

**March 25, 2020**

**To:** GoTriangle Board of Trustees  
**From:** Finance Staff  
**Subject:** **FY21 Budget Overview**

Attached for your review is the FY21 draft budget overview.

Due to the recent events with the COVID-19 virus, grant revenues and CIP requests are still under review. Finance is conducting a series of reviews with staff, particularly on capital requests, none of which are included in the draft provided.

The draft FY21 budget shows a drawdown of \$5.6M on GoTriangle reserves excluding capital and grants. Our goal is to reduce this drawdown significantly through an exercise of reducing expenses and adding grant revenue, while incorporating high priority capital projects.


We are also reviewing all FY21 revenue forecasts for GoTriangle, Wake, Durham and Orange counties. We anticipate forecast changes based on the impact of mitigation actions in place to contain the spread of the COVID-19 virus.

Additionally, we are preparing an FY20 year-end forecast and have requested input from all budget primes by Wednesday, March 25, 2020. We are of course, reviewing various opportunities for expense reductions, as well adjusting revenue forecasts. Finance has prepared a GoTriangle draft cash balance forecast and will review this in comparison with the expense input from the budget primes.

We expect to have items in more of a finalized state prior to the Board Budget Workshop in April.

Please let us know if there are questions or concerns.

Sandra Freeman  
CFO/Director of Administrative Services



P.O. Box 13787  
Durham, NC 27703  
919-485-7415 | Fax: 919-485-7491



**OPERATIONS AND FINANCE COMMITTEE  
PRELIMINARY BUDGET REVIEW  
March 25, 2020**



## **FY21 Budget Process Overview**

Complete:

- Staff Budget Kickoff
- Meeting with Department Primes
- Establishment of Revenue and Expenditure Assumptions
  - Finance/IT overlay of appropriate allocations (insurance, IT needs, etc.)
  - Review of Funding Sources



## **FY21 Budget Schedule**

<b>Headcount templates distributed</b>	<b>Week of Decemeber 16th</b>
<b>Headcount templates returned</b>	<b>January 10, 2020 (Friday)</b>
<b>Finance staff reconvene/ Revenue Assumptions</b>	<b>January 24, 2020 (Friday)</b>
<b>Budget template training - Finance</b>	<b>January 31, 2020 (Friday)</b>
<b>Budget kickoff/Financial System Training</b>	<b>February 10, 2020 (Friday)</b>
<b>Departments prepare budget submissions</b>	<b>February 11th - February 25th</b>
<b>IT related items due to Majid</b>	<b>February 21, 2020</b>
<b>Tie off of final submissions with budget primes</b>	<b>February 24th - 28th</b>
<b>CIP</b>	<b>February 28, 2020</b>
<b>CIP Approved</b>	<b>March 13, 2020</b>
<b>Operations and Finance Committee review of preliminary budget</b>	<b>March 25, 2020 (Wednesday)</b>
<b>Proposed Budget distributed to Board</b>	<b>April 22, 2020 (Wednesday)</b>
<b>BOT budget work session</b>	<b>April 29, 2020 (Wednesday)</b>
<b>Operations and Finance review</b>	<b>May 27, 2020 (Wednesday)</b>
<b>Budget public hearing/Board meeting</b>	<b>May 27, 2020 (Wednesday)</b>
<b>Ops and Finance final review/Board meeting</b>	<b>June 24, 2020 (Wednesday)</b>
<b>Second reading/ordinance Adoption/ Board meeting</b>	<b>June 24, 2020 (Wednesday)</b>

