



C-TRAN

Adopted 2013–2014 Budget: Operating and Capital

C-TRAN Board of Directors Meeting
December 11, 2012



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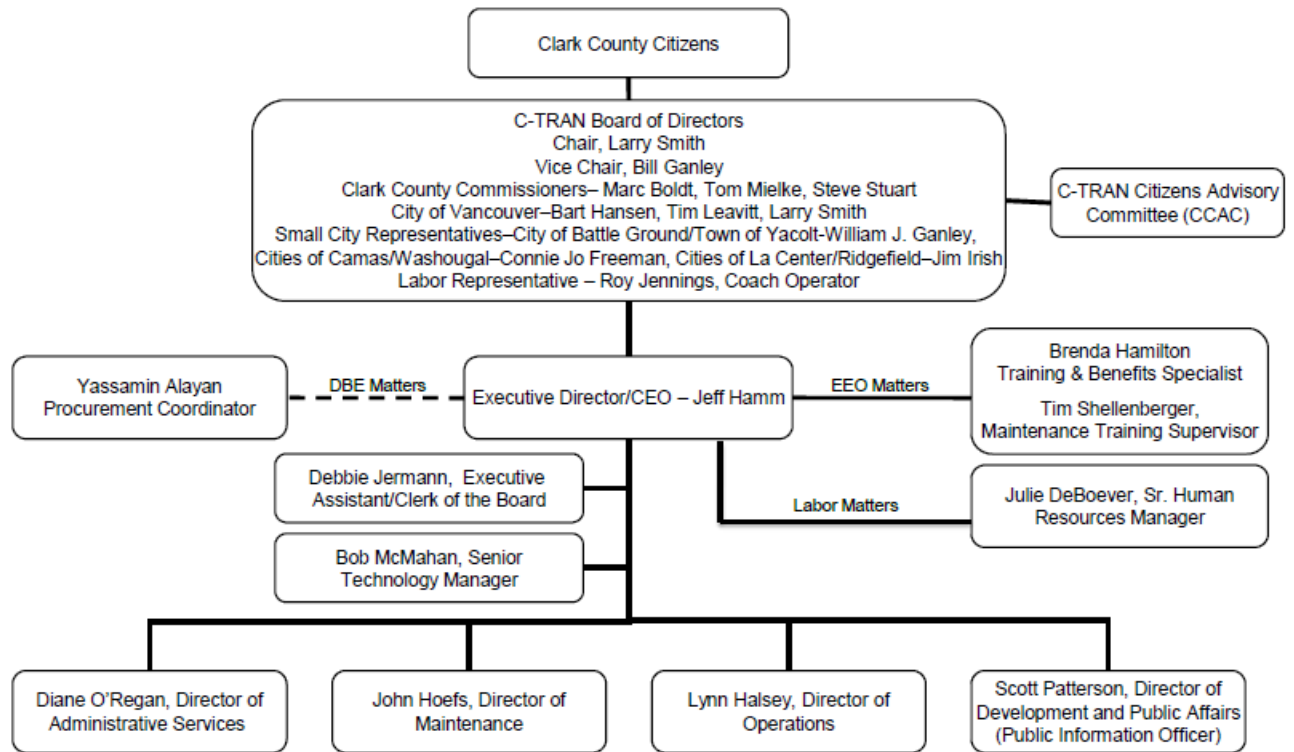
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C-TRAN Organizational Chart

Revised November 2012



BUDGET APPROACH

C-TRAN implemented the biennial budgeting process with the 2007-2008 budget cycle. Biennial budgets are useful for governments because they provide greater lead-time for budget decisions and allow time to make appropriate adjustments to agency and department budgets. The major advantages of a biennial budget include:

- Improving long-range planning information and decisions
- Providing the Operations Department the ability to plan schedules and service modifications over a longer period of time and with more predictable service hour assumptions
- Providing the policymakers more time to review the impacts of difficult decisions, such as fare or sales tax increases
- Encouraging decision makers to focus on performance-based budgeting and the use of service standards to evaluate the effectiveness of programs
- Creating a more efficient budget approval process for the Board of Directors

The biennial budget does not contain any revenue or expenditures from the proposed C-TRAN 2012 Proposition 1 0.1 (one tenth) percent sales tax increase for High Capacity Transit (HCT). It does however continue expenses from current revenue and secured grants related to planning and design efforts for the Columbia River Crossing (CRC) project and the Fourth Plain Bus Rapid Transit (BRT) project. This includes local funding for \$100,000 each year for consulting services to independently hire consultants to refine and advocate for C-TRAN's best interest in the CRC project and the required grant match for the Fourth Plain BRT project development.

Although passage of the two tenths percent sales tax increase in November 2011 has stabilized C-TRAN's finances for core bus and C-VAN, the agency must continue to emphasize containing costs to preserve service levels for as long as possible while at the same time making strategic investments to improve safety, service quality and efficiency.

THE PAST, THE PRESENT, AND THE FUTURE

The Past

In the 1999 General Election, the Washington state voters approved Initiative 695, which repealed the Value-Based Motor Vehicle Excise Tax (MVET). MVET provided approximately 40 percent of C-TRAN's revenue, and revenue from this source ceased July 1, 2000. Extensive public outreach was conducted, and a service plan was implemented, which reduced fixed route service about 13 percent over 1999 service levels.

In November 2004, voters rejected a ballot measure that would have increased the sales tax 0.3 (three tenths) percent for transit service, which would thereby help to make up for the loss of the MVET revenue. In response, the Board of Directors and management acted on a number of critical issues in 2005. These included:

- A new fare increase was implemented May 1, 2005 to increase farebox recovery
- The number of departments were reduced and management/administrative positions were eliminated
- Non-represented employees voluntarily took a one year pay freeze
- The Five Year Service Preservation Plan was adopted which required a 0.2 (two tenths) percent sales tax increase for transit services
- C-TRAN's service area and taxing boundary was reduced.

The Board of Directors then presented a ballot measure to increase the sales tax by 0.2 (two tenths) percent to the voters within the new boundary. The ballot measure was approved by 68 percent of the voters.

After a long period where focus was primarily to secure needed funding, the Board of Directors and management were able to move forward on a number of issues. These included:

- Authorizing a service redesign geared to increase ridership and service efficiency
- Applying fixed route service standards to evaluate the efficiency and effectiveness of routes for service improvements
- Building the 99th Street Transit Center at Stockford Village to allow closure of the 7th Street Transit Center and support new express service on the I-5 corridor
- Defining C-TRAN's interest in HCT both in the CRC project and the Fourth Plain BRT project
- Adopting a 20-Year Plan "C-TRAN 2030"

The Service Preservation Plan adopted in 2005 was a five-year plan that forecasted the need for additional revenue in 2011 to sustain service levels and other agency commitments. In early 2009 when the poor national economy began impacting C-TRAN's ridership and revenues, management focused on cost containment. These efforts assisted the agency to stretch the available cash and investments to sustain operations through 2012; however, a sales tax rate increase was required to preserve service beyond 2012. Cost containing measures included:

- Underperforming service was reduced January 2010 by 5.31 percent.
- Twelve non-service related positions were left open through attrition and duties were reassigned in preparation for layoffs and service cuts in 2012.

- Non-represented employees took a 30 month pay freeze (no wage adjustments or merit increases) and Maintenance employees took a similar wage adjustment freeze (steps were still provided). Through an arbitration decision, Operator's wage scale was frozen for 22-months.
- Services, supplies, training and employee development budgets were significantly reduced.

C-TRAN developed a comprehensive Draft Service Reduction Plan that would reduce fixed route service hours by 38 percent and Paratransit service hours by 11 percent to generate savings (about \$7.5 million) to balance the budget. In November 2011, the voters passed a 0.2 (two-tenths) percent sales tax as allowed by RCW 36.57A to fund Core Bus and Paratransit needs and avoided having to implement the Draft Service Reduction Plan.

The Present

The 2013-2014 Biennial Budget provides the opportunity for policymakers and management to shift the direction from securing funding to preparing C-TRAN to provide the best possible service with a constrained budget. C-TRAN has a number of initiatives to move forward in fulfilling C-TRAN's mission to provide safe, reliable, efficient mobility choices. Some work program goals for the next biennium include:

- Develop a Performance Measurement Program
- Reevaluate and revise the Capital Improvement Program pursuant to State of Good Repair analyses and requirements of MAP-21
- Develop IT Governance to strategize technology investments
- Finalize and implement Safety Consultant recommendations
- Develop a Succession Plan with investment in a Talent Management Strategy
- Evaluate bus purchase options to fulfill grant obligations

The Board of Directors placed a measure on the November 6, 2012 ballot for 0.1 (one tenth) percent sales tax as allowed by RCW 81.104 to fund: a) the operations and maintenance cost of light rail as part of the CRC project; and b) the capital and operations/ maintenance cost of C-TRAN's Fourth Plain BRT project. The 2013-2014 Biennial Budget was developed without funding for the two HCT projects with the exception of continuing expenses relating to planning efforts. A Board of Directors workshop will be scheduled in early 2013 to discuss the outcome of the November 2012 ballot measure and the next steps for the adopted C-TRAN 2030 long range plan.

The Future

In 2006, the C-TRAN Board of Directors created a 50-Year Vision that outlined a multi-modal future for transit in Clark County. The vision, updated in August 2009, is as follows:

50 YEAR VISION STATEMENT FOR C-TRAN

By 2060:

C-TRAN is recognized as one of the leading transit agencies in the country because we provide cost-effective, safe, accessible, convenient, innovative, reliable public transportation moving people within Clark County and throughout the southwest Washington/Portland region.

C-TRAN empowers citizens by providing mobility options that connects them with places of employment, education, health care, shopping, entertainment, recreation, social and religious functions.

C-TRAN is more than a bus system. As appropriate, C-TRAN is willing to provide traditional fixed route and bus rapid transit, trolley, streetcar, shuttles, Paratransit, connectors, light and heavy rail, vanpool and ridesharing services.

C-TRAN services contribute positively to the region's sustainability, livability and economic vitality by helping manage traffic congestion, reduce dependence on foreign oil, lower carbon emissions, contain transportation costs for employers and employees, enable denser land use and development of urban areas, and provide essential transport to persons with no other means of travel.

C-TRAN remains flexible and accountable as it grows and changes.

C-TRAN is cost effective and is a trusted steward of the public's resources.

C-TRAN's public transit network connects with transit systems throughout the region.

C-TRAN is the preferred form of transportation because, in addition to its efficiency, riders experience a pleasant, affordable, safe and secure trip.

The C-TRAN 2030 Plan adopted by the Board of Directors in 2010 was the blueprint document to guide the agency towards implementation of the vision.

BIENNIAL BUDGET THEMES AND PROJECTS

Each budgeting cycle, C-TRAN's Executive Staff develops key themes to provide direction to departments in assembling their budget proposals for the coming biennium. The themes are intended to prepare the agency to address the most critical issues anticipated over the next two years. Below are the themes and the projects included in the budget for the next biennium.

