacement DART vehicles for paratransit service.
- Transitioned retiring vehicles to contingency fleet, surplus, or transfer as appropriate.



Facilities

- Provided support to various departments for the remodel of the Kasch Park Casino Road property.
- Provided support for the construction project for the Maintenance building expansion.
- Continued to participate in the design, planning, and implementation of the Swift Orange Line.

Department Priorities for 2023

- 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.

- Research additional ways to make transit safer and more reliable for our customers.
- Continue to provide safe, clean, disinfected, and reliable vehicles and facilities for customers and staff.
- Continue supporting agency efforts in the zero-emission feasibility study.
- Continue refining key performance indicators to provide performance oversight and highlight opportunities for improvements.

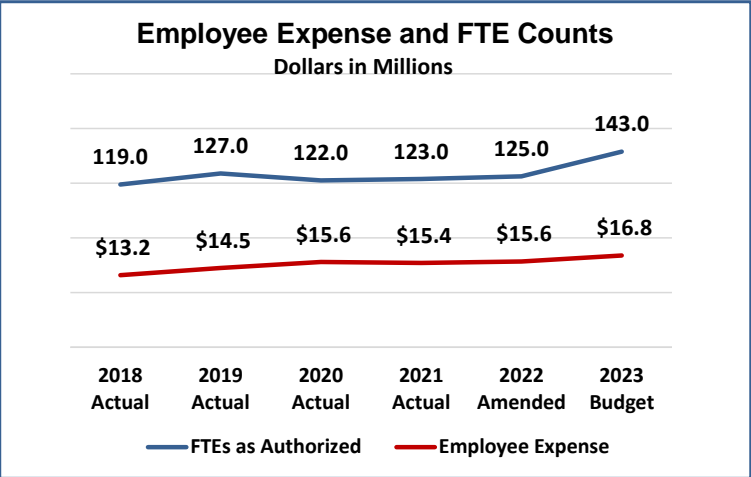
Maintenance Department 2023 Budget

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.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	10,452,471	10,499,243	10,524,021	11,238,931	714,910	7%
Benefits	5,122,686	4,902,555	5,048,905	5,441,346	392,441	8%
Subtotal: Employee Expense	15,575,157	15,401,798	15,572,926	16,680,277	1,107,351	7%
Services	2,722,730	2,712,545	3,249,930	3,658,830	408,900	13%
Intergovernmental Services	55,778	55,169	69,600	74,700	5,100	7%
Supplies	4,883,393	5,126,469	6,185,556	7,048,478	862,922	14%
Total: Operating Expense	23,237,058	23,295,981	25,078,012	27,462,285	2,384,273	10%

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 61 percent of the department’s total Fund 40 operating budget. The 2022 original budget authorized 125 FTES for the Maintenance Department. The 2023 budget funds a total of 143 FTES. The additional positions are budgeted in the General Repair Shop (15 FTES) and Facilities Maintenance (3 FTES) to support agency and fleet growth.



Prior to 2022, all employee expense was budgeted in the General Fund (Fund 40), which provides for operational expenses. Beginning in 2022, the agency Executive Leadership Team made the decision to redistribute employee expense to portions of the capital program as well as to operations. This redistribution more accurately reflects employee expense associated with operations and with the agency capital program. In this department, capital employee expense is related to federally funded bus purchases.

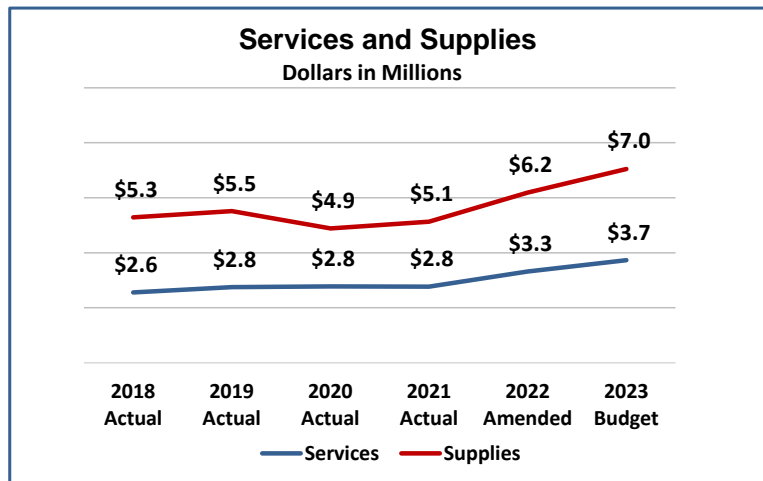
The chart above shows total employee expense in all funds. The table below shows the distribution of employee expense across all funds.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	15,575,157	15,401,798	15,572,926	16,680,277	1,107,351	7%
Fund 42 Employee Expense	-	-	-	-	-	n/a
Fund 45 Employee Expense	-	-	68,077	83,988	15,911	23%
Fund 46 Employee Expense	-	-	-	-	-	n/a
Fund 48 Employee Expense	-	-	-	-	-	n/a
Total: Personnel Expense	15,575,157	15,401,798	15,641,003	16,764,265	1,123,262	7%

Services

The services category represents 13 percent of the Maintenance Department budget. Utilities and contract maintenance services are the primary cost drivers in this category. Utility costs comprise 26 percent of the services budget and amount to \$951,000, an increase of \$100,000 as compared to the 2022 budget. The increase can be attributed in part to more utility usage as many employees who had been working from home return to base.

The other large cost driver within the Maintenance Department service budget is contract maintenance, which makes up 71 percent of the department’s services budget. The 2023 budget for contract maintenance is \$2.6 million, an increase of just under \$295,000 as compared to the 2022 amended budget.



Janitorial services for bus stops and shelters, cleaning and disinfecting the interior of vehicles, and building janitorial services are the largest expenses, totaling about 1.6 million, or 60 percent of the entire contract

maintenance budget. Hazardous waste disposal, snow removal, and job order contracting for unanticipated and emergency repairs comprise 12 percent of the contract maintenance budget. The remainder of the contract maintenance budget funds services including landscaping, lot sweeping, and pest control, as well as inspections, monitoring, and service for elevators, the HVAC system, hoist and crane lifts, underground storage tanks, and more.

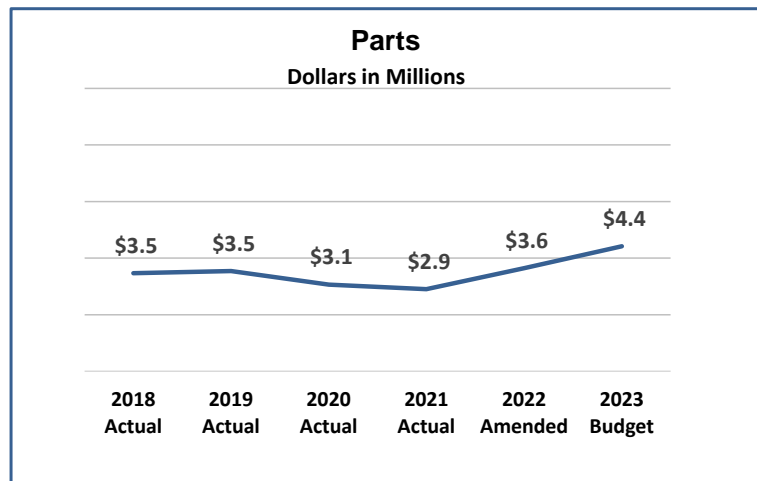
Intergovernmental Services

The Maintenance Department includes a small intergovernmental services budget that covers expenditures associated with permits, other government fees, and surface water management assessments. The 2023 budget for these fees is \$74,700.

Supplies

The supply category includes motor fuel for support vehicles; oil, lubricants, parts, and tires for all vehicles; and general maintenance supplies.

The parts budget represents 63 percent of the supplies budget and is the largest line item in that category. Parts are budgeted at \$4.4 million, an increase of \$773,000 as compared to the 2022 budget. The increase is partially due to midlife rebuilds on aging vehicles and parts needed to onboard new vehicles.



The 2023 budget for support vehicle motor fuel is slightly more than 3 percent of the supply budget. This budget line includes \$5,400 for propane used as an alternate fuel in some vehicles; however, the bulk of the budget is for support vehicle fuel which is budgeted at \$233,650 for 49,700 gallons of gasoline at \$4.50 per gallon. Although fuel costs have increased, gasoline use for support vehicles is anticipated to be less than in previous years, and so the fuel budget for 2023 has decreased by about 35 percent as compared to 2022. This reduction in use is due in part to changing driving patterns and the use of vehicles with higher MPG ratings.

Maintenance Department Budget Center Summary

This summary compares each budget center's 2023 budget to its 2022 amended budget.

Budget Center ID	Description	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
67061	General Shop	13,787,096	13,463,010	14,219,071	15,985,099	1,766,028	12%
67062	Maintenance Support	1,463,202	1,405,345	1,751,378	1,773,484	22,106	1%
67063	Body Shop	727,781	777,600	755,763	783,080	27,317	4%
67065	Contracted Commuter Vehicles	156,810	172,732	211,500	297,922	86,422	41%
67066	Automotive Maintenance	1,521,924	1,702,538	1,517,843	1,424,348	(93,495)	-6%
67067	Maintenance Administration	542,807	545,180	484,812	502,972	18,160	4%
67125	Facilities Maintenance	5,037,439	5,229,578	6,137,645	6,695,380	557,735	9%
Total: Operating Expense		23,237,059	23,295,983	25,078,012	27,462,285	2,384,273	10%

Discussions of each division's budget and 2023 priorities follow.

Maintenance Administration Division

The Maintenance Administration Division supports the day-to-day operations of Community Transit. The maintenance of all vehicles 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 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	400,371	420,802	337,980	343,974	5,994	2%
Benefits	133,384	122,837	120,852	128,743	7,891	7%
Subtotal: Employee Expense	533,755	543,639	458,832	472,717	13,885	3%
Services	8,757	1,541	25,280	29,555	4,275	17%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	294	-	700	700	-	0%
Total: Operating Expense	542,806	545,180	484,812	502,972	18,160	4%

Personnel expenditures represent 94 percent of this budget. Staffing in this division for 2023 remains consistent with 2022 at 3 FTEs. The services and supplies categories together are 6 percent of the budget, and include meeting expenses, nonstandard office equipment and supplies, and funds for travel and registration fees for maintenance staff to participate in the state and local Rodeo events.

Maintenance Administration 2022 Accomplishments

- Partnered with Procurement to transition to a new fuel vendor.
- Built daily reporting tools to assist the Chief Operating Officer with daily oversight.
- Directed the purchase and delivery of buses and support vehicles.
- Ordered 11 DART vehicles and 21 sixty-foot bus rapid transit coaches.
- Directed, coordinated, and managed the activities of the Maintenance Department. Worked with and supported projects and activities of other departments in the company.
- Contributed to the FTA Triennial Review.
- Contributed to the updated Transit Asset Management Plan.

Maintenance Administration 2023 Priorities

- Direct the purchase and delivery of buses and support vehicles.
- Direct, coordinate, and manage the activities of the Maintenance Department. Work in coordination with other departments to support projects and activities throughout the agency.
- Prepare and manage the Kasch Park Operating Base farebox replacement project.
- Manage production and place into service 11 paratransit vehicles. Order 15 paratransit vehicles for 2024/2025 delivery.
- Manage production and place into service 21 bus rapid transit coaches.

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 the 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

The Contracted Commuter Vehicles budget provides funds for oil and special coach parts for the agency's 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 the 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 2023 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
67061	General Shop	13,787,096	13,463,010	14,219,071	15,985,099	1,766,028	12%
67062	Maintenance Support	1,463,202	1,405,345	1,751,378	1,773,484	22,106	1%
67063	Body Shop	727,781	777,600	755,763	783,080	27,317	4%
67065	Contracted Commuter Vehicles	156,810	172,732	211,500	297,922	86,422	41%
67066	Automotive Maintenance	1,521,924	1,702,538	1,517,843	1,424,348	(93,495)	-6%
Total: Operating Expense		17,656,813	17,521,225	18,455,555	20,263,933	1,808,378	10%

The table above shows the Vehicle Maintenance division's budget by cost center, while the table below shows the budget by category.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	8,230,508	8,242,428	8,082,592	8,722,552	639,960	8%
Benefits	4,163,781	3,930,045	3,996,307	4,307,828	311,521	8%
Subtotal: Employee Expense	12,394,289	12,172,473	12,078,899	13,030,380	951,481	8%
Contract Maintenance Services	528,784	549,083	648,800	692,225	43,425	7%
Other Services	131,351	27,888	45,000	48,550	3,550	8%
Motor Fuel - Support Vehicles	176,451	419,527	349,606	229,050	(120,556)	-34%
Maintenance Supplies	1,350,588	1,436,908	1,670,150	1,826,778	156,628	9%
Parts	3,058,863	2,901,945	3,642,100	4,414,800	772,700	21%
Other Supplies	16,486	13,401	21,000	22,150	1,150	5%
Total: Operating Expense	17,656,812	17,521,225	18,455,555	20,263,933	1,808,378	10%

The most significant elements of this budget are employee expense, parts, maintenance supplies, and fuel for support vehicles. Diesel fuel for coaches and other vehicles is budgeted separately and is not included in the budget for this division.

The 2023 budget adds 15 FTEs to the Vehicle Maintenance Division in the General Repair Shop budget center (67061): 11 journey mechanics, 2 vehicle service attendants, and 2 vehicle service workers. This brings the division total to 111 FTEs.

The table above shows only the operational portion of employee expense, while the table below shows the distribution of employee expense across all funds. For 2023, the operational portion of employee expense represents 64 percent of the department budget. Less than one percent of total employee expense in this department has been redistributed to the capital program in support of federally funded bus procurements.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	12,394,289	12,172,473	12,078,899	13,030,380	951,481	8%
Fund 42 Employee Expense	-	-	-	-	-	n/a
Fund 45 Employee Expense	-	-	68,077	83,988	15,911	23%
Fund 46 Employee Expense	-	-	-	-	-	n/a
Fund 48 Employee Expense	-	-	-	-	-	n/a
Total: Personnel Expense	12,394,289	12,172,473	12,146,976	13,114,368	967,392	8%

Vehicle Maintenance 2022 Accomplishments

- Planned and coordinated for building maintenance and construction requirements and changes to accommodate the expansion of the Merrill Creek Maintenance facilities.
- Maintained the directly operated coach fleet to operate reliably. The fleet drove a combined total of approximately 9,500,000 miles during the year.
- Provided oversight (safety inspections) of commuter and paratransit vehicles maintained and operated by contracted service providers.
- Received, inspected, and prepared for service 8 sixty-foot coaches for directly operated service and 13 replacement DART vehicles for paratransit service.
- Transitioned retiring vehicles to contingent fleet, surplus, or transfer as appropriate.
- Installed Next Generation ORCA in the MCOB and KPOB based fleets; this included both Sound Transit and Community Transit coaches.
- Installed air purification systems in all Community Transit coaches and paratransit vehicles.



Vehicle Maintenance 2023 Priorities

- Plan and coordinate for building maintenance and construction requirements, activities, and changes to accommodate the expansion of the Merrill Creek Maintenance facilities.
- Maintain the directly operated coach fleet to reliably operate while driving approximately 9,500,000 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 11 replacement DART vehicles for paratransit service.
- Prepare replacement Vanpool vans for service.
- Transition retiring vehicles to contingent fleet, surplus, or transfer as appropriate.
- Install nonregistering fareboxes in the KPOB based fleet.

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 2023 Budget

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	1,821,591	1,836,014	2,103,449	2,172,405	68,956	3%
Benefits	825,521	849,673	931,746	1,004,775	73,029	8%
Subtotal: Employee Expense	2,647,112	2,685,687	3,035,195	3,177,180	141,985	5%
Contract Maintenance Services	1,274,250	1,357,098	1,668,500	1,920,000	251,500	15%
Utilities	718,983	730,260	850,000	950,000	100,000	12%
Other Services	60,606	46,675	12,350	18,500	6,150	50%
Intergovernmental Services	55,778	55,169	69,600	74,700	5,100	7%
Maintenance Supplies	268,482	323,885	489,000	542,000	53,000	11%
Other Supplies	12,227	30,804	13,000	13,000	-	0%
Total: Operating Expense	5,037,438	5,229,578	6,137,645	6,695,380	557,735	9%

The primary cost drivers in the Facilities Maintenance budget are employee expense (48 percent), contract maintenance services (29 percent) and utilities (14 percent).

In 2023, Facilities Maintenance will add 3 FTEs: all three are facilities maintenance technicians, and these positions will primarily support the Swift Orange line.

Contract maintenance services costs have increased by about 15 percent when compared to 2022. This increase is influenced by the opening of the new Cascade Administration building, and the need to support 2023 projects with additional job order contracts.

The increase in the utilities budget (about 12 percent over 2022) is due to rate increases for natural gas, increased stormwater costs for the Mountlake Terrace Transit Center, and increased use overall as employees who had primarily been working at home transition to more on-site work.

The division budget includes just under \$75,000 for Intergovernmental services. This category includes surface water management fees and assessments, leasehold tax for McCollum Park Park and Ride, and other fees and permits.

The remainder of the budget includes funds for maintenance supplies such as safety and janitorial supplies and bus shelter components; equipment rentals; small tools and equipment; nonstandard office supplies; supplies for meetings; and local travel.

Facilities Maintenance 2022 Accomplishments

- Provided construction project support for the Maintenance building expansion.
- Continued to participate in the design, planning and implementation of the Swift Orange Line.
- Provided administrative and technical support during the Cascade building construction and commissioning.
- Assisted in moving employees to the Cascade building and moving the former Risk Division (now the Safety, Security, and Sustainability Department) to Kasch Park.
- Executed job order contracting projects to repair a watermain leak at Canyon Park Park and Ride and replaced lighting controls at Ash Avenue Park and Ride.
- Supported efforts to make the '4 corners' bus rapid transit stations safer for transit customers.



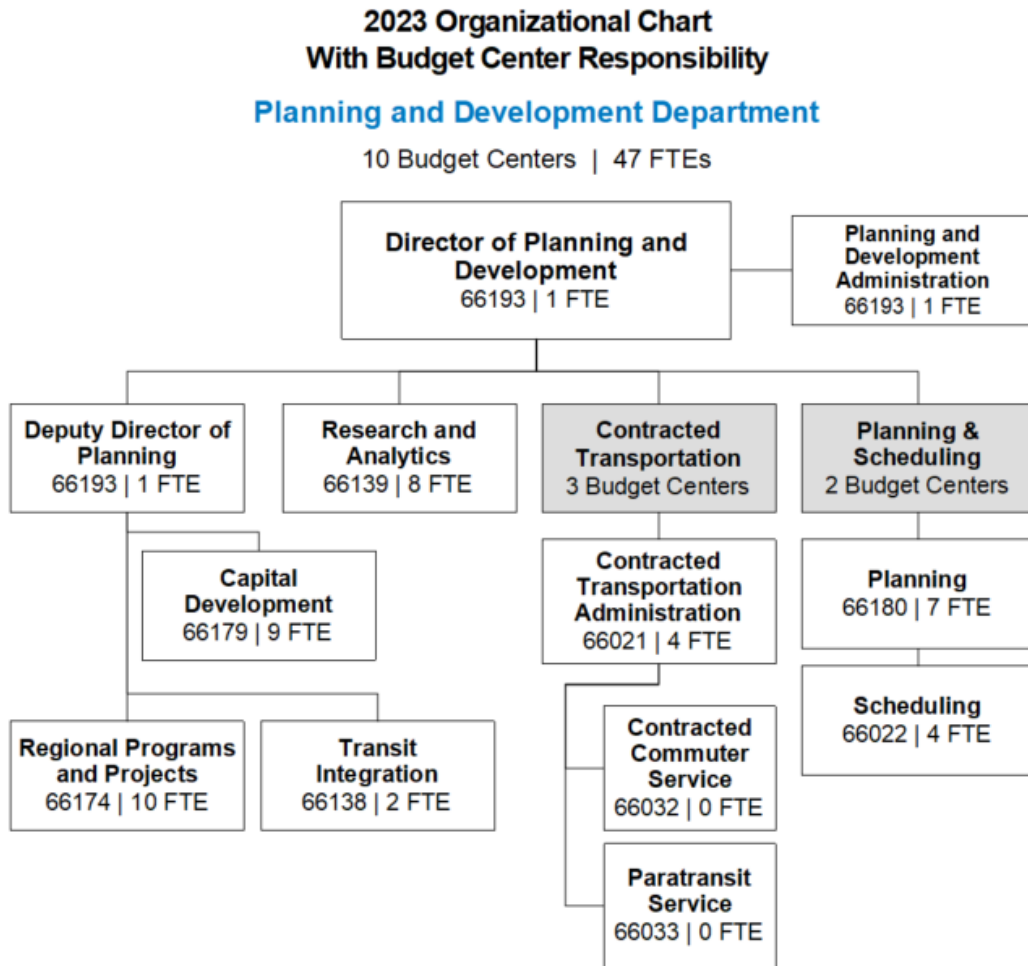
Facilities Maintenance 2023 Priorities

- Provide support for the Merrill Creek Maintenance building expansion project (continued from 2022), Provide support for the remodel of the former Merrill Creek Administration Building and for the Training Center.
- Participate in the design, planning, and implementation of the Swift Orange Line (continued from 2022). Hire three new FTEs to support the Orange Line.
- Increase maintenance on local route shelters to provide customers with clean, safe stops.
- Clear out overgrown vegetation around the creek along the east side of the Merrill Creek Operating Base property.

