

ADOPTED

# 2024 BUDGET



# 2023 Board of Directors

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Board Vice Chair - *Tom Merrill*  
Board Secretary - *Sid Roberts*  
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Board Alternate - *Megan Dunn*  
Board Alternate - *Mike Gallagher*  
Board Alternate - *Kyoko Matsumoto Wright*  
Board Alternate - *Susan Paine*  
Board Alternate - *Mason Thompson*

# 2023 Executive Leadership Team

Chief Executive Officer - *Ric Ilgenfritz*  
Chief of Staff and Public Affairs - *Deb Osborne*  
Chief Communications Officer - *Geoff Patrick*  
Chief Financial Officer - *Eunjoo Greenhouse*  
Chief Human Resources Officer - *Cesar Portillo*  
Chief Information Officer - *Chas Stearns*  
Chief Innovation and Customer Experience Officer - *Molly Marsicek*  
Chief Operating Officer - *Roland Behee*  
Chief Planning and Development Officer - *Melissa Cauley*

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# Navigation Guide

Below is a short summary of the information available in each section of this document. In the electronic version, click on a section to go that part of the document.

	Section	Description
Intro	CEO Message	An introduction to the budget from Chief Executive Officer (CEO) Ric Ilgenfritz.
	Executive Summary	A high-level overview of the budget. Contains short explanations of information discussed in more detail in other parts of the document.
Budget Summary Section	Service Plan	Provides information on service hours, ridership, and future plans.
	General Fund Revenues	Details the agency's sources of income.
	General Fund Expenses	Discusses the agency's expenditures; focuses on operating expenses.
	Interfund Transfers	Details transfers between the funds that Community Transit uses to categorize and manage its internal budget
	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.
	Debt Service and Capacity	Discusses Community Transit's debts.
Agency Overview	Agency Profile	An overview of Community Transit's history, size, governing structure, and other information. Includes a service area map.
	Department Overview	Shows the agency's structure, and the operating budget by department. Includes an organizational chart.
	Department Budget Sections	Describes the purpose, structure, budget, staffing plan, and priorities for each department.
Supplemental Data	Economic Conditions and Future Outlook	Discusses the economy in Snohomish County, Washington. Includes population, demographics, unemployment rates, and other economic data.
	Agency Statistical and Supplemental Data	Contains information about Community Transit and the agency's performance over time.



	Section	Description
Reference Section	Budget Process	Describes the planning and budgeting process. There are references to plans and planning tools throughout the document.
	Budget Schedule	Shows the timeline for the annual budget.
	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 from the Finance Officers Association of the United States and Canada (GFOA).
	Board Resolution	The official document adopting the annual budget. It is only available in the final version (not the proposed version) of this document. The final version is published after the budget is adopted, typically in December for the next year.





# CEO Budget Message

## 2024 Budget

Community Transit’s 2024 budget will provide the resources and roadmap for a historic year, as we expand our services and network to provide even more transformative benefits to the residents of Snohomish County. More than any other time in recent memory, 2024 will advance our mission to help people get from where they are to where they want to be.

The year will get underway with the spring launch of the Swift Orange Line, Community Transit’s third bus rapid transit (BRT) line. Later in the year we will implement sweeping improvements to Community Transit’s network enabled by the fall 2024 opening of Sound Transit’s Link light rail extension to Lynnwood. The budget funds the popular Zip Alderwood Shuttle as a regular service and advances further innovative service pilot projects in six additional communities.

Meanwhile, the agency will move forward under a framework of increased sustainability following the board’s anticipated adoption of Journey 2050, our 2024-2050 Long-Range Plan (LRP), and under newly adopted strategic priorities and goals that guide our investments in Snohomish County’s communities.

## Strategic Priorities

Community Transit’s 2024 activities are guided by two overarching themes — delivering excellent service and building the future — and three strategic priorities:

- Attract and retain customers
- Strengthen employee experience
- Prioritize sustainability

During 2023, the executive team set ambitious but achievable goals for each priority, and all agency departments adopted goals that support the agency-level strategy. Together, this work puts in place a framework for reporting, measuring, and evaluating organizational performance going forward.



*See page 172 for discussion on changes in agency priorities*

## Transformative Service Improvements

**Bus Rapid Transit Expansion:** The new Swift Orange Line BRT service will connect with both the Swift Blue and Swift Green lines to provide a robust network of fast, frequent transit service in south Snohomish County, as well as provide a direct connection to light rail in Lynnwood.

The Swift Blue Line will extend to Shoreline to provide yet another easy connection to light rail. This budget also supports further expansion of the Swift Green Line into downtown Bothell and the design of a fourth BRT line, the Swift Gold Line, which will connect downtown Everett, downtown Marysville and Arlington.

### **Light Rail and Local Network Improvements:**

Snohomish County residents will experience profound upgrades to their regional and local travel options with the scheduled September 2024 extension of Sound Transit’s Link light rail system to Lynnwood. The rail extension taking shape along I-5 will offer fast, frequent, and high-capacity services to and from destinations around the region—and an alternative to I-5 congestion.

Local improvements made possible by the light rail opening will include new express bus connections to Link from every city in the county, higher frequency local service, and a longer span of frequent service throughout the day and evenings. We will accomplish these improvements by leveraging high-capacity and congestion-free light rail service to reallocate the approximately 30% of our bus service hours that have historically moved people to and from Seattle. Snohomish County residents will be able to get around without a car more easily than ever.

**Zero Emission Program:** 2024 will see a big step forward on our Zero Emission journey as we begin serving riders with battery electric and fuel cell buses. Our primary activity in 2024 will be studying side-by-side revenue operations of a 40-foot battery electric bus and a 40-foot hydrogen fuel cell bus. We will apply what we learn to guide the next phase of zero-emission fleet expansion in the next few years.

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*Shifting our network and opening a light rail segment are monumental undertakings, and the 2024 budget provides the tools to get this work done. We will work closely with Sound Transit throughout the year to prepare for system integration and provide a positive customer experience in the transitions they will experience. We expect to see Sound Transit continue facing complex challenges reaching full light rail system operations into 2025 as they work to activate the East Link extension across Lake Washington. We will remain vigilant in addressing implications these challenges may pose for Snohomish County commuters.*

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**Innovative Service Improvements:** The Innovative Services program reflects Community Transit’s commitment to exploring new ways to provide mobility options for customers by bridging the “first-mile, last-mile” challenge to improve access to transit. Simply stated, we want to make transit an easy choice for more people. With the on-demand Zip Alderwood Shuttle service now a permanent part of our regular service, we are planning to build on its success. The 2024 budget funds three new service pilots in Arlington, Darington, and Lake Stevens based on community input and tailored to each location. It also funds planning for the next three pilot areas to be selected and launched in 2025.

**Safety & Security Focus:** To attract and retain customers and strengthen the employee experience, the operating budget supports continuing the expanded safety and security program, including the 18 new Transit Security Officers (TSOs) deployed in 2023. These investments respond to riders’ and operators’ desire to provide secure riding conditions and improve our responses when issues arise, emphasizing enforcement of the Rules of Conduct that the Board adopted in 2022. The agency will also continue to contract with the Snohomish County Sherriff’s Office to employ a social worker to help our TSOs and transit police refer those in need to services.

**Service Delivery:** The budget supports growing and maintaining a top-notch workforce of coach operators and mechanics to support long-term service growth. And it continues Community Transit’s commitment to staying at the industry forefront in keeping our investments in a state of good repair by dedicating funding for activities including scheduled maintenance and component rebuilds.

As our staff grows, we will celebrate our culture of diversity, equity and inclusion. Under this budget we will join the public transportation agencies that observe Juneteenth as a paid holiday, while continuing normal weekday service for our riders.

Quality facilities are key to delivering excellent service, and with this budget proposal 2024 will see completion and activation three new buildings under the Facilities Master Plan. In January operating staff will move into their new headquarters. Later in the year, we will celebrate completing the expanded maintenance facility at Merrill Creek, as well as open the new RideStore in Lynnwood, which will serve a much wider audience at the new light rail terminal. Together, these investments will provide state-of-the-industry facilities from which we can more ably serve the people of Snohomish County.

## Sustainable Financial Planning

Community Transit carefully considers the future impact of current year decisions. When the agency plans service growth, new programs, or facilities expansion, we ensure that we can continue to deliver on these plans in the long term. Over the past year, the agency has developed new forecasting and planning tools to assess long term financial sustainability and inform resource allocation risks, choices and decisions. We use these tools to assess the agency’s long term financial health, and then to establish



a financially constrained six-year planning horizon for the annual Transit Development Plan (TDP) update. Next, the agency creates an annual budget based on strategic choices about where to invest time, funds, and resources in the short-term while maintaining sustainable cost growth that fits within the bounds of our forecasted mid-term and long-term resources.

Together, the 2024 budget and six-year TDP address the risks of growth, balance expenses with revenues, and include healthy reserves to support sustained operations to 2050 and beyond.

Community Transit's staff is deeply committed to serving our communities. We look forward to joining with you to make 2024 an amazing year. Please stay on the lookout for opportunities to help us celebrate the Swift Orange Line opening this spring and fall network expansions coinciding with the launch of light rail service to Lynnwood.

Sincerely,

Ric Ilgenfritz

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### *2023 Accomplishments*

*Community Transit's success implementing the 2024 budget will rest on a series of strong 2023 accomplishments. During 2023 Community Transit:*

- Improved safety and security by upgrading lighting at park & rides, improving seating and wind protection at some Swift stations, and initiating the Transit Security Officer (TSO) program with 18 budgeted, highly trained staff to enforce the Rules of Conduct and provide a stronger presence in the field.*
  - Enhanced customer support by expanding the service ambassador program to help customers learn and use our service and refreshing the agency website and trip planning tools.*
  - Elevated our engagement with communities to ensure the services we provide are meaningful and equitable and the community voice is heard.*
  - Enhanced recruitment, retention and employee experience by streamlining the application process and overhauling the performance review process to improve employee satisfaction.*
  - Approved a 2024 and Beyond Transit Network Plan that restructures and improves our bus network as light rail arrives in Snohomish County.*
  - Completed Journey 2050, a long-range plan that envisions local transit needs over the next 25 years and provides the Board of Directors and leadership team with the tools to plan for the agency's long-term operational, organizational, and financial stability.*
  - Began testing of a leased battery-electric bus to inform plans for a green fleet and are moving forward with plans to test battery-electric and hydrogen fuel cell buses in 2024.*
  - Completed renovation of the new transportation building at Merrill Creek, opened a new bus training and storage facility near the Cascade Administrative Building, and wrapped up construction on schedule of the Swift Orange Line stations, including complete renovation of two terminals at Edmonds College and McCollum Park.*
  - Continued developing an Environmental and Sustainability Management System and five-year Sustainability Plan.*
  - Celebrated the 28<sup>th</sup> consecutive year of clean financial audits.*
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# Budget Summary

## Executive Summary

Community Transit has proposed a balanced budget for 2024, which is defined as 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 (TDP). Total 2024 budgeted operating revenues equal \$273.3 million. Total 2024 budgeted operating expenditures equal \$231.6 million. Interfund transfers of \$96.8 million from the general fund provide funding for capital projects, reserves, workers’ compensation, and debt service. The 2024 capital budget totals \$202.8 million. For detailed information on revenues, expenses, the capital plan, and 2024 service, please read the sections that follow the Executive Summary.

The 2024 budget carries out year one of Community Transit’s long-range plans. If the Transit Development Plan (the TDP) is the roadmap, then the 2024 budget is the trip itinerary for the year. This budget allocates and assigns the resources that will bring to life the vision put forth in Journey 2050 and the 2023-2028 TDP. In building this year’s budget, many elements of the capital plan come together to support Community Transit’s delivery of new service and its network changes well into the future.

The 2024 budget funds Community Transit’s restructured bus service known as “Transit Changes in 2024 and Beyond”. This plan increases service in phases and allows for connections to Lynnwood Link light extension that opens during the year. We expect vanpool services to grow steadily over the next few years, particularly as many employees have returned to the workplace in a hybrid or on-location arrangement. This budget also anticipates both the continued piloting and full implementation of innovative services such as microtransit in several locations in Snohomish County.

Community Transit strives to make investments to deliver excellent service and build the agency’s future. 2024 is the year that our ridership sees many of these investments come to fruition. These include the Swift Orange Line bus rapid transit, the first phase of the Merrill Creek Operations base expansion, and the RideStore remodel. With an eye toward continued sustainability, the capital budget makes continued steps toward implementation of zero emissions technology in 2024. We include funding for the first ever zero emissions bus purchases, as well as design studies for the operating bases to incorporate unique infrastructure needs to support a fleet such as charging stations, storage tanks, and upgraded electrical requirements.

Internally, as the agency grows and evolves, staff continue to implement systems and process



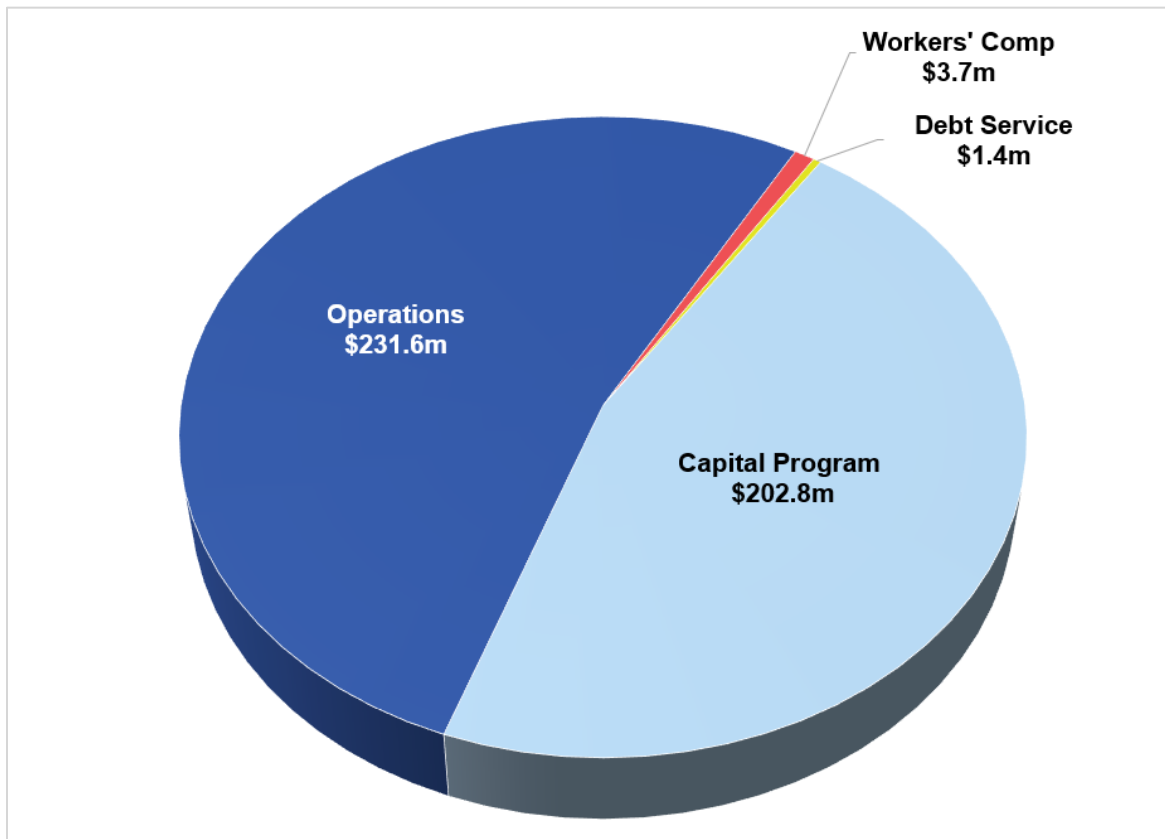


improvements to support a more robust and complex operation. Many of Community Transit's technology initiatives involve system modernization and replacement. The budget includes funding for the updating of various office systems, as well as technology to support and enhance the customer experience. From the operations perspective, The Transit Security Officers (TSO) program continues to be a big focus. This budget continues support for Diversity, Equity, and Inclusion, reaching out to both external community and employees internally. Also there is continued funding for data enhancements, marketing, and increased awareness toward Community Transit's services.

Looking ahead to 2024 and beyond, 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.

## 2024 Budget Summary and Highlights

2024 Budget by Category



## 2024 Budget Summary and Highlights

	2021 Actual	2022 Actual	2023 Amended Budget	2024 Proposed Budget	Change 2024 vs. 2023	% Change
<b>General Fund (40)</b>						
Fund 40 Operating Revenue	\$ 253,872,282	\$ 280,516,870	\$ 268,487,822	\$ 273,252,471	\$ 4,764,649	1.8%
Fund 40 Operating Expense <sup>1</sup>	\$ 154,058,081	\$ 160,058,554	\$ 200,124,950	\$ 231,566,294	\$ 31,441,344	15.7%
<b>Operating Margin</b>	<b>\$ 99,814,201</b>	<b>\$ 120,458,316</b>	<b>\$ 68,362,872</b>	<b>\$ 41,686,177</b>	<b>\$ (26,676,695)</b>	<b>-39.0%</b>
<b>Other Funds</b>						
Workers' Compensation	\$ 1,738,680	\$ 2,348,102	\$ 3,569,036	\$ 3,744,014	\$ 174,978	4.9%
Debt Service	\$ 1,428,500	\$ 1,432,750	\$ 1,429,252	\$ 1,428,252	\$ (1,000)	-0.1%
<b>Capital Program</b>						
Budget amounts include funds appropriated in prior years for projects that are still in progress.						
Capital Program <sup>2</sup>	\$ 58,082,106	\$ 60,342,648	\$ 235,938,650	\$ 202,761,171	\$ (33,177,479)	-14.1%
<b>Statistics</b>						
Actual / Planned Service Hours <sup>3</sup>	468,187	452,653	511,928	577,189	65,261	12.7%
FTE <sup>4</sup> Employees - General Fund	807.5	800.9	859.8	906.4	46.6	5.4%
FTE Employees - Capital Funds	n/a	32.2	45.8	49.2	3.4	7.4%

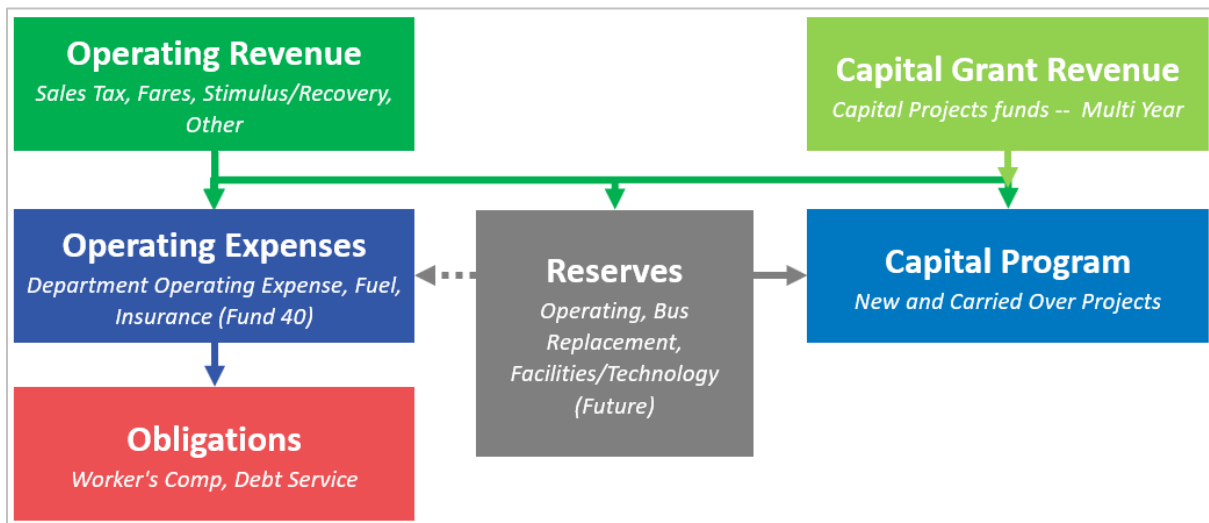
<sup>1</sup> The operating margin funds workers' compensation, debt service, the capital program, and reserves.

<sup>2</sup> 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. The 2024 decrease is due to completion of several major projects.

<sup>3</sup> Service hours do not include Sound Transit.

<sup>4</sup> Full-Time Equivalent (FTE) employee counts for all years are authorized FTEs.

## Sources and Uses of Funds



The graphic above illustrates the flow of funds. Later sections contain more details.

## Budget and Actuals – 4-year Summary (All Funds)

	2021 Actuals	2022 Actuals	2023 Amended Budget	2024 Proposed Budget	Change 2024 vs. 2023	% Change
<b>Revenues:</b>						
Sales Tax Revenue	183,591,334	198,489,857	203,397,000	206,692,000	3,295,000	1.6%
Fare Revenues	7,850,031	8,939,269	10,618,106	8,993,717	(1,624,389)	-15.3%
Sound Transit Commuter Service	19,461,954	19,848,650	20,542,223	21,158,490	616,267	3.0%
Federal Grants (FTA)	45,689,217	48,809,902	108,369,942	59,929,518	(48,440,424)	-44.7%
State Grants and Contributions	4,506,331	6,104,560	12,355,299	18,561,365	6,206,066	50.2%
Local Contributions	2,387,759	2,461,203	2,315,000	2,350,028	35,028	1.5%
Investment Income	1,542,061	5,309,585	2,869,381	14,246,736	11,377,355	396.5%
Miscellaneous Revenue	1,038,097	1,618,616	761,900	1,031,500	269,600	35.4%
<b>Total Revenues</b>	<b>\$ 266,066,784</b>	<b>\$ 291,581,642</b>	<b>\$ 361,228,851</b>	<b>\$ 332,963,354</b>	<b>\$ (28,265,497)</b>	<b>-7.8%</b>
<b>Expenses:</b>						
Personnel	97,542,269	99,670,538	123,140,898	136,435,230	13,294,332	10.8%
Services	19,573,917	21,633,008	61,841,078	54,478,149	(7,362,929)	-11.9%
Intergovernmental Services	5,364,778	6,641,901	7,058,465	6,340,298	(718,167)	-10.2%
Purchased Transportation	29,277,592	27,257,139	30,628,813	42,015,027	11,386,214	37.2%
Supplies	13,049,483	19,729,785	24,437,044	25,320,214	883,170	3.6%
Capital Expenditures	47,227,596	45,113,744	180,599,382	155,321,837	(25,277,546)	-14.0%
Insurance Expenditures	1,843,233	2,703,189	3,137,113	3,330,356	193,243	6.2%
Cost Pools			8,789,843	18,180,369	9,390,526	106.8%
Debt Service	1,428,500	1,432,750	1,429,252	1,428,252	(1,000)	-0.1%
Budget Offset Contra Account				(3,350,000)	(3,350,000)	n/a
<b>Total Expenses</b>	<b>\$ 215,307,367</b>	<b>\$ 224,182,054</b>	<b>\$ 441,061,888</b>	<b>\$ 439,499,731</b>	<b>\$ (1,562,157)</b>	<b>-0.4%</b>

### Notes:

In 2024, the budget includes a contra account, which is a tool to help control costs and forecast actual spending. A contra account reduces a budget without cutting specific line items.

The capital program budget is a multi-year budget. Projects are budgeted in full when approved, and unspent funds are carried forward from year to year. Prior year actuals reflect just the expenditures for that year. The 2024 decrease is due to the completion of several major capital projects.

FTA Grant revenue is decreasing in 2024. This is partly due to the end of stimulus funding, and partly because we are projecting to bill a portion of non-recurring grants associated with the Swift Orange line in 2023.

# Transit Development Plan and Budget Development

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. These strategic priorities fall into two categories: deliver excellent service and build the future.

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. The budget plans for available resources and reserves and assigns them to specific priorities and initiatives. The 2024 budget fills in the details and provides the plan to implement the six-year 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.

For the board-adopted TDP, please see: <https://www.communitytransit.org/about/projects>.

Below is a summary of the six-year financial plan for the general fund:

### General Fund -- Six Year Forecast

	2023 Forecast <sup>1</sup>	2024 Budget	2025	2026	2027	2028
	Transit Development Plan - Financial Plan					
Sales Tax	\$ 202,440,584	\$ 206,692,000	\$ 214,960,000	\$ 223,558,000	\$ 232,500,000	\$ 241,800,000
Fares	8,289,910	8,993,717	9,263,529	9,541,435	9,827,678	10,122,508
Other Revenues	64,916,327	57,566,754	56,048,605	58,191,099	60,022,793	60,321,051
<b>Total Revenues</b>	<b>275,646,821</b>	<b>273,252,471</b>	<b>280,272,134</b>	<b>291,290,534</b>	<b>302,350,471</b>	<b>312,243,559</b>
Department Operating Exp <sup>2</sup>	181,550,891	213,853,925	219,031,364	235,897,106	256,628,215	263,254,106
Other Operating	3,928,833	3,928,250	5,255,794	5,351,457	5,449,513	4,120,767
Cost Pools/Contingency	-	17,712,369	-	-	-	-
<b>Total Expenses</b>	<b>185,479,724</b>	<b>235,494,544</b>	<b>224,287,158</b>	<b>241,248,564</b>	<b>262,077,727</b>	<b>267,374,873</b>
<b>Surplus</b>	<b>\$ 90,167,097</b>	<b>\$ 37,757,927</b>	<b>\$ 55,984,976</b>	<b>\$ 50,041,970</b>	<b>\$ 40,272,744</b>	<b>\$ 44,868,686</b>
Interfund Transfers, Net <sup>3</sup>	114,647,494	87,373,891	51,073,191	37,432,202	45,487,218	48,211,936
<b>Net Change to Cash Balance</b>	<b>(24,480,397)</b>	<b>(49,615,964)</b>	<b>4,911,785</b>	<b>12,609,768</b>	<b>(5,214,474)</b>	<b>(3,343,250)</b>
<b>Projected Ending Cash Balance</b>	<b>\$ 126,856,567</b>	<b>\$ 77,240,603</b>	<b>\$ 82,152,388</b>	<b>\$ 94,762,156</b>	<b>\$ 89,547,682</b>	<b>\$ 86,204,433</b>

<sup>1</sup> The 2023 Forecast was used in this table, in lieu of the amended budget, to more closely approximate the ending cash balance.

<sup>2</sup> Department Operating Expenses include Fuel Expense and Insurance.

<sup>3</sup> Transfers for Workers' Compensation and Debt Service are included in Other Operating for consistency with the Transit Development Plan (TDP). 2024 interfund transfers include additional reserves set aside for Zero Emissions Technology, Facilities Master Plan funding, funding to cover capital project staffing, and returned funds from completed projects in the Local Capital Projects fund.

**Other Assumptions:**

Sales Tax grows 2.0% in 2023 in from 2022 actuals, 2.1% in 2024 from the 2023 forecast, and 4% thereafter

Fare Revenues increase based on annualized actuals and reflect some ridership growth 2024-2028

Expenses grow 4.6% in 2024; 2.5% thereafter. Costs for service expansion is **in addition** to inflation estimates.

# Service Plan

The final 2023-2028 Transit Development Plan (TDP) was adopted by the Board of Directors on September 7, 2023. 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 2023 and outlines goals and strategies for 2023-2028.

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 has begun piloting new transit options aimed at creating efficient access to both Link light rail stations and new BRT lines as they open in Snohomish County. Alderwood Zip microtransit service began as a pilot in late 2022 through 2023. In 2024, Zip will be a full-fledged Community Transit service in the Lynnwood area. Three

other pilots will commence in the Lake Stevens, Arlington, and Darrington areas, leading to additional potential new services. The 2024 budget has funding for the identification of several more pilot areas. Learn more at <https://www.communitytransit.org/about/programs/innovative-services>.

## Service Budget and Hours

During 2024, the agency expects to deliver 28,816 more hours across all modes than in the previous year’s budget, and 65,261 more hours than the current 2023 forecast. Low regional unemployment rates have led to staffing shortages over the past several years, which constrained the level of service Community Transit has been able to deliver. However, with successful recruitment efforts, as well as a rebound in the vanpool program, service is once again growing. The major driver in 2024 service growth is the opening of the Orange Line BRT in March 2024.

In anticipation of light rail extending to Lynnwood, Community Transit adopted the Transit Changes in 2024 and Beyond plan to enhance bus service throughout the county. This represents a multi-year vision that will reconfigure Community Transit’s bus service network to include 35 bus routes operating with approximately 480,000 annual service hours. The plan increases service to about one third more than what is currently being delivered and was developed based on feedback gathered from people living and traveling in the Snohomish County Community. It depends on successful recruitment of new Community Transit drivers to provide the service.

For more information on Community Transit’s service plan, please review the [2023 - 2028 Transit Development Plan](#)<sup>1</sup>.

Summary of 2024 Service Hours by Service Mode\*

Service Mode	2022 Actual	2023 Projected	2024 Budget	Change 2023 vs 2024	
Directly Operated	319,876	335,951	386,393	50,442	15%
Contracted Commuter	27,672	30,439	30,183	(256)	-1%
Paratransit	52,352	68,500	81,000	12,500	18%
<b>Subtotal</b>	<b>399,900</b>	<b>434,890</b>	<b>497,576</b>	<b>62,686</b>	<b>14%</b>
Vanpool	52,753	77,038	79,613	2,575	3%
<b>Subtotal, CT Operated</b>	<b>452,653</b>	<b>511,928</b>	<b>577,189</b>	<b>65,261</b>	<b>13%</b>
Sound Transit	64,205	69,786	79,768	9,982	14%
<b>Total</b>	<b>516,858</b>	<b>581,714</b>	<b>656,957</b>	<b>75,243</b>	<b>13%</b>

\*The tables and charts in this document do not include hours for ZIP Alderwood Microtransit operations. This service was approved in late 2023 following a successful pilot. The service is budgeted at 18,500 hours for 2024.

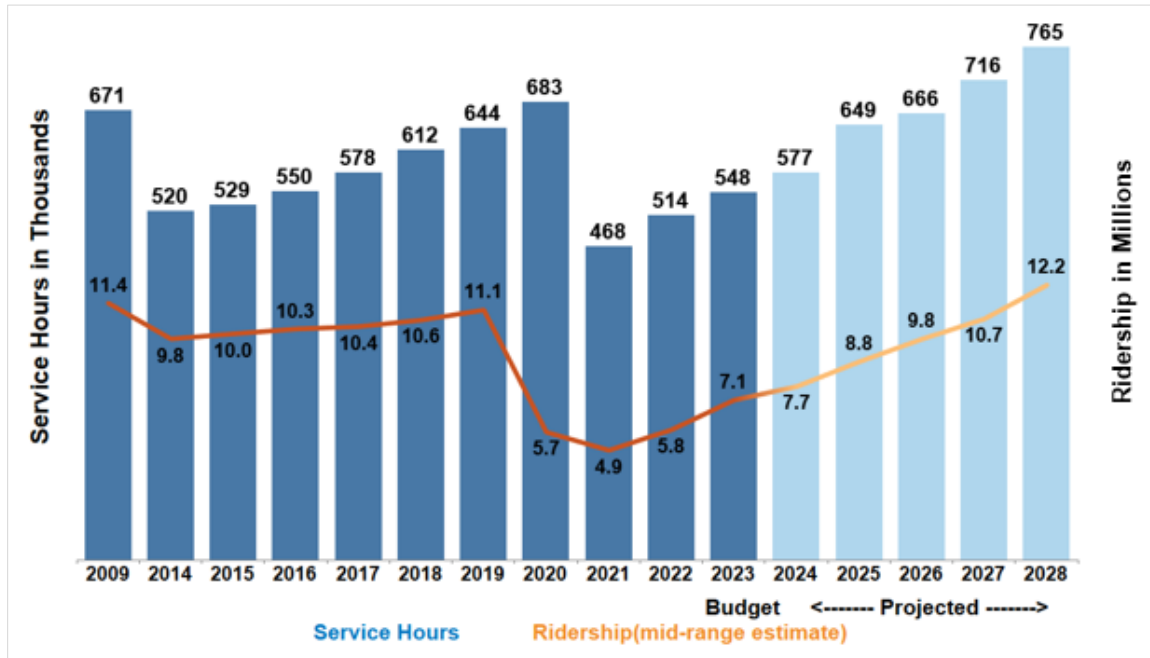
<sup>1</sup> The Transit Development Plan is available at <https://www.communitytransit.org/>



## Service Hours and Ridership

Service and ridership are increasing and haven't yet returned to pre-pandemic levels. This reflects changes in how businesses structure their employees' work schedules, allowing hybrid and full work-from-home options.

Community Transit Service: Twelve-year History and Five-year Projection  
(Excludes Sound Transit Service)



### Ridership

For the last full year of data available, Community Transit provided 5.8 million passenger trips in 2022 on bus, DART paratransit, and vanpool services.

Overall ridership increased by approximately 18% from 4.9 million in 2022. Bus boardings also increased by 17% from 4.6 million to 5.4 million. Vanpool boardings increased by 23% from 228,000 in 2021 up to 281,214 in 2022. Transit demand (DART) boardings increased 23% from 85,000 in 2021 to 104,743 in 2022.

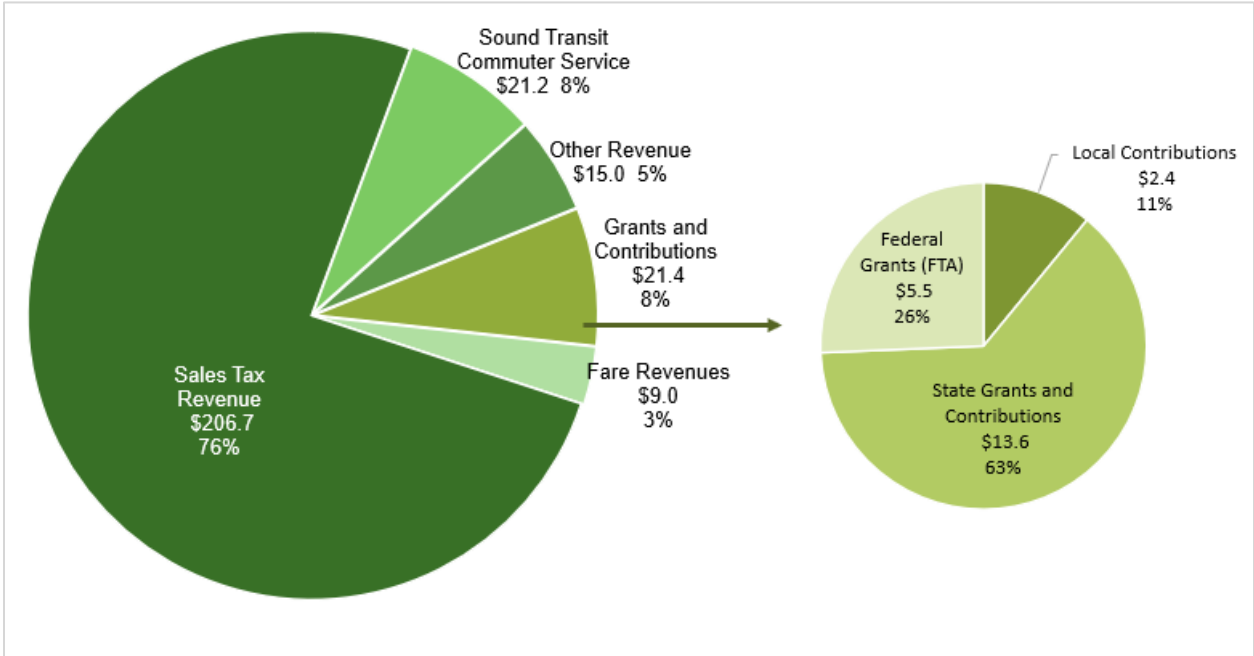
Weekday bus ridership averaged 18,984 boardings (a 27% increase from 14,900 boardings in 2021). Saturday ridership increased by 15% (an average of 9,778 boardings in 2022 compared to 8,500 boardings in 2021). Sunday ridership increased by 15% (7,388 boardings in 2022 up from 6,400 boardings in 2021). The statistical section of this report contains additional detailed operating information about service miles and fares.

Like service hours, ridership forecasts are included in Community Transit's Transit Development Plan.

# General Fund Revenues

Retail sales tax in the amount of 1.2% 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 passenger 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 Revenue — \$273.3 (in millions)



Revenue Type by Category

Revenue Type	2021 Actuals	2022 Actuals	2023 Forecast	2024 Budget	Change Over/Under 2023 Budget	% Change Over/Under 2023 Budget
Sales Tax Revenue	183,591,334	198,489,857	203,397,000	206,692,000	3,295,000	1.6%
Fare Revenues	7,850,031	8,939,269	10,618,106	8,993,717	(1,624,389)	-15.3%
Sound Transit Commuter Service	19,461,954	19,848,650	20,542,223	21,158,490	616,267	3.0%
Federal Grants (FTA)	34,030,932	41,454,932	21,495,505	5,500,000	(15,995,505)	-74.4%
State Grants and Contributions	4,506,331	3,513,290	6,623,707	13,590,000	6,966,293	105.2%
Local Contributions	2,204,681	2,434,589	2,315,000	2,350,028	35,028	1.5%
Miscellaneous Revenue	2,227,019	5,836,283	3,496,281	14,968,236	11,471,955	328.1%
<b>Revenues</b>	<b>253,872,282</b>	<b>280,516,870</b>	<b>268,487,822</b>	<b>273,252,471</b>	<b>4,764,649</b>	<b>1.8%</b>
<b>Transfers from other Funds</b>						
Interfund Revenues	10,385,613		19,224,046	5,488,855	(13,735,191)	-71.4%
<b>Total Revenue</b>	<b>264,257,895</b>	<b>280,516,870</b>	<b>287,711,868</b>	<b>278,741,326</b>	<b>(8,970,542)</b>	<b>-3.1%</b>

# Sales Tax

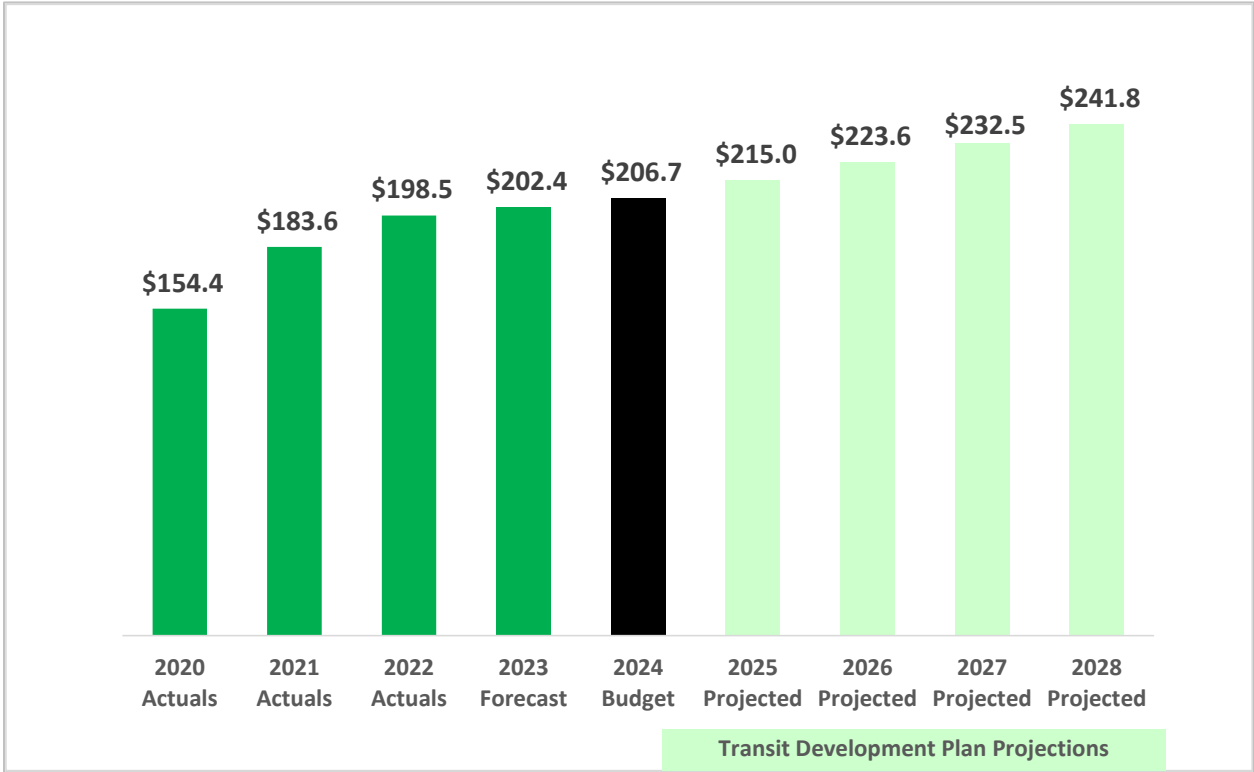
Community Transit receives the largest portion of its funding from local retail sales tax—about 76% of its total operating revenues in 2024.