1. Long Term Cost Containment Strategy – This theme advances projects that will create greater cost efficiencies for the agency. Some cost containment projects may add expenses in the short-term to save costs in the long-term.
 - a. Bus Stop Safety, Streamline, and Improvement Project – This is a long-term effort to provide an in-depth operational assessment of bus stop locations and amenities for local routes and to facilitate efficiencies and improvements consistent with ADA regulations and best practices in the industry.
Local funding: \$34,942 *Grant funding: \$139,772*
 - b. Optimizing Operations System Efficiencies – C-TRAN has made a significant investment in technology over the last eight years which improves efficiency and customer service. Continued improvement requires a modest investment to achieve improved integration and report capability consistent with our commitment to make informed service planning decisions. Additionally, some older systems have reached the end of their useful life which requires a long term replacement plan. This project will look at the technology used in Operations and identify opportunities to maximize utility of technology to improve service and reduce costs. Once evaluated additional capital budget may be identified to purchase a software system solution.
Local funding: \$30,000 *Grant funding: \$0*
 - c. Traffic Signal Priority (TSP) Project – This project has potential to improve on-time performance and realize on-going operational savings costs for C-TRAN. The pilot project tests the effectiveness of TSP technology along Mill Plain and provides our jurisdictional partners time to examine the effects on traffic flow and their signalization systems. This project is in coordination and cooperation with the City of Vancouver and Clark County.
Local funding: \$115,663 *Grant funding: \$30,952*
 - d. Talent Management Strategy & Succession Planning – Within five years, 22 percent of C-TRAN's workforce will be eligible for full PERS retirement. One third of manager level positions and higher will be eligible for retirement within the next five years. Staff's goal is to prepare existing employees to fill at least half of these positions. To succeed, a formal talent management strategy is needed. The ultimate goal of any staffing decision is to improve or add to the continued success of C-TRAN. As such, any staff development for the purposes of internal hiring or promotion must be done strategically. This means C-TRAN must effectively identify, develop, and retain employees with the potential to address the near and longer

term leadership needs and other anticipated gaps requiring technical and specialized skills. Extra funds have been budgeted for additional training, organizational development, tuition and succession planning for targeted positions.

Local funding: \$ 284,300 Grant funding: \$0

- e. Fuel Price Risk Management Program – The goal for this program is to reduce price volatility and introduce price predictability in the budget, removing the possibility of fuel price increases causing cash flow issues. The 20 Year Transit Development Plan (TDP) requires predictability in the budget in order to find a buyer for debt instruments that will need to be issued pursuant to the adopted C-TRAN 2030 Plan. The cost per transactions is about \$25,000 plus the cost of the fuel hedging instrument, which will come from the fuel budget.

Local funding: \$50,000 Grant funding: \$0

- 2. Efficiency, Reliability and Compliance – This theme is complementary with the Long Term Cost Containment Strategy theme. It focuses on our mission to provide reliable and efficient mobility choices.

- a. Complementary ADA Paratransit (C-VAN) – C-VAN service hours are not limited by a budget line item amount but must be adequate to meet all demand without exception according to the Federal Transit Administration (FTA). Ride denials are not allowed. In order to control costs C-TRAN has implemented a more stringent screening process for client eligibility certification, provided a travel training program, made fare policy changes, purchased smaller vehicles, implemented Integrated Voice Recognition (IVR) software to inform customers of a C-VAN's estimated arrival, and moved to two day advanced scheduling which assists in reducing no shows and cancellations. Nonetheless, in recognition of nationwide demographics staff believes it is prudent to budget for small annual C-VAN service hour growth of three percent in 2014 for the increasing population eligible for C-VAN services. In addition, through an arbitration decision the C-VAN Operators were awarded the same vacation accrual as Fixed Route Operators which is projected to require one position to cover vacation leave. This represents two C-VAN Operator positions added but the positions will only be hired should additional staff be needed to meet demand. Staff continues to evaluate additional opportunities for reducing C-VAN demand.

Local funding: \$103,000 Grant funding: \$0

- b. Operations Planning Reorganization – To this point, C-TRAN has been able to successfully use driver/planners to perform and support operations service planning functions under the direction of a planning supervisor. As automated stop announcements, real time bus information, automatic passenger counters, GPS and other information driven systems have been added over the past few years to manage service and add value for customers, the technical knowledge needed to collect and analyze data, maintain, and optimize their use has changed dramatically. Additionally, in anticipation of required layoffs in 2011, a planning manager position was eliminated through attrition and as a result the resources and skills

available are not adequate to meet all operations planning needs. In addition to having fewer dedicated staff, the required skill set has evolved as C-TRAN has implemented new and advanced technical and data management systems and considers implementation of more sophisticated route development and schedule writing. This reorganization takes advantage of the timing of one of the driver/planners impending retirement by officially moving the driver/planners positions back to full time driver positions. This provides relief in the driver pool and gives an opportunity to recruit for individuals with technical skills and special training necessary to manage and take full advantage of significant technical advances in support of route planning and scheduling. This reorganization is budget neutral in that it provides savings in operator overtime costs and the full time replacements marketable at a lower cost per hour than the driver/planners incur.

Local funding: \$0

Grant funding: \$0

- c. American Bus Benchmarking Group (ABBG) – C-TRAN joined ABBG in 2011 to develop peer relationships with other transit across the nation to create opportunities to learn from other transit's experiences with performance measuring and system improvements. The budget includes the costs of engaging Imperial College of London to gather comparable data for the transits to benchmark, maintain a website for the users to connect and ask questions, develop a survey tool and evaluate the results, and travel for the Executive Director/CEO and the Director of Administration Services to the annual meeting.

Local funding: \$42,000

Grant funding: \$0

- d. Compliance and Mission Critical Task Review – Since 2009, management has taken advantage of retirements and employee attrition to reassign duties in preparation for layoffs and service cuts in 2012. Twelve non-service related positions were eliminated or put on-hold. In November 2011, voters approved funding to stabilize C-TRAN's revenue in order to not cut service. Management evaluated the twelve non-service related positions in 2012 to determine which positions performed mission critical tasks within the agency and required additional resources. In April 2012, one position for an Operations Supervisor was added through a budget amendment. This biennial budget addresses resource concerns in three other mission critical compliance areas: Fleet Maintenance Supervisor, Apprentice Mechanic, and Senior Human Resource Generalist.

Local funding: \$384,000

Grant funding: \$0

- e. Service Route Fixes – C-TRAN continues to review system performance with a goal of improving service quality and efficiency. C-TRAN's Service Planning Committee has initiated a route by route review of current schedules which has not been completed at the time of budget preparation. The Service Planning Committee is expected to present to the Board of Directors an evaluation of routes requiring improvements or reductions to improve reliability in early 2013. The planned approach is a series of future service changes by hour reallocation, rather than requiring increases in service hours, which is why the service hours are the same in 2013 & 2014.

Local funding: \$0

Grant funding: \$0

3. 2030 Plan Implementation – This theme centers on preparing the agency for the future by implementing the 20 Year TDP including related policies and procedures. The 2030 Plan will need revision as we move forward with implementation. The outcome of the HCT this November and Board of Director decisions in 2013 will drive the work to be done in this area.

a. Grant Opportunities – Staff has been applying for every grant opportunity, provided they are consistent with the 20 Year TDP. Funding has been set aside in the capital budget for other potential future grant opportunities in the budgeted line called “Expenses Associated with the 20 Year Plan & State of Good Repair”.

Local funding: 10-50% match

Grant funding: To be determined

b. CRC Consulting – It may be necessary to independently hire consultants to refine and advocate for C-TRAN’s best interests in the CRC Project. This budget is limited to \$100,000 per year on expenses relating to the CRC Project.

Local funding: \$200,000

Grant funding: \$0

c. Fourth Plain BRT Project – Funding to this project moves into the next phase, Project Development and Design, pending FTA authorization of funds for continuation of design and planning work. In the meantime, C-TRAN has received a \$2 million federal Congestion Mitigation/Air Quality (CMAQ) grant through RTC, matched with \$500,000 in local money provides funds for the first half of these Project Development activities. Expenses budgeted include continued employment of the project manager; however the budget does not include construction funding.

Local funding: \$500,000

Grant funding: \$2.0 million

d. Agency-wide Strategic Unforeseen Costs – This provides a placeholder of funds for the Executive Director/CEO or the Board of Directors to utilize for agency-wide unbudgeted needs. Staff recommends budgeting \$100,000 per year for these types of costs, which will be left unspent if no unforeseen event arises.

Local funding: \$200,000

Grant funding: \$0

4. Safety and Security – This theme was created to improve our safety and security programs and better manage risks.
- a. Safety Consultant Services and Targeted Safety Improvements – In October 2012, Safety Consultant Services were awarded to Bickmore Risk Services to complete a full assessment of C-TRAN’s safety management system and culture of safety by the February 2013 Board Meeting. An action plan will be developed in order to address major gaps. The budget includes costs for the assessment and action plan (\$100,000) as well as additional funds reserved to move targeted improvements forward within this biennial budget.
Local funding: \$300,000 *Grant funding: \$0*
 - b. Maintenance Training & Safety – Mentioned above under the heading of “Compliance and Mission Critical Task Review” is the replacement of a Fleet Maintenance Supervisor position which has been open since 2009. This vacant position resulted in reassigning the Fleet Maintenance Training Supervisor from the safety and training duties to daily supervision and management of the maintenance floor. Since this shift there has been no formalized technical development for maintenance which causes delay in proper safety and technical training, repairs take longer and reworking is more frequent. It is essential to replace the Fleet Maintenance Supervisor position so the trainer can move back to essential safety and training functions.
Local funding: Included in 2d above *Grant funding: \$0*
 - c. Washington State Transit Insurance Pool (WSTIP) – This budget continues the relationship with WSTIP for a comprehensive well-managed insurance package. The Director of Administrative Services represents C-TRAN on the WSTIP Board of Directors. Reinsuring with WSTIP eliminates the need for the \$2 million self-insurance reserve in 2014.
Local funding: \$1,547,580 *Grant funding: \$0*
 - d. Bus Surveillance Wireless Enhancement – C-TRAN has surveillance cameras on the entire fixed route fleet which has proven invaluable as a risk management and quality control tool. The systems are old and frequently fail. The older systems will be replaced with equipment which can download surveillance activity wirelessly and streamline the process. This project is funded at about 68.7 percent by FTA grant funds, with the balance of the project coming from local funding.
Local funding: \$511,929 *Grant funding: \$1,122,080*
5. Technology Planning and Management – Like most medium sized transit agencies throughout the country, C-TRAN has invested in new technology to improve customer service, realize greater operating efficiencies, and make travel on public transit more safe and secure. In this biennial budget, the focus is on completion and full implementation of projects underway, which are likely to produce high value to C-TRAN customers.

- a. Technology Road Map and IT Governance Strategy – C-TRAN is near completion on a Technology Road Map to establish well targeted upgrades, deliver risk reduction, and improve business continuity. In 2013 management is developing a formal IT Governance Strategy as a decision making tool to prioritize technology projects. This budget includes about \$2.0 million over the six year capital budget to cover the prioritized technology improvement costs that will be identified from Technology Road Map and IT Governance Strategy.

Local funding: \$1,961,146

Grant funding: \$0

- b. Farebox Replacement & Electronic Fare System – C-TRAN received a grant to replace the fareboxes and related software, which is over 20 years old. This project will move forward in collaboration with TriMet to coordinate regional fare policy and obtain fare reciprocity through electronic fares. The data terminals, mobile access routers, and cellular connections on board the buses will also be upgraded with this project.