Planning and Development Department

Planning and Development Department staff support all aspects of the agency’s strategic priorities, mission, and vision by leading the development and implementation of excellent service, coordinating with regional partners, and building the future. The department places a special emphasis on the priorities of innovation, strengthening local connections, providing access to light rail and deploying a green fleet. Department staff provide for research and analysis to understand customer needs and help drive service innovation; plan services to efficiently meet those needs; manage near-term and long-range planning initiatives; ensure integration with partner transportation agencies; manage financial modeling for long-term sustainability; design, construct, and preserve major capital facilities; plan the buildout of the Swift bus rapid transit network; secure and administer grant funding; and manage commuter bus and DART service contracts.

This department contains seven divisions: Capital Development, Contracted Transportation, Development Administration, Planning, Regional Programs and Projects, Research and Analytics, and Transit Integration.



Major Department Accomplishments for 2022

- Provided oversight and management of commuter bus and DART service contractors.
- Designed and created schedule and run cut of driver work assignments for three service changes: March 2022, September 2022, and March 2023.
- Completed the second phase of development and public outreach for the 2024 network restructure. This phase involved describing integration of fixed-route services with Lynnwood Link light rail, improved local connections and incorporation of innovative on-demand service.
- Provided executive sponsorship for the Zero Emission Vehicle Feasibility Study, supporting advancement of this initiative through the research and analysis phases as it moves toward final recommendations in spring 2023.
- Completed the 2022-2027 Transit Development Plan (TDP) update. Conducted public outreach and secured Board adoption in September 2022.
- Advanced development of Community Transit's Draft Long-Range Plan ([Journey 2050](#)). Completed two phases of public outreach and moved toward the final draft plan, which will be adopted in 2023.
- Developed a Free Youth Transit Pass proposal in response to Move Ahead Washington legislation. Coordinated with regional partners, conducted a public process, and secured Board adoption.
- Continued to partner with the City of Everett in development of a Transit Consolidation Study describing a potential framework for Everett to join Community Transit's PTBA.
- Completed the agency Triennial Review with no findings or corrective actions.
- Coordinated with Sound Transit to ensure integration of Community Transit operational and customer requirements into the Lynnwood Link extension, Everett Link extension and Stride bus rapid transit projects.
- Led the agencywide program of customer research to understand the customer experience and satisfaction, trip characteristics, rider demographics and preferences in support of innovation and improvement of products and services, and to fulfill regulatory requirements.
- Advanced the Swift Orange Line project with a groundbreaking event and start of construction. Completed design and engineering of the Swift Blue Line expansion project. Began a scoping study for the Swift Gold Line project.
- Advanced the Facility Master Plan program for upgrade and expansion of operating and administrative facilities. Completed construction for Phase 1 (Kasch Park Casino Road [Cascade] Administration Building); started construction of Phase 2 (new Merrill Creek

Operating Base [MCOB] Transportation headquarters); continued construction on Phase 3A (MCOB Maintenance and Body Shop); started design on Phase 3B (MCOB Maintenance Offices); started construction for Phase 5 (vehicle storage and training); and completed design on Phase 6 (RideStore remodel)

Department Priorities for 2023

- Provide oversight and management of commuter bus and DART service contractors.
- Design and create schedule and run cut of driver work assignments for three service changes: March 2023, September 2023, and March 2024.
- Secure Board approval of the final 2024 network restructure and complete steps to support implementation.
- Complete the final draft of the [Journey 2050](#) Long Range Plan and secure Board adoption.
- Continue executive sponsorship for the Zero Emission Vehicle Feasibility Study, supporting development of final recommendations to the Board. Support development of the Zero Emission Vehicle Transition Plan and implementation of pilot projects.
- Complete the 2023-2028 Transit Development Plan (TDP) update.
- In partnership with the City of Everett, complete development of a Transit Consolidation Study describing a potential framework for Everett to join Community Transit's PTBA.
- Coordinate with Sound Transit to ensure integration of Community Transit operational and customer requirements into the Lynnwood Link extension, Everett Link extension, and Stride bus rapid transit projects.
- Lead agencywide coordination of research in support of innovation and improvement of products and services.
- Continue construction of the Swift Orange Line project, construct the Swift Blue Line expansion project, and complete the scoping study for the Swift Gold Line and begin design and engineering for the project.
- Advance the Facility Master Plan program for upgrade and expansion of operating and administrative facilities. Complete construction of Phase 2 (new MCOB Transportation headquarters); continue construction on Phase 3A (MCOB Maintenance and Body Shop); begin construction on Phase 3B (MCOB Maintenance Offices); complete construction for Phase 5 (vehicle storage and training); and begin construction on Phase 6 (RideStore remodel).

Planning and Development Department 2023 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 new service options to connect and integrate with Link light rail at Lynnwood in 2024.
- Innovate to improve products and services that make travel easy and safe for all by engaging the agency, partners, and community in long-range planning to guide the future direction of Community Transit. This is accomplished through studying options for zero emission vehicle technology and conversion of all or part of our fleet; 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 Community Transit’s base facilities to support growth by advancing all phases of the Facilities Master Plan project.
- Invest in the employee experience by ensuring that design of the Facilities Master Plan project provides a quality work environment.

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>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	3,642,061	4,010,618	3,117,988	3,151,805	33,817	1%
Benefits	1,301,642	1,433,899	1,145,226	1,218,914	73,688	6%
Subtotal: Employee Expense	4,943,703	5,444,517	4,263,214	4,370,719	107,505	3%
Services	651,071	475,092	1,453,230	1,593,871	140,641	10%
Intergovernmental Services	11,000	11,000	11,000	11,000	-	0%
Contracted Transportation	32,488,902	29,277,592	30,909,311	29,628,813	(1,280,498)	-4%
Supplies	3,179	73	1,000	4,500	3,500	350%
Total: Operating Expense	38,097,855	35,208,274	36,637,755	35,608,903	(1,028,852)	-3%

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

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.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	3,642,061	4,010,618	3,117,988	3,151,805	33,817	1%
Benefits	1,301,642	1,433,899	1,145,226	1,218,914	73,688	6%
Subtotal: Employee Expense	4,943,703	5,444,517	4,263,214	4,370,719	107,505	3%
Services	651,071	475,092	1,453,230	1,593,871	140,641	10%
Intergovernmental Services	11,000	11,000	11,000	11,000	-	0%
Supplies	3,179	73	1,000	4,500	3,500	350%
Total: Operating Expense	5,608,953	5,930,682	5,728,444	5,980,090	251,646	4%

Salaries, Wages, and Benefits

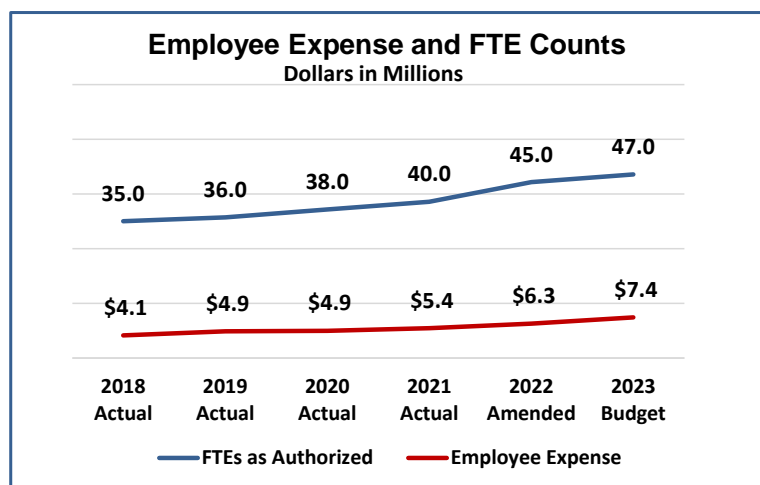
The adopted 2022 budget authorized 41 FTEs for the Planning and Development Department. In mid-year 2022, four FTEs were added to better support the work of the department. These positions were as follows:

- In the Regional Programs and Projects division: one grants specialist and one Swift project manager.
- In the Research and Analytics division: one data analyst.
- In the Capital Development division: one Senior Capital Project Manager was added. This position was repurposed from a vacant position in the Transportation Department.

The 2023 budget adds two FTEs to this department: a data analyst in the Research and Analytics division, and a speed and reliability program manager in the Regional Programs and Projects division.

Prior to 2022, all employee expense was budgeted in the General Fund (Fund 40), which provides for operational expenses. Beginning in 2022, the agency Executive

Leadership Team made the decision to redistribute employee expense to portions of the capital program as well as to operations. This redistribution more accurately reflects employee expense associated with operations and with the agency capital program.



The previous table shows only the operational (Fund 40) employee expense, while the chart above shows total employee expense in all funds.

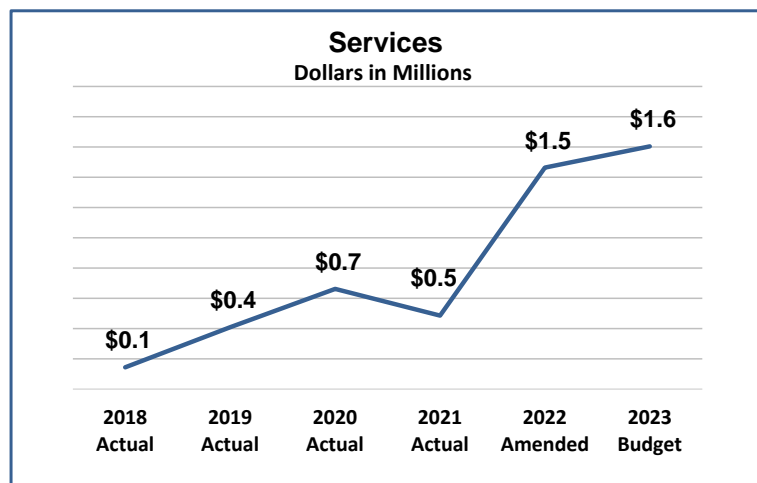
The next table shows total employee expense for the Planning and Development Department in both the operational fund (Fund 40) and the various capital funds.

For 2023, the operational portion of employee expense comprises 73 percent of the department operating budget (when purchased transportation is excluded). Approximately 41 percent of total employee expense has been redistributed to the capital program in support of the agency’s many capital initiatives.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	4,943,703	5,444,517	4,263,214	4,370,719	107,505	3%
Fund 42 Employee Expense	-	-	-	-	-	n/a
Fund 45 Employee Expense	-	-	834,738	1,424,497	589,759	71%
Fund 46 Employee Expense	-	-	139,655	230,457	90,802	65%
Fund 48 Employee Expense	-	-	1,053,845	1,380,774	326,929	31%
Total: Personnel Expense	4,943,703	5,444,517	6,291,452	7,406,448	1,114,996	18%

Services

The services category comprises 27 percent of the total department budget. Professional services account for more than \$1.4 million (91 percent) of the services category. Professional services are budgeted for the long-range plan, several customer-focused surveys, assistance with financial modeling, support for Link light rail, travel training and eligibility assessments for customers who use paratransit service, and support for a potential integration of Everett Transit with Community Transit. Leased space to park buses and unused vanpool vans amounts to just over \$96,000 (6 percent) of the services category. The remaining budget in this category funds Park & Pool lot agreements, and a variety of miscellaneous expenses such as public notices required by state and national environmental policy acts, professional memberships for planning staff certified in such fields as construction management, and printing services for architectural drawings and public notices.



Intergovernmental Services

A small intergovernmental services budget (included in the Services chart) of \$11,000 covers expenditures associated with the Snohomish County Transportation Coalition agreement.

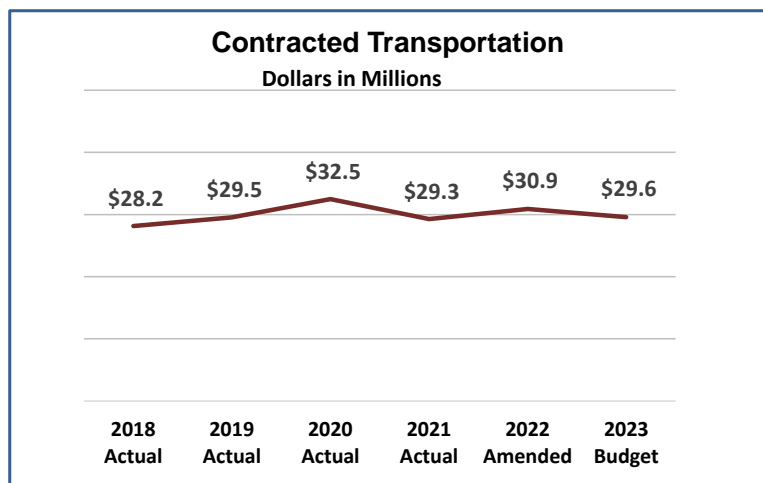
Supplies

Supplies make up less than 1 percent of the department budget. Items budgeted for in the supply category include safety equipment for field work, signage for Park & Pools, non-standard office supplies and cost, code, and industry standard publications used in construction projects as well as 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 bus services. 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. DART paratransit service is contracted to Transdev, Inc.

Community Transit's 2023 commuter bus service contract amounts to approximately \$6.6 million; for DART service, the 2023 contract is valued at \$8.0 million; and for Sound Transit ST Express bus service, the contract is valued at \$15.0 million, for a total contracted services budget of \$29.6 million.



The contracted transportation budget reflects negotiated contract rates as well as the number of service hours operated. The reduction in contracted services expenses anticipated for 2023 reflects service adjustments related to changes in ridership, improvements in service reliability, and ongoing network changes associated with the opening of Link light rail stations.

Planning and Development Division Summary

This summary compares each budget center's 2023 budget to its 2022 amended budget.

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
66021	Contracted Transportation Administration	590,573	604,522	606,798	601,936	(4,862)	-1%
66022	Scheduling	416,020	423,096	544,424	565,232	20,808	4%
66032	Contracted Commuter Service	23,203,102	21,853,170	21,907,511	21,611,552	(295,959)	-1%
66033	Paratransit Service	9,334,554	7,450,602	9,061,800	8,059,435	(1,002,365)	-11%
66138	Transit Integration	0	376,677	492,742	922,900	430,158	87%
66139	Research and Analytics	0	782,141	1,345,435	1,460,392	114,957	9%
66174	Regional Programs and Projects	985,324	770,942	352,091	495,916	143,825	41%
66179	Capital Development	1,198,379	1,356,614	352,575	121,177	(231,398)	-66%
66180	Planning	1,854,881	983,510	1,538,929	1,376,955	(161,974)	-11%
66193	Planning and Development Administration	515,021	607,000	435,450	393,408	(42,042)	-10%
<i>Total: Operating Expense</i>		<i>38,097,854</i>	<i>35,208,274</i>	<i>36,637,755</i>	<i>35,608,903</i>	<i>(1,028,852)</i>	<i>-3%</i>

Discussions of each division's 2023 budget and 2023 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 Facility Master Plan expansion.

Planning and Development Administration 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	369,563	443,506	315,197	261,749	(53,448)	-17%
Benefits	132,931	148,963	108,103	95,909	(12,194)	-11%
Subtotal: Employee Expense	502,494	592,469	423,300	357,658	(65,642)	-16%
Services	1,468	3,531	1,150	23,750	22,600	1965%
Intergovernmental Services	11,000	11,000	11,000	11,000	-	0%
Supplies	59	-	-	1,000	1,000	n/a
Total: Operating Expense	515,021	607,000	435,450	393,408	(42,042)	-10%

Employee expense represents 91 percent of this division’s budget. The remainder funds supplies and services necessary for division staff to complete their work. This budget center included three FTEs in 2022, and no staff changes are anticipated in the 2023 budget. The reduction in employee expense as shown in the table above is a direct result of the redistribution of employee expense from operational to capital. Beginning in 2022, a portion of employee expense was transferred from operational expense to capital expense. The table below shows total employee expense across all funds.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	502,494	592,469	423,300	357,658	(65,642)	-16%
Fund 42 Employee Expense	-	-	-	-	-	n/a
Fund 45 Employee Expense	-	-	149,139	239,425	90,286	61%
Fund 46 Employee Expense	-	-	-	-	-	n/a
Fund 48 Employee Expense	-	-	31,330	-	(31,330)	-100%
Total: Personnel Expense	502,494	592,469	603,769	597,083	(6,686)	-1%

Planning and Development Administration 2022 Accomplishments

- Ensured strategic alignment of work plans with agency vision and priorities.
- Provided oversight of contracted bus and DART services.
- Encouraged development of sustainable and integrated service plans that leverage Swift and Link light rail implementations and prepare the agency for 2024.
- Sponsored development of research and analytics to support the agencywide priority on innovation and improvement of products and services.
- Provided oversight for the Facility Master Plan expansion to provide the capacity for growth of fleet, staff, and services.
- Led coordination with the City of Everett in the partnership to develop a Transit Consolidation Study.
- Provided executive sponsorship and administration of the Strategic Alignment and Capital Development Committee.

Planning and Development Administration 2023 Priorities

- Ensure strategic alignment of work plans with agency vision and priorities.
- Provide oversight of contracted bus and DART services.
- Encourage development of sustainable and integrated service plans that leverage Swift and Link light rail implementations and prepare the agency for 2024.
- Sponsor development of research and analytics to support the agencywide priority of innovation and improvement of products and services.
- Provide oversight for the Facility Master Plan expansion to provide the capacity for growth of fleet, staff, and services.
- Provide executive sponsorship and administration of the Strategic Alignment and Capital Development Committee.

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 2023 Budget

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	832,627	849,188	109,194	-	(109,194)	-100%
Benefits	298,702	308,015	39,601	-	(39,601)	-100%
Subtotal: Employee Expense	1,131,329	1,157,203	148,795	-	(148,795)	-100%
Services	66,670	199,338	202,780	118,177	(84,603)	-42%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	381	73	1,000	3,000	2,000	200%
Total: Operating Expense	1,198,380	1,356,614	352,575	121,177	(231,398)	-66%

Rental expense budgeted in the services category portion of this budget remains high in 2022 due to leasing and storage expenses for a significant number of excess vanpool vans. Vanpool ridership declined in 2020 due to the COVID-19 pandemic, and vans no longer in use must be parked in a secure location. None of the agency bases have the capacity on-site to store the excess vans. The 2023 budget in this category also includes Park & Pool lease agreements, and leased parking for buses to accommodate secure parking needs during construction at the Merrill Creek facility.

The reduction in employee expense as shown in the table above is a direct result of the redistribution of employee expense from operational to capital. Beginning in 2022, a portion of employee expense was transferred from operational expense to capital expense. In 2023, 100 percent of employee expense in this division has been redistributed to capital.

The next table shows total employee expense across all funds.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	1,131,329	1,157,203	148,795	-	(148,795)	-100%
Fund 42 Employee Expense	-	-	-	-	-	n/a
Fund 45 Employee Expense	-	-	-	-	-	n/a
Fund 46 Employee Expense	-	-	139,655	155,457	15,802	11%
Fund 48 Employee Expense	-	-	1,022,515	1,380,774	358,259	35%
Total: Personnel Expense	1,131,329	1,157,203	1,310,965	1,536,232	225,267	17%

The original 2022 budget for this department included 8 FTEs. In midyear 2022, Community Transit leadership moved a vacant FTE from the Transportation department to this division and repurposed it as a senior capital project manager to better support the agency’s capital programs. This brought the division’s total to 9 FTEs, and no additional staff are planned for 2023.

Capital Development 2022 Accomplishments

- Completed Phase 1 of the Lake Stevens Transit Center refresh within scope, schedule and under budget.
- Completed the LED lighting project at park-and-ride facilities to upgrade all lighting within scope, schedule and under budget.
- Initiated development of an expanded and upgraded Bus Stop program.

Capital Development 2023 Priorities

- Continued planning and refinement of an expanded Bus Stop program.
- Lease a temporary RideStore location to relocate staff prior to construction of FMP 6 (RideStore).
- Support Zero Emission Vehicle pilot projects.

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 Administration 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. Staff also work 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.

Paratransit Service

In compliance with the Americans with Disabilities Act (ADA), division staff provide DART paratransit service operated through a contract with Transdev Services, Inc. The budget includes 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 2023 Budget

The first table below shows all budget centers in this division.