	GoTriangle FTE			Wake Transit Plan FTE			Durham Transit Plan FTE			Orange Transit Plan FTE		
	FY20 Bud	FY21 Fcst	FY21 +/-) FY20 Bud	FY20 Bud	FY21 Fcst	FY21 +/-) FY20 Bud	FY20 Bud	FY21 Fcst	FY21 +/-) FY20 Bud	FY20 Bud	FY21 Fcst	FY21 +/-) FY20 Bud
Board												
Chief Executive Office	4.0	2.0	(2.0)	2.0	-	(2.0)	-	-	0.0	-	-	0.0
Chief Operations Office	-	2.0	2.0	-	-	0.0	-	-	0.0	-	-	0.0
Administration	4.3	4.8	0.5	-	-	0.0	0.2	0.2	0.0	0.2	0.2	0.0
EEO/DBE	1.0	1.0	0.0	-	-	0.0	-	-	0.0	-	-	0.0
Human Resources	5.0	5.0	0.0	-	-	0.0	-	-	0.0	-	-	0.0
Finance/Information Technology	14.0	14.0	0.0	3.1	3.1	0.0	0.9	0.9	0.0	0.9	0.9	0.0
Communication and Public Affairs	10.0	9.5	(0.5)	2.5	2.5	0.0	0.5	1.5	1.0	0.5	0.5	0.0
Legal	5.0	2.0	(3.0)	1.0	1.0	0.0	0.8	0.8	0.0	0.2	0.2	0.0
Real Estate	-	3.1	3.1	-	-	0.0	0.8	0.8	0.0	0.2	0.2	0.0
Capital Development	5.0	3.7	(1.3)	1.0	5.6	4.6	2.0	1.8	(0.2)	0.6	0.5	(0.1)
Vanpool	1.0	1.0	0.0	-	-	0.0	-	-	0.0	-	-	0.0
Bus Maintenance	27.0	31.0	4.0	-	-	0.0	3.0	3.0	0.0	3.0	3.0	0.0
Bus Supervision	17.0	22.6	5.6	-	0.4	0.4	0.5	0.5	0.0	0.5	0.5	0.0
Bus Operations	73.0	78.0	5.0	10.0	10.0	0.0	6.0	6.0	0.0	6.0	6.0	0.0
Paratransit	26.0	26.0	0.0	-	-	0.0	3.0	3.0	0.0	3.0	3.0	0.0
Sustainable Travel Services	5.0	5.0	0.0	-	-	0.0	-	-	0.0	-	-	0.0
Regional Call Center	9.0	9.0	0.0	-	-	0.0	-	-	0.0	-	-	0.0
Regional Services - Planning	-	3.0	3.0	-	1.0	1.0	1.6	1.0	(0.6)	0.4	0.4	(0.0)
Regional Services	9.0	2.7	(6.3)	3.4	-	(3.4)			0.0			0.0
<b>Total Headcount</b>	<b>215.3</b>	<b>225.3</b>	<b>10.0</b>	<b>23.0</b>	<b>23.6</b>	<b>0.6</b>	<b>19.3</b>	<b>19.5</b>	<b>0.3</b>	<b>15.5</b>	<b>15.4</b>	<b>(0.1)</b>

# **FY21 Proposed Headcount Increases**

## **Communications & Public Affairs**

1 Public Engagement Specialist - funded 100% by the Durham Plan

## **Bus Maintenance**

4 new diesel mechanics

## **Bus Supervision**

Moved 2 Data Technician positions from Regional Services

4 Transportation Service Supervisors

## **Bus Operations**

5 Bus Operators

## **Real Estate**

1 Onsite Custodian



## FY21 GoTriangle Budget Assumptions

Total GoTriangle Revenue and Expenses

Total Revenue - \$28M (FY20 Budget - \$36M)

Total Expenditures - \$35.1M (FY20 Budget - \$38.6M)

**Net deficit - \$5.6M (Grant Revenues are still under review and are not included)**

Total Vehicle Rental Tax: FY21 - \$13.3M (FY20 Budget - \$13M)

(A portion of vehicle rental tax is allocated to Durham-Orange and Wake Plans)

Total \$5 Vehicle Registration Tax: \$6.6M (FY20 Budget - \$6.6M)

\$633K - Plaza building expenses; \$494K building lease income

Headcount - FY21 FTE's - 283.8 (FY20 Budget- 273) - Includes Durham-Orange and Wake Transit Plans

Average Merit - 3% (FY20 Budget - 3%)

5% increase in current run rate for employee healthcare; employee only coverage - \$500/employee

Bus operations revenue hours of 140,314 (directly operated) (FY20 Budget 132,986)

Contracted Services :

FY21 - 11,614

FY20 Budget - 17,148

Cost per hour:

FY21 (Proposed) - \$132

FY20 (Budgeted) - \$128

FY21 (Proposed and incl. contracted services) - \$131/hr

FY20 (Budgeted and incl. contracted services) - \$134/hr

FY21 requested capital expenditures total \$6.3M and are currently under review



## **FY21 Draft Durham Transit Plan Budget Assumptions**

Total Durham Transit Draft Revenue and Expenses

**Total Revenue - \$36.5M (FY20 budget - \$35.6M)**

Total Durham Transit Draft Half-Cent Tax: \$32.7M (FY20 Budget - \$31.7M)

Total Durham Transit Draft Vehicle Rental Tax: \$1.4M (FY20 Budget - \$1.4M)