Local funding: \$2,622,171

Grant funding: \$3,536,785

C-TRAN

2013-2014 OPERATING BUDGET SUMMARY

	2013 Budget	2014 Budget	2013-14 Biennial Budget	2011-12 Biennial Budget	Percent Increase/ (Decrease)
Revenue					
Passenger Fares	\$8,079,423	\$8,489,788	\$16,569,211	\$13,629,144	21.6%
Bus Advertising Revenue	315,000	332,500	647,500	665,000	-2.6%
Interest Income	322,500	330,000	652,500	535,000	22.0%
Sales Tax Revenue	33,420,000	34,256,000	67,676,000	51,582,000	31.2%
Operating Grants	4,632,302	5,870,155	10,502,457	11,860,115	-11.4%
Miscellaneous	20,700	20,700	41,400	41,400	0.0%
Total Revenue	\$46,789,925	\$49,299,143	\$96,089,068	\$78,312,659	22.7%
Expenses					
Salaries & Wages	21,316,234	21,900,226	43,216,460	40,524,083	6.6%
Benefits	11,210,909	12,433,959	23,644,868	20,072,041	17.8%
Services	2,935,525	2,774,716	5,710,241	7,519,347	-24.1%
Supplies	6,534,512	7,000,595	13,535,107	11,930,557	13.4%
Utilities	507,313	522,006	1,029,319	1,080,757	-4.8%
Insurance	762,532	785,048	1,547,580	1,448,936	6.8%
Taxes	4,927	5,123	10,050	13,000	-22.7%
Miscellaneous	348,239	350,280	698,519	820,575	-14.9%
Leases	216,402	219,109	435,511	542,533	-19.7%
Depreciation	5,873,940	5,372,427	11,246,367	12,071,000	-6.8%
Total Operating Expenses	\$49,710,533	\$51,363,489	\$101,074,022	\$96,022,829	5.3%
Less Non-Cash Depreciation	(\$5,873,940)	(\$5,372,427)	(\$11,246,367)	(\$12,071,000)	-6.8%
Net Operating Expenses	\$43,836,593	\$45,991,062	\$89,827,655	\$83,951,829	7.0%
Net Change in Fund Balance	2,953,332	3,308,081	6,261,413	(5,639,170)	-211.0%

Note:

The 2011-12 Biennial Budget column reflects the Board adopted and amended biennial budget.

C-TRAN
2013-2018 SIX YEAR CAPITAL BUDGET SUMMARY

	2013	2014	2015	2016	2017	2018	Total
Revenue							
Grant Revenue	\$7,895,549	\$13,142,401	\$0	\$0	\$0	\$0	\$21,037,950
Total Revenue	<u>\$7,895,549</u>	<u>\$13,142,401</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$21,037,950</u>
Capital Expenditures							
Rolling Stock	\$220,900	\$14,765,095	\$706,507	\$1,794,862	\$1,814,038	\$2,165,684	\$21,467,086
Facilities	4,622,736	181,821	687,164	1,941,668	0	0	7,433,389
Equipment	8,666,844	1,311,073	1,347,127	1,384,174	1,422,239	1,461,350	15,592,807
Planning	1,283,031	3,666,592	1,288,433	1,323,864	1,360,271	1,397,678	10,319,869
Total Capital Expenditures	<u>\$14,793,511</u>	<u>\$19,924,581</u>	<u>\$4,029,231</u>	<u>\$6,444,568</u>	<u>\$4,596,548</u>	<u>\$5,024,712</u>	<u>\$54,813,151</u>
Local Fund Requirement	<u>\$6,897,962</u>	<u>\$6,782,180</u>	<u>\$4,029,231</u>	<u>\$6,444,568</u>	<u>\$4,596,548</u>	<u>\$5,024,712</u>	<u>\$33,775,201</u>

2013-2014 OPERATING BUDGET

Service Hour Analysis

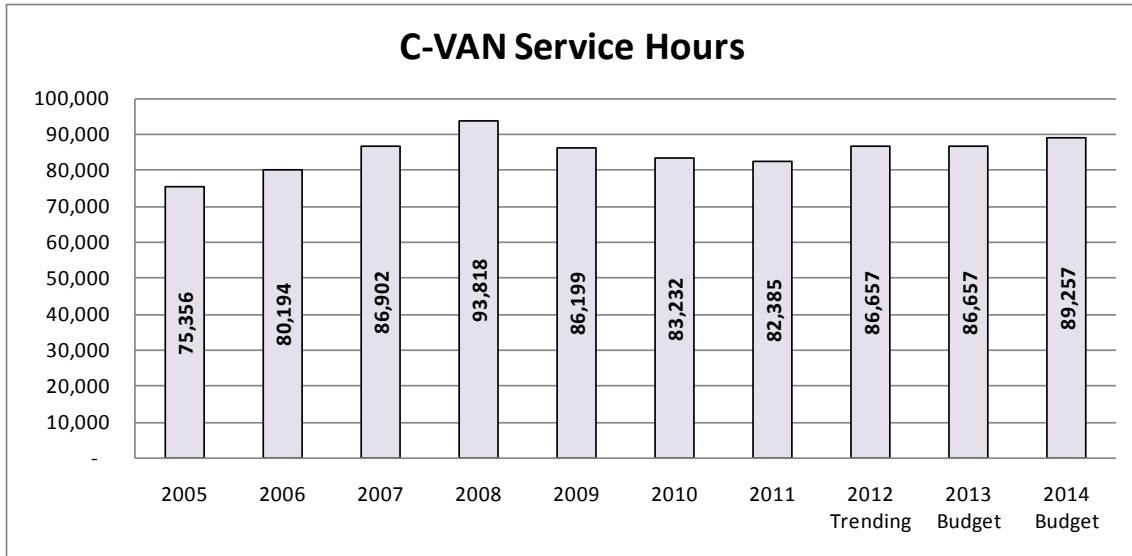
The following table reflects the distribution of service hours by type for the 2013-2014 budget.

Service Hours	2011 Actual	2012 Budget	2013		Percent Increase (Decrease)	2014		Percent Increase (Decrease)
			Proposed Budget	(Decrease) from 2011 Actual		Proposed Budget	(Decrease) (Decrease)	
Fixed Route	282,552	292,958	286,643	4,091	1.4%	286,643	-	0.0%
Demand Response	82,554	88,987	86,657	4,104	5.0%	89,257	2,600	3.0%
Vanpool	4,181	4,903	10,669	6,488	155.2%	10,669	-	0.0%
Total Agency	369,287	386,848	383,969	14,683	4.0%	386,569	2,600	0.7%

The fixed route service hours include the Local/Urban, Express, and Connector service and are compared to actual service hours provided in 2011. There is an increase of 4,091 service hours due to increasing the budget for tripper busses. Tripper busses are used to ensure service delivery when busses are delayed due to a mechanical problem, heavy traffic, accident or other circumstance that would otherwise cause service to be dropped or significantly delayed. The Service Planning Committee (SPC) is currently evaluating routes requiring improvements or reductions to improve reliability and plans on bringing recommendations to the C-TRAN Board of Directors in early 2013. The planned approach is a series of future service changes by hour reallocation, rather than requiring increases in service hours, which is why the service hours are the same in 2013 & 2014.

Demand Response refers to C-TRAN's complementary ADA Paratransit service (aka C-VAN). As stated in Budget Theme 2.a., C-VAN is a service that cannot be limited by budget and it must be adequate to meet all demand, without exception, as mandated by the FTA. The budget is compared to 2011 actual results to demonstrate the unpredictability of the demand for service. Although C-TRAN has implemented strategies that have been successful at constraining growth over the past four years compared to a nationwide trend of higher growth, demand for service hours is trending for a five percent increase in 2012. The 2013 budget was based on the 2012 trend instead of the 2012 budget since service demand trended less than anticipated in the last biennial budget. A modest three percent increase in 2014 is budgeted to account for the growing population eligible for C-VAN services. Staff continues to evaluate additional opportunities for reducing C-VAN demand.

The below graph shows the C-VAN hours for the past ten years and demonstrates the unpredictable nature of this service.



The Vanpool service hours are based on the assumption of 31 vehicles in service at an average service hour per vehicle of about 344 service hours per year. This program was implemented in May 2009 and currently 25 vanpool vehicles are in service. The 31 vehicles budgeted for 2013-2014 represent anticipated growth in the service due to increased outreach efforts.

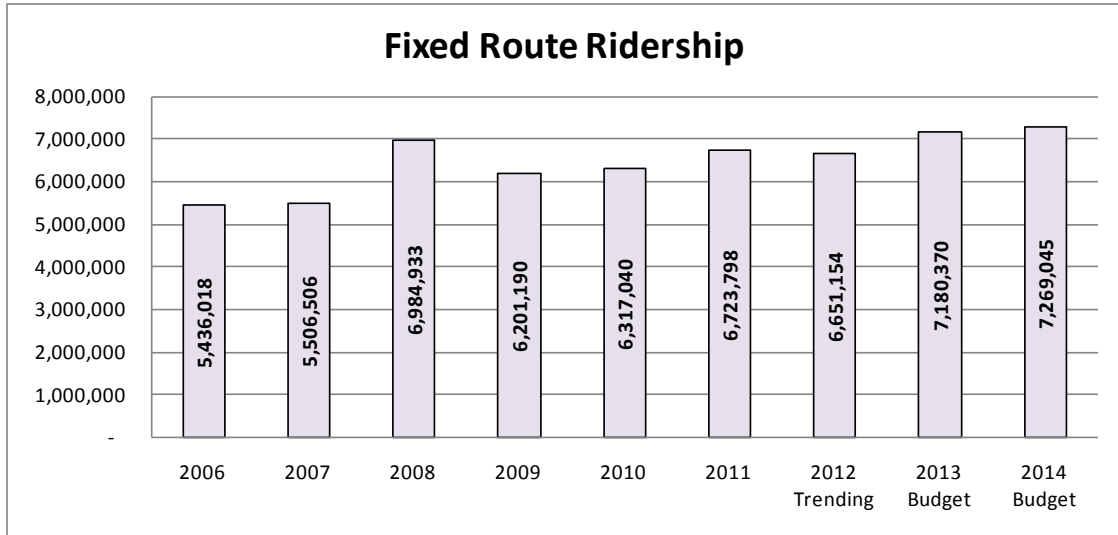
Revenue Analysis

The 2013-2014 Operating Revenue budget is referenced and compared with the 2011-2012 adopted budget in the table below:

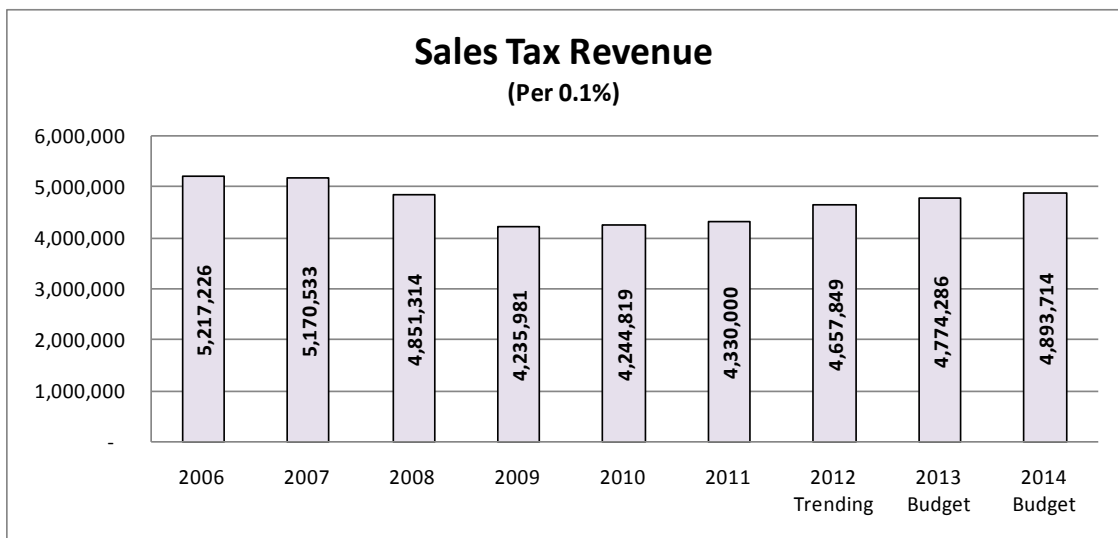
Revenue Descriptions	2011-12 Biennial Budget	2013-14 Biennial Budget	Increase (Decrease)	Percent Increase (Decrease)
Passenger Fares ¹	\$ 13,629,144	\$ 16,569,211	\$ 2,940,067	21.6%
Bus Advertising Revenue ²	\$ 665,000	\$ 647,500	\$ (17,500)	-2.6%
Interest Income ³	\$ 535,000	\$ 652,500	\$ 117,500	22.0%
Sales Tax Revenue ⁴	\$ 51,582,000	\$ 67,676,000	\$ 16,094,000	31.2%
Operating Grants ⁵	\$ 11,860,115	\$ 10,502,457	\$ (1,357,658)	-11.4%
Miscellaneous	\$ 41,400	\$ 41,400	\$ -	0.0%
Total Agency	\$ 78,312,659	\$ 96,089,068	\$ 17,776,409	22.7%

1. Moving into the 2009-2010 budget cycle C-TRAN was experiencing significant ridership increases after a service redesign to improve ridership. The economy took a downward turn late 2008/early 2009 and high unemployment impacted ridership. Ridership increased almost 27 percent in 2008 then decreased 11 percent in 2009. This is important because the primary driver for Passenger Fares Revenue is ridership. The 2013-2014 budget adjusts for current ridership and includes small annual fare increases to have

minimal impact on ridership. The proposed fare increases revenue approximately \$750,000 over the biennium.



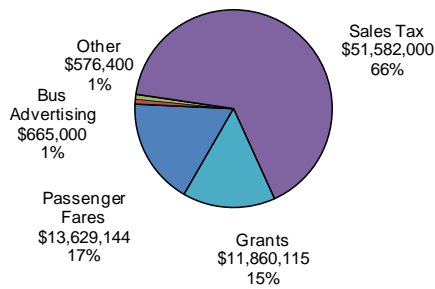
2. The bus advertising revenue budget is conservative from the prior biennial budget to consider the impacts of the economy. The 2013-2014 Budget is based on the bus advertising contract minimum.
3. Interest income is based on current interest rates and higher anticipated cash balances than prior years.
4. Sales Tax Revenue has demonstrated slight increases after significant declines in 2008 and 2009. This assumption is critical for the agency since Sales Tax Revenue is over 70 percent of the agency's operating revenue and it is our most volatile source of revenue. Effective April 1, 2012, C-TRAN collects sales and use tax revenue at 0.7 (seven tenths) percent. The budget represents a 2.5 percent increase in Sales Tax Revenues each year in 2013 and 2014, over 2012 trending results.



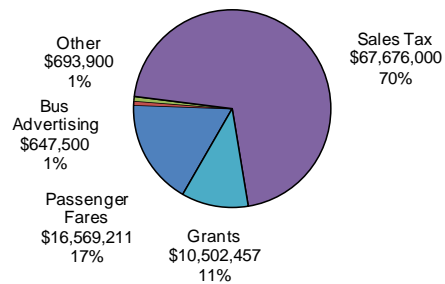
5. The budget continues the use of the following grants:
- Federal Section 5307 formula funds to address preventative maintenance and transit enhancement costs
 - Federal New Freedom formula funds for travel training
 - Washington State Department of Transportation (WSDOT) Special Needs Program Formula grant for C-VAN services
 - WSDOT CRC grant to cover the cost of staff participation on the project
 - WSTIP Risk Management grant for prevention activities
 - Job Access/Reverse Commuter (JARC) grant funds in 2013 for North County Connector service

These funds have been estimated at a reduced rate for the 2013-2014 biennium to better reflect actual grant awards and available balances. The 2011-2012 budget included onetime grant award for projects completed during the biennium such as operating assistance for express service on I-5 corridor, start up Vanpool expenses, and traffic signal priority. These grant awards will not reoccur in the 2013-2014 budget.

2011-12 Budgeted Revenue



2013-14 Budgeted Revenue



Expense Analysis

The 2013-2014 budget was developed using the themes noted previously. The 2013-2014 Operating Expense budget is referenced and compared with the 2011-2012 adopted budget in the table below:

Expense Descriptions	2011-12 Biennial		2013-14 Biennial		Percent	
	Budget		Budget	Increase (Decrease)	Increase (Decrease)	
Salary & Wages ¹	\$ 40,524,083	\$	43,216,460	\$ 2,692,377		6.6%
Benefits ²	\$ 20,072,041	\$	23,644,868	\$ 3,572,827		17.8%
Services ³	\$ 7,519,347	\$	5,710,241	\$(1,809,106)		-24.1%
Supplies ⁴	\$ 11,930,557	\$	13,535,107	\$ 1,604,550		13.4%
Utilities ⁵	\$ 1,080,757	\$	1,029,319	\$ (51,438)		-4.8%
Insurance ⁶	\$ 1,448,936	\$	1,547,580	\$ 98,644		6.8%
Taxes	\$ 13,000	\$	10,050	\$ (2,950)		-22.7%
Miscellaneous ⁷	\$ 820,575	\$	698,519	\$ (122,056)		-14.9%
Leases ⁸	\$ 542,533	\$	435,511	\$ (107,022)		-19.7%
Depreciation ⁹	\$ 12,071,000	\$	11,246,367	\$ (824,633)		-6.8%
Total Operating	\$ 96,022,829	\$	101,074,022	\$ 5,051,193		5.3%
Less Depreciation	\$ (12,071,000)	\$	(11,246,367)	\$ 824,633		-6.8%
Net Expenses	\$ 83,951,829	\$	89,827,655	\$ 5,875,826		7.0%

- The Board of Directors, at the November 10, 2009 Board Meeting, took action to freeze wage range adjustments, merit, and steps increases for all employee groups for one year. Actual wage freezes continued for longer than the one year dictated by the Board, although represented employees continued to receive legally required step increases. Operators were granted, through arbitration, a pay increase on July 1, 2012 representing a 22-month wage range freeze. The following table provides the pay freezes implemented.

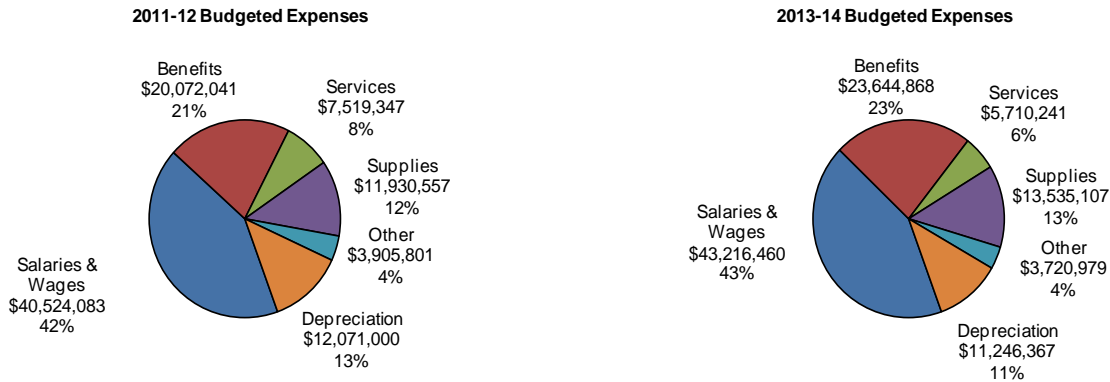
Employee Groups	Wage Range Freeze	Freeze Range	Merit/Step Frozen
Non-Represented Employees	30 months	1/1/2010-6/30/2012	Yes
Maintenance Employees	30 months	1/1/2010-6/30/2012	No
Operators	22 months	9/1/2010-6/30/2012	No
Dispatchers	15 months	6/1/2011-8/31/2012	No
Clerical	To be determined		No
Supervisors/Operation Analysts	To be determined		To be determined

The 2011-2012 wage range adjustments were not budgeted in the 2011-2012 biennial budget, which makes the comparison between the two budgets difficult. The primary reasons for differences between the two biennial budgets are broken down as follows:

- Legally required steps increases (\$510,000)
 - Pool for contract settlements (\$800,000)
 - Adjustments in overtime assumptions for the Operators (\$450,000)
 - Fixed Route Service hours increase (\$210,000)
 - Operations Department succession planning (\$95,000)
 - Three safety/training, compliance or mission critical positions Fleet Maintenance Supervisor, Apprentice Mechanic, and Senior Human Resource Generalist (\$384,000)
 - Two additional Paratransit Operator positions in 2014 but only to be added if demand for service requires the positions (\$60,000)
2. Actual Benefits expenses for 2011 and 2012 were less than budgeted primarily due to the Office of State Actuary not increasing PERS rates as forecasted and the budget savings in benefits due to open positions. Normal cost increases due to price escalation were budgeted as follows:
- a. Medical premiums are budgeted to increase 15 percent per year due to the Healthcare Reform, and dental premiums are budget to increase five percent per year.
 - b. Worker compensation rates are budgeted to increase 15 percent per year. The Safety Consultant has been tasked with providing recommendations on how to control these costs. Internal prevention efforts have not successfully affected the rates.
 - c. PERS current employer rate was budgeted 7.10 percent of gross pay through June 2013. The budget was increased in July 2013 due to the Office of the State Actuary forecasting this rate to increase to 9.10 percent for July 2013 through June 2015.
3. The 2011-2012 biennial budget included larger special one-time only projects such as costs for two elections and major facility maintenance. While special projects continue in the 2013-2014 biennium, staff does not anticipate the same volume as prior years. The Asset Management Plan to be developed in 2013 will further prioritize special projects to maintain a state of good repair.
4. Supplies primarily include fuel costs, which were budgeted at \$3.50 per gallon in 2013 and \$3.75 per gallon in 2014. This is up compared to the 2011-2012 budget of \$3.00 per gallon in 2011 and \$3.10 per gallon in 2012.
5. Utilities expense is budgeted to decrease in the 2013-2014 biennium as a result of budgeting based on historic actual expenses.
6. Insurance expense is projected to increase based on rates provided by WSTIP and the growth in Vanpool.
7. The primary savings in the Miscellaneous Expense category is due to a reduction in the planned spending for Dues & Subscriptions, as well as Advertising.
8. Lease expenses are anticipated to decrease in the 2013-2014 biennium as a result of budgeting based on historic actual expenses, as well as taking into account the reduction of

one-time only expenditures (such as paving expenses at Westfield Vancouver Mall) that occurred in the 2011-2012 biennium.