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
66021	Contracted Transportation Administration	590,573	604,522	606,798	601,936	(4,862)	-1%
66032	Contracted Commuter Service	23,203,102	21,853,170	21,907,511	21,611,552	(295,959)	-1%
66033	Paratransit Service	9,334,554	7,450,602	9,061,800	8,059,435	(1,002,365)	-11%
Total: Operating Expense		33,128,229	29,908,294	31,576,109	30,272,923	(1,303,186)	-4%

This table shows all expenses by budget category, including purchased transportation.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	432,265	445,385	444,228	429,429	(14,799)	-3%
Benefits	155,859	158,743	160,220	166,107	5,887	4%
Subtotal: Employee Expense	588,124	604,128	604,448	595,536	(8,912)	-1%
Services	48,465	26,574	62,350	48,574	(13,776)	-22%
Intergovernmental Services	-	-	-	-	-	n/a
Purchased Transportation	32,488,902	29,277,592	30,909,311	29,628,813	(1,280,498)	-4%
Supplies	2,740	-	-	-	-	n/a
Total: Operating Expense	33,128,231	29,908,294	31,576,109	30,272,923	(1,303,186)	-4%

At 98 percent of the Contracted Commuter Services budget, purchased transportation is the largest cost driver in this division. This budget center includes the First Transit contract cost of \$21.6 million comprised of \$6.6 million for Community Transit’s contracted commuter service and \$15.0 million for ST Express service. Sound Transit contracts with Community Transit to operate ST Express service, and Community Transit sub-contracts this to First Transit.

The Paratransit Service budget center includes the service contract cost of \$8.0 million, and just over \$42,000 for travel training services. These services are designed to teach people how to use both fixed-route and paratransit services.

The 2023 budget for these contracts represents a significant decrease as compared to the 2022 budget. This reflects lower demand for service post pandemic, and the effect of ongoing network changes as routes are adjusted to connect with Link light rail service. To read more about these and other transportation services offered by Community Transit, please review the Expenses and Services sections of this document.

The 2023 budget for fuel estimates diesel fuel at \$4.25 per gallon for diesel for contracted commuter service and \$4.50 per gallon for gasoline for paratransit service. Fuels costs are budgeted separately in the Fuel cost center. Budget centers 70135 and 71036 are used for purchased transportation fuel. A more thorough discussion of the fuel budget is available in the Expenses section of this document, under the Supplies heading.

The table below shows expenses by budget category, but only for the Contracted Transportation Administration budget center (66021). Expenses in this table do not include purchased transportation contracts or related expenses.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	432,265	445,385	444,233	429,429	(14,804)	-3%
Benefits	155,859	158,743	160,226	166,107	5,881	4%
Subtotal: Employee Expense	588,124	604,128	604,459	595,536	(8,923)	-1%
Services	2,450	394	2,352	6,400	4,048	172%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	-	-	-	-	-	n/a
Total: Operating Expense	590,574	604,522	606,811	601,936	(4,875)	-1%

Budget center 66021 includes costs associated with administering the three contracted services contracts, nearly 100 percent of which is employee expense. The 2022 staffing complement for this division was 4 FTEs, and staffing levels remain the same in the 2023 budget. Employee expense in this division is all operational.

Contracted Transportation 2022 Accomplishments

- Coordinated to ensure all construction impacts were successfully navigated by contractors.
- Completed installation of Next Generation ORCA equipment on all contracted commuter coaches.
- Established a timeline to begin an on-site DART eligibility review, including marketing materials, an on-site functional assessment course, and a communication plan.

- Supported the agency's adoption of the Free Youth Transit Pass. Coordinated with contractors to ensure that all operators had knowledge and awareness of this new policy.
- Completed the 2022 Contractor Compliance Review. This is a measuring tool used to support agency contractors and ensure service is continually improving.

Contracted Transportation 2023 Priorities

- Provide travel training to those who wish to learn how to use Community Transit's bus system safely and confidently.
- Implement an on-site DART eligibility reviews and develop an on-site functional assessment course.
- Investigate ways to improve Community Transit's system and customer experience within the commuter and paratransit services. Use the Mission, Vision and Core Values to inform plans and decisions.
- Continue to build partnerships within the industry and communities in the PTBA.
- Support contractors in a dynamic service environment by responding to changes related to the COVID-19 pandemic and to Lynnwood Link extension construction activities.

Planning and Scheduling Division

Planning

The System Planning and Long-Range Planning teams 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, fleet planning 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 and Scheduling 2023 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
66022	Scheduling	416,020	423,096	544,424	565,232	20,808	4%
66180	Planning	1,854,881	983,510	1,538,929	1,376,955	(161,974)	-11%
<i>Total: Operating Expense</i>		<i>2,270,901</i>	<i>1,406,606</i>	<i>2,083,353</i>	<i>1,942,187</i>	<i>(141,166)</i>	<i>-7%</i>

The first table below shows the budget for this division by cost center, while the second shows expenses by category.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	1,347,820	965,086	1,186,094	1,205,603	19,509	2%
Benefits	473,032	338,173	433,559	461,484	27,925	6%
<i>Subtotal: Employee Expense</i>	<i>1,820,852</i>	<i>1,303,259</i>	<i>1,619,653</i>	<i>1,667,087</i>	<i>47,434</i>	<i>3%</i>
Services	450,050	103,348	463,700	275,100	(188,600)	-41%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	-	-	-	-	-	n/a
<i>Total: Operating Expense</i>	<i>2,270,902</i>	<i>1,406,607</i>	<i>2,083,353</i>	<i>1,942,187</i>	<i>(141,166)</i>	<i>-7%</i>

Employee expense represents 86 percent of the division's total budget. The 2022 staffing complement for this division was 11 FTEs: 4 in Scheduling and 7 in Planning. Staffing levels

remain the same in the 2023 budget. Professional services represent 95 percent of the services category (14 percent of the entire division budget). Professional services are used primarily for the long-range plan and 2024 network projects.

Planning and Scheduling 2022 Accomplishments

- Completed an update to Community Transit’s 2022-2025 Title VI Program in June 2022, including a public outreach process.
- Updated the agency’s four-year Transit Asset Management (TAM) plan.
- In coordination with Finance, continued dynamic modeling of future revenues and expenses to inform sustainable agency service and capital planning.
- Coordinated with local cities, Snohomish County, the Washington State Department of Transportation (WSDOT), transit partners, and the Puget Sound Regional Council on ongoing regional transportation and land use planning work.
- Coordinated with other agencies in design and implementation of the ST2 and ST3 regional transit system.
- Initiated a system infrastructure study to identify infrastructure needs. The goal is to provide an optimal operating environment for Community Transit service following the 2024 Network re-structure and in preparation for 2027 service launches.
- Initiated a scheduling audit that focuses on Community Transit’s future 2024 network and strategic coach operator work program concepts.
- Support preliminary station planning for the Everett Link extension, including numerous proposed station sites and alignment options between Lynnwood and Everett.



Planning and Scheduling 2023 Priorities

- Support continued coach operator forecasting and recruiting efforts for the future 2024 network. Complete a scheduling audit that focuses on Community Transit’s future 2024 network and strategic coach operator work program concepts, including a service evaluation process.
- Complete a fare policy study and update for all modes related to service integration with Lynnwood Link in 2024 and new Next Generation ORCA capabilities. 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.
- Support new innovative service pilots through coordination of service planning and scheduling needs.
- Coordinate with local cities, Snohomish County, the 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, including Everett Link Extension station area planning and environmental planning.
- Complete a system infrastructure study to identify infrastructure needs to provide an optimal operating environment for Community Transit service following the 2024 Network re-structure and in preparation for 2027 service launches.

Regional Programs and Projects Division

This division has a two-part mission. First, through the coordination of major initiatives affecting Community Transit, division staff manage the planning, development, and buildout of the Swift bus rapid transit network. Second, staff manage the agency’s grant portfolio, developing and pursuing grant strategies to maximize funding opportunities for major projects and initiatives.

Regional Programs and Projects 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	659,787	566,766	253,795	251,435	(2,360)	-1%
Benefits	241,118	203,403	97,546	98,481	935	1%
Subtotal: Employee Expense	900,905	770,169	351,341	349,916	(1,425)	0%
Services	84,420	772	750	145,500	144,750	19300%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	-	-	-	500	500	n/a
Total: Operating Expense	985,325	770,941	352,091	495,916	143,825	41%

The services category represents 29 percent of the 2023 budget for this division and includes funding to support program development and performance tracking. Employee expense is the primary cost driver at 71 percent. The original 2022 budget for this department included 7 FTEs.

In midyear 2022, two positions were added to the division: one grant specialist, and one Swift project manager in support of the growing Swift network. The 2023 budget adds one more position, a speed and reliability program manager, bringing the 2023 staffing complement to 10 FTEs.

The slight reduction in employee expense in this division’s operating budget (shown in previous table) results from the redistribution of a portion of employee expense from operations to capital. Total employee expense across all funds is shown in the next table.

<i>Fund</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Fund 40 Employee Expense	900,905	770,169	351,341	349,916	(1,425)	0%
Fund 42 Employee Expense	-	-	-	-	-	n/a
Fund 45 Employee Expense	-	-	685,599	1,185,072	499,473	73%
Fund 46 Employee Expense	-	-	-	-	-	n/a
Fund 48 Employee Expense	-	-	-	-	-	n/a
Total: Personnel Expense	900,905	770,169	1,036,940	1,534,988	498,048	48%

Regional Programs and Projects 2022 Accomplishments

- Secured \$8.0 million dollars in grant funding for the agency’s first Zero Emission BRT Line – the Swift Gold Line.
- Secured a WSDOT Green Capital Grant to fund further work on the agency’s Zero Emission Feasibility Study.
- Secured a WSDOT Transit Integration Grant to fund the Community Transit – Everett Transit Consolidation Study.
- Held a successful Swift Orange Line Groundbreaking attended by Washington State Congressional Delegates, the Governor, the Administrator of the FTA and other State and local officials.
- Coordinated with local jurisdictions and transit agencies on infrastructure that impacts Swift service.
- Kicked off the Swift Gold Line Scoping Study.

Regional Programs and Projects 2023 Priorities

- Start the Station Siting Study for the Swift Green Line expansion.
- Develop a grant strategy and funding to support Zero Emission Fleet conversion.
- Develop and implement a Speed and Reliability Infrastructure Program.

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, key performance indicators, research, reporting, and data governance and integrity.

Research and Analytics 2023 Budget

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	-	514,474	574,806	763,135	188,329	33%
Benefits	-	193,957	223,629	308,987	85,358	38%
Subtotal: Employee Expense	-	708,431	798,435	1,072,122	273,687	34%
Services	-	73,710	547,000	388,270	(158,730)	-29%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	-	-	-	-	-	n/a
Total: Operating Expense	-	782,141	1,345,435	1,460,392	114,957	9%

Personnel expense constitutes 73 percent of the 2023 budget. The original 2022 budget included 6 FTEs. In midyear 2022, a data analyst was added to the division. The 2023 budget adds an additional data analyst, for a total of 8 FTEs.

The remaining 27 percent of the budget is comprised almost entirely of professional services to be used for research and survey efforts to assess customer needs and customer experience. The results of this investigation will ultimately be used for improvement and planning of Community Transit services.

Research and Analytics 2022 Accomplishments

- Modeled future pedestrian and vehicle traffic at Lynnwood Transit Center (post-Link extension) to assess pedestrian safety and customer experience and identify opportunities for improvement.
- Developed many models and dashboards for data driven decision making, including support for the following: equity analysis for current and future routes; forecasting ridership; cost allocation models; informing innovative service pilot locations; discovering underperforming areas to inform marketing strategies and monitoring performance (weekly and monthly ridership reports, weekly and daily missed trips reports, key performance indicators, etc.).

- Satisfactorily completed the triennial Automated Passenger Counter Maintenance Plan. This allows Community Transit to continue to use Automatic Passenger Counters to report data to the National Transit Database.
- Migrated the Community Transit Data Mart to a new production system to improve storage and querying efficiencies.
- Provided analysis to support FTA grant requirements.
- Provided all required federal, state, local, and contractual data reports.

Research and Analytics 2023 Priorities

- Conduct customer segmentation research in support of effective marketing campaigns and system planning.
- Provide actionable insights to improve performance and determine the success of Innovative Service pilots.
- Develop tools to better monitor agency performance and drive improvements.
- Provide analysis to support FTA grant requirements.
- Provide all required federal, state, local, and contractual data reports.

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 these 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 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	-	226,212	234,674	240,454	5,780	2%
Benefits	-	82,646	82,568	87,946	5,378	7%
Subtotal: Employee Expense	-	308,858	317,242	328,400	11,158	4%
Services	-	67,819	175,500	594,500	419,000	239%
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	-	-	-	-	-	n/a
Total: Operating Expense	-	376,677	492,742	922,900	430,158	87%

Staffing for the Transit Integration division in 2022 included two FTE, and the 2023 budget does not add any additional positions. Employee expense comprises 36 percent of this budget.

The services element of this budget (64 percent of the budget) includes 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 developed and negotiated a reimbursement task order with Sound Transit for revenue to offset these expenses. The budget also includes funds to support further development of a Transit Consolidation Study in partnership with the City of Everett.

Transit Integration 2022 Accomplishments

- Coordinated with regional and local jurisdictional partners to develop, advocate, and negotiate Community Transit’s interests in complex operating and capital transportation projects.

- Ensured Community Transit’s operations were and will continue to be minimally impacted during construction of the Lynnwood Link light rail extension and negotiated appropriate mitigation measures.
- Worked 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 the Canyon Park Park & Ride.
- Managed and facilitated ongoing coordination with Sound Transit bus rapid transit staff to ensure Community Transit local service is effectively integrated within their project.
- Represented Community Transit at the new Interagency Group for the Sound Transit extension of Link light rail to Everett. Communicated status and coordinated with internal work groups.
- Organized, planned, and managed activities of internal working groups related to other regional transportation projects.

Transit Integration 2023 Priorities

- Support the Community Transit – Everett Transit Consolidation Study.
- 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.
- Manage and facilitate ongoing coordination with Sound Transit bus rapid transit staff to ensure Community Transit local service is effectively integrated within their project.
- Represent Community Transit at the Interagency Group for the Sound Transit extension of light rail to Everett. Communicate status and coordinate with internal work groups.
- Organize, plan, and manage activities of internal working groups related to other regional transportation projects, as applicable.



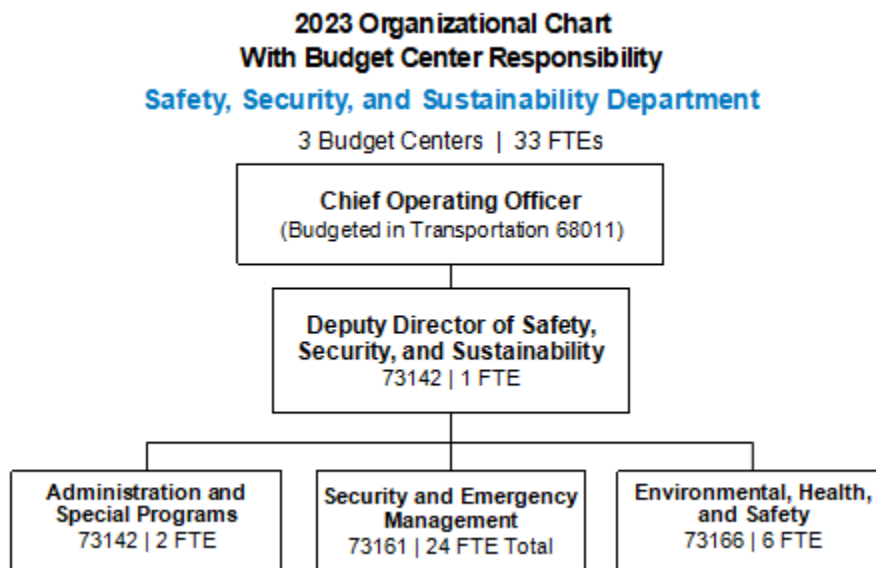
Safety, Security, and Sustainability Department

In mid-2022, the Executive Leadership Team created a new department for Safety, Security, and Sustainability. The Risk Management and Transit Security divisions from the Administration Department formed the core of the new department. This transition elevates the focus on safety and security and the role it plays in helping the agency deliver on its mission. It also establishes a more focused effort for the agency on transit-oriented sustainability.

This new department falls under the purview of the Chief Operating Officer alongside Transportation, Facilities Maintenance, and Vehicle Maintenance as part of a fully integrated operations function. The work of the Safety, Security, and Sustainability Department closely aligns with operations functions, so this move will ensure a well-coordinated approach to deploying all of the agency’s operational resources to support the safety and security of Community Transit employees and customers.

The Safety, Security, and Sustainability Department provides oversight for agencywide programs in the areas of safety, security, emergency management, motor vehicle accident management, claims management, environmental compliance, and sustainability. Workers’ Compensation was transferred from Employee Engagement to this department in late 2021. Department duties are performed in an environment that is subject to recurring regulatory and nonregulatory reviews by local, state, and federal agencies.

The department’s three divisions are: Administration and Special Programs; Environmental, Health, and Safety; and Security and Emergency Management.



Major Department Accomplishments for 2022

- Directed the agency’s response and ongoing recovery from COVID-19. This included completing over 180 objectives, implementing 91 policy decisions, and collaborating with county and regional partners.
- Updated the FTA required Agency Safety Plan and safety risk management activities to align more closely with regional partners. Presented the updated plan to the Board of Directors for adoption.
- Created and facilitated adoption of the agency’s first Rules of Conduct policy through a process of broad collaboration.

Department Priorities for 2023

- Focus on rebranding the new Safety, Security & Sustainability Department and communication of all department program capabilities.
- Create and communicate department-level key performance indicators for agency awareness.

Safety, Security, and Sustainability Department 2023 Budget

The 2023 Safety, Security, and Sustainability Department budget supports Community Transit’s strategic priorities of providing safe, reliable transportation services and practicing sustainability. Funds are included to strengthen both the environmental program and the security program.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	646,685	770,528	1,085,632	2,336,108	1,250,476	115%
Benefits	262,799	298,227	411,662	1,021,658	609,996	148%
Subtotal: Employee Expense	909,484	1,068,755	1,497,294	3,357,766	1,860,472	124%
Services	86,193	108,344	69,125	140,641	71,516	103%
Intergovernmental Services	3,102,387	3,127,559	4,267,644	3,662,085	(605,559)	-14%
Supplies	638,818	150,891	38,550	135,950	97,400	253%
Total: Operating Expense	4,736,882	4,455,549	5,872,613	7,296,442	1,423,829	24%

Salaries, Wages, and Benefits

Employee expense represents 46 percent of the department budget. The original 2022 budget authorized 11 FTEs. As the agency’s needs changed, the department staffing complement was re-evaluated and two additional FTEs were added to this department in midyear 2022: one security services assistant manager and one security services supervisor.

The 2023 budget adds an additional 20 FTES, bringing the total for this department to 33 FTES. One position will support the Environmental and Sustainability Management System (ESMS)

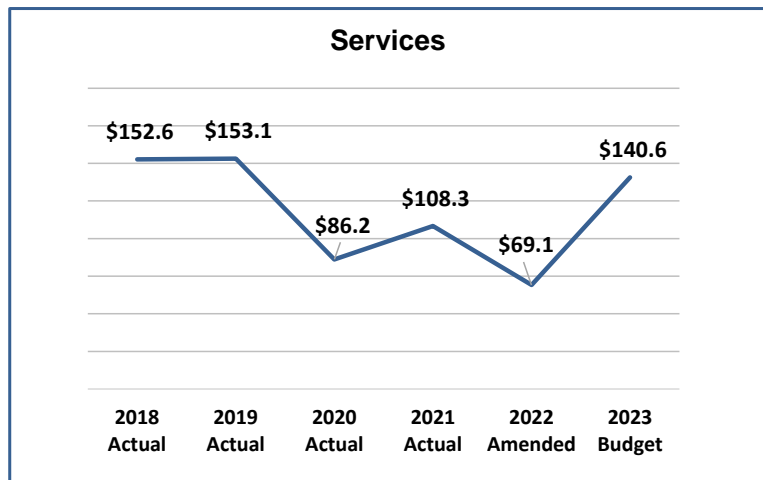
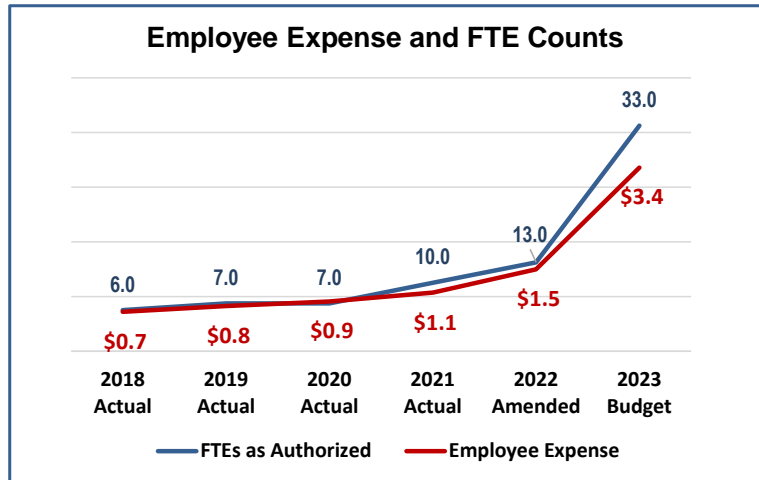
Program, and the other 19 positions will support the expansion of the Security and Emergency Management program. These positions consist of 18 transit security officers and one security services coordinator.