Total Durham Transit Draft \$3 Vehicle Registration Tax: \$0.7M (FY20 Budget - \$0.7M)

Total Durham Transit Draft \$7 Vehicle Registration Tax: \$1.7M (FY20 Budget - \$1.7M)

### **\$9.7M - Operating Expenses**

#### Operating Expense

Tax District Administration -\$0.4M

Transit Plan Administration - \$1.8M

Transit Operations - \$7.5M

### **\$24.4M Capital Expenses**

#### Capital Expense

Capital Planning - \$1.7M

Transit Infrastructure \$17.9M

Vehicle Acquisitions - \$4.6M

*Next Step - Durham SWG recommend Work Plan for public comment (April)*





## **FY21 Draft Orange Transit Plan Budget Assumptions**

Total Orange Transit Draft Revenue and Expenses

**Total Revenue - \$9.8M (FY20 budget - \$9.7M)**

Total Orange Transit Draft Half-Cent Tax: \$7.9M (FY20 Budget - \$7.8M)

Total Orange Transit Draft Vehicle Rental Tax: \$0.7M (FY20 Budget - \$0.7M)

Total Orange Transit Draft \$3 Vehicle Registration Tax: \$0.3M (FY20 Budget - \$0.4M)

Total Orange Transit Draft \$7 Vehicle Registration Tax: \$0.8M (FY20 Budget - \$0.9M)

### **\$4.5M - Operating Expenses**

#### Operating Expense

Tax District Administration -\$0.2M

Transit Plan Administration - \$0.5M

Transit Operations - \$3.8M

### **\$4.0M Capital Expenses**

#### Capital Expense

Capital Planning - \$0.3M

Transit Infrastructure \$0.8M

Vehicle Acquisitions - \$0.9M

Bus Rapid Transit (BRT) - \$2M

*Next Step - Orange SWG recommend Work Plan for public comment (April)*



## **FY21 Draft Wake Transit Plan Budget Assumptions**

Total Wake Transit Draft Revenue and Expenses

**Total Revenue - \$178.4M (FY20 Budget - \$138.1M)**

Total Wake Transit Draft Half-Cent Tax: \$99.3M (FY20 Budget - \$92.1M)

Total Wake Transit Draft Vehicle Rental Tax: \$4.5M (FY20 Budget - \$4.4M)

Total Wake Transit Draft \$3 Vehicle Registration Tax: \$2.9M (FY20 Budget - \$2.8M)

Total Wake Transit Draft \$7 Vehicle Registration Tax: \$6.8M (FY20 Budget - \$6.7M)

Total Wake Transit Draft Other Revenue\*: \$64.9M (FY20 Budget - \$32.1M)

### **\$28.5M - Operating Expenses**

#### Operating Expense

Tax District Administration -\$0.5M

Transit Plan Administration - \$4.1M

Transit Operations - \$23.9M

### **\$119.4M Capital Expenses**

#### Capital Expense

Capital Planning - \$0.8M

Bus Rapid Transit (BRT) - \$71.6M

Bus Infrastructure \$37.1M

Bus Acquisitions - \$9.9M

*\*Other Revenue includes - federal, state, fares, prior year funds, debt proceeds*

*Next Step - TPAC to consider recommending Work Plan (April 22)*

Local Tax Revenue

	FY21 Draft Budget	FY20 Budget	FY20 Estimate	FY19 Actual	% Increase		
					FY21 Draft Budget vs FY20 Budget	FY21 Draft Budget vs FY20 Estimate	FY21 Draft Budget vs FY19 Actual
<u>Half-Cent Sales Tax</u>							
Wake	\$99,300,000	\$92,075,000	\$96,429,482	\$92,496,302	7.8%	3.0%	7.4%
Durham	\$32,708,800	\$31,710,219	\$29,477,060	\$29,477,060	3.1%	11.0%	11.0%
Orange	\$7,996,300	\$7,769,295	\$7,769,295	\$7,938,137	2.9%	2.9%	0.7%
<b>Total</b>	<b>140,005,100</b>	<b>\$131,554,514</b>	<b>\$133,675,838</b>	<b>\$129,911,500</b>	<b>6.4%</b>	<b>4.7%</b>	<b>7.8%</b>