After several years of strong growth in sales tax collections, Community Transit has begun to experience some tapering in revenue growth. After about three years of unexpectedly strong consumer and business spending in Snohomish County, we are predicting a temporary slowdown in collections of sales tax in the latter part of 2023 and into 2024. The 2024 budget predicts that sales tax will exceed the 2023 budget by 1.6% and the current forecast by 2.1%.

Sales tax has increased as a percentage of total operating revenue from what it was in the years 2020-2023. 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.

The adopted TDP similarly assumes slower growth into 2024 – 2.1% growth in sales collections from the year 2023. Community Transit’s future sales tax growth is anticipated to return to the historic average of 4% annual growth for the years 2025 through 2028.

Sales Tax: Historical Perspective and Future Forecast (in millions)



# Fares

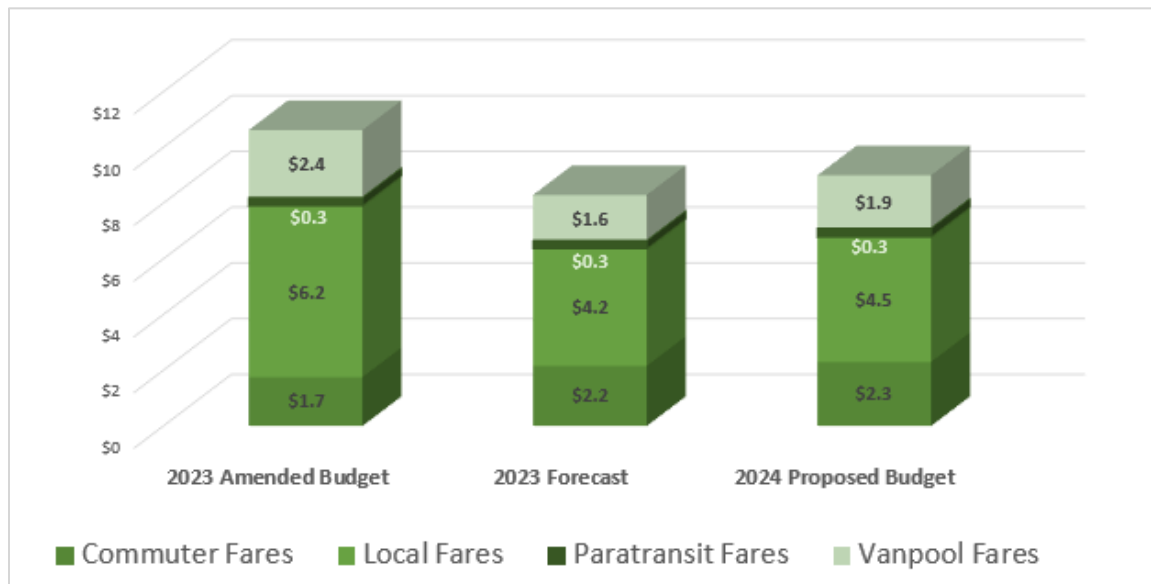
Community Transit estimates that 2024 fare revenue will total \$9.0 million. This will represent an increase from the current 2023 fare forecast of \$8.3 million. The agency has seen a gradual but sustained increase in ridership since the dramatic decrease in ridership that occurred in 2020 at the onset of the COVID-19 pandemic,

At this time, any fare revenue projections are subject to revision, and are at least partly dependent upon a fare study that Community Transit’s Planning and Development department is conducting during the fourth quarter of 2023. Some of the variables include the agency’s plans for restructuring its network in the 2024 to 2026 timeframe, as well as the introduction of Link light rail to the Lynnwood Transit Center.

Ridership is forecasted to grow by about 22% in 2023 and then another 8.5% in 2024. This does not precisely correlate with fare growth, however, because some of the ridership growth is from customers utilizing reduced or free fare programs. In the case of youth ridership, we anticipate that many of these riders will adopt transit as a long-term solution for their transportation needs.

## Fares by Type

Fare Revenues – Dollars in Millions



Discussions of each fare type follow.

### Local Directly Operated Fixed-Route Fares

Local passenger fares remain the largest portion of Community Transit’s fare revenue at 50% of the 2024 total, and stem from routes known as “core” and “community” bus service. These include Swift BRT service and routes that connect communities with Community Transit’s network. Local fares are expected to increase slightly in 2024 from the 2023 forecast, at a slightly slower rate than the overall passenger fare revenue increase.

## Commuter Fares

Commuter service is bus service provided during peak periods to and from major activity centers such as downtown Seattle and the Boeing plant in Everett, Washington. Commuter fares make up about 25% of the total passenger fare revenue and are also expected to increase slightly from the current year forecast. As light rail becomes an option for commuters, commuter ridership and associated fare revenues may decline as a percentage of total passenger fares.

## Paratransit Fares

Paratransit serves customers who cannot use Community Transit's regular service due to a disability. Paratransit service requirements are directly tied to the local bus service network so that registered customers can access a comparable service to Community Transit's community and core routes. Paratransit fares make up about 4% of the total passenger fare revenue. These are also expected to increase slightly in 2024 from the 2023 forecast.

## Vanpool Fares

Vanpool service provides a shared commute option for customers who start or end their travel in Snohomish County. Vanpool fares make up 21% of passenger fares and is expected to increase at a slightly higher rate than the other fare categories. Vanpool ridership is beginning to rebound to post-pandemic levels.

## 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 2024 contracted commuter service revenues to increase from 2023 forecasted levels by \$0.5 million, or about 3%, to a total of \$21.2 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 \$21.4 million and contribute 7.8% to operating revenues. This is down from \$30.4 million, or 11.3% of total 2023 operating revenues, when Community Transit received the final draw down of federal COVID-19 stimulus funds.

## 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.

Federal operating grant revenues for 2024 include \$5.5 million in Federal Transit Administration (FTA) grants. This amount includes \$500,000 in Congestion Mitigation and Air Quality (CMAQ) grants and \$5 million in federal formula funds that are expected to be billed in 2024.

## State Grants and Contributions

In 2024, Community Transit will receive a Special Needs operating grant from the State of Washington in the amount of \$2.1 million. New for 2024 is a Transit Support Grant (“TSG” grant) in the amount of \$11.3 million, which Community Transit became eligible to receive as a result of implementing its free youth fare policy. Finally, Community Transit will receive a \$190,000 Commute Trip Reduction/Transit Demand Management grant from the state. Contributions from the state now total about \$13.6 million and make up 5% 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% of Everett’s retail sales tax revenue to Community Transit. The 2024 budget includes \$2.2 million from this revenue source. It is expected that the City of Everett’s sales tax collections will mirror countywide sales tax collections and this revenue source will grow by a nominal percentage. In addition, Community Transit will continue to 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) and other similar investments. 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 2021, the average balance in the LGIP’s portfolio<sup>1</sup> is estimated to be \$21.9 billion, maintained by over 500 county, city, education, and other public participants.

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



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 and maintained a 0-0.25% rate, the pool's yield has decreased from an average of 2.3% during the year 2019 all the way down to .09% in the fourth quarter of 2021 and early 2022. During the past year, the feds have been raising rates to counteract inflation trends and the LGIP has risen to an estimated average of 3.8% for 2023. The 2024 budget projects interest income of about \$14 million, reflecting rising interest rates.

## Advertising

Community Transit expects to receive about \$540,000 in advertising revenues for 2024, which is significantly higher than the revenue budgeted for 2023. This reflects the return to bus-based advertising as the pandemic winds down and commuters return to offices, roadways, and highways.

## Miscellaneous

The 2024 budget for other miscellaneous revenues totals \$382,000 and includes 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 higher than the forecasted miscellaneous revenue for 2023 of \$266,000. The 2024 budget anticipates higher warranty repair reimbursements, some of which were originally anticipated for 2023 but will be received in 2024.

## Interfund Transfers

The 2024 budget includes interfund transfer revenues from the Infrastructure Preservation fund, the FTA Capital Projects fund, and the Local Capital Projects fund totaling \$5.5 million. Some of the more significant transfers being made include the following. An IT preservation project in the amount of \$3.2 million has been returned to the general fund and will be repurposed in the future, as specific technology preservation needs arise. Records management project funding in the amount of \$580,000 is also being returned, pending greater understanding of Community Transit's records needs. The zero-emissions feasibility study is now complete and is returning \$225,000. The remainder of the funds returned relate to small dollar amounts from a variety of now-completed technology and operating projects. The returned funds, all originally local funds assigned to capital projects, will be reprogrammed toward other projects or operations.

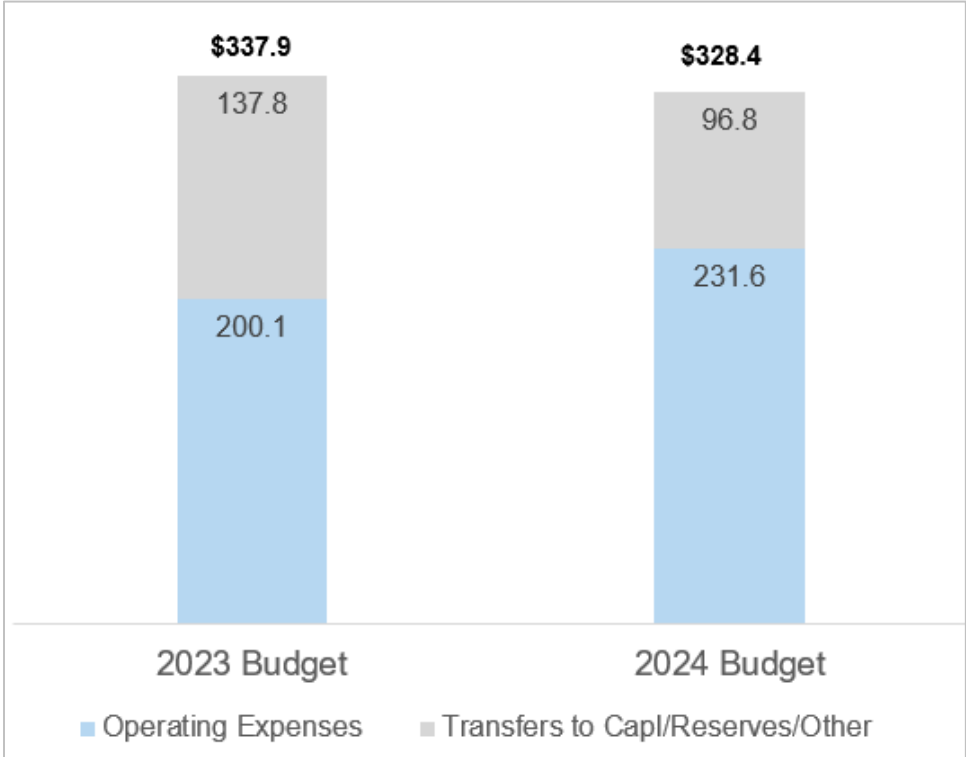
# General Fund Expenses

The 2024 general fund budget includes operating expenses of \$231.6 million and transfers to other funds totaling \$96.8 million. 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 the 2023 forecast and 2024 budget reflect a variety of changes in the budget that address ongoing economic inflation, increased efforts toward opening a new BRT line in 2024, and new services innovation, including one pilot project that has moved to operational status, and funding for 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 at 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 and 2024 budget general fund expenses distributed by major operating cost category, with transfers and other expenses such as insurance and cost pools shown separately.

General Fund Expense by Category – Dollars in Millions



# Staffing and Personnel Expense

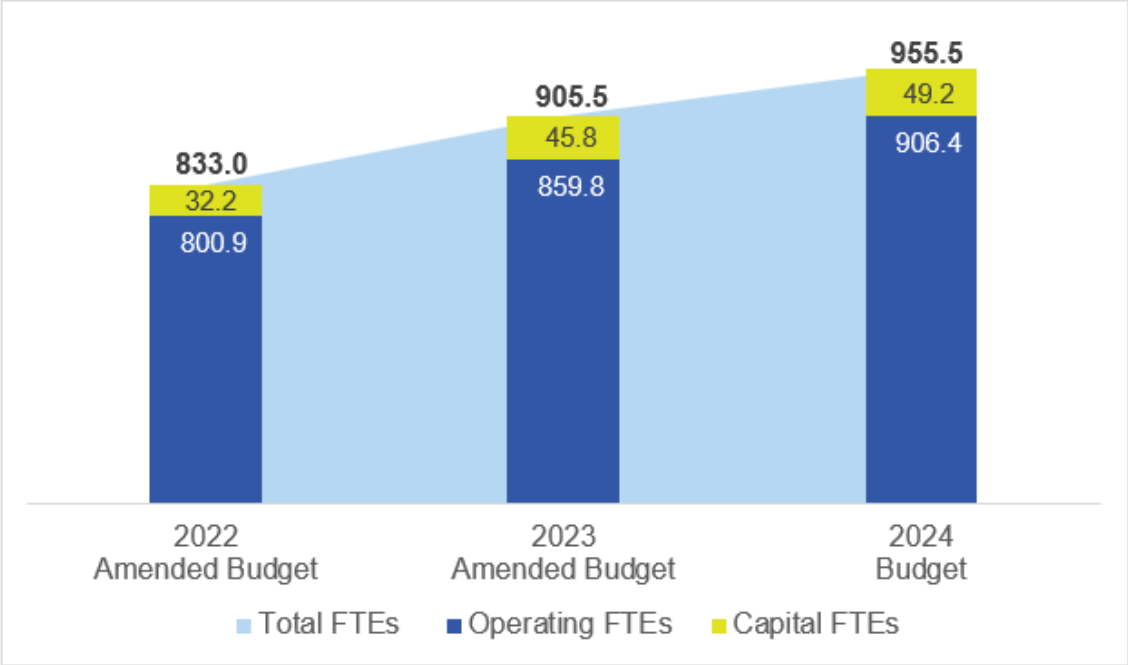
## Staffing Summary

Community Transit measures staff in Full-Time Equivalent (FTE) units. One FTE is equivalent to 2080 hours of paid employee time.

The annual budget resolution adopted by the Board of Directors gives the CEO authority to approve additional FTEs so long as the cost can be absorbed within the Board-approved operating budget. Additional FTEs are authorized as business needs are identified by the Executive Leadership Team. Positions may be repurposed or transferred from one department to another.

Most FTEs are categorized as operational, and are charged to the agency’s general fund (Fund 40). The agency charges FTEs that directly support capital projects to capital funds. This distribution more accurately reflects employee expense associated with operations and with the agency capital program.

Budgeted Operating and Capital FTEs – 3-year Summary



The agency’s plans for a slow ramp up of staffing to support service growth were impacted by the pandemic. Therefore, staffing levels are budgeted to increase at an accelerated rate between 2022 and 2024.

FTE counts are increasing to support service growth, including the future opening of the Swift Orange Line. This includes staff to support recruitment and training, as well as Maintenance and Transportation employees to deliver service. Furthermore, staffing that supports capital projects has grown as projects such as the Facilities Master Plan, Zero Emissions Technology, and BRT design and construction have been added to the agency portfolio.

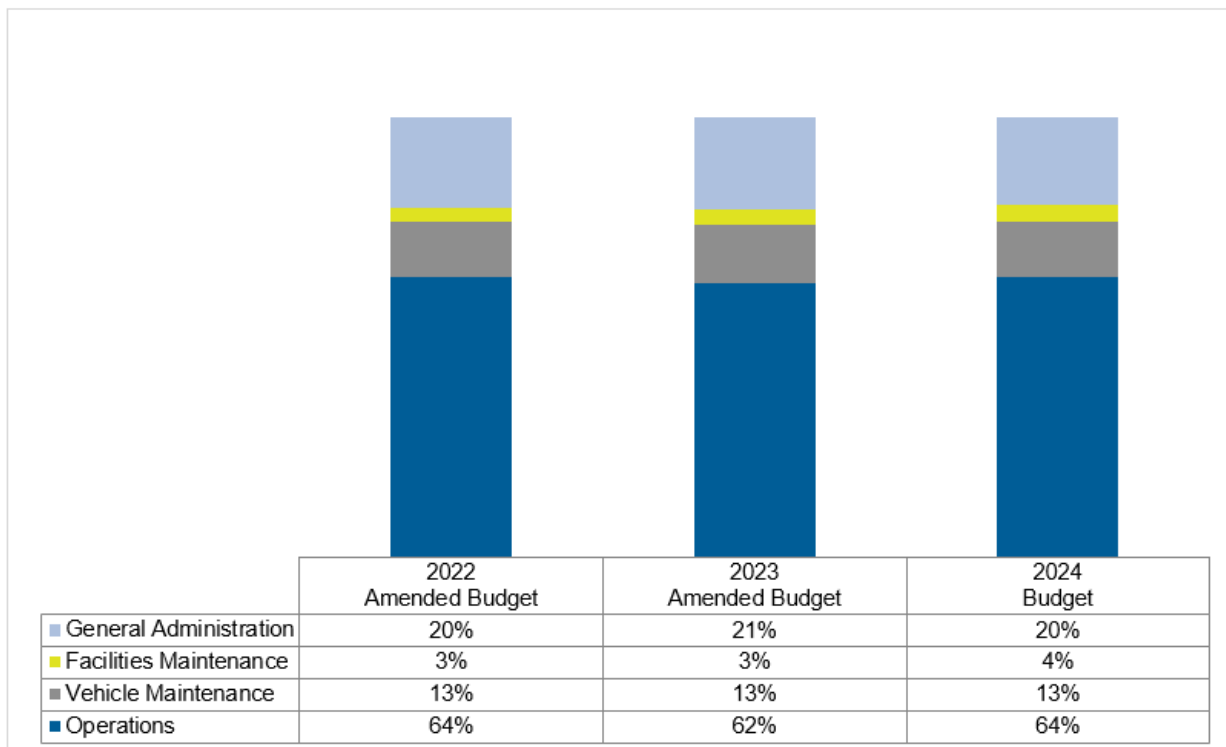
## Job Categories

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 includes four job categories: operations, vehicle maintenance, facility maintenance, and general administration. These categories make it easier to compare staffing among different transit providers. The actual number of active FTEs in each category as of December 31<sup>st</sup> is included in the agency’s annual NTD report.

As part of strategic planning and budgeting, Community Transit monitors the ratio of FTEs in each category. The agency goal for many years has been an approximate 20/80 ratio of general administration employees to the combined total of employees in the operations, vehicle maintenance, and facilities maintenance categories.

FTEs charged to the capital program are reported differently and are excluded from the chart below.

Budgeted Operating FTEs by NTD Category



# Salaries, Wages, and Benefits

Employee Expense (Excludes Worker’s Compensation Claims)

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 93,917,414	\$ 114,531,352	\$ 125,950,217	\$ 11,418,865	10%
Capital Funds	4,219,657	6,396,546	7,988,013	1,591,467	25%
<b>Total Employee Expense</b>	<b>\$ 98,137,070</b>	<b>\$ 120,927,898</b>	<b>\$ 133,938,230</b>	<b>\$ 13,010,332</b>	<b>11%</b>

Increases in salaries, wages, and benefits result from operational and economic influences.

On the operational side, FTE counts are increasing to support service growth and the capital project portfolio. The budget includes funding for Community Transit to join the public transportation agencies that observe Juneteenth as a paid holiday, while continuing normal weekday service for our riders.

The employment cost index for salaries and wages in the Seattle Metro area published by the Bureau of Labor Statistics, has increased by 5.4% annually as of June. Placeholders are included in the salary pool for possible wage increases or settlements, depending on various economic factors in 2024.

## Benefits Increase

Benefits increases are a combination of the effect of new positions and some rate increases. Agencywide costs for medical, vision, and dental insurance rates are budgeted to increase about 5% from 2023 to 2024.

## Public Employees' Retirement System Retirement Contribution

The 2024 Public Employees' Retirement System (PERS) retirement contribution rate is expected to decrease from the 2023 average rate. Rates that were in effect in the second half of 2023 will continue through mid-2024 and are projected to decrease slightly starting in the third quarter. 2024 PERS rates are budgeted 1 percentage point lower than in 2023. Total 2023 PERS costs will increase proportionately with the increase in budgeted FTEs.

## Operating Expenses

The 2024 operating budget of \$231.6 million includes all department-related operating expenses (\$196.0 million) plus insurance costs, fuel, and the salary and professional services pools (\$35.6 million). Included in the cost pools is a contingency for new service innovation (\$6.7 million) and a contingency for inflation and economic response and recovery (\$1.9 million). Fuel costs for 2024 remain roughly even with the amended 2023 budget, with a small adjustment for anticipated vehicle miles. The total 2024 operating budget proposal shows an increase of \$31.4 million, or 15.7%, as compared to operating expenses in the 2023 amended budget.

## Purchased Transportation

Community Transit contracts with another service provider, Transdev, to provide paratransit services and a significant portion of Community Transit's commuter bus service. In 2023, Community Transit's first microtransit pilot, known as Zip, commenced. This pilot converts to a regular Community Transit service in the fourth quarter of 2023 and has been included in the 2024 budget. Community Transit contracts with Medstar to provide Zip service.

In aggregate, purchased transportation costs will increase by 37% in 2024 as compared to the 2023 amended budget. Paratransit costs will increase from the 2023 budget to 2024 budget by 11.2%. Paratransit services are expected to return to a pre-pandemic levels in 2024, so this increase is related mainly to ridership volume. The 81,000 expected paratransit hours in 2024 represents a more typical ridership level.

Contract commuter services costs will increase by \$6.4 million, or 29.6%, from the 2023 to the 2024 budget. Unlike paratransit services, contract commuter service hours are expected to decrease from the 2023 to the 2024 budget. However, First Transit (now owned by Transdev) has a new commuter services contract with new rates, which starts in 2024. Due to recent high inflationary pressures, especially employment costs, the contract rates will increase substantially, leading to a higher budget requirement.

Also increasing for 2024 is the budget for other contracted transportation. This includes \$1.5 million for Zip microtransit, now approved by the Board as a regular Community Transit service. Funding has been included for additional service areas: \$3 million for innovative pilot programs in the cities of Lake Stevens, Arlington, and Darrington, and funds to identify and research three additional pilot service areas in the Snohomish County PTBA.

## Services

Overall, Community Transit's expenses for services, including intergovernmental services, will increase by 9.0% in 2024 as compared to the 2023 budget. The major categories of increase include advertising, contract maintenance, training and registrations, printing and binding, software leases, and other services. Intergovernmental services will increase by \$662,000, or 17.5%. This increase relates to increasing labor costs associated with the Snohomish County Sheriff's contract, as well as the cost of social worker, also contracted from Snohomish County.

Advertising expense, which is increasing by 28.2% (\$524,000), contains a variety of new initiatives. The significant new initiatives include campaign marketing efforts for Network 2024 and the opening of the Swift Orange Line. Printing and binding costs are also up 47%, and these directly tie to marketing activities for new initiatives, rider alerts, safety awareness, innovative services pilots, and coach operator training materials.

Contract maintenance increases include contract repairs, lot sweeping services, janitorial for bus stops and shelters, and IT contracts such as VMWare software, network hardware, and TVM credit card processing for the new Swift Orange Line. This category is increasing by 8.9%, or \$380,000.

Training and registration costs have also increased, as headcount increases, as in-person



conferences have become more feasible post-pandemic, and as the need for organizational development increases. These costs are up 68% (\$504,000) in the 2024 budget compared to the 2023 budget. 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 lease costs will increase by 15%, or \$325,000 from the 2023 budget. This largely reflects agency requirements for specialty software and website management.

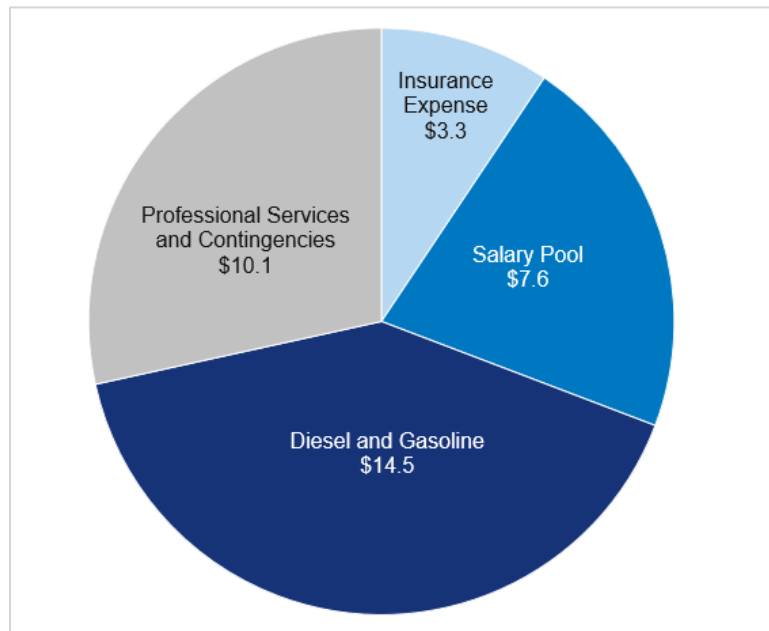
## Supplies

In the general fund, supplies, excluding diesel fuel and gasoline, will increase by 9.7%, or \$813,000. Notable areas where increases are occurring include predominantly maintenance-oriented supplies such as parts (\$524,000) and maintenance supplies (\$159,000). The budgets for gasoline for vanpool, support vehicles and paratransit, as well as diesel for directly operated and contracted buses, will remain steady for 2024 with some adjustments for volume.

## Other Operating Expense

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

Other Operating Expenses \$35.6 Million — Dollars in Millions



### 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 2024 insurance budget of \$3.3 million represents a 6.2% increase from the 2023 budget. The major factors driving the insurance cost growth are increased revenue vehicle miles and growth in headcount in 2024.

### 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 2024 salary pool budget includes amounts anticipated for various labor contract settlements that may occur during the year. The 2024 salary pool is budgeted at \$7.6 million, which reflects expected 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 2024 professional services cost pool is funded in the amount of \$1.6 million, which is up from the 2023 original professional services cost pool budget of \$988,000. This reflects an increase in new agency initiatives that may start in 2024 or else may be deferred to a later year. Community Transit budgets this cost pool to cover the unknown but does not distribute the budget to operating departments until or unless the need is identified.

## Service Innovation Contingency

Community Transit continues to maintain a contingency for new service innovation in 2024, which, at \$6.6 million, has been set aside to cover the costs for three pilot programs in Lake Stevens, Arlington and Darrington. Each of these could potentially convert to regular Community Transit services, depending on the outcomes and the timing of the pilots. Studies will also be conducted for three additional service pilots in 2024. 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 \$1.9 million.

# Fuel

Employees in both Finance and Maintenance track the fuel economy and market, both locally and internationally. The supply of crude oil has tightened in the third and early fourth quarters of 2023 and prices may once again be on the rise.

The 2024 budget for fuel for coaches and other vehicles will decrease by 1.3% (\$191,000) as compared to the 2023 budget. The fuel reserve in the general fund remains at \$5.5 million for 2024 and provides a buffer for fluctuations in fuel prices. Service hours are increasing with the opening of the Orange Line BRT and thus gallons of diesel for directly operated service will increase. That adds \$235,000 to the budget. However, contracted services fuel is expected to decrease for Paratransit and Contracted Commuter – by \$554,000, also due to service projections.

## Diesel Fuel

The 2024 budget anticipates diesel rates to remain at \$4.25 per gallon. This fuel is purchased via a contract with the State of Washington.

Diesel Fuel Budget vs. Actuals



\*Amended Budget and YTD actuals through August 2023

## Other Fuel

The budget projects gasoline to equal \$4.40 gallon for DART and support vehicles. Fuel for Vanpool vehicles is not on the state contract and is budgeted at \$5.00 per gallon.

# Interfund Transfers

Interfund transfers are a budget management tool used by Community Transit to balance funds and 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.

## Interfund Transfers – 3-year Summary

	2022 Actual	2023 Amended Budget	2024 Proposed Budget	Change 2024 vs. 2023	
<b>Transfers from Fund 40: General Fund</b>					
Fund 41: Replacement Reserve Fund	\$ 1,560,000	\$ 3,100,000	\$ 1,975,000	\$ (1,125,000)	-36%
Fund 42: Infrastructure Preservation	19,750,000	6,322,638	4,300,000	(2,022,638)	-32%
Fund 43: Workers' Compensation Fund	3,000,000	2,500,000	2,500,000	-	0%
Fund 44: State Capital Projects Fund	2,945,000	-	3,061,000	3,061,000	-
Fund 45: FTA Capital Projects Fund	18,360,717	-	5,256,619	5,256,619	-
Fund 46: Local Capital Projects Fund	15,380,422	7,896,488	5,657,883	(2,238,605)	-28%
Fund 48: Facilities and Technology Fund	111,771,363	116,552,413	72,612,244	(43,940,169)	-38%
Fund 50: Bond Debt Service Fund	1,431,292	1,428,833	1,428,250	(583)	0%
<b>Total provided by Fund 40: General Fund</b>	<b>\$ 174,198,794</b>	<b>\$ 137,800,372</b>	<b>\$ 96,790,996</b>	<b>\$ (41,009,376)</b>	<b>-30%</b>
<b>Transfers back to Fund 40: General Fund</b>					
Fund 41: Replacement Reserve Fund	-	-	148,386	148,386	-
Fund 42: Infrastructure Preservation	-	3,068,775	4,157,912	1,089,137	35%
Fund 45: FTA Capital Projects Fund	-	3,187,144	-	(3,187,144)	-100%
Fund 46: Local Capital Projects Fund	-	12,968,127	1,182,557	(11,785,570)	-91%
<b>Total returned to Fund 40: General Fund</b>	<b>\$ -</b>	<b>\$ 19,224,046</b>	<b>\$ 5,488,855</b>	<b>\$ (13,735,191)</b>	<b>-71%</b>
<b>Transfers between capital funds</b>					
From Fund 48 to Fund 45	-	-	45,597,808	-	-
<b>Total transfers between capital funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,597,808</b>	<b>\$ 45,597,808</b>	<b>-</b>
<b>Total Interfund Transfers</b>	<b>\$ 174,198,794</b>	<b>\$ 157,024,418</b>	<b>\$ 147,877,659</b>	<b>\$ (9,146,759)</b>	<b>-6%</b>

Interfund transfers to the Replacement Reserve, Infrastructure Preservation Reserve, and Facilities and Technology Expansion funds in the 2024 budget follow the plan for reserve balances as outlined in the 2023-2028 Transit Development Plan.

During 2024, transfers of \$72.6 million have been planned to the Facilities and Technology Expansion fund for multiple initiatives. This includes \$1 million of additional funds for the RideStore remodel project (Facilities Master Plan Phase 4), \$1.3 million to design the operating bases to incorporate zero emissions technology (Facilities Master Plan Phases 7 and 8), and \$66.6 million for zero emissions reserves and buses. Additionally, a \$3.8 million contribution funds personnel expenses for 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 2024 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. Local match for grant-funded projects comprise the 2024 transfers to the State Capital Projects and FTA Capital Projects funds totaling \$3.1 million and \$5.3 million, respectively. The transfer of \$5.7 million budgeted to the Local Capital Projects fund is to cover for new 2024 projects.

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 2024 associated with that bond issue.

Capital projects that have closed out and had excess budget are returning \$5.5 million to the General Fund in the 2024 budget. The Facilities and Technology fund will transfer \$45.6 million to the FTA Capital Projects Fund in 2024 to cover the non-grant funded portion of the purchase of zero emissions buses that are planned for order in 2024.

#### Summary of Funds

Fund	Fund Name	Type	Purpose
40	General Fund	Operating	Direct operating costs
41	Replacement Reserve	Capital	Vehicle replacements using local revenue
42	Infrastructure Preservation and IT Preservation	Capital	Repair and replacement of aging facilities and technology infrastructure
43	Workers' Compensation Fund	Operating	Worker's compensation claims
44	State Capital Projects	Capital	State Grant Funded Projects
45	FTA Capital Projects	Capital	Federal Grant Funded Projects
46	Local Capital Projects	Capital	Locally Funded Capital Projects
47	Bond Capital Projects Fund	Capital	Bond Projects
48	Facility and Technology Expansion Reserve	Capital	Expansion Infrastructure
49	Bond Debt Service Fund	Debt Service	Bond Payments

For more information on Community Transit's fund structure and descriptions of each fund, please refer to the Funds List in the Reference section.

# 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 the Financial Policies section for more information).

## General Fund (Fund 40)

Budgeted Cash Summary — As of December 31, 2024

Dollars in Millions

<b>Beginning Cash</b>		<b>\$ 126.9</b>
Total General Fund Revenue	\$ 273.3	
Total Current Expenses and Obligations	(231.6)	
<b>Operating Margin</b>		<b>41.7</b>
Transfer to Capital/Reserves/Other Funds		(96.8)
Transfer from Capital/Reserves/Other Funds		\$ 5.5
<b>Ending Cash</b>		<b>\$ 77.2</b>
Operating and Fuel Reserves		(59.0)
<b>Capacity for Sustainability and Expansion</b>		<b>\$ 18.2</b>

The 2024 budget includes operating and nonoperating revenues of \$273.3 million which funds operating expenses of \$231.6 million for 656,957 hours of service (including hours contracted with Sound Transit) and contributes to the 2024 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 2024 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.



## Summary of Cash Reserve Balances (All Funds<sup>1</sup>)

Below is a summary table of cash reserve balances. Tables on the following pages show more details of activity and cash balances in each fund.

Budgeted Cash Reserve Balances — As of December 31, 2024

<i>Fund</i>	<i>Cash Balance \$ in Millions</i>
<b>40 Operating Reserve</b>	
Designated—Operating and Fuel Reserves <sup>2</sup>	\$ 59.0
Capacity for Sustainability/Expansion	18.2
<b>Total Operating Reserve</b>	<b>\$ 77.2</b>
<b>41 Replacement Reserve</b>	<b>43.6</b>
<b>42 Infrastructure Preservation Reserve</b>	<b>27.1</b>
<b>48 Facilities and Technology Fund</b>	
Reserve for Future BRT Lines/Expansion	192.3
<b>43 Workers' Compensation</b>	
Statutorily Restricted	\$ 3.7
Designated for Future Claims	1.5
<b>Total Workers' Compensation</b>	<b>5.2</b>
<b>50 Bond Fund</b>	<b>0.6</b>
<b>Total as of December 31, 2024</b>	<b>\$ 346.0</b>

<sup>1</sup> Funds not shown have no ending cash balance budgeted for 2024.

<sup>2</sup> Includes three months operating cash flow reserve and \$5.5 million fuel reserve.

# Budgeted Activity and Cash Balances by Fund

Budgeted Activity and Cash Balance by Fund

Funds 40, 41, 42 — Dollars in Millions

Fund	Amount	Discussion
<b>40 - General Fund</b>		
Beginning Cash Balance	\$ 126.9	
Revenues	273.2	
Interfund Transfers In	5.5	Return of unspent project funds
Expenditures	(231.6)	
Interfund Transfers Out	(96.8)	Transfers to fund capital projects, workers' compensation, and additions to capital reserves
Ending Cash Balance	\$ 77.2	Decrease relates to creation of reserves for the Zero Emissions program and other capital project funding
<b>41—Replacement Reserve</b>		
Beginning Cash Balance	\$ 46.5	
Revenues	0.0	
Interfund Transfers In	2.0	For capital projects and reserves
Expenditures	(4.8)	Scheduled replacement of DART paratransit vehicles
Interfund Transfers Out	(0.1)	Closed project funds returning to the General fund
Ending Cash Balance	\$ 43.6	
<b>42 - Infrastructure Preservation Reserve</b>		
Beginning Cash Balance	\$ 32.6	
Revenues	0.0	
Interfund Transfers In	4.3	For capital projects and reserves
Expenditures	(5.7)	State of good repair and infrastructure preservation projects
Interfund Transfers Out	(4.1)	Closed project funds returning to the General fund
Ending Cash Balance	\$ 27.1	Decrease relates to transfer back to General fund for unspent project funds

Budgeted Activity and Cash Balance by Fund (continued)

Funds 43, 44, 45 — Dollars in Millions

Fund	Amount	Discussion
<b>43 - Workers' Compensation Fund</b>		
Beginning Cash Balance	\$ 6.2	
Revenues	0.2	Investment income
Interfund Transfers In	2.5	For recommended workers' compensation reserve
Expenditures	(3.7)	Claims and administrative costs
Interfund Transfers Out	0.0	
Ending Cash Balance	\$ 5.2	
<b>44 - State Capital Projects Fund</b>		
Beginning Cash Balance	\$ 5.1	
Revenues	1.6	State grant revenue
Interfund Transfers In	3.1	Local match for state grants
Expenditures	(9.7)	Grant-supported Swift Blue Line expansion and vanpool vehicles
Interfund Transfers Out	0.0	
Ending Cash Balance	\$ (0.0)	
<b>45 - FTA Capital Projects Fund</b>		
Beginning Cash Balance	\$ 2.6	
Revenues	50.3	FTA grant revenues
Interfund Transfers In	50.9	Local match for federal grants
Expenditures	(103.7)	Grant-supported Swift Orange Line projects and Zero Emissions Coaches/Infrastructure
Interfund Transfers Out	0.0	
Ending Cash Balance	\$ (0.0)	

Budgeted Activity and Cash Balance by Fund (continued)

Funds 46, 48, 50 — Dollars in Millions

Fund	Amount	Discussion
<b>46 - Local Capital Projects Fund</b>		
Beginning Cash Balance	\$ 9.6	
Revenues	0.1	Sale of surplus equipment
Interfund Transfers In	5.7	For capital projects
Expenditures	(14.1)	Locally-funded capital projects, including minor capital
Interfund Transfers Out	(1.2)	Remaining funds transferred to the General fund
Ending Cash Balance	\$ (0.0)	
<b>48 - Facilities and Technology Expansion Fund</b>		
Beginning Cash Balance	\$ 222.6	
Revenues	7.5	WA state green transportation grant
Interfund Transfers In	72.6	Funds capital projects and reserves
Expenditures	(64.7)	Facilities Master Plan and Zero Emissions projects
Interfund Transfers Out	(45.7)	Covers the non-grant portion of zero emission buses in the FTA Capital Projects fund
Ending Cash Balance	\$ 192.3	Decrease is due to funds transferred for zero emission projects in FTA Capital Projects fund; offset by increase in Zero Emissions Vehicle Reserve
<b>50 - Bond Debt Service Fund</b>		
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	
<b>Total at December 31, 2024</b>	<b>\$ 346.0</b>	

Note: Fund 47 has no budget for 2024 and is not shown.