All employee expense in this department is operational (Fund 40).

Services

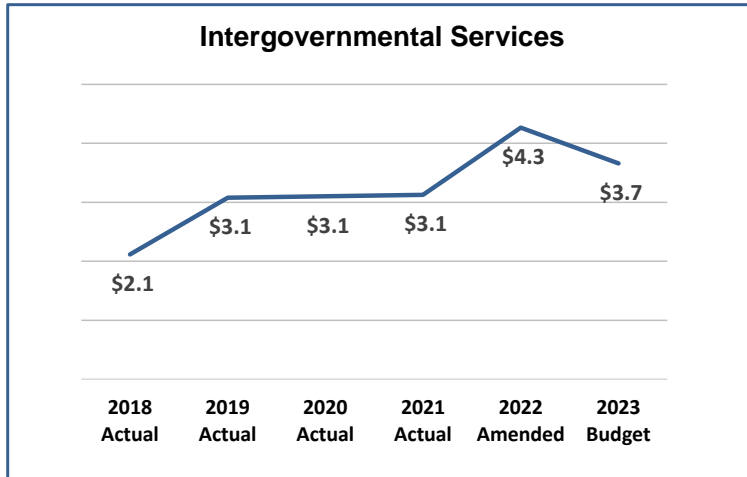
The services budget represents 2 percent of the department budget and funds a variety of necessary business services. These include contract maintenance on agency security systems, required environmental sampling, hazardous waste disposal services, and National Safety Council accident reviews.

The services category budget shows a cost increase of 109 percent as compared to 2022. The increase is primarily due to one-time professional services costs for emergency management training implementation of \$45,000, and an increase of just over \$23,000 in contract maintenance costs for physical security systems preventative maintenance.



Intergovernmental Services

The intergovernmental services budget represents 50 percent of the total budget and is the primary cost-driver for this department.

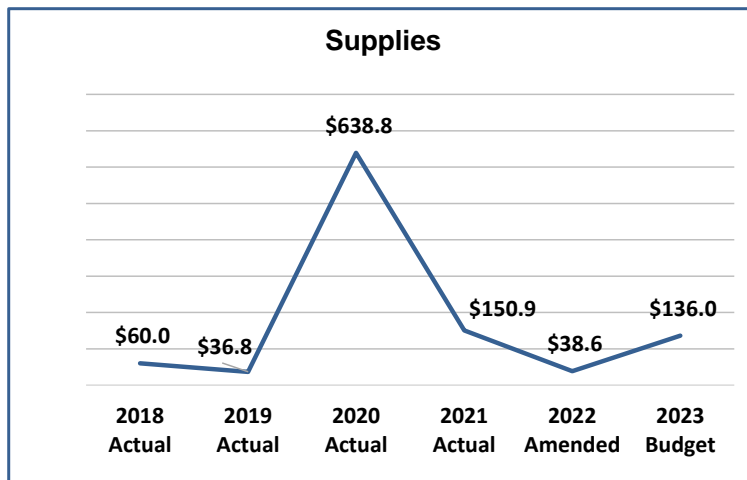


At 90 percent of the intergovernmental services budget, the contract with the Snohomish County Sheriff's Office for transit police services is the largest line item in this category. The 2023 contract is \$3.3 million. As a partner with Snohomish County and the Sheriff's Department, this budget also contributes \$350,000 (just under 10% of the category budget) for social worker services to help

people who use Community Transit services and may also be experiencing homelessness, addiction, mental illness, or the like. The remainder of the budget in this category (less than 1 percent) funds required license and permit fees.

Supplies

The 2023 supplies budget includes startup costs for the expanded security and emergency management programs, including small tools and equipment for new transit security staff (\$47,500), and emergency management equipment for the Emergency Operations Center (\$35,000). Budgeted supplies to repair physical security equipment have increased as well, by



67% compared to 2022 costs. This is partly due to the base and facility expansion and partly to overall increases in the cost for individual items.

Note: the peak in the supplies budget for 2020 was directly related to the COVID-19 pandemic. This department budgeted for safety and hygiene supplies for the entire agency.

Safety, Security, and Sustainability Division Summary

This summary compares each budget center's 2023 budget to its 2022 amended budget.

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
73142	Administration and Special Programs	0	0	0	422,496	422,496	n/a
73161	Security and Emergency Management	3,427,549	3,567,284	4,782,546	6,014,740	1,232,194	26%
73166	Environmental, Health, and Safety	1,309,331	888,266	1,090,067	859,206	(230,861)	-21%
<i>Total Operating Expense</i>		<i>4,736,880</i>	<i>4,455,550</i>	<i>5,872,613</i>	<i>7,296,442</i>	<i>1,423,829</i>	<i>24%</i>

Discussions of each division's 2023 budget and priorities follow.

Administration and Special Programs Division

The Administration and Special Programs Division manages and provides oversight for agencywide programs in the areas of safety, motor vehicle accident management, claims management, and environmental compliance and sustainability. Division duties are performed in an environment that is subject to recurring regulatory and nonregulatory reviews by local, state, and federal agencies. Additionally, the division provides policy oversight of the agency’s FTA required Agency Safety Plan, manages the Accident Review Committee, and completes monthly and annual safety and security reporting required by the FTA.

Staff provide day-to-day administrative support functions for the department and special programs that report to and are managed by the department’s Deputy Director. Special programs include motor vehicle accident review, claims management, safety management system policy oversight, vehicle use policy, and safe driving policy. Additionally, the Deputy Director serves as the agency’s Chief Safety Officer.

Administration and Special Programs 2023 Budget

This budget center is new for 2023. Expenses for 2022 and years prior are included in the table for the Environmental, Health, and Safety Division.

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	-	-	-	292,911	292,911	n/a
Benefits	-	-	-	119,035	119,035	n/a
Subtotal: Employee Expense	-	-	-	411,946	411,946	n/a
Services	-	-	-	10,250	10,250	n/a
Intergovernmental Services	-	-	-	-	-	n/a
Supplies	-	-	-	300	300	n/a
Total: Operating Expense	-	-	-	422,496	422,496	n/a

Employee Expense represents 98 percent of this department’s operating budget. The division includes three FTEs, all of whom were transferred from the Environmental, Health, and Safety budget center. No additional staff are planned in the 2023 budget. National Safety Council fees for membership and accident reviews comprise most of the remaining budget.

Administration and Special Programs 2023 Priorities

- Continue implementation of the FTA’s required Agency Safety Plan with a focus on safety promotion and employee engagement.
- Update the Vehicle Use Policy.

Environmental, Health, and Safety Division

Environmental, Health, and Safety staff are responsible for the oversight and delivery of agencywide safety programs, the safety management system, environmental compliance, the Environmental and Sustainability Management System (ESMS), and the workers' compensation program. Responsibility for the workers' compensation program was transferred from Employee Engagement in late 2021.

Environmental, Health & Safety 2023 Budget

Beginning January 1, 2023, some of the administrative functions that were included in this budget center transfer to the new Administration and Special Programs budget center. The reduction in the 2023 budget as compared to 2022 is directly related to this change. Amounts shown in the table below for 2022 and years prior include expenses for both budget centers.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	446,086	508,390	743,794	571,148	(172,646)	-23%
Benefits	186,943	205,444	290,208	235,283	(54,925)	-19%
Subtotal: Employee Expense	633,029	713,834	1,034,002	806,431	(227,571)	-22%
Services	48,194	22,202	20,195	15,325	(4,870)	-24%
Intergovernmental Services	13,769	21,203	15,770	16,550	780	5%
Supplies	614,339	131,027	20,100	20,900	800	4%
Total: Operating Expense	1,309,331	888,266	1,090,067	859,206	(230,861)	-21%

Employee expense represents 94 percent of this division's budget. The original 2022 budget funded eight FTEs. For 2023, three FTEs have been transferred to the Administration and Special Programs division. The 2023 budget funds six FTEs including a new position of Environmental and Sustainability Management System (ESMS) program manager.

Intergovernmental services comprise 2 percent of the budget. These include permit and license fees paid to other agencies, including Community Transit's Industrial Pre-Treatment permit (paid to City of Everett), and stormwater permit fees.

The services and supplies categories together amount to 4 percent of the division budget. Services include environmental sampling, hazardous waste disposal, and battery recycling. Supplies include replenishments for first aid and external defibrillator kits, safety vests, spill control equipment, industrial hygiene supplies, nonstandard office supplies, and other similar items.

Environmental, Health, and Safety 2023 Priorities

- Recruit a new Environmental and Sustainability Program Manager to help further develop agencywide sustainability programs and support zero emissions programs.
- Complete a feasibility study for an environmental, health, and safety software program to support tracking of hazard identification, hazard mitigation, safety inspection, and continuous improvement activities.
- Reconfigure the existing agency Safety Committee to incorporate the new requirements under the Bi-partisan Infrastructure Law which focuses on improved employee engagement in safety management system processes.



A now-retired Coach Operator and former Safety Committee member stands by a coach.

Security and Emergency Management Division

The Security and Emergency Management division 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. Some of the programs that are managed by this team are the System Security Plan, Emergency Operations Plan, Training and Exercising Plan, and the Threat Assessment Team.

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.

Security and Emergency Management 2023 Budget

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	200,598	262,138	341,838	1,472,049	1,130,211	331%
Benefits	75,856	92,782	121,454	667,340	545,886	449%
Subtotal: Employee Expense	276,454	354,920	463,292	2,139,389	1,676,097	362%
Services	37,999	86,142	48,930	115,066	66,136	135%
Intergovernmental Services	3,088,618	3,106,357	4,251,874	3,645,535	(606,339)	-14%
Supplies	24,479	19,865	18,450	114,750	96,300	522%
Total: Operating Expense	3,427,550	3,567,284	4,782,546	6,014,740	1,232,194	26%

In 2022, the Community Transit Executive Leadership team rolled out a five-year security enhancement strategic plan. The plan had been in development for over two years and relied on input from employees throughout the agency, customers, and community members. The 2023 budget includes funds to implement portions of the plan, which elevates the agency's focus on safety and security and the role it plays in helping Community Transit deliver on its mission.

Intergovernmental Services is the largest element in this budget and funds the agency contract with the Snohomish County Sheriff's Office for police services. This contract is budgeted at just under \$3.3 million for 2023. In addition to the base contract, this budget includes an additional \$350,000 for participation in the Snohomish County social worker program to help people who

use Community Transit services and may also be experiencing homelessness, addiction, mental illness, or the like. The total package of \$3.6 million is 61 percent of the entire division budget.

In 2023, employee expense contributes 36 percent to this division's total budget. If the \$3.6 million intergovernmental services budget is not included in the total, employee expense is 90 percent of the division's remaining budget.

The 2023 employee expense budget increases by almost \$1.7 million over the 2022 budget. The original 2022 budget authorized three FTEs. In support of the security enhancement strategic plan, two FTEs were added in mid-2022: one security services supervisor and one security services assistant manager. The 2023 budget adds 19 FTEs, bringing the division total to 24 FTEs. The new positions are one security services coordinator and 18 security officers. Employee expense in this division includes uniform expense for the new security officers.

The services and supplies budgets together represent less than 4 percent of the division budget. The 2023 budget covers startup costs to support the expanded security and emergency management programs. These costs include small tools and equipment for new security staff (\$47,500), emergency management equipment for the Emergency Operations Center and Security Operations Center (\$37,000), and professional services for an emergency management training program implementation (\$45,000). This budget center also includes the physical security systems preventative maintenance contract and associated supplies and equipment to make needed repairs; the budget for these line items has increased by just over \$33,000 as compared to 2022, partly due to the addition of the Cascade building and partly because costs for physical equipment have gone up.

The remainder of the services and supplies budget funds nonstandard office equipment, printing fees for employee manuals, and other such expenses required for the division to do its work.

Security and Emergency Management 2023 Priorities

- Continue implementation of the Security Enhancement Strategic Plan.
- Recruit and train 18 transit security officer FTEs to support the plan.
- Develop a 24/7 Security Operations Center.
- Provide oversight for the new Rules of Conduct and continued development of programs and procedures to support implementation.

Transportation Department

The Transportation Department manages and supervises all Community Transit directly operated bus services.

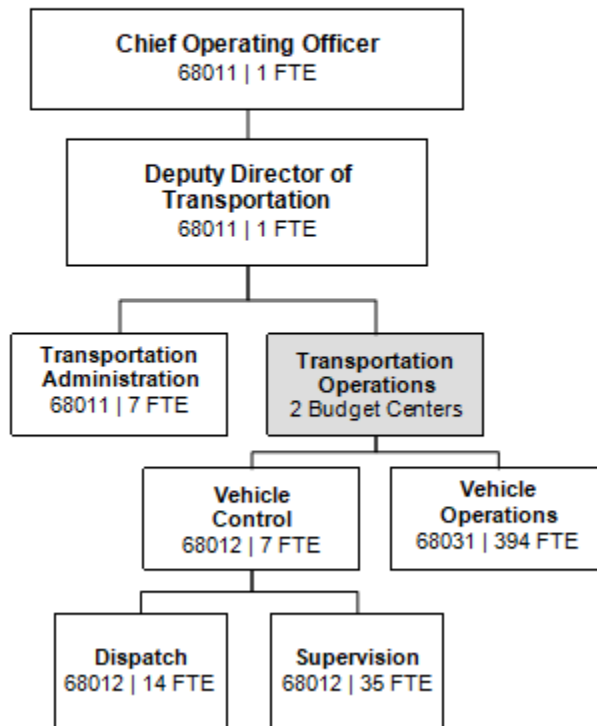
The department includes Transportation Administration and Transportation Operations. Transportation Administration provides operational support to the department and Transportation Operations provides direct services.

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.

2023 Organizational Chart With Budget Center Responsibility

Transportation Department

3 Budget Centers | 459 FTEs



Major Department Accomplishments for 2022

- Focused on employee/passenger safety and health while providing essential services to the public during a global pandemic.
 - Increased supervisor presence on Swift service.
 - Continued supplying masks and other personal protection equipment to all employees.



- Maintained an average of 98.54 percent of completed service over the last 12 months, utilizing active dispatching, resource reallocation, and volunteers to cover work in overtime.
- Continued actions of utilizing and refining departmental key performance indicators to guide management decisions towards operational excellence

Exceeded goals, with an average of 55 percent, on the eleven indicators listed below showing improvement when compared to the prior 12 months:

Safety

- Accidents/100,000 Platform Miles
- Passenger Events/100,000 Revenue Miles
- Hazardous Driving Events
- Employee Injuries/100 Full-Time Workers

Service

- Missed Trips
- Customer Comments/10,000 Boardings
- Services Operated On-Time for Arrival
- Services Operated On-Time – Swift Headway
- Absenteeism
- Vehicle Operations Overtime Hours
- Vehicle Control Overtime Hours

- Welcomed many new employees to the department. As of August 2022, the department welcomed 10 coach operator graduates, and three additional employees:
 - Michael Adams, Assistant Transportation Manager
 - Debbie Stump, Administrative Assistant II
 - Mark Holmes, the new Chief Operating Officer (COO) The COO is included in the Transportation budget and oversees three departments: Transportation, Maintenance, and Safety, Security, and Sustainability.

- Celebrated numerous promotions within the department. As of August 2022, the promotions included:
 - Promoted eight coach operators to Dispatch: Benjamin Herrick, Brynna Holcomb, Titus Munteanu, Caton Randolph, Trong Tran, James Corbett, Jaynesh Raj, Andrew Tran.
 - Promoted five dispatchers and five coach operators to Transportation Supervisors: Bob Akey, Stewart Wegner, Heather Ratley, Erin Shaughnessy, Ryan Martin, Anne Glidden, Nicholas Pulley, Yevgeniy Karpik, Sina Aria, Kelly Bang.
 - Promoted Assistant Transportation Manager Thomas Gilbert to Manager of Transportation Operations.
 - Promoted Transportation Supervisor James Wagster to Assistant Transportation Manager.
 - Promoted Business Support Specialist Jeri Spriggs to Manager of Operations Support.
 - Promoted Administrative Assistant Cathy Jackson to Operations Coordinator.
 - Six employees promoted out of the department to Training, to work as Coach Operator Instructors.
- Celebrated many long-term employee retirements of administrative employees, supervisors, and operators.
- Celebrated department awards:
 - 2021 CEO Award – Robert Gaines
 - 2021 Excellence Awards: Supervisor Jeff Andrews, Supervisor Rita Pollardo, Dispatcher Joanie Jensen, Coach Operator Lisa Whitney
 - Six 1 Million Mile Operators: Zeru Cherkos, Matt Chomjak, Carwilla Rose, Ravi Shandil, Pantelija Djurdjevic, Charles Parks.
- Participated in Operator Roadeos for the first time in 8 years.
 - Coach Operator Matt Chomjak placed 2nd in Regionals in the 40-foot coach competition.
 - Coach Operator Tadesse Yeglalu placed 2nd at State in the 30-foot coach competition.
- Continued improvements to automate departmental data reporting and analysis.
- Continued adjustments to the bid process utilizing Trapeze OPS WEB. This moves the department towards the ability to bid off-site.
- Redefined the roles and structure of the department to align with agency strategic goals.

Department Priorities for 2023

- Achieve adequate staffing levels to ensure the successful delivery of service.
- Develop programs to improve employee retention.
- Coordinate with Transit Technology to implement DriveCam for monitoring driving behaviors and analyzing the data to proactively manage safety and service.
- Continue process development and improvement for vacation and daybook bidding and enabling OPS WEB Bidding capabilities outside of the agency firewall.
- Continue to focus on employee needs, safety, and health as the agency navigates the impacts of the pandemic.
- Enhance safety programs for driver training and education.
- Increase employee engagement, development, and recognition.
- Work closely with Capital Planning to ensure the plans for new facilities meet the needs of the department.

Transportation Department 2023 Budget

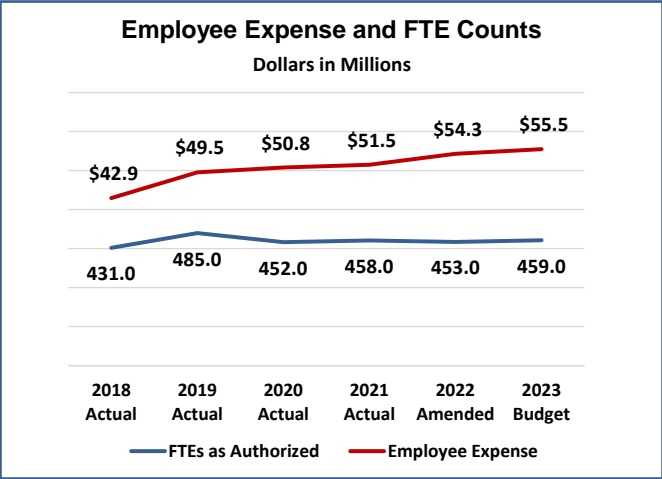
Community Transit’s mission is to help people get from where they are to where they want to be. The Transportation Department supports this mission by delivering reliable, safe, courteous service to Community Transit customers. The Transportation Department budget reflects the resources needed to support the 2023 service plan, which includes upcoming service expansions, service reliability, and customer experience.

The table below shows department expenses by category.

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	35,060,753	36,075,212	37,916,575	38,645,336	728,761	2%
Benefits	15,708,460	15,412,797	16,350,215	16,810,856	460,641	3%
Subtotal: Employee Expense	50,769,213	51,488,009	54,266,790	55,456,192	1,189,402	2%
Services	42,830	46,572	38,480	58,670	20,190	52%
Supplies	11,974	10,741	16,050	16,000	(50)	0%
Total: Operating Expense	50,824,017	51,545,322	54,321,320	55,530,862	1,209,542	2%

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 463 FTEs in the original 2022 budget. In midyear 2022, Executive Leadership transferred 10 vacant positions from this department to other departments to better support agency goals. Five positions went to Training to support the coach operator training program, two positions went to Employee Engagement to support agencywide recruitment efforts, and the final two positions went to Parts Inventory for an administrative assistant II, and Information Technology for a zero-emissions project assistant who will focus on sustainability and potential fleet conversion to zero emissions vehicles.