- Depreciation decreased due to fewer capital projects being completed in the 2011-2012 biennium, or anticipated for completion in the 2013-2014 biennium, versus the number of C-TRAN's aging assets coming to the end of their depreciable lives. Assets at the end of their depreciable life is a trigger in the Asset Management Plan to address the prioritization of replacing assets at the end of their life.



Revenue less Net Expenses Analysis

In the 2013-2014 Biennial Budget, operating revenues, less net operating expenses, result in a budget surplus for each year. A healthy positive net income is important to reestablish a capital improvement program to address the state of good repair issues the agency faces and any expansion or enhancements to the capital program. The system and finance plan demonstrates this importance for the success of the next 20 years.

Recap	2013-14		
	2013 Budget	2014 Budget	Biennial Budget
Total Revenue	\$ 46,789,925	\$ 49,299,143	\$ 96,089,068
Total Net Expenses	\$ 43,836,593	\$ 45,991,062	\$ 89,827,655
Net Income	\$ 2,953,332	\$ 3,308,081	\$ 6,261,413

2013-2018 SIX YEAR CAPITAL BUDGET

Due to a decreased focus on C-TRAN's capital program to address the anticipated operating budget deficit in prior years, the capital program currently has three primary considerations: 1) immediate state of good repair requirements 2) completing grant funded projects; and 3) future capital investments. The table below is a summary of the capital projects budgeted and is consistent with the System and Finance Plan presented to the Board of Directors earlier this year. All grant funds currently secured are listed below and anticipated to be expended by the end of 2015. Staff applies for every grant opportunity, provided the funding is consistent with the 20 Year TDP. Detailed information on the projects can be found in Exhibit C.

Over the next year, staff will develop a Capital Improvement Program, addressing a complete listing of the state of good repair needs through an Asset Management Plan. For more details on the framework for the Asset Management Plan, see Exhibit D. Capital needs for any expansion and enhancements will also be addressed in the Capital Improvement Program and will be brought to the C-TRAN Board of Directors for approval later in 2013. The capital budget does not include any unfunded HCT projects.

	2013-2014			2015-2018			Total
	Grant	Local	Total	Grant	Local	Total	Local
Rolling Stock							
Buses							
Replacement Buses-Fixed Route	\$10,996,944	\$3,099,236	\$14,096,180	\$0	\$2,851,194	\$2,851,194	\$5,950,430
Replacement Buses-Demand Response	0	529,445	529,445	0	2,739,457	2,739,457	3,268,902
Vanpool Purchase	90,000	78,231	168,231	0	176,560	176,560	254,791
Subtotal	\$11,086,944	\$3,706,912	\$14,793,856	\$0	\$5,767,211	\$5,767,211	\$9,474,123
Support Vehicles							
Maintenance and Utility Trucks	\$0	\$0	\$0	\$0	\$473,284	\$473,284	\$473,284
Field Support/Security Staff Vehicles	0	192,139	192,139	0	240,596	240,596	432,735
Subtotal	\$0	\$192,139	\$192,139	\$0	\$713,880	\$713,880	\$906,019
Facilities							
Fisher's Landing Transit Center	\$800,000	\$210,000	\$1,010,000	\$0	\$2,628,832	\$2,628,832	\$2,838,832
AOM Facility Improvements	2,178,400	1,262,671	3,441,071	0	0	0	1,262,671
Bus Stop Improvement Program	282,789	70,697	353,486	0	0	0	70,697
Subtotal	\$3,261,189	\$1,543,368	\$4,804,557	\$0	\$2,628,832	\$2,628,832	\$4,172,200
Equipment							
Technology							
ITS/VAST	\$3,567,737	\$2,737,834	\$6,305,571	\$0	\$0	\$0	\$2,737,834
Computer Systems and Equipment	1,122,080	1,130,513	2,252,593	0	1,342,562	1,342,562	2,473,075
Subtotal	\$4,689,817	\$3,868,347	\$8,558,164	\$0	\$1,342,562	\$1,342,562	\$5,210,909
Other Equipment							
Maintenance Equipment	\$0	\$879,657	\$879,657	\$0	\$3,078,941	\$3,078,941	\$3,958,598
Misc. Capital Repair/Replacement	0	540,096	540,096	0	1,193,387	1,193,387	1,733,483
Subtotal	\$0	\$1,419,753	\$1,419,753	\$0	\$4,272,328	\$4,272,328	\$5,692,081
Planning							
4th Plain Improvement Project Development	\$2,000,000	\$500,000	\$2,500,000	\$0	\$0	\$0	\$500,000
Expenses Associated w/20 Yr Plan & State of Good Repair	0	2,449,623	2,449,623	0	5,370,246	5,370,246	7,819,869
Subtotal	\$2,000,000	\$2,949,623	\$4,949,623	\$0	\$5,370,246	\$5,370,246	\$8,319,869
Total	\$21,037,950	\$13,680,142	\$34,718,092	\$0	\$20,095,059	\$20,095,059	\$33,775,201

CASH & INVESTMENTS

The System and Finance Plan presented to the Board of Directors earlier in 2012 demonstrated the need for positive net income over the next eight years in order to keep up with the capital investment requirements to maintain a state of good repair, and any expansion or enhancements to the capital program. The table below demonstrates the amount of cash available, after all other board commitments.

Estimated Cash & Investments, January 1, 2013	\$48,500,000
Plus 2013-14 Budget Net Income	6,261,413
Less Capital Budget 2013-2018	(33,775,201)
Less Required Minimum Reserves	
Working Capital (Cash Flow)	(10,959,148)
Self Insurance	(1,034,883)
Estimated Cash & Investments not Committed at December 31, 2014	\$8,992,181

Exact figures are too far into the future to accurately predict; however, this demonstrates a commitment to advancing the Capital Improvement Program to ensure a healthy organization. Consistent with long term plans the estimated cash & investments not committed at December 31, 2014 may likely be invested in the Capital Improvement Program as it is further developed.

An estimate of cash and investments at December 31, 2014 without any commitments is below.

Estimated Cash and Investments, January 1, 2013	\$48,500,000
Plus 2013-2014 Budget Net Income	6,256,413
Less Proposed Capital Budget 2013-2014	(13,680,142)
Estimated Cash & Investments at December 31, 2014	\$47,076,271

**EXHIBIT A
REQUIRED SCHEDULES**

**C-TRAN
2013-2014 BUDGET
Schedule of Personnel (501)**

NUMBER OF POSITIONS

Positions ¹	2012	2013	2013 Net	Percent	2014 Budgeted	2014 Net	Percent Change
	Budgeted Positions	Budgeted Positions	Change in # of Positions	Change in Positions	Positions	Change in # of Positions	in Positions
Fixed Route Coach Operators	185	185	0	0.0%	185	0	0.0%
Mechanics	50	51	1	2.0%	51	0	0.0%
Clerical & Dispatch	31	31	0	0.0%	31	0	0.0%
Paratransit Operators	62	61	-1	-1.6%	63	2	3.3%
Supervisors/Analysts	22	24	2	9.1%	24	0	0.0%
Non Represented ²	42	44	2	4.8%	44	0	0.0%
Total	392	396	4	1.0%	398	2	0.5%

SALARY & WAGES

Positions	2013 Budget	2014 Budget	2013-14		2011-12		Percent Change
			Biennial Budget	Biennial Budget	Biennial Budget	Net Change	in Biennial Budget Amount
Fixed Route Coach Operators	\$ 9,905,865	\$ 10,178,517	\$ 20,084,382	\$ 19,132,630	\$ 951,752	\$ 951,752	5.0%
Mechanics	\$ 2,570,617	\$ 2,667,494	\$ 5,238,111	\$ 4,812,272	\$ 425,839	\$ 425,839	8.8%
Clerical & Dispatch	\$ 1,531,181	\$ 1,525,591	\$ 3,056,772	\$ 2,982,048	\$ 74,724	\$ 74,724	2.5%
Paratransit Operators	\$ 2,412,189	\$ 2,557,110	\$ 4,969,299	\$ 4,821,785	\$ 147,514	\$ 147,514	3.1%
Supervisors/Analysts	\$ 1,647,324	\$ 1,605,997	\$ 3,253,321	\$ 2,686,537	\$ 566,784	\$ 566,784	21.1%
Non Represented	\$ 3,249,058	\$ 3,365,517	\$ 6,614,575	\$ 6,088,811	\$ 525,764	\$ 525,764	8.6%
Total	\$ 21,316,234	\$ 21,900,226	\$ 43,216,460	\$ 40,524,083	\$ 2,692,377	\$ 2,692,377	6.6%

Notes:

1. The number of positions for the 2013-2014 Biennial Budget will fluctuate in order to accommodate employee succession planning.
2. The BRT Project Manager is not included in the position counts as the position is employed for the purposes of analyzing the BRT project and is considered a long-term temporary capital position.

C-TRAN
2013-2014 BUDGET
Schedule of Professional Services(503.03)

	2013	2014
OPERATIONS		
Physicals, Drug Screening, Audiogram	\$ 38,194	38,736
TOTAL OPERATIONS	\$ 38,194	\$ 38,736
MAINTENANCE		
General Maintenance Consulting (Engineering, Architects, Etc..)	\$ 34,500	\$ 36,225
Physicals, Drug Screening, Hepatitis B shots, Audiogram	9,944	9,984
TOTAL MAINTENANCE	\$ 44,444	\$ 46,209
ADMINISTRATIVE SERVICES		
Annual State Audit	\$ 35,000	\$ 30,000
Drug and Alcohol Program	1,400	1,400
Employee Assistance Program	13,037	13,735
Legal Representation in Procurement Areas	12,000	12,000
Legal Representation in Personnel Areas	169,000	65,000
Worker's Compensation Administration and Investigation	2,000	2,000
Compensation Study	37,725	0
Noise Dosimetry Testing	2,500	0
Substance Abuse Professional (SAP) Evaluations	1,785	1,785
Physicals, Drug Screening, Hepatitis B shots, Audiogram	8,670	9,100
TOTAL ADMINISTRATIVE SERVICES	\$ 283,117	\$ 135,020
DEVELOPMENT & PUBLIC AFFAIRS		
Community Report Card	\$ 24,950	0
Rider Satisfaction Survey	0	24,950
Origin/Destination Study	20,000	0
7th Street Excess Property Plan	8,000	0
Construction Management Services	15,000	15,000
Legislative Representation	106,000	106,000
TOTAL DEVELOPMENT & PUBLIC AFFAIRS	\$ 173,950	\$ 145,950
EXECUTIVE OFFICE		
Legal Representation for General Administration	\$ 50,000	\$ 50,000
Legal Representation for the Board	61,000	61,000
Organizational Development for General Administration	25,000	25,000
Organizational Development for the Board	25,000	25,000
Safety Consultant	150,000	150,000
Optimizing Operation System Efficiencies	15,000	15,000
Hardware and Software Trouble Shooting	8,500	8,500
CRC Consulting	100,000	100,000
TOTAL EXECUTIVE OFFICE	\$ 434,500	\$ 434,500
TOTAL PROFESSIONAL SERVICES	\$ 974,205	\$ 800,415