# Capital Program

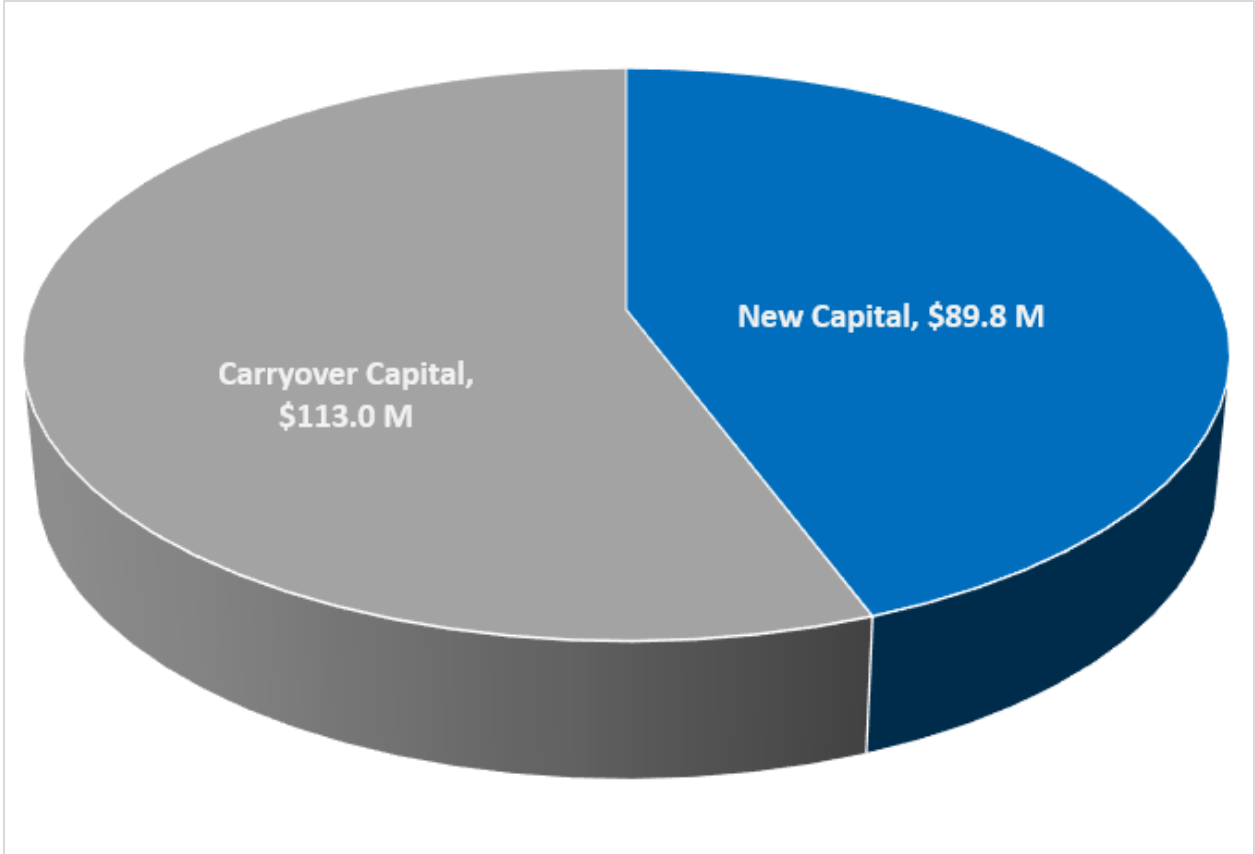
Community Transit defines capital assets as all land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art, infrastructure, and all other tangible or intangible assets having a useful life exceeding one year from the date of acquisition.

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 capital program budget is a multi-year budget. Projects are budgeted in full when approved, and unspent funds are carried forward from year to year. These are referred to as carryover projects.

The 2024 capital program represents an investment of \$202.8 million and includes new projects, multiyear projects started in prior years, and personnel costs.

2024 Capital Program - \$202.8 (in millions)



## New and Existing Initiatives

The 2024 budget includes funding for new and ongoing initiatives that support Community Transit's effort to roll out new service, including the Swift Orange Line BRT and innovations in the types of service offered to riders. As the needs of commuters and other travelers in Snohomish County evolve, Community Transit will prioritize investment in expansion, service innovation, and sustainable technology. Technology may include information and systems for external riders, as well as internal users of data. 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. Finally, Community Transit endeavors to set aside reserves and contingencies aimed at addressing future infrastructure needs. Highlights from the 2024 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 Sound Transit's Link light rail. A significant factor in the evolution of the agency is the need to align and connect Community Transit bus service with Link light rail in Lynnwood 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 during the next year six-year period: the opening of the Swift Orange Line in 2024, expansion of the Swift Blue Line including speed and reliability retrofits, scoping and implementation strategy for the Swift Gold Line, and the planning and design for a Swift Green Line extension to the University of Washington's Bothell campus.

The 2024 budget includes \$26.2 million for the Swift Orange Line. This covers final construction and launch for this new BRT line. The associated funding is a mix of federal, state, and local funding. The Swift Orange Line is scheduled to launch in spring of 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 \$6.7 million for 2024 and will extend Community Transit's first bus rapid transit line to connect with Link light rail at 185<sup>th</sup> in Shoreline by 2024. A platform is under construction at the Shoreline North/185<sup>th</sup> Street Station to facilitate the connection. In addition, speed and reliability improvements will be made along the existing Blue Line corridor to help riders travel more quickly and predictably. This work includes some state

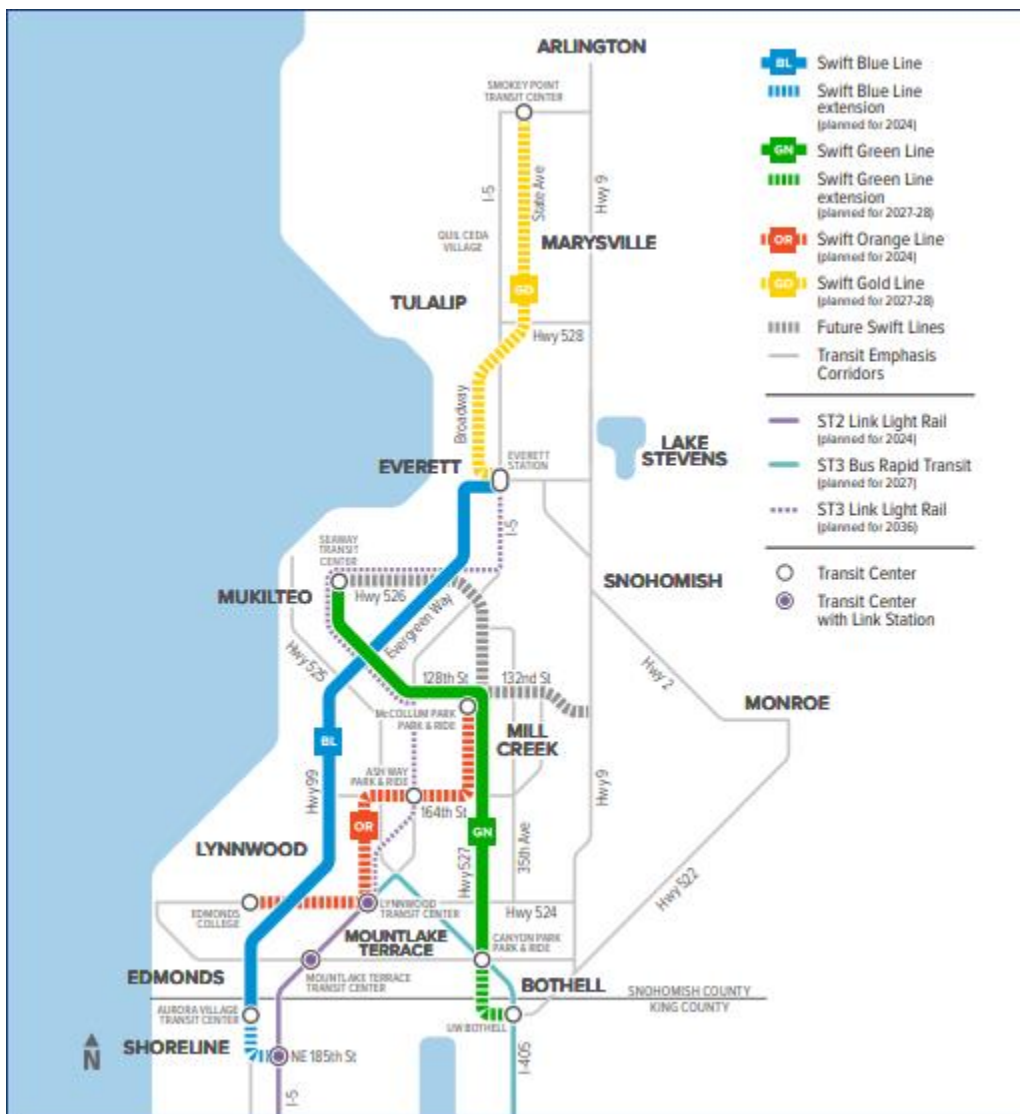


grant funding, including a WSDOT Regional Mobility grant.

A scoping study is currently underway for the Gold Line, which will connect Smokey Point with Everett and will be the fourth line in Community Transit's BRT network. The study will define the scope, schedule and cost and should be complete in 2024. The 2024 design and engineering budget for the Gold Line is \$8.5 million.

The Swift Green Line expansion will extend the line to downtown Bothell and the University of Washington Bothell and Cascadia College campuses. This project remains in a preliminary planning stage in coordination with King County Metro, Sound Transit, and the University of Washington, and will be completed in conjunction with the City of Bothell's plans to widen Bothell Way.

### Swift Network: 2024 and Beyond



## 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 2023-2028 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.

Phases 1 and 2 of the plan are the design and renovation of the Cascade Administration building at Kasch Park Casino Road and the conversion of the Merrill Creek Administration Building to Transportation. The former was complete in 2022 and the latter will be completed in 2023.

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 Phase 2 is complete. The total project is \$45.2 million; the 2024 budget includes \$13.6 million carrying forward from the 2023 budget to complete both phases.

Facilities Master Plan Phase 4 has a \$1 million budget for 2024 to begin project scoping. Phase 5 is a new vehicle storage and training facility and was completed in 2023. Phase 6 will construct a new and improved RideStore, in conjunction with the opening of Link light rail in Lynnwood. The total project budget is \$4.8 million and will be funded by a \$1.9 million state grant. The 2024 budget of \$2.2 million is carried forward from 2023 for the remaining work.

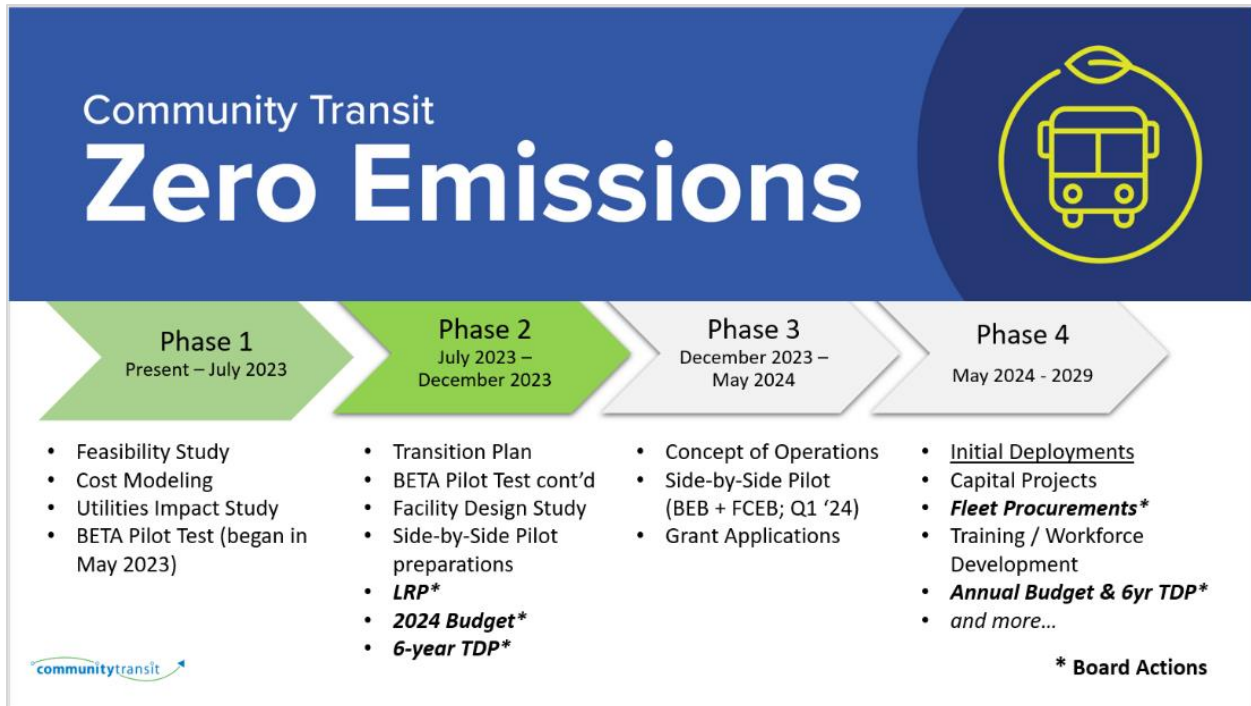


## Coach and Other Vehicle Replacements

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 2024 budget contains \$4.8 million for the replacement of DART paratransit vehicles: 15 carried over from an order in 2023, and 13 to be ordered in 2024. Forty vanpool vehicles will also be purchased in 2024 budgeted at \$3.5 million, but partly funded with a state grant. Other planned vehicle replacements consist of several transportation supervisor vehicles and maintenance vehicles.

# Zero Emissions Technology

In 2022, the agency launched a feasibility study for transition to a zero-emission fleet. The study helped identify the economic costs, performance issues, risks, and recommended timeline associated with the transition to a zero-emission bus fleet, as well as the financial and operational impacts of the technologies available. This study is wrapping up in 2023. A pilot program began in 2023 with a leased battery electric bus and a system impact study in tandem with the Snohomish County Public Utility District.



The 2024 budget includes \$65.6 million for the purchase of 19 sixty-foot hybrid fuel cell electric BRT buses and 10 forty-foot battery electric buses. Although these are expected to be ordered in 2024, the manufacturing time for zero emissions buses is longer than for diesel buses; therefore, they are expected to be received in 2027. Community Transit expects to be awarded \$20 million in grant funding for this purchase. This anticipated grant is included in the *Budget and Actuals – 4 Year Summary (All Funds)* table on page 13.

Additional project funding in the amount of \$1.7 million covers zero emissions program development and some utility infrastructure work. The current year’s budget set aside a contingency reserve of \$28.5 million in the Facilities and Technology Fund for the future development and implementation of a zero emissions fleet and this carries over to the 2024 budget. Staff will continue to focus in 2024 on program development, creating a conceptual facility design, visiting regional peer agencies, and progress toward a zero-emissions transition plan that will help the agency apply for grant funding.

# Information Technology Projects

The Next Generation ORCA electronic fare collection system project completed final system testing and transition, and is continuing with new innovations such as mobile pay. The 2024 budget of \$4.2 million is a carryover amount from prior years that will cover these additional functionalities.

Community Transit has planned for a number of systems enhancements or replacements in the upcoming budget, many of which will be multi-year projects. These include a performance management system, an employee communication solution, the replacement of the agency’s phone and interactive voice recognition systems, The CAD central dispatch system, and the initial feasibility for an Enterprise Resource Management system. Also included in the capital budget are the replacement of critical end user hardware and continued enhancements to the corporate website.

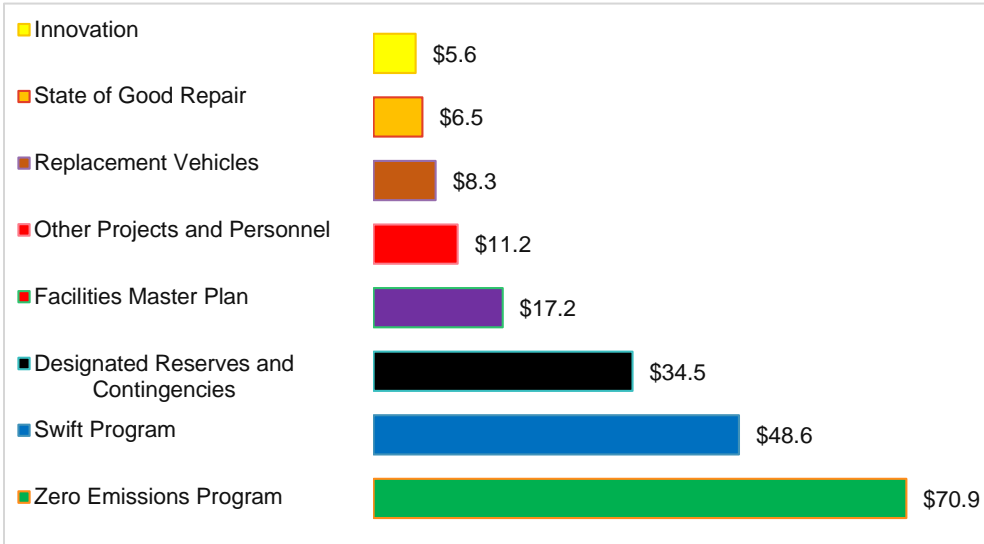
# State of Good Repair Projects

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 2024 budget includes new project funding for the Monroe and Snohomish Park & Rides. Both will receive asphalt seal coat and a refresh of the parking striping in the summer of 2024.

# 2024 Capital Program by Type

2024 Capital Program by Type — \$202.8 (in millions)



# 2024 Capital Program, Including Carryover Projects

2024 Capital Program, Including Carryover Projects (continued on next page)

Project Information		Fund	Funding Source		Total
			Grants	CT Local	
<b>Zero Emissions Program</b>					
2318	Zero Emissions Fleet Pilot Project	48		2,269,141	2,269,141
2408	ZE Coaches/Infrastructure - 60'	45	20,000,000	30,533,605	50,533,605
2409	ZE Coaches/Infrastructure - 40'	45		15,064,203	15,064,203
2414	2024 ZE Program Development	48		1,000,000	1,000,000
2415	ZE Utility Infrastructure	48		700,000	700,000
2419	FMP 7 -- ZE Improvements Merrill Creek	48		650,000	650,000
2420	FMP 8 -- ZE Improvements Kasch Park	48		650,000	650,000
<b>Zero Emissions Program Subtotal</b>			<b>\$ 20,000,000</b>	<b>\$ 50,866,949</b>	<b>\$ 70,866,949</b>
<b>Swift Program</b>					
1850	Swift Orange Line	45		531,961	531,961
2109	Swift Blue Line Expansion Design & Engineering	46		369,808	369,808
2116	Swift Station Security Mods	46		70,329	70,329
2227	Swift Green Expansion Station Siting	46		5,924	5,924
2250	Swift Orange Line Corridor & Terminals	45	16,279,596	1,676,087	17,955,683
2252	Swift Orange Line OFI	45	1,342,558	196,819	1,539,377
2253	Swift Orange Line Program	45	4,358,000	1,090,000	5,448,000
2254	Swift Orange Line Incidentals	46		744,221	744,221
2260	Swift Blue Line Coaches	45		100,000	100,000
2261	Swift Blue Line Construction	44	1,198,365	3,968,389	5,166,754
2262	Swift Blue Line Program	44		1,108,249	1,108,249
2263	Swift Gold Line Scoping	46		32,655	32,655
2264	Swift BRT Coaches	45		100,000	100,000
2303	Swift Onboard Signage	46		960,000	960,000
2314	Swift Gold Design/Engineering	45	6,800,000	1,700,000	8,500,000
2315	Swift Green Expansion Design	45	1,480,000	370,000	1,850,000
2316	Swift Program Projects	46		3,145,105	3,145,105
2421	UW Bothell Transit Center	46		1,000,000	1,000,000
<b>Swift Program Subtotal</b>			<b>\$ 31,458,519</b>	<b>\$ 17,169,546</b>	<b>\$ 48,628,065</b>
<b>Facilities Master Plan</b>					
2011	Facility Master Plan - Phase 3	48	5,618,364	8,030,452	13,648,816
2015	Facility Master Plan - Phase 6	48	1,920,000	293,419	2,213,419
2224	Audio/Visual Needs FMP Projects	48		327,576	327,576
2422	Facilities Master Plan - Phase 4	48		1,000,000	1,000,000
<b>Facilities Master Plan Subtotal</b>			<b>\$ 7,538,364</b>	<b>\$ 9,651,447</b>	<b>\$ 17,189,811</b>
<b>Replacement Vehicles</b>					
2306	60' Swift Coach Replace (15)	45		68,016	68,016
2319	2023 DART Vehicles	41		2,442,000	2,442,000
2416	2024 Vanpool Vehicles	44	404,000	3,061,000	3,465,000
2418	2024 DART Vehicles	41		2,310,000	2,310,000
<b>Replacement Vehicles Subtotal</b>			<b>\$ 404,000</b>	<b>\$ 7,881,016</b>	<b>\$ 8,285,016</b>
<b>Innovation</b>					
1803	Next Generation ORCA	48		4,198,956	4,198,956
1921	Digital Strategy	46		163,346	163,346
1923	Base Map Implementation	46		52,316	52,316
2225	Audio Visual Needs -- Feasibility Studies	48		108,850	108,850
2302	Transit Info Program Research	46		330,000	330,000
2317	Speed and Reliability	46		200,000	200,000
2401	Coach Turn-By-Turn	46		432,000	432,000
2413	Customer Notification System	42		138,600	138,600
<b>Innovation Subtotal</b>			<b>\$ -</b>	<b>\$ 5,624,068</b>	<b>\$ 5,624,068</b>

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



2024 Capital Program, Including Carryover Projects (continued)

Project Information		Fund	Funding Source		Total
			Grants	CT Local	
<b>State of Good Repair</b>					
1502	IT Corporate Security Upgrade	46		87,898	87,898
1904	IT Service Management System	46		46,615	46,615
2101	Disaster Recovery As A Service	46		6,025	6,025
2106	Coach Video Management System	46		27,730	27,730
2203	JPA Upgrade	48		145,000	145,000
2204	Farebox Replacement at KPOB	46		500,000	500,000
2208	Bus Stop Program	48		841,384	841,384
2220	Data Program Support	46		143,774	143,774
2223	Performance Mgmt System Replacement	42		346,734	346,734
2228	Feasibility	46		30,719	30,719
2301	Interactive Voice Response Feasibility	46		90,000	90,000
2309	Employee Communication Solution	42		156,000	156,000
2310	Bus Stop Poster System Replacement	42		117,000	117,000
2311	HASTUS Upgrade	42		348,800	348,800
2312	PeopleSoft HCM/Payroll Upgrade	42		119,000	119,000
2320	Website Platform as a Service (PaaS)	42		4,000	4,000
2321	End User Hardware (2023-24)	42		750,000	750,000
2402	Financial & Human Capital Mgmt Systems Feasibility	46		212,000	212,000
2403	Monroe Park & Ride	42		196,658	196,658
2404	Snohomish Park & Ride	42		146,242	146,242
2405	Telephone System Replacement	42		360,100	360,100
2406	IVR System Lifecycle Replacement	42		429,000	429,000
2407	Corporate Website Continuous Delivery	42		950,000	950,000
2412	PeopleSoft FSCM (upgrade)	42		150,000	150,000
2417	Software/Hardware	42		300,000	300,000
<b>State of Good Repair Subtotal</b>			\$ -	\$ 6,504,679	\$ 6,504,679
<b>Other Minor Projects</b>					
2226	BRT Coach Operator Barriers	46		226,872	226,872
FURNCAP	Minor Furniture	46		300,000	300,000
MINCAP	Minor Capital	46		2,200,688	2,200,688
<b>Other Minor Projects Subtotal</b>			\$ -	\$ 2,727,560	\$ 2,727,560
<b>Personnel and Other Costs Allocated to Capital</b>			-	<b>8,485,023</b>	<b>8,485,023</b>
<b>Capital Program Total</b>			\$ 59,400,883	\$ 108,910,288	\$ 168,311,171
<b>Designated Reserves and Contingencies</b>					
9990	Contingency -- Infrastructure Preservation	42		200,000	200,000
9991	Contingency -- IT Infrastructure	42		500,000	500,000
9992	Contingency -- Facilities & Technology	48		200,000	200,000
9993	Reserve	48		4,600,000	4,600,000
9994	Zero Emissions Projects Contingency	48		28,500,000	28,500,000
9996	Local Projects Contingency	46		450,000	450,000
<b>Designated Reserves and Contingencies Subtotal</b>			\$ -	\$ 34,450,000	\$ 34,450,000
<b>Capital Program Total</b>			\$ 59,400,883	\$ 143,360,288	\$ 202,761,171



# Budget Impact of Major New Initiatives

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

Estimated Impact of Major New Service Initiatives on the Operating Budget

Project		2024	2025	2026	2027	2028
Zip Microtransit in Lynnwood 2024 (3 new services in 2025; 2 new services /year 2026-2028) <sup>1</sup>	New Service Innovation — On Demand Transportation, Other Modes TBD	Contract for Service -- \$1,500,000	\$ 6,150,000	\$ 9,455,625	\$ 12,922,688	\$ 16,557,193
New Service Pilots (2024: Lake Stevens, Arlington, Darrington; 2025-2028 TBD)	New Service Innovation — Mode To be Determined	Pilot Programs -- \$2,000,000 Pilot Studies -- \$200,000	Pilot Programs -- \$2,000,000 Pilot Studies -- \$200,000	Pilot Programs -- \$2,000,000 Pilot Studies -- \$200,000	Pilot Programs -- \$2,000,000 Pilot Studies -- \$200,000	Pilot Programs -- \$2,000,000 Pilot Studies -- \$200,000
2024-2028: Swift Orange Line Bus Rapid Transit 2024, Network Changes 2024-2026, Swift Gold Line Bus Rapid Transit 2027-2028 <sup>2</sup>	New Service Hours	44,000 New Revenue Hours \$ 11,593,446	44,000 New Revenue Hours \$ 11,883,282	34,000 New Revenue Hours \$ 9,412,099	41,000 New Revenue Hours \$ 11,633,632	41,000 New Revenue Hours \$ 11,924,472
Operating Costs for new Zero Emissions Technology <sup>3</sup>	Initial Deployment occurs in 2027				\$ 2,364,263	\$ 3,432,820
	<b>Estimated Cumulative Cost of All New Services Added</b>	<b>\$ 15,293,446</b>	<b>\$ 20,233,282</b>	<b>\$ 21,067,724</b>	<b>\$ 29,120,582</b>	<b>\$ 34,114,486</b>

<sup>1</sup> Microtransit and other modes of transportation falling under the category of Innovative Services are estimations, except for 2024, which is included in the budget.

<sup>2</sup> Service hours for bus service and cost/hour are based on the service plan outlined in the TDP, using cost per bus service hour from the National Transit Database report and escalated annually from 2023-2028 using the TDP financial model inflation assumptions (4.6% for 2023, 2.5% for 2024-2028).

<sup>3</sup> Zero Emissions operating costs represent early cost estimates and are subject to change as more information is obtained during the pilots and the initial deployment of the new technologies.

# Debt Service and Debt Capacity

## Debt Service

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 2024, the principal due is \$1,175,000 and the interest due is \$253,250, resulting in total debt service payments of \$1.4 million. The total principal due after the 2024 bond payments have been made will be \$3.9 million, with a remaining unamortized premium of \$0.2 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.

### Debt Service Coverage

<b>Debt Service Coverage</b>	<b>2024 Budget</b>
Operating Revenue	\$ 273,252,471
Operating Expense	(231,566,294)
Net Available for Debt Service	41,686,177
Required Debt Service Payments	1,428,250
<b>Debt Service Coverage</b>	<b><u>29.2 times</u></b>

Community Transit’s net revenues after operating expenses cover the annual bond principal and interest payments due in 2024 more than 29 times.

Future annual debt service requirements are in the table below.

### Future Annual Debt Service

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
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
<b>Total</b>	<b><u>\$ 3,890,000</u></b>	<b><u>\$ 395,250</u></b>	<b><u>\$ 4,285,250</u></b>

# 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 2024 tax year. For the 2023 tax year, the calculated debt limit is below.

## 2023 Calculated Debt Limit

<b>Legal Debt Margin Information</b>		<b>(\$ in Millions)</b>	
for the most recent valuation year (2022)			
Assessed valuation in 2022 for collection of taxes in 2023	\$	132,100.7	
Nonvoted debt limit 0.375 percent of valuation		495.4	
Less outstanding bond issues - net		(6.7)	
<b>Nonvoted Debt Capacity Remaining</b>	<b>\$</b>	<b><u>488.7</u></b>	

Outstanding bonds are shown as of December 31, 2022, 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.

# Agency Overview

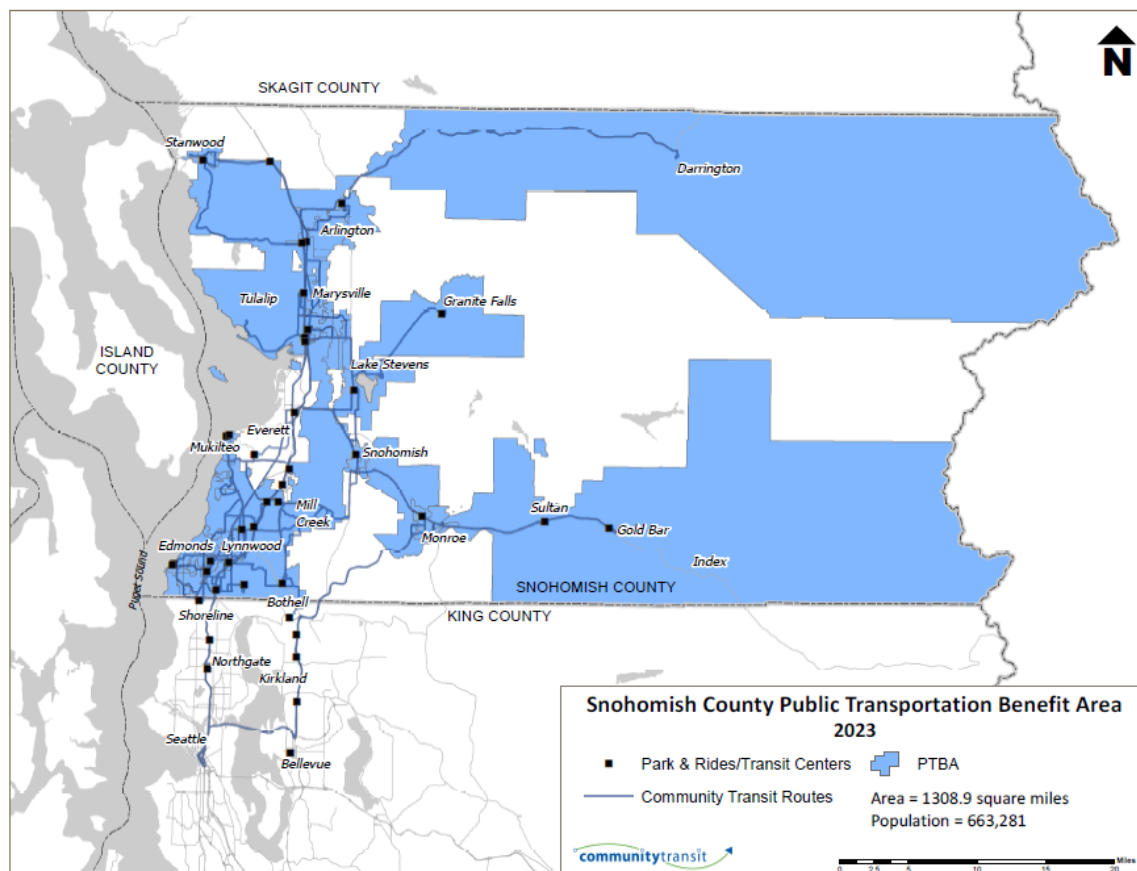
## Agency Profile

Community Transit is a special purpose municipal corporation providing public transportation services. In 1976, Snohomish County voters created Community Transit with an approved sales tax to support a public transportation benefit area (PTBA). The PTBA is the area that Community Transit serves. Today, the PTBA encompasses most of urbanized Snohomish County, excluding the city of Everett.

## Service Area

As of September 2023, Community Transit's boundaries encompass a land area just over 1,300 square miles including most of urbanized Snohomish County, except for the City of Everett.

Service Area as of September 2023



Community Transit serves more than 663,000 residents, more than 77% 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.

## Community Transit Service Area – Communities by Year

<b>Year</b>	<b>Communities Added to Community Transit’s Service Area</b>
1976	Edmonds, Lynnwood, Marysville, Mountlake Terrace, Brier, Snohomish, and Woodway
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

The table above shows when residents of Snohomish County communities approved annexation into Community Transit’s service area.

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.

## Regional Connections and Planning Coordination

Due its location relative to other populous counties in the state, regional transit connections are important to Snohomish County residents. Community Transit’s network includes important connections with several partner agencies at a variety of regional transit centers and terminals. Agency service connects with ferries, trains, light rail, and more.

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.

Learn more about Community Transit’s involvement in regional planning coordination in the Transit Development Plan (TDP): <https://www.communitytransit.org/transit-development-plan>.

## Agency Profile at a Glance –

Agency Profile as of December 31, 2022\*

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		
Operational Area	Snohomish County, Washington		
Population - County	847,300		
Population - PTBA	621,930		
Major Park-and-Ride Lots (250 or more parking stalls)	10		
Minor Park-and-Ride Lots (less than 250 parking stalls)	14		
Active Employees	753		
Active Revenue Vehicles	730	Number of Scheduled Routes	46
Directly Operated	197	Swift Bus Rapid Transit Routes	2
Commuter Service	58	Local Snohomish County Routes	23
Vanpool Vans	339	Boeing Commuter Routes	3
Contract Commuter	84	University of Washington Routes	5
DART/Paratransit	52	Intercounty Commuter Routes	13

\*The year ending December 31, 2022, was the last complete year of actual service and fiscal results at the time this budget document was drafted.



# Governing Body

## Board of Directors

Community Transit is governed by a Board of Directors consisting of nine voting members and five alternates 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 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 more than 70% of Community Transit's workforce.

The Chair, Vice-Chair, and Secretary are elected from among the voting Board members. During 2023, the Board members in these positions were:

Board Chair – Council Member Jan Schuette from the City of Arlington  
Board Vice Chair – Council Member Tom Merrill from the City of Snohomish  
Board Secretary – Mayor Sid Roberts from the City of Stanwood

Learn more about the Board of Directors in the Department section of this document. For current board members, board alternates, and board meeting information, visit <https://www.communitytransit.org/board-of-directors>.

## Executive Leadership Team

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 2023 were:

Chief Communications Officer – Geoff Patrick  
Chief Financial Officer – Eunjoo Greenhouse  
Chief Human Resources Officer – Cesar Portillo  
Chief Information Officer – Chas Stearns  
Chief Innovation and Customer Experience Officer – Molly Marsicek  
Chief of Staff and Public Affairs Officer – Deb Osborne  
Chief Operating Officer – Roland Behee  
Chief Planning and Development Officer – Melissa Cauley

# Agency Strategic Goals and Priorities

The table below shows Community Transit’s strategic priority framework, including goals and initiatives to meet agency priorities. This framework serves as the guide for department-, division-, and individual-level goal setting, which in turn will inform the budget. Agency leadership will evaluate progress on goals and initiatives throughout the year. On an annual basis, leadership will update the strategic priorities, goals, and initiatives for the upcoming two-year period.

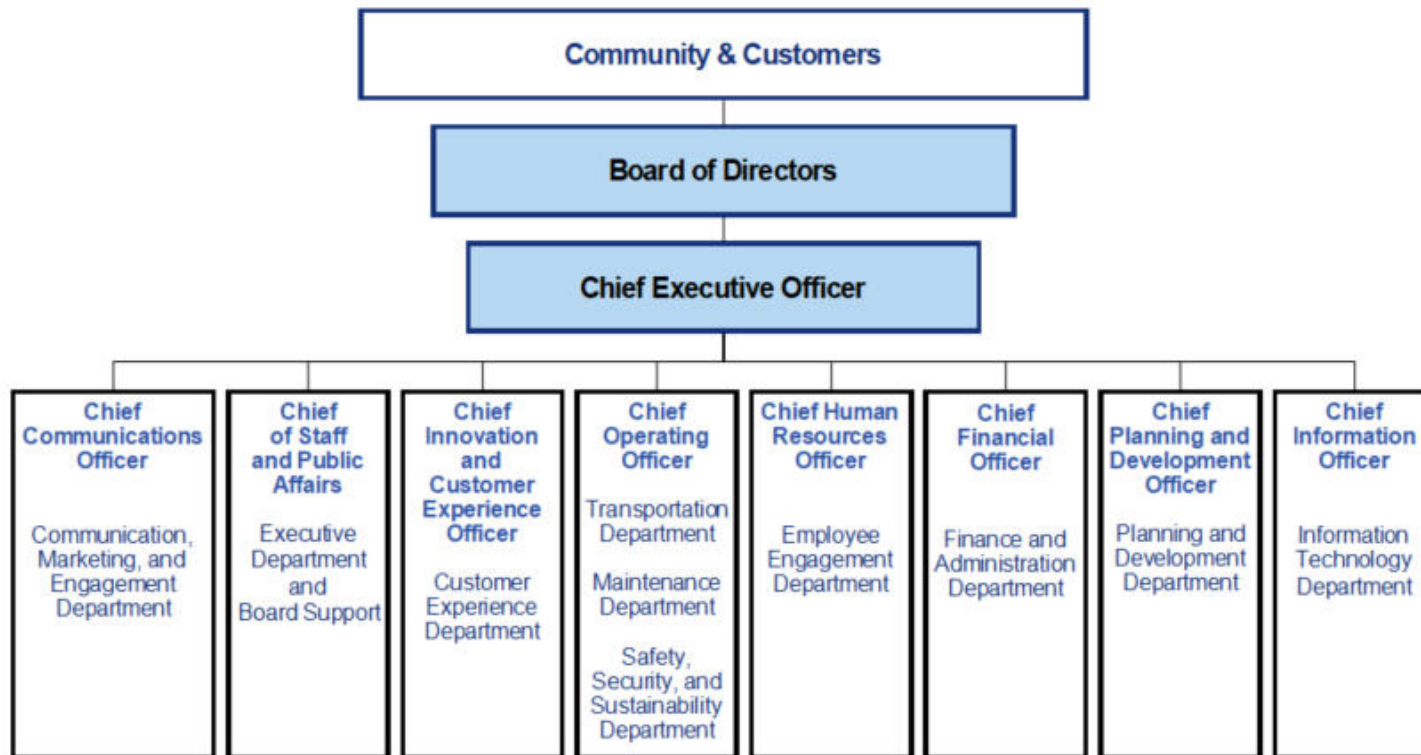
Community Transit 2023 – 2024 Strategic Priorities, Goals, and Initiatives

VISION & MISSION	VISION: Travel made easy for all   MISSION: We help people get from where they are to where they want to be		
STRATEGIC THEMES	DELIVER EXCELLENT SERVICE   BUILD THE FUTURE		
STRATEGIC PRIORITIES	 <p><b>Attract &amp; retain customers</b></p> <p><i>We will listen to customers so they will see their needs reflected in our products and services.</i></p>	 <p><b>Strengthen employee experience</b></p> <p><i>Employees are engaged and feel heard, seen, safe, and valued.</i></p>	 <p><b>Prioritize Sustainability</b></p> <p><i>We will be environmentally, financially, and organizationally sustainable over time.</i></p>
GOALS	<ul style="list-style-type: none"> <li>• Increase the number of customers by 20%</li> <li>• Increase the number of boardings by 30%</li> </ul>	<ul style="list-style-type: none"> <li>• Provide better tools and resources for employees</li> <li>• Embed Diversity, Equity, and Inclusion in all we do</li> <li>• Improve employee engagement measure by 6% and well-being measure by 7%</li> </ul>	<ul style="list-style-type: none"> <li>• Deploy a green fleet</li> <li>• Strengthen financial stewardship</li> <li>• Prioritize projects and resource allocation</li> </ul>
INITIATIVES	<ul style="list-style-type: none"> <li>• Safety &amp; Security Plan Implementation</li> <li>• Network Restructuring</li> <li>• Innovative Services Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Core Process Standard Work Documentation</li> <li>• Diversity, Equity, and Inclusion (DEI) Plan Implementation</li> <li>• Closed feedback loop for employee survey actions</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental &amp; Sustainability Management System</li> <li>• ZE Program Development and Implementation</li> <li>• Long-range Financial Plan</li> </ul>
CORE VALUES	Accountability   Initiative   Mutual Respect   Diversity, Equity & Inclusion   Integrity   Service-Focused   Teamwork		

# Department Overview

Community Transit is organized into eleven departments in support of the agency's community and customers.