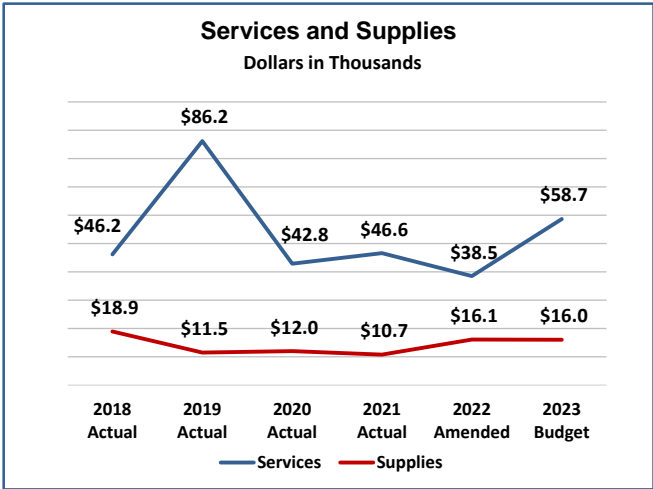
The 2023 budget adds 6 FTEs, bringing the 2023 staffing complement to 459: 394 full and part-time coach operators, 35 transportation supervisors, 14 dispatchers, and 16 management and operations support staff.

All employee expense in this department is classified as General Fund (Fund 40) operational expense. Although employees in this department do participate in the agency capital program, no FTEs were formally designated for personnel expense distribution to a capital project fund.

Services and Supplies

Services and supplies together amount to less than 1 percent of the total Transportation budget.

Services include expenses such as accident, safety, and rider alert supplies; printing for various forms, shakeup paperwork, and standard operating procedure manuals; and participation in the state and national coach operator Roadeos. The Roadeos are skills tests for coach operators and mechanics. Community Transit is proud to have one national Rodeo champion among its coach operator employees.



Supplies include items such as hand sanitizer and wipes, nonstandard office supplies, and minor equipment replacements. The 2023 supply budget remains consistent with 2022.

Transportation Department Budget Center Summary

This summary compares each budget center's 2023 budget to its 2022 amended budget.

Budget Center ID	Description	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
68011	Transportation Administration	902,106	1,104,739	1,111,640	1,367,566	255,926	23%
68012	Vehicle Control	8,173,074	7,852,228	8,589,073	8,497,023	(92,050)	-1%
68031	Vehicle Operations	41,748,838	42,588,355	44,620,607	45,666,273	1,045,666	2%
Total: Operating Expense		50,824,018	51,545,322	54,321,320	55,530,862	1,209,542	2%

Discussions of each division's budget follow.

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 2023 Budget

Expense Type	2020 Actuals	2021 Actuals	2022 Amended Budget	2023 Budget	2023 Budget Over/Under 2022 Budget	% 2023 Budget Over/Under 2022 Budget
Salaries & Wages	606,604	760,482	772,197	922,782	150,585	20%
Benefits	240,698	286,944	284,913	370,114	85,201	30%
Subtotal: Employee Expense	847,302	1,047,426	1,057,110	1,292,896	235,786	22%
Services	42,830	46,572	38,480	58,670	20,190	52%
Supplies	11,974	10,741	16,050	16,000	(50)	0%
Total: Operating Expense	902,106	1,104,739	1,111,640	1,367,566	255,926	23%

All services and supplies for the department are budgeted in the Transportation Administration budget center and represent about 5 percent of the division budget.

Personnel expense accounts for 95 percent of this budget. In 2022, one position was transferred from the Transportation Control division (budget center 68012) to this budget

center: a manager of operations support. The 2023 budget includes funding for one additional FTE: an administrative assistant II.

Transportation Administration 2022 Accomplishments

- Continued reporting improvements to automate data collection and increase efficiency of performance analysis:
 - Key Performance Indicators (KPI) continue to be adjusted and refined. Worked with Facilities Maintenance to define KPIs and worked with Maintenance with access to shared data for ease of reporting and consistency.
 - Worked with Information Technology and Research and Analytics to move accident data to the data mart for automated access.
 - Automated OPS Daily Reports and weekly summaries.
- Provided project oversight and management of Transportation tasks and process development/documentation:
 - The Coach Operator Standard Operating Procedures were revised to include new services with radio and APTS capabilities.
 - Procedures were developed for implementation of the revised Rules of Conduct.
- In coordination with Labor Relations, moved toward finalizing the union contract for ATU.

Transportation Administration 2023 Priorities

- Continue reporting improvements to automate data collection and increase efficiency of performance analysis:
 - Focus on improving road supervisor logs.
 - Continue work with the Research and Analytics team and Contracted Services to develop agency-wide operations reports and the ability to share data seamlessly.
- Provide project oversight and management of Transportation tasks and process development/documentation:
 - Implement more features of Trapeze OPS to document discussions with employees.
 - Continue development of Supervisor and Dispatch Standard Operating Procedures.
- Implement negotiated ATU contract in coordination with Labor Relations.
- Plan and prepare for the move to the new operations building.

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 2023 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
68012	Vehicle Control	8,173,074	7,852,228	8,589,073	8,497,023	(92,050)	-1%
68031	Vehicle Operations	41,748,838	42,588,355	44,620,607	45,666,273	1,045,666	2%
Total: Operating Expense		49,921,912	50,440,583	53,209,680	54,163,296	953,616	2%

The table above shows division expenses by budget center; the next table shows them by category. As in prior years, the budget for this division consists solely of employee expense.

<i>Expense Type</i>	<i>2020 Actuals</i>	<i>2021 Actuals</i>	<i>2022 Amended Budget</i>	<i>2023 Budget</i>	<i>2023 Budget Over/Under 2022 Budget</i>	<i>% 2023 Budget Over/Under 2022 Budget</i>
Salaries & Wages	34,454,149	35,314,730	37,144,378	37,722,554	578,176	2%
Benefits	15,467,763	15,125,852	16,065,302	16,440,742	375,440	2%
Total: Operating Expense	49,921,912	50,440,582	53,209,680	54,163,296	953,616	2%

Vehicle Control’s 2023 budget includes only direct employee expenses, and consists of 56 full-time FTEs—one manager, six assistant managers, 14 dispatchers, and 35 supervisors. One of the assistant managers is new for 2023.

The Vehicle Operations budget consists entirely of wages and benefits expense for coach operator FTEs. The 2023 budget includes 394 FTEs: 390 full-time and 4 part-time FTEs (one part-time FTE equals two actual employees).

Transportation Operations 2022 Accomplishments

- Monitored key performance indicators and provided opportunities for improvement. Adjustments are made monthly using measurable actions.
- Engaged with customers and employees to enhance the Community Transit experience. Management staff routinely schedule field presence and supervision presence was increased for Swift services.



Transportation Operations 2023 Priorities

- Achieve adequate staffing levels to ensure the successful delivery of service.
- Monitor key performance indicators and provide opportunities for improvement.
- Continue to increase field presence to interact with customers, operators, and supervisors.

Statistical and Supplemental Data

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 slightly in excess of 1,300 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 613,000 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 jurisdictions. Voting board members include:

- Two members and their alternate from the governing body of Snohomish County.
- Two elected officials from cities Community Transit serves with populations of more than 35,000.
- Three elected officials from cities Community Transit serves with population between 15,000 and 35,000.

- Two elected officials from cities Community Transit serves with populations of 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 2022, Mayor Joe Marine from the City of Mukilteo served as Board Chair, Council Member Jan Schuette from the City of Arlington served as Board Vice Chair, and Councilmember Tom Merrill from the City of Snohomish served as Board Secretary.

Community Transit's Chief Executive Officer (CEO), Ric Ilgenfritz, is responsible for overall administration of the agency as directed through policy guidance issued by the Board of Directors. In addition to the CEO, the agency's principal officers in 2022 were the Chief Operating Officer (Mark Holmes), Director of Communications and Public Affairs (Mary Beth Lowell), Director of Customer Experience (Molly Marsicek), Director of Employee Engagement (Cesar Portillo), Chief Financial Officer (Eunjoo Greenhouse), Director of Planning and Development (Roland Behee), 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 a primary destination for Snohomish County commuter routes, while commuter routes to King County serve the Seattle central business district and the University of Washington. (Starting in the fall of 2021, connections to the University of Washington shifted to Northgate to connect to Sound Transit's Link light rail service.) 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 Dial-A-Ride-Transportation (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.

In addition to the above services, Community Transit is piloting innovative service. The goal is to provide new travel options that integrate with emerging technologies and existing bus service. The first pilot project launched in fall of 2019 and is for a community-based transportation mobility solutions program in Lynnwood. Community Transit is actively working with the City to develop innovative and cost-effective mobility solutions. The goal for this first pilot project is to test a new mobility option in late 2022 that will complement existing transportation services to help people get around the city. More information about this pilot can be found online at <https://www.communitytransit.org/zip>.

Much of the data provided in the following sections covers the year ending December 31, 2021, which, at the time this budget 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, for the last full year of data available, Community Transit provided 4.9 million passenger trips in 2021 on bus, DART paratransit, and vanpool services. Overall ridership decreased by 14 percent from 5.7 million in 2020. Bus boardings also decreased by 14 percent from 5.3 million to 4.6 million. Vanpool boardings decreased by 25 percent from 302,000 in 2020 down to 228,000 in 2021. Transit demand (DART) boardings increased 23 percent from 69,400 in 2020 to 85,000 in 2021.

Weekday bus ridership averaged 14,900 boardings (a 14 percent decrease from 17,400 boardings in 2020). Saturday ridership decreased by 8 percent (an average of 8,500 boardings in 2021 compared to 9,200 boardings in 2020). Sunday ridership decreased by 8 percent (6,400 boardings in 2021 down from 7,000 boardings in 2020). The statistical section of this report contains additional detailed operating information about ridership, service hours, and fares.

These decreases in ridership reflect the continuing effect of the pandemic, as well as changes in how businesses structure their employees' work schedules, allowing hybrid and full work-from-home options.

Agency Summary¹

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	844,400
Population - PTBA	613,289
Major Park-and-Ride Lots (250 or more parking stalls)	10
Minor Park-and-Ride Lots (fewer than 250 parking stalls)	14

Employees

Operations	488
Maintenance	106
General and Administrative	164
Total	758

Active Revenue Vehicles

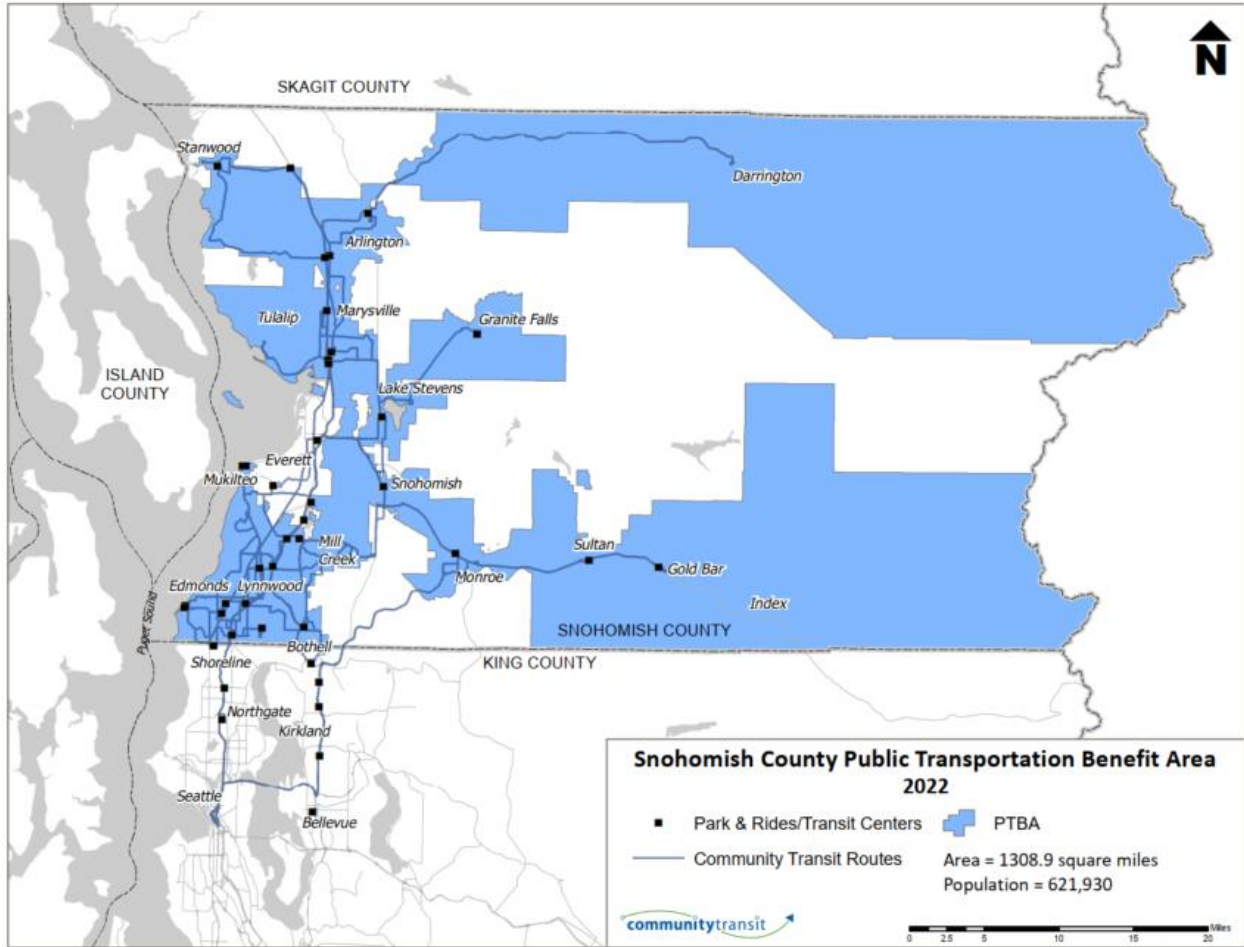
Directly Operated	151
Commuter Service	57
Vanpool Vans	362
Contract Commuter	85
DART/Paratransit	52
Total	707

Number of Scheduled Routes

Swift Bus Rapid Transit Routes	2
Local Snohomish County Routes	23
Boeing Commuter Routes	3
University of Washington Routes	6
Intercounty Commuter Routes	13
Total	47

¹ Information is current as of December 31, 2021.

Snohomish County Public Transportation Benefit Area Map



*Information is current as of September 2022, from Community Transit’s Planning and Development Department.

Regional Connections and Planning Coordination

Regional Connections

Community Transit's network includes important connections with several partner agencies at a variety of regional transit centers and terminals. These connections include:

- **Sound Transit:** ST Express bus at Ash Way Park & Ride, Canyon Park Park & Ride, Everett Station, Lynnwood Transit Center, Mountlake Terrace Transit Center, Seaway Transit Center, the UW Bothell/Cascadia College Campus and downtown Seattle, Sounder Commuter rail at Edmonds Station, Everett Station, Mukilteo Station, and King Street Station in Seattle.
- **Everett Transit:** Everett Station, Mariner Park & Ride, Mukilteo ferry terminal, North Broadway (Everett Community College/Washington State University), Seaway Transit Center, and the Swift corridors.
- **King County Metro:** Aurora Village Transit Center, Mountlake Terrace Transit Center, Seaway Transit Center, the UW Bothell/Cascadia College campus, downtown Seattle, and the University District.
- **Washington State Ferries:** Mukilteo and Edmonds ferry terminals
- **Tulalip Transit:** Tulalip Tribes Reservation
- **Sauk-Suiattle DC-Direct Shuttle Public Transit:** Darrington
- **Skagit Transit:** Everett Station
- **Island Transit:** Stanwood, Everett Station
- **Snow Goose Transit:** Camano Island, Stanwood, Smokey Point

Planning Coordination

Through regular, ongoing coordination and integration with partner agencies, Community Transit works to maintain and improve inter-system connections to provide a convenient regional transit experience for the riding public.

The following provides an overview of Community Transit's representation on local, regional and statewide organizations and committees to better integrate and align transportation plans:

- **Snohomish County Tomorrow (SCT)**, an inter-jurisdictional forum of Snohomish County, Snohomish County cities and the Tulalip Tribes. The primary function is to oversee countywide planning and coordination and development of infrastructure and the transportation system.

Community Transit staff members participate in the monthly Infrastructure Coordination Committee (ICC) and Planning Advisory Committees (PAC) meetings. Community Transit Board members also sit on several of the SCT Boards.

- **Snohomish County Transportation Coalition (SNOTRAC)**, a coalition that advocates for safe, equitable and accessible transportation services and solutions to better connect people and communities in and beyond Snohomish County. Community Transit is a sponsoring agency and is represented on the SNOTRAC Executive Board and Partners Group.
- **Everett Station District Alliance (ESDA)**, a non-profit organization of businesses, property owners, residents, and other stakeholders to foster a vibrant community around Everett Station. Everett Station is a major transit hub for Snohomish County and includes connections to Community Transit's Swift and local bus networks. Community Transit is a sponsoring agency and is represented on the ESDA Board of Directors.
- **Puget Sound Regional Council (PSRC)** is the Metropolitan Planning Organization (MPO) for the Puget Sound region that oversees the regional growth strategy and transportation plan, as well federal transportation funding for King, Kitsap, Pierce, and Snohomish Counties.

Community Transit staff serve on the following committees:

- Bicycle Pedestrian Advisory (BPAC) ▪ Special Needs Transportation
- Regional FTA Caucus ▪ TDM Advisory
- Regional Project Evaluation (RPEC) ▪ Transportation Operators (TOC)
- Regional Staff (RSC) ▪ Regional Traffic Operations

Community Transit is also represented on the Transportation Policy Board by an appointed Board member.

- **Washington State Department of Transportation (WSDOT)** Transportation Demand Management Executive Board.

Community Transit's Transit Integration Division is also part of the Stakeholder Advisory Group that meets regularly with WSDOT and various jurisdictions to coordinate efforts that focus on state capital projects in Snohomish County.

- Coordination with **Sound Transit** for ST2 and ST3 planning and construction of Link light rail and Stride Bus Rapid Transit projects. This includes bi-weekly construction meetings for Lynnwood Transit Link Extension, BRT Interagency group meetings for I-405 BRT and SR-522 BRT, ST3 Integration meetings on access projects and coordination with Snohomish County.
- **ORCA Regional Electronic Fare Collection System** is shared by six transit agencies and the Washington State Ferries. This requires regular coordination. Community Transit has representation on the following work groups: Joint Board (i.e., agency CEOs and general managers), steering committee, site managers, fares and finance staff, business accounts, operations, marketing, and public information officers.

- **Everett Transit** continues to be a financial partner in the Swift Blue Line bus rapid transit service that provides frequent and seamless trips for customers traveling to, from, and through Everett. Other existing agreements include a consolidated paratransit application process, a combined ORCA customer service line for integrated customer service, and continued coordination at Everett Station. In 2019, the City of Everett initiated a feasibility study, ReThink Transit, to evaluate options for future delivery of public transportation within the city. Community Transit was invited by the city to participate in and support the study, including the development of a “Growth Through Consolidation” option whereby Everett could join Community Transit’s PTBA and merge agencies. As illustrated by the study, an integrated county-wide transit system would provide a higher level of service to Everett residents and others traveling to, through and from Everett. In 2021, Everett initiated a request to Community Transit to work together to define a joint “Growth Through Consolidation” study framework that will provide more detail on the integration plan and will help the City Council and Everett voters make decisions on the future of transit in the city. This next phase of work is currently underway in 2022.

Other national, state, and local forums that Community Transit participates in are: American Public Transportation Association (APTA), Washington State Transit Association (WSTA), Washington State Transit Insurance Pool (WSTIP), Economic Alliance Snohomish County (EASC), and Conference of Minority Transportation Officials Washington State (COMTO).

Economic Conditions and Future Outlook

Local Economy—Snohomish County¹

Snohomish County is the third most populous county in the state, with a population of 835,533 in 2021 and an estimated population for 2022 of 846.4 thousand². Over the past ten years, the county's population has grown an average of 1.65 percent per year. In 2021, Snohomish County accounted for the second largest share of overall population growth in Washington State, at 16 percent. The largest share of growth was in King County, at 29 percent.

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 about 422,000 workers, and the median household income is \$89,663.

Snohomish County is the manufacturing center of Washington State with 29 percent of the county's workforce engaged in manufacturing jobs. The aerospace industry accounts for about 30,600 jobs in the county. South Snohomish County includes a cluster of medical device, research, and biopharmaceutical companies. Snohomish County also has the state's second highest concentration of tech-based jobs. Boeing, Providence Regional Medical Center, the Everett Clinic, Naval Station Everett, and the Tulalip Tribes Enterprises 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.

The State of Washington Department of Revenue distributes sales tax revenues two months after the month in which the sale took place.