C-TRAN
2013-2014 BUDGET
Schedule of Dues and Subscriptions(509.01)

	2013	2014
OPERATIONS		
Subscriptions	\$ 0	694
TOTAL OPERATIONS	<u>\$ 0</u>	<u>\$ 694</u>
MAINTENANCE		
Subscriptions	\$ 3,050	3,355
TOTAL MAINTENANCE	<u>\$ 3,050</u>	<u>\$ 3,355</u>
ADMINISTRATIVE SERVICES		
Government Finance Officers Association	\$ 300	\$ 300
National Institute of Government Purchasing	275	275
National Public Employer Labor Relations	210	210
Society for Human Resource Management	185	185
Washington Finance Officers Association	100	100
Washington State Dept of Enterprise Services - Purchasing COOP	2,000	2,000
Office of Minority and Women's Business Enterprises	250	250
Subscriptions	170	170
TOTAL ADMINISTRATIVE SERVICES	<u>\$ 3,490</u>	<u>\$ 3,490</u>
DEVELOPMENT & PUBLIC AFFAIRS		
Subscriptions	\$ 1,725	1,725
TOTAL DEVELOPMENT & PUBLIC AFFAIRS	<u>\$ 1,725</u>	<u>\$ 1,725</u>
EXECUTIVE OFFICE		
American Public Transportation Association	\$ 35,000	\$ 35,000
Battle Ground Chamber of Commerce	1,125	1,125
Camas/Washougal Chamber of Commerce	607	607
Columbia River Economic Development Council (CREDC)	10,000	10,000
Greater Vancouver Chamber of Commerce	2,400	2,400
International Institute of Municipal Clerks	270	270
Washington Association of Public Records Officers (WAPRO)	75	75
Vancouver Downtown Association	350	350
Washington Municipal Clerks Association	330	330
Washington State Transit Association	20,000	20,000
Southwest Washington Regional Transportation Council	25,000	25,000
American Bus Benchmarking Group	18,000	18,000
Subscriptions	900	900
TOTAL EXECUTIVE OFFICE	<u>\$ 114,057</u>	<u>\$ 114,057</u>
TOTAL DUES AND SUBSCRIPTIONS	<u><u>\$ 122,322</u></u>	<u><u>\$ 123,321</u></u>

C-TRAN
2013-2014 BUDGET
Schedule of Training and Meetings(509.02)

	2013	2014
OPERATIONS		
American Public Transportation Association Conferences	\$ 0	\$ 8,409
ADA Roundtable	1,669	0
Trapeze Users Conference	2,059	0
Multimodal Ops Planning Workshop	1,830	0
Init Users Conference	1,203	1,013
Runcut/Scheduling Users Conference	0	4,700
Minor Travel & Training (In State)	11,460	\$ 9,567
Local Seminars/Training	2,000	\$ 2,000
TOTAL OPERATIONS	\$ 20,221	\$ 25,689
MAINTENANCE		
American Public Transportation Association Conferences	\$ 0	\$ 3,500
Minor Travel & Training (In State)	11,750	9,950
Local Seminars/Training	2,000	2,000
TOTAL MAINTENANCE	\$ 13,750	\$ 15,450
ADMINISTRATIVE SERVICES		
National Transit Institute Procurement Series Training	\$ 3,210	\$ 3,371
Crystal Reports Training	2,000	0
Minor Travel & Training (In State)	10,019	7,229
Local Seminars/Training	2,000	2,000
TOTAL ADMINISTRATIVE SERVICES	\$ 17,229	\$ 12,600
DEVELOPMENT & PUBLIC AFFAIRS		
American Public Transportation Association Conferences	\$ 3,500	\$ 7,000
Rail-Volutaion Conference	1,985	0
Multimodal Ops Planning Workshop	1,830	0
NTI Mgmt of Transit Construction Projects	1,925	0
Print/Web Design Conference	2,389	0
Minor Travel & Training (In State)	2,100	2,100
Local Seminars/Training	2,000	2,000
TOTAL DEVELOPMENT & PUBLIC AFFAIRS	\$ 15,729	\$ 11,100
EXECUTIVE OFFICE		
American Public Transportation Association Conferences	\$ 32,231	\$ 33,477
International Institute of Municipal Clerks Conference	2,032	2,152
American Bus Benchmarking Group Annual Meeting	3,000	3,000
US Public Sector CIO Summit	1,832	1,832
Trapeze Users Conference	0	2,059
Init Users Conference	1,203	0
Minor Travel & Training (In State)	6,950	6,300
Local Seminars/Training	2,000	2,000
TOTAL EXECUTIVE OFFICE	\$ 49,248	\$ 50,820
TOTAL TRAINING AND MEETINGS	\$ 116,177	\$ 115,659

EXHIBIT B OPERATING INFORMATION

2013-2014 BUDGET FEDERAL TRANSIT ADMINISTRATION (FTA) INFORMATION BY MODE Ten Years

	2014 BUDGET	2013 BUDGET	2012 BUDGET	2011 ACTUAL	2010 ACTUAL	2009 ACTUAL	2008 ACTUAL	2007 ACTUAL	2006 ACTUAL	2006 ACTUAL
PASSENGER BOARDINGS										
A. Fixed Route	7,269,046	7,180,370	6,640,055	6,723,798	6,317,040	6,201,190	6,994,933	5,506,506	5,436,018	5,614,951
B. Demand Response	246,315	234,739	207,194	206,596	218,104	215,357	245,684	230,409	211,818	196,478
C. Vanpool	111,888	111,888	32,256	28,210	17,426	14,086	n/a	n/a	n/a	988
Total	7,627,248	7,526,997	6,879,505	6,958,604	6,552,570	6,430,633	7,230,617	5,736,915	5,647,836	5,812,417
PASSENGER MILES										
A. Fixed Route	36,485,453	36,040,368	32,525,390	33,748,700	31,773,904	34,730,798	36,883,205	25,849,236	29,288,989	29,694,702
B. Demand Response	1,750,853	1,668,569	1,246,477	1,463,523	1,528,543	1,256,897	1,409,969	1,300,870	1,203,188	1,139,924
C. Vanpool	2,999,519	2,999,519	872,979	756,280	461,647	379,442	n/a	n/a	n/a	2,990
Total	41,235,825	40,708,456	34,644,726	35,973,483	33,764,094	36,406,137	38,293,174	27,150,106	30,472,177	30,837,206
OPERATING MILES										
A. Fixed Route	4,724,079	4,724,079	4,856,000	4,656,656	4,618,039	4,970,828	5,155,643	4,373,134	4,171,577	4,090,498
B. Demand Response	1,477,930	1,434,879	1,413,124	1,366,941	1,436,388	1,431,783	1,535,597	1,443,921	1,335,402	1,246,927
C. Vanpool	371,568	371,568	161,199	145,611	78,431	65,864	n/a	n/a	n/a	615
Total	6,573,577	6,530,526	6,430,323	6,169,208	6,132,858	6,468,475	6,691,240	5,817,055	5,506,979	5,338,040
OPERATING HOURS										
A. Fixed Route	286,643	286,643	292,958	282,552	279,432	289,243	304,416	267,171	248,299	250,085
B. Demand Response	88,257	86,657	88,987	82,554	87,973	92,255	99,972	92,641	85,930	80,487
C. Vanpool	10,669	10,669	4,903	4,181	2,395	2,141	n/a	n/a	n/a	31
Total	386,569	383,969	386,948	369,287	369,800	383,639	404,388	369,812	334,229	330,603
IN-SERVICE MILES										
A. Fixed Route	3,996,494	3,996,494	4,120,075	3,939,455	3,931,152	4,288,359	4,476,702	3,845,014	3,683,991	3,702,382
B. Demand Response	1,289,010	1,251,462	1,244,872	1,192,208	1,253,477	1,250,885	1,348,396	1,288,496	1,182,787	1,102,801
C. Vanpool	371,568	371,568	161,199	145,611	78,431	65,864	n/a	n/a	n/a	615
Total	5,657,072	5,619,524	5,526,146	5,277,274	5,263,060	5,606,108	5,825,098	5,113,510	4,866,778	4,805,798
IN-SERVICE HOURS										
A. Fixed Route	261,875	261,875	267,280	258,137	256,428	275,743	280,211	247,323	230,657	231,191
B. Demand Response	82,116	79,724	79,216	75,949	80,555	81,064	88,258	81,773	77,010	72,004
C. Vanpool	10,669	10,669	4,903	4,181	2,395	2,141	n/a	n/a	n/a	31
Total	354,660	352,268	351,399	338,267	339,378	358,948	368,468	329,096	307,667	303,226
NET OPERATING COST										
A. Fixed Route	35,909,310	34,308,669	35,329,168	29,935,481	28,219,249	28,689,099	28,283,504	23,970,530	21,255,407	19,864,065
B. Demand Response	9,310,587	8,770,948	9,230,810	7,771,570	7,775,082	7,816,398	8,791,796	7,753,950	6,787,272	5,122,262
C. Vanpool	212,128	208,267	149,535	128,488	219,071	281,796	n/a	n/a	n/a	26,887
Total	45,432,025	43,286,884	44,709,513	37,835,549	36,213,402	36,787,293	37,075,300	31,724,480	28,042,679	25,013,014
OPERATING REVENUE										
A. Fixed Route	8,190,567	7,797,930	6,963,038	7,295,061	6,793,511	6,670,570	6,346,589	5,345,781	4,818,489	4,606,865
B. Demand Response	419,721	388,493	115,296	330,428	336,942	230,340	266,498	234,627	241,677	158,469
C. Vanpool	212,000	208,000	123,075	67,246	46,697	37,348	n/a	n/a	n/a	1,107
Total	8,622,288	8,394,423	7,199,410	7,692,735	7,177,150	6,938,258	6,613,087	5,580,408	5,060,166	4,766,441