## 2024 Organizational Chart



This chart provides an overview of the leadership and department structure at Community Transit. Department-level organizational charts are included in each department's budget discussion.

## Department Functions

The table below summarizes the primary functions of each department. Individual department sections provide more information.

### Department Summary by Function

Department	Primary Functions
<b>Board of Directors</b>	Strategy and oversight.
<b>Executive</b>	Strategy and leadership support, government relations, board support.
<b>Communications, Marketing and Engagement</b>	Employee and external communications, marketing, community engagement, transportation demand management programs, social media, media relations, digital content.
<b>Customer Experience</b>	Customer care, vanpool program, innovative services programs, service ambassadors, digital experience.
<b>Employee Engagement</b>	Recruiting, hiring, employee support, and staff training. Includes management of benefits, leave, wellness, labor relations, and DE&I programs.
<b>Finance and Administration</b>	Finance, accounting, grants, and purchasing activities. Includes management of financial planning, reporting, and systems.
<b>Information Technology</b>	Technology infrastructure, maintenance, and support. Includes project management, and program development and support.
<b>Planning and Development</b>	Service and infrastructure planning and development, long range planning, research and analytics support. Partners with regional transit providers.
<b>Maintenance</b>	Maintains vehicles and facilities.
<b>Safety, Security, and Sustainability</b>	Manages safety, security, and environmental programs and projects.
<b>Transportation</b>	Manages and operates transit service.

# Department Budgets

## Summary of 2024 Department Budgets

### Department Budgets by Fund

Department	(40) General Fund	(41) Replacement Reserve Fund	(42) Infrastructure Preservation	(43) Workers' Compensation Fund	(44) State Capital Projects Fund	(45) FTA Capital Projects Fund	(46) Local Capital Projects Fund	(48) Facilities and Technology Fund	(50) Bond Debt Service Fund	Total
Board of Directors	\$ 250,180									\$ 250,180
Executive Department	1,735,500									1,735,500
Communications, Marketing, and Engagement	7,470,763					309,370	140,000			7,920,133
Customer Experience	10,628,202				3,465,000		1,067,708			15,160,910
Employee Engagement	14,006,198			713,950						14,720,148
Finance and Administration	7,315,637		813,204	336,000		810,411	662,000	33,522,430		43,459,683
Insurance	3,330,356									28,781,210
Debt Service									1,428,252	105,209,036
Cost Pools	17,712,369		27,400			115,300	328,400	196,900		75,214,481
Information Technology	10,771,166		4,520,462				3,204,498	10,285,084		10,896,104
Maintenance	32,347,976	4,752,000				65,761,388	2,347,672			99,494,443
Motorbus and DART Fuel	13,518,928									13,518,928
Planning and Development	4,907,537		342,900		6,275,003	36,694,373	6,272,615	20,722,053		3,330,356
Safety, Security, and Sustainability	8,077,040			2,694,064			125,000			1,428,252
Transportation	99,494,443									18,380,369
Interfund Transfers	96,790,996	148,386	4,157,912				1,182,557	45,597,808		147,877,659
<b>Totals by Fund</b>	<b>\$ 328,357,290</b>	<b>\$ 4,900,386</b>	<b>\$ 9,861,878</b>	<b>\$ 3,744,014</b>	<b>\$ 9,740,003</b>	<b>\$ 103,690,843</b>	<b>\$ 15,330,450</b>	<b>\$ 110,324,275</b>	<b>\$ 1,428,252</b>	<b>\$ 587,377,390</b>

- Fund 47 has no 2024 budget and is not shown.
- The Finance and Administration department shares budgeting responsibility for Motorbus and DART fuel.

# Department Operating Budgets

Department Budget General Fund Summary (Fund 40)

Department	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Board of Directors	\$ 188,738	\$ 218,573	\$ 250,180	\$ 31,607	14%
Executive Department	1,731,191	1,680,277	1,735,500	55,223	3%
Communications, Marketing, and Engagement	4,634,588	6,310,213	7,470,763	1,160,550	18%
Customer Experience	4,124,692	6,901,532	10,628,202	3,726,670	54%
Employee Engagement	8,585,454	12,491,721	14,006,198	1,514,477	12%
Finance and Administration	5,801,129	6,963,107	7,315,637	352,530	5%
Insurance	2,703,189	3,137,113	3,330,356	193,243	6%
Cost Pools		8,606,666	17,712,369	9,105,703	106%
Information Technology	8,490,919	9,453,296	10,771,166	1,317,870	14%
Maintenance	23,753,819	29,405,110	32,347,976	2,942,866	10%
Motorbus and DART Fuel	12,218,050	13,836,900	13,518,928	(317,972)	-2%
Planning and Development	4,448,645	5,379,336	4,907,537	(471,799)	-9%
Safety, Security, and Sustainability	4,762,916	7,381,819	8,077,040	695,221	9%
Transportation	78,615,224	88,359,287	99,494,443	11,135,156	13%
<b>Total Operating Expense - Fund 40</b>	<b>\$ 160,058,554</b>	<b>\$ 200,124,950</b>	<b>\$ 231,566,294</b>	<b>\$ 16,140,003</b>	<b>8%</b>

The general fund (fund 40) contains operating expenses.

The department sections that follow contain discussions of cost increases and decreases, and information about how each groups’ budget, work plans, goals, and accomplishments tie to Community Transit’s strategic priorities.

Note: 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 expenses.



# Staffing by Department

Community Transit measures staff in Full-Time Equivalent (FTE) units. One FTE is equivalent to 2080 hours of paid employee time.

Staffing by Department – 3-year Summary

Department	2022 Amended Budget	2023 Amended Budget	2024 Budget	2023 vs 2024	
Board of Directors	1.5	1.5	1.5	0.0	0%
Executive Department	4.0	6.0	6.0	0.0	0%
Communications, Marketing, and Engagement	9.0	29.0	29.0	0.0	0%
Finance and Administration	46.0	55.0	56.0	1.0	2%
Customer Experience	53.5	45.0	45.0	0.0	0%
Planning and Development	45.0	39.0	40.0	1.0	3%
Maintenance	125.0	141.0	145.0	4.0	3%
Transportation	450.0	457.0	496.0	39.0	9%
Information Technology	39.0	43.0	45.0	2.0	5%
Employee Engagement	47.0	56.0	58.0	2.0	4%
Safety, Security, and Sustainability	13.0	33.0	34.0	1.0	3%
	<b>833.0</b>	<b>905.5</b>	<b>955.5</b>	<b>50</b>	<b>6%</b>

The next page includes a table of new positions included in the 2024 budget. The agency’s FTE count has been increasing over the past several years to support upcoming service changes and growth in the capital program.

## Reorganizations

In 2022 and 2023, several workgroups were moved from one department to another in order to better align the agency’s efforts. In the department budget discussions, historical expenses for reorganized groups have been moved to the new department to facilitate year-over-year comparisons.

Major Reorganizations: 2-year Summary

Work Group or Function	Moved From	Moved To	Year
Safety, Security, Risk	Finance & Administration	Safety, Security, and Sustainability	2022
Training	Finance & Administration	Employee Engagement	2022
Grants	Planning & Development	Finance & Administration	2023
Contracted Transportation	Planning & Development	Transportation	2023
Public Affairs	Communications	Executive	2023
Marketing and TDM	Customer Experience	Communications, Marketing, and Engagement	2023

Individual positions transferred from one department or budget center to another are not included in the table above. These moves are discussed in the department sections that follow.

## New Positions

### 2023 New Positions — Authorized After Budget Adoption

Department	Job Title	FTE
Communications, Marketing, and Engagement	Strategist - Marketing	1
	Administrative Support Specialist	1
	Chief Communications Officer	1
Customer Experience	Analyst - Digital Business	1
	Assistant Manager - Customer Care	1
	Sr. Specialist - Digital Website	1
Finance and Administration	Senior Analyst -- Budget	1
	Payroll Specialist TL	1
Information Technology	Manager - Zero Emissions	1
<b>Grand Total</b>		<b>9</b>

The CEO has authority to approved additional positions as long as they can be funded within the budget (as approved or amended by the Board of Directors). The 9 FTE added after budget approval were funded within the amended 2023 budget using cost savings in other areas.

### 2024 Budgeted New Positions

Department	Job Title	FTE
Employee Engagement	Coach Operator Instructor	1
	Manager - Organizational Development	1
Finance and Administration	Financial Analyst / Fin. Systems Analyst	1
Information Technology	Administrator - Zero Emissions	1
	Sr. Architect - Implementation	1
Maintenance	Assistant Manager - Facilities Maint.	1
	Facilities Maint. Lead	1
	Facilities Maint. Tech I	1
	Facilities Maint. Tech II	1
Planning and Development	Assistant Manager - Analytics	1
Safety, Security, and Sustainability	Administrator - Security Services	1
Transportation	Coach Operator	35
	Coach Operator PT	4
<b>Grand Total</b>		<b>50</b>

The 2024 budget adds 50 FTEs: 39 coach operator FTEs, 4 maintenance FTEs, and 9 other positions.

# Board of Directors

## Department Description

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.



*2023 Board members and alternates stand in the lobby of the Cascade building with CEO Ric Ilgenfritz.*

The Board of Directors consists of ten members, and five alternates. Of these, nine voting members, plus their alternates, are elected officials selected by the respective governing bodies of the county and component cities within Community Transit’s service area. The final member is a non-voting labor representative. See the Agency Overview, Governing Body section for more information.

For current board members, board alternates, and board meeting information, visit <https://www.communitytransit.org/board-of-directors>.

# Department Operating Budget

## Budget by Category

Expense Type	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Salaries and Wages	\$ 171,225	\$ 169,118	\$ 204,274	\$ 35,156	21%
Benefits	13,232	13,055	15,766	2,711	21%
<b>Personnel</b>	<b>184,457</b>	<b>182,173</b>	<b>220,040</b>	<b>37,867</b>	<b>21%</b>
Services	4,281	36,400	35,500	(900)	-2%
Budget Offset Contra Account			(5,360)	(5,360)	n/a
<b>Operating Expenditures</b>	<b>\$ 188,738</b>	<b>\$ 218,573</b>	<b>\$ 250,180</b>	<b>\$ 31,607</b>	<b>14%</b>

### Budget Offset Contra Account

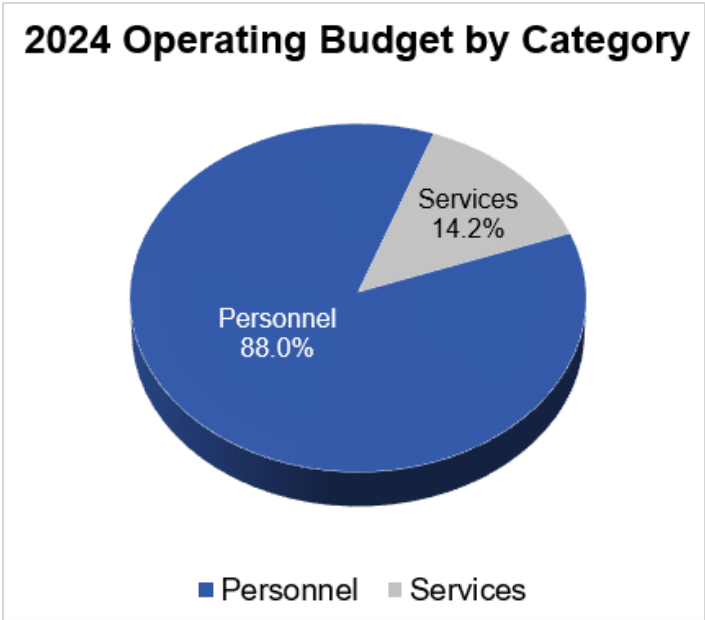
All departments have been assigned a negative budget amount – this is not included in the pie chart that follows. This is a tool to help Community Transit control costs and forecast actual spending. The contra account reduces a department’s budget without cutting specific line items.

The overall change in this department’s operating budget reflects the contra account and slight increases in the personnel budget, discussed below.

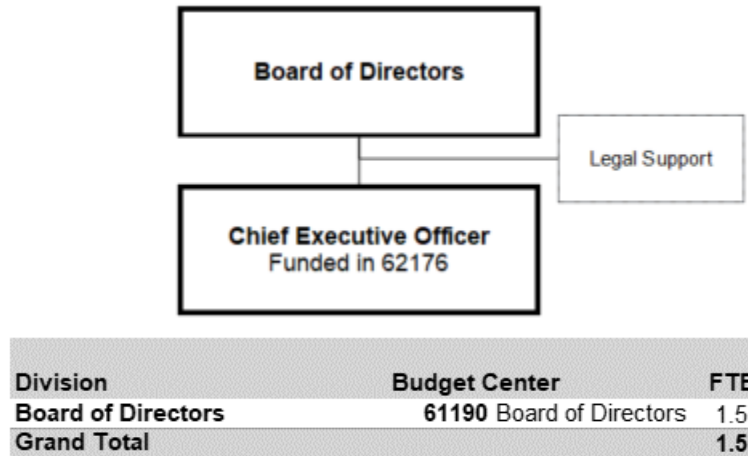
### Budget Discussion

The Board of Directors’ budget is managed by staff in the Executive Department. All expenses are in the general fund (fund 40).

This budget funds industry, legal affairs, and legislative conferences and travel for transit advocacy; stipends for eligible board members; and expenses for the Board’s legal counsel.



## Staffing and Personnel Expense



### Employee Expense by Fund

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 184,457	\$ 182,173	\$ 220,040	\$ 37,867	21%
Fund 42: Infrastructure Preservation				-	n/a
Fund 45: FTA Capital Projects Fund				-	n/a
Fund 46: Local Capital Projects Fund				-	n/a
Fund 48: Facilities and Technology Fund				-	n/a
<b>Total Employee Expense</b>	<b>\$ 184,457</b>	<b>\$ 182,173</b>	<b>\$ 220,040</b>	<b>\$ 37,867</b>	<b>21%</b>

The increase in personnel costs for 2024 is primarily due to an increase in expenses and hours of service provided by legal counsel.

## Accomplishments and Goals

The Board provides ongoing support to the agency and aligns its accomplishments and goals to both the Board's priorities and the agency's priorities. The Board's priorities are consistent each year:

- Provide the best possible service to the customers and the communities we serve through education on Community Transit and transit industry issues, using that knowledge to benefit the agency.
- Represent the agency in the community, promoting agency interests and policies, and on the Transportation Policy Board of the Puget Sound Regional Council.
- Continue to develop and maintain relationships at the national, state, regional, and local levels, and support Community Transit staff and attendance at staff events.
- Abide by the performance standards as outlined in Community Transit's Board Bylaws.

## 2023 Accomplishments

- Approved agency strategic plans and programs, including approval and adoption of the following:
  - 2023-2028 Transit Development Plan.
  - 2024 & Beyond Bus Network Restructuring Proposal.
  - Journey 2050 Long Range Plan.
  - Investment in employee recruitment marketing and hiring.
  - Launch of the Transit Security Officer program and Fare Enforcement authority.
  - Zero emission program and overall strategy.
  - Innovative Services including addition of the Zip Alderwood Shuttle service as a regular service.
  - Adoption of the Snohomish County Hazard Mitigation Plan.
  - Modernization and expansion of operating bases.
- Represented the agency and Snohomish County riders on the Transportation Policy Board of the Puget Sound Regional Council.
- Developed and maintained relationships with the community and employees.
- Performed in accordance with the agency Bylaws.

## 2024 Goals

- Support and approve agency plans and programs, including but not limited to the following:
  - Bus network restructure to compliment the opening of the Sound Transit Lynnwood link extension.
  - Opening of the Swift Orange line and Swift Blue line expansion and further expansion of Swift service.
  - Enhanced Safety and Security for employees and customers.
  - Continuation of the zero emission pilot and the completion of a transition plan.
  - Enhancement of the customer and employee experiences.
  - Expand the Innovative Services program including the start of pilots in Arlington, Darrington, and Lake Stevens, and new, additional communities.
  - Continued modernization and expansion of operating bases and the RideStore.
  - Represent the agency and Snohomish County riders on the Transportation Policy Board of the Puget Sound Regional Council.
  - Develop and maintain relationships with the community and employees.
  - Abide by the agency Bylaws.



# Executive

## Department Description

The Executive Department consists of two divisions: The Executive division and the Public Affairs division.

## Division Summaries

### Executive

The Executive Division provides assistance to employees, the general public, and supports the CEO, the Executive Leadership Team, and the Board of Directors. The Executive Division 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 group is comprised of the Chief Executive Officer (CEO), Chief of Staff, Senior Program Manager, and Executive Support Specialist.

The CEO is the head of the agency, overseeing all departments and employees, and designated 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 the agency's strategy, aligning priorities and goals across the agency and implementing administrative policies and procedures as well as corporate plans and programs.



The Chief of Staff partners with 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 Senior Program Manager reports to the Chief of Staff.

The Senior Program Manager provides program management for the Board of Directors' activities and meetings and manages the process for selection and orientation of new Board members. This position also provides support to the CEO, Chief of Staff, and Executive Leadership Team, 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.

## Public Affairs

The Public Affairs Division works to improve the agency's funding and regulatory environment at the federal, state, regional, and local levels, raising awareness of Community Transit's accomplishments and priorities and maintaining a positive agency reputation. These goals are achieved by building and maintaining effective relationships and awareness with key business and community leaders as well as elected officials at all levels of government.

Led by the Chief of Staff, the Public Affairs Division consists of the Public Affairs Program Manager and the Government Relations Manager. Public Affairs staff work closely with the CEO, the agency's federal and state contract lobbyists, members of the Board of Directors, and employees from across the agency on projects with significant impact to the agency and communities we serve. Cross-functional alignment and collaboration with many teams across the agency including Communications, Marketing and Community Engagement, the Grants team, and priority project and program teams, such as the zero emissions program, are key partners in this work.

Public Affairs staff focus on strengthening external relationships to highlight agency needs and accomplishments, securing local, state, and federal funding and legislation, and promoting and responding to relevant changes in the industry's regulatory and funding environment. This is accomplished through the membership and sponsorship program, participation in various community initiatives, maintain relationships with legislators and local leaders, and leadership in key organizations including Economic Alliance Snohomish County, area chambers of commerce, the Snohomish County Committee for Improved Transportation, the Washington State Transit Association, the national Bus Coalition, and the American Public Transportation Association, among others.

Public Affairs staff frequently attend community events on behalf of the agency and support the CEO in his local and regional outreach.

# Department Operating Budget (Fund 40)

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 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.

## Department Operating Budget by Division

Division	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Executive	976,139	1,130,045	1,144,031	13,986	1%
Public Affairs	755,052	550,232	591,469	41,237	7%
<b>Executive</b>	<b>1,731,191</b>	<b>1,680,277</b>	<b>1,735,500</b>	<b>55,223</b>	<b>3%</b>

The Public Affairs division was moved to the Executive department in late 2022. Historical costs for the division have been reallocated and are included in the charts and table in this section.

## Department Operating Budget by Category

Expense Type	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Salaries and Wages	\$ 1,022,445	\$ 921,483	\$ 949,327	\$ 27,844	3%
Benefits	326,490	303,989	296,193	(7,796)	-3%
<b>Personnel</b>	<b>1,348,935</b>	<b>1,225,472</b>	<b>1,245,520</b>	<b>20,048</b>	<b>2%</b>
Services	379,292	449,805	523,160	73,355	16%
Supplies	2,964	5,000	3,000	(2,000)	-40%
Budget Offset Contra Account			(36,180)	(36,180)	n/a
<b>Operating Expenditures</b>	<b>\$ 1,731,191</b>	<b>\$ 1,680,277</b>	<b>\$ 1,735,500</b>	<b>\$ 55,223</b>	<b>3%</b>

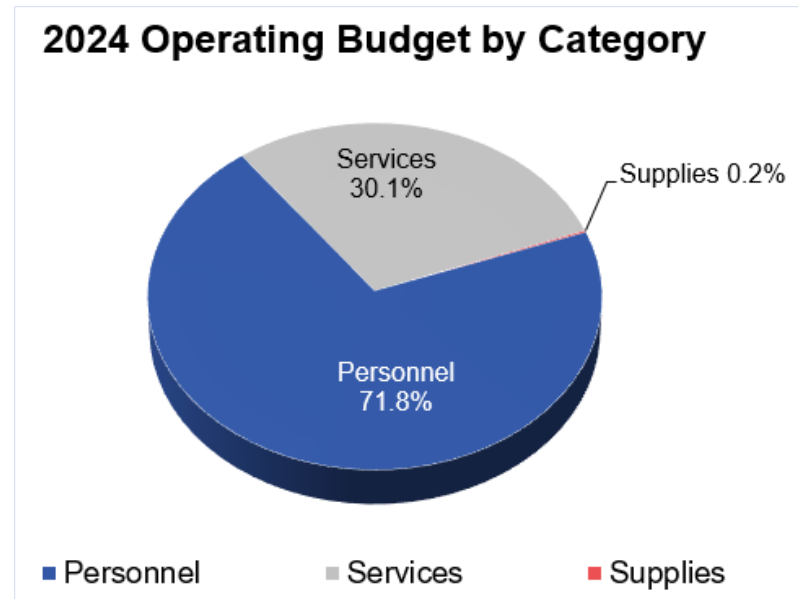
### Budget Offset Contra Account

All departments have been assigned a negative budget amount – this is not included in the pie chart that follows. This is a tool to help Community Transit control costs and forecast actual spending. The contra account reduces a department’s budget without cutting specific line items.

The overall change in this department’s operating budget reflects the contra account and increases in the personnel and services budgets.

## Budget Discussion

The two main cost factors for this category are agency dues and memberships to organizations

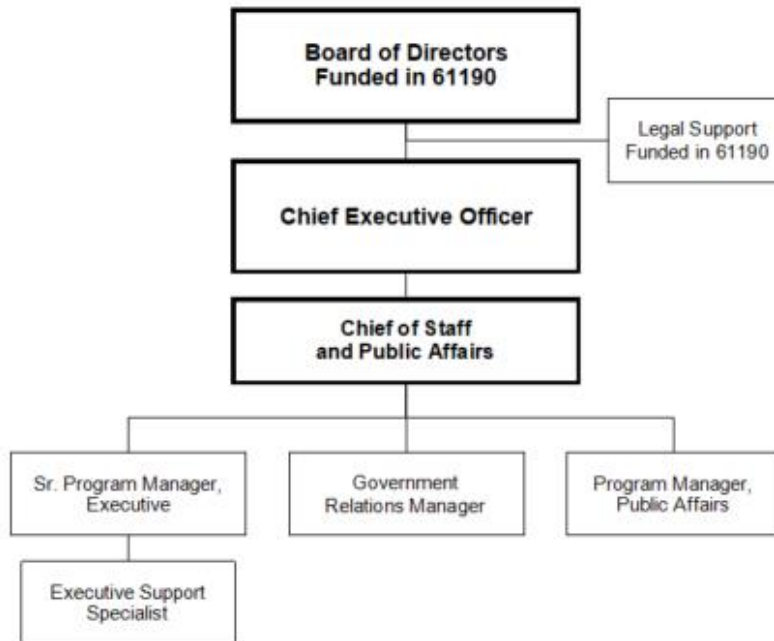


including the American Public Transportation Association (APTA), Puget Sound Regional Council (PSRC), and Washington State Transit Association (WSTA) and special meetings and events organized by the Public Affairs and Government Relations team.

The supplies budget includes nonstandard office supplies and minor equipment.

The 2024 increase is largely due to increased travel expense and increases in membership fees.

## Staffing and Personnel Expense



Division	Budget Center	FTE
Executive	62176 Executive	4
Public Affairs	62196 Public Affairs	2
<b>Grand Total</b>		<b>6</b>

## Employee Expense by Fund

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 1,348,935	\$ 1,225,472	\$ 1,245,520	\$ 20,048	2%
Fund 42: Infrastructure Preservation				-	n/a
Fund 45: FTA Capital Projects Fund				-	n/a
Fund 46: Local Capital Projects Fund				-	n/a
Fund 48: Facilities and Technology Fund				-	n/a
<b>Total Employee Expense</b>	<b>\$ 1,348,935</b>	<b>\$ 1,225,472</b>	<b>\$ 1,245,520</b>	<b>\$ 20,048</b>	<b>2%</b>

All employee expense in 2024 is budgeted to the operating budget in the general fund. There are no significant changes to employee expense in the 2024 budget.

## Budget Oversight

This department provides budget oversight for the Board of Directors department. Neither department has budget authority over any capital projects for 2024. Executive staff may support capital projects as needed.

## Accomplishments and Goals

Departments develop their workplans in support of agency strategic goals and priorities. A selection of 2023 accomplishments and 2024 goals are provided below.

## 2023 Accomplishments

- Actively supported the agency's participation in the Washington State Transit Insurance Pool (WSTIP), Washington State Transit Association (WSTA), American Public Transportation Association (APTA), Conference of Minority Transportation Officials (COMTO), the Washington State Transportation Demand Management Executive Board, Economic Alliance of Snohomish County (EASC), WTS Puget Sound, Snohomish County Committee for Improved Transportation (SCCIT), Snohomish County Transportation Coalition (SnoTrac) and the Everett Station District Alliance.
- Worked collaboratively with the Regional Mobility Partnership, consisting of executive leadership of Puget Sound transit agencies, the Washington State Ferries, Puget Sound Regional Council (PSRC), and the Seattle Department of Transportation, on issues of regional importance and integration.
- Guided major initiatives including:
  - Zero-Emissions pilot and strategy
  - Journey 2050 Long Range Plan
  - Remodel and expansion of operating and administrative facilities
  - 2024 Bus Network Restructure preparation and planning
- Increased safety measures by creating and activating the Transit Security Officer (TSO) Program and the Fare Enforcement authority.

- Achieved successful results in recruitment efforts for coach operators and mechanics.
- Added the Zip Alderwood Shuttle Service as a regular service.
- Completed renovation of the new transportation building at Merrill Creek and Training Facility
- Supported the Board of Directors in their activities including 12 monthly meetings and quarterly workshops in accordance with laws and regulations.
- Received and responded to approximately 114 public disclosure requests as of 9/29/22.
- Partnered closely with transit agency partners to create an effective transit network, including close collaboration with Sound Transit on their 2024 Link light rail delivery.
- Strengthened local and business partnerships by serving on the Board of Trustees for Economic Alliance of Snohomish County and as a board member and meeting host 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.

## 2024 Goals

- Increase external engagement to promote initiatives (zero emissions, 2024 service change, bus rapid transit, innovative services).
- Maximize partnerships, policy, and funding opportunities to advance agency priorities.
- Advance major initiatives and programs:
  - 2024 Bus Network Restructure implementation
  - Bus Rapid Transit expansion and planning including launching the Swift Orange line
  - Zero Emission Program Development and Implementation
  - 2024 Legislative Agenda and the development of state and federal grants strategy for agency initiatives
  - 6-year Transit Development Plan
  - Remodel and expansion of operating facilities and the RideStore
  - Safety and Security programs to enhance rider and employee safety
  - Environmental and Sustainability Management System development
  - Innovative Services program with the start of pilots in three cities and expansion to additional communities
- Continue engagement with PTBA regional jurisdictions and partners on 2024 network redesign, Swift network planning and construction, and other key initiatives.
- 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.
- 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, Marketing, and Engagement

## Department Description

The Communications, Marketing, and Engagement Department is responsible for external communications, employee communications, creative services, residential field marketing, commute trip reduction, field marketing and events, marketing campaigns, and community engagement. Department staff create messages that reach employees, customers, and the general public, while also enhancing relationships with the community and business leaders.

In mid-2023, the CEO merged the Marketing division from the Customer Experience Department with the Communications Department and hired a Chief Communications Officer to integrate their operations. The new department is known as Communications, Marketing, and Engagement.

The department consists of five divisions: External Communications, Employee Communications, Marketing, Community Engagement, and Administration.

## Division Summaries

### Communications, Marketing, and Engagement Administration

This division provides leadership, oversight and administrative support for the department.

### Community Engagement

The Community Engagement division builds relationships with and gathers input from the community on long-term Community Transit projects and initiatives, both in person and online. The Public Transportation Benefit Area (PTBA) that Community Transit serves is comprised of diverse communities. Community Transit is committed to providing services to these communities equitably. Division staff work closely with the Planning and Development department to ensure that current and potential riders see their needs reflected in agency plans and services.

### Employee Communications

The Employee Communications 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**mployee **R**esources at **C**ommunity **T**ransit). Every day, the employee 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.

## External Communications

The External Communications Division is responsible for external agency messaging and communications strategy. Communications team members provide advice to the CEO, the Chief Communications Officer, the Executive Leadership Team, and other key internal project leaders on communications activities to further the agency's mission and enhance its reputation.

Externally, the division communicates with riders, news media, social media followers, industry influencers, 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 X [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 receives thousands of views.

## Marketing & Transportation Demand Management

The Marketing Division consists of three different teams working in tandem to strategize, produce, and execute marketing campaigns and programs focused on awareness, perception, use of our services, reduction of single-occupancy trips, and recruitment of key operational staff.

- The Integrated Marketing Team manages marketing campaigns and projects to promote brand awareness, use of our services, recruitment of staff, and success of agency initiatives; implements marketing tactics including advertising/paid media; and coordinates plans across marketing and communication channels.
- The Marketing Programs Team manages long-term marketing programs focused on influencing the behavior of key audiences; creates and builds relationships with industry and community partners; and uses transportation demand management strategies to reach potential riders.
- The Creative & Brand Team manages the visuals and voice of brand, agency identity, and campaign creative. Develops, designs, and produces visual communication tactics, campaign creative, branding elements, and marketing content.

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.

# Department Operating Budget (Fund 40)

Community Transit’s mission is to help people get from where they are to where they want to be. The Communications, Marketing, and Engagement budget supports the agency’s mission by providing support to every other department in the agency. By creating strategic messaging and materials, supporting marketing and engagement for agency projects and initiatives, and building relationships with communities, the Communications, Marketing, and Engagement department supports communicating to and engaging with customers to achieve our strategic themes of delivering excellent service and building the future. The department supports all three agency strategic priorities, with a special emphasis on attracting and retaining customers through marketing and communications efforts and strengthening the employee experience through internal communications.

## Budget by Division

Division	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Comms & Marketing Admin		270,000	381,926	111,926	41%
External Communications	971,603	1,074,946	714,658	(360,288)	-34%
Employee Communications			337,800	337,800	N/A
Community Engagement		-	376,667	376,667	N/A
Marketing & TDM	3,662,985	4,965,267	5,659,712	694,445	14%
<b>Communications, Marketing, and Engagement</b>	<b>4,634,588</b>	<b>6,310,213</b>	<b>7,470,763</b>	<b>1,160,550</b>	<b>18%</b>

This department was reorganized after the original 2023 budget was prepared.

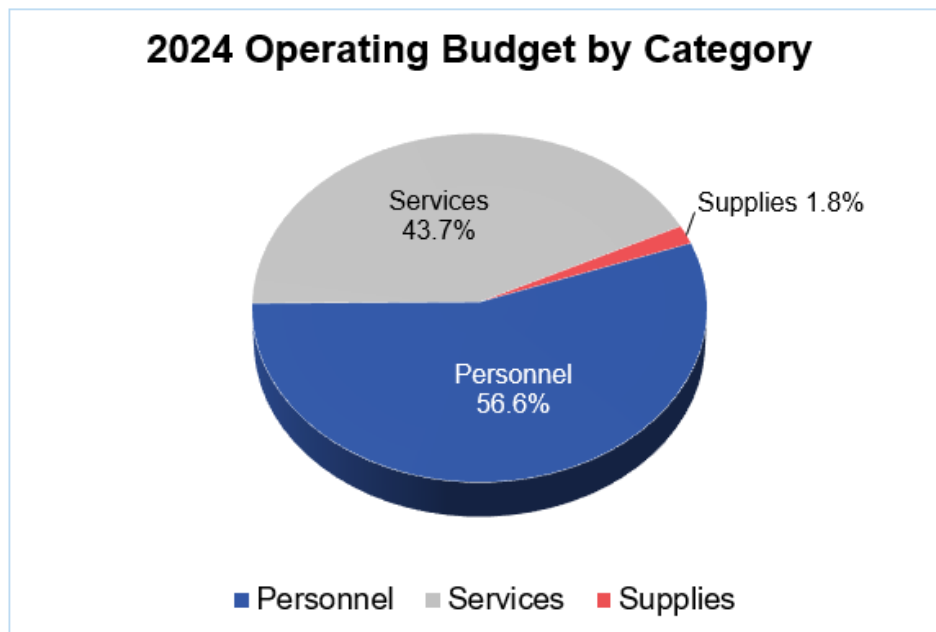
- Comms & Marketing Admin is a new division.
- Employee Communications and Community Engagement were formed from External Communications. Historical costs for those divisions are under External Communications.
- The Marketing & TDM division was transferred from the Customer Experience department. Historical costs for those programs have been reallocated and are included in the charts and tables in this section.

## Budget by Category

Expense Type	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Salaries and Wages	\$ 1,856,450	\$ 2,742,441	\$ 3,076,209	\$ 333,768	12%
Benefits	698,290	966,877	1,153,311	186,434	19%
<b>Personnel</b>	<b>2,554,740</b>	<b>3,709,318</b>	<b>4,229,520</b>	<b>520,202</b>	<b>14%</b>
Services	2,008,605	2,470,595	3,266,693	796,098	32%
Supplies	71,244	130,300	132,000	1,700	1%
Budget Offset Contra Account			(157,450)	(157,450)	n/a
<b>Operating Expenditures</b>	<b>\$ 4,634,588</b>	<b>\$ 6,310,213</b>	<b>\$ 7,470,763</b>	<b>\$ 1,160,550</b>	<b>18%</b>

## Budget Offset Contra Account

All departments have been assigned a negative budget amount – this is not included in the pie chart that follows. This is a tool to help Community Transit control costs and forecast actual spending. The contra account reduces a department’s budget without cutting specific line items.



The overall change in this department’s operating budget reflects the contra account and changes in other categories, discussed below.

### Services

The services budget for this department supports agency objectives and goals, and therefore varies from year to

year. The increase in this category for 2024 reflects exceptional changes happening elsewhere in the agency: funds are included to support the Swift Orange line opening, service network changes, new innovative services pilots, zero emissions, safety and security awareness, rider alert promotions, increased community engagement activities, and recruitment efforts.

At \$2.3 million, advertising is the largest expense in the services category (about 71% of the category total) and is increasing by about 28% over the 2023 budget. While costs for advertising have increased across platforms, this increase is primarily driven by the increased scale of

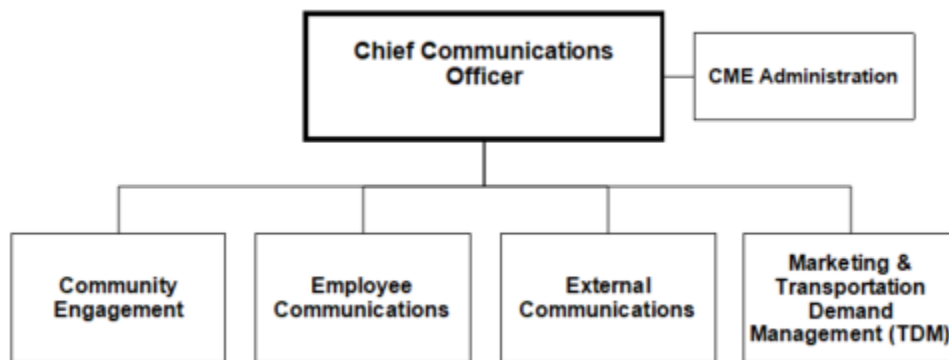
planned marketing activities during 2024 based on the year’s unique needs and opportunities, including those associated with the spring opening of the Swift Orange Line and the fall implementation of unprecedented network expansions and changes following the opening of light rail to Lynnwood, as outlined in the 2024 and Beyond Plan. The department will implement a major push during 2024 to promote awareness of these expansions.

Approximately 24% of the remaining services budget funds professional services for community outreach and market research, ridership promotions, and printing fees for marketing and communications materials. The remaining budget funds a variety of miscellaneous services.

## Supplies

Postage for communications and marketing materials comprises 81% of the supply category. The rest of the budget funds promotional items, photo and video equipment, nonstandard office supplies, and other miscellaneous items. The 2024 budget includes one-time costs to update display racks onboard the agency’s buses.

## Staffing and Personnel Expense



Division	Budget Center	FTE
<b>Comms and Marketing Admin</b>	<b>63194</b> Comms and Marketing Admin	2
<b>Community Engagement</b>	<b>63134</b> Community Engagement	2
<b>Employee Communications</b>	<b>63133</b> Employee Communications	1
<b>External Communications</b>	<b>63198</b> External Communications	6
<b>Marketing &amp; TDM</b>	<b>63163</b> Marketing	18
<b>Marketing &amp; TDM</b>	<b>63195</b> TDM and Customer Outreach	0
<b>Grand Total</b>		<b>29</b>

The CEO approved three new FTE for this department after the original 2023 budget had been approved: a chief communications officer, an administrative support specialist, and a marketing strategist. There are no additional FTEs budgeted for 2024.