In 2021 and 2022, sales tax revenues continued to increase despite the COVID-19 pandemic. By year end 2021, sales tax revenues recorded on a cash basis exceeded 2020's collections by \$31.5 million (20.2 percent). As of August 2022, year-to-date sales tax revenues have exceeded 2021 collections for the same timeframe by 5.84 percent.

More information about sales tax revenues can be found in the Revenues section of this document.

¹ Most data in this section available at: <https://www.economicalliancesc.org>

² 2022 population estimate shown here is per the Economic Forecaster, June 2022. www.economicforecaster.com

Economic Outlook—Regional and Statewide Factors

The Washington State Economic and Revenue Forecast Council³ measures change in the state’s economy. The following table provides a summary of key statewide economic indicators from the Council’s September 2022 forecast which considers the effect of the COVID-19 pandemic.

<u>Washington State Economic Indicators</u> <i>(As of September 2022)</i>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Unemployment	5.3%	4.0%	4.3%	4.9%	4.9%	4.7%
Percent Change in Real Per Capita Income	7.4%	2.5%	3.7%	3.8%	4.2%	4.1%
Percent Change in Personal Income	7.8%	3.0%	4.6%	4.8%	5.3%	5.1%

³ Data in this table is from <https://erfc.wa.gov/forecasts/economic-forecast>, September 2022 Forecast, Table A1.3

Statistics and Demographics

Snohomish County Demographic and Economic Statistics Ten-Year Comparison

Year	County Population (1)	Household Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2012	717,000	\$ 64,033	\$ 45,796	7.5%
2013	722,900	64,391	46,733	6.7%
2014	730,500	68,637	44,967	4.6%
2015	741,000	75,292	47,713	5.0%
2016	757,600	77,985	49,511	3.9%
2017	772,860	80,579	52,349	4.0%
2018	789,400	85,758	55,982	3.6%
2019	805,120	88,442	58,729	2.8%
2020	822,083	90,497	62,267	6.7%
2021	831,107	98,283	Not Available	5.0%

Data Sources:

- (1) U.S. Census
- (2) Washington State Office of Financial Management
- (3) U.S. Bureau of Economic Analysis
- (4) U.S. Bureau of Labor Statistics

Snohomish County Principal Employers Fiscal Years Ending December 31, 2021 and 2012

<i>Employer</i>	2021			2012		
	<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	27,700	1	9.25%	41,000	1	10.94%
Providence Regional Med. Ctr.	7,350	2	2.45%	3,500	4	0.93%
Everett Clinic	6,951	3	2.32%	2,100	8	n/a
Everett Naval Station	4,300	4	1.44%	6,350	2	1.69%
The Tulalip Tribes	3,413	5	1.14%	3,200	5	0.85%
Washington State Government	3,319	6	1.11%	6,000	3	1.60%
Snohomish County Government	2,877	7	0.96%	2700	6	n/a
Edmonds School District	2,850	8	0.95%	2000	9	n/a
Everett Public Schools	2,533	9	0.85%			0.00%
Mukilteo Public Schools	2,500	10	0.83%			0.00%
Premera Blue Cross	-	-	n/a	2,400	7	0.64%
Philips Medical Systems	-	-	n/a	2,000	10	0.53%
Total, Principal Employers	63,793			71,250		
Total County Employment	299,484			374,803		
Percentage of Principal Employers to Total County Employment	21.30%			19.01%		

Data Source:

Snohomish County Economic Alliance

Snohomish County Population Demographic Statistics Ten-Year Comparison

Year	County Population	PTBA Population	Age Distribution for Snohomish County		
			0-19	20-64	65+
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	not available (due to COVID19 pandemic)		
2020	831,107	607,522	not available (due to COVID19 pandemic)		
2021	840,131	613,289	24.4%	60.5%	15.1%

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Directly Operated Service										
Average Weekly Ridership	124,481	-								
Passengers per Hour	19.94	-								
Fare Revenue per Passenger	\$ 1.50	\$ -								
Cost per Passenger	\$ 9.19	\$ -								
Cost per Mile	\$ 11.42	\$ -								
Farebox Return	16.3%	0.0%								
Motor Bus Directly Operated										
Average Weekly Ridership		102,143	112,920	117,368	121,575	123,343	126,618	134,599	85,498	76,928
Passengers per Hour		18.53	19.77	18.43	17.16	15.61	15.33	14.42	10.16	9.08
Fare Revenue per Passenger		\$ 1.41	\$ 1.28	\$ 1.27	\$ 1.26	\$ 1.27	\$ 1.26	\$ 1.28	\$ 0.95	\$ 0.92
Cost per Passenger		\$ 9.10	\$ 8.56	\$ 9.48	\$ 9.89	\$ 11.19	\$ 11.67	\$ 12.91	\$ 20.00	\$ 19.95
Cost per Mile		\$ 11.12	\$ 11.37	\$ 11.68	\$ 11.65	\$ 12.34	\$ 12.62	\$ 13.37	\$ 14.32	\$ 12.64
Farebox Return		15.4%	15.0%	13.4%	12.8%	11.3%	10.8%	9.9%	4.7%	4.6%
Commuter Bus Directly Operated										
Average Weekly Ridership		22,489	22,980	22,613	22,784	22,463	23,526	23,634	6,951	4,752
Passengers per Hour		34.03	30.10	29.38	28.02	26.30	26.30	26.05	11.88	6.99
Fare Revenue per Passenger		\$ 2.97	\$ 3.20	\$ 3.44	\$ 3.80	\$ 3.72	\$ 3.60	\$ 3.53	\$ 3.78	\$ 3.37
Cost per Passenger		\$ 9.76	\$ 10.83	\$ 11.82	\$ 11.79	\$ 11.50	\$ 12.30	\$ 13.01	\$ 33.56	\$ 49.02
Cost per Mile		\$ 15.65	\$ 16.53	\$ 17.62	\$ 17.19	\$ 16.08	\$ 17.35	\$ 18.23	\$ 19.03	\$ 15.37
Farebox Return		30.5%	29.5%	29.1%	32.2%	32.3%	29.3%	27.1%	11.3%	6.9%
Contract Commuter Service										
Average Weekly Ridership	28,951	28,838	31,269	31,851	32,373	33,111	34,052	35,591	9,587	6,042
Passengers per Hour	46.15	41.95	40.01	40.00	38.02	36.80	34.99	35.38	13.73	8.73
Fare Revenue per Passenger	\$ 3.36	\$ 3.54	\$ 3.26	\$ 3.45	\$ 3.70	\$ 3.61	\$ 3.57	\$ 3.42	\$ 4.12	\$ 4.12
Cost per Passenger	\$ 6.71	\$ 5.95	\$ 5.60	\$ 5.33	\$ 5.29	\$ 5.62	\$ 6.12	\$ 6.39	\$ 22.54	\$ 34.83
Cost per Mile	\$ 12.59	\$ 10.25	\$ 10.18	\$ 9.87	\$ 9.67	\$ 9.99	\$ 10.19	\$ 10.66	\$ 12.33	\$ 11.41
Farebox Return	50.0%	59.6%	58.3%	64.7%	69.9%	64.2%	58.3%	53.5%	18.3%	11.8%
DART/Paratransit										
Average Weekly Ridership	3,747	3,620	3,704	3,661	3,734	3,740	3,846	3,666	1,334	1,636
Passengers per Hour	2.28	2.27	2.28	2.24	2.35	2.39	2.29	2.24	1.91	1.67
Fare Revenue per Passenger	\$ 1.43	\$ 1.69	\$ 1.67	\$ 1.86	\$ 1.95	\$ 1.98	\$ 2.04	\$ 2.26	\$ 1.93	\$ 2.63
Cost per Passenger	\$ 37.60	\$ 38.48	\$ 39.22	\$ 38.93	\$ 39.49	\$ 42.15	\$ 44.16	\$ 47.08	\$ 143.06	\$ 95.61
Cost per Mile	\$ 4.62	\$ 4.64	\$ 4.83	\$ 4.73	\$ 4.99	\$ 5.41	\$ 5.48	\$ 5.68	\$ 14.60	\$ 9.27
Farebox Return	3.8%	4.4%	4.3%	4.8%	4.9%	4.7%	4.6%	4.8%	1.4%	2.8%
Vanpool										
Average Weekly Ridership	17,697	17,840	17,787	17,551	16,688	16,565	16,719	15,842	5,808	4,382
Passengers per Hour	6.13	6.25	6.26	6.37	6.13	6.13	6.02	5.54	4.65	4.71
Fare Revenue per Passenger	\$ 2.85	\$ 2.97	\$ 3.02	\$ 3.21	\$ 3.22	\$ 3.22	\$ 3.45	\$ 3.78	\$ 5.00	\$ 7.83
Cost per Passenger	\$ 4.17	\$ 4.27	\$ 4.65	\$ 4.39	\$ 4.93	\$ 5.09	\$ 5.20	\$ 5.32	\$ 11.22	\$ 12.49
Cost per Mile	\$ 0.78	\$ 0.82	\$ 0.89	\$ 0.85	\$ 0.93	\$ 0.96	\$ 0.98	\$ 0.93	\$ 1.64	\$ 1.80
Farebox Return	68.4%	69.4%	64.9%	73.2%	65.3%	63.2%	66.3%	71.0%	44.6%	62.7%

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.

Ridership: Ten-Year Comparison

Year	<i>Directly Operated</i>	<i>Motor Bus Directly Operated</i>	<i>Commuter Bus Directly Operated</i>	<i>Contract Commuter</i>	<i>DART Paratransit</i>	<i>Vanpool</i>	<i>Total: Community Transit Service</i>	<i>Sound Transit</i>
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
2020	-	4,445,897	361,446	498,511	69,387	302,038	5,677,279	1,321,028
2021	-	4,000,232	247,087	314,172	85,060	227,847	4,874,398	1,024,314

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

Year	<i>Directly Operated</i>	<i>Motor Bus Directly Operated</i>	<i>Commuter Bus Directly Operated</i>	<i>Contract Commuter</i>	<i>DART Paratransit</i>	<i>Vanpool</i>	<i>Total: Community Transit Service</i>	<i>Sound Transit</i>
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
2020	-	437,507	30,419	36,308	36,370	64,978	605,582	102,510
2021	-	440,436	35,357	35,968	50,919	48,425	611,105	93,650

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

Year	<i>Directly Operated</i>	<i>Motor Bus Directly Operated</i>	<i>Commuter Bus Directly Operated</i>	<i>Contract Commuter</i>	<i>DART Paratransit</i>	<i>Vanpool</i>	<i>Total: Community Transit Service</i>	<i>Sound Transit</i>
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
2020	-	6,207,498	637,568	911,051	679,859	2,068,568	10,504,544	2,299,292
2021	-	6,311,028	788,159	959,250	877,538	1,582,130	10,518,105	2,119,822

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
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 - 2021	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. This fare is available only 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
2020	2.50	1.75	1.25	4.25	3.00	2.00	2.50

In response to the COVID-19 pandemic, Community Transit temporarily suspended fare collection effective March 20, 2020. Fare Collection resumed on Swift routes effective June 1, 2020, and on all routes effective July 1, 2020.

Capital Assets Active Revenue Vehicles: Ten-Year Comparison

Year	Directly Operated	Motor Bus Directly Operated	Commuter Bus Directly Operated	Contract Commuter	DART Paratransit	Vanpool	Total: Community Transit Service
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
2020	-	151	70	85	52	461	819
2021	-	151	57	85	52	362	707

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 performance indicators in two categories: Customer Satisfaction/Ridership Growth and Good Stewards of Public Funds. The charts that follow show trends for each performance indicator based on data for ten years. These charts exclude Sound Transit service, since Community Transit operates that service on a contract basis.

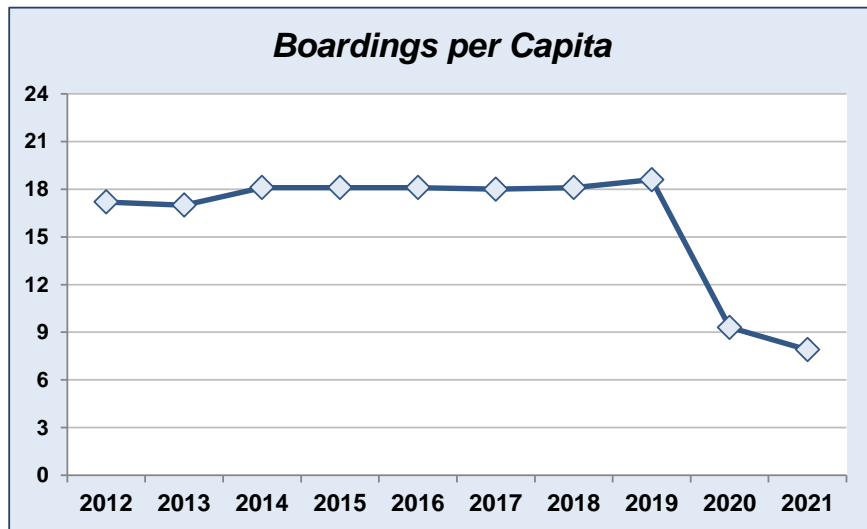
The COVID-19 pandemic continued to significantly impact ridership, service hours, and fare revenue as well as generate additional expenses for personal protective equipment, disinfecting services, and operational labor requirements. Ridership, service hours, fare revenue, and operating expense affect every performance indicator, and the statistics for 2021 continue the anomalous patterns seen in 2020. As businesses redefine where and when their employees work and people in our service area resume more of their prepandemic activities, we will adjust our existing services and explore new service options that meet these changing needs.

Customer Satisfaction and Ridership Growth

Boardings per Capita

Between 2020 and 2021, the population within Community Transit's public transportation benefit area (PTBA) grew by slightly less than 1 percent, which is less than the 10-year average PTBA population growth rate of 1.6 percent.

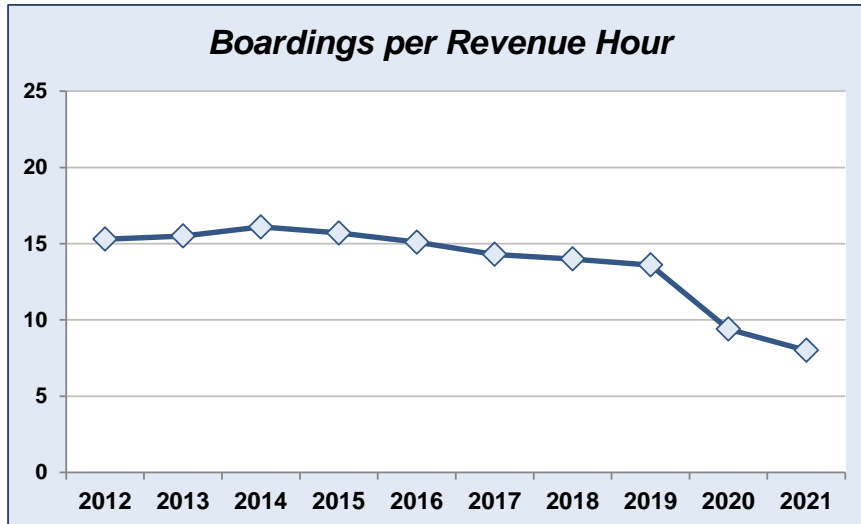
From 2014 through 2018, the system boardings per capita rate of 18.1 remained stable. It increased to 18.6 in 2019, but during 2020 ridership declined by 49 percent which caused the system boardings per capita rate to fall to 9.3. Ridership across all modes experienced a 14 percent decline in 2021 as compared to 2020, which dropped the system boardings per capita measure to 7.9.



Measures how effectively Community Transit attracts increased ridership in proportion to the population.

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.



Measures use of the service Community Transit operates based on the number of passenger boardings per hour.

Before the pandemic, the 10-year average across all modes was 14.8 boardings per revenue hour.

Because of restrictions imposed by Washington State, significantly fewer people used transit service in 2020, and that trend continued in 2021.

In 2020 Community Transit operated 605,000 hours of service across all modes. In 2021, we

operated 611,000 hours of service, an increase of just shy of 1 percent. System ridership was significantly impacted by the COVID-19 pandemic. Ridership across all modes was 5.7 million passengers in 2020 and 4.9 million in 2021, a decrease of 14 percent. Bus only boardings were 5.3 million in 2020 and 4.6 million in 2021, also a 14 percent decrease.

Demand response was the only service to show an increase between 2020 and 2021 with 69,000 boardings in 2020 and 85,000 boardings in 2021, a 23 percent increase. Although this was a significant increase in demand response boardings, 85,000 boardings is about 45 percent of the 191,000 boardings this mode served in 2019.

Customer Comment Charts

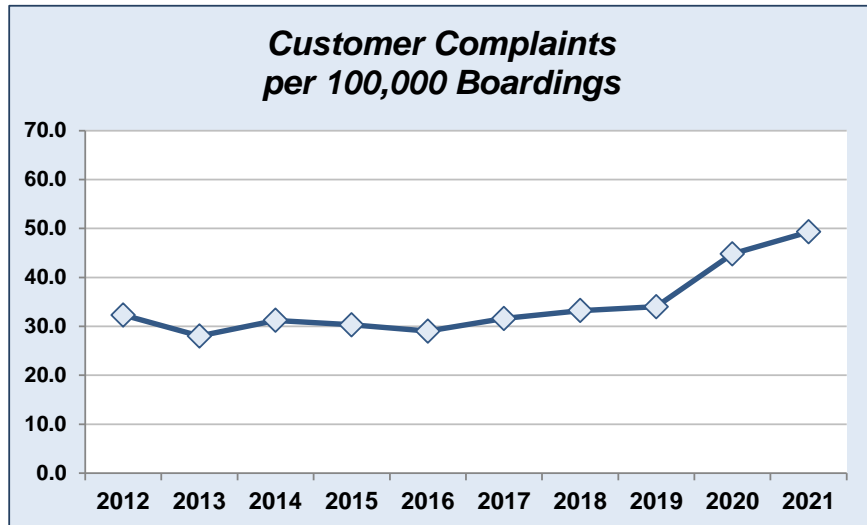
Customer comments include commendations for our coach operators and other employees, complaints, requests for additional service, suggestions for changes in existing service, requests for bus stops to be added or removed, and the like. In 2019 Community Transit completed implementation of a software system intended to capture all customer comments, a capability not available in prior years. In the charts that follow, data for customer complaints and commendations prior to 2019 were recorded manually. Statistics for 2019 reflect a combination of manual capture and automated capture from the new software system. Statistics for 2020 forward are entirely from the automated software system.

Customer Complaints

Customer complaints run a gamut from scheduling concerns, to frequency of stops, to behavior of other riders on a bus. To comply with health and safety requirements due to the pandemic, seating was cordoned off to encourage six-foot distancing, and customers were required to wear masks on all buses. Face coverings were provided as needed.

In 2021 there were 49.3 complaints per 100,000 boardings as compared to 44.8 per 100,000 boardings in 2020, an increase of 10 percent. The 10 percent increase is an improvement from the

32 percent increase between 2020 and 2019. Like the prior year, the top complaints received in 2021 concerned mask requirements, employee behavior or driving skills, and bus scheduling (bus did not stop or was late). Over the 10-year period of 2012 to 2021 inclusive, the agency received an average of 34.4 complaints per 100,000 boardings per year.

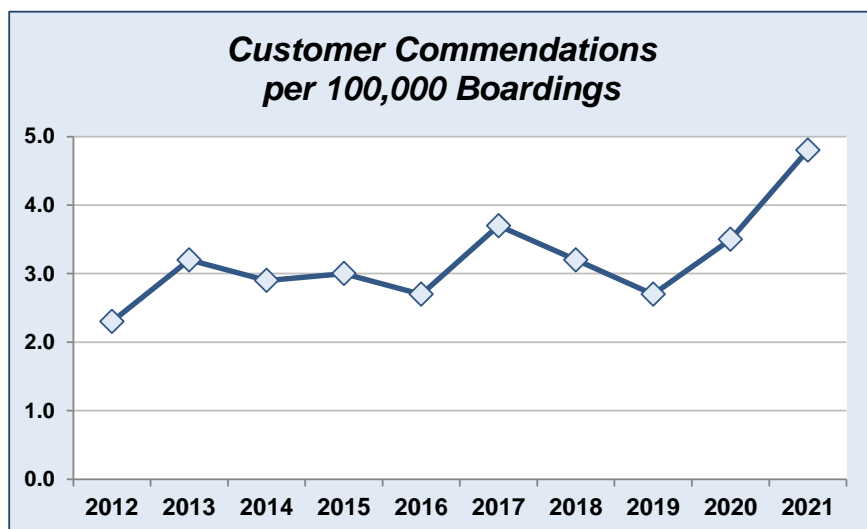


Considered an indicator of customer interest in, concern about, or satisfaction with Community Transit services.

Customer Commendations

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.