**2013-2014 BUDGET
FEDERAL TRANSIT ADMINISTRATION (FTA) INFORMATION BY MODE
Ten Years**

	2014 BUDGET	2013 BUDGET	2012 BUDGET	2011 ACTUAL	2010 ACTUAL	2009 ACTUAL	2008 ACTUAL	2007 ACTUAL	2006 ACTUAL	2005 ACTUAL
PASSENGERS PER IN-SERVICE HOUR										
A. Fixed Route	27.8	27.4	24.8	26.0	24.6	22.5	24.9	22.3	23.6	24.3
B. Demand Response	3.0	2.9	2.6	2.7	2.7	2.7	2.8	2.8	2.8	2.7
C. Vanpool	10.5	10.5	6.6	6.7	7.3	6.6	n/a	n/a	n/a	31.9
COST PER PASSENGER MILE										
A. Fixed Route	\$0.98	\$0.95	\$1.09	\$0.89	\$0.89	\$0.83	\$0.77	\$0.93	\$0.73	\$0.67
B. Demand Response	5.32	5.26	7.45	5.29	5.09	6.03	6.24	5.96	5.64	4.49
C. Vanpool	0.07	0.07	0.17	0.17	0.47	0.74	n/a	n/a	n/a	10.34
COST PER OPERATING MILE										
A. Fixed Route	\$7.60	\$7.26	\$7.28	\$6.43	\$6.11	\$6.77	\$6.49	\$6.48	\$5.10	\$4.86
B. Demand Response	6.30	6.11	6.57	5.69	5.41	5.46	5.73	5.37	5.08	4.11
C. Vanpool	0.57	0.56	0.93	0.88	2.79	4.28	n/a	n/a	n/a	43.39
COST PER PASSENGER BOARDING										
A. Fixed Route	\$4.94	\$4.78	\$5.32	\$4.45	\$4.47	\$4.63	\$4.05	\$4.35	\$3.91	\$3.54
B. Demand Response	37.80	37.36	44.84	37.62	36.65	36.30	35.78	33.65	32.04	26.07
C. Vanpool	1.90	1.86	4.64	4.55	12.57	20.01	n/a	n/a	n/a	27.01
COST PER OPERATING HOUR										
A. Fixed Route	\$125.28	\$119.69	\$120.59	\$105.95	\$100.99	\$95.67	\$92.91	\$88.72	\$85.60	\$79.43
B. Demand Response	104.31	101.20	104.41	94.14	88.38	84.73	87.94	83.70	78.99	63.64
C. Vanpool	19.88	19.52	30.50	30.73	91.47	131.62	n/a	n/a	n/a	860.87
OPERATING REVENUE PER PASSENGER										
A. Fixed Route	\$1.13	\$1.09	\$0.96	\$1.08	\$1.08	\$1.08	\$0.91	\$0.97	\$0.89	\$0.82
B. Demand Response	1.70	1.65	0.56	1.60	1.54	1.07	1.08	1.02	1.14	0.81
C. Vanpool	1.89	1.86	3.82	2.38	2.68	2.65	n/a	n/a	n/a	1.12
PERCENT OF OPERATING REVENUE TO OPERATING COSTS										
A. Fixed Route	22.81 %	22.73 %	18.01 %	24.37 %	24.07 %	23.25 %	22.44 %	22.30 %	22.67 %	23.19
B. Demand Response	4.51	4.43	1.24	4.25	4.33	2.95	3.03	3.03	3.56	3.09
C. Vanpool	99.94	99.87	82.31	52.34	21.32	13.25	n/a	n/a	n/a	4.15

Notes:
 * Data for passenger boardings and passenger miles reflect the National Transit Database (NTD) data and are computed on a statistically sampled basis, and subject to statistical variations from year to year.
 * Data for operating and in-service miles and hours match the NTD reported data.
 * Net operating costs excludes cost of service contracted to the Tri-County Metropolitan Transit District, Portland, Oregon (TriMet), depreciation and leases to match NTD reporting requirements.
 * Operating revenue includes passenger revenue, the sale of maps and rider soft goods and advertising revenue.
 * Effective January 2011 the Camas Connector service was moved from Demand Response to Fixed Route.
 * C-TRANS Vanpool program was discontinued in 2005 and reimplemented in May of 2009.

EXHIBIT C
SIX YEAR CAPITAL BUDGET DETAIL 2013-2018

Rolling Stock

Buses

- Replacement Buses – A total of about \$5.9 million in local grant matching funds have been budgeted to purchase replacement fixed route buses. The buses scheduled for replacement will have reached the end of their useful lives and are buses for which C-TRAN has experienced escalating maintenance costs. An additional \$3.3 million have been budgeted to purchase replacement C-VAN vehicles. Like the fixed route buses, these vehicles will have reached the end of their useful lives and have higher maintenance costs.
- Vans Purchase for Vanpool – The purchase of additional Vanpool vehicles is using a grant through the Washington State Department of Transportation (WSDOT) Vanpool Investment Program of \$90,000. A total of about \$250,000 is budgeted from local funds to match potential additional grants for expansion vehicles. Funding for future replacement of these vehicles has been deferred until the completion of the Asset Management Plan.

Support Vehicles

- Replace Maintenance Vehicles – A replacement schedule has been developed based on the mileage and condition of each vehicle. This budget invests about \$470,000 in replacement maintenance and utility vehicles.
- Replace Field Support, Security and Staff Vehicles – A replacement schedule has been developed based on the mileage and condition of each vehicle. This budget invests about \$430,000 in replacement of support type vehicles.

Facilities

- Fisher’s Landing Transit Center – C-TRAN received an \$800,000 Congestion Mitigation and Air Quality (CMAQ) grant that funds design/engineering work for parking expansion at the Fisher’s Landing Transit Center, as well as funding work to review possible transit oriented development and other transit enhancements at the transit center. Local funds invested into this project equal \$210,000. In addition, consistent with the 20 Year Plan about \$2.6 million is budgeted for the local match to complete the expansion of the Fisher’s Landing Transit Center.
- AOM Facility Improvements – A state of good repair grant was received to replace the 27 year old paint booth and bus wash. In addition, C-TRAN has owned the south lot property for over 20 years with little improvement. The grant pays for improving the lot to bring it up to compliance with the City of Vancouver development codes and allows C-TRAN to end a lease agreement for off-site revenue vehicle parking. This project has about \$2.2 million in grant funds and about \$1.3 million in local funds.
- Bus Stop Safety, Streamline, and Improvement Project – Included in this category are the Transit Enhancement Funds allocated by FTA and other federal grants funds for a grant fund total of about \$280,000. Matching local funds of \$71,000 were also budgeted. This project improves service and schedule reliability by improving route efficiency and includes on-going analysis of the bus stop program to ensure compliance with ADA regulations and best practices in the industry.

Equipment

Technology

- ITS/VAST Projects – Federal grant funds of about \$3.5 million and local funds of about \$2.7 million have been budgeted. The primary use of these funds is the Farebox Replacement/Electronic Fare Collection Project, which received an FTA State of Good Repair grant. The equipment is over 20 years old with a high failure rate and is no longer supported by the manufacturer. New technology in this area allows C-TRAN to accept a wider range of fare media including smart cards or credit/debit cards for fare payment through collaboration with TriMet. This will increase convenience to passengers and reduce boarding time to improve route efficiency and on-time performance.
- Computer Systems and Equipment – The capital budget includes approximately \$2.5 million in local funds to be invested in C-TRAN's technology infrastructure over the next five years. The projects covered by these funds will be prioritized based on their ability to increase efficiency, effectiveness, and overall agency productivity. One major project in this area is the Bus Surveillance Camera Replacement/Upgrade Project. This project received FTA State of Good Repair funding to replace/upgrade bus surveillance camera equipment that is well past the end of its useful life and no longer supported by the manufacturer. The equipment will be replaced with upgraded technology that, among other things, will allow for wireless download of the recorded surveillance data.

Other Equipment

- Maintenance Equipment – The capital budget includes almost \$4 million in local funds to be invested in keeping Maintenance Equipment and other facility related items in a state of good repair.
- Miscellaneous Capital Repair/Replacement – Local funds of \$1.7 million have been budgeted for unanticipated miscellaneous equipment needs during the next six years. The development of the Asset Management Plan will provide greater predictability than what is currently available in this area.

Planning

- Expenses Associated with the 20 Year and a State of Good Repair – The development of a Capital Improvement Program over the next year will provide guidance on the investment of these funds which are consistent with the 20 Year TDP and the System and Finance Plan. In the meantime, staff has been applying for every grant opportunity, provided they are consistent with the 20 Year TDP. Approximately \$8.3 million has been identified as potential local funds for priority projects approved by the Board of Directors to move forward.

EXHIBIT D

CAPITAL IMPROVEMENT PROGRAM

A capital improvement program consists of two components: Asset Management Plan and Expansion/Enhancement Plan. Renewed focus is shifting from securing funding to fulfilling C-TRAN's mission to provide safe, reliable, efficient mobility choices. Developing a Capital Improvement Program is a work plan goal for management to get the most out of the funding and assets available to the agency. The Asset Management Plan prioritizes the rehabilitation and replacement of existing capital assets and evaluates the implications to the agency to determine investment levels. The Expansion/Enhancement Plan is closely connected to the 20 Year Plan, which will be reviewed and updated in 2013.

Comprehensive Asset Management Plan

This document describes a framework for C-TRAN to use for prioritization of capital asset rehabilitation and replacement decisions to create a comprehensive asset management plan. This framework is largely developed from Transit Cooperative Research Program Report 157: State of Good Repair: Prioritizing the Rehabilitation and Replacement of Existing Capital Assets and Evaluating the Implications for Transit. Applying this framework over the next year, C-TRAN can answer questions about asset rehabilitation and replacement investment decisions including:

- What funds are required to perform recommended asset rehabilitation and replacement work?
- How will asset rehabilitation and replacement impact transit performance?
- What are the relative impacts and implications of different funding levels?
- How should available funds be prioritized?

Fundamental Concepts

The term State of Good Repair (SOGR) has been used many different ways over the last few years. It is important through this process to define: what is SOGR to C-TRAN? Are we in a SOGR when we have a comprehensive list with a plan for replacement integrated into the management process? Maybe SOGR represents a system that exhibits safety and quality characteristics. SOGR will be further defined as we move forward with developing an Asset Management Plan.

The basic framework for an Asset Management Plan requires information from three key areas:

1. Determining when to rehabilitate or replace an asset
2. Measuring asset performance
3. Prioritize investments based on multiple objectives

Determining when to rehabilitate or replace an asset – In deciding when to rehabilitate or replace an asset one typically assumes that an asset has a finite, though perhaps indeterminate, life and that one can calculate the life cycle cost of the asset. Given information on the life cycle costs of an asset, and information on asset life, one can determine an optimal policy for that asset. The impacts and implications that specific asset has to the asset's availability, reliability, service quality, and routine maintenance costs determine when to rehabilitate or replace an asset.

Measuring asset performance – Ultimately, decisions concerning rehabilitation and replacement of transit assets are motivated by the goal of maintaining or improving performance. Performance measures help quantify the service these assets provide. In considering whether and when to replace an asset, it is useful to address three questions: how the asset helps C-TRAN achieve its performance goals, how performance varies as the asset ages and/or deteriorates, and what the impact on performance would be if the asset failed or was removed from services.

Prioritize investments based on multiple objectives – Many years ago, C-TRAN used a set of objectives on which to prioritize capital projects but it was abandoned due to funding constraints. The basic concept is to score projects based on a formula weighting objectives such as reducing costs, reducing asset failures, improving safety, increasing mobility, reducing travel time, or improving the quality of service. The results that emerge can provide general guidance on priorities and finalize investments decisions.

Process for Evaluating and Prioritizing Asset Rehabilitation and Replacement

There are seven essential steps in evaluating and prioritizing asset rehabilitation and replacement projects.



The process starts with collecting data on the condition and performance of existing assets. This information is analyzed to determine how well the system is performing and what rehabilitation and replacement work may be required. Next, specific project alternatives are generated to address rehabilitation and replacement needs. A set of scenarios is defined to test different prioritization approaches and refine the set of alternative projects. Based on the refined set of project alternatives, the next step is to prioritize specific projects. An asset management plan is then developed that details the selected projects. Over time, the work described in the plan is performed, and information on the resulting changes in conditions and performance is captured in subsequent updates of the process.

Work on developing the comprehensive Asset Management Plan will begin in early 2013 with targeted completion by the end of the year. Outcomes of the plan will be brought to the C-TRAN Board of Direction for review and final approval.