## Employee Expense by Fund

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 2,554,740	\$ 3,709,318	\$ 4,229,520	\$ 520,202	14%
Fund 42: Infrastructure Preservation				-	n/a
Fund 45: FTA Capital Projects Fund	106,910	257,251	309,370	52,119	20%
Fund 46: Local Capital Projects Fund				-	n/a
Fund 48: Facilities and Technology Fund				-	n/a
<b>Total Personnel Expense</b>	<b>\$ 2,661,650</b>	<b>\$ 3,966,569</b>	<b>\$ 4,538,890</b>	<b>\$ 572,321</b>	<b>14%</b>

Approximately 7% of employee expense in 2024 is budgeted to capital funds in support of the agency's capital program.

## Capital Project Budget Oversight

This department does not have budget authority over any capital projects for 2024. Staff support capital projects as needed.

## Accomplishments and Goals

Departments develop their workplans in support of agency strategic goals and priorities. A selection of 2023 accomplishments and 2024 goals are provided below.

### 2023 Accomplishments

- Participated in 80 community events to help potential riders get started with transit.
- Worked with local schools to raise awareness of the regional Free Youth Transit Pass program.
- Established quarterly email updates and drop-in sessions with community-based organizations. Grew the list of email recipients to more than 200 organizations.
- Created a campaign focused on the destinations and communities we serve. In 2023, these campaigns received over 5.5 million views.
- Continued to support employee and community conversations related to Community Transit's transition to zero emissions. Offered opportunities for employees to ride one of the pilot buses and shared a blog with the broader community.
- Received over 12 million views on recruitment advertising, resulting in over 200,000 actions to learn more. Worked with Employee Engagement to amplify key positions internally.





- Renewed Interlocal agreements with nine Snohomish County jurisdictions to provide employer-based Commute Trip Reduction programs through June 30, 2025. This program improves air quality and reduces traffic congestion through employer-based transportation programs that encourage the use of alternatives to single-occupant vehicle trips for commute purposes.
- Completed engagement and communications for two service change periods. Community engagement for the final draft of the Journey 2050 Long Range Plan will take place in late 2023.
- Began a Service Change Communications Study to better understand how riders interact with service change information and materials.
- Developed a webpage outlining the new network that will be implemented in phases between 2024 and 2026 and conducted a webinar to highlight the changes.
- Raised awareness of and built ridership for Zip Alderwood Shuttle in Lynnwood. This campaign was viewed over 3 million times in 2023.
- Established community working groups for innovative service pilot programs in Arlington, Darrington, and Lake Stevens in partnership with the Innovative Services Team. Included representatives from businesses, non-profits, and underrepresented communities. Promoted needs assessments and solutions services; received more than 1,400 responses from these three communities that will inform development of the new pilots.
- Kept riders and impacted communities informed about Swift Orange Line construction through multiple channels.
- Successfully collaborated with Sound Transit on the Lynnwood Transit Center parking garage opening. Community Transit also supported a ribbon-cutting event to celebrate the opening.
- Established an Everett Transit Consolidation Study working group, developed a community engagement plan, and drafted initial materials.
- Supported ongoing notices about COVID-19 exposure and supported the announcement to modify the COVID-19 vaccination requirement in line with CDC recommendations. Staff are working closely with Safety, Security, and Sustainability to monitor and inform employees and customers of new changes, as needed.

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*In 2023, the residential marketing program was honored with the Commuting Options Award for advancing public transit by the Association for Commuter Transportation (ACT).*

*The marketing and communications group earned three AdWheel awards from the American Public Transportation Association:*

*A Grand Award for “Best Marketing and Communications on Workforce Development - Electronic Media” for a video series in support of mechanic recruitment.*

*Two First Place Awards for “Best Marketing and Communications Educational Initiative - Special Event” in recognition of the Swift Orange groundbreaking event and “Best Marketing and Communications Educational Initiative - Shoestring Tactic” for a blog series about some of the organizations who have received vans through our Van GO Surplus Vehicle Grant Program.*

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## 2024 Goals

- Increase awareness of the free youth transit pass and boost youth ridership through an expanded Youth Ridership Field Marketing program.
- Reinforce that all are welcome on CT services and that discrimination is not tolerated. Support Transportation efforts to report discrimination incidents.
- Support the development, launch and operations of innovative services programs. Partner with local jurisdictions in these efforts.
- Share the environmental sustainability benefits of transit through communications and marketing about the zero emissions program. Provide riders the opportunity to experience riding on zero emissions buses.
- Reach current and prospective customers to support and promote ridership across service changes and expansions.
- Conduct a digital Rider Alert promotional campaign to increase the number of riders signed up for alerts and facilitate successful 2024 service changes.
- Complete the Service Change Communications Study and use lessons learned to implement 2024 service changes.
- Reach current and prospective customers to support and promote ridership across service changes and expansions, including implementation of the Transit Changes in 2024 and Beyond Network with the March and September 2024 service changes, the Swift Orange Line launch, planning and implementation of innovative services pilot projects, and planning for the Swift Green and Gold line expansions.
- Market agency employment opportunities with a focus on drivers and mechanics through ongoing recruitment campaigns.
- Promote safety messaging through a safety campaign in collaboration with Safety, Security, and Sustainability and Customer Experience, including the Transit Security Officer Program.
- Ensure agency employees are informed and engaged through continued promotion of the Interact platform and an expanded employee communications program.

# Customer Experience

## Department Description

The Customer Experience department works cross functionally to identify the needs to create transportation experience that people want to use and tell their friends and family about.

The department consists of six divisions: Customer Experience Administration, Customer Experience Design Strategy, Service Innovation, Customer Care, Digital Experience, and Product Management.

## Division Summaries

### Customer Experience Administration

This division oversees and supports the Customer Experience Department as a whole. This division provides guidance and strategy, ensures budgets are met, finds ways to improve employee experience, and ensures employees within the department have what they need to do their jobs successfully.

### Customer Experience (CX) Design Strategy

The division works interdepartmentally across the agency to measure, improve, and strategically plan for the customer's experience with expertise in matters of passengers with disabilities. The team is responsible for researching, monitoring experience metrics, recommending areas for improvement, consultation on ADA experience and guidelines for passengers, and strategic planning on all customer experiences. This team acts as the voice of the customer on interdepartmental teams with a strategic focus towards the planned future state.



### Service Innovation

The Innovative Services team works with communities to understand local needs and pilot programs that offer convenient transportation options. The division will develop and test new and flexible transportation options. These options strive to 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.

## Customer Care

The Customer Care division consists of three groups who work in tandem to provide service to our customers and to share and distribute information with our community members.

### Customer Care

The Customer Care group 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, vanpool, the ORCA program, ZIP Microtransit, fares, current reroutes, and all information regarding Community Transit and Sound Transit services.

As a front-line team, Customer Care group employees collect commendations, complaints, and suggestions from the public. The comments are collected for all our services. They route the 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.

### 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. RideStore employees staff the ORCA call center and assist callers not only for Community Transit but also for Everett Transit customers. This team also provides ORCA support for Sound Transit and other regional transit partners. RideStore employees also provide travel information to our customers and manage the lost-and-found function for all Community Transit and Sound Transit routes originating in Snohomish County.

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 engage with customers on board buses 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, ORCA card readers, locations of ORCA retail outlets and how to read general route and schedule information, and also help educate customers on the Rules of Conduct.

The Ambassadors encourage fare payment and alert Transit Security Officers, or the Snohomish County Sheriff's Office transit police deputies, if they notice any repeat nonpaying customers. The Ambassadors inspect all Swift stations, document and photograph graffiti and notify Facilities Maintenance or IT staff of any damage to the stations, or station technology, so repairs can be promptly applied. Any damage or graffiti found on the buses is promptly reported

to the Bus Maintenance team.

The Ambassadors work with Customer Experience to engage customers throughout the system, including park & rides, transit centers, and onboard buses. They help guide customers through construction projects, gather feedback about the customer's experience using surveys, help test possible enhancements.

## Digital Experience

Digital Experience is responsible for defining and executing a digital strategy for the company website and digital tools. The division is comprised of thought leaders in data analysis, product design and on-time delivery. Data is gathered from each digital channel; key performance indicators are monitored, and trends are reported on customer behavior. These analytics are combined with direct customer feedback to inform the design of new features to enhance the digital customer experience. New features are delivered as increments of work with input from business stakeholders, so the website is constantly being improved. A senior manager oversees the team and ensures the work aligns with the company strategic priorities, and soon the team will grow to include individuals responsible for day-to-day informational updates on the website and business systems analysis.

## Product Management

Product Management supports defining the vision and long-term product strategy to guide agency-level planning for the future. The team is responsible for gathering and prioritizing customer requirements to create and improve transit options people will love. This includes creating a customer focused roadmap, inspiring a customer-first environment, and fostering an environment of continuous learning and improvement. Operationally, Product Management includes the Vanpool Program. Vanpool Specialists on this team 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.

# Department Operating Budget (Fund 40)

## Budget by Division

Division	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Customer Experience Admin	559,987	699,772	420,577	(279,195)	-40%
Service Innovation	559,584	2,064,506	5,720,595	3,656,089	177%
Customer Care	2,177,081	2,841,948	3,151,156	309,208	11%
Digital Experience	12,854	180,260	7,340	(172,920)	-96%
Product Management	815,187	1,115,046	1,033,429	(81,617)	-7%
CX Design and Strategy			295,106	295,106	N/A
<b>Customer Experience</b>	<b>4,124,692</b>	<b>6,901,532</b>	<b>10,628,202</b>	<b>3,726,670</b>	<b>54%</b>

The Marketing program moved from Customer Experience to Communications, Marketing, and Engagement in 2023. Historical costs for that program have been reallocated and are not included in the charts and tables in this section.

The spike in the 2023 budget for Digital Experience is due to one-time professional services costs for website design and development. This division’s costs are otherwise typically expensed to capital funds.

The large increase in the Service Innovation division budget is due to the expansion of the service innovation program. Read more below.

## Budget by Category

Expense Type	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Salaries and Wages	\$ 2,453,770	\$ 3,091,636	\$ 3,363,591	\$ 271,955	9%
Benefits	934,666	1,379,546	1,483,182	103,636	8%
<b>Personnel</b>	<b>3,388,436</b>	<b>4,471,182</b>	<b>4,846,772</b>	<b>375,590</b>	<b>8%</b>
Services	290,126	787,350	310,610	(476,740)	-61%
Supplies	446,129	643,000	594,600	(48,400)	-8%
Purchased Transportation		1,000,000	5,100,000	4,100,000	410%
Budget Offset Contra Account			(223,780)	(223,780)	n/a
<b>Operating Expenditures</b>	<b>\$ 4,124,692</b>	<b>\$ 6,901,532</b>	<b>\$ 10,628,202</b>	<b>\$ 3,726,670</b>	<b>54%</b>

## Budget Offset Contra Account

All departments have been assigned a negative budget amount – this is not included in the pie chart that follows. This is a tool to help Community Transit control costs and forecast actual



spending. The contra account reduces a department’s budget without cutting specific line items. The overall change in this department’s operating budget reflects the contra account and changes in other categories, discussed below.

## Purchased Transportation

Community Transit has budgeted \$5.1 million in 2024 for operations of innovative service pilot projects in Snohomish County. This program explores new transit options designed to suit the unique needs of local communities. The [Zip Alderwood Shuttle](#) pilot in Lynnwood ran from October 2022 to October 2023; the agency budget includes funds to make this a regular service. The 2024 budget funds three new service pilots in Arlington, Darrington, and Lake Stevens. Additional pilot areas are under review. Learn more about the innovative services program online at <https://www.communitytransit.org/about/programs/innovative-services>.

## Services

The services budget is decreasing by 61% in 2024. This budget funds professional services, temporary staffing, vanpool driver training, ridership promotions, and other miscellaneous expenses. The majority of the decrease (331,500) results from a reduction in expenses for innovative services

pilot area studies as these pilots move towards implementation.

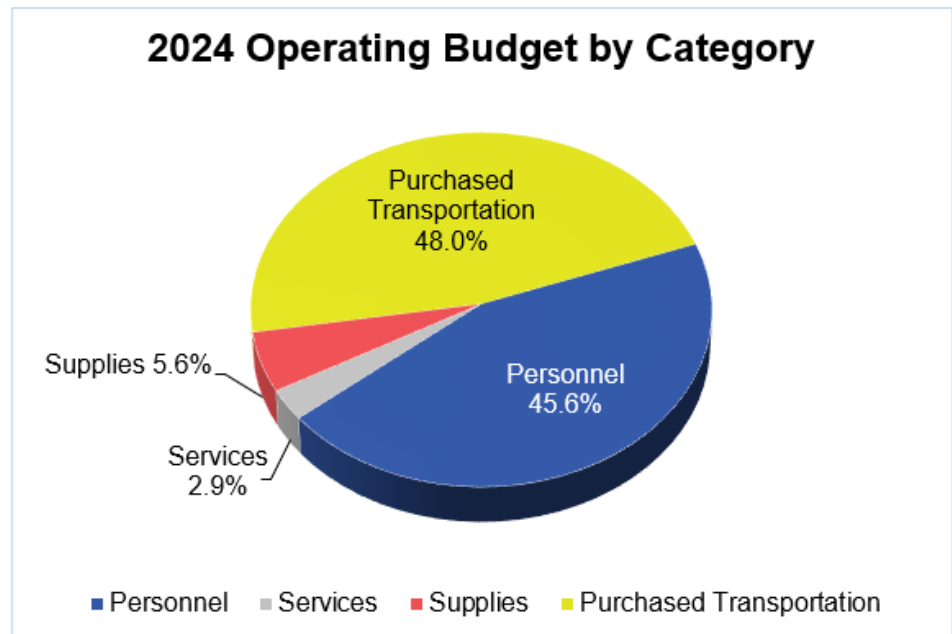
The 2023 budget included funds for temporary staffing and consulting that are no longer needed for 2024.

## Supplies

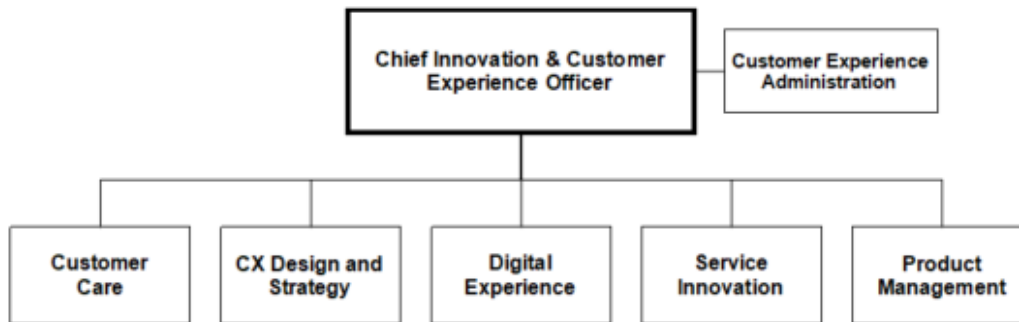
The most significant expense in the supplies budget is motor fuel for the agency vanpool

program. In 2024, the fuel budget is decreasing by about 8% to \$576,000. The vanpool program uses Voyager fuel cards from the state contract which allows vanpool drivers to purchase fuel from any local source that accepts the Voyager fuel card. The decrease reflects a change in driving habits, as many drivers work hybrid schedules and consume less fuel.

The rest of the supplies budget funds nonstandard office supplies and minor equipment for the department.



## Staffing and Personnel Expense



Division	Budget Center	FTE
Customer Care	65151 Fare Media	0
Customer Care	65152 Sales and Distribution	7
Customer Care	65153 Service Ambassadors	14
Customer Care	65162 Customer Care	8
Customer Experience Admin	65199 Customer Experience Admin	2
CX Design and Strategy	65135 CX Design and Strategy	2
Digital Experience	65136 Digital Experience	6
Product Management	65030 Vanpool Program	2
Product Management	65130 Product Management	1
Service Innovation	65037 Service Innovation	0
Service Innovation	65137 Service Innovation Admin	3
<b>Grand Total</b>		<b>45</b>

In midyear 2023, the department had a net change of two FTE. The vanpool financial specialist position moved to Finance and Administration, and the CEO approved three new FTEs for this department: an assistant manager in customer care, and two FTEs to support growth in the digital experience program.

The increase in the 2024 personnel budget results from these new positions, plus the full year effect of 6.5 FTE that were added in the 2023 budget on a staggered schedule.

### Employee Expense by Fund

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 3,388,436	\$ 4,471,182	\$ 4,846,772	\$ 375,590	8%
Fund 42: Infrastructure Preservation				-	n/a
Fund 45: FTA Capital Projects Fund				-	n/a
Fund 46: Local Capital Projects Fund	330,369	588,129	904,361	316,232	54%
Fund 48: Facilities and Technology Fund				-	n/a
<b>Total Personnel Expense</b>	<b>\$ 3,718,805</b>	<b>\$ 5,059,311</b>	<b>\$ 5,751,134</b>	<b>\$ 691,823</b>	<b>14%</b>

Approximately 16% of employee expense in 2024 is budgeted to capital funds in support of the agency's capital program.

## Budget Oversight

This department has budget authority over all or part of the following capital projects. Please see the Capital Program section for more information.

Fund	Project
44	(2416) 2024 Vanpool Vehicles
46	(1921) Digital Strategy

## Accomplishments and Goals

Departments develop their workplans in support of agency strategic goals and priorities. A selection of 2023 accomplishments and 2024 goals are provided below.

### 2023 Accomplishments

- Partnered with regional transit agencies on initiatives to improve the experience for people with disabilities including standardizing tactile stripping at transit centers and mobility device securement areas on vehicles.
- Improved website accessibility, digital best practices, online performance, and search engine optimization, after the successful launch of a new mobile-first website. Enhanced search by grouping queries and remembering recent searches. Upgraded our trip planner and simplified schedules by introducing stop filtering, adding timepoints and improving printouts.
- Began work to develop a regional lost and found process; this will continue in 2024.
- Participated in two regional advisory groups; the current focus is on connecting community members to transportation services through a centralized trip planning and ride requesting service.
- Collaborated with project teams throughout the agency to improve the customer experience on all projects.
- Operated the first pilot microtransit service, Zip Alderwood Shuttle, from October 2022 to October 2023; the 2024 budget includes funds to continue it as a standard agency service.
- Completed a needs assessment to understand travel barriers within the three communities selected for 2024 innovative



service pilots.

- Ordered five Tesla electric vehicles for delivery in 2024 to test in the Vanpool fleet.
- Worked closely with Sound Transit to ensure that transferring from buses to Link light rail is easy and seamless.
- Relocated the RideStore to accommodate construction without impacting customer service hours. Communicated the change on multiple platforms.

## 2024 Goals

- Improve the transit experience for people with disabilities. Recommend two accessibility improvements to the mobility partnership group. Recommend standards for people with disabilities in the built environment.
- Define and implement personalization improvements on the website. Complete a chat feasibility study (live chat and chatbot).
- Continue work to develop a regional lost and found process.
- Implement design improvements at Lynnwood Transit Center.
- Identify and execute a plan for all customer touchpoints regarding the 2024 network change.
- Launch service pilots in 3 new areas for customers and research 3 new areas.
- Increase ridership of Zip Alderwood Shuttle by 25%.
- Implement flexibility in vanpool service operations.
- Deliver electric vehicles for customer use in 2 new services by 2024. Introduce electric vehicles to Vanpool and Microtransit customers and in 2024.
- Clearly communicate department and divisional strategies throughout the agency. Improve connections between workgroups, both within the department and across the agency.

# Employee Engagement

## Department Description

The Employee Engagement Department supports and administers the agency's employment life-cycle programs including recruitment, staffing, diversity, equity, and inclusion, performance management, training and development, labor contract negotiation and administration, employee and labor relations, benefits, compensation, leave management, and personnel compliance, systems and records. These functions include responsibility for the agency's affirmative action program, administration of the drug and alcohol program, responses to external compliance agencies, and health and wellness programs.

The department consists of three divisions: Diversity, Equity and Inclusion; Employee Engagement; and Training and Staff Development.

## Division Summaries

### Diversity, Equity, and Inclusion (DEI)

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 and advisor to the agency, including executive leadership, to provide guidance on agency 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.

### Employee Engagement

The Employee Engagement Division supports and administers the agency's employment programs including recruitment and staffing, labor contract negotiation and administration, employee and labor relations, performance management, benefits, compensation, leave management, and personnel compliance, 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 workforce planning, compliance with labor and employment laws, staffing, organizational design, performance management, grievance resolution, and investigations of allegations of employee misconduct or violations of agency policies and/or employment law.

Employee Engagement employees advise management at all levels of the organization on how to reduce risks associated with employment, respond to workplace complaints lodged informally

or with state or federal administrative agencies, and how to promote a work culture and environment of inclusivity and belonging where employees are engaged, feel satisfied, valued 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.

## Training and Staff Development

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.

Staff Development provides opportunities for employees to grow in their career through internal training and development offerings. Staff administer the agency's learning management system, support our tuition reimbursement program, and provide services to increase the effectiveness of program offerings through instructional design.



# Department Operating Budget (Fund 40)

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.

## Budget by Division

Division	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Employee Engagement	4,051,607	4,787,919	5,116,481	328,562	7%
Diversity, Equity, & Inclusion	289,004	468,597	418,134	(50,463)	-11%
Training and Staff Development	4,244,844	7,235,205	8,471,582	1,236,377	17%
<b>Employee Engagement</b>	<b>8,585,454</b>	<b>12,491,721</b>	<b>14,006,198</b>	<b>1,514,477</b>	<b>12%</b>

The Training and Staff Development budget is increasing to support employee development needs, and includes one-time costs for program development. Budget discussion follows.

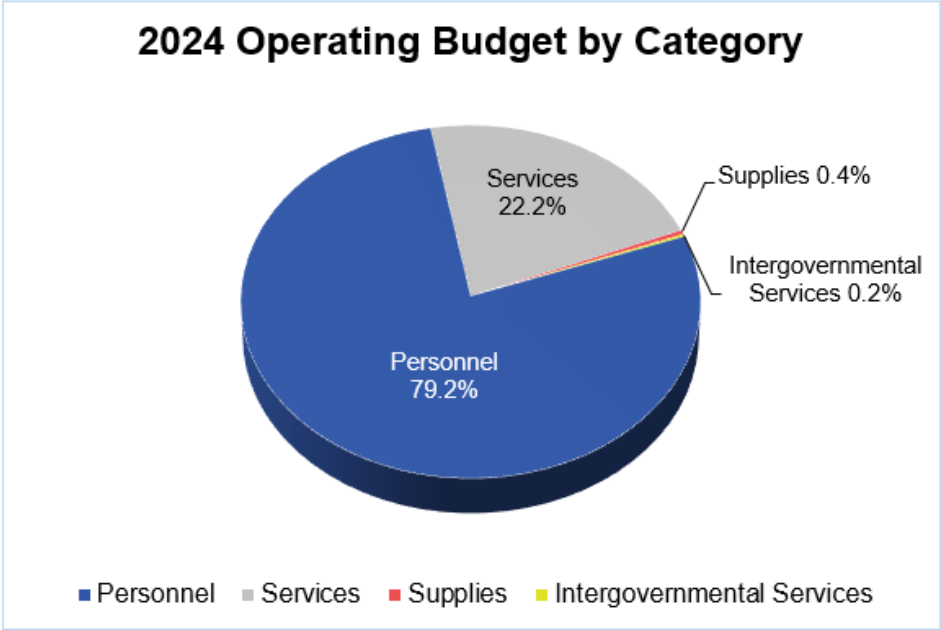
## Budget by Category

Expense Type	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Salaries and Wages	\$ 4,582,694	\$ 7,074,170	\$ 7,937,784	\$ 863,614	12%
Benefits	1,969,706	2,921,320	3,161,582	240,262	8%
<b>Personnel</b>	<b>6,552,400</b>	<b>9,995,490</b>	<b>11,099,367</b>	<b>1,103,877</b>	<b>11%</b>
Services	1,978,244	2,427,731	3,104,956	677,225	28%
Supplies	33,085	48,500	56,960	8,460	17%
Intergovernmental Services	21,725	20,000	30,000	10,000	50%
Budget Offset Contra Account			(285,085)	(285,085)	n/a
<b>Operating Expenditures</b>	<b>\$ 8,585,454</b>	<b>\$ 12,491,721</b>	<b>\$ 14,006,198</b>	<b>\$ 1,514,477</b>	<b>12%</b>

## Budget Offset Contra Account

All departments have been assigned a negative budget amount – this is not included in the pie chart that follows. This is a tool to help Community Transit control costs and forecast actual spending. The contra account reduces a department’s budget without cutting specific line items.

The overall change in this department’s operating budget reflects the contra account and significant increases in the personnel, services, and supplies budgets, discussed below.

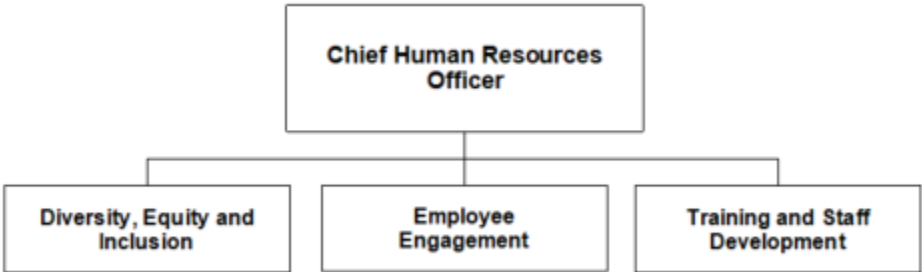


### Budget Discussion

The services budget funds enterprise programs such as recruitment advertising and support, staff development and training, the employee wellness program, legal support, and consulting fees. The intergovernmental services budget, funds transit passes for staff. The supplies budget primarily funds training materials and equipment.

Budget increases in 2024 reflect the need for additional services and staff to support recruitment, training, and development of the agency’s growing workforce. One-time consulting costs are included to develop or expand in-house and online training programs, support the creation or updating of agencywide standard operating procedures, and to assist with the growing diversity, equity, and inclusion program.

### Staffing and Personnel Expense



Division	Budget Center	FTE
Diversity, Equity, & Inclusion	72140 Diversity, Equity, & Inclusion	2
Employee Engagement	72167 Employee Engagement	25
Training and Staff Development	72013 Training and Staff Development	31
<b>Grand Total</b>		<b>58</b>

Five FTE were added in 2023 after the original budget had been approved. Four vacant positions were transferred from the Transportation Department to support recruiting and organizational development efforts, and one vacant position was transferred from the Maintenance department to support training for mechanics.

The 2024 budget adds two FTE: one additional coach operator instructor, and one organizational development manager, both in the training division.

Employee Engagement’s personnel budget includes agencywide costs for unemployment claims, as well as uniform rentals for coach operator trainees.

#### Employee Expense by Fund

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 6,552,400	\$ 9,995,490	\$ 11,099,367	\$ 1,103,877	11%
Fund 42: Infrastructure Preservation				-	n/a
Fund 45: FTA Capital Projects Fund				-	n/a
Fund 46: Local Capital Projects Fund				-	n/a
Fund 48: Facilities and Technology Fund				-	n/a
<b>Total Employee Expense</b>	<b>\$ 6,552,400</b>	<b>\$ 9,995,490</b>	<b>\$ 11,099,367</b>	<b>\$ 1,103,877</b>	<b>11%</b>

All employee expense in 2024 is budgeted to the operating budget in the general fund.

### Capital Project Budget Oversight

This department does not have budget authority over any capital projects for 2024. Staff may support capital projects as needed.

## Accomplishments and Goals

Departments develop their workplans in support of agency strategic goals and priorities. A selection of 2023 accomplishments and 2024 goals are provided below.

### 2023 Accomplishments

- Began work force planning, gap and needs analysis discussions with leadership.
- Implemented an agency-wide coach operator forecast to measure progress towards service/staffing goals.
- Conducted an Employee Engagement Survey in March of 2023. Identified where prior changes have yielded improvement, as well as focus areas for future efforts.
- Modernized the open enrollment process, introduced a continuous performance and development cycle, and implemented standardized job titles.
- Identified critical capabilities needed to advance agency goals. Began integrating these capabilities into job descriptions and career ladders.
- Successfully negotiated three successor contracts.
- Increased capacity for coach operator training classes while maintaining the quality of the

training experience. Implemented a pre-training week to support trainees needing CDL permits. Achieved 99% CDL exam pass rate.

- Identified opportunities to improve internal processes. Evaluated new standard operating procedures with a focus on equity and inclusion.
- Recruited new staff and remained on track to meet staffing needs for service increases. January to August: Filled over 135 vacant positions and graduated 44 coach operator trainees into the ranks of professional coach operators and hired 10 journey mechanics
- Decreased employee attrition rates through deep collaboration between recruiting & marketing to ensure attraction of candidates with skills to be successful.
- Community Transit earned the Safety Star Award for the 6th year! In part we accomplish this goal by providing after-action training for all preventable accidents and “close call” accidents and incidents.
- Expanded the Diversity, Equity, and Inclusion Program (DEI). Supported leadership staff with developing department-level DEI goals to align with strategic priorities. Added a DEI component to new employee orientation to align with agency Core Values. Began work to assess DEI efforts across the organization.
- Recognized by City of Seattle for agency participation in the 23rd annual Diversity Employment Day. This includes participation in an annual job fair.



## 2024 Goals

- Develop a new long-range staffing plan and create baseline staffing metrics.
- Recruit and train a qualified workforce to support reliability and expansion of services. Ensure the employee population reflects the customers we serve.
- Standardize the hiring process to identify efficiencies. Improve financial efficiency by reducing time to fill by 5 days and reducing employee attrition by 5%.
- Respond to employee feedback. Improve employee survey scores in categories identified as areas of opportunity.
- Finalize updated job descriptions and job ladders.
- Continue to implement new performance management and talent management systems. Offer support and training 1:1 with employees on the new systems. Complete 100% development and assessment of employees. Compile information necessary to conduct a skills gap analysis to inform employee development. Implement a system to identify customer-focused individuals
- Negotiate the Transit Security Officer (TSO) labor contract and finalize standard operating procedures.
- Participate in negotiation of innovative services provider contract(s).
- Support innovative services development and delivery
- Support zero emissions development and deployment. Assess staffing and training needs to

deliver on zero emissions commitments.

- Support improvement in customer safety and security ratings.
- Develop an IDEA (inclusion, Diversity, Equity & Accessibility) Advocate Program to roll out by Q1 2024.
- Develop and roll out the DEI Program Plan. Establish a baseline diversity slate practice compliance rate for all recruitments
- Advance equity among employees, riders, business, and community partners. The DEI assessment will be used as a tool to gather information about the employee experience and to review policies, practices, and resources with a DEI focus.
- Continue work on updating interal policies and procedures, monitor progress, and report out to staff.



# Finance and Administration

## Department Description

The Finance and Administration Department’s focus is on service excellence to our employees, vendors, stakeholders, and our transit customers. Department employees work 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, the department often places a strong emphasis on compliance, internal controls, and guidelines that help the agency excel at the highest level of effectiveness. With the continued growth of the agency, it is critical for the department to pursue continuous improvement in their work in order to support increasing volume while containing the cost of service.

The department consists of three divisions: Administration, Finance and Accounting, and Procurement and Parts Inventory.

## Division Summaries

### Administration

The Chief Financial Officer (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 Executive Leadership level, for the annual budget process.

The division’s administrative staff provides 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 agencywide reception, mail delivery, courier, and distribution services, and monitors travel, contracts, agency organizational charts, policies and procedures, and purchasing.

### Finance and Accounting

The Finance and Accounting Division is responsible for financial reporting, payroll, accounts payable, accounts receivable, treasury services, asset management, accounting, budgeting, financial analysis, investment, and debt services.

In 2023, the Grants team joined this division. The Grants team manages the agency’s grant portfolio, developing and pursuing grant strategies to maximize funding opportunities for major projects and initiatives.

This division also prepares quarterly financial reports, the annual proposed and adopted budget,



and three reports that are audited annually: the Annual Comprehensive Financial Report, the Schedule of Expenditures of Federal Awards, and the Federal Transit Administration National Transit Database report.

## Procurement and Parts Inventory

The Procurement division consists of two groups: Procurement, and Parts Inventory.

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 the 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.

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.

## Department Operating Budget (Fund 40)

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. The Department budgets for and buys the buses and vans in which customers ride, and completes the many administrative functions that allow other departments to accomplish their work towards the agency’s mutual vision of travel made easy for all.

## Budget by Division

Division	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Administration	685,428	957,912	809,436	(148,476)	-15%
Finance and Accounting	2,947,487	3,693,707	4,062,405	368,698	10%
Procurement and Parts Inventory	2,168,214	2,311,488	2,443,796	132,308	6%
<b>Finance and Administration</b>	<b>5,801,129</b>	<b>6,963,107</b>	<b>7,315,637</b>	<b>352,530</b>	<b>5%</b>

The 2023 Administration budget included one-time expenses for professional services, and one FTE was transferred to the Procurement division. Other budget changes are discussed below.

## Budget by Category

Expense Type	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Salaries and Wages	\$ 3,749,450	\$ 4,411,365	\$ 4,799,090	\$ 387,725	9%
Benefits	1,515,360	1,808,727	1,960,487	151,760	8%
<b>Personnel</b>	<b>5,264,811</b>	<b>6,220,092</b>	<b>6,759,577</b>	<b>539,485</b>	<b>9%</b>
Services	422,142	638,365	599,545	(38,820)	-6%
Supplies	94,839	94,750	98,850	4,100	4%
Intergovernmental Services	19,337	9,900	12,100	2,200	22%
Budget Offset Contra Account			(154,435)	(154,435)	n/a
<b>Operating Expenditures</b>	<b>\$ 5,801,129</b>	<b>\$ 6,963,107</b>	<b>\$ 7,315,637</b>	<b>\$ 352,530</b>	<b>5%</b>

## Budget Offset Contra Account

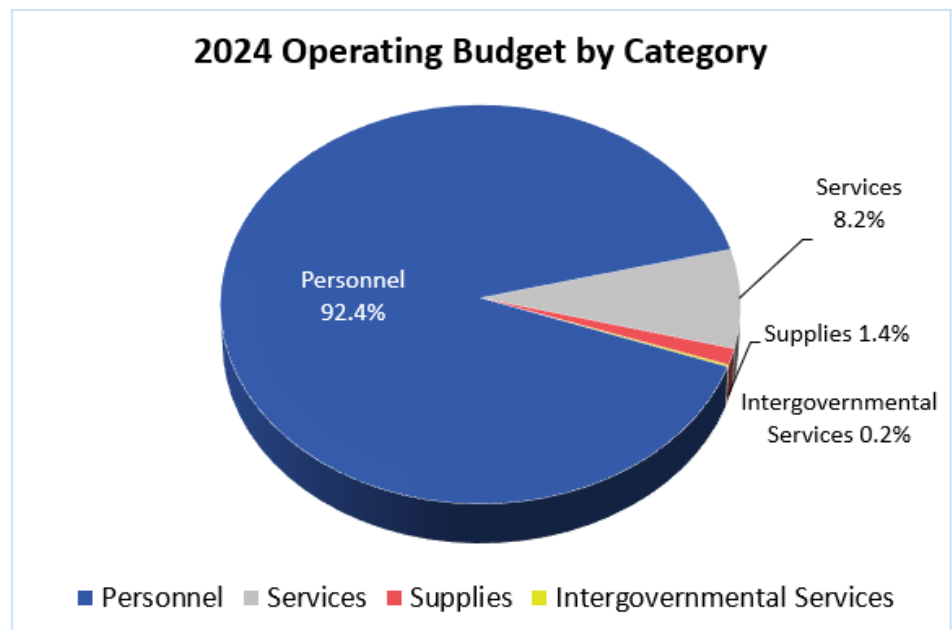
All departments have been assigned a negative budget amount – this is not included in the pie chart that follows. This is a tool to help Community Transit control costs and forecast actual spending. The contra account reduces a department’s budget without cutting specific line items.

The overall change in this department’s operating budget reflects the contra account and increases in the personnel budget, discussed below.

## Services

The largest expense in the services category is armored car service for fare collections (\$246,000 for 2024). Armored car costs are budgeted about 66% higher than in 2023 to account for contract rate increases and additional pick-up locations for the Swift Orange line. This increase is offset by decreases

in professional services, which remains the second largest expense category. The other large expenses in this category are audit services (\$98,500) and bank fees (\$40,000). The remainder of the services budget funds miscellaneous expenses such as professional dues and memberships and rental expense for the agency postage meter.



## Intergovernmental Services

The intergovernmental services budget funds vehicle title and license fees for coaches, vanpool, DART, and support vehicles, and taxes on advertising revenue. Expenses vary from year to year based on the number of new vehicles purchased, and the amount of advertising revenue generated.

## Supplies

Supplies includes agencywide expenses for office supplies, printer paper, stationary, and postage. The slight (4%) increase in this category reflects the need for additional supplies to support the agency's growing workforce.

## Staffing and Personnel Expense



Division	Budget Center	FTE
Administration	64191 Administration	5
Finance and Accounting	64144 Grants Program	4
Finance and Accounting	64171 Finance and Accounting	26
Procurement & Parts	64172 Procurement	11
Procurement & Parts	64178 Parts Inventory	10
<b>Grand Total</b>		<b>56</b>

Nine FTE were added to this department in 2023 after the original budget had been approved. Two new positions were approved by the CEO: one term limited payroll coordinator, and one budget analyst. In addition, seven positions were transferred from other departments to allow for better coordination of work efforts. Of these, four were FTEs in the Grants program which moved from Planning to Finance; historical costs for those four FTEs have been reallocated to Finance and are included in the charts and tables in this section. Costs for the other transferred positions were not reallocated.

The 2024 budget adds one FTE to the department: a term limited Financial Analyst/Financial System Analyst to support a feasibility study and potential implementation of a new enterprise financial system for the agency. The current system is more than twenty years old and nearing end of life.

## Employee Expense by Fund

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 5,264,811	\$ 6,220,092	\$ 6,759,577	\$ 539,485	9%
Fund 42: Infrastructure Preservation			113,204	113,204	n/a
Fund 45: FTA Capital Projects Fund	250,312	729,210	810,411	81,201	11%
Fund 46: Local Capital Projects Fund	10,752			-	n/a
Fund 48: Facilities and Technology Fund	10,752	68,283	222,430	154,147	226%
<b>Total Personnel Expense</b>	<b>\$ 5,536,627</b>	<b>\$ 7,017,585</b>	<b>\$ 7,905,623</b>	<b>\$ 888,038</b>	<b>13%</b>

Approximately 14% of employee expense in 2024 is budgeted to capital funds in support of the agency's capital program.

## Budget Oversight

The Finance and Administration department provides budget oversight and support for the entire agency, and manages the following non-departmental budget centers:

Budget Center
<b>64165</b> Workers' Compensation
<b>64168</b> Salary Pool
<b>64169</b> Insurance
<b>64181</b> Depreciation and Amortization
<b>64182</b> Debt Service
<b>64183</b> Interfund Transfers
<b>64184</b> Professional Services Pool
<b>64185</b> Department Equipment Cost Pool

This department has budget authority over all or part of the following capital projects. Projects starting with 99 are contingencies for the capital program. Please see the Capital Program section for more information.