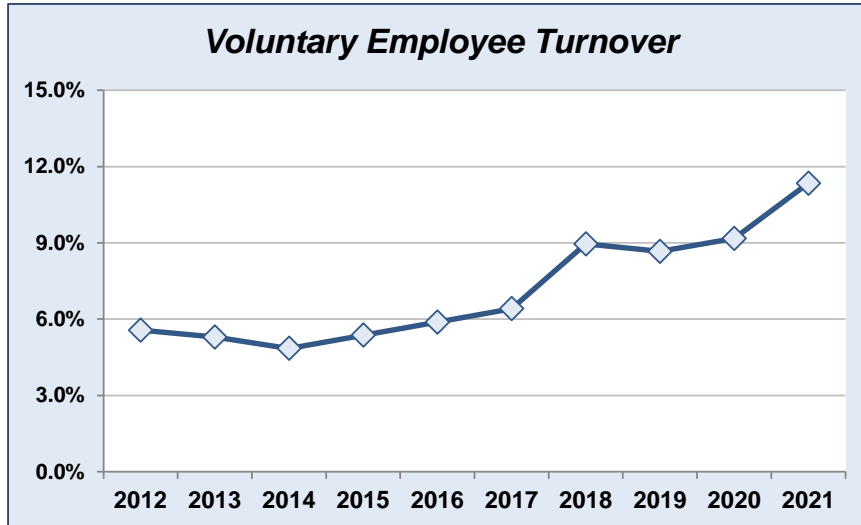
In 2021 Community Transit received 4.8 commendations per 100,000 boardings, as compared to 3.5 per 100,000 boardings in 2020. Over the 10-year



Considered an indicator of customer satisfaction with Community Transit services.

period of 2012 to 2021 inclusive, the agency received an average of 3.2 commendations per 100,000 boardings per year.

Voluntary Employee Turnover



The total number of voluntary resignations (including retirements) expressed as a percent of the total number of employees.

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 88 employees in 2021, 16 more than the 72 employees who left in 2019 and 2020. Voluntary employee turnover statistics include employees who left the agency due to vaccination requirements.

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 fare revenue, and changes in the cost of operating the services provided.

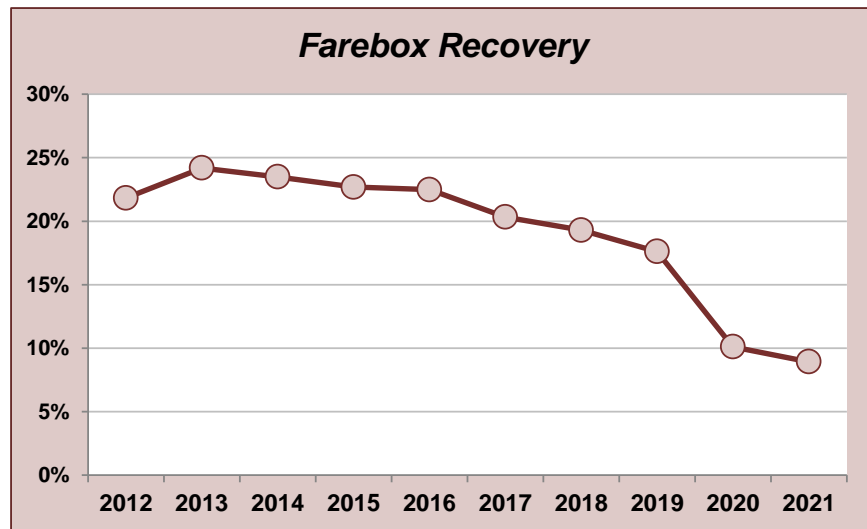
Service Changes: In response to the COVID-19 pandemic, in 2020 Community Transit deferred service increases and reduced service across all modes by 213,000 hours. Service has been restored to about 89 percent of prepandemic levels.

Fare Revenue: In 2021 Community Transit, along with other transit agencies in the region, instituted a fare reduction policy for customers who met a low-income threshold.

Operating Expenses: In 2021, one of the state-sponsored pension plans that Community Transit participates in became fully funded and, therefore, was reported as a net pension asset this year for the first time. This resulted in a 680 percent decrease in total pension expense. As a result, while revenue hours increased by 0.9 percent, operating expense decreased by 9.3 percent.

Farebox Recovery

Farebox recovery measures the proportion of operating costs paid for by passenger fare revenue. Farebox recovery is affected by changes in fare rates, operating expense, or the number of passengers using our service. Farebox recovery is also affected by the addition of new service and the type of service added. For example, bus service is more expensive to add than vanpool service.



Fares divided by operating cost.

Farebox recovery may decrease when new service is added because it takes time for the new service to mature. Expenses associated with implementing new service begin before the service is available for public use. Once the service is available, full operating expenses exist from day 1, regardless of actual ridership numbers.

Between 2012 and 2019 the average farebox recovery rate was 21.5 percent. Between 2014 and 2019, Community Transit added 208,000 hours of bus service, a 55 percent increase. The dip in farebox recovery through 2019 was anticipated because of these service additions. The chart shows the effect of the pandemic with a 2020 farebox recovery rate of 10 percent. The pandemic created a reduction in ridership, therefore also in fare revenue, and fare collection was suspended for four months. At the same time, operating expense decreased by only 3.2 percent because reaction to the pandemic required new cleaning protocols, personal protective supplies, and more labor to ensure social distancing.

In 2021, the farebox recovery rate was 9 percent, reflecting the fare reduction program offered to low-income riders as well as a 1 percent drop in ridership as compared to 2020, and a 9 percent reduction in overall operating expense.

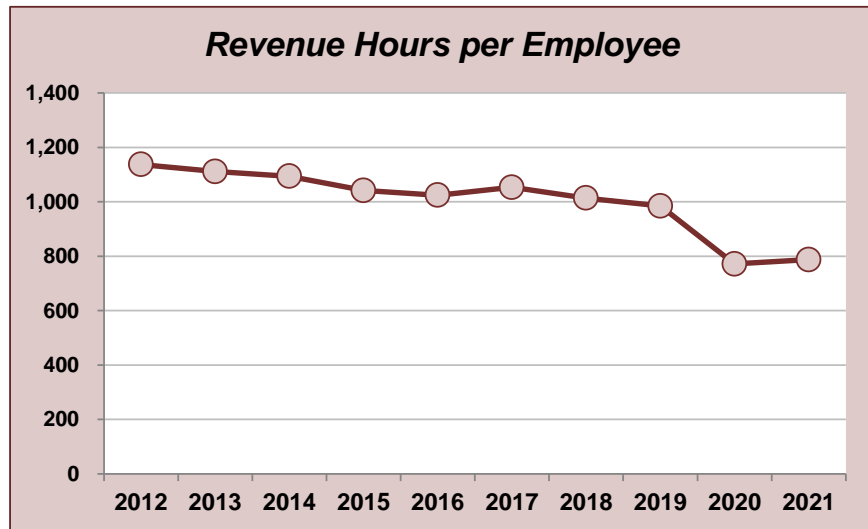
Revenue Hours per Employee

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 or the number of employees stays the same while revenue hours decrease.

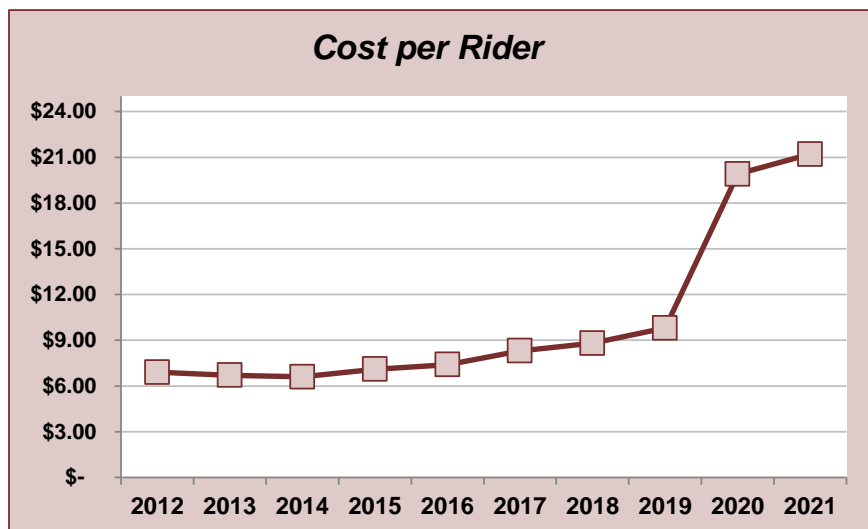
The 22 percent decline between 2019 and 2020 results from the reduction in revenue hours due to the pandemic. Community Transit made a policy decision to retain as many employees as possible during the pandemic but did eliminate over 50 positions and either froze or delayed hiring for other positions. The 2 percent increase between 2020 and 2021 reflects the rehire of all laid-off employees and the addition of staff to work on the agency's service improvements.



Revenue hours divided by year-end employee count.

Cost per Rider

Cost per rider measures the net cost after fare payment for delivery of one passenger trip. This statistic reflects the average cost across all service modes—local bus, commuter bus, demand response, and vanpool. It can be one indicator of cost efficiency but must be reviewed with consideration for policy



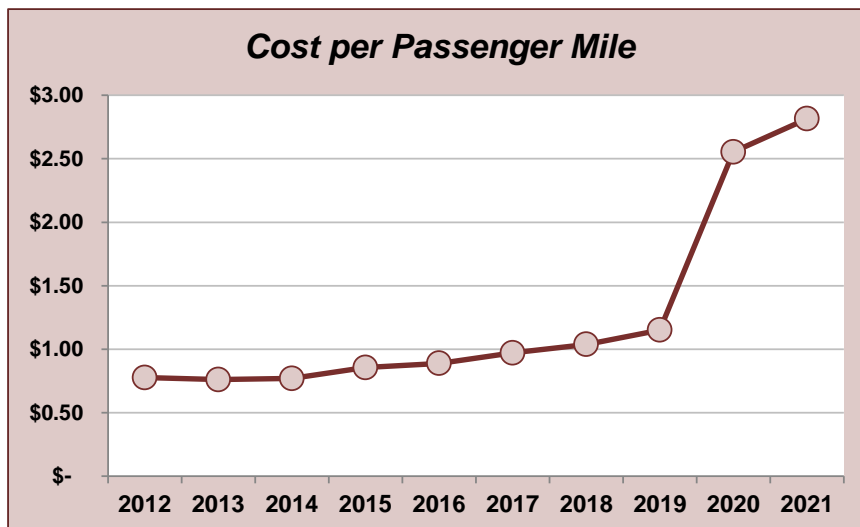
Operating expense less fare revenue divided by total ridership (boardings).

decisions to offer low-cost, no-cost, or other fare options.

Between 2012 and 2019, the average cost per rider was \$7.68. During 2020, the cost per rider rose to \$19.89, a pandemic related anomaly. The number of riders who used our services in 2020 declined by 49 percent as compared to 2019. Fares were suspended between March and July of 2020, and more buses were deployed to routes to ensure we could offer social distancing for our passengers. Many employers, including Community Transit, began work-from-home programs for employees whose work could be completed remotely. These factors caused the 2020 cost per rider to spike.

In 2021, a low-income fare program offering reduced fares (1/2 of the full fare) to riders who qualified for the program was implemented. That and the work-from-home option many businesses continued to use contributed to lower fare revenue. As compared to 2020, the 2021 cost per rider increase by 6.5 percent from \$19.89 to \$21.19.

Cost per Passenger Mile



Operating cost divided by passenger miles.

Cost per passenger mile measures the cost of operations to carry one passenger for one mile. Like cost per rider, this cost is across all service modes. Factors that increase the cost per passenger mile include fewer miles to absorb operating expense and increased operating expense.

Service on many routes, including commuter routes into Seattle and the University district, were reduced in 2020 because ridership declined precipitously. However, expenses did not decline in the same proportion as service. Most fixed expenses remained relatively stable, pandemic-related mitigation measures increased some expenses, and labor expense did not decline proportionately because Community Transit leadership made the decision to retain as many employees as possible. These factors contributed to the spike in cost per passenger mile between 2020 and 2019 of 122 percent from \$1.15 to \$2.55.

Between 2020 and 2021, the cost per passenger mile increased less dramatically (10 percent) from \$2.55 to \$2.82. Factors contributing to this change include implementation of the regional low-income fare program and more significantly, opening of Link light rail in north

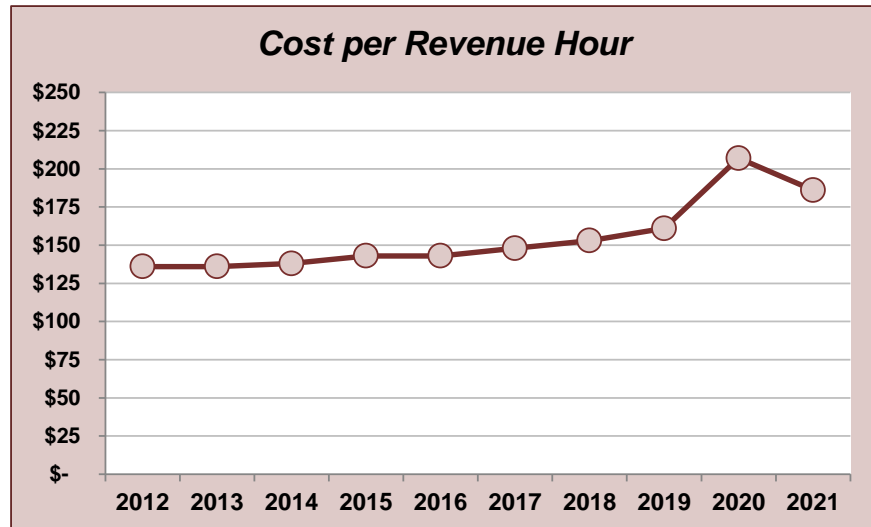
King County. Some routes that used to serve Seattle and the University district were rerouted to the new light rail location, thus reducing the number of revenue miles against which to distribute expense.

Cost per Revenue Hour

Cost per Revenue Hour measures the cost of operations for one revenue hour of service. This systemwide performance measure indicates efficiency of the unit cost of operations and is affected by changes in operating expense and the number of revenue hours operated.

In 2020 Community Transit operated 26 percent fewer revenue hours while operating expense decreased by only 3.2 percent. Because the decrease in expense was not proportional to the decrease in revenue hours, the cost per revenue hour increased

from \$161 in 2019 to \$207 in 2020. In 2021 Community Transit's revenue hours remained consistent with 2020 (an actual increase of 0.9 percent) while operating expense decreased by 9.3 percent. Because revenue hours did not substantially change but operating expense decreased, the cost per revenue hour dropped by 10.5 percent to \$186.



Operating cost divided by revenue hours.

Reference

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.

Strategic Planning Process

Community Transit leadership seeks to adopt Mission and Vision statements that reflect the region’s transportation needs and changing customer expectations. Every few years, these statements are refreshed by the Executive Leadership Team to stay ahead of new developments and needs of our community and customers.



The current Vision and Mission statements were finalized in 2019. These were thoughtfully developed over the course of two years, starting with a series of executive retreats, and later involving middle management in the process. By year end 2019, these were finalized and communicated to all Community Transit employees. Agency Priorities were developed as well to add action to the Mission, Vision and Core Values, and to guide the long-range planning process.

In 2022, Community Transit’s Executive Leadership Team revised the agency’s Strategic Priorities and refreshed the Core Values. The graphics on this page are current as of September 2022.



Community Transit's 25-Year Planning Framework



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 tax growth and other significant sources of revenue for the six-year period, along with associated revenue projections.

- Projects operating expenses and plans for annual capital costs, including preservation and state of good repair needs, as well as expansion projects and new technology.
- Estimates cash flows and annual fund balances for all Community Transit funds.
- Plans for reserves required for new and replacement capital. Also sets aside reserves for operations and business continuity.
- 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

	2022 Forecast¹	2023 Budget	2024	2025	2026	2027
			Transit Development Plan - Financial Plan			
Sales Tax	\$ 198,242,948	\$ 203,397,000	\$ 207,645,721	\$ 215,951,549	\$ 224,589,611	\$ 233,573,196
Fares	9,436,785	10,583,106	11,795,889	15,244,943	15,868,416	16,646,080
Other Revenues	71,668,648	54,507,716	49,866,787	49,677,519	48,837,128	49,624,630
Total Revenues	279,348,381	268,487,822	269,308,397	280,874,011	289,295,155	299,843,906
Department Operating Exp ²	160,279,101	184,682,049	205,003,929	225,717,877	252,211,030	281,362,045
Other Operating	3,641,574	3,929,252	4,770,218	4,920,404	5,073,861	5,226,787
Cost Pools/Contingency	-	15,442,893	-	-	-	-
Total Expenses	163,920,675	204,054,194	209,774,147	230,638,281	257,284,891	286,588,832
Surplus	\$ 115,427,706	\$ 64,433,628	\$ 59,534,250	\$ 50,235,730	\$ 32,010,264	\$ 13,255,074
Interfund Transfers, Net ³	166,315,780	114,647,074	62,922,386	34,690,408	14,753,782	21,446,547
Net Change to Cash Balance	(50,888,074)	(50,213,446)	(3,388,136)	15,545,322	17,256,482	(8,191,473)
Projected Ending Cash Balance	\$ 154,180,244	\$ 103,966,798	\$ 100,578,662	\$ 116,123,984	\$ 133,380,466	\$ 125,188,993

¹ The 2022 Forecast was used in this table, in lieu of the amended budget, to more closely approximate the ending cash balance.

² Department Operating Expenses include Fuel Expense and Insurance.

³ Transfers for Workers' Compensation and Debt Service are included in Other Operating for consistency with the Transit Development Plan (TDP). 2023 interfund transfers include additional funding for a hybrid BRT purchase, new FMP contingency, and returned funds from completed projects in the Local Capital Projects fund.

Other Assumptions:

Sales Tax grows 2.6% in 2023 in from 2022 forecast, 2% in 2024 and 4% thereafter

Fare Revenues increase commensurate with ridership growth

Expenses grow 10% in 2023; 4.2%-4.8% thereafter. Costs for service expansion is in addition to cost escalation rates.

The transit development plan 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. The link to the most current adopted transit development plan may be viewed at: <https://www.communitytransit.org/about/projects>.

Business Planning Process

Annually, department staff complete an internal process known as business planning in advance of the annual budget process. Business planning includes mapping out the specific agency activities and projects for the upcoming year. These activities and projects are aligned with agency priorities 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. Staff members complete individual business plans for each division and monitor them throughout the year.

The business planning process culminates in an enterprise project portfolio that helps direct departmental budget development.

Department Budget Process and Activities

Near the beginning of Community Transit's January to December fiscal year, Finance staff create 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 budget 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 inform, to a significant degree, staffing and other costs in departments that perform work driven by service or revenue hour volumes. Department employees present their staffing 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.

Department budget preparation generally begins around the end of June, with an approximately four-week timeline to complete these budgets. 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.

Finance staff estimate budgeted revenues for the coming year in the early part of summer while departments prepare their budgets. Finance staff also prepare the budgets for workers' compensation, debt service, insurance, benefits, cost pools, and interfund transfers that cover capital project and nonoperating expenses.

Capital projects are budgeted on an individual project basis, and project budgets may span multiple years. Departments typically submit plans for projects in February and in June for the next budget year, or in some cases, for the current year as an off-cycle request. The Business Planning team conducts this process twice annually. After project proposals are submitted, the Business Planning team reviews them for completeness, accuracy and appropriate justification and the CEO and Executive staff review and approve them in advance of budget development. Departments budget for their approved 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.

CEO and Executive Review

During early August, Finance staff review and analyze 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. Review is oriented toward ensuring that the budget meets strategic priorities, that it implements the service plan, projects and reserves contained in the TDP, that it is balanced, and meets pre-determined budget targets for expenses and cash flows. Depending on the need, multiple rounds of review may be required. The Executive Team makes recommendations to the CEO, who approves the budget that will be submitted to the Board of Directors. 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.

Board of Directors' Budget Review Process

The Board of Directors receives a document 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 or Chief Financial Officer 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 31st whereby the Board adopts a budget for Community Transit.

Budget Amendment

During 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 new or unanticipated capital project requirements.









One or more amendments are processed in advance of the annual budget process. These amendments usually include 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.

Publication

Finalized budget documents are published online following Board adoption. Community Transit uses the budget document to share information with members of the community and others who desire information about how Community Transit spends its resources.

Links to Community Transit’s recently adopted budgets and other financial information can be viewed at: <https://www.communitytransit.org/budget>.

Budget Schedule

	Task	Timeline
	Executive Leadership and Financial Strategy Coordination group develop budget strategies	Late March to May
	Budget kickoff/parameter development occurs	Early April through 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 (online or in person)	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, funds to cover debt service and the worker compensation program, and multiple capital project funds. Several of these funds contain reserves. All of Community Transit’s funds are appropriated.