EXHIBIT E TALENT MANAGEMENT STRATEGY

Five percent of C-TRAN's workforce is currently eligible for retirement. Within five years, 22 percent will be eligible for full PERS retirement and will likely plan on leaving C-TRAN. This represents a significant loss of technical and institutional knowledge at the staff level.

The ultimate goal of any staffing decision is to improve or add to the continued success of C-TRAN. As such, any staff development for the purposes of internal hiring or promotion must be done strategically. This means C-TRAN must effectively identify, develop, and retain employees with the potential to address the near and longer term leadership needs and other anticipated gaps requiring technical and specialized skills.

Employees who fit this description are often referred to as "Talent" or "High Potentials". All employees have high potential, but the desire to progress is the difference between those who advance and those who do not. The bottom line is that these types of employees present an organization with an opportunity to address many of their staffing needs. However, it is estimated that less than five percent of transit properties have in place a formal and comprehensive program to address this issue strategically.

The APTA Leadership class of 2012 took a comprehensive approach to address this common problem among transit properties. The consensus of the literature indicates that deploying an effective talent management strategy is the key to strategically identifying, developing, and retaining talent within an organization. Organizations should consider their human capital assets with the same importance as any other major investment. Virtually all businesses have a formal corporate strategy with respect to its key assets; however, a measurable, sustainable, and articulated talent management strategy is not as common.

In essence, a talent management strategy anticipates the human capital needs of an organization, and develops a plan to meet those needs. This approach elevates the priority of the professional development of the key talent within the organization. There are several aspects of an effective talent management strategy. The key components are as follows:

1. Adopt a formal succession plan;
2. Effectively identify employees with high potential for future leadership;
3. Provide appropriate development opportunities for these employees;
4. Provide support and feedback for the development of high-potential employees; and
5. Gain a clear understanding of the effectiveness of talent management initiatives.

Through the 2013-2014 Biennial Budget cycle, this topic has emerged as one of high importance for C-TRAN. One third of manager level positions and higher will be eligible for retirement within the next five years. This number changes to 53 percent when we look out over the next ten years. Our goal is to fill at least half of those positions with internal hiring or promotions. To succeed, a formal talent management strategy is needed.

Adopt a Formal Succession Plan

In the first half of 2013, senior leadership will develop and adopt a formal succession plan. This requires defining critical functions and identifying whether the talent currently exists to fill those roles should they become vacant. This analysis will include identifying specific individuals and skills needed to address the critical needs and staffing gaps. The succession plan will also need to develop specific and measurable goals for staff development.

Succession planning is critical for several reasons. The most important aspect of succession planning is that individuals identified will likely ascend to higher-level positions in the organization. To lead into the future, individuals identified in the succession plan should have the ability to see the bigger picture, as well as be technically sound within their areas of responsibility. Typically, employees with high potential for success are identified in the succession plan. This creates the opportunity for the plan to serve two purposes, including securing the organization's health for the future, as well as retaining top talent in the short-term.

Effectively Identify Employees with High Potential for Future Leadership

This can be done through both formal and informal methods. Informally, through observation there are several candidates who have good reputations throughout the agency and are actively working the agency's mission in their day-to-day work habits. Some formal methods consist of:

- Performance reviews provide an objective view of a high potential employee's past performance and the employee's ability to handle increasing workloads over time.
- Leadership assessments are designed to measure critical management skills. The point of this type of assessment is to objectively determine leadership abilities, as well as identify areas that have opportunities for improvement.
- Stretch assignments are those that require an employee to move beyond their current area of expertise and manage the actions of others from across an organization. Providing a high potential employee with the opportunity to work on stretch work assignments has multiple benefits to the organization, as well as the employee. A stretch work assignment exposes the employee to areas in which they would not normally have in the traditional work assignment.

Although this is not meant to be a comprehensive list, these types of objective tools solidify the selection strategy. Identifying individuals with high potential helps with retention and forces senior leadership to be involved with the talent management strategy. Through the identification of high potential employees and senior leaders support, employees become aware of the identification, which promotes loyalty and stability.

Provide Appropriate Development Opportunities for These Employees

Providing an opportunity for high potential employees to diversify their experience keeps them motivated and supports the preparation for future roles. This can include a variety of training opportunities and investment in the employee depending on their performance and initiative shown. For example, a high potential employee could be exposed to local training opportunities moving up to regional and national training exposures where warranted. This is a win-win approach for both C-TRAN and high potential talent.

To support the Talent Management Strategy, the 2013-2014 Biennial Budget includes additional training, reinstatement of a revised tuition program, funding for organizational development, and funding for a C-TRAN candidate to complete the Leadership APTA Program. Leadership APTA was developed by Les White, former C-TRAN Executive Director, who took the Leadership Clark County model to APTA. This premier professional development program was designed to develop and support the next generation of leaders of APTA and the public transportation industry.

In addition to these various training opportunities, the management experience is critical for future leaders. It is important to expose high potential employees to managing and leading people. This provides for observation of an employee's management practices and tendencies, which allows for corrective actions to be taken where needed before the person is entrusted to a higher management position.

Provide Support and Feedback for the Development of High-Potential Employees

Support and feedback has several aspects:

- Financial Recognition – A competitive compensation is an effective retention tool, even when that employee does not feel advancement opportunities are on the horizon. Regularly scheduled compensation studies ensure the wage and salary structure conforms to market conditions and remains competitive.
- Verbal Communication – A major factor in making a decision to stay with an organization is communication from upper management that the individual has high potential for future leadership roles within the organization.
- Career Track Planning – Once an employee understands their potential within an organization, a career track plan should be developed to include any training or skill development needed to improve their chances of moving into higher-level roles. These should include steps that the employee must take on their own to demonstrate initiative and commitment to their career.
- Frequent Feedback – Feedback is needed frequent enough to ensure continued development. This includes feedback regarding performance and progress in comparison to their career track plan. The ability to communicate candidly in an effort to further high potential development is essential.

Gain a Clear Understanding of the Effectiveness of Talent Management Initiatives

In the first half of 2013, C-TRAN will develop a process to determine its return on investment when deploying this talent management strategy. Any time devoted to developing talent obviously diverts time from the primary functions of the individuals engaged in the process. This offset in productivity needs to be compared to the effectiveness of retaining talent. Key indicators should include comparing the succession plan to the success of individuals identified, conducting a retention risk analysis to determine the talent at risk of departing and comparing it to the retention efforts, and conducting an exit interview of high potentials that leave the organization.

Summary

In summary, the primary purpose of a talent management strategy is to retain high potential human capital within the organization. C-TRAN has not had a formal succession plan which, given the recent budget constraints, has caused some structural weaknesses within the organization. Now that funding has been restored through the passage of the November 2011 sales tax rate increase, it is time to invest in motivated, high potential employees in such a way that they want to stay and give back to the agency through continual improvements for C-TRAN.

EXHIBIT F RESERVE POLICIES

The Board of Directors adopted Board Resolution BR-09-017 to establish a reserve policy to include Self-Insurance, Capital, and Working Capital.

Self-Insurance Reserve – By reconfirming this fund of \$3 million, the Board provided the ability to settle large claims beyond that provided for in the budget and available from existing cash sources, in order to protect the Board personally. Two million dollars is the self-insured retention associated with an excess liability policy C-TRAN carries for public liability claims. One million dollars is set aside to self-insure the underground storage tank system. The \$3 million total is a formal designation of investments reported in the Comprehensive Annual Financial Report (CAFR).

Insuring with WSTIP eliminates the need for the \$2 million self-insured retention long term. It is needed for claims until the three year statute runs on all active and unreported claims incurred prior to January 1, 2011. Staff will return to the Board of Directors in early 2014 to release the \$2 million self-insured retention in early 2014.

A dental self insurance reserve is required by the State of Washington, Department of Enterprise Services, Office of Risk Management in an amount equal to a minimum of 8 weeks of program expenses as per WAC200-110-040. This was formally adopted by Board Resolution BR-10-010 and is a reserve of approximately \$35,000.

Capital Reserve – This reserve was established to provide the local funds to carry out the capital program as adopted or amended in the biennial budget. The formal designation of investments in the CAFR will match the total capital program and will be updated annually as capital projects are completed.

Working Capital Reserve – The goal of a minimum 90 Days Cash on Hand was established to create sufficient resources to cover cash flow until tax and grant revenues are collected. It also provides the ability for short term funding of operations during periods of economic downturn or unusual cost increases. This reserve is a goal rather than a Board designation and is not reported in the CAFR. Rather it is a management tool to assist in budgeting cash flow and establishing future uses of cash and investments. The calculation uses the current adopted operating budget divided by 360 for the average daily cash usage. The available cash not committed for other purposes is divided by the average daily cash usage to reach the number of Days Cash on Hand.



BOARD RESOLUTION BR-12-014

RESOLUTION authorizing the adoption of the 2013-2014 Budget for the Clark County Public Transportation Benefit Area (dba C-TRAN).

WHEREAS, the C-TRAN staff has identified and hereby re-confirms five main themes for the agency to target in the next two years: 1) Long Term Cost Containment Strategy; 2) Efficiency, Reliability and Compliance; 3) 2030 Plan Implementation; 4) Safety and Security; and 5) Technology Planning and Management; and

WHEREAS, the 2013-2014 Budget supports these themes.

NOW, THEREFORE, BE IT RESOLVED BY THE CLARK COUNTY PUBLIC TRANSPORTATION BENEFIT AREA AUTHORITY:

That the 2013-2014 Budget be adopted; and

- That the C-TRAN Board of Directors resolves and approves the budget summaries and budget detail as attached and incorporated by reference herein as though fully set forth.
- The operating summary lists \$46,789,925 in 2013 Revenue, \$49,299,143 in 2014 Revenue, \$43,836,593 in 2013 Appropriations before depreciation, and \$45,991,062 in 2014 Appropriations before depreciation, resulting in a net income, before depreciation, of \$2,953,332 in 2013 and a net income, before depreciation of \$3,308,081 in 2014.
- The capital summary lists \$7,895,549 in 2013 Revenue, \$13,142,401 in 2014 Revenue, \$14,793,511 in 2013 Capital Expenditures, and \$19,924,581 in 2014 Capital Expenditures. The capital budget is subject to adjustment based on any previously board approved project using 2012 capital funding, where the project was expected to be completed by December 31, 2012, but where the project must continue into the 2013-2014 biennium.
- The 2013-2014 Budget also establishes a service level of 383,969 service hours in 2013 and 386,569 service hours in 2014.
- The 2013-2014 Budget may be amended from time-to-time to reflect expenditures approved by the Board, and expenditures shall be limited to the amount set forth by the Board for total Operating Expenses and total Capital Expenditures. Grant funded Capital Expenditures shall be incurred consistent with federal regulations.


Exhibit G

ADOPTED at the regular session of the Board of the Clark County Public Transportation Benefit Area Authority, this 11th day of December 2012.


AYES: Marc Boldt, Connie Jo Freeman, Bill Ganley, Bart Hansen, Jim Irish, Tim Leavitt, Tom Mielke, Larry Smith, Steve Stuart

NAYS:

ABSENT:


Larry Smith, Chair

Attest:


Debbie Jermann, Clerk of the Board