Fund	Project
42	(9990) Contingency -- Infrastructure Preservation
42	(9991) Contingency -- IT Infrastructure
46	(2402) Financial & Human Capital Mgmt Systems Replacement Feasibility
46	(9996) Local Projects Contingency
48	(9992) Contingency -- Facilities & Technology
48	(9993) Facilities Master Plan Contingency Reserve
48	(9994) Zero Emissions Projects Contingency

## Accomplishments and Goals

Departments develop their workplans in support of agency strategic goals and priorities. A selection of 2023 accomplishments and 2024 goals are provided below.

### 2023 Accomplishments

- Completed the annual audit and financial reports with no findings for the 28th consecutive year.
- Successfully completed Federal Transit Administration's National Transit Database reporting; received a clean opinion.
- Developed a balanced budget for 2024 that supports the agency's strategic priorities. Implemented process improvements for position control in budget. Leveraged the budget system to develop a user-friendly budget to actual report.
- Developed a new long-range financial planning tool to better inform decision-making for multiple options.
- Ensured regulatory procurement compliance while supporting financial stewardship of public funds and supporting key initiatives such as the Zero-emission project, Swift Orange line construction and contracted bus services.
- Met and exceeded the Disadvantaged Business Enterprise utilization goals on FTA-funded projects. The goal is 4.4% race neutral, with a higher score considered better. Community Transit scored 12.1% for the period October 1, 2021 to September 30, 2023.
- Implemented electronic timesheets to a group of employees; implementation will continue in phases.



### 2024 Goals

- Strengthen financial stewardship by moving towards monthly financial close.
- Produce 2023 Annual Comprehensive Financial Report and National Transit Database report. Complete required Federal Transit Administration National Transit Database reporting with a clean opinion.
- Deploy the Project Control Program.
- Support the Zero Emission project with grant application and procurement support.
- Improve the budget process to build discipline and accountability while making the process more efficient. Develop a balanced budget for 2025 that supports the agency's operational and strategic priorities.
- Increase small business participation in procurement.
- Focus on continuous improvement for on-time delivery of services and reduce the amount of rework. Seek employee ideas for continuous improvement that add value to the agency and improve efficiency.
- Fully implement electronic timesheets for all employee groups.
- Conduct a feasibility study for replacing the enterprise financial and human capital management systems.

# Information Technology

## Department Description

Today's Information Technology (IT) Department supports agency innovation, operations, and sustainability. Staff stay abreast of technology changes, evolve solutions, and deliver excellent service and support to enable staff to deliver on Community Transit's mission.

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. Examples of Community Transit's IT department support include:

- 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.

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.

## Division Summaries

### Information Technology Administration

The Information Technology Administration Division includes the Chief Information Officer and the Technology Administrative Support Specialist who provides administrative support for the entire department. As head of the department, the Chief Information 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.

## Application and Data Services

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 other departments. The Application and Data Services Division provides technical services, support, and project management for many capital projects.

## Technology Infrastructure Services

The Technology Infrastructure Services Division provides a broad range of support and lifecycle management services for network, server, and storage infrastructure housed in local datacenters and in the cloud. This division is responsible for agencywide digital security, insuring effective and appropriate security controls are in place and monitored. Technology Infrastructure Services staff manage all datacenter operations, establish, and maintain a digital security perimeter to protect agency systems, provide backup and restoration services for systems and files, develop and implement disaster recovery strategies, and develop standards for technology infrastructure. This division supports wireless data and voice communications for coaches, supervisor vehicles, and Swift stations.

## Technology Support Services

Technology Support Services Division's primary focus is providing technology-related operational support for both intelligent transportation systems and Community Transit employees. 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 the technology needs of employees and keeps people informed of all relevant service events, actions, and changes to the production systems that are likely to affect them. Staff are on call on a 24/7/365 basis to address major operational issues impacting employees and customers.

Technology Support Services also supports and operates large Transit Technology programs and real-time systems, including the computer-aided dispatch/automatic vehicle location

(CAD/AVL) application as well as systems that provide voice and data communications for coaches, supervisor vehicles and Swift stations. Employees in this division provide operational mapping (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 and mobile hardware and software standards, manage, and oversee collaboration and productivity tools including Microsoft 365 technologies and track and monitor agency software compliance and licensing.

## Transit Technology

The Transit Technology division contains five programs: the enterprise program office, regional technology, intelligent transportation systems (ITS), records management, and zero emission (ZE).

The Enterprise Program Office leads business planning, portfolio management, records management, and process improvement.

The regional technology program manages Community Transit's engagement with regional partners on fare collections technology and future shared technology initiatives.

The intelligent transportation systems (ITS) program focuses on improvements and innovations for customer facing data sources, customer facing technologies, such as Swift digital signage and our operational system improvements such as computer aided dispatch and Voice over Internet Protocol (VoIP) on the coaches.

New to the transit technology division is our zero emissions program. The Zero Emissions program leads program development, projects, and cross-functional initiatives to support the agency's strategic goal of deploying a green fleet.

## Department Operating Budget (Fund 40)

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 2024 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.

## Budget by Division

Division	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Information Technology Admin	446,676	405,812	409,974	4,162	1%
Application Services	2,185,693	2,717,328	3,022,498	305,170	11%
Technology Infrastructure Svs	1,534,992	1,825,086	1,856,926	31,840	2%
Technology Support Services	2,885,401	3,673,027	3,722,212	49,185	1%
Transit Technology	1,438,157	832,043	1,759,556	927,513	111%
<b>Information Technology</b>	<b>8,490,919</b>	<b>9,453,296</b>	<b>10,771,166</b>	<b>1,317,870</b>	<b>14%</b>

The Transit Technology division's budget increase in 2024 is discussed below under the intergovernmental services heading.

## Budget by Category

Expense Type	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Salaries and Wages	\$ 2,890,632	\$ 3,127,614	\$ 3,275,297	\$ 147,683	5%
Benefits	995,029	1,172,597	1,212,520	39,923	3%
<b>Personnel</b>	<b>3,885,662</b>	<b>4,300,211</b>	<b>4,487,817</b>	<b>187,606</b>	<b>4%</b>
Services	3,818,721	4,861,698	5,359,083	497,385	10%
Supplies	212,565	278,137	291,515	13,378	5%
Intergovernmental Services	573,972	13,250	849,831	836,581	6314%
Budget Offset Contra Account			(217,080)	(217,080)	n/a
<b>Operating Expenditures</b>	<b>\$ 8,490,919</b>	<b>\$ 9,453,296</b>	<b>\$ 10,771,166</b>	<b>\$ 1,317,870</b>	<b>14%</b>

## Budget Offset Contra Account

All departments have been assigned a negative budget amount – this is not included in the pie chart that follows. This is a tool to help Community Transit control costs and forecast actual spending. The contra account reduces a department's budget without cutting specific line items.

The overall change in this department's operating budget reflects the contra account and changes in other categories, discussed below.

## Intergovernmental Services

More than 98% (about \$837,000) of the 2024 intergovernmental services budget is for Community Transit's share of maintenance fees for next generation ORCA, Puget Sound's regional public transit fare pass system. Sound Transit manages system maintenance and collects fees from other participating transit providers.

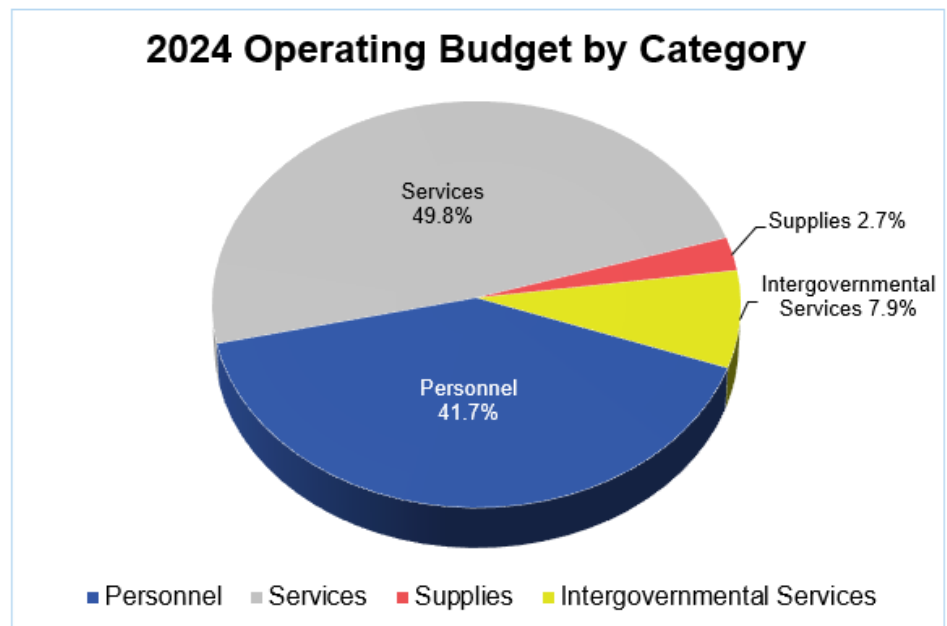
During initial implementation, such fees were charged to the capital program. In 2024, the program moves from project to operational status, which accounts for the large increase in this category as compared to the 2023 budget. Learn more about ORCA online at:

<https://info.myorca.com/>.

## Services

Software leases are the largest expense in this category, at about 46% of the services budget. Most software at the agency is cloud based and is leased. This includes software for the trip planner on the agency website, and the software used to prepare this budget document. The budget increases in 2024 to support licenses for new FTEs and new software needs.

Contract maintenance services comprise about 32% of the services budget. This includes maintenance and support for critical systems such as server hardware, the agency storage area network (SAN), and dispatch and operational software used to manage and coordinate service.

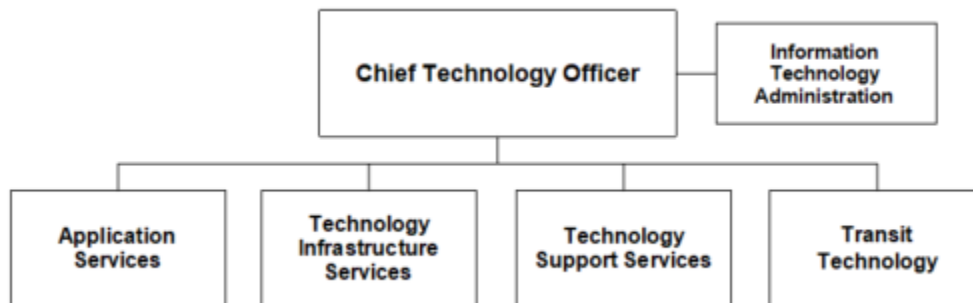


Telephone and Data services for the agency are the last large services expense. This includes data for ticket vending machines, bike lockers, and technology onboard coaches. In 2024, this budget will increase by about 14% to support additional data needs at Swift stations.

## Supplies

The supplies budget funds laptops, desktop computers, monitors, headsets, vehicle mounts, cameras, and other technology hardware for staff throughout the agency. The budget varies from year to year, based on the need to replace aging equipment or purchase additional items.

## Staffing and Personnel Expense



Division	Budget Center	FTE
Application Services	69189 Application Services	9
Information Technology Admin	69197 Information Technology Admin	2
Technology Infrastructure Svs	69187 Technology Infrastructure Svs	6
Technology Support Services	69170 Technology Support Services	14
Transit Technology	69141 Records Program	0
Transit Technology	69143 Zero Emissions	4
Transit Technology	69154 Regional Technology Program	3
Transit Technology	69173 ITS Program	2
Transit Technology	69175 Enterprise Program Office	5
<b>Grand Total</b>		<b>45</b>

In 2023, three FTEs for the Zero Emissions program were added after the original 2023 budget had been approved. Two vacant positions were transferred from the Transportation department, and one new position was authorized by the CEO.

The 2024 budget includes two new FTEs: one Administrator for the zero emissions program, and one Senior Implementation Architect to support a number of capital projects, including the feasibility study for a new enterprise system for the agency.

### Employee Expense by Fund

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 3,885,662	\$ 4,300,211	\$ 4,487,817	\$ 187,606	4%
Fund 42: Infrastructure Preservation		196,555	351,229	154,674	79%
Fund 45: FTA Capital Projects Fund				-	n/a
Fund 46: Local Capital Projects Fund	1,331,421	846,940	803,522	(43,418)	-5%
Fund 48: Facilities and Technology Fund	203,971	886,220	1,535,561	649,341	73%
<b>Total Employee Expense</b>	<b>\$ 5,421,053</b>	<b>\$ 6,229,926</b>	<b>\$ 7,178,128</b>	<b>\$ 948,202</b>	<b>15%</b>

Approximately 37% of employee expense in 2024 is budgeted to capital funds in support of the agency's capital program.

## Capital Project Budget Oversight

This department has budget authority over all or part of the following capital projects. Please see the Capital Program section for more information.

Fund	Project
42	(2223) Performance Mgmt System Replacement
42	(2309) Employee Communication Solution
42	(2310) Bus Stop Poster System Replacement
42	(2311) HASTUS Upgrade
42	(2312) PeopleSoft HCM/Payroll Upgrade
42	(2320) Website Platform as a Service (PaaS)
42	(2321) End User Hardware (2023-24)
42	(2405) Telephone System Replacement
42	(2406) IVR System Lifecycle Replacement
42	(2407) Corporate Website Continuous Delivery (2024)
42	(2412) PeopleSoft FSCM (upgrade)
42	(2413) Customer Notification System
42	(2417) CAD Central Sys/Dispatch Software/Hardware Replacement
46	(1502) IT Corporate Security Upgrade
46	(1904) IT Service Management System
46	(1923) Base Map Implementation
46	(2101) Disaster Recovery As A Service
46	(2106) Coach Video Management System
46	(2220) Data Program Support
46	(2228) Telephone System Replacement Feasibility
46	(2301) Interactive Voice Response Feasibility
46	(2302) Transit Info Program Research
46	(2303) Swift Onboard Signage
46	(2401) Coach Turn-By-Turn
48	(1803) Next Generation ORCA
48	(2203) JPA Upgrade
48	(2224) Audio/Visual Needs FMP Projects
48	(2225) Audio Visual Needs – Feasibility Studies
48	(2318) Zero Emissions Fleet Pilot Project
48	(2414) 2024 ZE Program Development
48	(2415) ZE Utility Infrastructure



## Accomplishments and Goals

Departments develop their workplans in support of agency strategic goals and priorities. A selection of 2023 accomplishments and 2024 goals are provided below.

### 2023 Accomplishments

- Procured onboard and wayside signage on the Swift fleet to allow customers to access information without a personal device. Implementation is in progress.
- Completed design of virtual ORCA cards to allow customers to use their phone to pay fares. Implementation and launch will be in 2024.
- Launched a new agency website in mid-February 2023 with a new integrated Trip Planner, real-time arrival information, integrated rider alerts and interactive maps and schedules. Improved tools for content developers to simplify delivery and improve consistency. Identified and deployed a new platform for managing security updates and software deployments.
- Completed a major upgrade to the computer-aided dispatch/automatic vehicle location (CAD/AVL) system.
- Implemented several IT department optimization activities supporting: Incident Response, Virtual Desktop Infrastructure, and device replacement.
- Presented a Zero Emission (ZE) Program proposal to the Board of Directors in July 2023; a ZE Program strategic plan is in progress.
- Launched a ZE Beta Bus Pilot for ZE Program Learning.
- Began the process to rebuild the data program in late 2022; this effort continues through 2023. The new standards will allow staff to accomplish more analytics with a higher level of efficiency, consistency, and repeatability.
- Completed four high impact process improvements focused on the recruiting process, customer care standard work, website content team PI, and benefits reconciliation process.
- Completed multiple project feasibility studies for replacement, upgrade, or new implementation of the employee website, agency phone system, bus stop poster software, and Safety Management System.
- Provided IT infrastructure and technology support and consultation for various Facilities Master Plan projects including the Training and Storage Facility, RideStore temporary relocation, Operations building and Maintenance Shop.
- Completed the Merrill Creek Transportation and Customer Care (CIS) building in the third quarter of 2023; this included a functional secondary datacenter. CIS and Transportation staff moved into the facility in late 2023.

### 2024 Goals

- Implement onboard and wayside signage in the Swift fleet to allow customers to access information without a personal device. Maintain multi-modal information access for the customer demographic.
- Support technology analysis and pilots for mobile phone, credit card, and ORCA use for

Paratransit service.

- Assess alternatives and initiate replacement of essential communications infrastructure.
- Conduct a feasibility study for future enterprise software for finance and human capital management. Implement Improvements to the existing human capital management system.
- Implement a data warehouse in Software as a Service (SaaS).
- Implement select IT Service Management processes.
- Replace essential storage hardware for administrative functions and applications.
- Implement disaster recovery as a service to protect Community Transit data and application services from a regional disaster.
- Evolve the cybersecurity strategy, roadmap, defense in depth, and zero emissions implications.
- Develop mechanisms to visualize and manage priority, capacity, phasing, measurable progress, and risk in support of projects and programs.
- Evolve zero emission strategy, roadmap, and pilots. Implement Phase 2 (Transition), 3 (Side by Side), and begin Phase 4 (Initial Deployment) of the Zero Emissions Program.



Learn more about the zero emission program online at:

<https://www.communitytransit.org/about/programs/zero-emission-fleet>

# Maintenance

## Department Description

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.

The Maintenance Department includes three divisions: Vehicle Maintenance, Facilities Maintenance, and Maintenance Administration. The Facilities Maintenance Division handles all Community Transit facility needs. The Administrative Division provides general management and direction of the Department.

## Division Summaries

### Maintenance Administration

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.

### Vehicle Maintenance

The Vehicle Maintenance Division includes five groups: General Repair Shop, Maintenance Support, Body Shop, Contracted Commuter Vehicles, and Automotive Maintenance. 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 employees provide fleet project support, electronic maintenance, and rebuild of major and minor coach components, from fans to engines and transmissions.

Employees in the Body Shop perform bodywork and painting for all Community Transit vans, buses, and service vehicles.

The Contracted Commuter Vehicles budget provides funds for oil and special coach parts for the agency's contracted commuter coach service.

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.

## Facilities Maintenance

Facilities Maintenance are responsible for the maintenance and repair of Community Transit assets such as property, buildings, major equipment, park-and-ride lots, bus shelters, and bus stops. Facilities Maintenance also works closely with other departments to continuously improve how we build and maintain our facilities.

Facilities currently has three subdivisions:

**Base Crews Day Shift:** Kasch Park Campus and Hardeson Road Campus crews focus on the maintenance of all the buildings and supporting the maintenance shops to allow our mechanics the ability to provide clean safe buses to the Transportation department.

**Road Crew Day Shift:** These crews focus on maintaining clean and safe park & rides, Transit Centers and Local Route maintenance for our customers.

**BRT Crew Graveyard:** Focus on the cleaning and maintenance of the Swift BRT stations for our customers.



# Department Operating Budget (Fund 40)

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.

## Budget by Division

Division	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Maintenance Administration	452,617	551,426	551,599	173	0%
Facilities Maintenance	5,980,668	6,937,135	7,975,875	1,038,740	15%
Vehicle Maintenance	17,320,535	21,916,549	23,820,503	1,903,954	9%
<b>Maintenance</b>	<b>23,753,819</b>	<b>29,405,110</b>	<b>32,347,976</b>	<b>2,942,866</b>	<b>10%</b>

Cost increases are discussed below.

## Budget by Category

Expense Type	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Salaries and Wages	\$ 10,242,484	\$ 12,892,927	\$ 14,488,884	\$ 1,595,957	12%
Benefits	4,437,313	5,730,175	6,500,762	770,587	13%
<b>Personnel</b>	<b>14,679,797</b>	<b>18,623,102</b>	<b>20,989,646</b>	<b>2,366,544</b>	<b>13%</b>
Services	3,100,598	3,658,830	3,983,170	324,340	9%
Supplies	5,925,063	7,048,478	7,981,180	932,702	13%
Intergovernmental Services	48,361	74,700	74,700	-	0%
Budget Offset Contra Account			(680,720)	(680,720)	n/a
<b>Operating Expenditures</b>	<b>\$ 23,753,819</b>	<b>\$ 29,405,110</b>	<b>\$ 32,347,976</b>	<b>\$ 2,942,866</b>	<b>10%</b>

## Budget Offset Contra Account

All departments have been assigned a negative budget amount – this is not included in the pie chart that follows. This is a tool to help Community Transit control costs and forecast actual spending. The contra account reduces a department’s budget without cutting specific line items.

The overall change in this department’s operating budget reflects the contra account and changes in other categories, discussed below.

## Intergovernmental Services

The intergovernmental services budget funds a variety of taxes, fees, dues, and assessments related to Community Transit's owned and leased facilities.

### Services

Contract maintenance services make up about 73% of this budget. Community Transit contracts for specialized services such as elevator and emergency system monitoring and repair, building janitorial services, lighting and inspections at park & rides, hazardous waste disposal, and

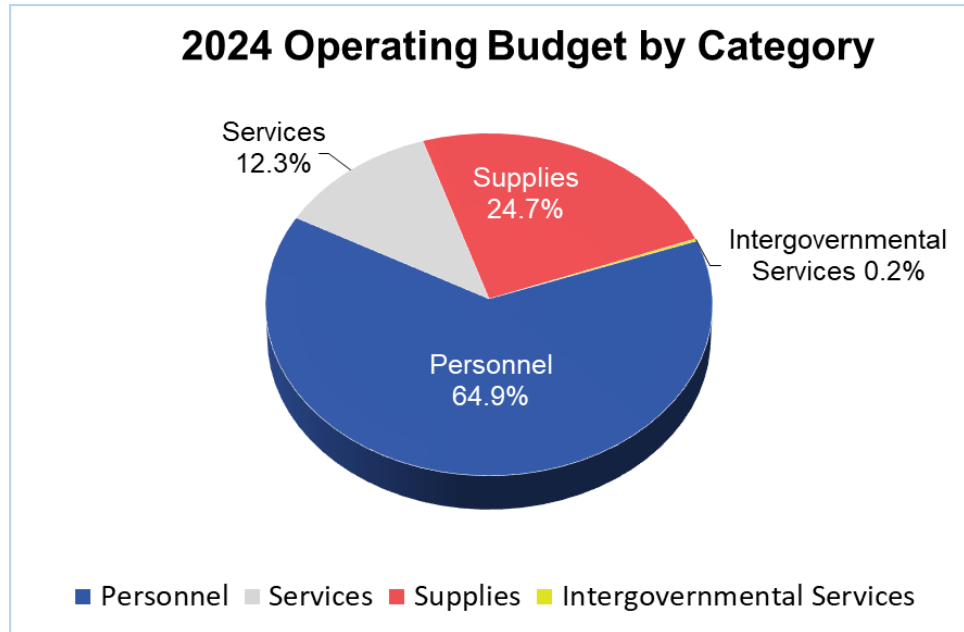
vehicle interior cleaning and disinfecting. Costs for many of these services are increasing in 2024, partly due to economic factors and partly due to an increase in service hours.

Nearly 25% of the budget funds utilities for the agency (water and sewer, electricity, garbage, and natural gas). Some of these costs will increase in 2024 when the new Service and Operations building opens.

### Supplies

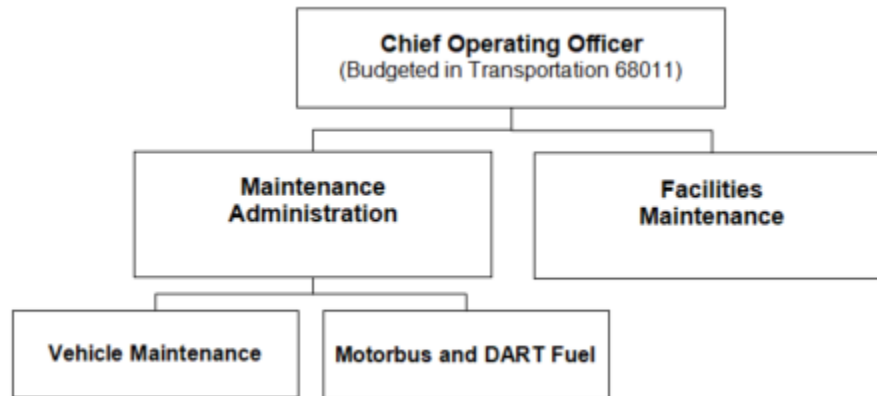
The supply category includes motor fuel for support vehicles, oil and lubricants, parts and tires, as well as general maintenance supplies. Diesel fuel for coaches is budgeted separately - this is discussed in the Expenses section.

At just under \$5 million, parts make up more than half of the 2024 supply budget. This budget varies from year to year, based on the number of new vehicles expected for delivery, and the maintenance schedule for existing vehicles. The 2024 budget includes parts to complete 28 midlife rebuilds (including transmissions), outfit two new zero emissions coaches and 13 DART vehicles, plus parts and supplies to complete scheduled maintenance on many other fleet vehicles.





## Staffing and Personnel Expense



Division	Budget Center	FTE
Facilities Maintenance	67125 Facilities Maintenance	33
Vehicle Maintenance	67061 General Repair Shop	84
Vehicle Maintenance	67062 Maintenance Support	13
Vehicle Maintenance	67063 Body Shop	5
Vehicle Maintenance	67065 Contracted Commuter Vehicles	0
Vehicle Maintenance	67066 Automotive Maintenance	7
Vehicle Maintenance	67067 Maintenance Administration	3
<b>Grand Total</b>		<b>145</b>

In 2023, after the budget had been approved, two FTE from Maintenance were transferred to other departments to allow for better coordination of work efforts.

The 2024 budget adds four FTE to the Facilities Maintenance division. These employees will support the new Swift Orange line stations, as well as the new training center and newly renovated operations building.

### Employee Expense by Fund

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 14,679,797	\$ 18,623,102	\$ 20,989,646	\$ 2,366,544	13%
Fund 42: Infrastructure Preservation				-	n/a
Fund 45: FTA Capital Projects Fund	63,128	87,149	95,564	8,415	10%
Fund 46: Local Capital Projects Fund				-	n/a
Fund 48: Facilities and Technology Fund				-	n/a
<b>Total Personnel Expense</b>	<b>\$ 14,742,925</b>	<b>\$ 18,710,251</b>	<b>\$ 21,085,210</b>	<b>\$ 2,374,959</b>	<b>13%</b>

Less than 1% of employee expense in 2024 is budgeted to capital funds in support of the agency's capital program.

## Budget Oversight

The Maintenance department, with assistance from Finance staff, provides budget oversight for the agency's diesel fuel budget. The diesel fuel budget is discussed in the Expenses section.

### Budget Center

- 71034** Directly Operated Fuel
- 71035** Commuter Purchased Trans Fuel
- 71036** DART Purchased Trans Fuel

This department has budget authority over all or part of the following capital projects. Please see the Capital Program section for more information.

Fund	Project
41	(2319) 2023 DART Vehicles
41	(2418) 2024 DART Vehicles
45	(2306) 60' Swift Coach Replace (15)
45	(2408) ZE Coaches/Infrastructure - 60'
45	(2409) ZE Coaches/Infrastructure - 40'
46	(2204) Farebox Replacement at KPOB
46	(2226) BRT Coach Operator Barriers

## Accomplishments and Goals

Departments develop their workplans in support of agency strategic goals and priorities. A selection of 2023 accomplishments and 2024 goals are provided below.

### 2023 Accomplishments

- Analyzed trends and looked for opportunities to refine maintenance practices for a reliable and cost-effective fleet.
- Studied & implemented MERV-13 filters for the fixed route fleet.
- Worked with Employee Engagement and Training to ensure the department has sufficient staff with the correct knowledge.
- Increased maintenance on local route shelters to provide customers with clean, safe bus shelters.
- Received and upfitted 21 BRT Coaches and 13 DART Paratransit vehicles
- Completed 19 mid-life engine & transmission overhauls.
- Supported the corporate Transit Asset Management plan by purchasing vehicles in accordance with the replacement schedule.
- Provided construction project support for the Operations Maintenance building expansion and the new Training Center.
- Supported construction of the Swift Orange Line with a goal of opening in March of 2024.
- Provided administrative and technical support during the remodeling process of the Merrill

Creek Administration building with a goal of opening in late 2023.

- Relocated the Ride Store from Lynnwood Transit Center to a temporary location to allow for a major remodel over the next 12 months.
- Refined key performance indicators. Maintenance Management focused on leading and lagging indicators of system performance.
- Worked with the zero-emissions program team to support efforts such as procurements and Board presentations. Provided mechanical support for the pilot coach.
- Executed job order contracting projects to add additional access-controlled security.
- Automated the north vehicle gate for the Cascade Building.
- Added a blower system to the backside of the Kasch Park Bus Wash to meet City of Everett's regulatory requirements for stormwater control.

## 2024 Goals

- 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.
- Achieve Preventative Maintenance targets.
- Provide support for accomplishing the corporate Transit Asset Management (TAM) plan. This includes purchasing, preparing, and maintaining all fixed facilities and vehicles.
- Continue to support the Swift Orange Line project.
- Add a swing shift crew to support the Orange Line opening; create 24-hour 5 day a week Facilities coverage to better assist the needs of Operations.
- Support the 2024 network change to help customers gain improved access to Link light rail.
- Move Transportation to the newly remodeled operations building.
- Complete assigned tasks for the Merrill Creek Maintenance Shop expansion.
- Complete assigned tasks for the Ride Store remodel.
- Continue refining key performance indicators to provide performance oversight and highlight opportunities for improvements.
- Continue to support the zero emission program to assist in transitioning the fleet and facilities.
- Implement a new timekeeping system for the Facilities staff.
- Support the Sustainability Working Group.
- Partner with Employee Engagement staff to continue building pathways for skilled trades positions.
- Focus on leadership development; create training development and cross training opportunities for employees.



# Planning and Development

## Department Description

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 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; and plan the buildout of the Swift bus rapid transit network.

This department contains five divisions: Planning and Development Administration, Capital Development and Delivery, Planning, Research and Analytics, and Transit Integration.

## Division Summaries

### Planning and Development Administration

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 and Capital Development Committee, the Snohomish County Transportation Coalition, the development of the Swift program, and the Facility Master Plan (FMP) expansion.

### Capital Development and Delivery

The Capital Development and Delivery Division is responsible for the development and delivery of park & 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.

## Planning and Scheduling

The System Planning and 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.

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.

## Research and Analytics

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.

## Transit Integration

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.

# Department Operating Budget (Fund 40)

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 light rail.
- 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.
- 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.

## Budget by Division

Division	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Development Administration	462,643	415,636	442,075	26,439	6%
Capital Development	367,654	186,177	29,173	(157,004)	-84%
Planning	1,995,854	2,021,928	2,046,706	24,778	1%
Research and Analytics	1,016,010	1,537,140	1,798,007	260,867	17%
Swift Program	270,844	276,594	134,420	(142,174)	-51%
Transit Integration	335,641	941,861	457,156	(484,705)	-51%
<b>Planning and Development</b>	<b>4,448,645</b>	<b>5,379,336</b>	<b>4,907,537</b>	<b>(471,799)</b>	<b>-9%</b>

Note: Capital Development and Swift Program are now one division: Capital Development and Delivery. Budgeted amounts did not change.

## Budget by Category

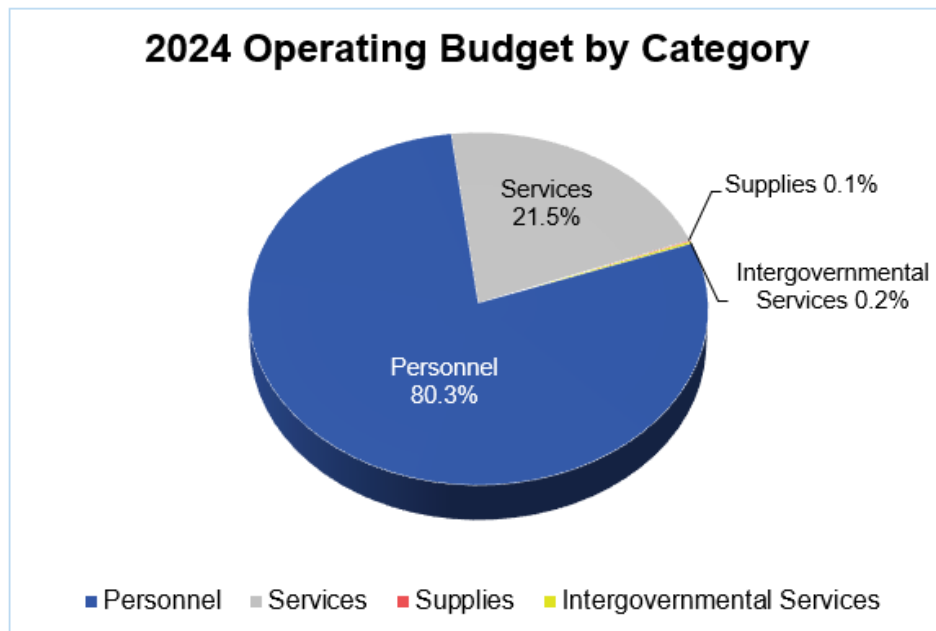
Expense Type	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Salaries and Wages	\$ 2,643,322	\$ 2,735,440	\$ 2,890,020	\$ 154,580	6%
Benefits	851,240	1,018,499	1,049,339	30,840	3%
<b>Personnel</b>	<b>3,494,562</b>	<b>3,753,939</b>	<b>3,939,359</b>	<b>185,420</b>	<b>5%</b>
Services	942,880	1,609,897	1,055,693	(554,204)	-34%
Supplies	203	4,500	5,000	500	11%
Intergovernmental Services	11,000	11,000	11,000	-	0%
Budget Offset Contra Account			(103,515)	(103,515)	n/a
<b>Operating Expenditures</b>	<b>\$ 4,448,645</b>	<b>\$ 5,379,336</b>	<b>\$ 4,907,537</b>	<b>\$ (471,799)</b>	<b>-9%</b>



## Budget Offset Contra Account

All departments have been assigned a negative budget amount – this is not included in the pie chart that follows. This is a tool to help Community Transit control costs and forecast actual spending. The contra account reduces a department’s budget without cutting specific line items.

The overall decrease in this department’s operating budget reflects the contra account and significant decreases in the services budget, discussed below.



## Budget Discussion

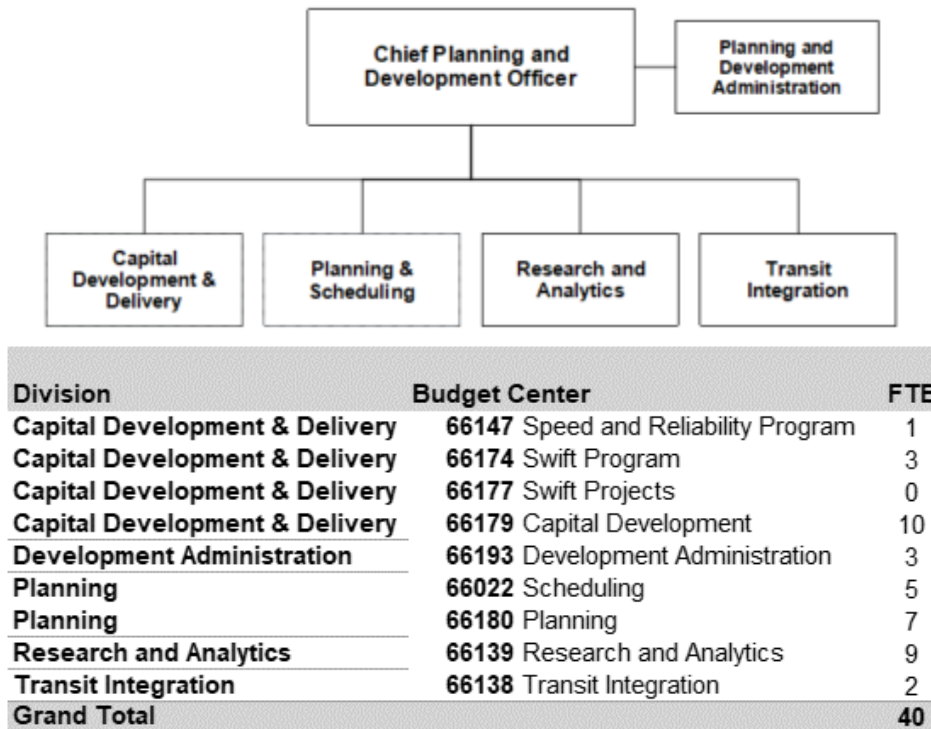
The largest expense in this category is professional services (about \$1 million of the total 2024 budget). This includes support for Link light rail and transit integration, as well as consulting services to assist with implementing a robust agencywide program of customer research and performance assessment. This program will inform development of innovative products and services, including options for zero emission vehicle technology and conversion of all or part of the agency’s fleet.

The remainder of the services budget funds park & ride lease agreements, and a variety of miscellaneous expenses.

Decreases: The budget for 2023 included one-time professional services funds to support a coordinated planning effort for a Consolidated Transit Network for Everett Transit and Community Transit.

The intergovernmental services budget funds expenditures associated with the Snohomish County Transportation Coalition agreement. The coalition supports community connections throughout Snohomish County. Learn more at <https://www.gosnotrac.org/>.

## Staffing and Personnel Expense



The 2024 budget includes one new FTE – an assistant manager for the Research and Analytics division to support increased efforts in this program.

### Employee Expense by Fund

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 3,494,562	\$ 3,753,939	\$ 3,939,359	\$ 185,420	5%
Fund 42: Infrastructure Preservation				-	n/a
Fund 45: FTA Capital Projects Fund	691,583	1,116,833	669,353	(447,480)	-40%
Fund 46: Local Capital Projects Fund	152,592	165,613	454,573	288,960	174%
Fund 48: Facilities and Technology Fund	1,067,868	1,454,363	1,718,434	264,071	18%
<b>Total Personnel Expense</b>	<b>\$ 5,406,605</b>	<b>\$ 6,490,748</b>	<b>\$ 6,781,719</b>	<b>\$ 290,971</b>	<b>4%</b>

Approximately 42% of employee expense in 2024 is budgeted to capital funds in support of the agency's capital program.

The distribution of staff time among funds varies from year to year as project needs change.

# Capital Project Budget Oversight

This department has budget authority over all or part of the following capital projects. Please see the Capital Program section for more information.

Fund	Project
42	(2403) Monroe Park & Ride
42	(2404) Snohomish Park & Ride
44	(2261) Swift Blue Line Construction
44	(2262) Swift Blue Line Program
45	(2250) Swift Orange Line Corridor & Terminals
45	(2252) Swift Orange Line OFI
45	(2253) Swift Orange Line Program
45	(2260) Swift Blue Line Coaches
45	(2264) Swift BRT Coaches
45	(2314) Swift Gold Design/Engineering
45	(2315) Swift Green Expansion Design
45	(1850) Swift Orange Line
46	(2317) Speed and Reliability
46	(2109) Swift Blue Line Expansion Design & Engineering
46	(2116) Swift Station Security Mods
46	(2227) Swift Green Expansion Station Siting
46	(2254) Swift Orange Line Incidentals
46	(2263) Swift Gold Line Scoping
46	(2316) Swift Program Projects
46	(2421) UW Bothell Transit Center
48	(2011) Facility Master Plan - Phase 3
48	(2015) Facility Master Plan - Phase 6
48	(2419) FMP 7 -- ZE Improvements Merrill Creek
48	(2420) FMP 8 -- ZE Improvements Kasch Park
48	(2422) Facilities Master Plan - Phase 4
48	(2208) Bus Stop Program

# Accomplishments and Goals

Departments develop their workplans in support of agency strategic goals and priorities. A selection of 2023 accomplishments and 2024 goals are provided below.