Fund Number and Name	Type	Purpose
40 General Fund	Operating	<u>General Operating:</u> 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. Direct operating costs are paid from this fund.
41 Replacement Reserve	Capital	<u>Replacement Vehicles:</u> 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 this fund while interfund transfers to other capital funds provide the local match portion required by grants.
42 Infrastructure Preservation Reserve	Capital Reserve	<u>Existing Infrastructure:</u> This fund reserves a portion of Community Transit’s local revenues, primarily sales tax collections, to accumulate funds for the needed repair and replacement of Community Transit’s aging facilities and technology infrastructure. The fund contains new projects as well as carryover projects from prior years.
43 Workers’ Compensation Fund	Operating	<u>Workers’ Compensation:</u> 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 Number and Name	Type	Purpose
44 State Capital Projects	Capital	<u>State Grant Funded Projects:</u> This fund includes 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. The fund contains new projects as well as projects carried over from year to year.
45 FTA Capital Projects	Capital	<u>Federal Grant Funded Projects:</u> 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. The fund contains new projects as well as carryover projects from prior years.
46 Local Capital Projects	Capital	<u>Locally Funded Capital Projects:</u> Local Capital Projects include 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. No federal grants are included in this fund, but it may include state and local grants and contributions. This is the fund where minor capital expenditures are budgeted. Projects may be carried forward from prior years.
47 Bond Capital Projects	Capital	<u>Bond Funded Capital Projects:</u> This fund 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.
48 Facility and Technology Expansion	Capital	<u>Expansion Infrastructure:</u> This fund sets aside a reserve for future facility and technology expansion projects. This fund includes capital projects paid for with locally generated funds. No federal grants are included in this fund, but it may include state and local grants and contributions. This fund may contain new projects as well as projects carried over from prior years.
50 Bond Debt Service Fund	Debt Service	<u>Bond Payment:</u> 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 this fund. 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

The Financial Policies described herein are designed to provide a strategic and comprehensive framework for the management of the financial resources of Community Transit. They provide guidelines for decision-making on how financial resources shall be utilized to fulfill the mission of the transit, meet obligations, and protect the public interest.

Community Transit's management is responsible for establishing and maintaining an internal control system designed to ensure that its assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and in accordance with methods prescribed by the State Auditor under the authority of Washington State Law. Community Transit places emphasis on internal financial controls designed to provide reasonable, but not absolute, assurance that these objectives are met.

Summary of Significant Accounting Policies

Basis of Accounting and Financial Reporting

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 is a stand-alone enterprise fund, and our financial statements report information using the accrual basis of accounting, a method similar to those used by private-sector businesses. Under this method, revenues are recorded when earned, and expenses are recorded as soon as they result in liabilities for benefits 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, and depreciation and amortization of capital assets. The budgetary treatment of sales tax, grant revenues, investment income and various other sources of revenue differ from GAAP treatment, in that they are called operating revenues if they are budgeted for in the operating fund.

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.

Community Transit’s fiscal year and budget period is January 1 through December 31.

Budgeting

The Board of Directors adopts both short-term and long-range plans that define the financial and service goals for the agency. The Six-Year Transit Development Plan (TDP) is updated each year and provides parameters, including revenue and service growth assumptions, for the annual budget. Based on TDP goals, staff develop an agency business plan and departmental programs and objectives which are used to prepare the agency’s budget. After review and public comment, the Board of Directors adopts the annual budget in December of the preceding fiscal year.

Community Transit is committed to presenting a balanced budget with sustainable service levels to the Board. A “balanced budget” is one 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.

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.

The annual budget fully funds that year’s operating expenses and operating revenues; capital development; and reserves needed for preservation of capital assets, workers’ compensation, replacement of vehicles, and funding for future facilities and technologies requirements. The Board monitors the annual budget and agency financial activities through review of financial

reports including monthly expenditure listings, quarterly financial reports, and the annual comprehensive financial report.

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 but are not considered for budgeting purposes.

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.

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 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.

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.

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.

Restricted Assets

Funds are classified as restricted assets when their use is subject to constraints that are either: 1) externally imposed by creditors, grants, contributors or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation.

Unearned Revenue

Revenues received in advance are recorded as unearned revenue on the Statement of Net Position.

Calculating Reserve Balances

Community Transit defines fund balance as modified working capital, in essence, cash and cash equivalents plus accrued revenues and less accrued expenses. A reserve is defined as a portion (or all) of the fund balance that is legally or managerially designated for a specific purpose or purposes.

Community Transit maintains reserves in multiple funds. These reserves are designated for operations, vehicle replacement, facility and technology preservation and expansion, workers' compensation claims, and debt service payments.

The unassigned fund balance in the general fund provides capacity for sustainability and expansion, as outlined annually in the Transit Development Plan. These funds are accessible for additional service, new initiatives, and projects after fully funding the current operating budget, capital obligations, and required reserves.

The following table describes how the designated reserves are calculated:

Reserve Type	Description
Debt Service	Community Transit's bond resolution requires that the agency set aside a portion of its sales tax revenue to meet bond debt service requirements during the year.
Facility and Technology Expansion	Amounts are designated for specific facility, service, or technology expansion. May include budgeted projects as well as future projects.
Infrastructure Preservation	Funding set aside for facility and technology preservation projects. A one-year need is estimated at 1.5 percent of the total replacement cost of all facility and technology assets, excluding vehicles. Reserve balance target is equal to estimate for current year and three subsequent years.
Operating	Four months' capacity for operating expenses, exclusive of Sound Transit service, and a \$5.5 million fuel reserve to cover unbudgeted increases.
Vehicle Replacement	Calculation includes the anticipated lifespan of each vehicle, the forecast replacement cost at end-of-life, and the planned local funding share of that replacement cost. Targets for local funding share are: 20% for bus and 100% for vanpool and DART paratransit and support vehicles.

Reserve Type	Description
Workers' Compensation	Set at a minimum level of \$5.3 million with increases annually to cover estimated future claims at a 90% confidence level, as calculated by Community Transit's actuary.

Completing the 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 agency-wide level for the next year. This policy applies to Community Transit staff involved in the annual Business Planning process.

Section 1: The Executive Team Makes Final Decisions Regarding the Business Planning Process

Section 2: Division Staff Monitor and Complete the Business Planning Process

Section 3: Division Staff Collaborate on Work Activities with Staff in Other Divisions

Section 4: Department Subject Matter Experts (SMEs) Support and Advise Division Staff

Section 5: Managers, Selected Supervisors and Department SMEs Participate in the "Swap Meet"

Section 6: The Enterprise Program Office (EPO) Administers the Business Planning Process.

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. The policy applies to any regular, temporary, or contract employee who purchases, stores, uses, accounts for, or is in any way responsible for a noncapitalized asset.

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 the following 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

Tables 1-7: Appendices list the different authority levels

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 Annual Comprehensive Financial Report. The policy includes the following sections:

Section 1: Affirming Community Transit's Key Investment Principles

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 take 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.

Managing Agency 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 detail the responsibilities of payment card custodians, users, and administrators; department heads; the Chief Financial Officer (formerly Director of Administration); and procurement/contracts manager/DBE liaisons.

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, lists of duties, and various detailed guidelines for compensation.

Managing Community Transit's Fixed-Route Free Ride Fare Media

Free Ride Fare Media: paper tickets, flash passes, and ORCA cards.

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

Section 2: Customer Service Manager Oversees the Free Ride Fare Media Program.

Section 3: Marketing Designs Free Ride Fare Media.

Section 4: Customer Service Manager Reports on the Use of Free Ride Fare Media.

Procurement Policy

Resolution No. 01-17 authorizes the Chief Executive Officer to establish and maintain an agencywide procurement program of policies and procedures in compliance with federal, state and local laws.

Contracts that exceed \$150,000, at the time of award in total, if a single-term contract (e.g., construction); or in any contract year, if a multi-year contract including option years, shall be awarded by the Board of Directors, unless listed in Section 4 –Exemptions. All other contracts or change orders shall be awarded by the Chief Executive Office, subject to Board approved budgets.

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.

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

Glossary: Terms and Acronyms

Term or Acronym	Definition
Account	A numerical chart field 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.
ACFR	The Annual Comprehensive Financial Report. This report provides audited financial information for past years, as well as key performance indicators, comparative financial information, and economic data.
ADA	Americans with Disabilities Act (ADA)
ADA Paratransit (aka Paratransit, DART)	The Americans with Disabilities Act mandates that comparable transportation service be offered to individuals with disabilities who are unable to use fixed-route transportation systems. At Community Transit, this service is called DART.
Amortization	The process of paying off a loan or debt by making scheduled payments, usually with interest included.
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.
ARPA	American Rescue Plan Act, which President Biden signed on March 11, 2021, includes \$30.5 billion in federal funding to support the nation’s public transportation system as they continue to respond to the COVID-19 pandemic and support the President’s call to vaccinate the U.S. population.
Asset	Resources or items of value that are owned by an entity.
Audit	An independent review of an organization’s financial accounts.
Balanced Budget	A budget in which operating revenues exceed operating expenditures, all reserves are fully funded, and capital expenditures sustainably meet the plan defined 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—a system using buses which aims to combine the capacity and speed of light rail or metro with the flexibility,

Term or Acronym	Definition
	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 comparing them to an approved 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 budget center as a means of monitoring the actual financial results against the annual approved budget.
Business Planning Process	Annual process that is completed as a pre-budget activity. The purpose is for staff in each department to communicate with agency staff in other departments to plan those work activities that should be completed on an agencywide level for the next budget year.
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, provided 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.
Chart Field	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.

Term or Acronym	Definition
CRRSAA	Coronavirus Response and Relief Supplemental Appropriations Act was signed into law on December 27, 2020. This includes \$900 billion in supplemental appropriations for COVID-19 relief. Of that, \$14 billion was allocated to support the transit industry during the COVID-19 public health emergency.
DART (paratransit, ADA paratransit)	Dial-a-Ride Transportation, also known as paratransit.
Debt Service	Payment of principal and interest to Community Transit’s bondholders.
DEI	Diversity, Equity, and Inclusion
Department	A major unit of a company, organization, or government entity.
Depreciation	A decrease in the value of an asset, typically due to wear and tear. For example, a vehicle depreciates over time as it is driven.
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.
Enterprise Fund	A self-supporting government fund that sells something to the public for a fee. For example, Community Transit charges a small fare to transit riders.
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.
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.
Fixed-Route Service	Services provided on a repetitive, fixed schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations; each fixed-route trip serves the same origins and destinations, unlike demand response and vanpool services.
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 during the year. At Community Transit, one FTE is equivalent to 2080 hours of paid employee time.

Term or Acronym	Definition
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.
KPI	Key performance indicator—a measure showing progress made in achieving goals indicated in the agency’s strategic plan.
LGIP	Local Government Investment Pool – an investment portfolio operated by the Washington State Treasurer’s office.
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.
LRP	Long Range Plan. The Long Range Plan, which is 20 years in duration, is a planning framework that provides performance guidelines, coordinates future transit services with population and business growth, coordinates with regional partners, and ensures the economic viability of the agency’s long-term operating and capital plans.
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.

Term or Acronym	Definition
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.
OFI	Owner Furnished Items. In the context of transit, these items include card readers, ticket vending machines, and public information displays.
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.
ORCA	One Regional Card for All. A smart-card system for public transit in the Puget Sound region of Washington State. https://info.myorca.com/
Paratransit	(see ADA Paratransit)
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.
PID	Public information display.
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.
PTBA	Public Transportation Benefit Area
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.
Revenue Hour	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. (Also known as Service Hour).
SBE/DBE	Community Transit’s Small and Disadvantaged Business Enterprise program promotes and encourages small business participation,

Term or Acronym	Definition
	which include small, minority, and women owned businesses in its procurement opportunities.
Service Hour	See Revenue Hour (above).
SGR/SOGR	State of Good Repair. SGR is a condition in which assets are fit for the purpose for which they were intended. A capital asset is said to be in a state of good repair if it is in a condition sufficient for the asset to operate at a full level of performance.
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.
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.
Working Capital	The money available to an agency to meet current, short-term obligations. Sometimes referred to as liquid assets.

Distinguished Budget Presentation Award: 2022 Budget

The Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Community Transit, Washington, for its Annual Budget for the fiscal year beginning January 01, 2022.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

A copy of the 2022 award follows.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Community Transit
Washington**

For the Fiscal Year Beginning

January 01, 2022

Christopher P. Morill

Executive Director

Board Resolution Approving the 2023 Budget

RESOLUTION NO. 20-22

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 2023.

WHEREAS, the Chief Executive Officer and Budget Manager presented the proposed 2023 budget to the Board of Directors on October 27, 2022; and

WHEREAS, the Board of Directors of Community Transit met in regular session on Thursday, November 3, 2022, at 3:00 p.m. in a hybrid meeting format via a Zoom online meeting combined with an in-person meeting in the Cascade, for the purpose of hearing all matters and all persons in connection with the adoption of the 2023 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 2023 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 2023 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, 2022, for all exempt and nonexempt administrative employees will be increased by 3.5 percent effective January 1, 2023, 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, 2023, with the budget balances remaining as of December 31, 2022, plus any new amounts included in the adopted 2023 budget unless the project has been completed and no additional funding is required.

APPROVED AND PASSED THIS 1st day of December 2022.



Mayor Joe Marine, Board Chair

ATTEST



Council Member Tom Merrill, Secretary

APPROVED AS TO FORM



Allen J. Hendricks, Attorney

**Community Transit 2023 Budget
Totals of Estimated Revenues
Resolution No. 20 -22 Exhibit A**

Fund		Beginning Cash	Revenues	Interfund Transfers	Total
40	General Fund	\$ 154,180,244	\$ 268,487,822	\$ 19,224,046	\$ 441,892,112
41	Replacement Reserve Fund	\$ 44,982,805	\$ 25,000	\$ 3,100,000	\$ 48,107,805
42	Infrastructure Preservation	\$ 32,313,277	\$ -	\$ 6,322,638	\$ 38,635,915
43	Workers' Compensation Fund	\$ 7,085,477	\$ 75,000	\$ 2,500,000	\$ 9,660,477
44	State Capital Projects Fund	\$ 2,945,000	\$ 3,780,000	\$ -	\$ 6,725,000
45	FTA Capital Projects Fund	\$ 23,516,497	\$ 81,695,007	\$ -	\$ 105,211,504
46	Local Capital Projects Fund	\$ 18,317,921	\$ 10,000	\$ 7,896,488	\$ 26,224,409
47	Bond Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
48	Facilities and Technology Fund	\$ 139,603,717	\$ 260,000	\$ 116,552,413	\$ 256,416,130
50	Bond Debt Service Fund	\$ 595,973	\$ -	\$ 1,428,833	\$ 2,024,806
	Total Budget	423,540,911	354,332,829	157,024,418	934,898,158

**Community Transit 2023 Budget
Expenditures for Each Separate Fund
Resolution No. 20 -22 Exhibit B**

Fund	Fund Description	Expenditures	Interfund Transfers	Ending Cash	Total
40	General Fund	\$ 200,124,942	\$ 137,800,372	\$ 103,966,798	\$ 441,892,112
41	Replacement Reserve Fund	\$ 4,142,000	\$ -	\$ 43,965,805	\$ 48,107,805
42	Infrastructure Preservation	\$ 8,371,617	\$ 3,068,775	\$ 27,195,523	\$ 38,635,915
43	Workers' Compensation Fund	\$ 3,569,036	\$ -	\$ 6,091,441	\$ 9,660,477
44	State Capital Projects Fund	\$ 6,725,000	\$ -	\$ -	\$ 6,725,000
45	FTA Capital Projects Fund	\$ 102,024,360	\$ 3,187,144	\$ -	\$ 105,211,504
46	Local Capital Projects Fund	\$ 13,256,282	\$ 12,968,127	\$ -	\$ 26,224,409
47	Bond Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
48	Facilities and Technology Fund	\$ 92,856,095	\$ -	\$ 163,560,035	\$ 256,416,130
50	Bond Debt Service Fund	\$ 1,429,252	\$ -	\$ 595,554	\$ 2,024,806
	Total Budget	432,498,584	157,024,418	345,375,156	934,898,158

**Exhibit C to Resolution No. 20-22
Effective January 1, 2023
2023 Table of Bands/Ranges**

Band/Grade	Minimum	Midpoint	Maximum
A11	46,230	53,165	60,099
A12	49,618	57,060	64,503
A13	53,003	60,954	68,905
B21	55,200	64,860	74,520
B22	58,514	68,755	78,995
B23	61,829	72,649	83,469
B24/31	64,605	77,527	90,448
B25/32	69,481	83,377	97,273
C41	79,614	95,537	111,460
C42	85,280	102,336	119,393
C43	90,948	109,137	127,326
C44/51	98,043	117,651	137,259
C45/52	106,551	127,861	149,172
D61	109,100	136,375	163,650
D62	114,540	143,175	171,809
D63	119,979	149,974	179,969
D64/71	126,791	158,489	190,186
D65/72	134,959	168,698	202,438
D66/73	142,382	177,978	213,572
E8	150,596	195,775	240,954
E9	160,083	208,108	256,134
TRN	\$27.00 per hour		

Addendum

2022 vs 2023 Priorities

Addendum

Comparison Table 2022 vs 2023 Priorities As Featured in the CEO Messages

In late 2022, Community Transit updated its Strategic Priorities. These are discussed in the CEO message and referenced throughout the document.

Text in [blue](#) corresponds to agency strategic priorities.

2022-23 Strategic Priorities	2022 Priorities – Adopted Budget
<p>Deliver Excellent Service</p> <p><i>Provide safe, Reliable transportation services</i></p> <ul style="list-style-type: none"> • Implement expanded security program • Expand service ambassador presence • Upgrade station configurations, lighting, and sound systems • Strengthen digital tools available to riders • Focus on current aggressive recruiting strategy and employee retention • Grow services to support light rail, meet community needs, and improve service delivery 	<p><i>Ongoing COVID-19 response</i></p> <ul style="list-style-type: none"> • Commitment to safety measures for employees and customers, included vaccination policy • Invest in safety technology <p><i>Service Innovation</i></p> <ul style="list-style-type: none"> • Pilot new mode of service in Lynnwood • Launch myORCA mobile app and website • Complete customer-focused upgraded agency website • Deep dive into Zero Emissions study
<p><i>Live our core values in service to employees and customers</i></p> <ul style="list-style-type: none"> • Make Community Transit the employer of choice • Deliver investments in industry-standard on-site facilities • Continue progress on the agency’s Diversity, Equity and Inclusion (DEI) program • Engage front-line employees more directly; promote training, career growth, retention • Develop a long range financial plan 	<p><i>Base Expansion Program to Support Service Growth</i></p> <ul style="list-style-type: none"> • Open new facilities to support employees with updated equipment, amenities, facilities, and training • Accommodate growth in employee base to support new services

Build the Future	
<p><i>Strengthen local connections within the county</i></p> <ul style="list-style-type: none"> • Build out the Swift Bus rapid transit network • Reinvest service hours toward robust fixed and local network service • Work with partners at the City of Everett 	<p><i>Planning for the future</i></p> <ul style="list-style-type: none"> • Plan for improved transit network for 2024 • Engage the public proactively • Update Community Transit’s long range plan
<p><i>Innovate to support local community needs</i></p> <ul style="list-style-type: none"> • Commit to testing and delivering innovative services to support community needs • Test pilot new services that enable potential riders to choose transit 	<p><i>Service Innovation</i></p> <ul style="list-style-type: none"> • Pilot new mode of service in Lynnwood • Launch myORCA mobile app and website • Complete customer-focused upgraded agency website • Deep dive into Zero Emissions study
<p><i>Provide access to light rail</i></p> <ul style="list-style-type: none"> • Access to Link Light rail from anywhere in the network 	<p><i>Swift Bus Rapid Transit (BRT) Network Expansion</i></p> <ul style="list-style-type: none"> • Break ground on the Swift Orange Line <i>Start designing the Swift Green Line and Blue Line expansions</i>
<p><i>Practice sustainability in every part of our business</i></p> <ul style="list-style-type: none"> • Utilize FTA sustainability training • Implement Environmental and Sustainability Management program 	
<p><i>Deploy a green fleet</i></p> <ul style="list-style-type: none"> • Complete Zero Emissions fleet study • Update fleet plan to transition to zero emission vehicles • Test battery electric and hydrogen fuel cell coaches 	<p><i>(see Service Innovation, above)</i></p>

[Click here to return to CEO Message, page 7](#)

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.

Mutual Respect

We respect, value and celebrate each other and our customers as unique individuals with equal worth.

Diversity, Equity & Inclusion

We align our policies, practices and resources so everyone has genuine opportunities to fully participate and thrive.

Service-Focused

All that we do is in service to our community, our customers and each other.

Initiative

We consistently look for opportunities to go beyond the status quo and are committed to ongoing learning and development.

Teamwork

We believe in the power of collaboration to harness the true potential of our collective team.

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.