	FY21 Draft Budget	FY20 Budget	FY20 Estimate	FY19 Actual	% Increase		
					FY21 Draft Budget vs FY20 Budget	FY21 Draft Budget vs FY20 Estimate	FY21 Draft Budget vs FY19 Actual
<u>\$3 Registration</u>							
Wake	\$2,910,000	\$2,852,000	\$2,852,000	\$2,771,895	2.0%	2.0%	5.0%
Durham	\$719,900	\$740,156	\$709,217	\$698,736	-2.7%	1.5%	3.0%
Orange	\$342,000	\$370,223	\$336,975	\$331,995	-7.6%	1.5%	3.0%
<b>Total</b>	<b>\$3,971,900</b>	<b>\$3,962,380</b>	<b>\$3,898,192</b>	<b>\$3,802,626</b>	<b>0.2%</b>	<b>1.9%</b>	<b>4.5%</b>

	FY21 Draft Budget	FY20 Budget	FY20 Estimate	FY19 Actual	% Increase		
					FY21 Draft Budget vs FY20 Budget	FY21 Draft Budget vs FY20 Estimate	FY21 Draft Budget vs FY19 Actual
<u>\$7 Registration</u>							
Wake	\$6,790,000	\$6,658,000	\$6,658,000	\$6,470,828	2.0%	2.0%	4.9%
Durham	\$1,679,700	\$1,727,124	\$1,654,889	\$1,630,433	-2.7%	1.5%	3.0%
Orange	\$798,100	\$863,801	\$786,275	\$774,655	-7.6%	1.5%	3.0%
<b>Total</b>	<b>\$9,267,800</b>	<b>\$9,248,925</b>	<b>\$9,099,164</b>	<b>\$8,875,916</b>	<b>0.2%</b>	<b>1.9%</b>	<b>4.4%</b>

	FY21 Draft Budget	FY20 Budget	FY20 Estimate	FY19 Actual	% Increase		
					FY21 Draft Budget vs FY20 Budget	FY21 Draft Budget vs FY20 Estimate	FY21 Draft Budget vs FY19 Actual
<u>Vehicle Rental</u>							
Wake	\$4,520,000	\$4,406,000	\$4,406,000	\$4,258,283	2.6%	2.6%	6.1%
Durham	\$1,429,100	\$1,393,091	\$1,366,564	\$1,346,369	2.6%	4.6%	6.1%
Orange	\$697,900	\$680,347	\$667,392	\$657,529	2.6%	4.6%	6.1%
<b>Total</b>	<b>\$6,647,000</b>	<b>\$6,479,438</b>	<b>\$6,439,956</b>	<b>\$6,262,181</b>	<b>2.6%</b>	<b>3.2%</b>	<b>6.1%</b>

	FY21 Draft Budget	FY20 Budget	FY20 Estimate	FY19 Actual	% Increase		
					FY21 Draft Budget vs FY20 Budget	FY21 Draft Budget vs FY20 Estimate	FY21 Draft Budget vs FY19 Actual
<u>Consolidated Taxes</u>							
Wake	\$ 113,520,000	\$ 105,991,000	\$ 110,345,482	\$ 105,997,308	7.1%	2.9%	7.1%
Durham	36,537,500	35,570,591	\$33,207,731	\$33,152,598	2.7%	10.0%	10.2%
Orange	9,834,300	9,683,666	\$9,559,937	\$9,702,316	1.6%	2.9%	1.4%
<b>Consolidated</b>	<b>\$159,891,800</b>	<b>\$151,245,256</b>	<b>\$153,113,150</b>	<b>\$148,852,222</b>	<b>5.7%</b>	<b>4.4%</b>	<b>7.4%</b>

	FY21 Draft Budget	FY20 Budget	FY20 Estimate	FY19 Actual	% Increase		
					FY21 Draft Budget vs FY20 Budget	FY21 Draft Budget vs FY20 Estimate	FY21 Draft Budget vs FY19 Actual
<u>GoTriangle</u>							
\$5 Vehicle Reg. Tax	\$6,562,935	\$6,579,946	\$6,579,946	\$6,337,440	0%	0%	4%
Vehicle Rental Tax	\$6,647,059	\$6,479,495	\$6,479,495	\$6,262,180	3%	3%	6%



## Next Steps

- Identify additional areas of opportunity and make appropriate adjustments in departmental and capital spending
- FY21 Budget Workshop (April 29, 2020)
- Revised FY21 Budget to Ops and Finance Committee (May 27, 2020)
- 1st Reading - May Board Meeting (May 27, 2020)
- 2nd Reading/Ordinance Adoption - June Board Meeting (June 24, 2020)