## 2023 Accomplishments

- Completed the initial draft Long Range Plan and expect the final draft to be completed by end of year, after incorporating zero emissions program details and financial modeling, and conducting public outreach.
- Completed the final draft 2023-2028 TDP for Board action at the September 2023 Board of Director's Meeting.
- Delivered the schedules and run-cuts for March and September 2023 service changes; scheduling is now working on the March 2024 service change.
- Began factoring in recommendations from the scheduling and staffing audit; when delivering the service changes to improve the operator's quality of life while maintaining system efficiency.
- Presented the 2024 and Beyond fixed-route restructuring plan at the April 2023 Board of Director's meeting and received Board approval. Staff followed that approval by planning the changes in routes to meet the Lynnwood Link start date and available manpower.
- Worked with Sound Transit on the planned opening of the Lynnwood Link Extension in 2024, which will deliver light rail for the first time to Snohomish County residents and result in a significant restructure of our fixed route network; assisted in the Everett Link Extension planning process to ensure that the project will result in successful bus/light rail integration; and collaborated with Stride staff on shared station locations with Swift.
- Developed a draft consolidated network plan in conjunction with the City of Everett, (Everett Transit). The final report is in progress.
- Continued buildout of the Facilities Master Plan (FMP) with FMP 5 and FMP 2 completed by the end of 2023. Began the FMP 6 Project – RideStore remodel to serve the Lynnwood Link Extension, Swift Orange Line and local and regional service in 2024. Successfully relocated a temporary RideStore at Ash Way.



## 2024 Goals

- Integrate Diversity, Equity and Inclusion into Planning and Development initiatives such as the agency Fare Study and expansion/access to facilities and amenities.
- Complete an agency Fare Study to assess the impacts of ridership on implementation of the 2024 Network Restructure and integration with Sound Transit's Lynnwood Link extension.
- Implement, measure and inform on the Customer Experience with the 2024 network, leveraging the first Snohomish County BRT to light rail connection and increased frequencies and span of service.
- Complete construction of the Swift BRT Orange Line and Blue Line projects to serve the Lynnwood Link Extension in Fall of 2024.
- Coordination with Sound Transit to ensure integration of Community Transit customer needs at the Lynnwood City Center and Mountlake Terrace Transit Center.
- Establish an agency governance structure for data and analytics.
- Continue the buildout of the agency's Facilities Master Plan Program with the completion of FMP 3A (Maintenance) & FMP 6 (RideStore).
- Enhance evaluation of sustainable design in the continued buildout of the Facilities Master Plan.

# Safety, Security, and Sustainability

## Department Description

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 this new department. This transition elevates the focus on safety and security and the role it plays in helping the agency deliver on its Mission and Strategic Priorities. It also establishes a more focused effort for the agency on transit-oriented sustainability.

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, workers' compensation, and sustainability. Department duties are performed in an environment that is subject to recurring regulatory and nonregulatory reviews by local, state, and federal agencies.

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

## Division Summaries

### Administration and Special Programs

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. Additionally, the division provides policy oversight of the agency's FTA required Agency Safety Plan, Safe Driving Policy, Vehicle Use Policy, Accident Review Committee, and completes monthly and annual safety and security reporting required by the FTA. The Senior Director serves as the agency's Chief Safety Officer under the FTA required Agency Safety Plan.

### Environmental, Health, and Safety

Environmental, Health, and Safety staff are responsible for the oversight and delivery of agencywide safety programs, Accident Prevention Program, Safety Management System, environmental compliance, Sustainability Action Plan, Environmental and Sustainability Management System (ESMS), and the Workers' Compensation program.

### Security and Emergency Management

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.

The Transit Security Officer program was established in 2023 and includes staff that provide a visible presence in the system to deter unwanted behavior and enforce the Rules of Conduct.

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.

## Department Operating Budget (Fund 40)

The 2024 Safety, Security, and Sustainability Department budget supports Community Transit's Strategic Priorities to Attract & Retain Customers, Strengthen the Employee Experience, and Prioritize Sustainability. Funds are included to strengthen the department's programs that have critical ties to the mission of the agency.

### Budget by Division

Division	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Admin and Special Programs		441,308	453,305	11,997	3%
Environment, Health, & Safety	1,121,926	888,305	957,955	69,650	8%
Security and Emergency Mgmt	3,640,990	6,052,206	6,665,780	613,574	10%
<b>Safety, Security, and Sustainability</b>	<b>4,762,916</b>	<b>7,381,819</b>	<b>8,077,040</b>	<b>695,221</b>	<b>9%</b>

### Budget by Category

Expense Type	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Salaries and Wages	\$ 969,072	\$ 2,408,745	\$ 3,086,133	\$ 677,388	28%
Benefits	354,140	1,034,398	1,303,456	269,058	26%
<b>Personnel</b>	<b>1,323,212</b>	<b>3,443,143</b>	<b>4,389,589</b>	<b>946,446</b>	<b>27%</b>
Services	142,229	140,641	228,876	88,235	63%
Supplies	257,086	135,950	151,150	15,200	11%
Intergovernmental Services	3,040,390	3,662,085	3,477,270	(184,815)	-5%
Budget Offset Contra Account			(169,845)	(169,845)	n/a
<b>Operating Expenditures</b>	<b>\$ 4,762,916</b>	<b>\$ 7,381,819</b>	<b>\$ 8,077,040</b>	<b>\$ 695,221</b>	<b>9%</b>

## Budget Offset Contra Account

All departments have been assigned a negative budget amount – this is not included in the pie chart that follows. This is a tool to help Community Transit control costs and forecast actual spending. The contra account reduces a department’s budget without cutting specific line items.

The overall change in this department’s operating budget reflects the contra account and changes in other categories, discussed below.

## Intergovernmental Services

The contract with the Snohomish County Sheriff's Office for transit police services is the largest line item in this category. Although the full contract cost for 2024 has increased from \$3.3 million to \$3.9 million, the department is budgeting the contract at \$3.1 million to align with expected service levels and County staffing forecasts.

As a partner with Snohomish County and the Sheriff’s Department, this budget also includes \$360,500 for social worker services to help people who use Community Transit services and may also be experiencing homelessness, addiction, or mental illness.

Together, those two items comprise more than 99% of the budget in this category. The remainder of the funds required license and permit fees.

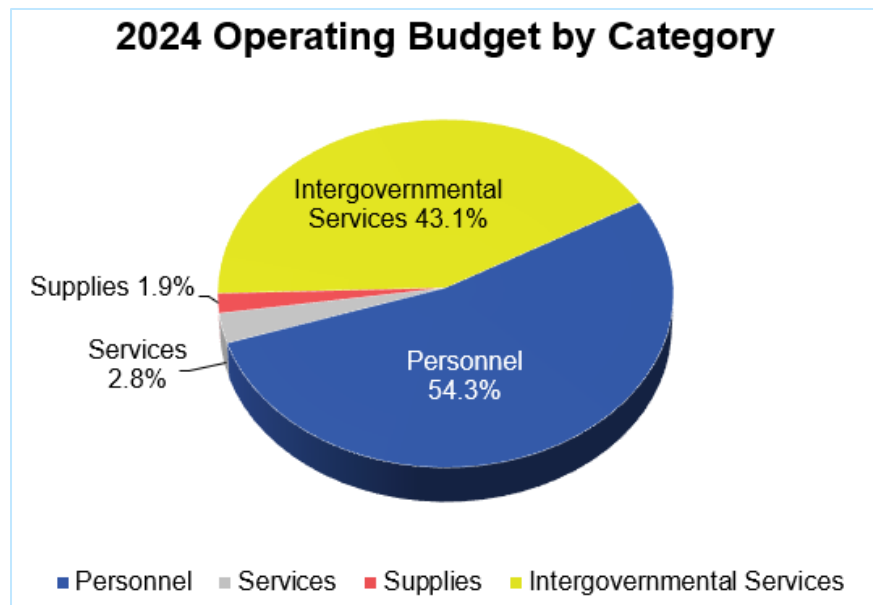
## Services

Professional services are the largest expense in this category, representing about 64% of the budget. Most of the increase in 2024 is for an emergency management consultant to assist staff with developing

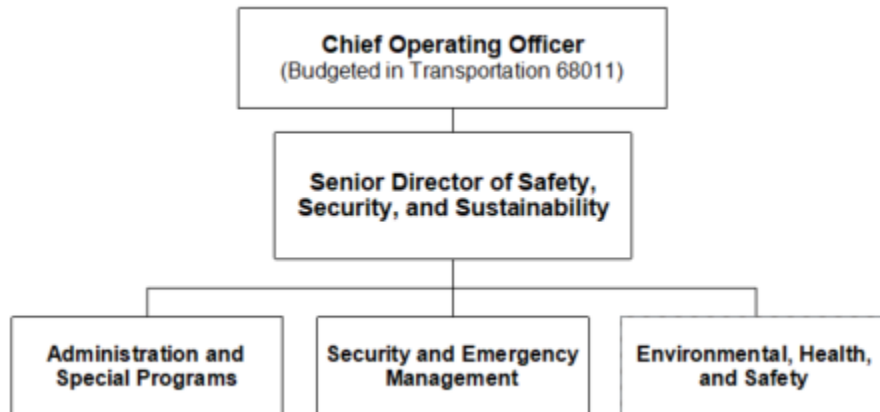
an emergency management continuity of operations plan. The remainder of the budget funds a variety of necessary business services. These include contract maintenance on agency security systems, required environmental sampling, hazardous waste disposal services, and National Safety Council accident reviews.

## Supplies

The supplies budget includes safety and security equipment for the full agency, including first aid kits, industrial hygiene supplies, ergonomic equipment, and equipment and parts for the physical security system. This budget varies from year to year. The 2024 budget includes equipment to support the Community Emergency Response Team (CERT) program, and to support overall operational growth at the agency.



## Staffing and Personnel Expense



Division	Budget Center	FTE
Admin and Special Programs	73142 Admin and Special Programs	3
Environment, Health, & Safety	73166 Environment, Health, & Safety	6
Security and Emergency Mgmt	73161 Security and Emergency Mgmt	25
<b>Grand Total</b>		<b>34</b>

The 2024 budget adds one FTE: an administrator for the security services program.

The 27% increase in personnel expense is largely due to the full year effect of Transit Security Officer positions that were added in 2023 on a staggered schedule.

### Employee Expense by Fund

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 1,323,212	\$ 3,443,143	\$ 4,389,589	\$ 946,446	27%
Fund 42: Infrastructure Preservation				-	n/a
Fund 45: FTA Capital Projects Fund				-	n/a
Fund 46: Local Capital Projects Fund				-	n/a
Fund 48: Facilities and Technology Fund				-	n/a
<b>Total Employee Expense</b>	<b>\$ 1,323,212</b>	<b>\$ 3,443,143</b>	<b>\$ 4,389,589</b>	<b>\$ 946,446</b>	<b>27%</b>

All staff in this department are funded in the general fund. Staff may support capital projects as needed.

### Budget Oversight

This department does not have budget authority over any capital projects for 2024. Staff may support capital projects as needed.

## Accomplishments and Goals

Departments develop their workplans in support of agency strategic goals and priorities. A selection of 2023 accomplishments and 2024 goals are provided below.

### 2023 Accomplishments

- Rules of Conduct were finalized and implemented. Feedback to date has been positive.
- Transit Security Officer (TSO) program development is underway, with plans to hire up to 18 TSOs by the end of the year. The first group of TSOs is in the field after completing an intensive training program that includes de-escalation techniques.
- Continued to work toward implementing a strategic security program. Of particular note, the addition of a contracted Social Worker to the program has had a positive impact, and the Operations Center is in development.
- Successfully recruited an Environmental and Sustainability Program Manager.
- Continued work to implement an agency safety plan. This is ongoing and will continue into 2024. The feasibility study is in progress – the requirements gathering stage is nearly complete.
- Updated the Safety Committee charter and implemented new requirements.
- Began updating the Vehicle Use Policy; this will be complete in 2024.



### 2024 Goals

- Continue to develop the Transit Security Officer TSO program to ensure that customers and employees feel safe riding transit.
- Continue implementation of the Security Enhancement Strategic Plan.
- Develop a 24/7 Security Operations Center.
- Standup a new sustainability working group to incorporate strategic direction and set sustainability goals.
- Develop a safety hazard mitigation program and safety promotion program.
- Update and socialize the Accident Prevention Program. This includes the confined space program, electrical safety, fall protection, and incident investigation programs.

# Transportation

## Department Description

The Transportation Department manages and supervises all Community Transit directly operated bus services, and contracted bus and DART paratransit services. Microtransit service operations are managed by contracted transportation as well.

The department includes three divisions: Transportation Administration, Transportation Operations, and Contracted Transportation.

## Division Summaries

### Transportation Administration

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 strategy, 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 Operations

Transportation operations consists of two groups: vehicle control and vehicle operations.

Vehicle Control 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 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.



### Contracted Transportation

Contracted Transportation consists of three groups: Contracted Transportation Administration, Contracted Commuter Service, and Paratransit Service.

Contracted Transportation Administration staff are 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 (SnoTrac) to develop a more coordinated transportation system.

Contracted Commuter Services operates Community Transit commuter bus service and Sound Transit’s ST Express bus services through a contract.

In compliance with the Americans with Disabilities Act (ADA), Community Transit provides DART paratransit service operated through a contract. 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.

The division is also responsible for managing the service contract for the Alderwood Zip Shuttle innovative service pilot project and will continue to manage the operation of this contract as Alderwood Zip Shuttle becomes a regular service offering in 2024.

## Department Operating Budget (Fund 40)

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 service plan, which includes upcoming service expansions, service reliability, and customer experience.

### Budget by Division

Division	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Transportation Administration	1,079,528	1,424,933	1,405,628	(19,305)	-1%
Transportation Operations	49,732,997	56,632,182	60,490,502	3,858,320	7%
Contracted Transportation	27,802,698	30,302,172	37,598,313	7,296,141	24%
<b>Transportation</b>	<b>78,615,224</b>	<b>88,359,287</b>	<b>99,494,443</b>	<b>11,135,156</b>	<b>13%</b>

The Contracted Transportation program moved from Planning & Development to Transportation in midyear 2023. Historical costs for the program have been reallocated to Transportation and are included in the charts and tables in this section.

Budget changes are discussed below.



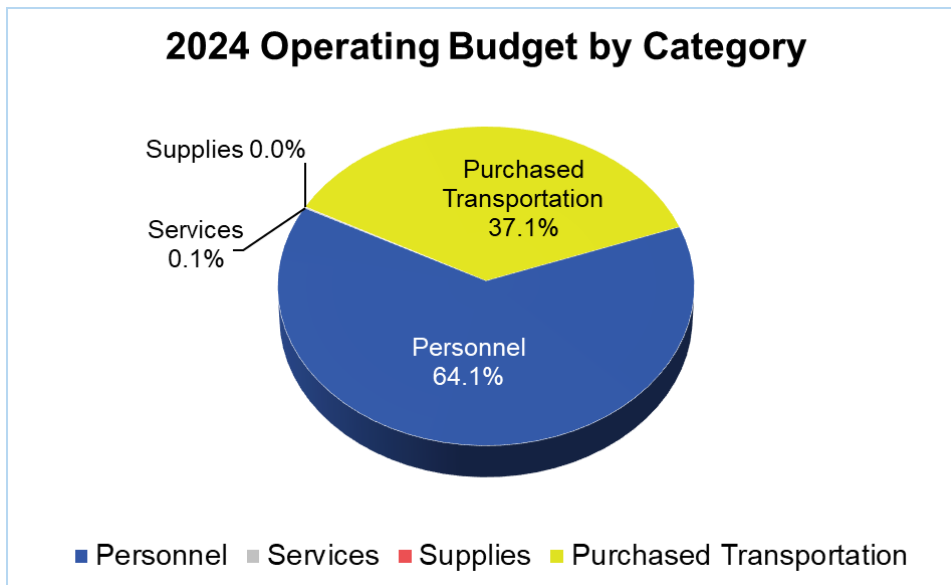
## Budget by Category

Expense Type	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Salaries and Wages	\$ 37,037,776	\$ 41,252,726	\$ 44,637,610	\$ 3,384,884	8%
Benefits	14,202,625	17,354,504	19,105,401	1,750,897	10%
<b>Personnel</b>	<b>51,240,401</b>	<b>58,607,230</b>	<b>63,743,011</b>	<b>5,135,781</b>	<b>9%</b>
Services	104,980	107,244	122,835	15,591	15%
Supplies	12,704	16,000	30,120	14,120	88%
Purchased Transportation	27,257,139	29,628,813	36,915,027	7,286,214	25%
Budget Offset Contra Account			(1,316,550)	(1,316,550)	n/a
<b>Operating Expenditures</b>	<b>\$ 78,615,224</b>	<b>\$ 88,359,287</b>	<b>\$ 99,494,443</b>	<b>\$ 11,135,156</b>	<b>13%</b>

## Budget Offset Contra Account

All departments have been assigned a negative budget amount – this is not included in the pie chart that follows. This is a tool to help Community Transit control costs and forecast actual spending. The contra account reduces a department’s budget without cutting specific line items.

The overall change in this department’s operating budget reflects the contra account and changes in other categories, discussed below.



## Budget Discussion

After personnel costs, purchased transportation is the largest expense in this department. Community Transit contracts commuter and express services, as well as DART Paratransit services. The purchased transportation budget is increasing by about 25 percent in 2024 due to

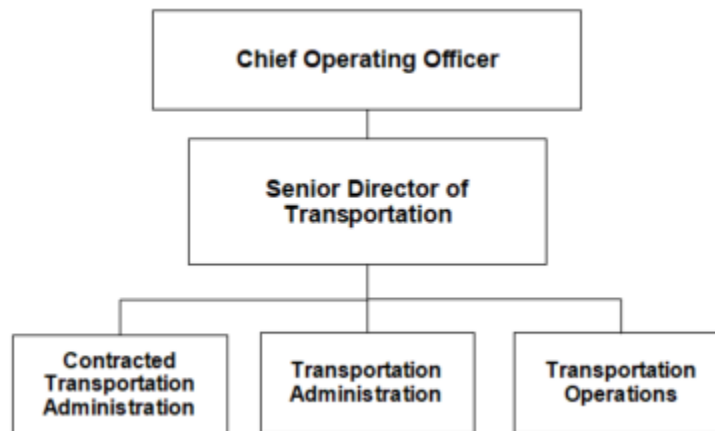
contract cost increases for both services. The commuter service contract is increasing from \$21.6 million to \$28 million. The Paratransit contract is increasing from \$8 million to \$8.9 million.

Expenses budgeted in services and supplies include nonstandard small equipment and office supplies, professional services for travel training services, and travel for operators to represent Community Transit in the [regional](#) and [national Rodeo](#) competitions.

## Staffing and Personnel Expense

Personnel Expense in Transportation includes a uniform and shoe allowance for operations staff. This expense varies from year to year – in even years, employees receive a full allowance, and in odd years, they receive half. The 2024 budget includes the full allowance.

The Chief Operating Officer is funded in this department. The position reports to the Chief Executive Officer, and oversees three departments: Transportation; Maintenance; and Safety, Security, and Sustainability.



Division	Budget Center	FTE
Contracted Transportation	68021 Contract Transportation Admin	4
Contracted Transportation	68032 Contracted Commuter Service	0
Contracted Transportation	68033 Paratransit Service	0
Transportation Administration	68011 Transportation Administration	9
Vehicle Control	68012 Vehicle Control	59
Vehicle Operations	68031 Vehicle Operations	424
<b>Grand Total</b>		<b>496</b>

In 2023, six vacant FTE were transferred to other departments: four FTE went to Employee Engagement to support coach operator recruitment and agency initiatives, one FTE went to Information Technology to support the zero emissions program, and one FTE went to Procurement to support bus purchases.

The 2024 budget adds 39 additional Coach Operator FTEs. These operators will support increased service hours and the Swift Orange line.

## Employee Expense by Fund

Employee Expense by Fund	2022 Actuals	2023 Amended Budget	2024 Budget	2024 Budget Over/Under 2023 Budget	% 2024 Budget Over/Under 2023 Budget
Fund 40: General Fund	\$ 51,240,401	\$ 58,607,230	\$ 63,743,011	\$ 5,135,781	9%
Fund 42: Infrastructure Preservation				-	n/a
Fund 45: FTA Capital Projects Fund				-	n/a
Fund 46: Local Capital Projects Fund				-	n/a
Fund 48: Facilities and Technology Fund				-	n/a
<b>Total Personnel Expense</b>	<b>\$ 51,240,401</b>	<b>\$ 58,607,230</b>	<b>\$ 63,743,011</b>	<b>\$ 5,135,781</b>	<b>9%</b>

All employee expense in 2024 is budgeted to the operating budget in the general fund.

## Capital Project Budget Oversight

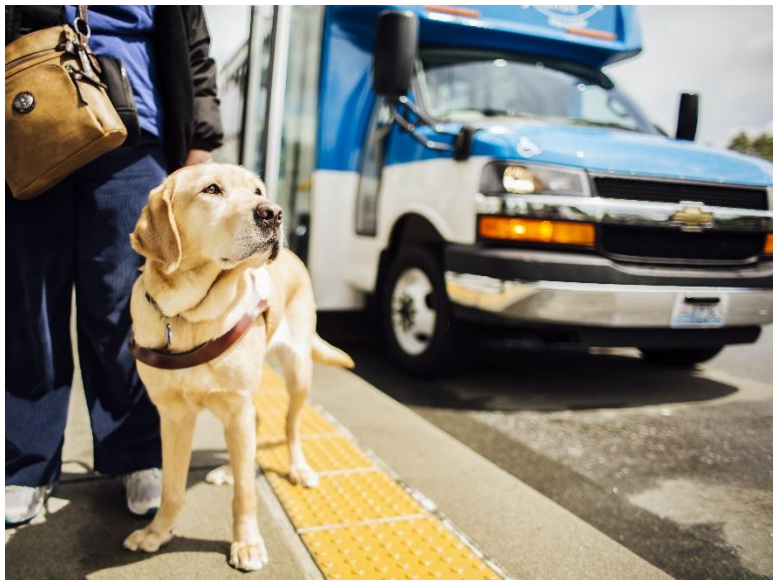
This department does not have budget authority over any capital projects for 2024.

## Accomplishments and Goals

Departments develop their workplans in support of agency strategic goals and priorities. A selection of 2023 accomplishments and 2024 goals are provided below.

### 2023 Accomplishments

- Partnered with Marketing and Communications staff to connect with current and potential riders, and to create a video on DART eligibility that will be published in late 2023.
- Attended and participated on several networking events to share information about DART.
- Implemented daily service delivery check-ins with contractors and made personal contact with customers whose experience on these services is not in alignment with our mission and vision or core values.
- Provided travel training to individuals, groups, and schools.
- In collaboration with the paratransit contractor, opened a functional assessment course for ADA Transit Eligibility.
- Partnered with Employee Engagement and Training to ensure successful recruitment and retention of staff.



- Significantly increased employee engagement activities over the last 12 months, both onsite and in the field.
- Increased participation in the regional Roadeo and increased operator interest in future competitions.
- Prepared for the move to the new operations building and participated in the planning process to ensure seamless operations.
- Continued to work collaboratively with Training and Safety, Security, and Sustainability for operator education and refresher training.
- Supplied masks on branded buses used by our contractors, installed upgraded filters in coaches, and explored new ways of interior cleaning with our paratransit provider.

## 2024 Goals

- Implement the 2024 March and September Service Changes successfully while maintaining service standards for on-time performance and service completion.
- Provide navigation and expertise for successful negotiations of the ATU and IAM Supervisor and Instructor bargaining agreements.
- Establish a working committee to procure a new uniform contract for Transportation employees.
- Continue to focus on employee and customer safety in the field through presence, engagement, and education.
- Increase field presence for 100% employee engagement.
- Implement the new commuter service contract successfully.
- Improve and document Contracted Services invoicing and compliance monitoring processes.
- Research zero emission options for specialized services.
- Continue reporting improvements, consolidation, and data collection automation while increasing efficiency of performance analysis.
- Collaborate with other Operations Departments to consolidate and improve reporting, key performance indicators, and prioritization.
- Improve the event report process for incident reporting and data collection.
- Provide project oversight and management of Transportation tasks and process development/documentation.
- Revise departmental Standard Operating Procedures.
- Finalize and train on Trakka locker use processes and procedures.
- Develop plan and timelines for turn-by-turn implementation.

# Supplemental Data

## Economic Conditions and Future Outlook

The Washington State Economic and Revenue Forecast Council<sup>1</sup> measures change in the state’s economy. The next table contains statistics from the September 2023 forecast.

<b>Washington State Economic Indicators</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Unemployment	4.2%	4.1%	4.5%	4.7%	4.6%	4.5%
Percent Change in Real Per Capita Income	1.7%	5.7%	4.0%	4.4%	4.2%	4.3%
Percent Change in Personal Income	2.3%	6.5%	4.9%	5.2%	5.1%	5.2%

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. Economic indicators are therefore used to help the agency forecast sales tax revenue. More information about sales tax revenues can be found in the Revenues section of this document.

### Local Economy—Snohomish County<sup>2</sup>

Snohomish County is the third most populous county in the state, with a population of 850,881 in 2022 and an estimated population for 2024 of 894,200<sup>3</sup>.

Snohomish County is home to over 23,000 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 303,000 workers, and the median household income is \$100,615. The county is the manufacturing center of Washington State, with about 25% of the county’s workforce engaged in manufacturing jobs. Snohomish County also has the state’s second highest concentration of tech-based jobs. Employment rates are in line with pre-pandemic levels and trending up.<sup>4</sup>

<sup>1</sup> Table Data from <https://erfc.wa.gov/forecasts/economic-forecast>, September 2023 Forecast, Table A1.3

<sup>2</sup> Data in this section retrieved September 2023 from <https://www.economicalliancesc.org/>

<sup>3</sup> 2024 population estimate per [www.economicforecaster.com](http://www.economicforecaster.com), September 2023.

<sup>4</sup> Employment rates per [www.economicforecaster.com](http://www.economicforecaster.com), September 2023.

Snohomish county contains large, well known employers including Boeing and Philips. In neighboring counties, headquarters for other global employers such as Microsoft, Amazon, T-Mobile, and Starbucks strengthen the need for regional transit connections to support commuters. The county has about 410,000 commuters ages 16 and over, including out of county residents. The average commute time within Snohomish County is 33 minutes, with about 16% of commuters carpooling or taking public transit.

Snohomish County Airport-Paine Field (PAE) is located within Community Transit’s service area. Paine Field supports an estimated 46,000 jobs and an economic output of about \$60 billion annually.<sup>5</sup> Paine Field began offering scheduled commercial service to destinations around the country in 2019. Community Transit’s Swift Green Line serves Paine Field.



Snohomish County Population and Demographic: 5-year History<sup>6</sup>

Year	County Population	PTBA Population	Age Distribution for Snohomish County		
			0-19	20-64	65+
2018	805,120	587,366	24.8%	61.5%	13.7%
2019	822,083	598,002	25.0%	61.6%	13.4%
2020	831,107	607,522	not available (due to COVID19 pandemic)		
2021	840,131	613,289	24.4%	60.5%	15.1%
2022	850,881	621,930	24.4%	60.4%	15.2%

Snohomish County is growing. The region has a variety of diverse communities, many of which are highlighted in Community Transit’s [Destination Guides](#).

Snohomish County has a diversity index score of 63.5, meaning that in a random sample of any two people in the county, there is a 63.5% chance that the individuals would identify with different racial or ethnic backgrounds.

About 67% of residents over the age of 25 have completed some form of higher education.<sup>7</sup>

<sup>5</sup> Paine Field data comes from the Paine Field website: <https://www.painefield.com/27/About-Our-Airport>

<sup>6</sup> Data Sources: U.S. Census Bureau; County population by age and gender: <https://www.economicalliancesc.org/>

<sup>7</sup> Data retrieved September 2023 from <https://www.economicalliancesc.org/>

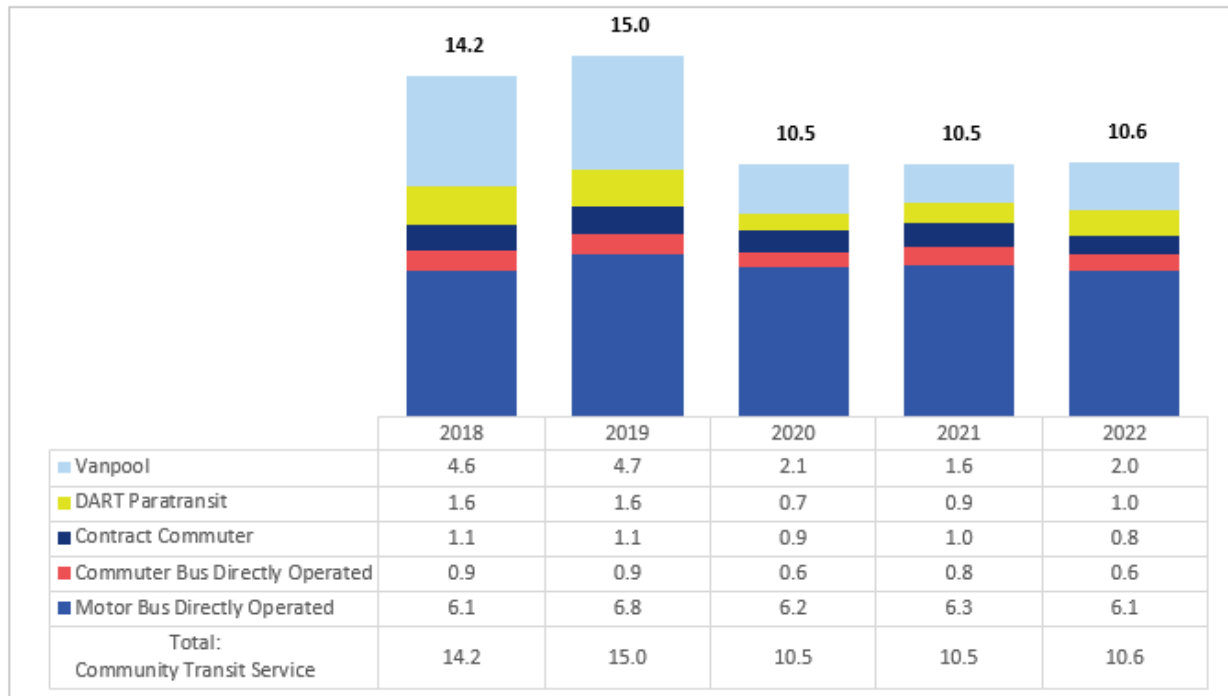


# Agency Statistical and Supplemental Data

Community Transit reports statistical and operating data to the Federal Transit Administration through the National Transit Database. Data for Community Transit and other transit providers is available at <https://www.transit.dot.gov/ntd>. A selection of data is included below.

## Service Miles

Community Transit Service Miles (in millions): 5 Year History



The large change in vanpool service miles can be attributed to changes in how commuters work. Remote and hybrid work schedules have meant fewer miles driven on vanpool vehicles.

## Capital Assets – Revenue Vehicles

Active Revenue Vehicles: 5 Year History

Year	Motor Bus Directly Operated	Commuter Bus Directly Operated	Contract Commuter	DART Paratransit	Vanpool	Total: Community Transit Service
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
2022	197	58	84	52	339	730

Community Transit’s inventory of motor buses is increasing to support service plan increases.

# Service Data

Service Statistical Data: Five-Year Comparison<sup>8</sup>

	2018	2019	2020	2021	2022
<b>Motor Bus Directly Operated</b>					
Average Weekly Ridership	126,618	134,599	85,498	76,928	89,868
Passengers per Hour	15.33	14.42	10.16	9.08	11.23
Fare Revenue per Passenger	\$ 1.26	\$ 1.28	\$ 0.95	\$ 0.92	\$ 0.95
Cost per Passenger	\$ 11.67	\$ 12.91	\$ 20.00	\$ 19.95	\$ 22.26
Cost per Mile	\$ 12.62	\$ 13.37	\$ 14.32	\$ 12.64	\$ 17.01
Farebox Return	10.8%	9.9%	4.7%	4.6%	4.3%
<b>Commuter Bus Directly Operated</b>					
Average Weekly Ridership	23,526	23,634	6,951	4,752	4,975
Passengers per Hour	26.30	26.05	11.88	6.99	9.01
Fare Revenue per Passenger	\$ 3.60	\$ 3.53	\$ 3.78	\$ 3.37	\$ 3.68
Cost per Passenger	\$ 12.30	\$ 13.01	\$ 33.56	\$ 49.02	\$ 48.19
Cost per Mile	\$ 17.35	\$ 18.23	\$ 19.03	\$ 15.37	\$ 19.39
Farebox Return	29.3%	27.1%	11.3%	6.9%	7.6%
<b>Contract Commuter Service</b>					
Average Weekly Ridership	34,052	35,591	9,587	6,042	8,987
Passengers per Hour	34.99	35.38	13.73	8.73	14.76
Fare Revenue per Passenger	\$ 3.57	\$ 3.42	\$ 4.12	\$ 4.12	\$ 4.01
Cost per Passenger	\$ 6.12	\$ 6.39	\$ 22.54	\$ 34.83	\$ 23.59
Cost per Mile	\$ 10.19	\$ 10.66	\$ 12.33	\$ 11.41	\$ 13.45
Farebox Return	58.3%	53.5%	18.3%	11.8%	17.0%
<b>DART/Paratransit</b>					
Average Weekly Ridership	3,846	3,666	1,334	1,636	2,014
Passengers per Hour	2.29	2.24	1.91	1.67	1.84
Fare Revenue per Passenger	\$ 2.04	\$ 2.26	\$ 1.93	\$ 2.63	\$ 2.38
Cost per Passenger	\$ 44.16	\$ 47.08	\$ 143.06	\$ 95.61	\$ 79.96
Cost per Mile	\$ 5.48	\$ 5.68	\$ 14.60	\$ 9.27	\$ 8.15
Farebox Return	4.6%	4.8%	1.4%	2.8%	3.0%
<b>Vanpool</b>					
Average Weekly Ridership	16,719	15,842	5,808	4,382	5,408
Passengers per Hour	6.02	5.54	4.65	4.71	4.76
Fare Revenue per Passenger	\$ 3.45	\$ 3.78	\$ 5.00	\$ 7.83	\$ 5.00
Cost per Passenger	\$ 5.20	\$ 5.32	\$ 11.22	\$ 12.49	\$ 13.49
Cost per Mile	\$ 0.98	\$ 0.93	\$ 1.64	\$ 1.80	\$ 1.90
Farebox Return	66.3%	71.0%	44.6%	62.7%	37.0%

**Notes:**

- Cost per passenger is not net of fare revenue.
- Revenue hours and miles are time and distance in active service.

Information about future service plans is available in the Service Plan section.

<sup>8</sup> Source: FTA National Transit Data Base (NTD) Report

## Fare Structure

Community Transit periodically reviews and updates its fare structure. Notable changes include a shift from zone-based fare structures in October 2018 as part of a regional fare policy initiative. In 2019, Community Transit adopted a low-income bus fare available to those who qualify for an [ORCA LIFT Card](#). The Covid-19 pandemic brought a temporary suspension of fare collections (not reflected in the tables below). The agency suspended fare collection effective March 20, 2020, and resumed on Swift routes effective June 1, 2020, and on all routes effective July 1, 2020.

Most recently, Community Transit and other regional transit providers eliminated fares for youth 18 and under in support of the Move Ahead Washington transportation package approved by the Washington State Legislature in March 2022. This change took effect September 1, 2022.

Fare Structure: 5-year History

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

Year	Local Service			Commuter			DART	
	Regular	Youth	ORCA LIFT & Senior/Disabled	Regular	Youth	ORCA LIFT & Senior/Disabled	Paratransit Fares	Youth
Jul-Dec 2019	2.50	1.75	1.25	4.25	3.00	2.00	2.50	
2020-Aug 2022	2.50	1.75	1.25	4.25	3.00	2.00	2.50	
Sep-Dec 2022	2.50	Free	1.25	4.25	Free	2.00	2.50	Free
Jan-Sep 2023	2.50	Free	1.25	4.25	Free	2.00	2.50	Free

Revenue from fares is discussed in the Revenues section of this document.

Learn more about current fares and passes at: <https://www.communitytransit.org/fares-and-passes>.

## Key Performance Indicators

Key performance indicators help evaluate how effectively and efficiently the agency performs over time. Community Transit developed a series of key performance indicators in 2003. The Board of Directors originally adopted performance indicators in two categories: Customer Satisfaction/Ridership Growth and Good Stewards of Public Funds. The agency publishes information on all Key Performance Indicators in the Annual Comprehensive Financial Report each year. View 2022's report online at: <https://www.communitytransit.org/budget-and-finances>.

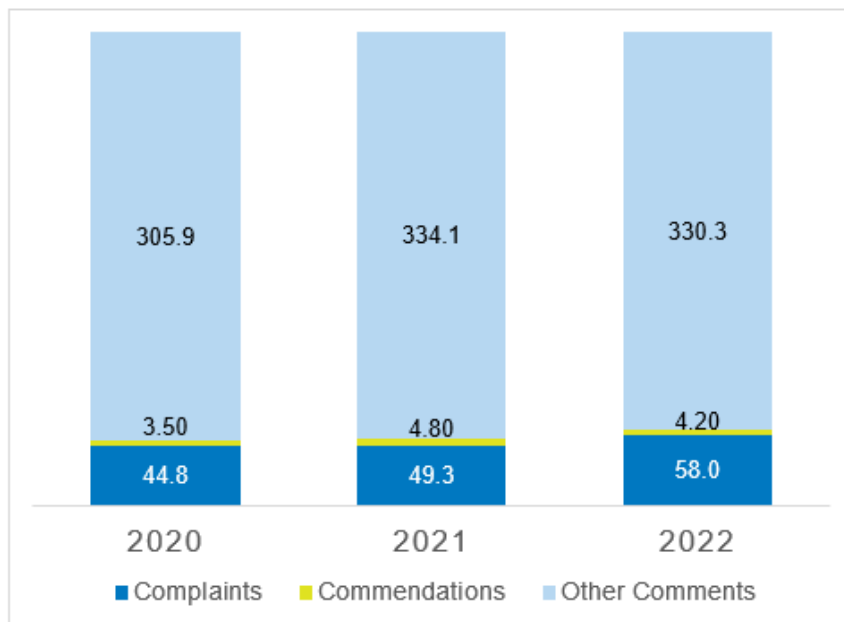
A selection of key performance indicator information is included below, showing data through the year ending December 31, 2022. The agency closely monitors performance data throughout the year. Commentary may include 2023 trends to date.

Note: Charts exclude Sound Transit service since Community Transit operates that service on a contract basis.

## Customer Satisfaction and Ridership Growth

### Customer Comments

Total Customer Comments per 100,000 Boardings

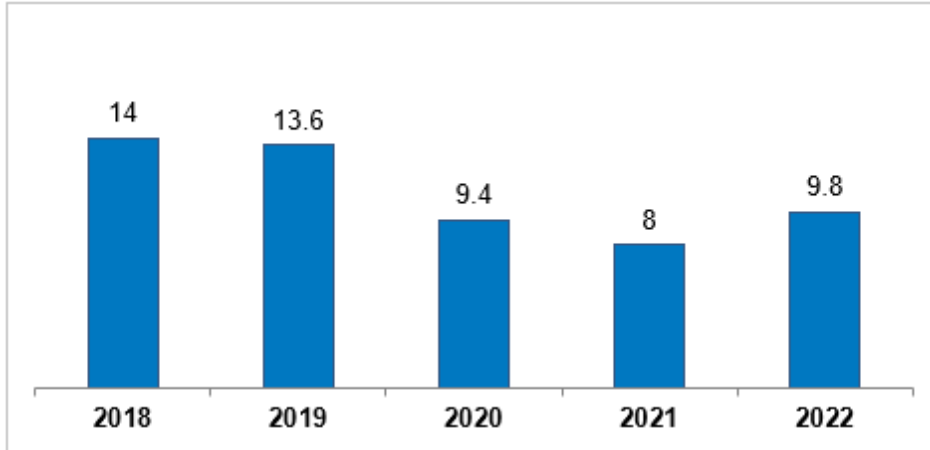


Customer comments are an indicator of customer interest in, concern about, and satisfaction with Community Transit Services. They include commendations for our coach operators and other employees, complaints, requests for additional service, suggestions for changes in existing service, requests for bus stops to be added or removed, and the like. The most common customer complaints include scheduling concerns, frequency of stops, and behavior of other riders on a bus.

## Boardings Per Revenue Hour

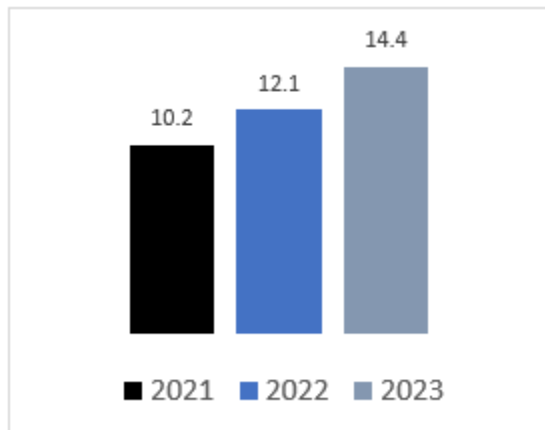
Boardings per revenue hour measures use of the service Community Transit operates. This is a ratio of passenger boardings across all modes (bus, commuter bus, demand response, and vanpool) divided by the number of revenue hours operated in all modes.

Annual Boardings Per Revenue Hour: 5-Year History



System ridership was significantly impacted by the COVID-19 pandemic and reached a low point in 2021. In 2022, ridership across all modes showed recovery with 9.8 million boardings, an increase of 19% compared to 2021 and 2% compared to 2020.

Average Monthly Boardings Per Revenue Hour: January through August



As of August 2023, system boardings appear to be approaching pre-pandemic levels. The year-to-date average (January through August) for 2023 is just under 14.4 boardings per revenue hour, an increase of 4.2 over the 2021 average for the same time period.

Ridership typically drops slightly in the winter months, which explains the difference between the 2021 and 2022 year-end averages as compared to the January to August averages.

## 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.

### Recent Changes Impacting Cost Performance

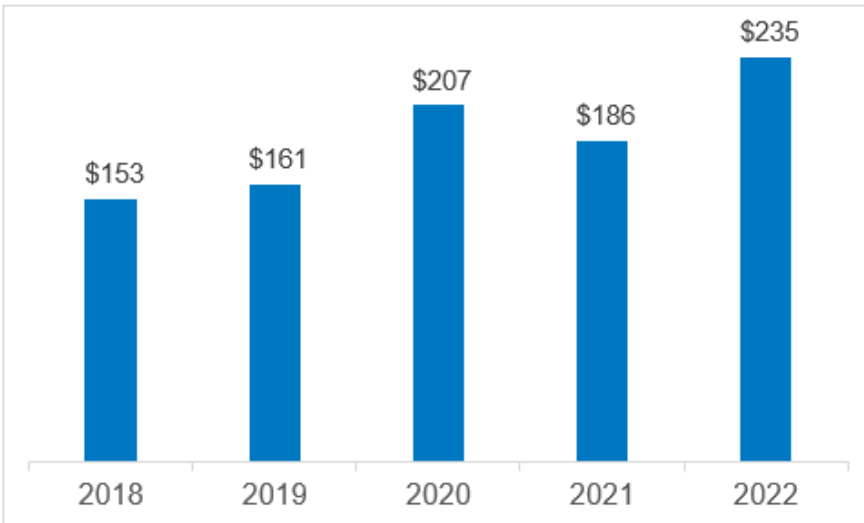
In 2019, Community Transit operated 818,000 service hours across all modes. In 2020, Community Transit deferred service increases and reduced service across all modes in response to the COVID-19 pandemic. In 2022, Community Transit operated 72% of the 2019 peak service hours.

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. In September 2022, Community Transit instituted a free fare for youth policy, also in conjunction with other regional transit agencies.

### 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.

Cost Per Revenue Hour: 5-year History



Decreases in revenue hours during the Covid-19 pandemic were not proportional with cost decreases and caused the cost per revenue hour to spike in 2020. In 2021, revenue hours increased slightly, while operating expenses decreased by about 9%. This decrease was primarily due to a reduction in total pension expense that occurred when the agency's state-sponsored pension plan became fully funded. In 2022, and continuing into 2023, costs have increased, largely due to inflation. Revenue hours are planned to increase steadily from 2023 through 2028. Please see the 2023-2028 Transit Development Plan for detailed service projections, available online at <https://www.communitytransit.org/transit-development-plan>.

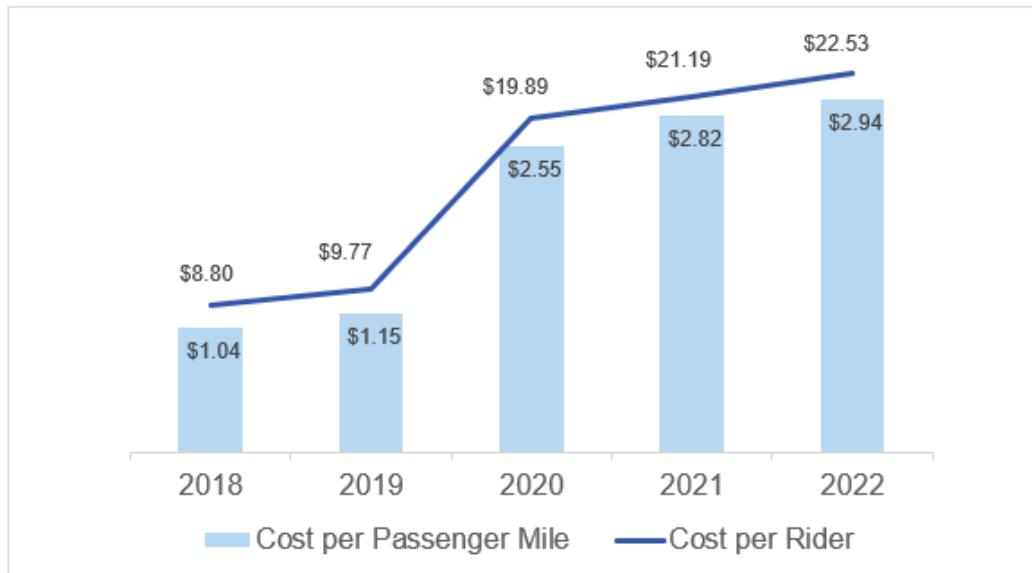


## Cost Per Rider and Per Passenger Mile

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 an indicator of cost efficiency but must be reviewed with consideration for policy decisions to offer low-cost, no-cost, or other fare options.

Cost per passenger mile measures the cost of operations to carry one passenger for one mile. Factors that increase the cost per passenger mile include fewer miles to absorb operating expense and increased operating expense.

### Cost per Rider and per Passenger Mile: 5-Year History



### Cost per Rider

The number of riders who used the agency's services in 2020 declined by 49%. 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.

In 2021, a low-income fare program offering reduced fares (1/2 of the full fare) was implemented for riders who qualified for the program. In 2022, a program offering free fares for youth was adopted. The youth free fare, and work-from-home options which many businesses now offer have contributed to lower fare revenue.

### Cost per Passenger Mile

Between 2020 and 2021, the cost per passenger mile increased by 10%. Implementation of the regional low-income fare program and the opening of Link light rail in north King County contributed to the increase. 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.

# Reference

## Planning Cycle and Annual Budget Process

Community Transit’s fiscal year is the calendar year – January 1 to December 31. Budget development consists of a multiphase process beginning in the spring and ending in December when the Board of Directors adopts the budget for the upcoming fiscal year.

### Strategic Planning Process

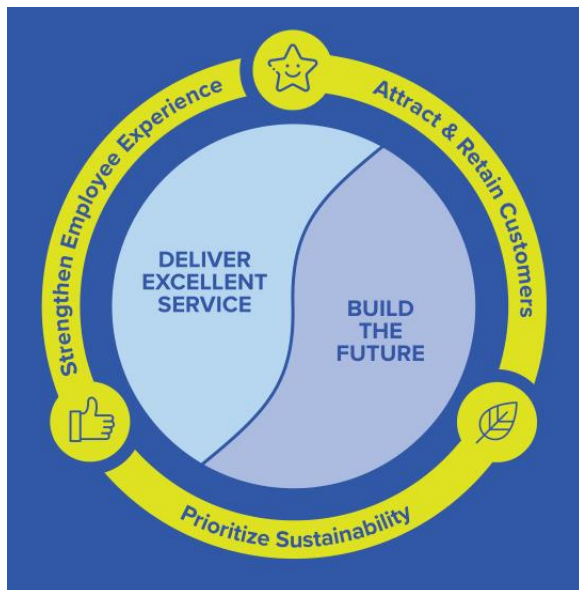
Community Transit leadership seeks to adopt Mission and Vision statements that reflect the region’s transportation needs and changing customer expectations. Every few years, these statements are refreshed by the Executive Leadership Team to stay ahead of new developments and needs of our community and customers.

**▶ VISION**  
Travel made easy for all.

**▶ MISSION**  
We help people get from where they are to where they want to be.

**▶ CORE VALUES**  
Accountability  
Diversity, Equity & Inclusion Initiative  
Integrity  
Mutual Respect  
Service-Focused  
Teamwork

### Strategic Priorities and Themes



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. In 2019, these were finalized and communicated to all Community Transit employees. Agency Priorities were developed 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. An agency strategy map, outlining goals and initiatives was developed during 2023 (see page 54).

# Community Transit’s 25-Year Planning Framework



## Transit Development Plan

Pursuant to RCW 36.57A.060, Community Transit’s Strategic Planning staff develops its annual Transit Development Plan (TDP). Yearly updates to this plan provide a refreshed six-year forecast of agency financials, service levels, and capital projects. The TDP represents an important forum for developing strategic goals and helps set the tone for many agency work programs. The TDP is adopted by resolution of the Board of Directors, preceding the development and adoption of Community Transit’s annual budget. The Washington State Department of Transportation requires transit agencies to submit an updated plan approved via a public process in late summer each year.

The TDP is updated each year with new economic assumptions and provides parameters for the annual budget, including revenue and service growth estimates, along with cash outflows for operations and capital requirements. It also works with the budget to set reserve policy and ensures fiscal sustainability to support future growth and expansion. Annual updates provide a refreshed six-year forecast of agency financials, service levels, and capital projects, as well as a roadmap for the delivery of Community Transit’s service plan. Planning and Development and Finance staff work cooperatively to translate the TDP assumptions into budget detail.

The TDP also serves as an important communication tool to internal staff, community partners, and citizens. The most current board-adopted TDP document can be found at:

<https://www.communitytransit.org/transit-development-plan>.

## 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.

## Annual Budget Development

Community Transit's Board of Directors adopts its annual budget in December preceding the start of a new fiscal year. Board Resolution No. 22-98 specifies the timeline for presentation of the budget to the Board and requires that the budget presented be balanced. RCW 36.57.040(1) requires transportation authorities "to prepare, adopt, carry out, and amend a general comprehensive plan for public transportation service."

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. Staff develop the budget based on agencywide strategies, plans, and departmental programs and objectives. The Board monitors the annual budget and agency financial activities through review of financial reports including monthly expenditures listings, quarterly financial reports, and the annual comprehensive financial report.

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.

## 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 or fund level must be authorized by the Board of Directors; at lower levels they are the responsibility of the CEO.

## 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.

Service hour projections put forth by Planning and Development staff inform 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 Leadership team prior to the start of the departments' budget preparation. The Executive Leadership team reviews and makes tentative approvals based 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 Project Budgets

Capital projects are proposed prior to the annual budget process and are approved by a committee of leadership team members, based on agency need, funding availability, and agency capacity. Projects are budgeted and accounted for in funds outside of the operating fund and budgets may span multiple years. Staff budget for approved capital projects concurrently with the preparation of their department budgets. Capital projects are budgeted and funded in their entirety when approved. During each budget cycle, the remaining unexpended portion of each project, as well as related grant reimbursements, is included in the next fiscal year's budget. Remaining funds are returned to the general fund when projects have been completed.

## 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 Executive Leadership 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. Multiple rounds of review may occur to achieve targets. The Executive Leadership 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 during September and October.

## Presentation to the Board of Directors and Review Process

Community Transit's Chief Financial Officer 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 Board of Directors receives a document containing Community Transit's proposed budget and related information, including the 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 31<sup>st</sup> whereby the Board adopts a budget for Community Transit.

## Budget Amendments

Budget amendments are a tool to make changes to the budget if unanticipated events, such as economic and other changes, occur that warrant changes to Community Transit's Board-adopted budget. Often, one or more amendments are processed in advance of the annual budget process. These amendments usually include elements such as off-cycle project requests or adjustments to the service plan. A final year-end amendment may be 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 budget amendments and prepares a Board resolution and associated attachments. The Board of Directors reviews and approves budget amendments. This process occurs at 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 Calendar

	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
	Budget workshops held	Mid-June
	Budget system released to department budget preparers	Late June
	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 proposal	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 workers’ compensation program, and multiple capital project funds. Several of these funds contain reserves. All of Community Transit’s funds are appropriated.

## Management Funds

Number and Name	Type	Purpose
40 General Fund	Operating	Direct operating costs are paid from this fund.
41 Replacement Reserve	Capital	Vehicles  This fund reserves a portion of Community Transit’s local revenues, mainly sales tax revenue, for replacing buses, vanpool vans, paratransit vehicles, and support vehicles and for accumulating the local match when federal grant funds are used for vehicle replacements.
42 Infrastructure Preservation and IT Preservation	Capital	Existing Infrastructure and Technology Systems and Equipment  Similar to the Replacement Reserve, this fund reserves a portion of Community Transit’s local revenues, mainly sales tax revenue, to accumulate funds for the repair and replacement of aging facilities and technology infrastructure. The fund contains new projects as well as projects carried over from year to year.
43 Workers’ Compensation Fund	Operating	Workers’ Compensation  This fund is used to pay worker’s compensation claims. State law requires that all self-insured entities keep a certain minimum in reserve to pay current and future claims.
44 State Capital Projects	Capital	State Grant Funded Projects  This fund includes capital projects paid for, in part, by state grants which usually require Community Transit to contribute a partial match. The fund contains new projects as well as projects carried over from year to year.

Number and Name	Type	Purpose
45 FTA Capital Projects	Capital	<p>Federal Grant Funded Projects</p> <p>This fund includes capital projects paid for, in part, by Federal Transit Administration (FTA) grants that require Community Transit to contribute a partial match. This fund may also include state and local grants or contributions associated with federal funding. The fund contains new projects as well as projects carried over from year to year.</p>
46 Local Capital Projects	Capital	<p>Locally Funded Capital Projects</p> <p>This fund includes capital projects paid for with locally generated funds. The fund contains new projects as well as projects carried over from year to year. 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 (those between \$5,000 and \$50,000, or “MINCAP”) are budgeted.</p>
47 Bond Capital Projects Fund	Capital	<p>Bond Projects</p> <p>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.</p>
48 Facility and Technology Expansion Reserve	Capital	<p>Expansion Infrastructure</p> <p>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.</p>
50 Bond Debt Service Fund	Debt Service	<p>Bond Payments</p> <p>This fund provides for the annual principal and interest payments on outstanding bonds.</p>

# Financial Policies

Community Transit’s financial policies are designed to provide a strategic and comprehensive framework for financial resource management. They provide guidelines for decision-making on how financial resources shall be utilized to fulfill the mission of the agency, 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.

## Basis of Accounting and Financial Reporting

Community Transit’s fiscal year and budget period is January 1 through December 31.

The accounting policies of Community Transit conform to generally accepted accounting principles applicable to governmental units. Community Transit applies all applicable Governmental Accounting Standards Board (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 customers for transportation services), reimbursements from Sound Transit for providing regional express bus service, and revenues earned from advertisements posted on buses. All other revenues are reported as nonoperating in the financial statements. 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 general fund.

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. For budgetary reporting, expenditures in the capital program are considered nonoperating, even if they are not capitalized for financial reporting.

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.

## Budgeting

The Board of Directors adopts both short-term and long-range plans that define the financial and service goals for the agency. A 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 staff is committed to presenting a balanced budget with sustainable service level 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 TDP.

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, post-employment 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.

## Business Planning Process

Business planning is an annual process completed as a pre-budget activity. Staff coordinate to plan work activities on an agencywide level for the next year. The executive team makes final decisions regarding the business planning process.

## 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 projects. 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% of the total replacement cost of all facility and technology assets, excluding vehicles. The reserve balance target is equal to the estimate for the current year and three subsequent years.
Operating	Three months' capacity for operating expenses, exclusive of Sound Transit service, and a \$5.5 million fuel reserve to cover unbudgeted increases.
Vehicle Replacement	This 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.
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.

## 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 (WSDOT) in the construction of passenger park & 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 & 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 is 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.

## Controlling Noncapitalized Assets

A noncapitalized asset is defined as any item with a value of at least \$300 and less than \$5,000, that 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 identifies and authorizes certain employees to make purchases on behalf of community transit and enter into contracts on the agency's behalf. The different authority levels are updated and maintained regularly as organizational structure, job titles, and business needs evolve.

The policy also contains guidelines for:

- Approving invoices for payment.
- Authorizing release of payments.
- Authorizing budget transfers.
- Authorizing the release of surplus property.
- Delegating authority for the annual USDOL OSHA 300 report.

## 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 contains the following topics:

- Affirming community transit's key investment principles.
- Managing community transit's investment program.
- Selecting financial institutions and brokers/dealers.
- Evaluating investment decisions.
- Developing community transit's investment strategy.
- Investing in authorized securities.
- Appendices include: 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. All investments held are therefore 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. The policy 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.

## 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.

## Managing Agency Payment Cards

This policy applies to agency employees who perform one or more of the following functions associated with agency payment cards:

- Manage the policy or audit procedures.
- Review and approve expenditures or issue payments for purchases made using agency payment cards.
- Authorize other employees to perform any activity associated with the program.
- Serve as a card user or card custodian.

The policy covers the following information:

- Managing the agency payment card program.
- Setting payment card limits.
- Managing employee access to payment cards.
- Using payment cards.
- Monitoring and paying for purchases made using payment cards.
- Responding to misuse of a payment card.
- Appendices detail responsibilities of employees who participate in or manage the program.

## 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. The 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:

- Managing the Agency Travel Program.
- Making Travel Arrangements.
- Purchasing Transportation for Business Travel.
- Purchasing Lodging for Business Travel.
- Using Per Diems While Traveling on Agency Business.
- Administering Travel Advances.
- Paying, Reconciling, and Reimbursing Travel Expenses.
- Travel Program Tip Guidelines.
- Combining Business and Personal Travel.
- Changing, Transferring, or Cancelling Travel Arrangements.
- Requesting Exceptions to the Agency Travel Program.
- Documenting Agency Travel.
- Purchasing Meals for Agency Activities.
- Determining When Travel Time is Compensable.
- 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 includes 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 establishes the program and outlines employee responsibilities for managing the program and reporting data.

## 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.

## 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.

## 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.

## 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 (CFR) 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.

## Unearned Revenue

Revenues received in advance are recorded as unearned revenue on the Statement of Net Position.

## 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:

- Determining driver qualification.
  - Monitoring driving status, and monitoring and scheduling staff vehicles.
  - Driving a staff vehicle on behalf of Community Transit.
  - Assigning staff vehicles for long-term use.
  - Using personally owned vehicles to conduct agency business.
- Administering the policy.

# Glossary: Terms and Acronyms

Term or Acronym	Definition
Account	A record of an activity that describes the nature of an expenditure or revenue. Examples: fees for services, salaries, supplies, or equipment.
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.
Actual	Earned revenue or incurred expense during the stated fiscal year.
ADA	Americans with Disabilities Act (ADA)
ADA Paratransit	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. Also an accounting technique used to periodically lower the book value of an intangible asset over a set period of time.
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.
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.



<b>Term or Acronym</b>	<b>Definition</b>
BRT	Bus Rapid Transit—a system using buses which aims to combine the capacity and speed of light rail or metro with the flexibility, 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 Calendar	A schedule of key dates that Community Transit follows in the preparation, review, and adoption of its annual budget.
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 or provide a service over a long period of time and forms the productive base of an organization.
CARES Act	The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act.
CBDO	Commuter Bus Directly Operated service
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, accounts, and projects.
Chart of Accounts	A list of account numbers and their descriptions.
Consumer Price Index (CPI)	A measure of the average change over time in the prices paid by urban consumers for goods and services.

<b>Term or Acronym</b>	<b>Definition</b>
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
Contra account	A budget offset account that reduces the budgeted value of a related account without cutting specific line items when netted together. This is a tool to help Community Transit control costs and forecast actual spending.
CPA	Certified Public Accountant.
CRRSAA	Coronavirus Response and Relief Supplemental Appropriations Act was signed into law on December 27, 2020. This included funds to support the transit industry during the COVID-19 public health emergency.
CTR	Commuter Trip Reduction is a Washington State law that requires certain employers to develop programs to encourage their employees to use commuting alternatives instead of driving alone.
DART	Dial-a-Ride Transportation, also known as paratransit. Also known as: paratransit, ADA paratransit
Debt Service	Payment of principal and interest to Community Transit's bondholders.
DEI	Diversity, Equity, and Inclusion.
Department	A major unit of the agency
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.
Division	A sub-unit of a department.
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.
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.

<b>Term or Acronym</b>	<b>Definition</b>
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.
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. Community Transit uses multiple funds for budgeting and management purposes, but activity is combined into a single enterprise fund for the Annual Comprehensive Financial Report.
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 Board—the entity that determines GAAP for government entities.
GFOA	The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training, and leadership.
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.

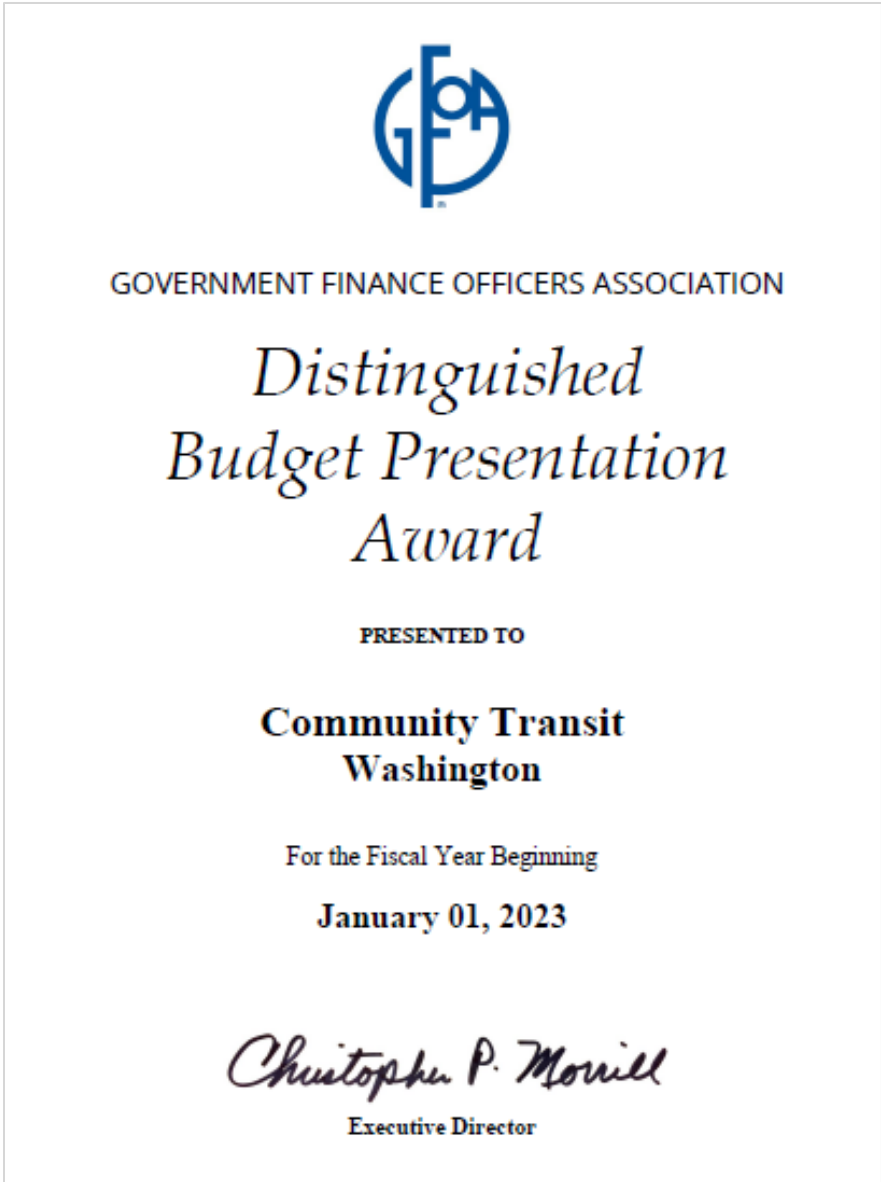
<b>Term or Acronym</b>	<b>Definition</b>
LGIP	Local Government Investment Pool – an investment portfolio operated by the Washington State Treasurer’s office.
Liability	The future sacrifices of economic benefits that the entity is obliged to make to other entities as a result of past transactions or other past events, the settlement of which may result in the transfer or use of assets, provision of services, or other 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.
MBDO	Motor Bus Directly Operated service
Microtransit	A demand response transport vehicle service that offers flexible routing and/or scheduling shared with other passengers.
Nonoperating Expenses	Cost or charges that do not arise from the principal operations of the agency’s business. An example is interest expense.
Nonoperating Revenue	Revenues that do not result from the principal operations of the agency’s business. Examples include interest income and capital grants.
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. <a href="https://www.transit.dot.gov/ntd">https://www.transit.dot.gov/ntd</a>
OFI	Owner Furnished Items—items provided by the agency to a contractor in connection with the contractor’s performance of work.
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. <a href="https://info.myorca.com/">https://info.myorca.com/</a>
Paratransit	(see ADA Paratransit or DART)
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 may participate.
PID	Public information display.

<b>Term or Acronym</b>	<b>Definition</b>
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 the 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, which include small, minority, and women owned businesses in its procurement opportunities.
Service Hour	See Revenue Hour (above).
SGR (also, 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.
TDM	Transportation Demand Management--the application of strategies and policies to increase the efficiency of transportation systems, that reduce travel demand, or to redistribute this demand in space or in time.
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.

Term or Acronym	Definition
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.
Working Capital	The money available to an agency to meet current, short-term obligations. Sometimes referred to as liquid assets.
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 and 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.
ZE	Zero emissions. Zero Emissions vehicles are battery electric vehicles and hydrogen fuel cell electric vehicles.



# Distinguished Budget Presentation Award



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, 2023.

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.

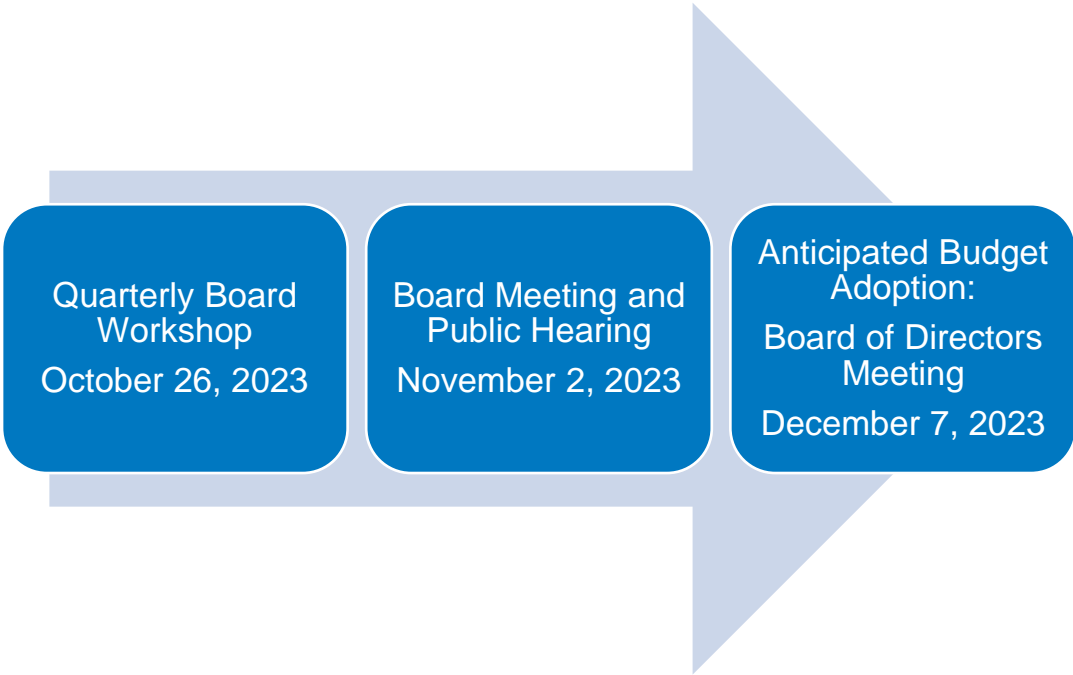
# Board Resolution

## Approving the 2024 Budget

This resolution is not available in the proposed version of the budget document.

### Board Meeting Schedule – 2024 Budget

The budget will be discussed at the Board meetings below. These meetings are open to the public. Learn how to attend a Board meeting at <https://www.communitytransit.org/how-to-attend-a-meeting>.



**RESOLUTION NO. 03-23**

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 2024.

WHEREAS, the Chief Executive Officer and Budget Manager presented the proposed 2024 budget to the Board of Directors on October 26, 2023; and

WHEREAS, the Board of Directors of Community Transit met in regular session on Thursday, November 2, 2023, at 3:00 p.m. in a hybrid meeting format via a Zoom online meeting combined with an in-person meeting in the Cascade Conference Center, for the purpose of hearing all matters and all persons in connection with the adoption of the 2024 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 2024 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 2024 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, 2023, for all exempt and nonexempt administrative employees will be increased by 2.5 percent effective January 1, 2024, 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, 2024, with the budget balances remaining as of December 31, 2023, plus any new amounts included in the adopted 2024 budget unless the project has been completed and no additional funding is required.

APPROVED AND PASSED THIS 7th day of December 2023.

*Jan Schuette*

\_\_\_\_\_  
Council Member Jan Schuette, Board Chair

ATTEST

APPROVED AS TO FORM

*Sid Roberts*

\_\_\_\_\_  
Mayor Sid Roberts, Secretary

*Allen J. Hendricks*

\_\_\_\_\_  
Allen J. Hendricks, Attorney

**Community Transit 2024 Budget  
Totals of Estimated Revenues  
Resolution No. 03-23 Exhibit A**

<b>Fund</b>		<b>Beginning Cash</b>	<b>Revenues</b>	<b>Interfund Transfers</b>	<b>Total</b>
40	General Fund	\$ 126,856,567	\$ 273,252,471	\$ 5,488,855	\$ 405,597,893
41	Replacement Reserve Fund	\$ 46,545,453	\$ 5,000	\$ 1,975,000	\$ 48,525,453
42	Infrastructure Preservation	\$ 32,627,132	\$ -	\$ 4,300,000	\$ 36,927,132
43	Workers' Compensation Fund	\$ 6,226,816	\$ 200,000	\$ 2,500,000	\$ 8,926,816
44	State Capital Projects Fund	\$ 5,076,638	\$ 1,602,365	\$ 3,061,000	\$ 9,740,003
45	FTA Capital Projects Fund	\$ 2,571,261	\$ 50,265,154	\$ 50,854,427	\$ 103,690,842
46	Local Capital Projects Fund	\$ 9,572,566	\$ 100,000	\$ 5,657,883	\$ 15,330,449
47	Bond Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
48	Facilities and Technology Fund	\$ 222,550,652	\$ 7,538,364	\$ 72,612,244	\$ 302,701,260
50	Bond Debt Service Fund	\$ 595,556	\$ -	\$ 1,428,250	\$ 2,023,806
	<b>Total Budget</b>	<b>452,622,641</b>	<b>332,963,354</b>	<b>147,877,659</b>	<b>933,463,654</b>

**Community Transit 2024 Budget  
Expenditures for Each Separate Fund  
Resolution No. 03-23 Exhibit B**

<b>Fund</b>	<b>Fund Description</b>	<b>Expenditures</b>	<b>Interfund Transfers</b>	<b>Ending Cash</b>	<b>Total</b>
40	General Fund	\$ 231,566,294	\$ 96,790,996	\$ 77,240,603	\$ 405,597,893
41	Replacement Reserve Fund	\$ 4,752,000	\$ 148,386	\$ 43,625,067	\$ 48,525,453
42	Infrastructure Preservation	\$ 5,703,966	\$ 4,157,912	\$ 27,065,254	\$ 36,927,132
43	Workers' Compensation Fund	\$ 3,744,014	\$ -	\$ 5,182,802	\$ 8,926,816
44	State Capital Projects Fund	\$ 9,740,003	\$ -	\$ -	\$ 9,740,003
45	FTA Capital Projects Fund	\$ 103,690,842	\$ -	\$ -	\$ 103,690,842
46	Local Capital Projects Fund	\$ 14,147,892	\$ 1,182,557	\$ -	\$ 15,330,449
47	Bond Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
48	Facilities and Technology Fund	\$ 64,726,467	\$ 45,597,808	\$ 192,376,985	\$ 302,701,260
50	Bond Debt Service Fund	\$ 1,428,252	\$ -	\$ 595,554	\$ 2,023,806
	<b>Total Budget</b>	<b>439,499,730</b>	<b>147,877,659</b>	<b>346,086,265</b>	<b>933,463,654</b>

**Exhibit C to Resolution No. 03-23**  
**Effective January 1, 2024**  
**2024 Table of Bands/Ranges**

<b>Band/Grade</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
A11	47,386	54,494	61,601
A12	50,858	58,487	66,116
A13	54,328	62,478	70,628
B21	56,580	66,482	76,383
B22	59,977	70,474	80,970
B23	63,375	74,465	85,556
B24/31	66,220	79,465	92,709
B25/32	71,218	85,461	99,705
C41	81,604	97,925	114,247
C42	87,412	104,894	122,378
C43	93,222	111,865	130,509
C44/51	100,494	120,592	140,690
C45/52	109,215	131,058	152,901
D61	111,828	139,784	167,741
D62	117,404	146,754	176,104
D63	122,978	153,723	184,468
D64/71	129,961	162,451	194,941
D65/72	138,333	172,915	207,499
D66/73	145,942	182,427	218,911
E8	154,361	200,669	246,978
E9	164,085	213,311	262,537
TRN	\$30.50 per hour		

## Addendum

### Comparison Table 2023 vs 2024 Strategic Priorities

In late 2022, Community Transit updated its Strategic Priorities. These are discussed in the 2023 and 2024 CEO messages and referenced throughout both budget documents. The text in blue corresponds to agency strategic priorities.

<b>2023 Strategic Priorities</b>	<b>2024 Strategic Priorities</b>
<p><b>Deliver Excellent Service</b></p>	<p><b>Deliver Excellent Service <u>and</u> Build the Future (Integrated, Streamlined)</b></p>
<p><i>Provide safe, Reliable transportation services</i></p> <ul style="list-style-type: none"> <li>• Implement expanded security program</li> <li>• Expand service ambassador presence</li> <li>• Upgrade station configurations, lighting, and sound systems</li> <li>• Strengthen digital tools available to riders</li> <li>• Focus on recruitment/retention strategy</li> </ul>	<p><i>Attract and retain customers</i></p> <ul style="list-style-type: none"> <li>• Bus Rapid Transit Expansion</li> <li>• Light Rail and Local Network Improvements</li> <li>• Innovative Services Improvements</li> <li>• Safety and Security Focus</li> <li>• Service delivery</li> </ul>
<p><i>Live our core values in service to employees and customers</i></p> <ul style="list-style-type: none"> <li>• Make Community Transit employer of choice</li> <li>• Deliver investments</li> <li>• Make progress on the agency’s DEI program</li> <li>• Engage front-line employees</li> <li>• Develop a long range financial plan</li> </ul>	<p><i>Strengthen employee experience</i></p> <ul style="list-style-type: none"> <li>• Safety and Security Focus</li> <li>• Service delivery</li> </ul> <p><i>Prioritize sustainability</i></p> <ul style="list-style-type: none"> <li>• Zero Emissions Program</li> <li>• Sustainable financial planning</li> </ul>
<p><b>Build the Future</b></p>	
<p><i>Strengthen local connections within the county</i></p> <ul style="list-style-type: none"> <li>• Build out the Swift Bus rapid transit network</li> <li>• Reinvest service hours toward robust fixed and local network service</li> <li>• Work with partners at the City of Everett</li> </ul>	
<p><i>Innovate to support local community needs</i></p> <ul style="list-style-type: none"> <li>• Commit to testing and delivering innovative services to support community needs</li> <li>• Test pilot new services that enable potential riders to choose transit</li> </ul>	
<p><i>Provide access to light rail</i></p> <ul style="list-style-type: none"> <li>• Access from anywhere in the network</li> </ul>	
<p><i>Practice sustainability agency wide</i></p> <ul style="list-style-type: none"> <li>• Utilize FTA sustainability training</li> <li>• Implement Environmental and Sustainability</li> </ul>	
<p><i>Deploy a green fleet</i></p> <ul style="list-style-type: none"> <li>• Complete Zero Emissions fleet study</li> <li>• Update fleet plan for ZE transition</li> </ul>	



# 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.

### **Diversity, Equity & Inclusion**

We align our policies, practices and resources so everyone has genuine opportunities to fully participate and thrive.

### **Initiative**

We consistently look for opportunities to go beyond the status quo and are committed to ongoing learning and development.

### **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.

### **Mutual Respect**

We respect, value and celebrate each other and our customers as unique individuals with equal worth.

### **Service-Focused**

All that we do is in service to our community, our customers and each other.

### **Teamwork**

We believe in the power of collaboration to harness the true potential of our collective team.